

JOHANNESBURG DEVELOPMENT AGENCY (SOC) LIMITED

Registration no: 2001/005101/07



FOURTH QUARTER PERFORMANCE REPORT 2018/19

APRIL TO JUNE 2019

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

Registration number: 2001/005101/07
Shareholder / Municipality: City of Johannesburg Metropolitan Municipality
Directors: M Ntanga (Chairperson) (Appointed 17 April 2019)
K Govender
T Sambo (Appointed 17 April 2019)
P Zagaretos
G Karuri-Sebina (Appointed 17 April 2019)
S Jensma (Appointed 17 April 2019)
A Steyn
E Peters (Appointed 17 April 2019)
D Cohen (Acting Chief Executive Officer)
S Moonsamy (Chief Financial Officer)

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Website: www.jda.org.za
Bankers: Standard Bank of SA Limited
Auditors: The Auditor-General of South Africa
Company Secretary: Hasani Rodney Shirinda

JDA Vision

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

JDA Mission

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

JDA Values

Accountability: To its shareholders, Board and key stakeholders





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

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

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

Seeking to empower: Through progressive procurement and work practices

APPROVAL

| | | |
|---|---|----------------------------------|
| Ms Sherylee Moonsamy Name & Surname Chief Financial Officer |  Signature | 4 July 2019 Date of approval |
| Mr Douglas Cohen Name & Surname Acting Chief Executive Officer/MD |  Signature | 4 July 2019 Date of approval |
| Mr Mongezi Mtanga Name & Surname Chairperson of the Board |  Signature | 10 July 2019 Date of approval |
| Cllr Reuben Masango Name & Surname MMC: Development Planning |  Signature | 11 July 2019 Date of approval |

VERSION CONTROL

| Version Number | Date Issued | Authors | Document Status / Comments |
|----------------|----------------|-------------------|----------------------------|
| 1.0 | 1- 3 July 2019 | Hlengiwe Mbonambi | EXCO Submission |
| 2.0 | 4 July 2019 | Hlengiwe Mbonambi | First Draft Submission |
| 2.0 | 4 July 2019 | Douglas Cohen | ARC Submission |
| 2.1 | 10 July 2019 | Douglas Cohen | ARC to Board Submission |
| 2.2 | 11 July 2019 | Douglas Cohen | Chair / Board Approved |
| 2.3 | 11 July 2019 | Douglas Cohen | Final Submission |
| | | | Sub-Mayoral Committee |
| | | | Mayoral Committee |

CONTENTS

| | |
|---|----|
| CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE | 6 |
| SECTION 1: CHAIRPERSON'S FOREWORD | 6 |
| SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT | 7 |
| SECTION 3: CHIEF FINANCIAL OFFICER'S REPORT | 8 |
| SECTION 4: CORPORATE PROFILE AND OVERVIEW | 10 |
| SECTION 5: STRATEGIC GOALS AND OBJECTIVES | 11 |
| SECTION 6: SALIENT FEATURES | 15 |
| CHAPTER 2: CORPORATE GOVERNANCE | 17 |
| SECTION 1: CORPORATE GOVERNANCE STATEMENT | 17 |
| SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE | 28 |
| SECTION 3: RISK MANAGEMENT | 29 |
| SECTION 4: ANTICORRUPTION AND FRAUD | 31 |
| SECTION 5: ICT GOVERNANCE | 34 |
| SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS | 35 |
| SECTION 7: CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT | 36 |
| SECTION 8: SUSTAINABILITY REPORT | 37 |
| CHAPTER 3: SERVICE DELIVERY PERFORMANCE | 39 |
| SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS | 39 |
| SECTION 3: JDA PROGRAMMES, PROJECTS AND DAY-TO-DAY OPERATIONS | 42 |
| SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS | 43 |
| SECTION 5: CAPITAL PROJECTS & EXPENDITURE | 43 |
| SECTION 6: ORGANISATIONAL PERFORMANCE | 44 |
| 6.1 ECONOMIC DEVELOPMENT | 85 |
| 6.2 GOOD GOVERNANCE, MANAGEMENT AND ADMINISTRATION | 85 |
| CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT | 86 |
| SECTION 1: HUMAN RESOURCE MANAGEMENT | 86 |
| SECTION 2: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES) | 87 |
| SECTION 3: KEY VACANCIES | 88 |
| SECTION 4: EMPLOYMENT EQUITY | 89 |
| SECTION 5: SKILLS DEVELOPMENT AND TRAINING | 91 |
| SECTION 6: PERFORMANCE MANAGEMENT | 91 |
| SECTION 7: DISCIPLINARY MATTERS AND OUTCOMES | 91 |
| SECTION 8: LEAVE AND PRODUCTIVITY MANAGEMENT | 92 |
| SECTION 9: EMPLOYEE WELLNESS | 92 |

| | |
|---|-----|
| SECTION 10: EMPLOYEE BENEFITS | 93 |
| SECTION 11: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES | 93 |
| CHAPTER 5: FINANCIAL PERFORMANCE | 94 |
| SECTION 1: STATEMENT OF FINANCIAL POSITION AND HIGH-LEVEL NOTES..... | 94 |
| SECTION 2: STATEMENT OF FINANCIAL PERFORMANCE AND HIGH-LEVEL NOTES | 97 |
| SECTION 3: CASH FLOW STATEMENT..... | 99 |
| SECTION 5: RATIO ANALYSIS | 103 |
| SECTION 6: SUPPLY CHAIN MANAGEMENT | 104 |
| SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES..... | 108 |
| SECTION 8: INSURANCE CLAIMS AGAINST/TO MOE/DEPARTMENT..... | 110 |
| SECTION 9: STATEMENT ON AMOUNTS OWED BY AND TO GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES | 111 |
| CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS | 112 |
| SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN..... | 112 |
| SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS | 113 |
| SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS | 114 |
| SECTION 4: STATE OF INTERNAL CONTROLS..... | 115 |
| ANNEXURES..... | 116 |
| ANNEXURE 1: ACRONYMS AND ABBREVIATIONS | 116 |

CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWORD

When the JDA's capital expenditure at the end of the third quarter was only at 42% it was essential for the JDA team to focus and to accelerate project delivery from April to June and to make good on the delivery commitments made to the City and its client departments. This was in the context of some very challenging circumstances, including coming to terms with passing of the previous CEO, a fatal incident on a JDA project in Soweto, NMT Links Merafe and expenditure and project performance under extreme scrutiny with regards to final projected expenditure and KPIs achievement. I am proud to say that in spite of these challenges, the organisation rose to meet the challenge. The fourth quarter showed an improvement with capital expenditure at 85% against the overall annual budget and an achievement of 90% of the JDAs targeted annual expenditure of 95%.

Expenditure remains an important reflection of the organisation's performance; however, we are also mindful to retain the JDA's developmental outlook as well as ensuring and nurturing the growth of a well governed organisation. The improvement in expenditure aside, there are areas where the organisation must improve its implementation. These in particular include delivering on the EPWP programme, expenditure on SMMEs and in better managing stakeholder engagement in what appears to be an ever more complex project climate. We note that there are still four pending litigations and possible liabilities remaining. There were also changes to the JDA Board from the previous year as announced at the Annual General Meeting in April 2018. The following Non-Executive Directors were re-elected:

- Mr Arron Steyn, Mr Krishna Govender and Mr Panos Zagaretos.

The following Non-Executive Directors were newly elected:

- Mr. Mongezi Ntanga (Chairperson), Mr Tiyani Sambo, Dr Geci Karuri-Sebina, Ms Stieneke Jensma and Mr Edgar Peters.

The following Independent Audit and Risk Committee members were reappointed:

- Ms Keabetswe Onouka and Mr Zukisani Samsam.

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

- Mr. Kantharuben Moodley.

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

Mr Mongezi Ntanga

Chairperson

4 July 2019

SECTION 2: CHIEF EXECUTIVE OFFICER'S REPORT

For the period under review the JDA sharpened its delivery focus and put in a concerted effort to work as a team and deliver on its commitments as captured in the annual business plan. This entailed to name a few, the delivery of the TOD development corridor along Louis Botha Avenue; Ghandi Square as part of the Inner City Programme; the transit orientated development in nodes such as Jabulani, Westbury, Milpark and Brixton; the various clinics and social facilities such as the Florida and Bophelong Clinics and the Alex Safe Hub. There are also multi-year developments at the JDA such as JITI and the Watt Street Interchange.

A summary at the end fourth quarter of 2018/19, is the capex expenditure being R1 billion (2017/18: R1.4 billion) against a targeted budget of R1.2 billion (2017/18: R1.5 billion). This represents an achievement of 90% of the targeted annual expenditure of 95% and 85% (2017/18: 92%) of the overall annual budget of R1.2 billion. While this is down from the previous financial year, I am proud that the organisation was able to overcome various challenges and deliver focus in the fourth quarter. Besides projects with the contractor or SMME related stoppages, a specific area of concern for the JDA primarily related to the portfolio of Community Development projects which the JDA took on late in the 2018/19 financial year. The Community Development projects were not ready for implementation as expected and this impacted their ability to begin. To date all the procurement processes for the Community Development projects have been finalised and the contractors are on site.

On the management of operating costs, for revenue, the organisation achieved 92% of the budgeted revenue. The shortfall in the revenue is mainly due to the lower capital expenditure. The JDA incurred expenditure in excess of the budgeted target for operational expenditure by 2% (2017/18: 97% overall against target) due to the over-expenditure in internal interest charged on an overdraft balance with the City of Johannesburg of R20 million. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments.

The fourth quarter report has been prepared against the JDA's 2017/18 business plan and adjusted scorecard. On the JDA's 19 Strategic KPI's, the JDA achieved 52% targeted performance achieved, 14% performance target partially achieved and 33% performance target not achieved. Of the 3 KPIs where the performance target being partially achieved, the first relates to not achieving the targeted number pre-feasibility plans by one, the second relates to the resolution of Auditor General and Internal Audit findings and the last relates to the 85% budget spent on city-wide infrastructure against the JDAs targeted annual expenditure of 95% .

