

a world class African city



# **JOHANNESBURG DEVELOPMENT AGENCY (SOC) LIMITED**

Registration no: 2001/005101/07



## **Mid-Year Performance Report 2015/16 July to December 2015**

In terms of section 121 of the  
Municipal Finance Management Act (2003) and section 46 of the Municipal Systems Act (2000)

**Registration number:** 2001/005101/07  
**Parent municipality:** City of Johannesburg Metropolitan Municipality  
**Directors:** C Coovadia (Chairperson)  
K Govender  
E Harvey  
N Maila  
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T Mendrew (Chief Executive Officer)  
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**Website:** [www.jda.org.za](http://www.jda.org.za)  
**Bankers:** Standard Bank of SA Limited  
**Auditors:** The Auditor-General of South Africa  
**Company secretary:** Hasani Rodney Shirinda





### **Vision**

The JDA builds a more welcoming and competitive Johannesburg that is a better city to live, work and play in.

### **Mission**

The JDA's mission is to manage and facilitate area-based developments in efficient and innovative ways to build an equitable, sustainable and resilient city.

**Approval**

<u>Ms Zandile Mafata</u> Name & Surname Chief Financial Officer	 _____ Signature	Date of approval: 29 January 2016
<u>Mr Thanduxolo Mendrew</u> Name & Surname Chief Executive Officer/MD	 _____ Signature	Date of approval: 29 January 2016
<u>Mr Cassim Coovadia</u> Name & Surname Chairperson of the Board	 _____ Signature	Date of approval: 29 January 2016
<u>Cllr Ros Greeff</u> Name & Surname MMC:	 _____ Signature	Date of approval: 29 January 2016

**Confirmation of Receipt:**

_____ Name & Surname Cluster Champion Group Governance	_____ Signature	Date of Receipt:
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# Table of Contents

<b>CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE .....</b>	<b>6</b>
SECTION 1: CORPORATE PROFILE AND OVERVIEW .....	6
SECTION 2: STRATEGIC OBJECTIVES.....	7
SECTION 3: SALIENT FEATURES .....	9
SECTION 4: HIGH-LEVEL ORGANISATIONAL STRUCTURE.....	11
SECTION 5: CHAIRPERSON’S FOREWORD.....	13
SECTION 6: CHIEF EXECUTIVE OFFICER’S REPORT .....	14
SECTION 7: CHIEF FINANCIAL OFFICER’S REPORT.....	16
<b>CHAPTER 2: CORPORATE GOVERNANCE .....</b>	<b>18</b>
SECTION 1: BOARD OF DIRECTORS.....	18
SECTION 4: COMPANY SECRETARIAL FUNCTION .....	23
SECTION 5: RISK MANAGEMENT .....	24
SECTION 6: INTERNAL AUDIT FUNCTION .....	26
SECTION 7: CORPORATE ETHICS AND ORGANISATIONAL INTEGRITY .....	29
SECTION 8: CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT .....	31
SECTION 9: SUSTAINABILITY REPORT.....	31
SECTION 10: ANTICORRUPTION AND FRAUD.....	33
SECTION 10: ICT GOVERNANCE .....	33
SECTION 11: COMPLIANCE WITH LAWS & REGULATIONS.....	36
<b>CHAPTER 3: SERVICE DELIVERY PERFORMANCE .....</b>	<b>38</b>
SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS.....	38
SECTION 2: SERVICE DELIVERY CHALLENGES.....	39
SECTION 3: “GAME CHANGERS” PROGRAMMES .....	40
SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS.....	43
SECTION 5: CAPITAL PROJECTS & EXPENDITURE.....	43
SECTION 6: PERFORMANCE ASSESSMENT.....	44
SECTION 7: SUPPLY CHAIN MANAGEMENT AND BLACK ECONOMIC EMPOWERMENT.....	83
SECTION 8: STATEMENT ON AMOUNTS OWED BY AND TO GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES .....	86
<b>CHAPTER 4: HUMAN RESOURCES &amp; ORGANISATIONAL MANAGEMENT.....</b>	<b>88</b>
SECTION 1: HUMAN RESOURCE MANAGEMENT.....	88
SECTION 2: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES).....	90
SECTION 3: KEY VACANCIES.....	90
SECTION 4: EMPLOYMENT EQUITY.....	91

<i>SECTION 5: SKILLS DEVELOPMENT AND TRAINING</i> .....	93
<i>SECTION 6: PERFORMANCE MANAGEMENT &amp; SUCCESSION PLANNING</i> .....	94
<i>SECTION 7: DISCIPLINARY MATTERS AND OUTCOMES</i> .....	95
<i>SECTION 8: LEAVE &amp; PRODUCTIVITY MANAGEMENT</i> .....	95
<i>SECTION 9: EMPLOYEE WELLNESS</i> .....	96
<i>SECTION 10: EMPLOYEE BENEFITS</i> .....	96
<i>SECTION 11: OCCUPATIONAL HEALTH &amp; SAFETY PROGRAMMES</i> .....	96
<b>CHAPTER 5: FINANCIAL PERFORMANCE</b> .....	<b>98</b>
<i>SECTION 1: STATEMENT OF FINANCIAL POSITION AND HIGH-LEVEL NOTES</i> .....	108
<i>SECTION 2: STATEMENT OF FINANCIAL PERFORMANCE AND HIGH-LEVEL NOTES</i> .....	111
<i>SECTION 3: CASH FLOW STATEMENT</i> .....	113
<i>SECTION 4: RATIO ANALYSIS</i> .....	117
<i>SECTION 5: REPORT ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND DUE PROCESSES</i> .....	118
<i>SECTION 6: PENDING LITIGATIONS AND POSSIBLE LIABILITIES</i> .....	118
<i>SECTION 7: INSURANCE CLAIMS AGAINST/TO MOE/DEPARTMENT</i> .....	121
<b>CHAPTER 6: INTERNAL &amp; EXTERNAL AUDIT FINDINGS</b> .....	<b>122</b>
<i>SECTION 1: RESULTS OF INTERNAL AUDITS</i> .....	122
<i>SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS</i> .....	124
<i>SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS</i> .....	124
<i>SECTION 4: STATE OF INTERNAL CONTROLS</i> .....	124
<b>ANNEXURES</b> .....	<b>125</b>
<i>ANNEXURE 1: ACRONYMS AND ABBREVIATIONS</i> .....	125

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

## **Section 1: Corporate Profile and Overview**

The JDA was established by the City of Johannesburg (CoJ) in April 2001 to initiate, stimulate and support development projects and rejuvenate economic activity throughout Johannesburg. The agency initially focused on applying economic development strategies to regenerate underperforming neighbourhoods, mostly in the inner city. However, this has evolved to focusing on transforming Johannesburg into a resilient, sustainable and liveable city by developing transit nodes and corridors, the Corridors of Freedom, which link defined strategic geographic areas. The city is becoming more efficient, accessible and less reliant on consumption-led economic growth as a result.

### **Outcomes and challenges**

The JDA's evolution into an area-based development agency has prepared it to respond to the objectives of the current mayoral term. Under this model, the JDA takes on a more central role in developing strategic capital works projects and establishing urban management partnerships. Crucially, the model allows the JDA to mobilise development partners and other stakeholders to sustainably achieve the common economic and social objectives defined for each area. However, given the spatial, socioeconomic and political environment in which the JDA operates, there are challenges that affect area-based development and the JDA's ability to facilitate common economic and social objectives, including the unsuitability of sites for intended developments resulting in delays until alternative sites are identified and more extensive negotiations with property owners for alternative sites proving problematic and delays caused by objections to the rezoning of specific sites.

### **Political governance and accountability**

The JDA is accountable to the Department of Development Planning and the Member of the Mayoral Committee for Development Planning, who exercises political oversight and to whom the JDA submits compliance reports in respect of its performance scorecard. The JDA relies on the Department of Development Planning for direction on its contractual obligations contained in the service delivery agreement, and on the Member of the Mayoral Committee for its political mandate and oversight. The Group Governance unit provides corporate governance and related support, including on financial sustainability and compliance reporting and review.

The council's Portfolio Committee on Development Planning provides political oversight of the JDA's activities and functions. The JDA also falls under the Economic Development Mayoral Cluster Committee, which ensures that the work of the other departments and entities mandated with spatial transformation and economic growth of the city is integrated and coordinated. The JDA's

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

## Section 2: Strategic Objectives

The strategic objectives of the JDA, which are aligned with the Joburg 2040 GDS and the economic cluster's plans for sustainable services and economic growth, are to:

- Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.
- Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.
- Turn around declining investment trends in these areas by upgrading public space, generating shared visions for future development, and encouraging urban management partnerships.
- Develop local economic potential in marginalised areas to promote access to jobs and markets.
- Encourage sustainable energy consumption and land use in the city by developing strategic transit nodes and corridors.
- Promote economic empowerment through the structuring and procurement of JDA developments.
- Support productive development partnerships and cooperation between all stakeholders in these areas.

### Transforming the Spatial Economy

The JDA's primary medium-term objective is to promote resilient city strategies by restructuring the urban spatial logic of the city. This restructuring is contingent on achieving the following three development goals:

- **Shifting people closer to jobs:** To give a greater number of poor people access to markets and jobs, the JDA will develop transit nodes in underdeveloped areas to create a spatial environment conducive to the agglomeration of economic activity, higher residential density and more intensive land use. This strategy will be achieved through the JDA's transit-oriented node development programme and the inner-city transformation programme.
- **Shifting jobs closer to people:** The development of selected nodes in marginalised areas to stimulate local economies, increase competitiveness and broaden access to markets and jobs that are nearby is an important strategy towards making the space economy more efficient. This will be achieved through the Priority Areas Development Programme.

- **Linking jobs and people:** The greenways programme will develop high-density movement corridors anchored by transit nodes to restructure the city form, promote efficient land use and improve transport energy consumption.

The JDA will continue to transform the spatial economy in Johannesburg through the implementation of the Corridors of Freedom initiative. Key precinct developments along the corridors are designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes. 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.

### **Focus for the remainder of the mayoral term: The Final Push**

Overall, the JDA has performed well against performance targets over the last decade. However, at the project level, factors pertaining to the design, implementation and handover of the JDA's activities have affected the success and impact of individual projects. The JDA will focus for the remainder of the mayoral term on responding to these factors to improve the performance of individual projects. In particular, the JDA will focus on improving consultation and coordination, including introducing consultations in the planning phase, ensuring governance structures exist by the time a project is implemented, and improving the coordination of the municipal agencies responsible for service delivery within the CoJ.

The JDA's approach towards area-based development covers the following four practices:

#### **Development and Project Packaging:**

- Identifying strategic opportunities to respond to the CoJ's focus area by bringing together all relevant stakeholders and parties to the initiative, and developing an implementation plan.
- Ensure that all projects respond to the Mayoral priority of the city through Jozi@Work.

#### **Development, Project Facilitation and Co-ordination:**

- Working with various stakeholders and parties to ensure that they are undertaking their roles as expected and required.

#### **Overall Development Implementation:**

- In ensuring that the development is implemented as planned, JDA may outsource specific project management functions within a development, while retaining overall accountability as a development manager.

## Sustainable Impact of Developments:

- Analyse, review and quantify private sector investment in various JDA intervention areas, and assess the socio-economic impact of these interventions. This is achieved through, among others, analyses of property market trends and factors that influence investor interest in JDA development areas.

## Section 3: Salient Features

### Performance highlights

- The capex expenditure in the second quarter was R399.4 million against a target of R520 million. This translates to 77% of the quarterly target.
- The overall capex expenditure at mid-year was R533.3 million against a target of R661.2 million. This translates to 81% of the mid-year target and to 30% of the annual budget of R1.76 billion.
- On the management of operating costs, for revenue, the organisation achieved 81% of the second quarter target and 84% of the mid-year target. For operating expenditure the organisation achieved 92% for both the second quarter and the mid-year targets.
- This second quarter report has been prepared against the JDA's 2015/16 business plan and scorecard. On KPI targets, the JDA achieved 68% performance, 2% partially achieved and 30% not achieved.
- In second quarter 2015/16, the major driver of capital expenditure was from Programme 4: Greenways, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and the projects to install pedestrian and cycle paths (non-motorised transport [NMT] infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services. Most of the NMT projects are being implemented by small construction companies, which mean that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.

### Capital Budget Management<sup>1</sup>

Programme	2015/16 Budget	Q2 Target	Q2 Actual	Q2 Actual %	Mid Year Target YTD	Mid Year Actual YTD	Mid Year Actual YTD %	% Actual YTD / Annual budget
	R' 000	R' 000	R'000	%	R' 000	R'000	%	%
Programme 1: Inner City transformation	176,070	85,956	20,393	24%	90,956	24,190	27%	14%

<sup>1</sup> This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

Programme	2015/16 Budget	Q2 Target	Q2 Actual	Q2 Actual %	Mid Year Target YTD	Mid Year Actual YTD	Mid Year Actual YTD %	% Actual YTD / Annual budget
Programme 2: TOD Node developments	278,400	53,440	61,596	115%	71,340	85,933	120%	31%
Programme 3: GMS Priority development	331,500	23,797	21,144	89%	46,457	46,901	101%	14%
Programme 4: Greenways	864,400	336,099	288,476	86%	420,300	355,965	85%	41%
Programme 5: Alexandra Renewal Project	90,800	14,004	2,594	19%	22,924	12,166	53%	13%
Programme 6: Administration and management	15,000	2,700	0	0%	4,700	1,164	25%	8%
Programme 7: Development Facilitation	5,600	4,040	2,978	74%	6,060	4,763	79%	49%
<b>Total</b>	<b>1,761,770</b>	<b>520,036</b>	<b>399,481</b>	<b>77%</b>	<b>661,293</b>	<b>533,382</b>	<b>81%</b>	<b>30%</b>

The overall CAPEX expenditure at mid-year year to date in 2015/16 was R533.3 million against a target of R661.2 million, this year to date expenditure relates to 81% of the year to date (mid-year) target and to 30% of the annual budget of R1.76 billion.

### Operating Budget Management<sup>2</sup>

This measures effective budget control of operating costs (indicated by budget variances). In respect of effective budget control of operating costs, a target of 0% over expenditure has been set.

	2015/16	Quarter 2			Year to date			% Achievement Year to Date against Annual Target
	Original Budget	Target	Actual	%	Target	Actual	%	
Revenue (R'000)	99,016	32,154	25,966	81%	43,716	36,361	84%	36.7%
Costs (R'000)	99,016	27,175	24,769	92%	49,802	45,540	92%	46.0%
Net surplus/(deficit)	-	4,979	1,197		( 6,086)	( 9,179)		

For the mid-year the JDA achieved 84% of the revenue target. This was largely due to only 81% of the targeted capital expenditure being spent. On the expenditure front the JDA achieved 92% of the targeted expenditure. This is mainly due to over-expenditure in some line items notably finance costs as well as under-expenditure in other line times with reasons ranging from delayed procurement

<sup>2</sup> This measures effective budget control of operating costs (indicated by budget variances). In respect of effective budget control of operating costs, a target of 0% over expenditure has been set.

processes and late appointment of service providers as well as some of the key positions which are yet to be filled. These include two Executive Managers positions and two Senior Manager positions.

### Non-financial highlights

- Three of the six vacant positions that were previously advertised have been filled including those to add capacity in the development implementation teams, Budget Manager and that of Chief Audit Executive who began on the 1<sup>st</sup> December 2015.
- The Auditor General completed with the 2014/15 regulatory audit at the end of November 2015 and JDA obtained a Clean Audit for the 2014/15 financial year.
- In the second quarter 2015/16, the overall BBEE share of expenditure (Consolidated Opex and Capex) was R 498,159,551, which constitutes an achievement of 91 per cent.
- In second quarter 2015/16, the SMME share of the JDA's operating and capital expenditure was R 343,809,112 or 36 per cent of the budget, against a target of 30%.
- As an overview of Media Reporting and Coverage, the JDA received news coverage in 51 news reports inclusive of electronic media for the second quarter of 2015/16 with an average of 56% positive or neutral coverage overall for the indicator - positive media reports as a % of the total number of media reports on the JDA in the Johannesburg.

### Section 4: High-level organisational structure

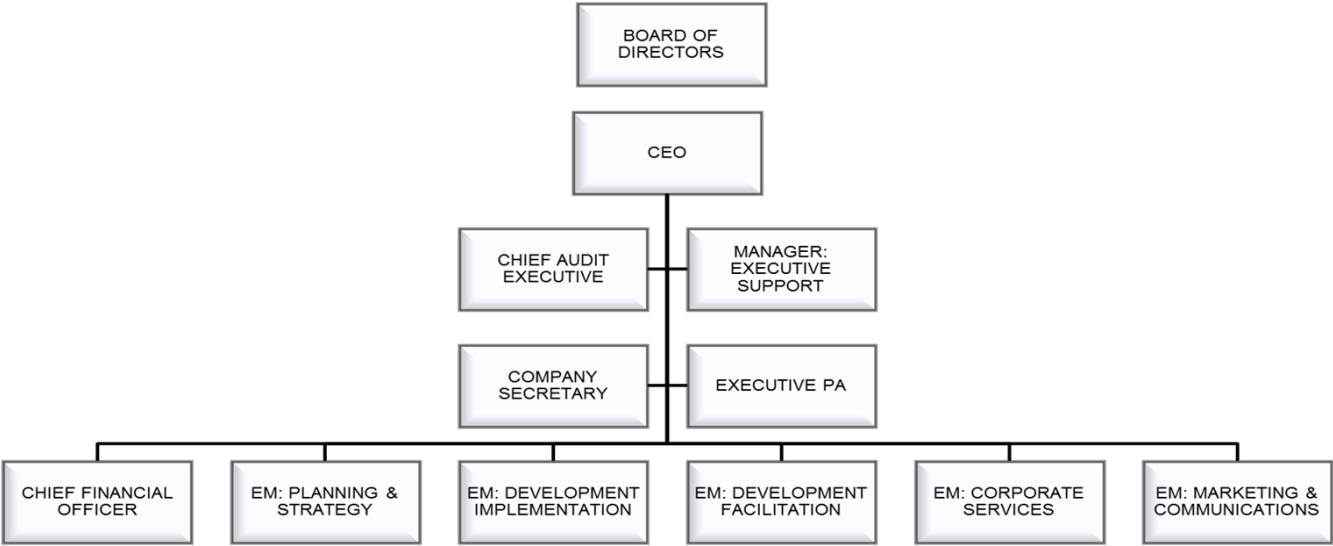
The JDA's operations are structured into five substantive programmes and two operational programmes.

Substantive Programme	Operational Programmes
1 - Inner City Transformation	6 - Administration and Management
2- TOD / Station Precinct Development	7 - Development Facilitation
3 - Priority Area Planning and Implementation	
4 - Greenways	
5 - Alexandra Renewal Project (ARP)	

The operational programmes perform the cross-cutting functions that support the substantive programmes. For more information on the programmes see Chapter 3.

The JDA's structure is a response to the business model, which focuses on the development of strategic capital, works projects as well as development facilitation to optimise the impact of the catalytic public investments, and the establishment of urban management partnerships to ensure the

sustainability of the catalytic public investments. The organisational structure during the reporting period is presented below.



Note: CEO – chief executive officer; EM – executive manager; PA – personal assistant

## **Section 5: Chairperson's Foreword**


The mid-year assessment is an important milestone for the JDA. It is a time to reflect performance to date, but also what lies ahead. The mid-year expenditure is currently at 81 per cent of target but is only at 30 per cent the annual budget which is R1.76 billion. Expenditure remains an important reflection of the organisation's performance, however, we are also mindful to retain a wider view to ensure both a developmental outlook as well as ensuring and nurturing the growth of the organisation.

The JDA Board is focused on ensuring that the JDA remains a sustainable, impactful entity of the City. This requires a focus by the JDA on its revenue from the City, but also other parties with interests in the strategic spatial areas where the JDA operates. For example, the JDA could be more proactive in identifying projects for inclusive development. Secondly, the JDA must also identify upfront, any risks in projects it takes on board. As an example, this would prevent situations where the organisation has engaged with contractors but only to discover that critical planning or land issues have not been resolved.

The Board continues to put emphasis on the JDA's communication, participation and consultation efforts. This can be achieved through improving co-ordination between the JDA and other City entities.

We recognise the hard work done to achieve a Clean Audit Opinion for 2014/15 and we commit to work closely with management to focus on improving capacity requirements and supporting structures, processes and systems in 2015/16 that aim to mitigate challenges and help in achieving the performance expected of the JDA.

As the Board we shall continue to guide and support the organisation to accelerate its implementation of City's transformative programmes such as Jozi@Work and the Corridors of Freedom that add great momentum to the Final Push as articulated by the Executive Mayor.



**Cassim Coovadia**

**Chairperson**

**5 January 2016**

## Section 6: Chief Executive Officer's Report

For the period under review the JDA sharpened its delivery instruments and puts a concerted efforts of the City to deliver on City's 2015-2016 Institutional Service Delivery Budget and Implementation Plan (SDBIP). This encapsulates the priority deliverables that are a culmination of both the City's strategic planning processes and community consultations, of which each City entity has a share of deliverables to contribute. This entails that the need to have consistent messages that are in sync with the City's communication. Increased communication between the City and the JDA needs to be in place in terms of projects currently underway. We are at an advantage in that our projects are visible, this makes the communication to the public even easier to implement. The need to increase our communication is also informed by the context that requires dealing with the public's expectations. Secondly, while the implementation of capital projects is important, the JDA must also respond to the wider challenges, opportunities and local needs of the City of Johannesburg, the approach taken by the JDA remains focused on making a **long-term and sustainable impact** through area-based development.

At the start of the year the concept of the EcoMobility Month seemed a farfetched idea. I am happy to say that the EcoMobility Festival was a success, it has proved that there is a clear need for a safe, affordable and an accessible integrated public transport system, of which JDA is contributing its part by putting in place a transport infrastructural network for the BRT, the first phase of this project, which is the Sandton Loop will be completed in 2016. This entails having in place transport infrastructure that will positively change the behavior of private car commuters as public transport will be more convenient to use.

The falling of the temporary formwork of the Grayston pedestrian bridge came as a shock. Through the Executive Mayor we have conveyed our sincerest condolences to the families that have lost their loved ones and our apologies for those that have been injured and indirectly affected by this incident. As indicated, investigations are under way to determine the reason behind the accident. The Department of Labour (DOL) will commence with a formal inquiry in terms of Section 32 of the Occupational Health and Safety Act in February 2016. The JDA will continue to cooperate with this and all other enquiries to get to the bottom of what caused the unfortunate incident. Moving forward we will have to increase our vigilance in managing the overall safety in our projects, from inception through to completion. Under no circumstances can an accident of this nature happen again under our watch. I would like to thank everyone for rallying together with the JDA in this time of crisis and the City for its leadership in taking charge and ensuring that the welfare of those involved in the accident was prioritized. The DOL has determined that limited construction can continue in those

areas of the site not affected by the collapse and only when the inquiry has been completed will the department determine whether construction can continue in the rest of the site.

In terms of highlights for second quarter of 2015/16:

- The overall capex expenditure at mid-year was R533.3 million against a target of R661.2 million. This year to date expenditure relates to 81% of the mid-year target and to 30% of the annual budget of R1.76 billion
- On the management of operating costs, for revenue, the organisation achieved 81% of the second quarter target and 84% of the mid-year target. For operating expenditure the organisation achieved 92% for both the second quarter and the mid-year targets.
- The major driver of capital expenditure was from Programme 4: Greenways, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and the projects to install pedestrian and cycle paths (non-motorised transport [NMT] infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services. Most of the NMT projects are being implemented by small construction companies, which mean that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.
- The JDA under the guidance of the Board has committed to improve both the format and intent of how it plans to report at a corporate scorecard level at this mid-year period. The focus will be to have a more balanced scorecard but to also ensure that the area-based outcomes reflect the direct linkages between JDA performance, programmes and portfolios.

While we focus very much on our current deliverables, I would like to take a moment to thank all members of staff who played their role in ensuring that for the 2014/15 year the JDA was able to obtain a Clean Audit Opinion from the Auditor-General.



**Thanduxolo Mendrew**  
**Chief Executive Officer**  
**5 January 2016**

## **Section 7: Chief Financial Officer's Report**

The major achievement for the JDA at mid-year for the 2015/16 financial year has been capital expenditure of R533.3 million which translates to 30% of the total budget of R1.761 billion. This is a 10% improvement from the mid-year capex expenditure of the previous financial year when the JDA spent R331.8 million of the total budget of R1.678 billion which translated to 20% of the total budget. The actual capital expenditure spent for the second quarter of 2015/16 did however fall 23% short of the targeted R520 million. This was largely due to delays in the implementation of projects such as the Inner City Commuter Links, Orlando East Precinct as well as time lost in the continued implementation of the Great Walk Bridge.

Revenue of R36.4 million against a budget of R43.7 million was achieved at mid-year. Revenue comprises mainly of management fees earned from capital expenditure as well as operational subsidy. The negative variance of 16% was largely due to only 81% of the capex being spent thereby having an impact on management fees. Furthermore the targeted interest income was not earned due to the organisation's treasury account being in overdraft due to late settlement of capex claims by City of Johannesburg Departments.

Expenditure of R45.5 million against a budget of 49.8 million was achieved. The variance of 8% is mainly due to over-expenditure in some line items notably finance costs as well as under-expenditure in other line items with reasons ranging from delayed procurement processes as well as late appointment of service providers. Employee costs are also below target due to some of the key positions which are yet to be filled. These include two Executive Managers positions and two Senior Manager positions as well as some middle management positions.

Deficit of R9.2 million against a budget of R6.1 million was achieved. The variance of R3.1 million is mainly due to actual management fees being below target as well as over-expenditure in the finance costs line item brought about by the negative treasury balance.

The JDA continues to have a high trade receivables balance due to late settlement of claims by departments on whose behalf the JDA implements capital expenditure. At mid-year the trade receivables balance was R782.9 million. At the same time the treasury account was in overdraft with a negative balance of 548.2 million.

The organisation's total assets exceeded the total liabilities.