The major driver of capital expenditure was from Programme 3: Public infrastructure delivery, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes along the TOD Development Corridors that connect commuters with the Rea Vaya BRT system and commuter rail services.

As the JDA, our focus is on taking some of the momentum of the fourth quarter into the new 2019/20 financial year. While, in this report, the focus is very much on our current expectations, I would also like to take a moment to also thank the new Board Chairperson and Board Members for their support and guidance during this challenging period. Their constant vigilance on both the purpose and mandate of the JDA has ensured that JDA remains a centre of excellence that is ready to capitalise on its long history of area-based regeneration and successful project implementation as delivery agent of the City.

I would also like to pay tribute to the late CEO Mr Christo Botes, who passed away on the 30th April 2019. He served the JDA with passion and dedication and will be sorely missed.



Mr Douglas Cohen
Acting Chief Executive Officer
4 July 2019

SECTION 3: CHIEF FINANCIAL OFFICER’S REPORT

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

For the year ended 30 June 2019 the JDA had earned total revenue of R101.3 million (2017/18: R98.9 million) and incurred total expenditure of R112 million (2017/18: R103.2 million) which resulted in an overall deficit of R10.8 million (2017/18: R4.2 million).

The organisation achieved 92% (2017/18: 90%) against the budget for revenue. Included in the revenue target are development management fees, operational grant and other sundry income. The development management fees are based as a percentage of the overall capital expenditure.

The JDA incurred expenditure in excess of the budgeted target for operational expenditure by 1% (2017/18: 97% overall against target) due to the over-expenditure in internal interest charged on an overdraft balance with the City of Johannesburg of R20 million. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments.

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

TABLE 1: ACTUAL OPERATIONAL BUDGET

| | 2018/19 | | Year to date | | % against adjusted budget |
|---|-----------------------|-----------------------|--------------|------------------|---------------------------|
| | Original Budget R'000 | Adjusted Budget R'000 | Budget R'000 | Actual R'000 | |
| Revenue | 129 074 | 110 510 | 110 510 | 101 255 | 92% |
| Costs (excluding interest) | (121 705) | (103 141) | (103 141) | (91 788) | 89% |
| Surplus/(Deficit) before interest | 7 369 | 7 369 | 7 369 | 9 467 | |
| Interest costs | (7 369) | (7 369) | (7 369) | (20 301) | 275% |
| Costs (including interest) | (129 074) | (110 510) | (110 510) | (112 089) | 101% |
| Net surplus/(deficit) (including interest) | - | - | - | (10 834) | |

Excluding the internal interest charged on the overdraft balance, a variance of 11% (costs excluding the interest against the budget) against the target was realised. This variance is mainly due to a reduction in the overall operational expenditure in line with the management fees that could not be realised in the current year.

Actual capital expenditure for the period ended 30 June 2019 was R1 billion (2017/18: R1.4 billion) against a targeted budget of R1.2 billion (2017/18: R1.5 billion). This represents 90% of the targeted annual expenditure of 95% and 85% (2017/18: 92%) of the overall annual budget of R1.2 billion. There are however various factors that continue to affect projects including poor contractor performance and community stoppages.

The organisation’s total assets exceeded the total liabilities. The total net assets at 30 June 2019 were R42 million (2017/18: R68.3 million).

The table below reflects the financial performance ratio of the organisation for the period ended June 2019.

TABLE 2: FINANCIAL RATIOS

| Key Performance Area | Target | Actual 30 June 2018 | Actual 30 June 2019 |
|-------------------------------|------------------|---------------------|---------------------|
| Current ratio | Above 1 : 1 | 1.06 : 1 | 1.11 : 1 |
| Solvency ratio | Above 1 : 1 | 1.07 : 1 | 1.09 : 1 |
| Salaries to expenditure ratio | Below 60% | 63% | 62% |
| Revenue | R 104.98 million | R99 million | R101million |
| Expenditure | R104.98 million | R103.2 million | R112 million |
| Surplus / (Deficit) | Nil | (R4.2 million) | (R10.8 million) |
| Total net assets | R47.4 million | R68.3 million | R42.7 million |
| Capital expenditure | 95% | 91.80% | 85.42% |

The overall liquidity and solvency position of the JDA is higher than the prior year and still above the current industry norms. The main contributing factor to the overall variance in comparison to the prior year is the higher receivables balance. Our major concern currently is the long outstanding balances owed by the City departments to the JDA and the overall impact this has on the liquidity and solvency of the JDA. If this continues to persist, it would negatively impact the ratios above. During the current financial year, the JDA had commenced the year with R900 million outstanding and 90% of which has been collected since then by improving our debtors management processes through constant interactions with the departments.

Remuneration to expenditure ratio is lower than the fourth quarter of the previous financial year and higher than the target. The remuneration ratio is calculated using the total employee costs value divided by the total expenditure. Should the overall total expenditure differ from the budgeted amounts, this will impact the ratio. At the end of June, there was an under expenditure against the employee costs budget. The ratio is based on employee costs of R69.8 million over total expenditure of R112 million, which results in 62% of the expenditure. The JDA is primarily a service-orientated entity as majority of the operational costs relate to employee remuneration.



Ms Sherylee Moonsamy
Chief Financial Officer
4 July 2019

SECTION 4: CORPORATE PROFILE AND OVERVIEW

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

Outcomes and challenges

The JDA's evolution into an area-based development agency has prepared it to respond to the objectives as outlined in the 2040 Growth and Development Strategy (GDS). Under this model, the JDA takes on a more central role in developing strategic capital works projects and establishing urban management partnerships. Crucially, the model allows the JDA to mobilise development partners and other stakeholders to sustainably achieve the common economic and social objectives defined for each area. However, given the spatial, socioeconomic and political environment in which the JDA operates, there are challenges that affect area-based development and the JDA's ability to facilitate common economic and social objectives, i.e. the focus on developing resilient, sustainable, inclusive and liveable urban areas in identified nodes and corridors.

Political governance and accountability

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

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

SECTION 5: STRATEGIC GOALS AND OBJECTIVES

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

TABLE 3: STRATEGIC GOALS AND OBJECTIVES

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

Transforming the Spatial Economy

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

- Programme 1. Inner city transformation programme
- Programme 2. Strategic economic node programme
- Programme 3. Public infrastructure delivery programme
- Programme 4. Greater Alex and Alexandra Renewal Programme (ARP)
- Programme 5. Economic Empowerment Programme

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

- Programme 6. Good Governance, Management and Administration

The JDA's current business plan represents a spatial response to specific Priority Transformation Areas as outlined in the 2015/16 Spatial Development Framework.

FIGURE 1: SDF 2040 PRIORITY ZONES

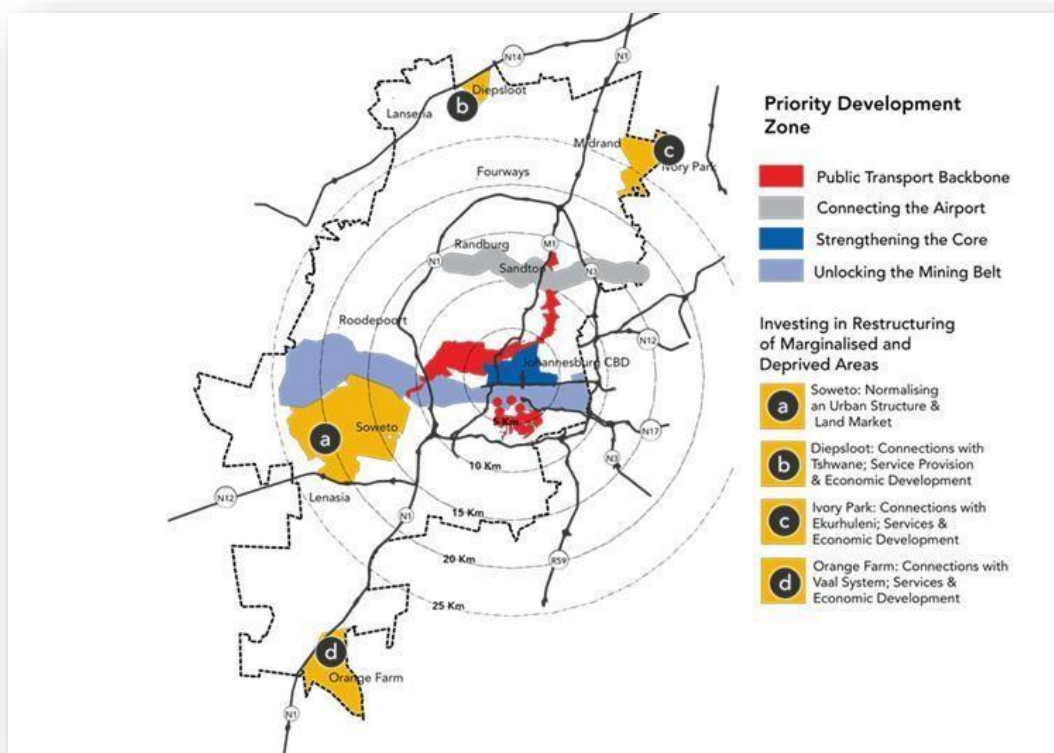


TABLE 4: SDF PRIORITY TRANSFORMATION AREAS AND CORRESPONDING JDA DEVELOPMENT REGIONS AND PROGRAMMES

| SDF Priority Transformation areas | Corresponding JDA Regional Programmes | JDA Development Programmes |
|---|---|---|
| Strengthening the metro core | Inner City and the Old South (including Turffontein and Mining Belt) | <ul style="list-style-type: none"> • Programme 1: Inner city transformation programme • Programme 2: Strategic economic node programme • Programme 3: Public infrastructure delivery programme • Programme 4: Greater Alex and Alexandra Renewal Programme (ARP) • Programme 5. Economic Empowerment Programme |
| Unlocking Soweto | Greater Soweto (including Lenasia, Eldorado Park, Nancefield) | |
| Consolidating public transport backbone | The Corridors of Freedom: Empire-Perth Corridor and Louis Botha Corridor | |
| OR Tambo Corridor | Alex and the OR Tambo Corridor (includes Randburg, Sandton, Cosmo City, Modderfontein, Frankenwald) | |
| Addressing marginalization | Marginalized Areas – Diepsloot, Ivory Park, Orange Farm | |