The ratios below indicate that the organisation is in a sound position *albeit* a slight decline in some areas as compared to the target as well as the first quarter of the current financial year.

Key Performance Area	Key Performance Target	Actual 30 September 2015	Actual 31 December 2015
Current ratio	Above 1 : 1	1.12:1	0.98:1
Solvency ratio	Above 2 : 1	1.11:1	1.10:1
Remuneration to expenditure ratio	Below 40%	60%	49.05%
Maintenance to expenditure ratio	1%	0.41%	0.23%
Interest to expenditure ratio	Below 30%	16.67%	16.37%
Net cash position	7,462,000	6,158,150	7,462,000
% capital budget spent	38%	7%	30%
Revenue	43,716,000	10,394,512	36,361,000
Expenditure	49,802,000	20,770,469	45,540,000
Surplus/(Deficit)	( 6,086,000)	( 10,375,957)	( 9,179,000)

The Auditor-General completed with the 2014/15 regulatory audit at the end of November 2015 and JDA was able to obtain a Clean Audit Opinion.



**Zandile Mafata**  
**Chief Financial Officer**  
**5 January 2016**

## **CHAPTER 2: CORPORATE GOVERNANCE**

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

### **Section 1: Board of Directors**

JDA has a unitary board, which consist of executives and non-executive directors. The Board is chaired by the non-executive director, Mr Cassim Coovadia. The board meets regularly, at least quarterly, and retains full control over the company. The Board remains accountable to the City of Johannesburg, the sole shareholder and its stakeholders, the citizens of Johannesburg. A Service Delivery Agreement (SDA) concluded in accordance with the provisions of the MSA governs the entity's relationship with the City of Johannesburg. The Board provides Quarterly, Bi-Annually and Annual Reports on its performance and service delivery to the parent municipality as prescribed in the SDA, the MFMA and the MSA.

The JDA Board:

- Provides effective, transparent, accountable and coherent oversight of the JDA's affairs;
- Ensures that the JDA complies with all applicable legislation, the Service Delivery Agreement and the various shareholder policy directives issued by its parent municipality, from time to time;
- Deals with the parent municipality in good faith and communicates openly and promptly on all pertinent matters requiring the attention of its shareholder;
- Determines and develops strategies that set out the purpose, and values in accordance with the shareholder mandate and strategic documents such as the IDP;
- Reviews and approves financial objectives including significant capital allocations and expenditure as determined by the parent municipality; and
- Considers and ensures that the entity's size, diversity and skills make up are efficient to ensure that the entity is able to achieve its strategic objectives.

## Corporate Code of Conduct

The JDA is committed to:

- The highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large;
- Carrying on business through fair commercial and competitive practices;
- Eliminating discrimination and enabling employees to realise their potential through continuous training and development of their skills;
- Being responsible toward environmental and social issues; and
- Ensuring that each of its directors declare any direct or indirect personal or business interest that might adversely affect such director in the proper performance of his/her stewardship of the entity.

## Corporate Code of Conduct

The JDA is committed to:

- The highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large;
- Carrying on business through fair commercial and competitive practices;
- Eliminating discrimination and enabling employees to realise their potential through continuous training and development of their skills;
- Being responsible toward environmental and social issues; and
- Ensuring that each of its directors declare any direct or indirect personal or business interest that might adversely affect such director in the proper performance of his/her stewardship of the entity.

### JDA Board of Directors

Board member	Capacity: Executive/non-executive	Race	Gender	Board committee membership
C Coovadia	Chairperson (Non-executive)	Black	Male	<ul style="list-style-type: none"> <li>▪ Development and Investment</li> </ul>
K Govender	Non-executive	Black	Male	<ul style="list-style-type: none"> <li>▪ Audit and Risk</li> <li>▪ Development and Investment</li> </ul>
E Harvey	Non-executive	Black	Male	<ul style="list-style-type: none"> <li>▪ Human Resources and Remuneration</li> <li>▪ Social and Ethics</li> </ul>
Z Mafata	CFO (Executive)	Black	Female	<ul style="list-style-type: none"> <li>▪ Development and Investment</li> <li>▪ Social and Ethics</li> </ul>
N Maila	Non-executive	Black	Female	<ul style="list-style-type: none"> <li>▪ Audit and Risk</li> <li>▪ Human Resources and Remuneration</li> </ul>
P Mashiane	Non-executive	Black	Female	<ul style="list-style-type: none"> <li>▪ Development and Investment</li> <li>▪ Social and Ethics</li> </ul>
P Masilo	Non-executive	Black	Male	<ul style="list-style-type: none"> <li>▪ Human Resources and Remuneration</li> <li>▪ Social and Ethics</li> </ul>

Board member	Capacity: Executive/non-executive	Race	Gender	Board committee membership
T Mendrew	CEO (Executive)	Black	Male	<ul style="list-style-type: none"> <li>▪ Development and Investment</li> <li>▪ Social and Ethics</li> </ul>
N Selamolela	Non-executive	Black	Female	<ul style="list-style-type: none"> <li>▪ Audit and Risk</li> <li>▪ Human Resources and Remuneration</li> </ul>
W Thwala	Non-executive	Black	Male	<ul style="list-style-type: none"> <li>▪ Development and Investment</li> <li>▪ Social and Ethics</li> </ul>
P Zagaretos	Non-executive	White	Male	<ul style="list-style-type: none"> <li>▪ Development and Investment</li> <li>▪ Social and Ethics</li> </ul>

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. JDA monitors overall performance.

## Section 2: Board Committees

### Board Meeting Attendance

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

#### Board and Board Committee Meetings & Attendance (July - December 2015)

Name	Board				Audit & Risk				Development & Investment				HR & Remco				Social & Ethics			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
C Coovadia	4	2	2	0	N/A	N/A	N/A	N/A	3	2	1	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
E Harvey	4	4	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	3	0	0	2	2	0	0
K Govender	4	4	0	0	4	4	0	0	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
N Selamolela	4	4	0	0	4	4	0	0	N/A	N/A	N/A	N/A	3	3	0	0	N/A	N/A	N/A	N/A
P Masilo	4	4	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	3	0	0	2	2	0	0

Name	Board				Audit & Risk				Development & Investment				HR & Remco				Social & Ethics			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
P Mashiane	4	2	2	0	N/A	N/A	N/A	N/A	3	3	0	0	N/A	N/A	N/A	N/A	2	2	0	0
W Thwala	4	4	0	0	N/A	N/A	N/A	N/A	3	3	0	0	N/A	N/A	N/A	N/A	2	2	0	0
T Mendrew	4	3	1	0	4	3	1	0	3	3	0	0	3	2	1	0	2	1	1	0
Z Mafata	4	3	1	0	4	4	0	0	3	3	0	0	3	2	1	0	2	2	0	0
N Maila	4	4	0	0	4	4	0	0	N/A	N/A	N/A	N/A	3	2	1	0	N/A	N/A	N/A	N/A
P Zagaretos	4	4	0	0	N/A	N/A	N/A	N/A	3	2	1	0	N/A	N/A	N/A	N/A	2	2	0	0
M Dolamo (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	4	3	1	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
B Kelly (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	4	3	1	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Z Samsam (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	4	4	0	0	N/A	N/A	N/A	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
- Social and Ethics Committee
- Human Resources and Remuneration Committee
- Development and Investment Committee

Each committee composition is as follows:

Body	Composition	Mandate and Quarterly Activities
Audit and Risk Committee	<p>The Audit and Risk Committee, which consists of three non-executive directors and three independent members, meets not less than four times a year. Most members of this committee are financially literate. Below is a list of Audit and Risk Committee members:</p> <ul style="list-style-type: none"> <li>• K Govender (Chairperson)</li> <li>• N Selamolela</li> <li>• N Maila</li> <li>• B Kelly (Independent Member)</li> <li>• M Dolamo (Independent Member)</li> <li>• Z Samsam (Independent 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> <ul style="list-style-type: none"> <li>• Reviewing JDA's internal controls, publishing financial reports for statutory compliance and against standards of best practice, and recommending appropriate disclosures to the Board.</li> <li>• Reviewing reports from management, internal and external auditors, to provide reasonable assurance that control procedures are in place and are being followed.</li> <li>• Reviewing the half-yearly and annual financial statements before submission to the Board, focussing particularly on any changes in accounting policies and practices.</li> </ul> <p>During the period under review the Committee dealt with the following issues:</p> <ul style="list-style-type: none"> <li>• Reviewed the Annual Financial Statements</li> <li>• Considered the Integrated Annual Report</li> <li>• Considered the Management Letter.</li> <li>• Reviewed the final Audit Report.</li> <li>• Reviewed the 2015/16 Strategic Risk Register.</li> <li>• Internal audit progress report.</li> <li>• Considered the Risk Management</li> <li>• Reviewed the Declaration of Interest policy</li> </ul>

Body	Composition	Mandate and Quarterly Activities
Development and Investment Committee	<p>Committee members:</p> <ul style="list-style-type: none"> <li>W Thwala (Chairperson)</li> <li>C Coovadia</li> <li>P Mashiane</li> <li>K Govender</li> <li>P Zagaretos</li> <li>T Mendrew</li> <li>Z Mafata</li> </ul>	<p>Meetings are held on a bi-monthly basis or as required by the Chairperson. The Committee is responsible for evaluating development proposals with a view of making recommendations for approval to the Board. This entails examining risks associated with the proposed projects such as the financing, returns and projects risk profiles.</p> <p>During the period under review the Committee considered the following issues:</p> <ul style="list-style-type: none"> <li>The revised contracting strategy for portfolio A</li> <li>Fourth Quarter Performance Report.</li> <li>Development Progress update for all portfolios</li> </ul>
Human Resources and Remuneration Committee	<p>In line with the best practice of corporate governance, the Board maintains a Human Resources &amp; Remuneration Committee (HR &amp; REMCO), comprising 4 (four) non-executive directors and chaired by a non-executive director. It is responsible for directing human resources policies and strategies for the organisation and approving the remuneration for the Chief Executive Officer, senior executives and staff. Below is a list of names of the members of the committee:</p> <ul style="list-style-type: none"> <li>E Harvey (Chairperson)</li> <li>P Masilo</li> <li>N Selamolela</li> <li>N Maila</li> </ul>	<p>The committee meets not less than 4 (four) times a year. The executive directors are excluded from the HR &amp; Remuneration Committee when matters relating to their remuneration are discussed. The committee ensures that the remuneration of the Chief Executive Officer and senior management are within the upper limits as determined by the City of Johannesburg in accordance with the provisions of Section 89(a) of the MFMA.</p> <p>The remuneration of the Chairperson, the non-executive directors and independent audit committee members is determined by the parent municipality.</p> <p>During the period under review the Committee considered the following issues:</p> <ul style="list-style-type: none"> <li>Employee Equity Report.</li> <li>First Quarter Human Resources quarterly report.</li> <li>Employees Climate Survey progress report</li> <li>Job Evaluation Presentation.</li> <li>ARP Close out Report.</li> </ul>
Social and Ethics Committee	<p>The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> <li>P Mashiane (Chairperson)</li> <li>P Masilo</li> <li>E Harvey</li> <li>P Zagaretos</li> <li>D Thwala</li> <li>T Mendrew</li> <li>Z Mafata</li> </ul>	<p>The Social and Ethics Committee is responsible for acting as the social conscience of the business and ensuring that the company conducts itself as a responsible corporate citizen. This means ensuring that the JDA conducts its business in a sustainable manner, having regard for the environment, fostering healthy relationships with all its stakeholders and considering the impact of its work within the community. This committee also considers the treatment of and investment in employees, health and safety practices, black economic empowerment and the ethical corporate culture.</p> <p>During the period under review the Committee considered the following issues:</p> <ul style="list-style-type: none"> <li>Ethics and Fraud report</li> <li>Integrated Occupational Health and Safety report</li> <li>Progress made in the development of SMMEs and impact on Enterprise development programme</li> <li>Progress made in relation to the ARP close out report</li> </ul>

### Section 3: Directors & Prescribed Officers Remuneration

#### Board of Directors and Senior Management Remuneration and Allowances at Mid-term Quarter 2015/16

Name	Designation	Salary/Board Fees	Pension	Settlement	Bonus/Board Retention Fees	Travel allowance	Total
<b>Executive Directors and Senior Management</b>							
T. Mendrew	CEO	851,805					851,805
Z. Mafata	CFO	705,883					705,883
D. Cohen	EM: Strategy & Planning	524,829	25,585				550,414
B. Magoso	EM: Corporate Services	590,128	29,744			20,000	639,872
R. Shirinda	Company Secretary	731,803	23,145				754,948
B. Mbewu	Chief Audit Executive (resigned)	247,271	7,579			20,000	274,850
Z. Tshabalala	Chief Audit Executive (New)	81,621	3,979				85,600

Name	Designation	Salary/Board Fees	Pension	Settlement	Bonus/Board Retention Fees	Travel allowance	Total
C. Botes	EM: Development Facilitation	494,234				15,000	509,234
L. Visagie	Senior Development Manager	595,076	25,698			37,500	658,274
S. Genu	Senior Development Manager	602,745	24,487				627,232
A. Noholoza	Senior Development Manager (Resigned)	480,395	15,256	460,431			956,082
<b>Sub-Total</b>		<b>5,905,790</b>	<b>155,474</b>	<b>460,431</b>	<b>-</b>	<b>92,500</b>	<b>6,614,194</b>
<b>Non-Executive Directors &amp; Independent Audit Committee Members</b>							
C Coovadia	Board Chairperson	54,764					54,764
P Masilo	Board Member	51,350					51,350
P Mashiane	Board Member	46,779					46,779
W Thwala	Board Member	50,204					50,204
E Harvey	Board Member	58,187					58,187
K Govender	Board Member	116,370					116,370
N Maila	Board Member	61,606					61,606
P Zagaretos	Board Member	41,080					41,080
N Selamolela	Board Member	82,146					82,146
B Kelly	Independent Audit and Risk Committee Member	17,112					17,112
M Dolamo	Independent Audit and Risk Committee Member	22,816					22,816
Z Samsam	Independent Audit and Risk Committee Member	28,520					28,520
<b>Sub-Total</b>		<b>630,934</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>630,934</b>
<b>TOTAL</b>		<b>6,536, 724</b>	<b>155,474</b>			<b>92,500</b>	<b>7,245,128</b>

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

## Section 4: Company Secretarial Function

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

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

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

## **Section 5: 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 is responsible for evaluating development proposals and making recommendations to the Board. This entails examining risks associated with proposed projects, such as the financing, risk returns and risk profiles. The committee also recommends risk strategies and policies that need to be set, implemented and monitored. The JDA Board is responsible for identifying, assessing and monitoring the risks presented by the Audit and Risk Committee.

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

The JDA submits its risk management reports to the CoJ'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 CoJ.

### **Risk Management Process**

Risk identification and assessment is an on-going process. The JDA conducts an annual strategic and operational risk assessment workshop. This process is supported by an on-going risk management process at departmental level; all staff are encouraged to take ownership of risk.

The following risk management programmes and activities that were implemented during the second quarter of 2015/2016 financial year are as follows:

- Strategic Risk Register and the monitoring thereof

- Enterprise-Wide Risk Management Training
- Finalised the Insurance Risk Cover for 2015/2016
- Updated the Universal Regulatory Register
- Conducted a Fraud Risk Awareness JDA wide
- Initiated the process of an Ethics Management Programme
- Risk Management Performance Indicators incorporated in Managers' Scorecards

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

### **Strategic Risk Register**

The JDA's risk management strategy is guided by the principles of the enterprise-wide risk management system. The JDA's strategic risk register is treated as a working document. Identified risks are recorded and the management thereof is constantly monitored. Management monitors and evaluates the implementation and efficiency of controls.

Effective risk management is fundamental to the JDA's business activities. The organisation is committed to achieving its strategic goals and increasing shareholder value by facilitating, developing and implementing infrastructure projects on behalf of the CoJ. The JDA seeks to achieve an appropriate balance between risk and reward in the business. It continues to build and enhance the risk management capabilities that assist in achieving its goals in a controlled environment.

The JDA conducts an annual strategic risk assessment workshop to ensure that there is a link between risk management and the business planning processes. A total of 15 strategic risks were identified in 2015/16 that are linked to eight JDA strategic objectives. Of the 15 strategic risks, management identified five critical risks that required urgent attention and close monitoring. These risks are ranked highly in accordance with the residual risks rating and pose significant threat to the business of the JDA. The critical risks identified were:

- Failure to deliver capital projects on time
- Failure to deliver capital projects within budgets
- Inability to deliver the ARP mandate
- Failure to adequately manage stakeholder expectations
- Failure to attract, develop and retain skilled employees.

## **Implementation progress and impact analysis**

The JDA has implemented additional controls for these critical risks which have all been implemented with a few exceptions. Control effectiveness is measured by the JDA's overall performance, compliance with applicable laws and regulations and total budget spent.

At the beginning of 2015/16, the critical risks had a residual risk rating of medium after taking the current controls into account. This meant that management had to further mitigate current controls to further reduce the residual risk rating to an acceptable level. Although significant work has been undertaken to address these risks, more work is needed to address the complexities experienced in Alexandra, Orlando East and Kliptown during the implementation of projects.

The critical challenges identified were as follows:

- Lack of consensus on developmental outcomes
- Unrealistic community expectations and service delivery protests
- Lack of capacity and requisite skills to deliver projects in volatile areas
- Risk management not fully institutionalised within the JDA.

To address these challenges, the JDA will:

- Develop a development facilitation and stakeholder management framework to effectively address how to implement projects with minimal resistance from key stakeholders.
- Undertake a skills audit, develop a training programme on stakeholder engagement and management to capacitate facilitation and development managers, and ensure implementation of training.
- Continue to exercise oversight of all strategic risks identified and ensure that committed actions are being implemented.

## **Section 6: Internal Audit Function**

The Internal Audit Function subscribes to and accepts the mandatory nature of the definition of internal audit as defined by the International Standards for the Professional Practice of Internal Audit ("ISPPPIA") which defines internal audit as "an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

The key objectives of the Internal Audit Function is to assist the JDA in the effective discharge of its responsibilities and to provide strategic support to management that contributes towards the establishment of adequate and effective systems of governance, risk management and internal control processes through providing value adding recommendations to improve the effectiveness and efficiency of the operations of the JDA.

It is within this context that the IAF strives to continuously strengthen and understand its stakeholders, their specific requirements and business drivers so that there is continuous strategic alignment and value add to long term and short term goals. The key activities of the IAF for the second quarter are detailed in the table below.

### 6.1 Progress made against the approved Annual Internal Audit Plan

The scope of the internal audit progress to which this report relates is for the period 01 July to 31 December 2015; it also includes progress on the planned audit projects executed as well as special audit requests (if any) that were undertaken during the reporting period.

The following table reflects progress made against the approved annual internal audit plan:

No.	Planned Audits/ Audit Description	Progress as at 31 December 2015
1.	Annual Integrated Report Review (ARR-2014/15)	Completed
2.	Fourth Quarter Performance Information Review (4 <sup>th</sup> RR-2014/15)	Completed
3.	First Quarter Performance Information Review (1 <sup>ST</sup> RR-2015/16)	Completed*
4.	Review of the Annual Financial Statements (AFSR-2014/15)	Completed
5.	Audit of tender above R10M prior to awarding (1 <sup>st</sup> and 2 <sup>nd</sup> quarter 2015/16 tenders)	Completed*
6.	Performance Bonuses Review (Non-Executive Staff -2014/15)	Completed*
7.	Stakeholder Engagement Audit (StakeHolEng-2015/16)	Completed*
8.	Document Management (DocMgt-2015/16)	Completed*
9.	Compliance Audit (CompAud-2015/16)	Completed*
10.	SAP Implementation Review (SAPImp-2015/16)	In progress – Planning phase

The SAP Implementation Review project experienced delays due to the Auditor General's request that had to be prioritised. The timeframes for this audit have been revised following an amended scope of work. The project is envisaged to be completed by end of March 2016.

The completed projects as per the above table indicate that the internal controls within the JDA are partially adequate and effective. All the areas for improvement identified through the audit efforts were communicated to management through the internal audit reports.

*\*Internal Audit report to be presented to the Audit and Risk Committee in the 3rd quarter meeting.*

## 6.2 Internal Audit Findings 2015/16

The table below provides a list of findings raised by Internal Audit in the reporting period and have been reported to the Audit and Risk Committee. See table above (par 6.2) for a list internal audit projects completed and reported to the Audit and Risk Committee.

No	Report	Audit Finding	Risk Rating	Management's Action Plans	Implementation status as at 31 December 2015 (as per IA verification)
1.	<b>Integrated Annual Report Review for 2014/15</b>	Misalignments between the adjustment scorecard and the Integrated Annual report.	Major	To verify that the adjusted amounts are what is reflected in the adjusted scorecard reflecting the City's budget approvals.	Resolved
		Inconsistency in information reported -During the review we have noted that in chapter 3 ( page 91) of the Integrated Annual report Section 3: highlights and achievements, The SMME share of the JDA's operating and capital expenditure was reported as R 407 234 957 for the period(incorrectly reported as quarter) under review. This constitutes an achievement 30% for the period under review.	Major	The - achievement of 29% for the period under review - is the correct percentage and the error will be corrected.	Resolved
2.	<b>Fourth Quarter Performance Information Review (4<sup>th</sup> RR- 2014/15)</b>	Non-achievement of set targets	Major	Performance throughout the year must be monitored and corrective actions must be taken to ensure that targets are achieved. All variances must be scrutinized to determine reasons for non-achievement. These reasons can then be utilised for target planning going forward.	In progress
		KPI's reported in the Integrated report but not on the adjustment scorecard	Major	To make sure proper monitoring will be done in 2015/16 in ensuring that all projects are well captured in the both documents, i.e. Business Plan and Scorecard.	In progress
3.	<b>Review of the Annual Financial Statements (AFSR-2014/15)</b>	All discrepancies noted on the AFS were immediately corrected by Management prior to the audit by AGSA.			

### 6.3 Follow-up on Previous Audit Findings

- i. On a quarterly basis Internal Audit conducts a follow-up review to verify the implementation status of action plans provided by management on the control weakness identified by Internal Audit.
- ii. As at 31 December 2015, the status on the implementation of action plans to resolve findings raised by Internal Audit was as follows:

Details	Total
Opening Balance of Unresolved Findings - 2015/2016	2
Total number of findings raised in the 2014/15 FY	120
Total number of findings raised – Q1 of 2015/16 FY	4
Total number of findings as at 31 December 2015	126
Less: resolved findings	89 (71%)
Total number resolved findings as at 31 December 2015	37 (29%)

- iii. On an annual basis Internal Audit also conducts a follow-up review and verifies the implementation status of recommendations made on the control weaknesses identified by AGSA.
- iv. For the 2013/14 financial year; 100% findings raised by AGSA were resolved.
- v. A follow-up review on the findings raised by AGSA for 2014/15 financial year will be performed in the 4<sup>th</sup> quarter of the 2015/16 financial year.

### 6.4 Resourcing of the Internal Audit Function and Related Changes

The following staff complement changes took place within Internal Audit in the 2<sup>nd</sup> Quarter of the 2015/16 financial year:

- (a) A new Internal Audit Manager joined the unit on 1 October 2015.
- (b) A new Chief Audit Executive joined the unit on 1 December 2015.

## Section 7: Corporate Ethics and Organisational Integrity

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

The JDA's main objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and

the environment. In its deliberations, decisions and actions, the Board is sensitive to the interests and expectations of the JDA's stakeholders.

## **Code of Conduct**

The JDA's code of conduct, which is fully endorsed by the Board, applies to all directors and employees. The code is consistent with schedule 1 of the Municipal Systems Act and the provisions of the CoJ corporate governance protocol for municipal entities.

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

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

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

## **Declaration of interest**

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

The JDA's employee code of ethics and terms and conditions of employment require all employees to complete declarations of interest covering shareholding in private companies, membership of close

corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the JDA, gifts and hospitality, and the status of their municipal accounts.

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

## **Section 8: Corporate Social Responsibility (CSR) Report**

The JDA has planned three CSR projects for this financial year. A budget of R360 000 is allocated to CSR programs. The CSR program will be implemented in Alexandra and Diepsloot areas. In this quarter the two CSR projects were presented at Region A and E through Jozi@Work programmes. The first work package consists of maintaining and monitoring of an Alarm system for a year to be implemented at Reshomile Primary School in Diepsloot. The second work package consists of the completion of painting of the 36 classrooms, ceilings and doors to take place at Realogile Secondary School in Alexandra, through the following Jozi@work process:

- The Work package presentations to region A and E were completed in October 2015
- The scoring of both Work packages was also completed in November 2015.

## **Section 9: 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 the second quarter of 2015/16, the JDA continued working closely with the Department of Development Planning to communicate the strategic vision for the Corridors of Freedom and the

CoJ's spatial transformation objectives. The JDA also participated in stakeholder engagement regarding spatial transformation and urban planning and development good practices.

### **Environmental Impact**

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

- The design of more permeable ground surfaces and soakaways or swales to reduce the stormwater 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.
- 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.
- Environmental health regulations for informal trading where the JDA upgrades trading and 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 stormwater facilities and public transport infrastructure and facilities.

Four major outcomes define the Joburg 2040 GDS. Outcome 2 highlights the need to “provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy”. 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. Two of the JDA programmes, transit-oriented node development and greenways, are a direct response to Outcome 2.

#### **JDA programmes that respond to Outcome 2**

<b>Programme</b>	<b>Outline</b>
<b>Transit-oriented node development</b>	The transit-oriented node development programme encourages optimal development of transit hubs and corridors across the city, which provides access to affordable accommodation and transport, high-quality public spaces and amenities, and good community services.
<b>Greenways</b>	The greenways programme focuses on providing resilient, liveable and sustainable environments within the CoJ by using roads and transport modes to promote walking, cycling and sustainable public transport. This programme includes the continued roll-out of the Rea Vaya BRT infrastructure and service.