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

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

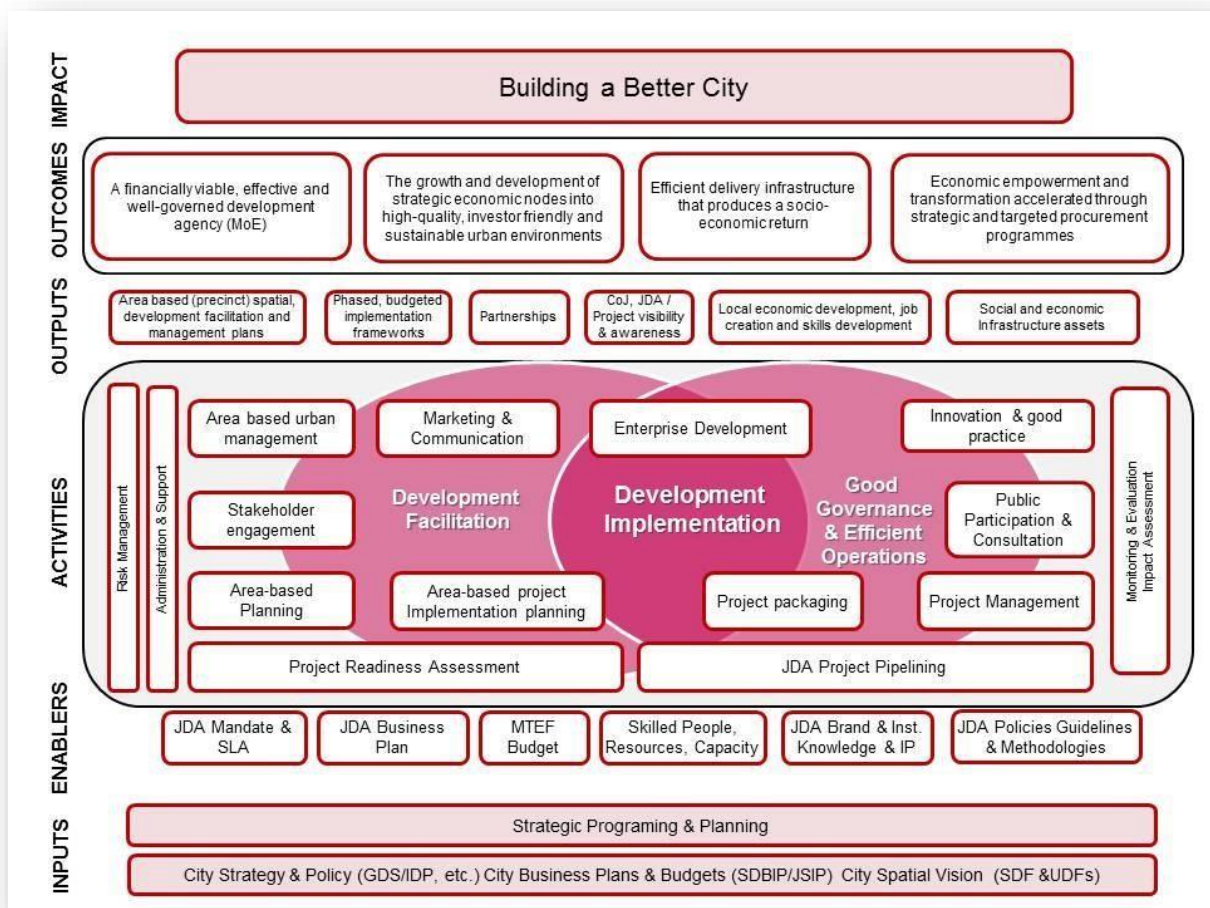
The JDA has aligned the main elements of our work and highlights the flow between them:

FIGURE 2: DEVELOPMENT PROCESS / LIFECYCLE



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

FIGURE 3: JDA’S VALUE CREATION PROCESS



SECTION 6: SALIENT FEATURES

Performance Summary

- The capital expenditure for the period ended 30 June 2019 was R1 billion (2017/18: R1.4 billion) against a targeted budget of R1.2 billion (2017/18: R1.5 billion).
 - This represents 90% of the targeted annual expenditure of 95%
 - This represents 85% (2017/18: 92%) against the total annual budget of R1.2 billion.
- A significant portion of the under expenditure is the result of not having a contractors in place to delivery on projects timeously, poor contractor performance or SMME/Community protests. With the Community Development projects, the JDA organisation, took on significant risk regarding the project readiness of the portfolio of project, hence delays such as land and approvals are impacting the implementation, which was only possible towards the end of June 2019.
- For the year ended 30 June 2019 the JDA had earned total revenue of R101.3 million (2017/18: R98.9 million) and incurred total expenditure of R112 million (2017/18: R103.2 million) which resulted in an overall deficit of R10.8 million (2017/18: R4.2 million).
- The organisation achieved 92% (2017/18: 90%) against the budget for revenue. Included in the revenue target are development management fees, operational grant and other sundry income. The development management fees are based as a percentage of the overall capital expenditure.
- The JDA incurred expenditure in excess of the budgeted target for operational expenditure by 1% (2017/18: 97% overall against target) due to the over-expenditure in internal interest charged on an overdraft balance with the City of Johannesburg of R20 million. The JDA is required to implement projects with cash flow reserves that are currently held by the client departments. Excluding the internal interest charged on the overdraft balance, a variance of 11% (costs excluding the interest against the budget) against the target was realised. This variance is mainly due to a reduction in the overall operational expenditure in line with the management fees that could not be realised in the current year.
- The organisation's total assets exceeded the total liabilities. The total net assets at 30 June 2019 were R42 million (2017/18: R68.3 million).
- The fourth quarter report has been prepared against the JDA's 2018/19 business plan and scorecard. Regarding performance against the JDA's 21 Strategic KPI's, JDA achieved 52% targeted performance achieved, 14% performance target was partially achieved and 33% performance target not achieved.
- For the period 1st July 2018 to 30th June 2019, the overall BBBEE share of expenditure was R 1 059 660 543.09 This translates into an achievement of 107% BBBEE claimed against the YTD expenditure.
- The SMME share of JDA's operating and capital expenditure was R 285 662 407.81 for the period 1st July 2018 to 30th June 2019. This constitutes an achievement of 29% for the period under review.

TABLE 5: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE¹

| Overall Programme Performance | 2018/19 Annual Budget | Target YTD | Actual YTD | Target % | YTD Performance against Target | % Actual / Annual budget Expenditure |
|--------------------------------------|-----------------------|------------------|------------------|------------|--------------------------------|--------------------------------------|
| | R' 000 | R' 000 | R'000 | % | % | % |
| Overall Programme Performance | 1 187 863 | 1 128 470 | 1 014 691 | 95% | 90% | 85.42% |

TABLE 6: OPERATING BUDGET MANAGEMENT

| | 2018/19 | 2018/19 | Year to date | | % Against target | % Achievement for Annual |
|-----------------------|-----------------|-----------------|--------------|-----------|------------------|--------------------------|
| | Original Budget | Adjusted Budget | Target | Actual | | |
| | R'000 | R'000 | R'000 | R'000 | | |
| Revenue R'000) | 129 074 | 110 510 | 104 985 | 101 254 | 96% | 92% |
| Costs (R'000) | 129 074 | 110 510 | 104 985 | 112 088 | 107% | 101% |
| Net surplus/(deficit) | - | 0 | 0 | (10 834) | | |

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

CHAPTER 2: CORPORATE GOVERNANCE

SECTION 1: CORPORATE GOVERNANCE STATEMENT

Governance Framework

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

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

JDA's Governance Arrangements

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

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

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

The Legislative framework

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

Implementation of King Codes of Corporate Governance

The Board and management team are committed to the principles of openness, integrity and accountability advocated by the King Code. The JDA made progress during the reporting period towards entrenching and strengthening the implementation of the recommended practices in its governance structures, systems,

processes and procedures. The internal audit team provided regular feedback to the Audit and Risk Committee, which is responsible for monitoring compliance with the King Code.

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

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

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

Ethical Leadership

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

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

Corporate citizenship

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

Compliance with laws, rules, codes and standards

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

Citizen Involvement in Plan-Making and Project Implementation

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

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

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

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

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

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

1.1 . BOARD OF DIRECTORS

The JDA has a unitary board, which comprises both executive and non-executive directors. Mr Mongezi Ntanga is chairperson of the Board and a non-executive director. The JDA's sole shareholder, the City of Johannesburg CoJ, reviews the term of office for non-executive directors every year at the annual general meeting.

The Board is accountable to the CoJ and the citizens of Johannesburg. A service delivery agreement and shareholder compact, concluded in accordance with the provisions of the Municipal Systems Act, govern the entity's relationship with the CoJ. The Board provides quarterly, biannual and annual reports on its performance and service delivery to the City of Johannesburg as prescribed in the service delivery agreement, the shareholder compact, the MFMA and the Municipal Systems Act.

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

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

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

The Board of Directors consists of the following members prior to the Annual General Meeting (AGM) of 17 April 2019:

- (i) Mr Cassim Coovadia (as Chairperson)
- (ii) Mr Popo Masilo;
- (iii) Mr Krishna Govender;
- (iv) Dr Mzukisi Qobo;
- (v) Mr Panos Zagaretos;
- (vi) Mr Arron Steyn;
- (vii) Dr Nomfundo Ngwenya;
- (viii) Mr Christo Botes (as Chief Executive Officer and Executive Director); and
- (ix) Ms Sherylee Moonsamy (as Chief Financial Officer and Executive Director).