Within the greenways programme, for example, the Rea Vaya BRT service has the potential to reduce the city's transport energy use and the associated carbon emissions in the medium term. The service is currently being used by up to 31 000 people per day, and there is potential to increase the numbers. In 2015/16, the JDA has continued with a significant investment in NMT infrastructure, including a network of cycle lanes and pathways that will encourage the use of public transport by connecting station precincts with the NMT network.

## **Section 10: Anticorruption and Fraud**

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

Employees are regularly briefed and trained on fraud prevention, and the induction process for new employees is being revised to include information regarding fraud prevention. Strict payment management processes are in place and the Bid Evaluation Committee independently verifies whether preferred service providers can complete the work.

The fraud risk register was approved by the Audit and Risk Committee on 28 May 2015 and the tracking and monitoring of the register started in 2015/16. The strategic risk register identifies "fraudulent and corrupt activities" as a strategic risk with a high inherent risk rating and medium residual risk rating of nine. Two other strategic risks on the strategic risk register also identify fraud and/or corruption as a root because that can potentially give rise to strategic risks. The strategic risk register sets out specific future actions to mitigate these risks, including conducting regular fraud risk assessments and creating fraud risk awareness.

There are two fraud and corruption cases reported in 2014/2015 that are in the final stage of reporting. There is no fraud and corruption incidents reported for Quarter 2, 2015/16. The JDA plans to improve internal controls and standardise the disclosure and reporting protocols.

## **Section 10: ICT Governance**

The JDA's IT infrastructure and systems are compliant with relevant regulations, including the MFMA and the Protection of Personal Information Act (2013). The JDA continues to leverage ICT enterprise architecture, including externally provided ICT services to enable a nimble, reliable and efficient response to JDA's ICT strategic direction and objectives. The JDA therefore continues to apply the

Control objectives for Information and related Technology (COBIT ) and King III to ensure that sound ICT governance is adopted at all times at the JDA.

IT management continues to ensure SLAs are properly managed and that the JDA gets value from the contracted services by engaging with the IT service providers monthly to monitor and manage their performance to ensure high quality and standards.

### **IT Control Environment**

IT management continues to work very closely with both internal and external assurance providers to ensure that the IT environment is controlled by tight process, people and system controls.

### **SAP**

The JDA is in the process of implementing SAP. The motivation for the change to a SAP platform is because of the delivery mandate that the JDA has to undertake in managing much larger projects than it used to. It is therefore critical that there be a solid backbone of a more effective and efficient project management system that can report more. This system must translate and manage all processes in relation to all development projects, as well as demonstrate value addition and value growth in terms of stakeholder investment through creation of knowledge management pools that can be mined and used to the JDA's benefit. Additionally SAP will bring the aspect of centralization of all application system platforms, thus enabling management to have a 360 degree view of the progress of developments, as well as all the support units that buttress them from Finance, IT, HR, Marketing, Development Facilitation, Stakeholder Management to mention only a few.

Management made a conscious decision to adopt a phased implementation approach, whereby the implementation would be as follows: (by order of priority)

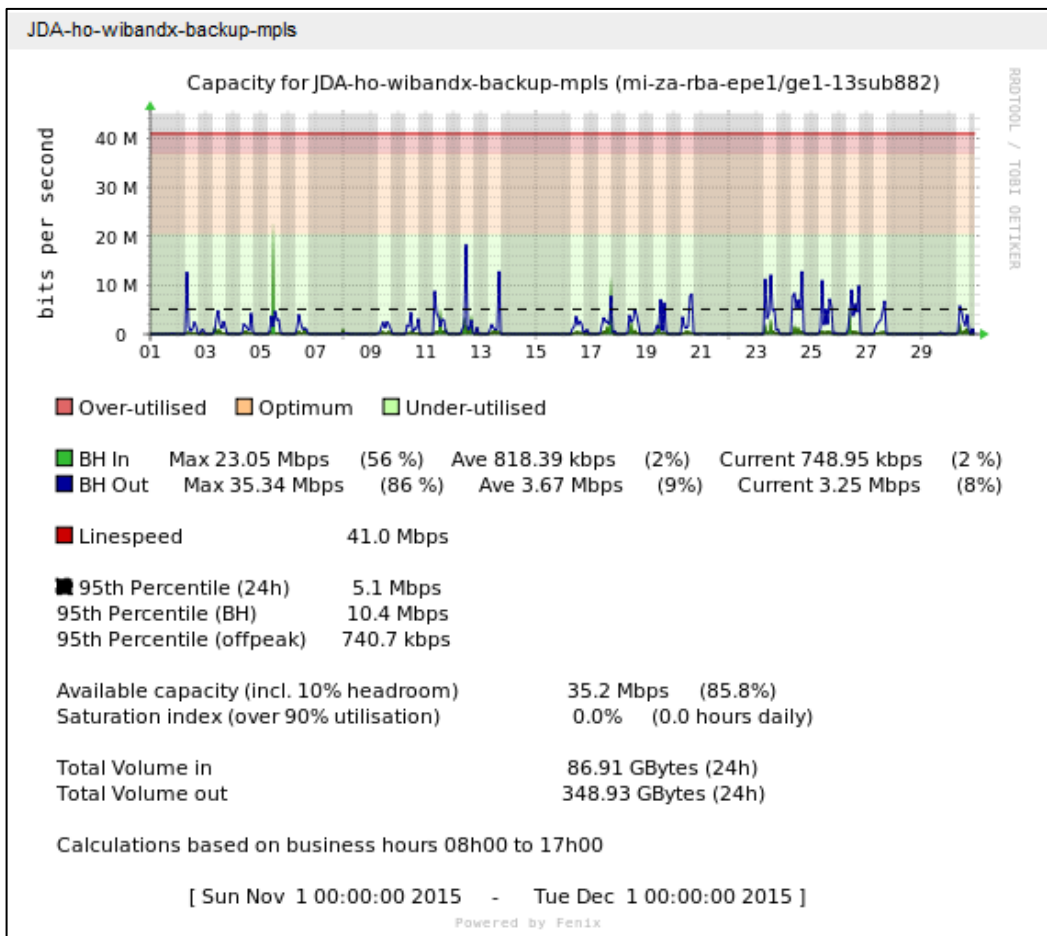
- Phase 1 – Project Management Module
- Phase 2 - SCM, HR, Finance Modules
- Phase 3 – Marketing, Facilitation, Risk Management

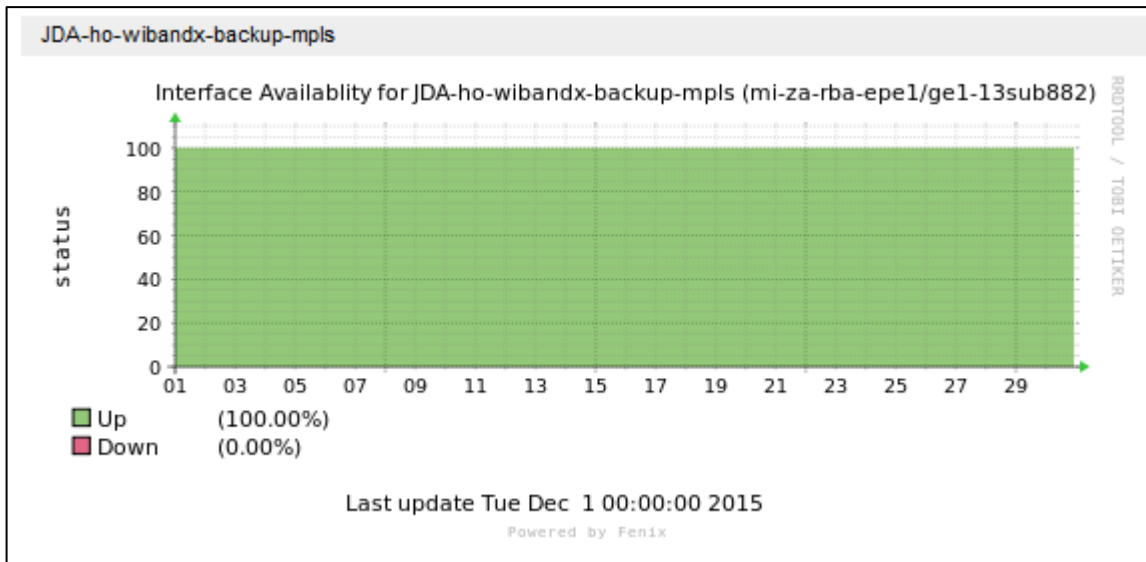
This approach ensures that there is focus in one area, and allows for easy management of risks as the risks will be defined over one area as opposed to the whole organization. It is also cost saving as it cuts out on replication of processes already implemented in other phases. To date a full Blueprint has been developed and other activities are in progress towards meeting the anticipated deadlines.

## Network Utilisation and availability

In this quarter, the JDA concluded the final leg of boosting its network. There was 100% uptime against a target of 99.9%. An increase in the line speed from 10 Mbps to 40 Mbps saw a significant improvement in the performance of the line with an increase of capacity by about 4 times compared to the original capacity. A saturation index of 0% indicates that there is no over utilization or a potential of it at the current capacity. This initiative of upgrading the network is meant to address future growth requirements of the JDA in terms of faster access to knowledge sharing platforms that assist in improving service delivery among other benefits.

Tables: Network Utilisation





### Smart Cities – ICT initiative

The JDA continues to recognise and embrace the City's Smart Cities initiative. The approach has been to lay the foundation through prioritization of the implementation of the SAP component that directly addresses the implementation of infrastructure projects (SAP PPM).

To ensure proper management and mitigation of risks associated with such implementations, the JDA has appointed an assurance provider to provide assurance on the data migration from the current platform to SAP PPM. This will ensure among other benefits that there is data integrity checks and balances, from both a quality and quantity perspective.

A change consultant was appointed to also ensure that the JDA is properly guided throughout the implementation process from both a process and human management perspective.

## Section 11: Compliance with Laws & Regulations

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

Due to the increasing number of regulations and need for operational transparency, JDA has adopted the use of consolidated and harmonized sets of compliance controls which will be achieved through the successful implementation of the compliance management programme. This approach ensures

that all necessary governance requirements can be met without the unnecessary duplication of effort and activity from resources.

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

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

JDA had planned to execute the following compliance management activities in the second quarter of 2015/2016:

- Develop a Compliance Management Framework
- Acquisition of an Automated Compliance Management Software

The three cited activities above are still in progress but at an advance level of completion. In terms of what still needs to be done is the review, approval and training and awareness of the above activities, which will be finalized in the third quarter of 2015/2016.

In relation to compliance performance, the JDA has not detected nor registered any forms of non-compliance with applicable legislation, nor incurred any fruitless, irregular and unauthorized transactions for the 2<sup>nd</sup> quarter of 2015/2016. It is also imperative to note that management's accountability for compliance is reinforced by Internal Audit, audit on compliance to laws and regulations are standard audit procedure on all audit engagements.

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### Section 1: Highlights and Achievements

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

JDA Programme	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
		Count	%	Count	%	Count	%
Programme 1: Inner City Transformation	13	7	54%	-	0	6	46%
Programme 2: TOD / Station Precinct Development	23	16	70%	-	0	7	30%
Programme 3: Priority Area Planning and Implementation	30	22	73%	-	0	8	27%
Programme 4: Greenways	25	20	80%	1	4%	4	16%
Programme 5: Alexandra Renewal Project (ARP)	16	8	50%	-	0	8	50%
Programme 6: Administration and Management	14	11	79%	1	7%	2	14%
Programme 7: Development Facilitation	3	1	33%	-	0	2	67%
	124	85	68%	2	2%	37	30%

On KPI targets, the JDA achieved 68% performance, 2% partially achieved and 30% not achieved. Delays in the key inner city projects has hampered performance Programme 1: Inner City Transformation. However in quarter 3, with finalization of the agreement regarding the Post Office land, the Kazerne development is expected to now accelerate, alternative solutions are in their final stages for the Jack Mincer taxi rank, as well as the ability to begin construction. While performance against KPI's is currently at 50% for Programme 5: Alexandra Renewal Project (ARP), the concept and detailed designs are now finalised and the JDA will be able to begin construction in quarter 3. Progress is above 70% for Programme 2: TOD / Station Precinct Development and in Programme 3: Priority Area Planning and Implementation, and at 80% for Programme 4: Greenways, where specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and the projects to install pedestrian and cycle paths (non-motorised transport [NMT] infrastructure) along

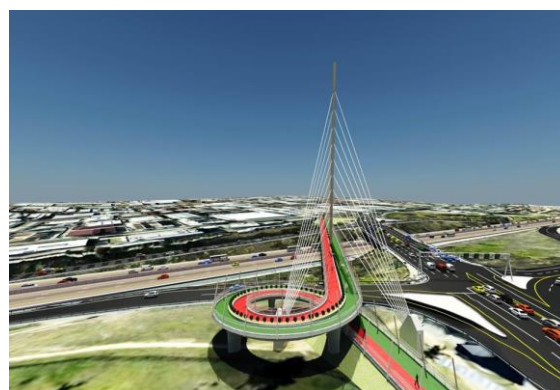
the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services.

As an overview of Media Reporting and Coverage, the JDA received news coverage in 51 news reports inclusive of electronic media for the second quarter of 2015/16 with an average of 56% positive and neutral coverage overall for the indicator - positive media reports as a % of the total number of media reports on the JDA in the Johannesburg.

Period	Q2						Ave
Programme	1	2	3	4	5	6	
# total stories	4	0	2	43	0	2	51
# negative stories	0	0	1	7	0	0	8
# neutral stories	2	0	0	31	0	1	34
# positive stories	2	0	1	5	0	1	9
% negative stories	0%	0%	50%	16%	0%	0%	44%
% positive or neutral	100%	0%	50%	84%	0%	100%	56%

## Section 2: Service Delivery Challenges

Given the spatial, socioeconomic and political environment in which the JDA operates, there are often challenges that affect area-based development and the JDA's ability to facilitate common economic and social objectives. Of relevance in Quarter 2 was the collapse of scaffolding of a pedestrian bridge under construction in Sandton. While there are currently investigation underway on the matter, the JDA is hoping permission will be granted for the bridge construction to continue.



Further, the JDA is continuously challenged by community protest affecting its implementation of projects. The community demands range from allegations of poor consultations by the JDA prior to approval of interventions to protests around appointment of local SMMEs and provisions of jobs to

locals. In the period under review, a number of JDA projects have been delayed as a result of community issues.

The first project is the Orlando East Transit Oriented Development due to dissatisfied members of community organized under the body called Orlando Task Team. Negotiations facilitated by an independent conciliator have been undertaken and there is hope that an agreement will be reached soon and construction will commence in the beginning of 2016.

The second project is the development of the Jack Mincer Taxi Rank. This project has been delayed due to lack of space to accommodate taxis and serve as a temporary taxi ranking facility during the 24 month construction programme of the Jack Mincer Facility. The JDA is continuing with identification of suitable land for a temporary facility.

The third project is Kazerne Intermodal Transport facility. This project has been delayed due to lack of agreement with the South African Post Office (SAPO) for their portion of the land for this facility. In December 2015 an agreement was reached with SAPO and construction will commence during the 3<sup>rd</sup> quarter of the financial year.

### Section 3: “Game Changers” Programmes

A summary of the JDA’s “game changer” programmes in response to the GDS 2040 and CoJ mayoral priorities in 2015/16 are outlined programmes below:

Game Changer	2015/16 Activities	Highlights Q2
Corridors of Freedom - See images below.	<p>JDA continues to deliver on the objective of transforming the space economy in Johannesburg through the implementation of the Corridors of Freedom by;</p> <ul style="list-style-type: none"> <li>Investing in the public transit and mobility infrastructure, to promote walking, cycling, and sustainable public transport, along the corridor routes (JDA Programme 4).</li> <li>The transit-oriented node development programme encourages optimal development of transit hubs and corridors across the city, which provides access to affordable accommodation and transport, high-quality public spaces and amenities, and good community services.</li> <li>Developing station precincts (JDA Programme 2);</li> <li>Investing time and resources on development facilitation necessary in the corridors in order to catalyse development</li> </ul>	<p>In the second quarter 2015/16 major driver of capital expenditure was from Programme 4: Greenways, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and the projects to install pedestrian and cycle paths (non-motorised transport [NMT] infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services.</p> <p>Most of the NMT projects are being implemented by small construction companies, which mean that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.</p>
Priority	The work of the JDA in priority development area is	The JDA continues with strategic inner-city

Game Changer	2015/16 Activities	Highlights Q2
Development Areas	<p>covered by three programmes:</p> <ul style="list-style-type: none"> <li>• <u>The inner-city transformation programme</u> (JDA Programme 1) within this programme there are elements of transit-oriented node and corridor development. Precinct developments will be designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes.</li> </ul>	<p>upgrading focus for the JDA in support of the inner-city road map implementation.</p>
	<ul style="list-style-type: none"> <li>• A <u>programme on priority area planning and implementation</u> (JDA Programme 2) shifts the design of the city – including elements like streets, buildings and spaces of work and play – to catalyse economic activity, improve liveability and create sustainable human settlements.</li> </ul>	<p>Guided by the urban development frameworks prepared in partnership with the Department of Development Planning, the JDA implements multi-year township development projects that include the creation of high streets and activity nodes, and the construction and upgrade of strategic amenities such as transit facilities (including taxi ranks), trading infrastructure, libraries, recreation centres, multipurpose centres, public open spaces and green spaces</p>
	<ul style="list-style-type: none"> <li>• The <u>Alexandra Renewal Project</u> (ARP) forms a focus area of the JDA (JDA Programme 5) which is established to coordinate intergovernmental activities to develop Alex.</li> </ul>	<p>Most of the work involves planning for human settlement development projects such as hostel upgrading, housing development and the construction of community facilities.</p>
Jozi@Work	<p>The JDA continues to create jobs and economic development opportunities for small businesses through its construction programme. In line with the Jozi@Work developmental service delivery model outlined by the Executive Mayor in the 2014 State of the City Address, the agency implemented a portfolio-wide enterprise development programme in 2015/16. The programme has a new approach to contracting in selected developments, with a managing contractor responsible for subcontracting local SMME construction companies, and ensuring skills transfer within a construction contract period. The Jozi@Work approach requires the JDA to set new targets for capital and operating expenditure (contracted services and repairs and maintenance) through SMMEs.</p>	<p>The agency will continue to implement the enterprise development programme in compliance with the Jozi@Work programme, along with a number of Jozi@Work packages in 2015/16.</p> <p>Through its construction work, JDA will seek to optimise the number of local construction jobs created. In addition to the normal JDA practice of reserving a percentage of the value of all construction contracts for local SMMEs, projects will also be packaged to create opportunities for local SMMEs in line with the Jozi@Work principles.</p>
Communication & Development	<p>The JDA's continues to engages communities in all its development areas, to this end we will continue to:</p> <ul style="list-style-type: none"> <li>• Enable the City to keep stakeholders informed, making sure there is accurate understanding of the impact of City developments in their area.</li> <li>• Ensuring that stakeholders are actively engaged from the very inception of the project concept and play a meaningful role in shaping the development outcomes and future custodianship of the development</li> <li>• The introduction of Development Facilitation capacity within the JDA will allow us to actively drive investment promotion and property development deals.</li> </ul>	<p>Reflecting the priority focus the JDA places on communication and development, the performance of the JDA's Development Facilitation Department in quarter two in 2015/16 includes:</p> <ul style="list-style-type: none"> <li>• Establishing area based Technical Steering Committees in order to ensure better co-ordination between departments and entities to improve the nature of delivery as well timelines, so as to maintain the integrity of JDA projects.</li> <li>• Improve CoJ - JDA Coordination and relations through the CoJ Regional</li> </ul>

Game Changer	2015/16 Activities	Highlights Q2
		<p>Directors Forums</p> <ul style="list-style-type: none"> <li>To develop a pipeline of property development partnerships with the private sector and other property role-players in the city. The purpose of this is geared towards encouraging private sector investment in line with public sector visions and priorities, specifically in the Inner City, the Corridors of Freedom, and Soweto.</li> <li>To assist the Development Teams to unblock development blockages for development implementation on JDA projects during the development implementation process.</li> <li>To find creative and innovative ways to deal with the maintenance and sustainability of JDA projects over time post the hand-over phase to client department. In order to ensure ongoing development and urban management.</li> </ul>

### Louis Botha Corridor of Freedom



Patterson Park Rec Centre



Orchard's Clinic

### Empire Perth Corridor of Freedom



Westbury NMT



Alexandra NMT



Rotunda Upgrading

### Soweto Corridor of Freedom



Jabulani Precinct



Kiptown Precinct



Turffontein Corridor of Freedom



## Section 4: Performance against Service Standards

Section Not Applicable to JDA




## Section 5: Capital Projects & Expenditure

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

### Capital Budget Management<sup>3</sup>








Programme	2015/16 Budget	Q2 Target	Q2 Actual	Q2 Actual %	Mid Year Target YTD	Mid Year Actual YTD	Mid Year Actual YTD %	% Actual YTD / Annual budget
	R' 000	R' 000	R'000	%	R' 000	R'000	%	%
Programme 1: Inner City transformation	176,070	85,956	20,393	24%	90,956	24,190	27%	14%
Programme 2: TOD Node developments	278,400	53,440	61,596	115%	71,340	85,933	120%	31%
Programme 3: GMS Priority development	331,500	23,797	21,144	89%	46,457	46,901	101%	14%
Programme 4: Greenways	864,400	336,099	288,476	86%	420,300	355,965	85%	41%
Programme 5: Alexandra Renewal Project	90,800	14,004	2,594	19%	22,924	12,166	53%	13%
Programme 6: Administration and management	15,000	2,700	0	0%	4,700	1,164	25%	8%
Programme 7: Development Facilitation	5,600	4,040	2,978	74%	6,060	4,763	79%	49%
<b>Total</b>	<b>1,761,770</b>	<b>520,036</b>	<b>399,481</b>	<b>77%</b>	<b>661,293</b>	<b>533,382</b>	<b>81%</b>	<b>30%</b>

For each programme, the KPIs are illustrated as follows:

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

<sup>3</sup> This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

## Capital Expenditure Performance against Budget:

KPI: Percentage of capital budget spent	Q2 Only Expenditure Target	Q2 Only Actual	End of Q2 YTD Expenditure Target (against annual target)	End of Q2 YTD Actual	End of Q2 YTD Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Programme 1: Inner City Transformation	38%	24%	40%	27%	73%		Target not achieved
Programme 2: TOD / Station Precinct Development	20%	115%	26%	120%	+20%		Target achieved and exceeded
Programme 3: Priority Area Planning and Implementation	8%	89%	14%	101%	+1%		Target achieved and exceeded
Programme 4: Greenways	38%	86%	40%	85%	15%		Target partially achieved
Programme 5: Alexandra Renewal Project (ARP)	18%	19%	20%	53%	47%		Target not achieved
Programme 6: Administration and Management	18%	0%	30%	25%	75%		Target not achieved
Programme 7: Development Facilitation	0%	0%	0%	100%	0%		Target achieved and exceeded

To note, that the JDA also receives additional capital projects to implement from the CoJ during the financial year, including after the mid-year budget review and these will be reported as additional projects.

## Section 6: Performance Assessment

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 CoJ, aim to improve the JDA's performance and efficiency, and achieve longer-term goals for specific developments, such as area-based revitalisation. Performance per programme and per KPA are summarised in the table below:

JDA Programme	Break down by KPA	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
			Count	%	Count	%	Count	%
Programme 1: Inner City Transformation		13	7	54%	-	-	6	46%
	Capital expenditure for Programme 1	1					1	100%
	Development Progress per Project	6	4	67%			2	33

JDA Programme	Break down by KPA	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
			Count	%	Count	%	Count	%
		(7 <sup>4</sup> )						
	Economic Empowerment	4	1	25%			3	75%
	Productive Development Partnerships	2	2	100%				
<b>Programme 2: TOD / Station Precinct Development</b>		<b>23</b>	<b>16</b>	<b>70%</b>			<b>7</b>	<b>30%</b>
	Capital expenditure for Programme 1	1	1	100%				
	Development Progress per Project	16 (21 <sup>5</sup> )	13	81%			3	19%
	Economic Empowerment	4	1	25%			3	75%
	Productive Development Partnerships	2	1	50%			1	50%
<b>Programme 3: Priority Area Planning and Implementation</b>		<b>30</b>	<b>22</b>	<b>73%</b>			<b>8</b>	<b>27%</b>
	Capital expenditure for Programme 1	1	1	100%				
	Development Progress per Project	23 (25 <sup>6</sup> )	18	78%			5	22%
	Economic Empowerment	4	2	50%			2	50%
	Productive Development Partnerships	2	1	50%			1	50%
<b>Programme 4: Greenways</b>		<b>25</b>	<b>20</b>	<b>80%</b>	<b>1</b>	<b>4%</b>	<b>4</b>	<b>16%</b>
	Capital expenditure for Programme 1	1			1	100%		
	Development Progress per Project	18 (27 <sup>7</sup> )	18	100%				
	Economic Empowerment	4	1	25%			3	75%

<sup>4</sup> Of the original 6, 1 additional projects

<sup>5</sup> Of the original 22, 4 projects will only have budget in 2017/18, 1 has no MTEF budget, and 2 projects were combined into one. These are not included in the count.

<sup>6</sup> Two projects will only have budget from 2016/17 and are not included in the count.

<sup>7</sup> From the original number, 4 projects are on hold due to budget or related reasons, 3 projects were completed prior to the new FY, 1 project was consolidated under another, and 1 project was split into subprojects which will be reported on post mid-year adjustment.

JDA Programme	Break down by KPA	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
			Count	%	Count	%	Count	%
	Productive Development Partnerships	2	1	50%			1	50%
<b>Programme 5: Alexandra Renewal Project (ARP)</b>		<b>16</b>	<b>8</b>	<b>50%</b>			<b>8</b>	<b>50%</b>
	Capital expenditure for Programme 1	1					1	100%
	Development Progress per Project	9 (12 <sup>8</sup> )	5	56%			4	44%
	Economic Empowerment	4	2	50%			2	50%
	Productive Development Partnerships	2	1	50%			1	50%
<b>Programme 6: Administration and Management</b>		<b>14</b>	<b>11</b>	<b>79%</b>	<b>1</b>	<b>7%</b>	<b>2</b>	<b>14%</b>
	Human Resources	7	6	86%	1	14%		
	Financial management and corporate governance	3	3	100%				
	Economic Development	3	2	67%			1	33%
	Operating expenditure	1					1	100%
<b>Programme 7: Development Facilitation</b>		<b>3</b>	<b>2</b>	<b>67%</b>			<b>1</b>	<b>33%</b>
	Capital expenditure on projects for Programme 7	1	1	100%				
	Development Progress per Project	2					2	100%
	Economic Empowerment (not applicable)	N/A						

Key indicators, such as jobs created and capital expenditure to date, are measured and verified by independent quantity surveyors or project managers for each of the JDA's developments. With regard




<sup>8</sup> 3 projects will only be funded in 2016/17 and are not included in the count.

to job opportunities created through the Expanded Public Works Programme (EPWP), the CoJ's Economic Development Department independently verifies the JDA's reported job numbers on a monthly basis.

The KPIs set for each JDA substantive programme were:

- Capital expenditure against budget.
- Development progress against target.
- Economic empowerment measures, including the number of short-term job opportunities created, BBBEE spend commitment as a percentage of total procurement (capital expenditure), and SMME spend commitment as a percentage of total spend (capital expenditure).
- Productive development partnership measures, including positive media reports and number of tours or stakeholder events.

For each programme, the KPIs are illustrated as follows:

	<i>Target achieved (95–100% rating)</i>
	<i>Target partially achieved (80–94% rating)</i>
	<i>Target not achieved (&lt;79% rating)</i>

Operating expenditure is not reported per programme, but general commentary on operating expenditure against target for the JDA as a whole is provided in the financial review.

## **Programme 1: Inner-city Transformation**

**Programme purpose:** Manage the development of Johannesburg's inner city through capital investment in selected areas by overseeing integrated investment by other departments and entities, and by facilitating partnership initiatives.

Guided by the CoJ's inner-city transformation roadmap, the JDA focuses on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the CoJ; financial services networks for the city region; and cross-border trade networks for the African continent. The programme will be implemented in phases aimed at strengthening inner-city precincts, addressing movement challenges, and improving the quality of the built environment across the inner city. The programme includes elements of transit-oriented node and corridor development. Precinct developments are designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes.

The transit precincts that are being developed in the inner city are the Park Station precinct and the Westgate Station precinct. Beyond these nodes, other precinct and corridor projects that are intended to improve the productivity, inclusivity and liveability of the inner city as a safe, clean and sustainable

neighbourhood that serves its growing population include the Hillbrow Tower precinct, Inner-city core public environment upgrade, Eastern Gateway precinct, Intelligent operations centre, Johannesburg Art Gallery and Kazerne property development.

## **Progress on projects**

### ***a). Park Station Precinct: Inner City Commuter Links/ Jack Mincer Taxi Facility Extension***

This project is halfway through a six-year budget allocation. In 2015/16 the extension of the Jack Mincer (Noord Street) taxi facility is being prioritized. The technical nature of this construction will require a two-year construction programme that involves careful management of the phasing in order to minimize the relocation and disruption of taxi operations. In addition, the consultation and design process will begin for the first phase of railway line decking to create a new public square as a reception space in front of the Joburg Art Gallery. The deck design and construction will require consultation with the Passenger Rail Agency of South Africa, design approval from the Johannesburg Property Company and the Johannesburg Roads Agency, and a detailed engineering design and costing analysis. An indicative budget of R90 million has been allocated for the deck construction, but this will have to be adjusted once the designs are finalised and approved.

It is envisaged that part of the deliverables for Phase 5 & 6 in 2015/16 will be to complete the upgrade of the markets project along Noord Street between Twist and Klein Streets, Jack Mincer taxi facility (Noord Street taxi rank).

### ***b). Hillbrow Tower precinct***

Hillbrow is a famous neighbourhood in the inner city of Johannesburg. The precinct is defined by the walking radius of approximately 1km around the Hillbrow Tower and transects the Hillbrow and Berea areas which are roughly bounded by Clarendon and Willie Streets in the north, Joe Slovo Drive in the east, Smit Street in the south and Hospital Street in the west. In 2015/16 Phase 2 of the project will focus on the public environment upgrade of Goldreich and Nugget Streets in Hillbrow. As a key part of the development facilitation work in this area, the JDA has engaged Telkom in a property development to establish an enterprise hub at the base of the Hillbrow Tower; and to create economic development opportunities for the creative industries in Hillbrow. In addition, Telkom has agreed to open the Tower as a tourist attraction, enabling visitors to travel to the top of the tower for breath-taking views of the City. The launch of this event is due to take place in June 2016/17.

### ***c). Inner City Core Public Environment Upgrade***

Against the backdrop of the inner-city urban design implementation plan, the CoJ prioritised the inner-city core for public environment upgrading in years three and four of the Charter implementation

period. The project seeks to improve continuity and connectivity for pedestrians towards and between places of work, public transport and other facilities. It will also strive to improve access to spaces for recreational and social purposes. The project area is defined as De Villiers Street in the North, Commissioner Street in the South, Sauer Street in the West, and End Street in the East. In 2015/16 the project will focus on the public environment upgrade of Wolmarans and Plein Streets between Eloff and Klein Streets.

#### **d). Kazerne Property Development**

A new integrated transport facility with good access to Park Station will improve the quality of life of commuters, streamline the flow of traffic and strengthen the commuting connections with the rail service. The underdeveloped Kazerne taxi facility provides an opportunity for such a facility. This site is of strategic importance as it is close to Park Station and the proposed project to deck the railway line and connect Braamfontein with the inner city. There is thus an opportunity to increase the scale of this development and optimise the land use by including other land uses such as retail, hotel and residential. Designs for the new intermodal public transport facilities were approved and construction commenced in January 2015. It is anticipated that the new facility will be completed in the 2016/17 financial year.

#### **g). Johannesburg Art Gallery Upgrade**

In 2015/16, the JDA undertook to complete the structural repairs to the roof. This work included Heritage Approvals that were obtained. During the period under review 90% work was completed; and the project is anticipated completion end- January 2016.


#### **h). Eastern Gateway**

In 2015/16, an urban design framework of the Eastern Gateway will concentrate on the Region F's eastern boundary including linkages and the identification of catalytic projects in the area.











### **Programme 1: Inner-city transformation**

#### **Performance against KPIs**




Programme 1: Capital Expenditure

KPI	Q2 Expenditure Target	Q2 Actual	Q2 Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Percentage of capital budget spent	40%	10%	30%		Target not achieved

Programme 1: Development progress per project

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Park Station Precinct: Inner-City Commuter Links/Jack Mincer Taxi Facility Extension <sup>9</sup>	30.0	20.0	0.098	40%	40%	0%		Site handover has been delayed due to challenges in obtaining temporary taxi ranking and parking facilities in close proximity. JDA is trying to secure alternative parking and ranking areas.
Hillbrow Tower Precinct	30.0	36.0	8.9	40%	80%	40%		The contractor is currently onsite and progressing well. The contractor has completed the earthworks on Nugget Street and has started with excavations on Goldreich Street. There is an additional allocation of R6 million to this project.
Inner City Core Public Environment Upgrade	10.0	16.49	6.22	40%	65%	25%		Construction is under way. Delays are due to non access to site on Plein Street due to the high pedestrian volumes and traders. Contractor will commence in Plein Street in January 2016 when the pedestrian volumes have lowered.
Kazeme Property Development	100.0	100.0	0.611	40%	35%	5%		Handing over site to the main contractor is at risk, due to the fact that no correspondence has been received from the South African Post Office (SAPO). The Minister visited the site to review the project. Correspondence from the SAPO indicates that the minister will sign the offer. It is anticipated if all goes well the site will be handed over in January 2016.
Johannesburg Art Gallery	2.0	10.0	1.86	0%	90%	90%		Contractor is on site and progressing well. The tiles from Italy arrived on the 19 August 2015. The completion date is 4 December 2015.
Intelligent Operations Centre	4.07	1.0	0.681	10%	0%	10%		The project has no budget allocated to conduct the full ICT system or the new IOC building. JDA will be appointing a service provider to conduct a close out report which will be shared with GSPCR concluding JDA's involvement in the project.
Number of Short Term EPWP job opportunities created through Programme 1 construction contracts	-	-	-	423	158	265		There are 158 short term EPWP job opportunities created, under programme 1 construction contracts
BBBEE expenditure share as a % of total capex over the same time period	-	-	23,983,961	100%	125%	25%		
SMME expenditure share as a % of total Capex over the same time period	-	-	926,463	30%	5%	25%		
Of which: Jozi@Work SMME expenditure share as a % of total Capex over the same time period	-	-	-	5%	-	-		

<sup>9</sup> The inner-city community links and Jack Mincer taxi facility extension were combined into one project.

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Positive media reports as a % of the total number of media reports on the JDA in the Johannesburg Inner City	-	-	-	90%	100%	10%		
Number of property developments facilitated by the JDA in the Johannesburg Inner City	-	-	-	0	0	-		
<b>Additional Projects</b>								
Eastern Gateway	1.0	1.0	0.0	-	-	-		The professional service provider has been appointed and is currently working on the Urban Design Framework (UDF). The draft UDF is anticipated by end of December 2015.

### Media Reports and Coverage: Inner City Programme

The Inner City development programme had a total of four stories recorded for the second quarter, two of these being positive and two rated neutral. The Randburg Sun reported that the JDA, appointed by Social Development Department will commence the phase 2 upgrade of the Golden Harvest Drug and Rehabilitation Centre located in Ward 101. The JDA has committed that unskilled labourers and Community liaison officer (CLO) of the project would be sourced from the Kya Sands area and that skilled and semi-skilled labour would be sourced from the whole of ward 96.

The City's contribution to the revival of the Johannesburg Art Gallery was covered on eNews Channel. The gallery is one of the oldest in the Country and the City is contributing R15 million towards its refurbishment.

Hill Street upgrade to commence in February" was rated neutral. The focus of the story was on the upgrade of Hill Street mall in Randburg where the JDA held a meeting with various stakeholders about upcoming developments on the project.

IOL news online covered conversation on the #EvictionsMustFall campaign which was the call of a group of about 150 residents concerned about the spate of evictions in the Joburg inner city during an inner-city evictions summit hosted by the City of Joburg. The residents called for a moratorium to be placed on all evictions. The JDA and other entities gave presentations on challenges facing the inner city.

## Programme 2: Transit-oriented node development

**Programme purpose:** Manage the development of strategic transit nodes through capital investments by overseeing integrated investment by other departments and entities, and by facilitating partnership initiatives.

The programme involves targeted investment in transit nodes such as Gautrain stations, commuter rail stations, BRT stations and key taxi facilities. In addition to public investment, the development of transit-oriented precincts requires substantial development facilitation to re-orientate property values and land use towards agglomerated and high-intensity uses and functions (including high-density, affordable housing and suitable office and retail activities). A number of priority precincts have been identified as JDA developments, including:

- Transit precincts in established corridors, such as the Nancefield Railway Station precinct, the Orlando East Station precinct and the Jabulani node along the commuter railway line in Soweto.
- Transit precincts on the new BRT corridors such as the Empire–Perth, Alexandra–Randburg and Louis Botha trunk routes. The key development areas are Alexandra and the Randburg CBD.

### Progress on projects

#### a). Nancefield Station Precinct

The Nancefield Station precinct is a flagship transit-oriented development project that the CoJ wishes to implement over the medium term. In 2015/16 the focus will be on the completion of Phase 3 and the construction of an indoor basketball centre. Phase 3 entails the construction of new roads and stormwater infrastructure, the construction of new water and sewer infrastructure and the construction of two new roads. Completion of this phase is expected by mid-February 2016. Construction of the indoor basketball centre is expected to commence during February 2016.

#### b). Jabulani node

The Jabulani Node is a key focus area for the City. An updated Urban Development Framework was approved by the City in 2015 and a number of key interventions were identified. The current projects on the ground include the construction of a new stormwater system and the construction of a new link road. Works on both projects will be completed during February 2016.

A new professional team has been appointed to continue with the programme. The team is currently focusing on the planning and design of a second link road, the remodelling of the Bolani High Street and a new multi-purpose soccer and learning centre. It is expected that construction works on the first phase of the new programme will start by May 2016.

### ***c). Randburg CBD***

Despite its potential as a key regional transit node, Randburg CBD continues to function as a mid-level retail and office node, with less than optimal residential land usage and limited public amenities. The scope of work includes detailed designs for the larger capital expenditure programme in 2014/15 and 2015/16 and the first phase of construction. A total of R40 million was allocated for development of Randburg in 2014/15. A professional team was appointed to design the public environment upgrades, but construction was delayed. One block on Hill Street Mall has been completed, and two more blocks and public environment upgrade work will be completed in 2015/16. The second phase in 2015/16 will focus on restructuring the streets to introduce a public transport link and improve mobility.

### ***d). Orlando East Station precinct***

The project entails the development of a high density, mixed-use facility along the Mooki Street public transport corridor in Orlando East. The scheme consist of a dual rugby and soccer field, an indoor sports facility, approximately 120 social housing units and 500m<sup>2</sup> of retails space. The first phase of the project entails the construction of the sports component of the scheme. A contractor was appointed during January 2015, but works have not started as a section of the community is resisting the project. Discussions with all the relevant stakeholders in the area are continuing.

### ***e). Rotunda Park precinct***

The Turffontein strategic area framework identified Rotunda Park as a potential transit node. A multi-year allocation was awarded to the JDA for a new development, which started in 2014/15. In 2015/16 Phase 1 of the project will be completed by end January 2016. Phase 1 of the project entails the development of the gateways to the precinct. The team is also focusing on the planning and designs of the linear park which is the key feature of the precinct. An extensive stakeholder process were undertaken from June 2015 to August 2015 to ensure that community participates meaningfully in the planning of the intervention. It is envisaged that construction of Phase 2 of the project will start during May 2016.

### ***f). Westbury development***

Westbury is a residential neighbourhood along the Empire–Perth corridor. Westbury is well located regionally, but its legacy as a racially segregated area means that its connection to surrounding suburbs is weak, enforced by significant buffer spaces – especially in the northern interface with Sophiatown. Westbury is well served by a range of transport opportunities and social infrastructure but, despite the ease of access to these services, the urban frame in which they are located is fragmented. In 2015/16 the public environment upgrading and complete streets projects will be completed and designs will be prepared for housing upgrades and improvements.

### **g). Knowledge precinct NMT infrastructure and bridge**

The Knowledge precinct incorporates the nodes of Auckland Park and Milpark on the Empire–Perth corridor, as identified in the Empire-Perth strategic area framework. NMT infrastructure linking the University of Johannesburg and the University of the Witwatersrand to the inner city was completed. Designs for a pedestrian bridge and public environment upgrade to provide safe pedestrian crossing from the University of Johannesburg to Campus Square are under way. In 2015/16 the first phase of bridge construction will take place to be completed by October 2016.

### **h). Corridors of Freedom: sport facilities**


The CoJ's Community Development Department is responsible for maintaining and upgrading the city's sports, recreation, libraries and other community facilities, Paterson Park and Union Stadium have been in existence for a number of years and are being used on a daily basis. These facilities are close to transport nodes, including the newly constructed BRT system, which provides easy and affordable access to such facilities. These facilities, situated along the Corridors of Freedom, provide for different sporting codes and the surrounding schools often use them for their school activities. The facilities are showing wear and tear and need to be further developed, upgraded and refurbished to ensure continuity and sustainability for the community.

<b>Facility</b>	<b>Description</b>
Paterson Park	The facility has succumbed to wear-and-tear over the years and there is a need therefore for this facility to be further developed, upgraded and refurbished so as to ensure continuity and sustainability to the community. In 2014/15 the preliminary planning began. In 2015/16 a budget of R77.5 million will be spent; it is envisaged that this development will be completed with an additional allocation of R134 million in 2016/17 for the creation of a regional sports facility.
Union Stadium	<p>The facility has been in existence for a number of years and is being fully utilized on a daily basis by the community it serves. This facility is situated strategically close to transport nodes like the newly constructed Bus Rapid Transit (BRT) system which assist commuters' easy and affordable access to such facility. The facility also forms part of the facilities that are situated along the Corridors of Freedom.</p> <p>This facility has different sporting codes which makes it unique and attractive to fitness fanatics and private functions like weddings, funerals etc. The surrounding schools also utilize this facility more often than usual for their school activities. The facility has succumbed to wear-and-tear over the years and there is a need therefore for this facility to be further developed, upgraded and</p>





Facility	Description
	refurbished so as to ensure continuity and sustainability to the community.
Brixton Social Cluster	This project includes the creation of an integrated cluster of social and community facilities in Brixton, some of which are already located in proximity to each other. Together with Community Development and Development Planning Departments in the City of Joburg, the project scope will be refined.
Pennyville Community Centre	The above development was identified as a mayoral priority project and will be developed from ground up in three phases. The facility would be capacitated to support different sports and recreational requirements which make it unique and relevant to the smart city initiatives and further provide for programmes like aerobics, indoor sporting as well as cyber rooms.














## Performance against KPIs






Programme 2: Capital expenditure

KPI	Q2 Expenditure Target	Q2 Actual	Q2 Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
% of capital budget spent	26%	22%	4%		Target partially achieved

Programme 2: Development progress per project

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Nancefield Station Precinct	30.0	59.0	4.2	20%	100%	80%		Phase 3 has reached practical completion stage. Phase 4 is currently at tender adjudication stage. Site handover is anticipated at end of January 2016. Delays were due to community and local sub-contractors protests.
Jabulani TOD Node	18.5	18.5	1.2	20%	Phase 1 – 100% Phase 2 – 100% Phase 3 – 100%	Phase 1 – 80% Phase 2 – 80% Phase 3 – 80%		Construction for Phase 2 and 3 was completed on 30 November 2015. Concept design for additional scope is underway, as the development progress is at 5%.
Orlando East Station Precinct Phase 2.1	25.0	15.0	0.0	20%	40%	20%		Following the site handover on the 22 June 2015, the contractor commenced with site establishment however on the 3 July 2015 the community stopped work on site due to unresolved concerns. The project has been on hold for 10 months. The JDA advised the main contractor to tabulate the associated costs in the event that community issues remain unresolved and a decision is made to cancel the contract.
Westbury Precinct Development	11.2	36.37	14.9	20%	60%	20%		Construction underway

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Westbury Development: Westbury Bridge	10.0	24.9	3.7	20%	80.98%	60.98%		Construction underway at the advanced stage.
Knowledge Precinct: Campus Square Bridge (Detailed design)	45.0	4.9	0.042	20%	10%	10%		Concept design has been completed. Field investigations are currently underway. Detail design is at the advanced stage.
Knowledge Precinct: Milpark Owl Street Precinct	0.0	0.0	0.0	-	-	-	-	This project to be funded in 2017/18
Rotunda Park Precinct	30.0	22.5	3.28	40%	85%	45%		Construction for Phase 1 started on the 13 May 2015. Anticipated completion in mid-January 2016. Phase 2 tender processes underway.
Randburg CBD Precinct	30.0	50.0	1.9	70%	100%	30%		Construction for Phase 1 Block 3 is completed on 30 <sup>th</sup> October 2015. Phase 2 is at the tender procurement stage at 35% and anticipate site handover on 1 <sup>st</sup> February 2016.
Corridors of Freedom Sports Facilities: Union Stadium	9.7	9.8	2.3	20%	70%	50%		Construction underway
Pennyville Community Hall	0.0	0.0	0.0	-	-	-	-	This project to be funded in 2017/18
Corridors of Freedom: Patterson Park (Funded by Community Development and Co-Funded by Dept. of Development Planning)	35.5	77.5	0.98	20%	60%	40%		Construction underway
Balfour Park	0.0	0.0	0.0	-	-	-	-	This project to be funded in 2017/18
Orlando Ekhaya New Community Centre	4.0	4.0	1.0	20%	20%	-		Tender documentation for construction underway. Anticipated date for commencement of construction is 26 February 2016.
Pocket Places on Louis Botha Corridor	0.0	0.0	0.0	-	-	-	-	This project to be funded in 2017/18
Knowledge Precinct: UJ Cycle Lanes	15.5	0	0.0	20%	0%	0%		Delay was due to lack of progress
Brixton Social Cluster	1.5	1.5	0.0	20%	0%	-		The City Development Planning is in the process of finalizing the Urban Design Framework for the area. A tender for work will be advertised in January 2016.
Noordgesig Social Precinct Redesign	1.5	1.5	0.0	20%	0%	20%		Appointment of professionals, ie. Architect, Project Manager and Community Participation Consultant was concluded by 6 November 2015. The rest of the professional team will be appointed by mid-December 2015.
Westdene Dam Precinct Upgrade	5.0	5.0	0.0	20%	0%	-		Appointment of professional team is underway. Anticipated site handover is the 1 <sup>st</sup> June 2016.
Louis Botha Co-Production Zone for Social Interventions	0.0	0.0	0.0	20%	0%	-	-	No budget allocation
Perth/Empire Corridor Co-Production Zone for Social Interventions	6.0	0.0	0.0	20%	0%	-		Planning stage
Number of Short Term EPWP job opportunities created through Programme 2 construction	-	-	-	406	382	24		There are 382 short term EPWP job opportunities created, under programme 2 construction contracts.

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
contracts								
BBEE expenditure share as a % of total Capex in Programme 2	-	-	51,038,536	100%	111%	11%		
SMME expenditure share as a % of total Capex in Programme 2	-	-	9,535,308	30%	21%	9%		
Of which: Jozi@Work SMME expenditure share as a % of total Capex in Programme 2	-	-	-	5%	0%	5%		
Positive media reports as a % of the total number of media reports on the JDA in the Station Precincts	-	-	-	90%	0%	90%		
Number of property developments facilitated by the JDA in the Station Precincts	-	-	-	0	0	-		
<b>Additional Project</b>								
Corridors of Freedom: Social Development – Westbury Social Development	6.0	6.0	0.27	-	15%	-		Detailed designs are underway and awaiting approval by JDA EXCO .
Pennyville Multipurpose Centre	8.0	0.0	0.0	-	-	-	-	

### Media Reports and Coverage: Transit oriented node development

There was no coverage on the transit oriented node development (TOD) programme in the second quarter of 2015/16.

### Programme 3: GMS priority area planning and implementation

**Programme purpose:** Manage the development of strategic economic nodes in marginalised areas through capital investments by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives.

This programme develops activity nodes in priority development areas to improve living conditions and create sustainable human settlements. It aims to create new economic opportunities, accommodate employment opportunities and provide access to markets and mass transit services. Guided by the urban development frameworks prepared in partnership with the Department of Development Planning, the JDA implements multi-year township development projects that include the creation of high streets and activity nodes, and the construction and upgrade of strategic amenities such as transit facilities (including taxi ranks), trading infrastructure, libraries, recreation centres, multipurpose centres, public open spaces and green spaces. Wherever possible, the JDA establishes community development partnerships, including partnerships in the retail and housing sectors, to stimulate private property development.

The JDA's business plan identified two area development projects and a portfolio of technical assistance projects to be implemented on behalf of the CoJ Departments of Housing, Health and Social Development, including a new assignment to develop a fire station in Cosmo City for Emergency Management Services under programme 3 in 2015/16. These projects made up a capital budget of R196.8 million, funded through:

- The urban settlements development grant allocation to the CoJ. This grant is channelled through the JDA for Kliptown.
- The neighbourhood development partnership grant allocation to the CoJ, which is channelled through the Department of Development Planning for Diepsloot.
- Various CoJ funding allocations, including the departments of Health, Housing, and Community Development, and Emergency Management Services.

## **Progress on projects**

### ***a). Kliptown development***

In 2015/16 a COJ Technical Steering Committee was set up and consists of most of the MOE's and City Departments. The aim of the Committee is to guide the planning and prioritisation of interventions in the area over the next three years. A decision was taken to prioritise the upgrade of the interface between the WSSD and Union Road. This would define trading spaces and enable better movement for pedestrians and visitors. The scope of work also includes limited remodelling works at the Kliptown Hotel and the rollout of Wi-Fi. The upgrading of the informal trading section was deferred as the scope of works is yet to be agreed upon. The tender process for the appointment of a contractor is underway and it is envisaged that works on the new phase will start by end February 2016.

### ***b). Diepsloot development***

The CoJ's development programme for Diepsloot aims to establish the area as a socially, economically and environmentally sustainable human settlement that is spatially integrated into the city, with access to basic services and opportunities for social mobility and economic development. In 2007, the CoJ was allocated a multi-year capital grant through the National Treasury's *neighbourhood development partnership grant* for R10 million in 2009/10, R46 million in 2010/11, R10 million in 2011/12 and R3.5 million in 2012/13. In 2015/16 the focus will be on the completion of phase 3 of the project. Construction of phase 3 is currently underway and will be completed by mid-February 2016. The City will engage National Treasury about possible funding for future projects through one of its development grants.

***c). Technical assistance projects: Sol Plaatjie Road construction***

In 2012/13, the JDA was requested to take on the role of implementing agent to build road infrastructure on behalf of the CoJ Department of Housing. The JDA completed phase 1 of the construction of roads and stormwater systems in area 1 and area 2 of Sol Plaatjie in 2012/13 and area 3 was completed in 2013/14. In 2015/16 the last phase of this project will entail the construction of an link road between Sol Plaatjie and Dobsonville. Construction of this phase of the project started on the 3<sup>rd</sup> November 2015 and will be completed by end June 2016.

***d). Technical assistance projects: CoJ clinics programme***

The CoJ's Directorate of Health appointed the JDA to manage its capital works programme. In 2015/16 the JDA will be implementing development projects for 12 clinics on behalf of the Directorate of Health

***e). Technical assistance projects: Cosmo City fire station***

The JDA has been appointed as implementing agent to construct a new fire station in Cosmo City for Emergency Management Services. In 2015/16 the project will entail the construction of new quality fire station to service Cosmo City. Construction commenced in the October 2015, hence the budget confirmation was received on the 8 September from client department. The budget of R30 million is allocated or 2015/16.