The following members were Independent Audit and Risk Committee members:

- (i) Ms Modi Dolamo;
- (ii) Ms Keabetswe Onuoka; and
- (iii) Mr Zukisani Samsam

TABLE 7: JDA BOARD OF DIRECTORS FOR THE PERIOD 1 JULY 2018 – 17 APRIL 2019

| Board member | Capacity: Executive/nonexecutive | Race | Gender | Board committee membership |
|--------------|-------------------------------------|----------|--------|---|
| C Coovadia | Chairperson (Non-executive) | Indian | Male | Board |
| K Govender | Non-executive | Indian | Male | Audit and Risk (Chair) |
| P Masilo | Non-executive | Black | Male | Human Resources and Remuneration Social and Ethics Committee |
| P Zagaretos | Non-executive | White | Male | Human Resources and Remuneration Social and Ethics Committee |
| N Ngwenya | Non-executive | Black | Female | Human Resources and Remuneration / Social and Ethics Committee (Chair) |
| A Steyn | Non-executive | Coloured | Male | Audit and Risk Committee |
| M Qobo | Non-executive | Black | Male | Audit and Risk Committee Human Resources and Remuneration Social and Ethics Committee |

The Board of Directors consists of the following members as appointed at the Annual General Meeting (AGM) of the shareholder held on 17 April 2019:

- (i) Mr Mongezi Ntanga (as Chairperson)
- (ii) Mr Edgar Peters;
- (iii) Mr Krishna Govender;
- (iv) Mr Tiyani Sambo;

- (v) Mr Panos Zagaretos;
- (vi) Ms Steineke Jensma;
- (vii) Mr Arron Steyn;
- (viii) Dr Geci Karuri-Sebina; and
- (ix) Ms Sherylee Moonsamy (as Chief Financial Officer and Executive Director);

The following members were appointed as Independent Audit and Risk Committee members at the AGM of 17 April 2019:

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

TABLE 8: COMPOSITION OF THE BOARD FOR THE PERIOD 17 APRIL 2019 – 30 JUNE 2019

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

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

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

1.2. BOARD COMMITTEES

Board Meeting Attendance

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

TABLE 9: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (1 APRIL 2019 – 17 APRIL 2019)

| Name | Board | | | | Audit & Risk Committee | | | | Social & Ethics/ HR & Remco Committee | | | |
|--|----------------|------------|---------|--------|------------------------|------------|---------|--------|---------------------------------------|------------|---------|--------|
| | No of Meetings | Attendance | Apology | Absent | No of Meetings | Attendance | Apology | Absent | No of Meetings | Attendance | Apology | Absent |
| C Coovadia | 1 | 1 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| K Govender | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A | N/A | N/A |
| P Masilo | 1 | 1 | 0 | 0 | N/A | N/A | N/A | N/A | 0 | 0 | 0 | 0 |
| P Zagaretos | 1 | 1 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| N Ngwenya | 1 | 1 | 0 | 0 | N/A | N/A | N/A | N/A | 0 | 0 | 0 | 0 |
| M Qobo | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| A Steyn | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A | N/A | N/A |
| M Dolamo (Independent Audit & Risk member) | N/A | N/A | N/A | N/A | 0 | 0 | 0 | 0 | N/A | N/A | N/A | N/A |
| K Onuoka (Independent Audit & Risk member) | N/A | N/A | N/A | N/A | 0 | 0 | 0 | 0 | N/A | N/A | N/A | N/A |
| Z Samsam (Independent Audit & Risk member) | N/A | N/A | N/A | N/A | 0 | 0 | 0 | 0 | N/A | N/A | N/A | N/A |

TABLE 10: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (17 APRIL 2019 – 28 JUNE 2019)

| Name | Board | | | | Audit & Risk Committee | | | | Social & Ethics/ HR & Remco Committee | | | | Development & Investment Committee | | | |
|--|----------------|------------|---------|--------|------------------------|------------|---------|--------|---------------------------------------|------------|---------|--------|------------------------------------|------------|---------|--------|
| | No of Meetings | Attendance | Apology | Absent | No of Meetings | Attendance | Apology | Absent | No of Meetings | Attendance | Apology | Absent | No of Meetings | Attendance | Apology | Absent |
| M Ntanga | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| K Govender | 2 | 2 | 0 | 0 | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| S Jensma | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| P Zagaretos | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | 1 | 1 | N/A | N/A | 0 | 0 | 0 | 0 |
| G Karuri-Sebina | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0 | 0 | 0 | 0 |
| T Sambo | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 0 | 0 | 0 | 0 |
| E Peters | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | 1 | 1 | 0 | 0 | N/A | N/A | N/A | N/A |
| A Steyn | 2 | 2 | 0 | 0 | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| K Moodley (Independent Audit & Risk member) | N/A | N/A | N/A | N/A | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| K Onuoka (Independent Audit & Risk member) | N/A | N/A | N/A | N/A | 2 | 1 | 1 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Z Samsam (Independent Audit & Risk member) | N/A | N/A | N/A | N/A | 2 | 2 | 0 | 0 | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Board Committees

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

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

Each committee composition is as follows:

TABLE 10: BOARD COMMITTEES FOR THE PERIOD (17 APRIL 2019 – 28 JUNE 2019)

| 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. The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> • K Govender (Chairperson) • A Steyn • Z Samsam (Independent Member) • K Moodley (Independent Member) • K Onuoka (Independent Member) | <p>The committee has specific responsibility for ensuring that all activities of the JDA are subject to independent and objective review and financial performance oversight. The Audit and Risk Committee has a Charter with clear terms of reference as guided by the provisions of Section 166 of the MFMA. The Committee has the following responsibilities:</p> <p>Reviewing JDA’s internal controls, publishing financial reports for statutory compliance and against standards of best practice, and recommending appropriate disclosures to the Board.</p> <p>Reviewing reports from management, internal and external auditors, to provide reasonable assurance that control procedures are in place and are being followed.</p> <p>Reviewing the half-yearly and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices.</p> |
| Human Resources and Remuneration Committee/ Social and Ethics Committee | |
| <p>In line with the best practice of corporate governance, the Board maintains a Human Resources & Remuneration Committee/Social & Ethics Committee (HR & REMCO/Social & Ethics), comprising of 5 (five) non-executive directors and chaired by a non-executive director. It is responsible for directing human resources policies and strategies for the organisation and approving the remuneration for the Chief Executive Officer, senior executives and staff; the Committee is also responsible for acting as the social conscience of the business and ensuring that the company conducts itself as a responsible corporate citizen. This means ensuring that the JDA conducts its business in a sustainable manner, having regard for the environment, fostering healthy relationships with all its stakeholders and considering the impact of its work within the community. This committee also considers the treatment of and investment in employees, health and safety practices, black economic empowerment and the ethical corporate culture. The following members served on the committee during the period under review:</p> <ul style="list-style-type: none"> • S Jensma (Chairperson) • E Peters • P Zagaretos | <p>The committee meets not less than 4 (four) times a year. The executive directors are excluded from the HR & Remuneration Committee/Social & Ethics Committee when matters relating to their remuneration are discussed. The committee ensures that the remuneration of the Chief Executive Officer and senior management are within the upper limits as determined by the City of Johannesburg in accordance with the provisions of Section 89(a) of the MFMA.</p> <p>The remuneration of the Chairperson, the non-executive directors and independent audit committee members is determined by the City of Johannesburg.</p> |

In addition to the above committees, JDA's operates in a high-risk environment involving planning, development construction and procurement. The JDA was informed in the Quarter of the reinstatement of the Development and Investment Sub-Committee, which will bring about greater oversight of risks associated with the capital projects such as the financing, returns and project risk profiles. The Development and Investment Sub-Committee meetings are scheduled to start in 2019/20.

Duties of the Board

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

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

Board charter

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

1.3. DIRECTORS AND PRESCRIBED OFFICERS REMUNERATION

The JDA remunerates the non-executive directors and independent audit committee members in accordance with the policy and in the amounts determined from time to time by the City of Johannesburg Metropolitan Municipality, acting in its capacity as the sole shareholder of the JDA. The foregoing position was reaffirmed by special resolution at the 2017 annual general meeting. The non-executive directors and independent audit committee members are paid per meeting. Executive directors and prescribed officers are employees of the JDA and do not receive any additional remuneration by reason of their office. The table below reflects the gross or cost to company amounts paid by the JDA in relation to executive directors, non-executive directors' and independent audit committee members' fees.