***f). Technical assistance projects: Alexandra and Bambanani automotive property developments***


The CoJ Department of Economic Development initiated two property development projects to expand the automotive industry cluster in Gauteng: the Bambanani automotive node in Ivory Park and the Alexandra automotive industrial node. In 2015/16, construction of the Alexandra Automotive Park started in June 2015, with the aim of completing the construction works by end June 2016. An internal team is currently working on a sustainability plan. It is envisaged that this process will be completed prior to the anticipated completion of the construction work.

***g). Technical assistance projects: Golden Harvest Rehabilitation Centre***









The CoJ Social Development Department appointed the JDA to plan and design the Golden Harvest Rehabilitation Centre upgrade. The centre is located in Randburg and can currently accommodate only 20 patients at any time. The project aims to increase capacity by providing additional facilities on the premises, including a new detox unit, additional accommodation and extensive refurbishments to the administrative centre. In 2015/16 this project will focus on construction of a detox centre and the administration wing of the facility with the aim to deliver the completed project by August 2016.














## Performance against KPIs








### Programme 3: Capital expenditure

KPI	Q2 Expenditure Target	Q2 Actual	Q2 Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Percentage of capital budget spent	14%	11%	3%		Target not achieved

### Programme 3: Development progress per project

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Kliptown Precinct Re-Development	30.0	20.0	1.56	20%	30%	10%		Detailed design was approved by the JDA EXCO on 29 November 2015. Tender procurement underway, with tender closing on 2 December 2015. Commencement of construction by mid-January 2016.
Diepsloot Development Ngonyama Road Upgrade	5.0	10.5	1.15	20%	99%	79%		Construction is on the advanced stage. Estimated practical completion is end of December 2015.
Automotive Industrial Park Projects (Alexandra)	54.9	48.5	3.0	20%	50%	30%		Construction is under way. Delays have been experienced due to the discovery of hard rock and ground water on the site.
Cosmo City Fire Station	30.0	30.0	0.034	20%	40%	20%		Main contractor has been appointed. Delay was due to Water Use License Approval (WULA) which prevented construction to commence. The COJ/EISD has advised that construction can commence.
Diepsloot Community Centre	4.9	15.5	0.0	20%	20%	-		Concepts finalized and SDP drawings in the process of being finalized. Tender documentation and procurement for construction is underway.
CoJ Clinics: Protea South	0.0	0.0	0.0	-	-	-	-	To be funded in 2016/17
Stretford New Library	0.0	0.0	0.0	-	-	-	-	To be funded in 2016/17
Lehae New Library	10.0	10.0	0.56	20%	25%	5%		The design work has been completed and the JDA is in the process of procuring a suitable contractor for the construction works. It is anticipated that the contractor will be appointed in February 2016.
Rabie Ridge Multi-Purpose Centre	9.0	9.3	0.20	20%	30%	10%		Designs have been finalized. SDP drawings in the process of being finalized, tender process concluded and bid evaluation in progress.
CoJ Clinics: New Turffontein	1.0	1.0	0.0	20%	0%	20%		Planning stage

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
CoJ Clinics: Zandspruit (design only)	0.3	0.3	0.0	20%	0%	20%		COJ Health is still acquiring the land for this project.
CoJ Clinics: Noordgesig (co-funded by Dept. of Health and Development Planning)	25.0	25.0	0.0	20%	35%	15%		The project went out to tender on 21 May 2015 and closed on 23 June 2015. Bid Adjudication is still to be confirmed. Contractor appointment was anticipated in July 2015, there is a 4 month delay due to a budget deficit. Completion target date is 30 June 2016.
CoJ Clinics: Orchards (co-funded by Dept. of Health and Development Planning)	39.0	20.0	0.11	20%	47%	27%		Construction is underway. Anticipated completion date 26 October 2016.
CoJ Clinics: Parkhurst	1.0	1.0	0.0	20%	0%	20%		COJ Health is still acquiring the land for this project.
CoJ Clinics: Westbury	20.4	20.4	0.18	20%	70%	50%		Contractor was appointed for construction of the clinic in March 2015, following a 2 months delay in the contractor approval process. Construction has progressed up to roof slab for single storey portion for the building and up to first floor slab height for double story superstructure. The construction of the 2 <sup>nd</sup> storey superstructure is in progress.
CoJ Clinics Claremont	1.0	1.0	0.15	20%	25%	5%		Tender procurement process underway.
CoJ Clinics: Ennerdale	6.5	6.5	0.21	20%	100%	80%		Project completed.
CoJ Clinics: River Park	6.5	6.5	3.28	20%	75.7%	56%		Site handover took place on 15 January 2015 and construction is underway. Delays were due to the discovery of ground water and numerous stoppages by SMMEs.
CoJ Clinics: Ebony Park	1.0	1.0	0.61	20%	0%	20%		Planning stage
CoJ Clinics: Esselen Street	18.9	18.9	1.27	20%	76.6%	56.6%		The contractor was given clearance by the Structural Engineer to proceed with the original works on the New Building on 17 September 2015. The Old Building is still on hold while the costs of the remedial works and extension to the contract period are being finalised. Rezoning process is still ongoing. The revised completion date is 30 April 2016.
CoJ Clinics: Florida	0.7	0.7	0.0	20%	0%	20%		Planning stage
Golden Harvest Rehabilitation Centre	21.0	21.0	0.0	20%	35%	15%		The tender evaluation process is underway and anticipated to be finalised in December 2015. Professional team presented their report to the BEC on 2 November 2015.
Sol Plaatjie	14.0	12.0	0.0	20%	40%	20%		Construction underway as the site handover was on the 3 <sup>rd</sup>

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
								November 2015.
Langlaagte Pharmacy Depot	23.0	23.0	0.15	20%	25%	5%		Tender evaluation process is currently underway. The expected date of site handover in mid-January 2016.
Number of Short Term EPWP job opportunities created through Programme 3 construction contracts	-	-	-	260	136	124		There are 136 short term EPWP job opportunities created under programme 3 construction contracts.
BBBEE expenditure share as a % of total capex in Programme 3	-	-	75,367,454	100%	117%	-		
SMME expenditure share as a % of total Capex in Programme 3	-	-	19,572,372	30%	30%	-		
Of which: Jozi@Work SMME expenditure share as a % of total Capex	-	-	-	5%	-	5%		
Positive media reports as a % of the total number of media reports on the JDA in the GMS Priority Areas	-	-	-	90%	50%	40%		
Number of property developments facilitated by JDA in GMS priority areas including	-	-	-	0	0	-		

### Media Reports and Coverage: GMS Priority Development Areas

One positive and one negative report were recorded for this programme in this quarter. The negative story was about Noordgesig residents protest over clinic closure due to renovations. The protest broke off because Noordgesig clinic is still being renovated and residents are demanding a mobile clinic and say that Orlando Clinic is too far and for them to be heard they had to protest.

Kliptown Developments received positive coverage. The City of Johannesburg handed over 60 fully subsidised freehold units in Kliptown ext 6. The allocations are part of the Kliptown Urban Renewal Programme which started in 2005 and is aimed at clearing Kliptown of all informal settlements.

## Programme 4: Greenways

**Programme purpose:** Manage the development of strategic mass transit services and corridors through capital investments by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives.

The greenways programme aims to reshape land-use patterns to promote new mass public transport corridors (including the roll out of BRT infrastructure) and a network of NMT infrastructure that promotes walking, cycling and the use of streets as public open spaces.

The medium-term implementation plan (2013/14 to 2015/16) has been developed and agreed to by the National Department of Transport and the National Treasury (in terms of the medium-term grant funding commitment), the Mayoral Committee, and the JDA's Board of Directors. The plan includes the construction of dedicated bus ways and bus stations; the construction of associated infrastructure, including multi-modal interchange facilities, bridges and road upgrades to ensure mobility and access; bus depots and layovers; and associated non-motorised transit infrastructure.

The JDA's adjusted budget identified construction work to the value of R630 million on Rea Vaya BRT infrastructure and two technical assistance projects for the Department of Transport to build non-motorised transit infrastructure to support corridor development. The projects are funded through the public transport infrastructure and systems grant from the National Department of Transport and capital budgets allocated by the CoJ for NMT infrastructure and the Corridors of Freedom. The work will be dominated by the construction of bus ways and stations (sections 8 and 15), which provide for the third trunk route (1C) that connects the inner city with Alexandra (along Louis Botha Avenue) and Alexandra with Sandton (along Katherine Street).

The JDA will continue to serve as the implementing agent for the Rea Vaya BRT infrastructure. It will also seek to incorporate pathways, cycleways and pedestrian infrastructure such as shelters and lighting into all public environment upgrading projects through a series of priority implementation projects in Soweto, the inner city and Alexandra. The JDA implemented capital works projects to the value of R738.7 million in the greenways programme in 2014/15.

The JDA also made contractual commitments of R511.3 million in 2013/14 on projects that were due for completion towards the end of the second quarter of 2014/15. The rollover funding request was not approved, so the mid-year adjustment for programme 4 reprioritises the current budget allocation to fund the priority projects that are under way and important new projects in the pipeline

## **Progress on projects**

### ***a). Section15 Phase 1 and 2***

This Phase is part of the Rea Vaya Phase 1C Section 15 trunk route. Section 15 starts at the corner of Empire and Victoria Avenue, turns left at Empire Road and Clarendon Road and traverses along Louis Botha Avenue until the intersection of Pretoria Main and Lees Street and is approximately 12 km long.

During 2015/16 the scope of works entails completion of the Phase 1 construction. Phase 1 entails pavements strengthening of the BRT lanes, service relocation and upgrades, resurfacing of affected streets, street lights and traffic lights upgrades. Also to be done this financial year will be the continuation of the Phase 2 construction up to 70% construction progress. Phase 2 entails construction of mixed traffic lanes, pedestrian walkways, services upgrades, road widenings, street light and traffic light upgrades.

### ***b). Section15I – Great Walk Pedestrian Bridge***

The Great Walk Pedestrian Bridge is part of the high quality pedestrian infrastructure that includes cycle lanes, from Alexandra to Sandton. This project traverses along Roosevelt Street, 1<sup>st</sup> Avenue, Watt Avenue in Alexandra and Rautenbach Avenue in Wynberg over the Grayston Interchange. The Great Walk Pedestrian Bridge is a dedicated pedestrian bridge over the Grayston Interchange and is meant to facilitate an easy and safe crossing point to about 10 000 pedestrian that walk between Alex and Sandton daily.

During the 2015/16 financial the scope of works entails continuation of the construction stage up to 45% completion. The overall completion is planned for March 2017.

### ***c). Section8A – M1 Flyover Bridge***

The M1 Flyover Bridge is part of the Rea Vaya Phase 1C Section 8 trunk route. The Section 8 trunk route connecting Alexandra to Sandton starts at the corner of Louis Botha Avenue and Lees Street, traverses over the M1 Highway (through the M1 Flyover Bridge) and lands on Katherine Street and traverses straight until the corner of Katherine and West Street, and up to the Sandton Gautrain Station precinct.

The scope of works for this project entails construction of new BRT dedicated bridge over the M1 Highway.

During the 2015/16 financial year the scope of works entails continuation of the construction stage up to 55% complete. The overall completion is planned for March 2017.

#### ***d). Section 8B – Sandspruit Bridge and Marlboro Road widening***

This project is part of the Rea Vaya Phase 1C Section 8 trunk route. The scope of works for this project entails widening of the Sandspruit Bridge from two-lanes to six lanes, with the two inside side lanes dedicated for BRT. Included in the scope of works is the construction of a new right turning lane off Katherine Drive into Marlboro Drive and a new lane off Marlboro Drive onto the M1 North On-Ramp. The project also involves street light upgrade, soft and landscaping. All public consultation processes have been completed.

During the 2015/16 financial year the scope of works entails continuation of the construction stage up to 80% completion. The overall completion is planned for November 2016.

#### ***e). Section 8C – BRT Lanes and mixed traffic lanes between Grayston and West Street***

This project is part of the Rea Vaya Phase 1C Section 8 trunk route. The scope of works for this project entails widening of certain sections of Katherine Drive, pavement strengthening, construction of pedestrian walkways and cycle lanes, street light upgrade and upgrade of infrastructure services.

During the 2015/16 financial year the scope of works entails the continuation of the construction stage up to practical completion. Practical completion is planned for June 2016.

#### ***g). Sandton Loop***

This project is part of the Rea Vaya Phase 1C Section 8 trunk route. The project aims to provide a dedicated public transport circulation link in the Sandton CBD which will include BRT and non-BRT modes of public transports. The project entails the design and construction of a dedicated public transport lane along Katherine Street between West and Fifth Streets, along Fifth Street between Katherine Street and Rivonia, along Rivonia Road between West Street and Freedman Drive and along Fifth Street between Freedman and Rivonia Road.

Included in this project is the design and construction of high quality Non-Motorised Transport (NMT) infrastructure along West Street between Rivonia Road and Grayston Drive and along Maude Street, from Rivonia Road to Fifth Street.

During the 2015/16 financial year the scope of works entails commencement of the construction stage up to 45% completion. The overall completion is planned for January 2017.

#### ***h). Alexandra Public Environment Upgrade***

The Alexandra Public Environment Upgrade project is part of the Rea Vaya Phase 1C operations. It aims at developing high quality pedestrian walkways and connects the greater Alexandra to all key

public transport nodes and areas of economy that surrounds it. This project is based on the strategy of liveable Cities.

The project entails design and implementation of NMT strategies that connect the greater Alex communities to all areas of public interests including the Rea Vaya Phase 1C. The objective of a complete street concept is to create green and liveable streets with primary focus on pedestrian mobility rather than motorists. The scope of works entails design and implementation of high quality walkways, cycling lanes, speed calming measures, soft and hard landscaping and street lighting.

For implementation purposes the project has been divided into three phases. During the 2015/16 financial year the scope of works entails continuation of the construction stage until final completion. Phase 2 will be completed in February 2016.

Also to be done this financial year is the appointment of the professional team to commence with the required planning activities for Phase 3. The scope of works in this financial year for this phase only entails, the appointment of the professional team and field investigations.

#### ***i). Section 9 Sandton to Randburg***

This project is part of the Rea Vaya Phase 1C. The Section 9 trunk route aims at connecting Randburg CBD, Montecasino to Sandton CBD. It starts at the corner of Fifth Street and Rivonia Road in Sandton, traverses along Sandton Drive, William Nichol and Republic Road to both Randburg and Montecasino.

COJ Transportation has indicated that this route should be implemented as a High Occupancy Vehicle (HOV) first to determine and develop demand for future comprehensive BRT operations.

During the 2015/16 financial year the scope of works entails detailed Traffic Impact Assessment (TIA) to assess the project viability and concept development. The implementation of this project is planned to commence next financial.

#### ***j). BRT Alex Loop***

This project is one of the Rea Vaya Phase 1C complementary routes. It aims at providing BRT services into the greater Alex on non-dedicated BRT lanes. This complementary route will commence at the intersection of Louis Botha Avenue and Vasco Da Gama Road, it will traverse along Vasco Da Gama Road, Lombardy Road into London Road and back to Louis Botha Avenue.

During the 2015/16 financial year the scope of works entails a detailed Traffic Impact Assessment (TIA) to assess the viability of this complementary route and concept development.

#### ***k). Klipspruit Valley Road Rehabilitation***

The Klipspruit Valley Road is part of the Rea Vaya Phase 1A. A section of this route was damaged by flooding over two years. This project aims at investigating the extent of the damage and a long term design solution to avoid future flood damage.

The scope of works for this financial year entails detailed Geotechnical Investigation, Hydrological studies and development of possible options to be considered for interventions.

#### ***l). Rea Vaya BRT Phase 1C Station***

This project entails construction of ten new BRT dedicated stations along Sections 8 and 15 (7 along Section 15 and 3 along Section 8). The scope of works for this financial year entails commencement of the construction stage with at least 3 No of stations. The commencement of the construction stage will be depended on City of Johannesburg completing the revised business planned timeously.

#### ***m). Phase 1A, 1B and 1C NMT***

This project entails design and implementation of NMT infrastructure along the existing BRT feeder routes and around the existing station precincts. The project aims at providing high quality pedestrian walkways connecting pedestrians to the Rea Vaya feeder routes and stations.

During the 2015/16 financial year this project has been divided into subject project that cover BRT Phase 1A, Phase 1B and Phase 1C.

Phase 1A: The scope of works this financial year entails contractor appointment and construction of Phase 1A Feeder route project to practical completion. Also contractor appointment and construction of Phase 1A Feeder route Phase 2 up to 5%. The overall completion of the projects is planned for November 2016.

#### ***n). Depots and Terminals***


For the operations of Rea Vaya Phase 1B and Phase 1C two Depots and two Terminals are required. The first Depot is located in Selby and it will be a full Depot that will be shared between Phase 1B and Phase 1C operations. The second Depot is located in Midrand opposite the Gautrain Station. This Depot will be designed as a full Depot but will only implemented as a Holding and Park and ride facility for the September 2017 Phase 1C operations.

Over and above the two Depots, there is a Terminals / Transfer points which are required for the September 2017 Phase 1C operations. These are in Ivory Park in the north.









The scope of works this financial is to complete Preliminary and Detailed designs for the Phase 1 of the Selby Depot. Phase 1 entails the parking area only. On the Midrand Depot the scope of works entails completing 75% of the Preliminary Stage. For the Ivory Park Terminal, eMthonjeni Terminal the scope of works entails completion of the concept design stage.

## Performance against KPIs


Programme 4: Capital expenditure

KPI	Q2 Expenditure Target	Q2 Actual	Q2 Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
% of capital budget spent	40%	29%	11%		Target not achieved

Programme 4: Development progress per project

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Phase 1C Section 15 (Phase 1)	6.15	5.87	3.14	60%	100%	40%		Project completed.
Phase 1C Section 15 (Phase 2)	161.7	154.4	15.68	20%	65.8%	45.8%		Contractor is currently onsite and SMMEs have also been appointed for the construction of all the sidewalks.
Alex Urban Upgrade (Phase 1)	0.0	-	0.0	0%	-	-	-	Project was completed in 2014/15
Phase 1C Section 8C (Alex to Sandton)	8.4	8.4	7.97	0%	100%	100%		Project has been completed.
Phase 1C Sandton CBD Loop	68.9	65.8	42.83	0%	96%	96%		Phase 1 on Eco Mobility is 96%. Phase 2 commenced in November 2015. Anticipated project completion date is end of November 2016.
Phase 1A NMT Station Precincts	-	-	0.0	80%	-	-	-	This project was divided into sub-projects: Lakeview (phase 1), Orlando NMT, Noordgesig NMT, Basothong and Mavumbi NMT and Thokoza Park NMT BRT station (see below).
Edith Cavell BRT Pavement Strengthening	0.0	-	-	0%	-	-	-	The scope of works for this project was moved to the section 15 phase 2 project.
Phase 1A NMT Feeder Routes	15.25	14.6	10.85	40%	60%	20%		Site hand over to the contractor was the 7 <sup>th</sup> September 2015. The local SMMEs have also been appointed to execute the scope of work. Construction underway. The appointment of Jozi@Work SMMEs is underway.
Phase 1C Great Walk Section 15H Phase 1	3.78	3.60	0.89	0%	100%	100%		Project completed.
Alex Spur and Great Walk Bridge Section 15I Phase 1	81.9	78.0	0.96	0%	70%	70%		Construction is underway.
Klipspruit Rehabilitation of Section 1B	3.15	3.0	0.21	0%	6%	6%		Both the Geotechnical and Hydrological Engineers have been appointed and field

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
								investigation are underway. Concept designs completed and approved by 30 March 2016.
Section 2 Road Widening	0.0	-	-	0%	-	-	-	Project was completed in 2014/15
Phase 1C NMT Alex urban upgrade (Phase 2)	8.4	8.4	3.27	0%	95%	95%	😊	Construction is at an advanced stage.
Upgrading of Jukskei Bridge NMT links	0.0	-	-	0%	-	-	-	The project was cancelled due to budget constraints.
Phase 1B Station Precincts	0.6	-	0.44	0%	100%	100%	😊	This project has been completed.
Phase 1C Stations NMT	2.4	2.4	0.0	0%	10%	10%	😊	Concept designs completed and approved. Pedestrian count analysis still underway.
Station Signage	0.0	-	-	0%	-	-	-	Project was completed in 2014/15
Bus Depots : City (Selby)	1.3	1.3	0.0	0%	9%	9%	😊	PUTCO has accepted the offer of purchase. The appointment of the professional team has been extended by another two years to allow for the completion of the project. The team has finalised the concept revision and detail designs are underway.
Bus Depots: Land Acquisition	80.2	20.0	7.0	0%	-	-	😊	There are several land parcels transaction that have been concluded or at point of conveyancing. Conveyancer and property broker BAC report was approved.
Bus Depots: Alex Layover Facility	0.0	1.46	0.0	0%	20%	20%	😊	Detail designs are almost complete and still to be approved by JDA EXCO.
Bus Depots: Midrand/Ivory Park	5.1	4.9	0.13	0%	10%	10%	😊	The team is currently busy with the site identification process and 3 concepts have been developed in the past 3 weeks around a new site which is 10 hectares in size.
Watt Street Interchange	39.0	15.9	0.0	0%	21.3%	21.3%	😊	Concept designs have been completed and approved. Detail designs underway.
Ghandi Square Interchange	0.97	0.97	0.055	0%	-	-	😞	Project is on hold until COJ confirms way forward with managed lanes plan, because COJ Transportation is also implementing the same project which may be a duplication of work.
Greenstone Terminal	0.0	-	0.0	0%	-	-	-	This project does not have budget allocation.
Emthonjeni Terminal	1.0	0.95	0.54	0%	10%	10%	😊	Field and traffic investigations are currently underway. Concept design have been completed and approved by the affected Taxi Association.
Station ITS	18.0	-	0.0	0%	-	-	-	This project does not have budget allocation.
Phase 1A and B Retrofit	6.9	6.9	1.1	0%	100%	-	😊	This project has been completed.
Number of Short Term EPWP job opportunities created through Programme 4 construction contracts	-	-	-	1383	1025	358	😊	There are 1025 short term EPWP job opportunities created, under programme 4 construction contracts.
BBBEE expenditure share as a % of total capex in Programme 4	-	-	111,166,171	100%	66%	34%	😞	
SMME expenditure share as a % of total Capex in Programme 4	-	-	10,285,964	30%	6%	24%	😞	
Of which: Jozi@Work SMME expenditure share as a % of total Capex	-	-	-	5%	0%	5%	😞	
Positive media reports as a % of the total number of media reports on the JDA Rea Vaya construction	-	-	-	90%	84%	6%	😐	

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Development Progress Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
work								
Number of property developments facilitated by the JDA at Rea Vaya Stations	-	-	-	0	0	-		

### Additional Projects

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Booyens Layover Facility	6.7	6.4	0.0	-	98%	Construction is at an advanced stage.
Phase 1C NMT (Alex urban upgrade -Phase 3)	1.27	1.27	0.003	-	0%	Tender process for the appointment of the professional team is underway. The Urban Designer has been appointed.
BRT Sandton / Randburg (Section 9)	5.3	5.3	0.2	-	5%	Traffic Impact Assessment has been completed. Concept design presentations to JDA and CoJ took place during September and October 2015. Route Priority issues were raised. CoJ currently revising Phase 1c Operations Plan, to include potential Eco-Mobility legacy initiatives. Meeting with CoJ scheduled was for 07 December 2015 to review Operations Plan and confirm project priority.
Park Station to Doornfontein Cycle Lanes	36.2	36.2	10.1	-	80%	Construction is under way.
Auckland Park Station Precinct NMT	35.17	35.17	0.04	-	35%	Appointment of professional team have been finalised. Concept designs are underway. Tender for construction closed on 2 December 2015.
Alex BRT Loop	2.1	2.1	0.0	-	0%	Tender process for the appointment of the professional team is underway.
Westbury NMT Phase 2	31.4	20.16	8.8	-	100%	This project has been completed.
Lakeview and Klipspruit Valley NMT Strategies Phase1	3.99	3.99	0.0	-	100%	Project completed.
Lakeview and Klipspruit Valley NMT Strategies Phase 2	10.7	10.7	0.0	-	100%	This project has been completed in December 2015.
Phase 1C Landscaping	21.0	20.0	2.4	-	52%	Contractors have been appointed and site was handed over in October 2015.
Hillbrow to Park Station NMT	31.5	31.5	12.99	-	100%	Project completed and handover process underway.
Phase 1C Section 8A (New BRT Bridge over the M1 between Wynberg and Sandton)	80.8	77.36	32.8	-	59%	Construction under way. Delays are due to rocks on the Lees Street side during the excavation of Pier 1 foundation. This might result in additional costs that will be confirmed once foundation has been completed.
Phase 1C Section 8B (Sandspruit River Bridge Widening and road works)	53.5	51.0	14.5	-	85.6%	Contractor is progressing with construction of the widening of Sandspruit River Bridge and Malboro Drive

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Phase 1C Section 8D	26.3	26.3	0.0	-	58%	Construction underway.
Basothong and Mavumbi NMT	1.78	1.78	0.0	-	-	Project has been completed
Phase 1C Station	13.6	13.6	0.04	-	-	Tender adjudication has been concluded, however COJ Transportation has requested that the project be put on hold due to possible design change from high floor to low floor station. Tender validity has been extended until the end of December 2015.
Rosebank to Sandton NMT	8.0	8.0	0.19	-	10%	All professional team have been appointed. Concept designs underway. Site handover anticipated date is 28 March 2016.
Drieziek Public Transport Facility	11.0	11.0	0.0	-	5%	Professional team has been appointed. A traffic impact assessment is currently underway. The site survey has been completed. The team is currently busy with site feasibility and concept layout design.
UJ to Langlaagte NTM	29.7	29.7	8.6	-	100%	Construction on this project has been completed.
Avalon Bus Depot	0.55	0.55	0.0	-	5%	The full professional team has been appointed. Project was stopped at 50% of concept stage however the Environmental Impact Assessment Process is underway.
BRT Section 8 & 15 - New Stations	12.0	12.0	0.0	-	35%	Tender adjudication has been finalised and awaiting approval from JDA EXCO.
Drieziek Ext. 3 & 5	4.0	4.0	0.0	-	25%	Appointment of professional team underway.