TABLE 11: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT AUDIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES IN THE FOURTH QUARTER (1 APRIL 2019 – 30 JUNE 2019)

| Name | Designation | Salary/Board Fees (R's) | Pension (R's) | Bonus/Board Retention Fees (R's) | Travel allowance (R's) | Total (R's) |
|--|---|-------------------------|----------------|----------------------------------|------------------------|-------------------|
| Executive Directors and Senior Management | | | | | | |
| C Botes | CEO (Deceased) | 1 589 442 | | - | 25 000 | 1 614 442 |
| S Moonsamy | CFO | 1 493 379 | 200 705 | | | 1 694 084 |
| Z Tshabalala | CAE | 1 352 591 | 113 031 | | | 1 465 622 |
| D Cohen | EM: Strategy & Planning(Acting CEO from 1 May 2019) | 1 369 473 | 127 684 | 35 637 | | 1 532 794 |
| R Shirinda | Company Secretary | 1 583 593 | 155 425 | | | 1 739 019 |
| B Seopela | EM: Corporate Services | 1 854 390 | | | | 1 854 390 |
| N Mudlovhedzi | Senior Development Manager | 1 233 683 | 134 521 | | | 1 368 204 |
| P Mkhize | Senior Development Manager | 1 301 194 | 115 230 | | | 1 416 424 |
| M. Soni | EM: Development Implementation | 1 494 363 | - | | 144 000 | 1 638 363 |
| Sub-Total | | 13 272 107 | 846 597 | | 169 000 | 14 323 342 |
| Non-Executive Directors & Independent Audit Committee Members | | | | | | |
| C Coovadia | Chairperson(Retired) | 96 000 | | | | 96 000 |
| M Ntanga | Chairperson | 16 000 | | | | |
| T Sambo | Board Member | 12 000 | | | | |
| Dr G Karuri-Sebina | Board Member | 12 000 | | | | |
| E Peters | Board Member | 12 000 | | | | |
| P Masilo | Board Member(Retired) | 116 000 | | | | 116 000 |
| M Qobo | Board Member(Retired) | 78 000 | | | | 78 000 |
| N Ngwenya | Board Member(Retired) | 128 000 | | | | 128 000 |
| A Steyn | Board Member | 139 000 | | | | 139 000 |
| K Govender | Board Member | 165 000 | | | | 165 000 |
| P Mashele | Board Member(Retired) | 91 000 | | | | 91 000 |
| P Zagaretos | Board Member | 116 000 | | | | 116 000 |
| M Dolamo | Independent Audit and Risk Committee Member (Retired) | 20 000 | | | | 20 000 |
| K Moodley | Independent Audit and Risk Committee Member | 6 000 | | | | |
| K Onuoka | Independent Audit and Risk Committee Member | 41 000 | | | | 41 000 |
| Z Samsam | Independent Audit and Risk Committee Member | 31 000 | | | | 31 000 |
| Sub-Total | | 1 079 000 | - | | - | 1 021 000 |
| TOTAL | | 14 351 107 | 846 597 | | 169 000 | 15 344 342 |

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

Loans and advances

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

1.4. COMPANY SECRETARIAL FUNCTION

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

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

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

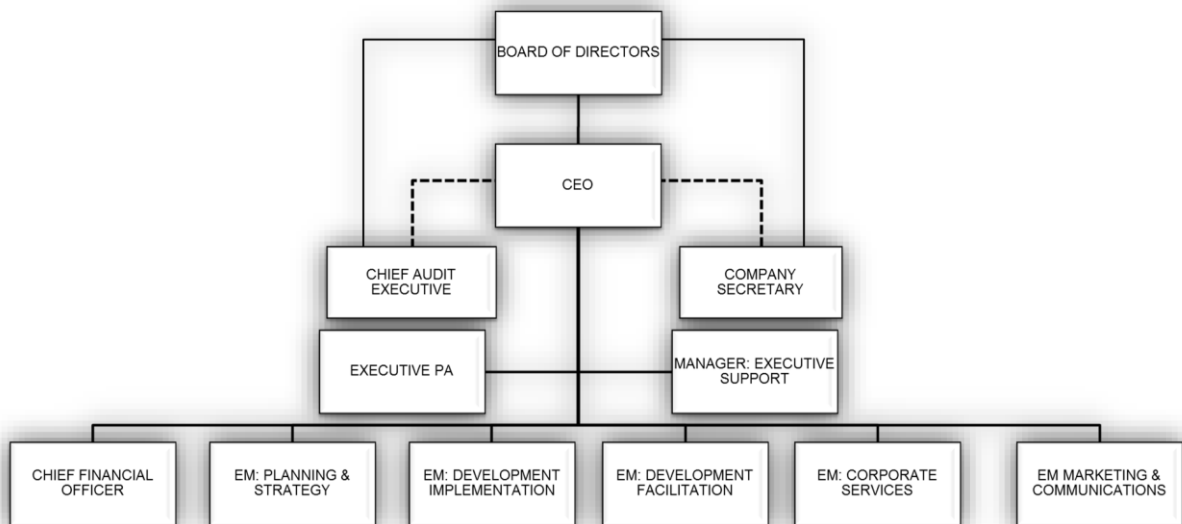
The Company Secretary's work covers a wide variety of functions, including but not limited to:

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

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

FIGURE 4: HIGH LEVEL ORGANISATION STRUCTURE



SECTION 3: RISK MANAGEMENT

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

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

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

Risk Management Process

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

The following risk management programmes and/or activities were implemented during the fourth quarter of 2018/19 financial year are as follows:

TABLE 12: RISK MANAGEMENT PROGRAMMES AND/OR ACTIVITIES

| Programmes and/or activities | Board / ARC Approved | EXCO Approved |
|---|----------------------|---------------|
| Strategic Risks Management and Monitoring | X | X |
| Operational Risks Management and Monitoring | | X |
| Universal Regulatory Register (URR) and Compliance Monitoring | X | X |
| Started with 2019/2020 operational Risk Assessment | | X |
| Enterprise Wide Risk Management Training | | X |
| Anti-Fraud & Anti-Corruption and Ethics Management Training | | X |
| Business Continuity Management Programme at 50% completion | | X |
| Independent Compliance Review | | X |
| Draft 2019/20 Strategic Risk Register | Pending | X |
| Draft SCM Risk Tolerance Framework | Pending | X |

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

Corporate Ethics and Organisational Integrity

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

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

Code of Conduct

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

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

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

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

Declaration of interest

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

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

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 4: ANTICORRUPTION AND FRAUD

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

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

The strategic risk register identifies "fraudulent and corrupt activities" as a strategic risk with a high inherent risk rating and medium residual risk rating. The strategic risk register sets out specific future actions to mitigate these risks, including conducting regular fraud risk assessments and creating fraud risk awareness. The Fraud Risk Register is an operational document and was approved by EXCO² and is monitored quarterly.

Critical to the anti-fraud and anti-corruption programme is the prevention strategic pillar as contained in the Fraud Prevention Strategy and Response Plan, part of the prevention strategy, the following fraud risk management documents were reviewed and presented to the Audit & Risk Committee on the 13th of November 2018:

- Fraud Risk Management Policies (Both for External & Internal Stakeholders);
- Fraud Prevention Strategy and Response Plan; and
- Whistle-Blowing Policy
- Declaration of Interest Policy

The Committee noted and recommended the reviewed fraud risk management documents for Board approval after effecting certain amendments.

There was one case reported in fourth quarter of 2018/19 financial year. Refer to the Fraud Case Register below:

² The fraud risk register is approved by EXCO as it is an operational document. The Board approved the strategic risk register for current year in the previous financial year, as part of the business planning approval process. The strategic risk register includes fraud and corruption risk.

TABLE 13: REPORTED CASES IN 2018/19

| Date of Case Reported | Reference Number | Where or to whom it was reported | No. of Employees involved if applicable | Allegation | Nature of the Cases e.g. Corruption, fraud and maladministration | Status (If resolved, State the outcome) | Contact Person for Investigation | Value (if know/ applicable) |
|-----------------------|------------------|---|---|---|--|---|------------------------------------|-----------------------------|
| 2019/01/22 | GFIS 116/02/2019 | Chief Executive Officer by internal SCM | One | Third party purporting to be SCM official to a bidder for the Gandhi Precinct East Development construction tender. | Corruption | Matter referred to Group Forensics and Investigation Services for investigation. | Lesiba Mashasha 0837026915 | Unknown |
| 2018/12/07 | GFIS 44/12/2018 | Chief Executive Officer | One | Unauthorized waiving of Construction penalties | Fraud, corruption or maladministration | Matter referred to Group Forensics and Investigation Services for investigation. The investigation was paused due to other competing investigations, it is envisaged that the investigation will be completed in the next financial year. | Phuti Ramara 0836283576 | R4.5m |
| 2018/08/30 | GFIS 171/08/2018 | City of Johannesburg Group Fraud and Investigation Services | Not known | Alleged solicitation of bribes and kickbacks | Fraud, corruption or maladministration | The matter was referred to Group Forensics and Investigation Services for investigation. Investigation paused due to competing investigations. It is envisaged to be completed in the next financial year. | Deputy Director Sibande 0837026918 | Unknown |
| 2018/06/13 | 107/06/2018 | City Manager | Not known | Irregular acquisition of a Statue of the late President Nelson Mandela | Fraud, corruption or maladministration | Investigation is still underway and conducted by the Public Protector's office. No progress provided by the Public Protector. | Unknown | N/A |
| 2018/04/11 | GFIS 184/04/2018 | City of Johannesburg Hotline | One | JDA Official allegedly solicited bribe. | Corruption/ bribery | The matter was referred to GFIS for investigation. The investigation was paused due to other competing investigation, it is envisaged that it will be commenced at the beginning of the next financial year. | Deputy Director Sibande 0837026918 | Unknown |
| 2018/03/22 | 106/03/2018 | CEO/CAE/CRO | One | Misrepresentation by an outsider | Suspected Fraud | Criminal Charges have been laid | Warrant Officer | Unknown |

| Date of Case Reported | Reference Number | Where or to whom it was reported | No. of Employees involved if applicable | Allegation | Nature of the Cases e.g. Corruption, fraud and maladministration | Status (If resolved, State the outcome) | Contact Person for Investigation | Value (if know/ applicable) |
|-----------------------|------------------|---|---|---|--|--|----------------------------------|-----------------------------|
| | | | | (imposter) purporting to be a JDA employee | | with the JHB Central Police Station with case number CAS1095/3/2018. The case was closed due to insufficient evidence (and will no longer be reported in the new financial year) | G. Nyathela 011 497 7317 | |
| 2018/03/16 | 105/03/2018 | Chief Executive Officer | Not known | Unfair disqualification of SMMEs | Suspected corruption | Matter referred to GFIS for investigation. (Investigation not commenced, still to allocate an Investigation Officer). | Unknown | Unknown |
| 2017/10/16 | GFIS 485/09/2017 | City of Johannesburg Group Fraud and Investigation Services | One | Collusion with a service provider to unduly award a contract on the Alexandra Phase 2 project | Corruption | Investigation is conducted by Group Fraud and Investigations Services. Investigation completed. | Mshiwa Sibande 0837026918 | Unknown |
| 2015/03/24 | 101/03/2015 | JDA, Internal Audit Department, directly to the Chief Audit Executive | One | JDA official indirectly doing business with the JDA. | Conflict of Interest | Investigation has been handed over to Group Legal Service. | Unknown | Unknown |

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

SECTION 5: ICT GOVERNANCE

This quarter saw the approval of the ICT Governance Charter and the ICT Security policy.

ICT Governance Charter

The reviewed ICT Governance Charter was approved by the JDA Board of Directors on the 12th of April 2019. The review of the Charter is meant to ensure the alignment of ICT Governance Charter in line with prescripts of principle 12 of King IV Code of Governance in relation to ICT Governance. Principle 12 of King IV code of governance clearly articulates the board's oversight role on ICT Governance.

ICT Security Policy

The reviewed ICT Security policy was approved by the JDA Board of Directors on the 12th of April 2019. The process of reviewing the ICT Security policy took into consideration the alignment of the ICT Security policy to POPI (Protection of Personal Information Act, 4 of 2013). The previous version of the ICT Security Policy did not give greater detail and recognition to how and why the JDA would align itself to POPI. The reviewed version seeks to articulate in detail the JDA's alignment to POPI and why this alignment is necessary. It also articulates the roles of management, Board and oversight committees as well as the role of employees, within the context of POPI as well as General ICT.

Enterprise Resource Planning

a) SAP HCM Payroll

The following activities were achieved in this quarter on HCM Payroll;

- Data Migration
- Parallel payroll run in pre-production
- Re-training for the payroll and finance team
- Bank file output and upload tests

The SAP Payroll has been running now since March 2019. All functional tests have been successful.

Assurance process

- A data migration audit review was conducted
- A follow-up final review is scheduled in the first quarter of the financial year 2019/2020

b) SAP PS

The following activities were achieved this quarter for SAP PS;

- A workshop with the supply chain team to discuss and finalise capturing of OPEX contracts on SAP
- A workshop with co-ordinators from the DI Team to address issues they have with invoicing
- A workshop and training for the Finance Team on finance side of invoice parking
- User assistance with budget queries and any other queries

Network Performance

Network performance for this quarter has been 100% against a target of 100%. Network capacity is sitting at 75.9% which translates to 31.1 mbps of the 40 mbps. A total of 1.64 TB of data was received, and a total of 276 GB of data was sent out. The network is therefore adequately utilised at the moment. Available capacity is a good barometer for accommodation of future growth.

SECTION 6: COMPLIANCE WITH LAWS & REGULATIONS

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

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

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

- 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 non-compliance.

In relation to compliance performance, the JDA has detected or registered 3 out of 261 compliance obligations that are non-compliant for the fourth quarter. The following mitigation steps have been introduced to improve on the above three non-compliance issues raised:

- Records management – an assessment will be conducted during the final quarter of 2018/19 of the entity's current records management processes and the records management system will be implemented in phases across the entire entity.
- Payments over 30 days – Standard operating procedures have been developed with regards to both invoice submissions and payments with clear turn-around times at each level. These will be workshopped to JDA staff during July and August. In addition, the payment of invoices within 30 days will be included as a KPI on performance scorecards and will be monitored on a monthly basis.
- In terms of the Income Tax Act, Municipal Entities may be registered for all forms of tax, e.g. Company tax, Employee Tax, VAT, etc. In terms of the business nature of the JDA, JDA qualifies for an allowance for future expenditure in terms of section 24C of the Tax Administration Act. Thus, the JDA is in the process of acquiring its tax compliant tax status. The JDA has submitted the application for the Tax clearance certificate. The JDA has not completed this process before and it is our first application for a clearance certificate. The following delays are currently being experienced in the process:
 - Change in Accounting Officer and Tax representative was concluded with SARS in January 2019 due to new appointments at the JDA;
 - The JDA was then requested to re-submit information on IT14 and VAT201s to support the returns submitted on E-filing. This required information goes as far back as from the 2016 period. We are currently completing this request and once done still requires further review from SARS.

- The process is envisaged to be completed in quarter 4 this current financial year.

JDA has not incurred any fruitless, wasteful and unauthorized transactions for the fourth quarter of 2018/2019 with the exception to irregular expenditure. The JDA incurred irregular expenditure to the value of R60 274.54 year to date for 2018/19. The nature of the irregular expenditure is as follows:

- The extension of the contract with Zeda car Leasing (Pty) Ltd t/a Avis fleet services was not done in accordance with applicable legislation by the City of Johannesburg. JDA acquired the contract under regulation 32 of MFMA for five years which ended on the 31st of October 2017. The City is in the process of entering into a new contract following supply chain management regulations.

It is also imperative to note that management’s accountability for compliance is reinforced by Internal Audit.

SECTION 7: CORPORATE SOCIAL RESPONSIBILITY (CSR) REPORT

The JDA is currently in the process of developing a Corporate Social Responsibility (CSR) Framework to help guide how the organisation undertakes CSR initiatives. The annual budget for this financial year is R380, 000.00.

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

TABLE 14: CSR FOCUS AREAS FOR THIS FINANCIAL YEAR:

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

SECTION 8: SUSTAINABILITY REPORT

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

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

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

Environmental Impact

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

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

Five major outcomes define the Joburg 2040 GDS:

- Outcome 1: A growing, diverse and competitive economy that creates jobs

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

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

- Strategic Economic Node Programme where the objective is to develop nodes that are compact, walkable, liveable, mixed use and mixed income areas and centres around which to density. Currently the JDA is working on the Balfour Park, Randburg and Jabulani TODs, with clearly defined long term (five years) development plans.
- Public Infrastructure Delivery Programme where the objective is to effectively and efficiently deliver social and economic infrastructure projects by focusing on two basic questions: how can the City prioritise the key infrastructure projects that provide the optimal social and economic benefit for City and communities; and once these projects are identified, how can stakeholders work together to accelerate the implementation of these projects most effectively and efficiently. 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. Currently the JDA is implementing the Phase 1C Rea Vaya infrastructure on behalf of the COJ Transport Department. Phase 1C is the extension of the current BRT phases to the North along Louis Botha Ave, Katherine Ave, William Nicol Drive, Republic Road and Old Pretoria Main Road. This phase seeks to connect Randburg to Sandton, Sandton to Alexandra, Ivory Park to Sandton and all these key area to the Johannesburg CBD.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

The fourth quarter report has been prepared against the JDA's 2018/19 business plan and adjusted scorecard. Of the JDA's 21 Strategic KPIs, the JDA achieved 52% targeted performance, 14% performance target was partially achieved and 33% performance target not achieved.

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

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

TABLE 15: SUMMARY OF KPI PERFORMANCE

| IDP Priority / | IDP programmes | No of KPI's | KPI Number (Ref) | Target Achieved (95% - 100% rating) | | Target Partially Achieved (80% - 94% rating) | | Target not Achieved (<79% rating) | |
|---|--|-------------|---------------------|-------------------------------------|------------|--|------------|-----------------------------------|------------|
| | | | | | % | Count | % | Count | % |
| <p>Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty</p> <p>Priority 2: Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress.</p> | <p>Inner city regeneration, including key economic nodes</p> <p>Increased infrastructure investment (from both public and private sectors)</p> <p>Working to cut red tape and improve the ease of doing business in the City</p> <p>Residents live, work and play close to work, leisure and cultural opportunities</p> <p>Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure</p> | 9 | (1-2-3-4-5-6-7-8-9) | 5 | 56% | 1 | 11% | 3 | 33% |
| IDP Priority 5: Create an honest and transparent City that fights corruption. | Increasing forensic investigative capability and controls | 1 | (10) | 0 | 0% | 1 | 100% | 0 | 0% |
| IDP Priority 8: Enhance our financial sustainability. | Focusing on driving up capital expenditure investment in infrastructure | 4 | (11-12-13-14) | 3 | 75% | 1 | 25% | 0 | 0% |
| Priority 8: Encourage innovation and efficiency through the Smart City programme. | Focused improvement of ICT equipment and software | 1 | (15) | 0 | 0% | 0 | 0% | 1 | 100% |
| Day-to-day Programme | Other IDP or Day-to Day programmes | 6 | (16-17-18-19-20-21) | 3 | 50% | 0 | 0% | 3 | 50% |
| | | 21 | | 11 | 52% | 3 | 14% | 7 | 33% |

SECTION 2: SERVICE DELIVERY CHALLENGES

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

By the end of the fourth quarter delivery was affected in several projects. Some of these issues are highlighted below:

- Although the construction is underway there is no finalization of the agreement regarding the Post Office portion of land which forms part of the JITI development. The matter is sitting with JPC to expropriate the land.
- There was a fatality by a public member on site in the project Soweto Stations NMT Links: Merafe. It was reported that a body of the deceased was found on site on Sunday, June 02, 2019. The incident was reported to the Johannesburg Development Agency on Monday, June 03, 2019 by the Lead Engineer. The Department of Labour was also notified. While the investigation was carrying on the unaffected portion of the site was reopened on Friday, Jun 14, 2019 for the contractor to resume duties. On Tuesday, June 25, 2019 the JDA received a correspondence from the Department of Labour advising that they were non contraventions by the contractor meaning all the safety measures were followed by the contractor on site in relation to the incident.