## Media Reports and Coverage: Greenways and Mobility

The Greenways programme was covered in 43 stories this quarter and five (5) were positive stories and thirty-one (31) neutral stories recorded. The Skywalk project received positive coverage where it was reported that the project would see pedestrians and drivers who frequently use the intersection of Kingsway Avenue and Beyers Naudé Drive in Melville will attest to the fact that it is difficult for cars and dangerous for pedestrians to navigate, this was covered in the Caxton Newspapers. The Daily Sun also reported on the development of the Skywalk Bridge highlighting that it would allow for the creation of walkable neighbourhoods in that area and help transform the land use along the main walking lines.

The pedestrian bridge which lies north of the Great Walk Bridge along the M1 highway close to the Marlboro offramp received a positive report - The City of Johannesburg's Executive Director for transport Lisa Seftel said the bridge's building plans were approved by the relevant authorities and was safe to use by pedestrians.

Two stories about the Great Walk Bridge and how it will look once completed and that this would reduce travel times and improve safety for pedestrians who walk between Alex and Sandton Daily, this was reported in the Sandton Chronicle and the Citizen newspapers.

The collapse of the scaffolding at the site of the Great Walk Bridge construction along the M1 on 14 October received extensive coverage largely in the negative. The tragic incident claimed the lives of two people and left 19 people injured. "The pedestrian bridge under construction across the M1 highway in Sandton has collapsed, falling on at least one car. Paramedics have confirmed that at least two people have died", reported several publications on print and online reports. Most publications also explained what the intended end product of the bridge was meant to be, that its main aim would be to improve the experience of approximately 10 000 Alex residents who walk between Alexandra and Sandton on a daily basis.

Thirty-one (31) neutral stories were recorded for Programme 4, the focus being on the cleansing ceremony that was hosted by the City of Johannesburg, following the collapse of the scaffolding at the site of the Great Walk Bridge adjacent the Grayston Bridge. On November 13, "a section of the M1 highway, near the Grayston off-ramp where a foot bridge that was under construction collapsed, was closed for a few minutes on for a "cleansing" ceremony. Reports also indicated that the Department of Labour had given the Johannesburg Development Agency the go ahead to proceed with construction of the sites on the Wynburg and Katherine Street side. Construction of the elements of the bridge over the M1 will wait for the conclusion of the Department of Labour's inquiry into the incident.

Murray and Roberts the contractor appointed on the projects was also covered in respect of their application to the Department of Labour to gain access to the incident site.

The Department of Labour's preliminary report into the scaffolding collapse incident and ensuing inquiry into the incident received neutral coverage where they announced that the inquiry into the collapsed scaffolding would take a period of six (6) months. It will take approximately six months for South Africans to know the exact cause of the pedestrian bridge collapse over the M1 in Johannesburg. IOL and Polity news reported that "The Department of Labour is to set-up a Section 32 Inquiry to dig deeper as to the causes and who is to blame for the collapse of scaffolding work into the Grayston Drive Pedestrian and cyclist structural bridge collapse that led to the deaths of two people and injury to 19 others."

The Ecomobility Festival took place in October to some mixed feelings. The media club reported that "Some people were pleased with the enforced use of public transport over the month-long EcoMobility World Festival in Sandton. For others it meant traffic jams and loss of income. But the general sentiment was that it was a good idea and got people thinking".

The City of Johannesburg municipality plans to continue its focus on the implementation of an integrated transport system through its transport legacy projects, following the EcoMobility World Festival 2015, which took place in the Sandton central business district (CBD) during October reported Engineering News.

## **Programme 5: Alexandra renewal project**

**Programme purpose:** Manage the development of Alexandra through capital investments, overseeing integrated investments by other departments and entities, and facilitating community-based initiatives and local economic development strategies.

In 2001 the urban renewal programme was established to focus on eight urban townships, including Alexandra; the lessons learnt from these eight nodes were intended to improve the manner in which government supports township renewal across the country.

The Alexandra renewal project, which has been in existence for 12 years, is funded by the Gauteng Province and the CoJ. An area development masterplan guides the development of this historic neighbourhood and a number of housing and community development projects have been implemented. Constraints to future development include an interdict against property developments that are subject to an unresolved land claim. In 2013 the Mayoral Committee decided that the Alexandra renewal project should be amalgamated with the JDA. Projects will be moved to the JDA system as appropriate, and employees will be seconded to the JDA in a phased way to ensure the least possible disruption.

Key deliverables in 2015/16 include:

- Finalising the Alex masterplan and implementing a meaningful public participation process to agree on implementation priorities and collective action.
- The declaration of Alex as a priority housing development area (through the Housing Development Agency Act [2008], and confirmation of dedicated funding for land and housing.
- Implementing capital works projects funded by the CoJ, human settlement grants and other intergovernmental grants.

## **Progress on projects**

### ***a). Banakekeleni Hospice Clinic***

The aim of the project is to upgrade the existing facility. An architect will be appointed to scope the works with inputs from civil, structural and electrical engineers. The operator is close to securing a 10 year lease agreement for the facility. It is envisaged that a professional team will be appointed by end March to start with the planning and design work for the upgrading of the facility.

#### ***b). 4<sup>th</sup> Avenue Clinic***

The tender process for the appointment of a contractor to construct the new 4<sup>th</sup> Avenue Clinic is near finalisation and it is expected that works on site will commence by mid February 2016. The Department of Health is in the process of relocating the health services to other clinics in the area. Completion of the works is expected by end September 2016.

#### ***c). Development of Open Spaces – Maputo Park***

The development of open spaces is an on-going programme in Alexandra. This project entails design and construction of a community park in Maputo Park, Alexandra.

During the 2015/16 financial year the JDA will develop a concept designs, complete detailed designs, conduct stakeholder consultations and appoint contractors. With regard to the project progress as of the end of Quarter 2 all field investigations have been completed, concept has been completed and submitted to City Parks for comments and input. Preliminary and detailed designs will commence early in Quarter 3.

#### ***d). Old Ikage Housing Development***

The project entails the development of approximately 200 social housing units. The professional team is currently working on a number of options which will be presented to Joshco by end January 2016. The relocation of the illegal occupants on the site will be prioritised to ensure that the site is vacant and available for construction by August 2016.

#### ***e). Vincent Tshabalala Pedestrian Bridge***

This project entails the design and construction a pedestrian bridge in Alexandra Township to provide a safe crossing point. Traffic and pedestrian studies were conducted to confirm the warrant of this bridge

During the 2015/16 financial year the JDA will appoint a professional team, conduct field investigations and complete concept designs. With regard to the project progress as of the end of Quarter 2, the tender process for the appointment of the professional team was completed. Tender evaluation process is underway is planned for completion by January 2016.

#### ***f). Refuse Bins – Far East Bank Extension 9***

This is an on-going project to distribute 240 litre refuse bins to new households in Far East Bank. The scope of works is to purchase and distribute 680 bins in 2015/2016.

#### ***g). Thoko Mngoma Clinic***

The tender process is near finalisation and it is expected that works on the site will commence by February 2016. The scope of works entails the refurbishment of the existing clinic and the

construction of a new wing that will house consulting rooms and administration offices. Completion of the works is expected by July 2016.


#### h). Linear Markets

This project entails the design and implementation of Linear Markets / Trading Stalls in Alexandra in front of the Pan Africa Taxi Rank and in Ivory Park Ext 2.




During the 2015/16 financial year the JDA will develop a concept designs for both Pan Africa Taxi Rank and Ivory Park, complete detailed designs, conduct stakeholder consultations and appoint contractors. With regard to the project progress as of the end of Quarter 2 all field investigations have been completed, concept has been completed and submitted to the client for comments and input. Preliminary and detailed designs will commence early in Quarter 3. Stakeholder consultation is ongoing. This is taking a form of a focus group with all the affected and interested traders, and then broader public meetings will be convened to introduce the project to the affected communities.











#### Performance against KPIs


Programme 5: Capital expenditure

KPI	Q2 Expenditure Target	Q2 Actual	Q2 Variance	Q2 Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Percentage of capital budget spent	20%	9%	11%		Target not achieved.

Programme 5: Development progress per project

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Variance	Q2 Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
4th Avenue Clinic Alexandra	25.0	15.0	0.13	20%	25%	5%		All detailed designs have been completed and the procurement for tender process is underway. Site handover is anticipated in January 2016, starting with demolitions.
Banakekeleni Hospice Clinic	2.5	2.5	0.0	20%	5%	15%		Appointment of professional team is underway to be finalised by December 2015. Concept designs re-design is currently underway.
Jukskei River Environmental Upgrading and Rehabilitation Alexandra	0.0	0.0	0.0	-	-	-	-	No budget allocated. Project to be funded in 2017/18.
Old Ikage housing development Alexandra	18.0	2.5	0.0	20%	8%	12%		The project is currently in the conceptual design phase to be approved by JDA EXCO in January 2016. Several interactions have taken place between the JDA and JOSHCO with a view to fully assimilating the end user's requirements. The professional team has been appointed and the relevant pre-design studies (i.e. geotechnical investigations, traffic study and environmental screening) are currently being undertaken. Delay was due to inadequate handover of the project and land dispute

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Variance	Q2 Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
								between the school and the City.
Peoples' Court, 7th Avenue (Old Alexandra) New Heritage Facility	0.0	0.0	0.0	-	-	-	-	Project to be funded in 2016/17
Purchase of new Refuse Bins for New Housing on Far East Bank	0.3	0.3	0.0	70%	0%	70%		Delay was due to lack of progress.
Thoko Mngoma Clinic Marlboro	15.0	15.0	0.045	20%	25%	5%		Tender evaluation process is currently underway and expected to be finalised by end December 2015. Site handover is anticipated in January 2016. Delay was due to inadequate handover of the project as it was put on hold due to possibility of relocating the clinic to Marlboro.
Development of Open Space - Maputo Park	5.0	5.0	0.361	20%	25%	5%		Tender procurement has been advertised and it was closed on the 5 December 2015. Construction expected to commence on the 2 <sup>nd</sup> February 2016. Delays were due to political instability and illegal occupants. JDA have conducted pro-active communication and engagement process with the local councillor, local leadership and directly affected stakeholders.
Pedestrian Bridge Vincent Tshabalala Road	4.0	4.0	0.97	20%	100%	80%		The traffic impact assessment has been concluded and shared. Geotechnical report is complete. Appointment of professional team is underway. Delays were due to political instability in Alexandra. JDA have conducted pro-active communication and engagement process with the local councillor, local leadership and directly affected stakeholders.
Alexandra Heritage Centre	13.0	13.0	0.329	20%	90%	70%		The construction is underway. The contractor was granted an extension of time to complete the remaining works by 30 November 2015. The special library project concept design has been approved and signed off. Heritage scope of work is anticipated completion end January 2016 due to the exhibition to be done in 3 months' time.
Alfred Nzo Road Widening	0.0	0.0	0.0	-	-	-	-	Project to be funded in 2016/17
Linear Markets at Pan Africa	8.0	8.0	0.296	20%	20%	-		Concept design has been completed and approved. The professional team is currently busy with detailed design. Tender adjudication is underway. Anticipated completion date is end of June 2016.
Number of Short Term EPWP job opportunities created through Programme 5 construction contracts	-	-	-	0	29	29		There are 29 short term EPWP job opportunities created for 17 local labours, under programme 5 construction contracts.
BBBEE expenditure share as a % of total Capex	-	-	149,414,098	100%	117%	17%		
SMME expenditure share as a % of total Capex	-	-	117,985,232	30%	14%	16%		
Of which: Jozi@Work SMME expenditure share as a % of total Capex	-	-	-	5%	-	-		
Positive media reports as a % of the total number of media reports on the JDA in Alex	-	-	-	90%	0%	90%		

KPI	2015/16 Budget R m	2015/16 Proposed Mid-Year Adjustment	Q2 Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Variance	Q2 Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of December 2015)
Number of property developments facilitated by JDA in Alex	-	-	-	0	0	-		

## Media Reports and Coverage: Alexandra Renewal Programme (ARP)

There were no stories recorded in this programme for the second quarter of 2015/16.










## Programme 6: Administration and management






**Programme purpose:** Provide strategic leadership and support services, including the accommodation needs and overall management of the JDA.

This programme accommodates shared services such as CEO, finance, internal audit, company secretariat, marketing and communications, risk and compliance, supply chain management, IT, human resources and facilities management.

In 2015/16 this programme will work on ensuring compliant and effective management and administration to achieve a clean audit. The welfare and morale of staff are key considerations, as is the need to resource the JDA to implement rising capital budgets.

### Performance against KPIs

KPA	KPI	2015/16 Annual Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q2 Variance	Mid-Year Achievement
Programme 6: Human resources	% Black employees	80%	94%	93%	80%	76%	4%	
	% Female employees	45%	52%	55%	45%	54%	9%	
	% Black female senior managers	35%	33%	10%	35%	66%	35%	
	Staff Turnover	<10%	3%	2%	5%	1.1%	4%	
	HIV voluntary testing opportunities	0	0	0	1	1	0	
	Compliance with Occupational Health and Safety Act at the Bus Factory	80%	80%	90%	80%	91%	11%	
	Investment in training	3%	3%	0.3%	3%	42%	39%	
Programme 6: Financial management and corporate governance	Unqualified audit reports	Clean Audit	-	-	-	-	-	
	Overspending against operating budget	0%	0%	0%	0%	0%	0%	

KPA	KPI	2015/16 Annual Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Q2 Variance	Mid-Year Achievement
	IT network availability – external	98%	100%	100%	98%	100%	98%	
Programme 6: Economic development	BBBEE expenditure share as a % of total operating expenditure	100%	110%	83%	100%	-	100%	
	SMME expenditure share as a % of total operating expenditure	40%	9%	42%	40%	-	40%	
	Jozi@Work SMME expenditure share as a % of total contracted services and repairs and maintenance	10%	-	-	0%	0%	-	
Spending of Operational Budget	Programme 6: % of operating budget spent (cumulative for the year to date)	100%	12%	8%	30%	8%	22%	

### Media Reports and Coverage: Corporate

Two positive stories were recorded for Programme 6. The first was on CNBC where JDA Board Chairperson, Cas Coovadia was interviewed by Jimmy Mmulutsi on the role of the JDA in urban regeneration. The interview focused on the JDA's role in the Inner City Roadmap, Corridors of Freedom and Transit Oriented Developments among others.

The second article was neutral titled “Battling with the legacy of apartheid design” – Archinect reported that “Johannesburg is a modern global city, the second largest in Africa, its metropolitan area home to nearly 8 million people. Yet the legacy of apartheid has left it a city of spatial segregation — a city of walls, of racially divided townships and populations pushed to the peripheries.” These discussions held by the JDA and the University of Witwatersrand based on speculative projects.

### Programme 7: Development facilitation

**Programme purpose:** Provide strategic leadership, coordination capacity, and analytical and negotiating skills to promote investment, establish and communicate shared development visions, and prepare a pipeline of implementation-ready property developments and capital works projects.

The programme, which gives effect to the extended mandate of the JDA as the development facilitation agency for the CoJ, includes development implementation, project development, land development and urban management support functions. The planning and strategy and development facilitation units play strategic roles at the JDA to ensure developments contribute towards the city's GDS vision and to facilitate easier, more participatory and better planned implementation of capital investments. The development facilitation and urban management specialists work within all of the JDA development areas to popularise development plans, undertake feasibility studies and promote investment opportunities, identify property development deals by leveraging municipal owned

property, lead property assembly strategy for these areas, initiate urban management and place-making partnerships and engage with stakeholders to support the achievement of the development objectives. Priority areas include the Corridors of Freedom, the Inner City and Alexandra.

In order to ensure that all stakeholder related issues are dealt with in a seamless manner across all activities of the JDA, the Board resolved to place the Stakeholder Management unit in the Development Facilitation Department. This process was completed in the second quarter of the 2015/2016 financial year. The Development Facilitation unit conduct its work in relation to stakeholder engagement in four distinct but fully integrated periods over the lifespan of a project. This ensures that the JDA is involved from the inception of a particular vision of a city precinct, to the full realisation of that vision.

The four periods identified, with some current initiatives are outlined below:

1. Vision / Concept stage
2. Translation of the vision into a concept project (Pre-approval phase)
3. The project implementation phase
4. Post-handover phase

Period	Projects	Role	Highlights Q2
Vision / Concept	African Food Hub	<ul style="list-style-type: none"> <li>• To establish institutional arrangements for the optimal functioning of the food hub.</li> </ul>	<ul style="list-style-type: none"> <li>• Initial agreement with the Mayor's office for partnering with Vulindleza Jozi on training facilities with employment opportunities for the youth, in particular in the food industry.</li> <li>• Initial agreement with Social Development was to partner with the food hub as a distribution space and market for social development supported urban farms.</li> </ul>
	Braamfontein	<ul style="list-style-type: none"> <li>• Stakeholder / development facilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitated the establishment of a Transport Forum on transport planning in Braamfontein to ensure that the future vision of Braamfontein is based on sound transport evidence.</li> </ul>
	Inner City Eastern Gateway	<ul style="list-style-type: none"> <li>• Urban design framework and implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>• Reached an agreement with inner city stakeholders on the scope of the work to be included</li> </ul>


Period	Projects	Role	Highlights Q2
			in the framework, as well as a revised study area.
	Doornfontein TOD development	<ul style="list-style-type: none"> <li>• implementation plan</li> </ul>	<ul style="list-style-type: none"> <li>• To cohesively bring together city and private sector planning and development to unlock the TOD development opportunities around the Doornfontein station.</li> </ul>
	Joburg Fresh Produce Market	<ul style="list-style-type: none"> <li>• Draft SLA with Joburg Market</li> </ul>	<ul style="list-style-type: none"> <li>• On development preparation-identification of sites, and statutory approvals for the development of four distribution centres</li> </ul>
	Inner City Investor Tour	<ul style="list-style-type: none"> <li>• Promote further investment</li> </ul>	<ul style="list-style-type: none"> <li>• Host tours and talks on the opportunities which the inner city offers. We hosted one such tour in the second quarter with the emphasis on the inner city residential market. The tour included the Newtown West container development, Braamfontein, Park Station and AFHCO Atkinson House.</li> </ul>
	Ivory Park	<ul style="list-style-type: none"> <li>• Stakeholder / development facilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitated integration of Emthonjeni Interchange and Ivory Park Township Economy Revitalisation projects. Presentation to planning dept for JSIP allocation. Holistic project to proceed on phased basis.</li> </ul>
	Louis Botha Corridor	<ul style="list-style-type: none"> <li>• Grant Avenue precinct plan</li> </ul>	<ul style="list-style-type: none"> <li>• Detailed work with business community and residents to structure working group for planning process.</li> </ul>
	Balfour Park Node:	<ul style="list-style-type: none"> <li>• Stakeholder / development facilitation</li> </ul>	<ul style="list-style-type: none"> <li>• Successful facilitation of ongoing private sector interest and involvement in development of a landmark building to anchor the node.</li> </ul>
	Randburg	<ul style="list-style-type: none"> <li>• Stakeholder /</li> </ul>	<ul style="list-style-type: none"> <li>• Successful facilitation of regular</li> </ul>

Period	Projects	Role	Highlights Q2
		development facilitation	technical and operational meetings on Randburg through the Regional Office
	Westbury Housing Project	<ul style="list-style-type: none"> <li>Stakeholder / development facilitation</li> </ul>	<ul style="list-style-type: none"> <li>Facilitated the drafting of an SLA between the Department of Housing and JDA for the refurbishment of council housing units in Westbury with JDA as the implementing agent</li> </ul>
Project Implementation Stage: Stakeholder Engagement	The Stakeholder and Community Engagement	<ul style="list-style-type: none"> <li>Defining participation process</li> </ul>	<ul style="list-style-type: none"> <li>The Stakeholder and Community participation process starts with the presentation of concepts to the different Regional Directors, Ward councillors and ward committees to the community itself.</li> </ul>
Post-handover Phase	Jozi @ Work incubator model	<ul style="list-style-type: none"> <li>Development of model</li> </ul>	<ul style="list-style-type: none"> <li>Development of a Jozi @ Work incubator model that will assist JDA Development Managers in developing post-handover management plans using Jozi @ Work.</li> </ul>
	Kazerne intermodal facility	<ul style="list-style-type: none"> <li>Develop an operation and management plan for the use of the facility,</li> <li></li> </ul>	<ul style="list-style-type: none"> <li>including allocation and negotiations with potential operators.</li> </ul>
	Park Station, Turffontein and Hillbrow Tower	<ul style="list-style-type: none"> <li>Area Based Management Plan.</li> </ul>	<ul style="list-style-type: none"> <li>including negotiations with property owners</li> </ul>
	Kliptown	<ul style="list-style-type: none"> <li>Post implementation maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Facilitated a joint planning session between JPC and JDA on the development of a post-handover management and area maintenance plan for Walter Sisulu Square of Dedication in Kliptown with the aim of using Jozi@ Work.</li> </ul>
	Jabulani	<ul style="list-style-type: none"> <li>Precinct Management</li> </ul>	<ul style="list-style-type: none"> <li>Facilitated the implementation of</li> </ul>



Period	Projects	Role	Highlights Q2
			the National Treasury's NDPG precinct management toolkit in Jabulani

## Performance against KPIs

Programme 7: Capital expenditure

KPI	2015/16 Budget R m	Q2 Target	Q2 Actual	Q2 Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of September 2015)
Percentage of capital budget spent	5.58	0%	0%	-		Target achieved

Programme 7: Development progress per project

KPI	2015/16 Budget R m	Q2 Actual Expenditure R m	Q2 Development Progress Target	Q2 Development Progress Actual	Q2 Variance	Mid-Year Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of September 2015)
Corridors of Freedom strategic area framework and heritage plans	5.4	1.1	40%	20%	20%		Preliminary Heritage Survey (Phase 1) is completed. Detailed Architectural and Historical Research (Phase 2) is underway. Heritage Impact Assessment Reports will be submitted on 27 November 2015. Conservation Management Guidelines (Phase 3) will run from January to March. Compilation of Final Reports (Phase 4) will run from April to June.
Corridors of Freedom naming and branding	4.5	1,8	40%	35%	5%		The naming process for the Empire Perth Corridor is well underway and the schools competition has been concluded with proposed names soon to be put out for public voting in the beginning of the third quarter. Five names have been selected for the public voting process. An awareness campaign for the Empire Perth Corridor was implemented in the second quarter
BBBEE expenditure share as a % of total Capex	-	-	100%	-	-	-	No Quarter 1 Target
SMME expenditure share as a % of total Capex	-	-	30%	-	-	-	
Jozi@Work SMME expenditure share as a % of total Capex	-	-	5%	-	-	-	

## Media Reports and Coverage: Development Facilitation

There were no stories recorded in this programme for the second quarter of 2015/16.

## Section 7: Supply Chain Management and Black Economic Empowerment

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

#### Supply chain deviations and approvals:

According to regulation 36(1)(a) of the Municipal Supply Chain Management Regulations, the accounting officer may dispense with 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
- If acquiring special works of art
- If acquiring animals for zoos
- In any other exceptional case where it is impossible or impractical to follow official procurement processes.

To give effect to regulation 36, the CoJ's supply chain management policy allows the accounting officer to deviate from normal procurement processes under the circumstances outlined above. In terms of regulation 36(1) (b), the accounting officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers that are of a purely technical nature.

### Deviations and Ratification – Second Quarter 2015/16

SERVICE PROVIDER	REASONS FOR DEVIATION / RATIFICATION	CONTRACT VALUE (EXCLUDING VAT)	DATE OF APPROVAL
Creative Axis Architects	Ratification of an error that was made in the appointment of The Creative Axis Architects for two financial years 2013/14 and 2014/15 instead of three financial years as advertised in the tender document. The ratification is to include the third year 2016/17 financial year with no increase in the scope of service.	R 0	26 October 2015

There were no unsolicited bids to the JDA from 1st October 2015 to 31<sup>st</sup> December 2015 all procurement went through the Supply Chain processes. According to Regulation 44 of the Municipal Supply Chain Management Regulations the regulation prohibits municipal entities from awarding contracts to a person who is in the service of the state. To date the JDA has not awarded any contract to a person who is in the employment of the state. There were no objections received on tenders awarded for the quarter under review.

### Black Economic Empowerment

The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. The table below shows the BBBEE share of capital and operating expenditure. In the second quarter 2015/16, the overall BBBEE share of expenditure was R 498,159,551. This constitutes an achievement of 91 per cent. This is largely due to the success achieved in awarding capital expenditure and operating expenditure contracts to BBBEE firms.

#### Summary of BBBEE expenditure<sup>10</sup>

DESCRIPTION	TOTAL EXPENDITURE	BBBEE CLAIMED	BBBEE %
Capex	R 492,779,897	R 445,749,211	90%
Opex	R 55,514,639	R 52,410,339	94%
<b>Consolidated Opex and Capex</b>	<b>R 548,294,536</b>	<b>R 498,159,551</b>	<b>91%</b>

The JDA uses various criteria for calculating the BBBEE claimed. Each service provider's individual BBBEE rating affects the amount of expenditure the JDA can claim as being from a BBBEE-compliant service provider when calculating its preferential procurement points. The higher the service

<sup>10</sup> Note: Any discrepancies between this table and the financial statements are due to timing differences between when the expenditure is captured in the Development Information Management System and the report on actual invoices paid. These variances are not significant and the ratios remain valid.

provider's rating, the more expenditure can be claimed. If the agency buys from a level 1 service provider, it can claim 135 per cent of the actual expenditure. For example, if the JDA spends R10 000 with a level 1 service provider, it can claim R13 500 as BBBEE spend. If it spends R10 000 with a level 6 service provider, it can only claim R6 000. The JDA only claims 100 per cent for service providers with BBBEE level 1 to 4 and 80 percent, 60 percent, 50 percent and 10 percent for service providers with BBBEE level 5 to 8 respectively.