Various factors hamper the JDA to successfully implement projects which, in turn, has a material impact of the JDA capex expenditure. Two factors worth highlighting include:

- Project Readiness: Projects are not implementable if the scope, land, planning permissions, technical studies and community acceptance are not in place, to name a few. The financial impact of project readiness not being in place translates into a potential loss of 5% of total expenditure as quantified below:

| Client Dept. | No. of Projects | Expenditure | Budget | Variance |
|---------------------|-----------------|-------------|--------------|--------------|
| Comm Dev | 6 | R 4 258 649 | R 66 000 000 | R 61 741 351 |
| Transportation PTNG | 3 | R 1 194 411 | R 8 806 852 | R 7 612 441 |
| | | R 5 453 060 | R 74 806 852 | R 69 353 792 |
| % Total Expenditure | | 1% | 6% | 5% |

- SMME or Community protests: Project can be delayed or even shut down in the event of disputes between SMMEs onsite or from other not appointed. In other cases, issues beyond the project itself but affecting the community can cause project delays. The financial impact of SMME or Community translates into a potential loss of 5% of total expenditure as quantified below:

| Client Dept. | No. of Projects | Expenditure | Budget | Variance |
|---------------------|-----------------|--------------|---------------|--------------|
| NDPG | 1 | R 34 037 914 | R 46 722 441 | R 12 684 527 |
| TRANSPORTATION | 2 | R 19 805 789 | R 70 400 000 | R 50 594 211 |
| | | R 53 843 703 | R 117 122 441 | R 63 278 738 |
| % Total Expenditure | | 5% | 10% | 5% |

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

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

TABLE 16: SUMMARY OF JDA PROGRAMMES

| JDA Programme Type | Programme | Description / Purpose |
|------------------------|---|---|
| Substantive programmes | 1: Inner city transformation programme | Guided by the Mayoral Priority on the Inner City and the Inner City Roadmap the JDA will focus on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city; financial services networks for the City Region; and cross-border trade networks for the African continent. The JDA will continue to implement a phased plan to strengthen inner city precincts, address movement challenges, and improve the quality of the built environment across the inner city. The activities include managing the development of the Johannesburg inner city through capital investments in selected precincts, by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives. |
| | 2: Strategic economic node programme | The objective is to develop nodes that are compact, walkable, liveable, mixed use and mixed income areas and centres around which to densify. They should be areas where people can live, work and play and have good access to public transit. Guided by the CoJ policy on the categorising of the current city nodes with prospects for growth, the work of the programme is to promote densification, diversification and development in these nodes. The main categories of nodes are: mixed-use/key urban nodes (under various categories), industrial nodes, Transit Oriented Development (TOD) nodes and neighbourhood nodes. |
| | 3: Public infrastructure delivery programme | The objective is to effectively and efficiently deliver social and economic infrastructure projects by focusing on two basic questions: how can the City prioritise the key infrastructure projects that provide the optimal social and economic benefit for the City and communities; and once these projects are identified, how can stakeholders work together to accelerate the implementation of these projects most effectively and efficiently. This work includes overseeing capital investments by other departments and entities, and facilitating partnership initiatives. This programme includes the continued roll-out of the Rea Vaya BRT infrastructure and service. |
| | 4: Greater Alex and Alexandra Renewal Programme (ARP) | The Alexandra Renewal Project (ARP) which is established to coordinate intergovernmental activities to develop Alex. 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. Most of the work involves human settlement development projects such as hostel upgrading, housing development and the construction of community facilities |

| JDA Programme Type | Programme | Description / Purpose |
|-----------------------|---|--|
| | 5: Economic Empowerment Programme | A cluster of the JDA’s economic development programmes that aims to (i) Develop skills and capacity within the construction industry in Johannesburg (ii) Optimise the JDA’s contribution to inclusive economic growth and empowerment, and the transformation of the construction industry; and (iii) establish a monitoring and reporting system to measure the impact of the JDA’s managing contractor development programme. |
| Operational programme | 6: Good Governance, Management and Administration | This programme manages the governance, administration and operational functions of the JDA, and improves efficiency through Finance, Governance, Risk and Compliance, Supply Chain Management and IT. |

SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS

Section Not Applicable to JDA

SECTION 5: CAPITAL PROJECTS & EXPENDITURE

Capital expenditure is the primary measure of the JDA’s performance, and the budget for the capital projects to be implemented forms part of the agency’s annual business plan and scorecard. The overall year to date capex expenditure at the end of the fourth quarter was R1 billion (2017/18: R1.4 billion) against a targeted budget of R1.2 billion (2017/18: R1.5 billion). This represents 90% against the annual performance target of 95% and 85% (2017/18: 92%) of the overall annual budget of R1.2 billion.

TABLE 17: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE

| Overall Performance Programme | 2018/19 Annual Budget | Target YTD | Actual YTD | Target % | YTD Performance against Target | % Actual / Annual budget Expenditure |
|--------------------------------------|-----------------------|------------------|------------------|------------|--------------------------------|--------------------------------------|
| | R' 000 | R' 000 | R'000 | % | % | % |
| Overall Programme Performance | 1 187 863 | 1 128 470 | 1 014 691 | 95% | 90% | 85.42% |

SECTION 6: ORGANISATIONAL PERFORMANCE

The JDA’s progress towards achieving its KPIs is assessed using the performance scorecard, which **TABLE 17: KPI ACHIEVEMENT RATINGS** measures performance in terms of both the JDA’s service delivery mandate and financial and other resource management processes. The scorecard targets, which are set and agreed on by JDA management, the Board and the shareholder, aim to improve the JDA’s performance and efficiency, and achieve longer-term goals for specific developments, such as area-based revitalisation.

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

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





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

TABLE 18: SCORECARD



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

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|--|---|--|-------------------|--|-------------------|--|-------------------|---|-------------------|----------|---|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| Inner city regeneration, including key economic nodes including the implementation of the Transit Oriented Development Corridors Increased infrastructure investment (from both public and private sectors) Residents live, work and play close to work, leisure and cultural | 1) Number of pre-feasibility plans or studies ³ produced, reviewed or updated | 13 Number of prefeasibility plans or studies produced, reviewed or updated (cumulative) | 0 pre-feasibility plans or studies produced or updated | 0 | 1 pre-feasibility plans or studies produced, reviewed or updated | 1 | 2 pre-feasibility plans or studies produced, reviewed or updated | 3 | 13 pre-feasibility plans or studies produced, reviewed or updated | 12 | 1 |  | Target partially achieved. There were twelve pre-feasibility plans or study produced, reviewed or updated in Q4. The following project did not achieve the pre-feasibility plan or study produced, reviewed or updated as planned: Louis Botha - Co - Production zone for social interventions Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional. |
| | | | 1. Land Readiness Assessments for three JDA Development Projects (Zandspruit Clinic, Princess Clinic and alternative site for Alex REA VAYA Bus Depot) | | | | | | | | | | Target achieved. |
| | | | 2. Public Art Programme for two JDA Development Areas | | | | | | | | | | Target achieved. |
| | | | 3. Lenasia CBD Development Plan Review and Implementation Framework | | | | | | | | | | Target achieved. |


³ Detailed local area plans, detailed local area implementation plans or area-based studies

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|-------------------------------|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| opportunities and effective transport (Public and Freight) Connecting home, work, culture and leisure. | | | 4. Milpark social housing study | | | | | | | | | | Target achieved. |
| | | | 5. Lib.Johannesburg Library (Centre of Excellence) JOHANNESBURG F | | | | | | | | | | Target achieved. |
| | | | 6. Old Pretoria Road (Alex to Ivory Park) | | | | | | | | | | Target achieved. |
| | | | 7. Louis Botha - Co - Production zone for social interventions Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional | | | | | | | | | | <p>Target was not achieved.</p> <p>There were delays incurred due to budget confirmation as well as prolonged tender evaluation of the submissions which had to take into consideration project scope change. The appointment of all the professionals was finalised in third quarter. Concept design has been finalised and planned to be presented in July 2019 to EXCO. Great effort will be made in project oversight to ensure adherence to milestone deadlines.</p> |
| | | | 8. Transport Feasibility Studies for two JDA Development Areas ⁴ | | | | | | | | | | Target achieved. |


⁴ Feasibility Study for Braamfontein; Feasibility Study Integrated Corridor Management; Inner City Transport Masterplan; Lenasia Scholar Transport Masterplan Parking Management Strategies; Roodepoort CBD Transport Masterplan