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

B-BBEE Status Level Of Contributor	B-BBEE Recognition	Number of Points	
		Tenders up to R1 million	Tenders above R1 million
1	135%	20	10
2	125%	18	9
3	110%	16	8
4	100%	12	5
5	80%	8	4
6	60%	6	3
7	50%	4	2
8	10%	2	1
<b>Non-Compliant contributor</b>	<b>0%</b>	<b>0</b>	<b>0</b>

### Enterprise / SMME Development Programme

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

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

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

- **Emerging contractor development** for SMMEs working on JDA projects (both subcontractors and those contracted directly by the JDA). This includes general training.

- Training on **winning business** for SMMEs (with a focus on unsuccessful bidders identified through the JDA tender process).

The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The table below shows the SMME share of capital and operating expenditure. The SMME share of JDA's operating and capital expenditure was R 343,809,112 for the quarter under review. This constitutes an achievement 36% for the period under review.

#### Summary of SMME expenditure<sup>11</sup>

DESCRIPTION	SMME SPENT	SMME %
Capex	R 81, 255, 553	28 %
Opex	R 42, 712, 527	79%
<b>Consolidated Opex and Capex</b>	<b>R 123 968 080</b>	<b>36%</b>

## Section 8: 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.

Name of department	Amounts owed		Account status	Comments
	Current <30 days	>30 days		
	<i>R' 000</i>	<i>R' 000</i>		
City of Johannesburg - CAM & USDG	24 520	12 141	Account current	Most claims were settled in the 2nd quarter Current balance includes December claims
City of Johannesburg - Department of Transportation	122 519	371 076	Account overdue	Most claims were settled in the 2nd quarter Current balance includes December claims
City of Johannesburg - Department of Planning	18 486	20 083	Account overdue	Most claims were settled in the 2nd quarter Current balance includes December claims

<sup>11</sup> Note: Any discrepancies between this table and the financial statements are due to timing differences between when the expenditure is captured in the Development Information Management System and the report on actual invoices paid. These variances are not significant and the ratios remain valid.

Name of department	Amounts owed		Account status	Comments
	Current <30 days	>30 days		
	<i>R' 000</i>	<i>R' 000</i>		
City of Johannesburg - Housing	0	1 391	Account overdue	Most claims were settled in the 2nd quarter Current balance includes December claims
City of Johannesburg - Department of Health	3 584	8 685	Account overdue	Most claims were settled in the 2nd quarter Current balance includes December claims
City of Johannesburg - GSPCR	0	8 040	Account overdue	Most claims were settled in the 2nd quarter Current balance includes December claims
City of Johannesburg - Other departments	1 185	37 378	Account overdue	Most claims were settled in the 2nd quarter Current balance includes December claims
<b>Total</b>	<b>170 294</b>	<b>458 794</b>		

## CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

### Section 1: Human Resource Management

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

The staff structure comprising of 109 positions was approved in 2014/15 financial year. The structure includes:

- A Top Management and Executive Management Committee, comprising the Chief Executive Officer, the Chief Financial Officer, the Executive Manager: Development Implementation, the Executive Manager: Planning and Strategy, the Executive Manager: Development Facilitation, the Executive Manager: Marketing and Communications and the Executive Manager: Corporate Services.
- The Chief Audit Executive and the Company Secretary, who both report to the Board.
- Senior management, comprising Senior Development Managers, the Human Resources Manager, the Supply Chain and Contracts Manager, the Finance Manager, the Facilities Manager, the IT Manager, the Risk and Compliance Manager, the Marketing Manager, the Stakeholder Relations Manager, the Communications Manager, the Monitoring and Evaluations Manager, the Planning Manager, Internal Audit Managers, the Budget Manager, the Legal Manager and the Executive Support Manager.
- Professional and middle management, comprising Development Managers, Accountants, Development Facilitation Managers, the Risk and Compliance Officer, the Procurement Officer, the Performance Management and Training Officer, the Employee Relations Officer, the Human Resources Officer and the Legal Officer.
- Junior management, comprising Coordinators, Personal Assistants, Accounts Payable Officers, IT Support Officers, the IT and Information Systems Administration Officer, the Fixed Asset Register Officer, Procurement Coordinator and the the Messenger/Caretaker.
- Semi-skilled workers, comprising a Driver and a Receptionist.
- Unskilled workers, comprising housekeepers and cleaners.

The total staff compliment for period under review is 109 based on approved positions, 78 is total number of JDA employee in the payroll, 12 employees are from Sandton office and 19 are vacant

positions . For the period under review the following positions were filled: Budget Manager, Internal Audit Manager and Chief Audit Executive.

## HR Policy Reviews

Two crucial policies were reviewed in this quarter:

- Retirement Policy
- Recruitment Policy

Employees will be sensitised on the changes to these policies in a business information session. The Business Information session is attended by all JDA employees.

## Learnership Programme

There are three (3) learners in this quarter. They are all based in the Internal Audit department. This programme provides an excellent opportunity for learners to acquire practical work experience in their field of expertise as well as all other areas of the JDA's operating environment.

## Injuries, sickness and suspensions

### Cost of sick leave (excluding injuries on duty): Mid-Year 2015/16

The JDA has a system in place which administers all forms of statutory leave as provided in the Basic Conditions of Employment Act 75 of 1997. The table below is a reflection of sick leave analysis for the period under review across all occupational categories and cost implications thereof. A total of 78 employees in the table below are the current JDA employees in the payroll which excludes 12 employees from Sandton Office who resides in the COJ payroll and therefore their leave usage could not be verified .

Salary band	Total sick leave	Proportion of sick leave without medical certificate	Employees using sick leave	Total employees in post	Average sick leave per employee	Estimated cost
	Days	%	No.	No.	Days	R 000
Top management	0		0	1	0	0
Executive management (including chief audit executive)	0		0	6	0	0
Senior management	18		3	17	1	19 711.56
Middle management	17		4	23	0.62	17 708.35
Skilled technical/junior management	14		7	23	0.56	2 676.23
Semi-skilled	1		1	2	0.5	529.57
Unskilled	9		5	6	1.5	664.96
<b>TOTAL</b>	<b>59</b>	<b>0</b>	<b>20</b>	<b>78</b>	<b>4.18</b>	<b>41 290.67</b>

No injuries at work or suspensions were reported during the period under review.

## Section 2: Employee Remuneration (Total Costs including Executives)

For the period under review, the JDA had a total staff compliment of 90 and JDA's salary bill for the period was R22 267 350.22.

## Section 3: Key Vacancies

In the second quarter of 2015/16, the JDA's total staff complement was 90 employees as a result of the organisation's strategy to increase capacity to deliver on its expanded mandate and the rising capital budgets that have been allocated across the CoJ departments and entities. The JDA staff establishment is comprised of Top Management, Executive Management which forms part of EXCO, HOD's of various Departments, Development Managers, Officers allocated in various Departments, Management in various roles in various Departments, Project Coordinators in Development Implementation Department, Administrators in various Departments, housekeepers and Cleaners.

### Staff establishment

Description	2015/16			
	Approved no. of posts	No. of employees	No. of vacancies	% of vacancies
Top management	1	1	0	0
Executive management	8	7	1	13
Senior management	22	18	4	19
Middle management	34	27	7	21
Skilled technical/junior management	31	25	6	20
Semi-skilled	4	3	1	25
Unskilled housekeepers/cleaners	6	6	0	0
Learners and temps	3	3	0	0
<b>Total</b>	<b>109</b>	<b>90</b>	<b>19</b>	<b>18</b>

### Turnover rates from 2010/11 to 2014/15

Historically, between 2010/2011, 2011/2012 and 2012/2013, the JDA has experienced a low staff turnover and the highest being 10% in 2011/2012. Between 2013/2014 and 2014/2015 period the JDA experienced an upsurge in staff turnover which was as a result of resignation. Percentages of staff turnover are between 14.75% in 2013/2014 and 16% in 2014/2015 as shown in the table below.

Turnover rate			
Details	Total appointments at beginning of financial year	Terminations during financial year	Turnover rate
	No.	No.	%
2010/11	54	5	9
2011/12	50	5	10
2012/13	55	3	5
2013/14	61	9	14.75
2014/15	86	14	16

### Turnover rates for 2015/16

The JDA experienced low staff attrition in both reporting quarter periods and the highest being at 2.3% as shown in the table below.

Turnover rate			
Quarterly	Total appointments per Quarterly	Terminations per Quarter	Turnover rate
	No.	No.	%
Q1	84	2	2.3
Q2	90	1	1.1

### Retention Initiatives

Despite one resignation which occurred during the second quarter, the JDA continues to mitigate resignations through various initiatives, which seek to make the JDA an employer of choice by way of offering competitive market related remunerations structures to promote staff retention as follows:

- a) Job Evaluations and Salary Benchmarking Process exercise has been undertaken and the final report with recommendation on job evaluations and salary benchmarking exercise has been presented to all JDA structures EXCO, HR& REMCO and the Board for consideration and approval.
- b) Employee Climate Survey – The JDA is currently undergoing employee climate survey and it is anticipated that the project will be completed by end of December 2015. The JDA feels that this approach will yield better results and will result in more effective interventions by Management.

## Section 4: Employment Equity

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

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

The Employment Equity Plan was developed for the period 1 October 2014 to 30 September 2015 to promote an environment and culture that supports open communication, where everyone is encouraged to express their views without fear of being victimised, and to ensure fair and consistent application and implementation of all employment practices and procedures. Structures and resources have been put in place to coordinate and monitor employment equity implementation across the organisation. The JDA undertakes an annual review of its employment equity processes and general employment practices to inform the implementation of the Employment Equity Plan. The JDA 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.

## Employment Equity demographics status for period under review

### Occupational levels

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
	Top management	1	0	0	0	0	0	0	0	0	
Executive Management	3	0	0	2	2	0	0	0	0	0	7
Senior Management	5	2	1	2	6	0	2	0	0	0	18
Professionally qualified and experienced specialists and mid-management	13	0	0	2	6	3	1	2	0	0	27
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	0	1	0	14	1	2	1	0	0	25
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	0	0	3
Unskilled and defined decision making	1	0	0	0	5	0	0	0	0	0	6
<b>TOTAL PERMANENT</b>	<b>30</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>35</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>87</b>

Occupational Levels									Foreign Nationals		Total
	Male				Female				Male	Female	
	A	C	I	W	A	C	I	W	Male	Female	
Temporary employees	2	0	0	0	1	0	0	0	0	0	3
<b>GRAND TOTAL</b>	<b>32</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>36</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>90</b>

### Movements

Staff movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	2	1	0	0	0	0	0	0	3
Dismissals	0	0	0	0	0	0	0	0	0
Retirements	0	0	0	0	0	0	0	0	0
Absenteeism	0	0	0	0	0	0	0	0	0
Termination/other	1	0	0	0	0	0	0	0	1
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

The JDA targets and achievements for period under review:

- 76 per cent of its employees are black (target: 80 per cent).
- 54 per cent of its staff members are female (target: 45 per cent).
- 25 per cent of its employees who are black women are in management positions
- The JDA has employees with physical disabilities, exceeding the CoJ's strategic target of 2 per cent by 0.3 per cent. The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories.

### Section 5: Skills Development and Training

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

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

- Understanding the educational requirements of the organisation, based on competency assessments and pivotal training
- Best practice learning design

- Timely and appropriate learning delivery
- Assessment of the impact of learning interventions on overall company performance.

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

A budget of R 557 760 has been allocated for staff development for the 2015/2016 financial year. The actual expenditure for period under review is R59 029.05 (42%). The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity. All training was in line with individual learning plans.

## **Section 6: Performance Management & Succession Planning**

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.

The JDA rolled out the performance management agreements and scorecard to all employees in the second quarter of 2015/16. As part of continuous employee development, coaching, mentorship and training interventions are implemented to assist employee to perform to the required performance standard.

Despite the JDA's increasing budget allocation and portfolio, which has put strain on employees' performance, the JDA will continue to implement measures to improve its operational effectiveness in 2015/16.

## Section 7: Disciplinary Matters and Outcomes

Two employees were subjected to a disciplinary hearing, one employee subsequently resigned before the hearing could be concluded. The other employee reached a mutual separation agreement with the JDA as part of his exit .

## Section 8: Leave & Productivity Management

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

The table below shows trend analysis in three statutory leave types. The analysis shows that annual in 1<sup>st</sup> quarter was at an average level, although there are some indications that in August 2015 there was a slightly higher uptake in annual leave usage and this was a result of carried forward annual leave day employees did not want to forfeit. The same trend patterns had spread to the month of October 2015. The table below indicate that in the 1<sup>st</sup> quarter most employees were absent from work as a result of being placed on sick leave, surprising drop in September 2015. In the 2<sup>nd</sup> quarter we noticed recurrence of the same trend particularly in October and November 2015. In December 2015, there was a sudden drop in sick leave usage primarily because many employees had applied for annual leave for December holidays complimented by compulsory shutdown period.

Family responsibility leave remains the lowest used with an average of 8 being the highest in both quarters and same applies to study leave which is primarily dependent on a number of employees registered to study and timing of the exam period. Study leave had remained relatively low in usage. On average annual leave has been the highest in terms of leave approvals.

**Leave Analysis Mid-Year 2015/16**

Type of Leave	July 2015	August 2015	September 2015	October 2015	November 2015	December 2015	Total Days Taken
Annual Leave	14	36	13	51	6.5	102	222.5
Sick Leave	25	21	3	21	27	0.5	97.5
Family Responsibility Leave	6	8	0	4	0	0	18
Study Leave	5	0	4	0	6	0	15
<b>TOTAL</b>	<b>50</b>	<b>65</b>	<b>20</b>	<b>76</b>	<b>39.5</b>	<b>102.5</b>	<b>353</b>

## **Section 9: Employee Wellness**

The JDA is committed to maintaining a healthy workforce and providing a safe and hygienic working environment. The JDA's Employee Wellness Programme, which is outsourced to Right to Care Health Services, offers behavioural risk management, free trauma counselling and free legal and financial advice for all employees. Right to Care provides a confidential, 24-hour personal support and information service, which employees, as well as their partners and immediate family, may access through a toll-free number for assistance with health, financial, legal and other issues.

The JDA receives statistical information on the issues discussed to enable it to identify and implement solutions to the particular issues raised. The identities of the employees who use this service remain strictly confidential.

The JDA holds Wellness Day events twice a year, in June and December. Employees can have their basic health assessed and receive feedback and guidance on corrective measures and counselling.

## **Section 10: Employee Benefits**

The JDA participates in two retirement benefit schemes: eJoburg Retirement Fund (86 permanent employees) and City of Johannesburg Pension Fund (1 permanent employee). All staff are required to be members of the eJoburg Retirement Fund. The JDA contributed R1 009 999.46 to the eJoburg Retirement Fund and R11 839.37 (one staff member) to the City of Johannesburg Pension Fund for the period under review. JDA contributed an amount of R 183 997.95 to Group Life Cover for all its employees and directors.

## **Section 11: 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.

In the period under review, Right to Care circulated weekly and monthly e-mails and newsletters about HIV/AIDS, including prevention strategies, to all JDA staff. Voluntary counselling and testing was conducted on 1 December 2015 at the wellness day.

### **Occupational Health and Safety**

Independent consultant Empowerisk conducted monthly occupational health and safety audits during 2015/16. These audits identify risks and cases of non-compliance with the Occupational Health and Safety Act (1993), enabling the JDA to implement risk mitigation plans to reduce the risks and address cases of non-compliance. A report prepared in the second quarter of 2015/16 estimated that the JDA's compliance rate for period under review was 91 per cent.

## CHAPTER 5: FINANCIAL PERFORMANCE

### Section 1: Statement of Financial Position and high-level notes

#### STATEMENT OF FINANCIAL POSITION FOR THE PERIOD ENDED 31 December 2015

ASSETS	Year to date			Annual Budget R'000	Notes
	Actual	Budget	Variance		
	R'000	R'000	R'000		
<b>Non-current assets</b>	<b>8,192</b>	<b>7,627</b>	<b>565</b>	<b>7,627</b>	<b>1</b>
Property, plant and equipment	7,812	6,460	1,352	6,460	
Intangible assets	380	332	48	332	
Deferred tax	0	835	-835	835	
<b>Current assets</b>	<b>790,326</b>	<b>371,557</b>	<b>418,769</b>	<b>371,557</b>	<b>2</b>
Trade and other receivables	782,864	364,095	420,073	364,095	
Cash and cash equivalents	7,462	7,462	-	7,462	
<b>Total assets</b>	<b><u>798,518</u></b>	<b><u>379,184</u></b>	<b><u>419,334</u></b>	<b><u>379,184</u></b>	
<b>EQUITY AND LIABILITIES</b>					
<b>Capital and reserves</b>	<b>72,491</b>	<b>47,374</b>	<b>25,117</b>	<b>47,374</b>	
Contribution from owner	16,278	16,278	0	16,278	

	Year to date				
<b>ASSETS</b>	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>	<b>Annual Budget</b>	<b>Notes</b>
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
Accumulated surplus/(deficit)	56,213	31,096	25,117	31,096	
<b>Non-current liabilities</b>	<b>-73,511</b>	<b>15,678</b>	<b>-89,189</b>	<b>15,678</b>	
Finance lease obligation	0	0	0	0	
Deferred taxation	12,141	5,581	6,560	5,581	
Project funds payable	-85,652	10,097	( 95,749)	10,097	<b>3</b>
<b>Current liabilities</b>	<b>799,538</b>	<b>316,132</b>	<b>483,406</b>	<b>316,132</b>	<b>4</b>
Loans from shareholders	548,171	102,719	445,452	102,719	
Trade and other payables	241,191	200,248	39,709	200,248	
VAT payable	7,015	10,003	( 2,988)	10,003	
Finance lease obligation	0	141	( 141)	141	
Provisions – bonus	3,161	3,021	1,374	3,021	
<b>Total equity and liabilities</b>	<b><u>798,518</u></b>	<b><u>379,184</u></b>	<b><u>419,334</u></b>	<b><u>379,184</u></b>	

Notes	
1	Non-current assets variance is mainly due to deferred taxation raised on temporary differences and fixed assets that was budgeted for in the 2014/15 year but was not purchased. Budgeted deferred taxation is based on budgeted assets and liabilities, any individual variances in these line items will affect the final calculation. The operational capex budget for the purchase of property, plant and equipment is R15 million for the current year. The major variance is due to the SAP project implementation software that is currently still in the process of being procured.
2	Current asset variance is mainly due to trade and other receivables line item. Trade and other receivables consists of trade receivables, prepaid expenditure and rental debtors. The variance is due to long outstanding claims not yet recovered from the various departments regarding capital expenditure on current year projects implemented by the JDA in June 2015 and current claims for the second quarter that will only be paid in the third quarter.
3	The non-current liability variance is mainly due to the Projects Funds Payable line item. The Projects Funds Payable relates to funds that we received in advance for the implementation of projects. The movement relates to expenditure incurred relating to the Alexandra Heritage project. As we continue to incur expenditure on the related projects, this balance will continue to diminish.
4	The loan from the shareholder represents the treasury balance. Due to long lead time from the time the JDA incurs capital expenditure and time that the City reimburses the JDA for that expenditure, the organization ends up being in an overdraft position which is then classified as a loan from the shareholder.

## Section 2: Statement of Financial Performance and high-level notes

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE PERIOD ENDED 31 DECEMBER 2015

	Original approved	Year to date			Notes
	budget	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	
Gross revenue	97 951	36 361	43 716	-7 355	<b>5</b>
Operating costs	-95 718	-37 447	-48 153	-10 706	<b>6</b>
<b>Gross surplus/(deficit)</b>	<b>2 233</b>	<b>-1 086</b>	<b>-4 437</b>	<b>3 351</b>	
Interest expense	-3298	-8 093	-1 649	-6 444	<b>7</b>
Interest income	1 065	0	0	0	<b>7</b>
<b>Deficit before tax</b>	<b>0</b>	<b>-9 179</b>	<b>-6 086</b>	<b>-3 093</b>	
Taxation	0	0	0	0	
<b>Surplus/(Deficit) after tax</b>	<b>0</b>	<b>-9 179</b>	<b>-6 086</b>	<b>-3 093</b>	

<b>Notes:</b>	
5	Gross revenue consists of Development Management fees and other income. The negative variance is largely due to capital expenditure being lower than budget as well interest not earned due to the treasury balance being in overdraft.
6	The negative variance in operating costs is due to under-expenditure in some expenditure items such as marketing, development facilitation, planning and strategy and repairs and maintenance. Procurement processes were delayed and this had an impact on the timeous appointment of service providers. Employee costs were also slightly under budget due to some of the key positions in executive, senior and middle management not yet being filled.
7	The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that were received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg: Department of Transportation (NDOT). Although most of these claims have been received subsequently, capital expenditure for the first quarter has increased the amount outstanding and these will only be recovered in the following quarter.

## Section 3: Cash Flow Statement

### CASHFLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2015

Cash flows from operating activities	Year to date		Notes
	Actual	Budget	
	R'000	R'000	
	103,928	-160,234	
<i>Receipts</i>			
Grants	11,191	11,191	
Interest received	0	1000	8
Cash receipts from CAPEX funding	1,329,775	365,075	9
Other receipts	60	310	
	0	0	
<i>Payments</i>	0	0	
Employee cost	-26,616	-30,162	
Suppliers	-1,204,464	-506,000	10
Interest paid	-6018	-1648	11
<b>Cash flows from investing activities</b>	<b>-1590</b>	<b>-4500</b>	
<i>Expenditure to maintain operating capacity</i>			
Property, plant and equipment acquired	-1590	-4500	12
Proceeds from sale of property, plant and equipment			
Purchase of intangible assets			

Cash flows from operating activities	Year to date		Notes
	Actual	Budget	
	R'000	R'000	
<b>Cash flows from financing activities</b>	<b>-88,087</b>	<b>151,785</b>	
Movement in project funds payable	0	0	
Proceeds from Shareholders' loan	0		
Repayments of Shareholders' loan	-88,087	151,851	
Finance lease repayments	0	-66	
Net increase/(decrease) in cash and cash equivalents	14,251	-12,949	
Cash and cash equivalents at beginning of the year	-6,789	6,160	
Cash and cash equivalents at the end of the year	<u>7,462</u>	<u>-6,789</u>	

Notes:	
8	Interest income is lower than budgeted for in the second quarter as the company had incurred interest expenditure on the treasury account. This was mainly due to an overdrawn treasury account balance during the quarter. Refer to interest expenditure for more detail.
9	Due to the late settlement of claims, the cash receipts from capex funding does not only include claims in respect of the year under review, but it also includes settlement for claims from the previous financial years.
10	This mainly relates to the payment of suppliers on expenditure incurred. Approximately R600million worth of invoices in respect of the 2015/16 financial year were only paid in the first six weeks of the 2015/16 financial year.
11	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: Department of Transportation (NDOT). Although most of these claims have been received subsequently, capital expenditure for the second quarter has increased the amount outstanding and these will only be recovered in the following quarter.

## STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30 DECEMBER 2015

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000
Opening balance as previously reported	60	16,278	16,278	35,102	51,379
Adjustments	0	0	0	0	0
Prior year adjustments				0	0
<b>Balance at 01 July 2014</b>	<b>60</b>	<b>16,278</b>	<b>16,278</b>	<b>35,102</b>	<b>51,379</b>
Changes in net assets					
Surplus for the year	0	0	0	16,286	16,286
Total changes	0	0	0	16,286	16,286
<b>Balance at 01 July 2015</b>	<b>60</b>	<b>16,278</b>	<b>16,278</b>	<b>51,388</b>	<b>67,666</b>
Changes in net assets					
Deficit for the year	0	0	0	( 20,449)	( 20,449)
Total changes	60	16,278	16,278	30,939	47,217
<b>Balance at 31 December 2015</b>	<b>60</b>	<b>16,278</b>	<b>16,278</b>	<b>30,939</b>	<b>47,217</b>

## Section 4: Ratio Analysis

### RATIO ANALYSIS FOR THE QUARTER ENDED 31 DECEMBER 2015

Key Performance Area	Key Performance Target	Actual 30 September 2015	Actual 31 December 2015	Notes
Current ratio	Above 1 : 1	1.12:1	0.98:1	1
Solvency ratio	Above 2 : 1	1.11:1	1.10:1	2
Remuneration to expenditure ratio	Below 40%	60%	49.05%	3
Maintenance to expenditure ratio	1%	0.41%	0.23%	4
Interest to expenditure ratio	Below 30%	16.67%	16.37%	5
Net cash position	7,462,000	6,158,150	7,462,000	
% capital budget spent	38%	7%	30%	6
Revenue	43,716,000	10,394,512	36,361,000	
Expenditure	49,802,000	20,770,469	45,540,000	
Surplus/(Deficit)	( 6,086,000)	( 10,375,957)	( 9,179,000)	

#### Notes:

1	<b>Current ratio</b> is below target and less than the first quarter. This is due to a higher overdraft than was the case in the first quarter. This is despite a higher trade receivables balance in the second quarter than was the case in the first quarter. The trade payables were lower because all invoices submitted before the end of the calendar year were processed and paid.
2	<b>Solvency ratio</b> is lower than target and slightly lower than the first quarter. This is mainly due to the decline in the current ratio.
3	<b>Remuneration to expenditure ratio</b> is lower than the first quarter due to a higher operational expenditure budget as well as some of the vacant positions budgeted for but not yet filled as at the end of the second quarter. These include senior management and middle management positions.
4	<b>Maintenance to expenditure ratio</b> is lower in the second quarter than the first quarter due to appointment of service providers in the first quarter resulting in the majority of major maintenance work being undertaken then.
5	<b>The interest to expenditure ratio</b> is higher in the second quarter than the first. This is directly as a result in the increase in expenditure from the one quarter to the other. The overdraft balance increased due to large capital expenditure payments to suppliers for work implemented in the second quarter of 2015 which will only be claimed for in the third quarter.
6	Although lower than target, <b>the % capital budget spent</b> in the second quarter exceeded capital spent in the first quarter. This is due to the conclusion of new contracts in the first quarter and the proceeding of ground work in the second quarter. Capital expenditure increased drastically as a result of this

## CHAPTER 5: FINANCIAL PERFORMANCE

## Section 1: Statement of Financial Position and high-level notes

### STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 30 December 2015

ASSETS	Quarter ended 30 December 2015			Year to date			Notes
	Actual	Budget	Variance	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	R'000	
<b>Non-current assets</b>	<b>926</b>	<b>7,627</b>	<b>( 6,701)</b>	<b>8,192</b>	<b>7,627</b>	<b>565</b>	<b>1</b>
Property, plant and equipment	748	6,460	( 5,712)	7,812	6,460	1,352	
Intangible assets	178	332	( 154)	380	332	48	
Deferred tax	0	835	-835	0	835	-835	
<b>Current assets</b>	<b>227,185</b>	<b>371,557</b>	<b>-144,372</b>	<b>790,326</b>	<b>371,557</b>	<b>418,769</b>	<b>2</b>
Trade and other receivables	221,027	364,095	-143,068	784,168	364,095	420,073	
VAT Receivable	0	0	0	0	0	0	
Cash and cash equivalents	6,158	7,462	( 1,304)	6,158	7,462	( 1,304)	
<b>Total assets</b>	<b><u>228,111</u></b>	<b><u>379,184</u></b>	<b><u>-151,073</u></b>	<b><u>798,518</u></b>	<b><u>379,184</u></b>	<b><u>419,334</u></b>	
<b>EQUITY AND LIABILITIES</b>							
<b>Capital and reserves</b>	<b>2,200</b>	<b>47,374</b>	<b>-45,174</b>	<b>72,491</b>	<b>47,374</b>	<b>25,117</b>	
Contribution from owner	16,278	16,278	0	16,278	16,278	0	
Accumulated surplus/(deficit)	-14,078	31,096	-45,174	56,213	31,096	25,117	

	Quarter ended 30 December 2015			Year to date			
ASSETS	Actual	Budget	Variance	Actual	Budget	Variance	Notes
	R'000	R'000	R'000	R'000	R'000	R'000	
<b>Non-current liabilities</b>	<b>-77,852</b>	<b>15,678</b>	<b>-93,530</b>	<b>-73,511</b>	<b>15,678</b>	<b>-89,189</b>	
Finance lease obligation	0	0	0	0	0	0	
Deferred taxation	12,141	5,581	6,560	12,141	5,581	6,560	
Project funds payable	-89,993	10,097	( 100,090)	-85,652	10,097	( 95,749)	<b>3</b>
<b>Current liabilities</b>	<b>303,763</b>	<b>316,132</b>	<b>-12,228</b>	<b>799,538</b>	<b>316,132</b>	<b>483,406</b>	<b>4</b>
Loans from shareholders	348,181	102,719	245,462	548,171	102,719	445,452	
Trade and other payables	-137,215	200,248	-337,463	239,957	200,248	39,709	
VAT payable	7,015	10,003	( 2,988)	7,015	10,003	( 2,988)	
Finance lease obligation	85215	141	85,215	0	141	( 141)	
Provisions – bonus	567	3,021	-2,454	4,395	3,021	1,374	
<b>Total equity and liabilities</b>	<b><u>228,111</u></b>	<b><u>379,184</u></b>	<b><u>-151,073</u></b>	<b><u>798,518</u></b>	<b><u>379,184</u></b>	<b><u>419,334</u></b>	

Notes	
1	Non-current assets variance is mainly due to deferred taxation raised on temporary differences and fixed assets that was budgeted for in the 2014/15 year but was not purchased. Budgeted deferred taxation is based on budgeted assets and liabilities, any individual variances in these line items will affect the final calculation. The operational capex budget for the purchase of property, plant and equipment is R15 million for the current year. The major variance is due to the SAP project implementation software that is currently still in the process of being procured.
2	Current asset variance is mainly due to trade and other receivables line item. Trade and other receivables consists of trade receivables, prepaid expenditure and rental debtors. The variance is due to long outstanding claims not yet recovered from the various departments regarding capital expenditure on current year projects implemented by the JDA in June 2015 and current claims for the second quarter that will only be paid in the second quarter.
3	The non-current liability variance is mainly due to the Projects Funds Payable line item. The Projects Funds Payable relates to funds that we received in advance for the implementation of projects. The movement relates to expenditure incurred relating to the Alexandra Heritage project.
4	The current liability variance is mainly due to the Loans from shareholder line item which relates specifically to the overdrawn treasury account and trade and other payables. The overdrawn balance is mainly due to capital claims not yet received from the City. The JDA has contractual obligations with all our capital project suppliers and payments to these suppliers are made before the City Departments reimburse the JDA for the actual expenditure incurred. The longer the delay between these two processes the greater the impact on the JDA's cashflow. The trade and other payables line item includes current amounts owing to suppliers for expenditure incurred in December 2015 and retentions withheld from projects implemented in 2014/15. The retention balances are only released to the suppliers upon final completion of the project and inspection.

## Section 2: Statement of Financial Performance and high-level notes

### STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 30 DECEMBER 2015

	Original approved	Quarter ending 30 December 2015			Year to date			Notes
	budget	Actual	Budget	Variance	Actual	Budget	Variance	
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	
Gross revenue	97 951	19 764	18 519	1 245	30 159	30 081	78	<b>5</b>
Operating costs	-95 718	-27 733	-26 350	-1 383	-44 512	-48 153	3 641	<b>6</b>
<b>Gross surplus/(deficit)</b>	<b>2 233</b>	<b>-7 969</b>	<b>-7 831</b>	<b>-138</b>	<b>-14 353</b>	<b>-18 072</b>	<b>3 719</b>	
Operating surplus/(deficit)	2233	-7969	-7831	-138	-14353	-18072	3719	
Interest expense	-3298	-3227	-825	-2 403	-6 018	-1 649	-4 369	<b>7</b>
Interest income	1 065	0	0	0	0	0	0	<b>7</b>
<b>Deficit before tax</b>	<b>0</b>	<b>-11 196</b>	<b>-8 656</b>	<b>-2 541</b>	<b>-20 371</b>	<b>-19 721</b>	<b>-650</b>	
Taxation	0	0	0	0	0	0	0	
<b>Surplus/(Deficit) after tax</b>	<b>0</b>	<b>-11 196</b>	<b>-8 656</b>	<b>-2 541</b>	<b>-20 371</b>	<b>-19 721</b>	<b>-650</b>	

<b>Notes:</b>	
5	The variance is mainly due to a lower capital expenditure target that was achieved. To date only 20% of the total capital budget was achieved.
6	The variance relating to operating costs relates mainly to timing difference between the original projected monthly budget and the actual expenditure incurred. The major line item contributors to this variance are employee costs, development facilitation, planning & strategy and marketing. Employee costs variance is mainly due to vacant positions that are currently in the recruitment phases and will be completed by the second quarter. The under expenditure in the remaining items related to certain projects that are still currently underway for Planning & Strategy, Development Facilitation and Marketing.
7	The interest expenditure incurred relates to interest charged on an overdrawn treasury account balance. The overdrawn balance is mainly due to long outstanding claims that were received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pays these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg: Department of Transportation (NDOT). Although most of these claims have been received subsequently, capital expenditure for the first quarter has increased the amount outstanding and these will only be recovered in the following quarter.

## Section 3: Cash Flow Statement

### CASHFLOW STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2015

Cash flows from operating activities	Quarter ended 31 December 2015		Year to date		Notes
	Actual	Budget	Actual	Budget	
	R'000	R'000	R'000	R'000	
	88,511	-147,285	103,928	-160,234	
<i>Receipts</i>					
Grants	5,596	5,596	11,191	11,191	
Interest received	0	1000	0	1000	8
Cash receipts from CAPEX funding	871,501	365,075	1,329,775	365,075	9
Other receipts	30	310	60	310	
			0	0	
<i>Payments</i>			0	0	
Employee cost	-14,182	-13,216	-26,616	-30,162	
Suppliers	-771,206	-506,000	-1,204,464	-506,000	10
Interest paid	-3227	-50	-6018	-1648	11
<b>Cash flows from investing activities</b>	<b>-426</b>	<b>-4500</b>	<b>-1590</b>	<b>-4500</b>	
<i>Expenditure to maintain operating capacity</i>					
Property, plant and equipment acquired	-426	-4,500	-1590	-4500	12
Proceeds from sale of property, plant and equipment					
Purchase of intangible assets					

Cash flows from operating activities	Quarter ended 31 December 2015		Year to date		Notes
	Actual	Budget	Actual	Budget	
	R'000	R'000	R'000	R'000	
<b>Cash flows from financing activities</b>	<b>-88,087</b>	<b>151,785</b>	<b>-88,087</b>	<b>151,785</b>	
Movement in project funds payable	0	0	0	0	
Proceeds from Shareholders' loan			0		
Repayments of Shareholders' loan	-88,087	151,851	-88,087	151,851	<b>13</b>
Finance lease repayments	0	-66	0	-66	
			0		
Net increase/(decrease) in cash and cash equivalents	-2	0	14,251	-12,949	
Cash and cash equivalents at beginning of the year	6,160	6,160	-6,789	6,160	
Cash and cash equivalents at the end of the year	<u>6,158</u>	<u>6,160</u>	<u>7,462</u>	<u>-6,789</u>	<b>15</b>

Notes:	
8	Interest income is lower than budgeted for in the second quarter as the company had incurred interest expenditure on the treasury account. This was mainly due to an overdrawn treasury account balance during the quarter. Refer to interest expenditure for more detail.
9	Trade and other receivables consists of trade receivables, prepaid expenditure and rental debtors. The variance is due to prior year claims that were only received during the current year.
10	The variance is mainly due to the lower than expected capital expenditure achievement. To date only 20% of the total capital budget has been spent.
11	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: Department of Transportation (NDOT). Although most of these claims have been received subsequently, capital expenditure for the second quarter has increased the amount outstanding and these will only be recovered in the following quarter.

## STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30 DECEMBER 2015

	Share capital	Share premium	Total share capital	Accumulated surplus	Total net assets
	R'000	R'000	R'000	R'000	R'000
Opening balance as previously reported	60	16,278	16,278	35,102	51,379
Adjustments	0	0	0	0	0
Prior year adjustments				0	0
<b>Balance at 01 July 2014</b>	<b>60</b>	<b>16,278</b>	<b>16,278</b>	<b>35,102</b>	<b>51,379</b>
Changes in net assets					
Surplus for the year	0	0	0	16,286	16,286
Total changes	0	0	0	16,286	16,286
<b>Balance at 01 July 2015</b>	<b>60</b>	<b>16,278</b>	<b>16,278</b>	<b>51,388</b>	<b>67,666</b>
Changes in net assets					
Deficit for the year	0	0	0	( 20,449)	( 20,449)
Total changes	60	16,278	16,278	30,939	47,217
<b>Balance at 30 December 2015</b>	<b>60</b>	<b>16,278</b>	<b>16,278</b>	<b>30,939</b>	<b>47,217</b>

## Section 4: Ratio Analysis

### RATIO ANALYSIS FOR THE QUARTER ENDED 31 DECEMBER 2015

Key Performance Area	Key Performance Target	Actual 30 September 2015	Actual 31 December 2015	Notes
Current ratio	Above 1 : 1	1.12:1	0.98:1	1
Solvency ratio	Above 2 : 1	1.11:1	1.10:1	2
Remuneration to expenditure ratio	Below 40%	60%	49.05%	3
Maintenance to expenditure ratio	1%	0.41%	0.23%	4
Interest to expenditure ratio	Below 30%	16.67%	16.37%	5
Net cash position	6,160,261	6,158,150	6,158,000	
% capital budget spent	28%	7%	21%	6
Revenue	11,562,000	10,394,512	28,701,000	
Expenditure	22,627,000	20,770,469	36,762,000	
Surplus/(Deficit)	( 11,065,000)	( 10,375,957)	( 8,061,000)	
Total net assets		57,331,755	72,491,000	

#### Notes:

1	<b>Current ratio</b> is below target and less than the first quarter. This is due to a higher overdraft balance and lower trade payables than was the case in the first quarter, this is despite a higher trade receivables balance in the second quarter than was the case in the first quarter.
2	<b>Solvency ratio</b> is lower than target and slightly lower than the first quarter. This is mainly due to the movement in deferred tax balance, a higher project funds receivables balance than was the case in the first quarter.
3	<b>Remuneration to expenditure ratio</b> is lower than the first quarter due to a higher operational expenditure budget as well as some of the vacant positions budgeted for but not yet filled as at the end of the second quarter. These include senior management and middle management positions.
4	<b>Maintenance to expenditure ratio</b> is lower in the second quarter than the first quarter due to appointment of service providers in the first quarter resulting in the majority of major maintenance work being undertaken then.
5	<b>The interest to expenditure ratio</b> is higher in the second quarter than the first. This is directly as a result in the increase in expenditure from the one quarter to the other. The overdraft balance increased due to large capital expenditure payments to suppliers for work implemented in the second quarter of 2015 which will only be claimed for in the third quarter.
6	Although lower than target, <b>the % capital budget spent</b> in the second quarter exceeded capital spent in the first quarter. This is due to the conclusion of new contracts in the first quarter and the proceeding of ground work in the second quarter. Capital expenditure increased drastically as a result of this

## Section 5: Report on Irregular, Fruitless and Wasteful Expenditure and Due Processes

No irregular, fruitless and wasteful expenditure was incurred for the current quarter.

## Section 6: Pending Litigations and Possible Liabilities

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
<b>Ubuntu Kraal (Pty) Ltd vs JDA</b>	± 23 555 160, 06 million	13/12/2013	Damages suffered by Ubuntu Kraal as a result of "alleged" negligence by the JDA and other parties.	<p>On Friday, 13 December 2013 the JDA was served with summons. The summons relate to the "alleged" negligence on the part of the JDA during the widening of the Klipspruit valley road during the construction of the BRT routes around 2010. It is alleged that as a consequence of such construction, which resulted in flooding in 2010 and 2011, damages to buildings and properties to the tune of approximately R23 555 160, 06 was incurred by the plaintiff. The JDA has been cited as the first defendant and the City of Johannesburg as the second defended in the matter, together with other 5 defendants.</p> <p>The JDA has appointed Routledge Modise Attorneys (<b>T/A Hogan Lovells</b>) to assist in defending the matter.</p> <p>Routledge Modise have handed over the matter to the insurers attorneys at the request of the JDA's insurers (<b>Webber Wentzel Bowens</b>).</p> <p>The matter is being defended by the JDA and COJ's insurer's lawyers.</p>	The matter is still at pleadings stage. It has not yet been set down for trial.	Not yet determined at this stage. Further details will be shared after the first consultation with counsel.
<b>Tembu Convenience Centre CC vs City of Johannesburg 1<sup>st</sup> Defendant</b>	± R10 488 324 million		Damages suffered by Tembu Convenience Centre CC as a result of "alleged" extensive permanent road diversions and/or	The JDA is defending the matter through its attorneys ( <b>Mchunu Inc.</b> ) The matter is set down for trial on 2 March 2016.	Around April 2016	Not yet determined at this stage. Further details will be shared after the first consultation with counsel.

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
and Others (JDA- 2 <sup>nd</sup> Defendant)			closures having been effected in order to cater for the BRT system in the area known as "Soweto to Parktown Bus Rapid Network, Section 1, Moroka Police Station to Modderspruit Culvert". It is alleged that COJ or the JDA failed to comply with the relevant legislation and ordinances.			
GOBA vs JDA	±R257, 296.21	01/2014	Alleged outstanding amount (unpaid invoices) for services rendered on Vilakazi street precinct.	The parties have reached a settlement agreement. There is no longer litigation in this regard. (The matter was handled in-house without the use of external attorneys)	Completed	
Achusim Chijoike vs (JDA 1 <sup>st</sup> Defendant) and Sykmark Security Services (Pty) Ltd (2 <sup>nd</sup> Defendant)	± R353000.00	10/2013	Injury suffered by Plaintiff as a result of a shooting incident that occurred in December 2010. The Plaintiff alleges that the person implicated in the shooting is linked to the JDA as its employee. Hence the claim of vicarious liability.	The JDA was incorrectly cited as a party to the proceedings. Particulars of defence were submitted to the plaintiff accordingly.  The Plaintiff has to date not responded to our pleadings.  A letter has been addressed by the JDA's attorneys (Routledge Modise T/A Hogan Lovells) to the Plaintiff to the effect that should we not receive any feedback from them, we shall proceed to seek court approval to withdraw the matter.  We still await feedback from the Plaintiff's attorneys.	The matter stopped at pleadings stage and is likely not going to proceed.	Very good
Bertrams Priority Block vs JDA	Not applicable	February 2008	Relocation of illegal occupants in various buildings around Bertrams Priority Block.	The JDA has through its Attorneys ( <b>Edward Nathan Sonneburg ENS</b> ) entered into legal proceedings regarding the relocation of illegal occupants in various buildings around Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations are underway with the	On-going	

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
				occupants to settle the matter out of court. Progress made since 2012, some occupants have agreed to be reallocated to properties operated by the Johannesburg Social Housing Company. The Few that would be left would, due to inability to meet monthly rentals will be accommodated by the Department of Housing. The parties are working together to reach agreement without a protracted litigation processes.		
<b>Dark Fibre Africa vs JDA and Easyway Tarmac Pave and Projects CC</b>	R42,037.85	14/03/2014	The matter relates to the fibre optic cable that was damaged by opening a trench in the road reserve with a TLB Machine along the road carriage way of Orlando east, near Sefa Sonke street around 22 June 2013. The plaintiff, Dark Fibre Africa (Pty) Ltd is suing the JDA (2 <sup>nd</sup> Defendant) on the basis that JDA used the services of Easyway Tarmac Pave and Projects CC to manage and control the execution of the water pipeline project and to do the drilling and excavation along the road carriage way of Orlando east near the intersection with sefa sonke street.	The matter is being defended by the lawyers appointed by the JDA's insurers (AON).	The matter is still at pleading stage and has not been set down for trial	
<b>Urban Real Estate</b>	R0	06/07/2015	A letter of intend to institute legal action	The JDA is defending the matter through its attorneys (Mchunu Inc.)	The matter is at	

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Properties (Pty) Ltd			<p>(interdict) was received by the JDA on 6 July 2015 from Salant Attorneys who represent Urban Real Estate (Pty) Ltd and CP Barnes Properties (Pty) Ltd, key stakeholders with interest in the Randburg Mall where the JDA is currently conducting an upgrade of in and around the mall involving construction work which to a certain extent has an impact on the above-mentioned stakeholders.</p> <p>In essence, the letter seeks to interdict the JDA (or its contractors) from proceeding with the upgrade until such time that the demands listed in letter have been met.</p>		negotiation stage and has not entered the pleading stage.	

## Section 7: Insurance Claims against/to MOE/Department

No claims for the current quarter.

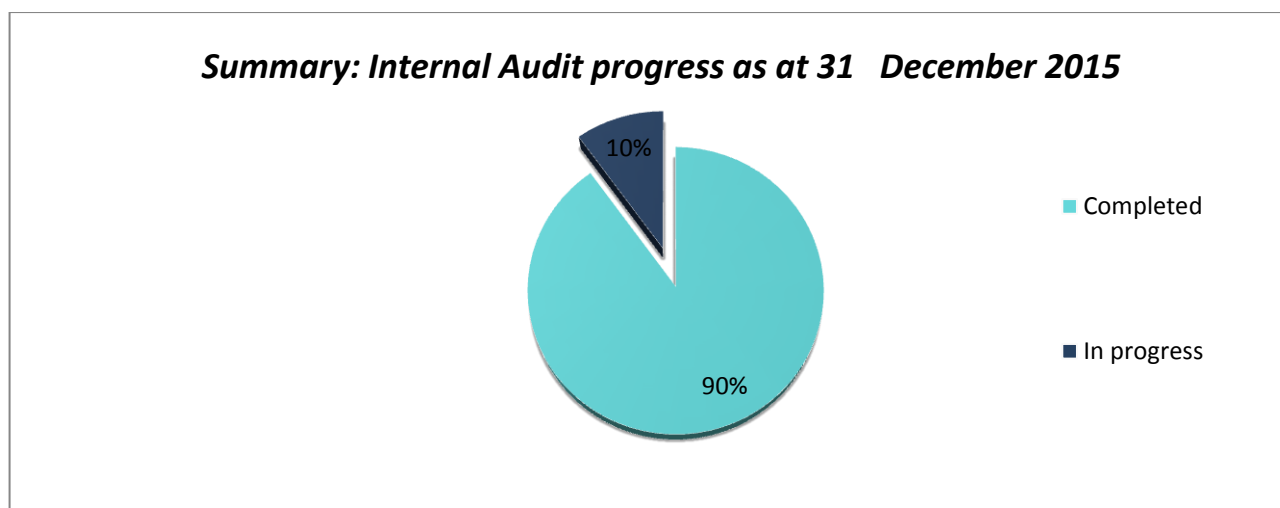
## CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS

### Section 1: Results of Internal Audits

The chart below serves to indicate an overview of the progress for the mid-year against the Internal Audit Plan for the 2015/16 financial year.

#### Mid-Year Progress

**Figure 1: Internal Audit progress as at 31 December 2015**



In terms of the annual internal audit plan, ten (10) projects were planned for the period 1 July 2015 to 31 December 2015. Out of the ten (10) projects planned, 90% of the projects were completed, with 10% still in progress.

No.	Planned Audits/ Audit Description	Progress as at 31 December 2015
•	Annual Integrated Report Review (ARR-2014/15)	Completed
•	Fourth Quarter Performance Information Review (4 <sup>th</sup> RR-2014/15)	Completed
•	First Quarter Performance Information Review (1 <sup>st</sup> RR-2015/16)	Completed*
•	Review of the Annual Financial Statements (AFSR-2014/15)	Completed
•	Audit of tender above R10M prior to awarding (1 <sup>st</sup> and 2 <sup>nd</sup> quarter 2015/16 tenders)	Completed*
•	Performance Bonuses Review (Non-Executive Staff -2014/15)	Completed*
•	Stakeholder Engagement Audit (StakeHolEng-2015/16)	Completed*
•	Document Management (DocMgt-2015/16)	Completed*
•	Compliance Audit (CompAud-2015/16)	Completed*

No.	Planned Audits/ Audit Description	Progress as at 31 December 2015
•	SAP Implementation Review (SAPImp-2015/16)	In progress – Planning phase

*\*Internal Audit report to be presented to the Audit and Risk Committee in the 3rd quarter meeting.*

### Internal Audit Findings 2015/16

The table below provides a list of findings raised by Internal Audit in the reporting period and have been reported to the Audit and Risk Committee. See table above for a list internal audit projects completed and reported to the Audit and Risk Committee:

No	Report	Audit Finding	Risk Rating	Management's Action Plans	Implementation status as at 31 December 2015 (as per IA verification)
1.	<b>Integrated Annual Report Review for 2014/15</b>	Misalignments between the adjustment scorecard and the Integrated Annual report.	Major	To verify that the adjusted amounts are what is reflected in the adjusted scorecard reflecting the City's budget approvals.	Resolved
		Inconsistency in information reported -During the review we have noted that in chapter 3 (page 91) of the Integrated Annual report Section 3: highlights and achievements, The SMME share of the JDA's operating and capital expenditure was reported as R 407 234 957 for the period (incorrectly reported as quarter) under review. This constitutes an achievement 30% for the period under review.	Major	The - achievement of 29% for the period under review - is the correct percentage and the error will be corrected.	Resolved
2.	<b>Fourth Quarter Performance Information Review (4<sup>th</sup> RR-2014/15)</b>	Non-achievement of set targets	Major	Performance throughout the year must be monitored and corrective actions must be taken to ensure that targets are achieved. All variances must be scrutinized to determine reasons for non-achievement. These reasons can then be utilised for target planning going forward.	In progress
		KPI's reported in the Integrated report but not on the adjustment scorecard	Major	To make sure proper monitoring will be done in 2015/16 in ensuring that all projects are well captured in the both documents, i.e. Business Plan and Scorecard.	In progress
3.	<b>Review of the Annual Financial Statements (AFSR-2014/15)</b>	All discrepancies noted on the AFS were immediately corrected by Management prior to the audit by AGSA.			

## Section 2: Progress on Resolution of Internal Audit Findings

The table below provides a summary of Internal Audit Findings;

Details	Total
Opening Balance of Unresolved Findings - 2015/2016	2
Total number of findings raised in the 2014/15 FY	120
Total number of findings raised – Q1 of 2015/16 FY	4
Total number of findings as at 31 December 2015	126
Less: resolved findings	89 (71%)
Total number resolved findings as at 31 December 2015	37 (29%)

Most of the findings that are unresolved relate to new findings for which the committed upon timelines has not expired to resolve the findings. Management is however working relentlessly to ensure that these findings are resolved and that the internal control environment is adequate and operating effectively.

## Section 3: Progress on Resolution of External Audit Findings

The table below provides a summary of AG Findings raised in the 2013/2014 financial period:

### Auditor General Findings

Details	Total
Number of findings	23
Resolved	23
Unresolved	0
% Resolved	100%
% Unresolved	0%

All AG finding were successfully resolved during the 2<sup>nd</sup> quarter of 2015/2016 financial year.

## Section 4: State of Internal Controls

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

## ANNEXURES

### Annexure 1: Acronyms and abbreviations

ACRONYM	DEFINITION
<b>BBBEE</b>	Broad-based black economic empowerment
<b>BRT</b>	Bus rapid transit
<b>CBD</b>	Central business district
<b>CPC</b>	Community Participation Consultant
<b>CoJ</b>	City of Johannesburg
<b>CSA</b>	Capability support agents
<b>EPWP</b>	Expanded Public Works Programme
<b>GDS</b>	Growth and Development Strategy Joburg 2040
<b>GMS</b>	Growth Management Strategy
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>ICT</b>	Information and communication technology
<b>IT</b>	Information technology
<b>King III</b>	King Report on Governance for South Africa and the King Code of Governance Principles
<b>KPI</b>	Key performance indicator
<b>MFMA</b>	Municipal Finance Management Act (2003)
<b>NMT</b>	Non-motorised transit
<b>SMME</b>	Small, medium and micro enterprise