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---|--|--|-------------------|---|-------------------|---|-------------------|--|-------------------|----------|---|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | 2) Number of area-based or sector based partnerships formalised or partnership programmes implemented | 4 area-based or sector based partnerships formalised partnership programmes implemented (cumulative) | 0 area-based or sector based partnership s formalised | 0 | 1 area-based or sector based partnership s formalised | 1 | 1 area-based or sector based partnership s formalised | 1 | 4 area-based or sector based partnerships formalised | 4 | - |  | Target was achieved. There were four area-based or sector based partnerships formalised or partnership programmes implemented as in Q4 of 2018/19 financial year. |
| | | | 1. TUHF – Sectional Title Pilot Project | | | | | | | | | | Target achieved. |
| | | | 2. Our City Our Block – Hillbrow Theatre Partnership | | | | | | | | | | Target achieved. |
| | | | 3. Our City Our Block – Indlulamithi Routes Partnership | | | | | | | | | | Target achieved. |
| | | | 4. Norwood Partnership | | | | | | | | | | Target achieved. |
| | 3) Number of projects at concept design phase | 14 projects at concept design phase (cumulative) | 0 projects at concept design phase | 0 | 1 projects at concept design phase | 0 | 1 projects at concept design phase | 0 | 14 projects at concept design phase | 14 | - |  | Target was achieved. There were fourteen the Concept Design Phase achieved in the fourth quarter of 2018/19 financial year. |
| | | | 1. Banakekeleni Hospice New Clinic ALEXANDRA EXT.38 E Ward | | | | | | | | | | Target achieved. |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | | |
|---|---------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|-------------------------------|---|------------------|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) | |
| | | | | | | | | | | | | | 2. COMPL: Sidewalk Improvements: Tshiawelo Metrorail Station Link: Mhlaba / C Hani New Nodal Transport Facilities CHIAWELO D City Wide | Target achieved. |
| | | | | | | | | | | | | | 3. Lehae MPC New Construction LEHAE G | Target achieved. |
| | | | | | | | | | | | | | 4. Marlboro South Light Industrial Business Hub_Skills Development Centre | Target achieved. |
| | | | | | | | | | | | | | 5. Park Station to Civic Centre PEU (Park Station Regeneration) | Target achieved. |
| | | | | | | | | | | | | | 6. PTF: Small Public Transport Facility Design and Construction of Kya Sand Superstop New Nodal Transport Facilities KYA SAND | Target achieved. |
| | | | | | | | | | | | | | 7. Regeneration of Lenasia CBD and Anchorville Industrial Hub – Region G | Target achieved. |
| | | | | | | | | | | | | | 8. Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C | Target achieved. |
| | | | | | | | | | | | | | 9. Small: Public Transport Facility in Zakariya Park Region G | Target achieved. |
| | | | | | | | | | | | | | 10. Aqua - Construction of the IVORY PARK new swimming pool EXT.2 A Ward | Target achieved. |
| | | | | | | | | | | | | | 11. Construction of a new MPC in Matholesville New Community Centre MATHOLESVILLE C Regional | Target achieved. |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|--|--|--|-------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|-------------------------------------|-------------------|----------|---|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | 12. Rec - Construction of the new multipurpose centre (Library included) at Kaalfontein (Ebony Park) New Community Centre KAALFONTEIN EXT.4 A Ward | | | | | | | | | | Target achieved. |
| | | | 13. Rec- Construction of Drieziek MPC (ACH and Sports and Recreation) | | | | | | | | | | Target achieved. |
| | | | 14. Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route | | | | | | | | | | Target achieved. |
| | 4) Number of projects at detailed design phase | 7 projects at detailed design phase (cumulative) | 0 projects at detailed design phase | 0 | 1 projects at detailed design phase | 0 | 2 projects at detailed design phase | 1 | 7 projects at detailed design phase | 5 | 2 |  | <p>Target was not achieved.</p> <p>The following project did not achieve the Detailed Design Phase Target as planned: PTF: Small Public Transport Facilities: Tshepiso ng and PTF: Small Public Transport Facility Design and Construction of Kya Sand Superstop New Nodal Transport Facilities KYA SAND.</p> |
| | | | 1. COMPL: Sidewalk Improvements: Dube NMT Links: DUBE D City Wide | | | | | | | | | | Target achieved. |
| | | | 2. Inner City Partnership Fund | | | | | | | | | | Target achieved. |
| | | | 3. PTF: Small Public Transport Facilities: Vlakfontein | | | | | | | | | | Target achieved. |
| | | | 4. PTF: Small Public Transport Facilities: Tshepiso ng | | | | | | | | | | Target was not achieved as planned in the fourth quarter of 2018/19 financial year. |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | Approval of Detailed Design report delayed due to change of scope and pending further town planning processes; two of the proposed locations are on community development zoned properties. This has subsequently led to prolonged town-planning processes and the internal CoJ site allocation process. The COJ Transport also with the scope change approved a different site than was catered for in the detailed designs; this has led to further delays in finalizing the detailed designs and appointment of main contractor. The professional team currently investigating the viability of the proposed change, process will be fast-tracked to ensure construction commences within the first quarter of the 2019/20 financial year. Detailed design will only be approved post town planning processes. Great effort will be made in project oversight to ensure adherence to milestone deadlines. |
| | | | 5. PTF: Small Public Transport Facility Design and Construction of Kya Sand Superstop New Nodal Transport Facilities KYA SAND | | | | | | | | | | Target was not achieved as planned in the fourth quarter of 2018/19 financial year. |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|--------------------------------|-----------------------------------|---|-------------------|---------------------|-------------------|----------------------|-------------------|----------------------|-------------------|----------|--|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | A draft concept design was developed as opposed to a detailed design. Delays were due to the fact that the final detailed design is reliant on securing land for the transport facility which has not been finalised. The project is a multi-year project and detailed design is anticipated to be finalized by second quarter of 2019/20 financial year. Great effort will be made in project oversight to ensure adherence to milestone deadlines. |
| | | | 6. Small: Public Transport Facility in Zakariya Park Region G | | | | | | | | | | Target achieved. |
| | | | 7. Naledi clinic New Building NALEDI D | | | | | | | | | | Target achieved. |
| | 5) Number of contracts awarded | 20 contracts awarded (cumulative) | 3 contracts awarded | 0 | 5 contracts awarded | 1 | 13 contracts awarded | 8 | 20 contracts awarded | 15 | 5 |  | Target was not achieved. The following 5 projects did not achieve the Contract Award Phase Target; Heritage Walkway Landscaping, OTHER: BMC, Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E, PTF: Small Public Transport Facilities: Tshepisoong and Greenstone to Watt (Stops and roadworks and pick up platforms at |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | | |
|---|---------------------------|----------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|-------------------------------|---|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) | |
| | | | | | | | | | | | | | Mall). Great effort will be made in project oversight to ensure adherence to milestone deadlines | |
| | | | 1. Alexandra Sports and Youth Development_SAFA Safe Hub Facility | | | | | | | | | | | Target was achieved in the third quarter of 2018/19 financial year. Contract award was finalised on the 19 th March 2019. |
| | | | 2. COMPL: Sidewalk Improvements: Dube NMT Links: DUBE D City Wide | | | | | | | | | | | Target was achieved as planned in the third quarter of 2018/19 financial year. Contract award was finalised on the 7 th March 2018. |
| | | | 3. Gandhi Square East | | | | | | | | | | | Target was achieved as planned in the fourth quarter of 2018/19 financial year. Contract award was finalised on the 21 st May 2019. |
| | | | 4. Inner City Partnership Fund | | | | | | | | | | | Target was achieved as planned in the fourth quarter of 2018/19 financial year. Contract award was finalised on the 5 th June 2019. |
| | | | 5. Heritage Walkway Landscaping | | | | | | | | | | | Target was not achieved as planned in the fourth quarter of 2018/19 financial year. There were delays experienced due to the prolonged stakeholder participation processes in approvals of concepts with |


| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | relevant City entities. This has impacted negatively on project milestones and timelines. The tender for the main contractor was advertised on the 24 th June 2019; and closing on the 24 th July 2019. Construction of work is anticipated completion in the fourth quarter of 2019/20 financial year. |
| | | | 6. OTHER: BMC | | | | | | | | | | <p>Target was not achieved.</p> <p>There were delays in Client Department confirmation of project scope. The tender for the main contractor closed on the 3rd September 2018. Prolonged tender evaluation processes in relation to evaluation of the received submissions, where information seeking clarity was requested prior to concluding the evaluation process of the bidders.</p> <p>The report was approved by BAC on the 28th November 2018. There was objection by one of the bidders and has not been resolved. The matter has been escalated to CoJ Group Legal for further advice and investigation. Investigation underway.</p> |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|-------------------------------|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | Project is on hold until investigation is concluded. Construction of work is anticipated to commence in the first quarter of 2019/20 financial year. |
| | | | 7. OTHER: ICT | | | | | | | | | | Target was achieved. Contract award was finalised on the 28 th January 2019. |
| | | | 8. Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E | | | | | | | | | | <p>Target was not achieved.</p> <p>The project was delayed by the protracted signing of the wayleave by City Parks. Therefore geotechnical studies could not be concluded for material testing, and as a result the detailed designs could not be approved by JRA. The signing of the wayleave has been resolved.</p> <p>BAC Report for appointment of main contractor was tabled for approval in May 2019, the report was thereafter submitted to Internal Audit for review; currently awaiting management comments on issues raised. Meeting with project consultants to be convened on the 03rd July 2019, way forward to be provided thereafter. The main contractor appointment is anticipated to be finalised by the first quarter of</p> |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|-------------------------------|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | 2019/20 financial year. |
| | | | | | | | | | | | | | 9. Paterson Park: Work Package 3 - Multipurpose Centre and Sports Facilities Target was achieved as planned in the second quarter of 2018/19 financial year. Contract award was finalised on the 16 th November 2018. |
| | | | | | | | | | | | | | 10. PTF: Small Public Transport Facilities: Tshepiso ng Target was not achieved as planned in the fourth quarter of 2018/19 financial year. Approval of Detailed Design report delayed due to change of scope and pending further town planning processes; two of the proposed locations are on community development zoned properties. This has subsequently led to prolonged town- |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|-------------------------------|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | planning processes and the internal CoJ site allocation process. The COJ Transport also with the scope change approved a different site than was catered for in the detailed designs; this has led to further delays in finalizing the detailed designs and appointment of main contractor. The professional team currently investigating the viability of the proposed change, process will be fast-tracked to ensure construction commences within the first quarter of the 2019/20 financial year. Detailed design will only be approved post town planning processes. Great effort will be made in project oversight to ensure adherence to milestone deadlines. |
| | | | | | | | | | | | | | 11. Large: Public Transport Facility Redevelopment of Kazerne, NEWTOWN EXT.1 Region F Target was achieved as planned in the fourth quarter of 2018/19 financial year. Contract award was finalised on the 6 th May 2019. |
| | | | | | | | | | | | | | 12. Greenstone to Watt (Stops and roadworks and pick up platforms at Mall) Target was not achieved as planned in the fourth quarter of 2018/19 financial year. The previous professional team’s contracts for the 2018/19 financial year had elapsed. The project had taken over three financial years to secure budget for further |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | implementation and it was unclear whether the project would proceed accordingly. Once the budget had been approved at mid-year adjustment, process of procuring a new professional team and design review resulted in the delay for the project to reach contact award beginning of 2019/20 financial year. Procurement processes for the appointment of the main contractor is at an advanced stage, the BAC Report will be tabled at the BAC Meeting scheduled for the 06 th July 2019. |
| | | | | | | | | | | | | | Target was achieved as planned in the third quarter of 2018/19 financial year. Contract award was finalised on the 25 th January 2019. |
| | | | | | | | | | | | | | Target was achieved as planned in the fourth quarter of 2018/19 financial year. Contract award was finalised on the 17 th May 2019. |
| | | | | | | | | | | | | | Target was achieved as planned in the third quarter of 2018/19 financial year. Contract award was finalised on the 25 th January 2019. |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---|---|---|-------------------|------------------------------------|-------------------|------------------------------------|-------------------|------------------------|-------------------|----------|--|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | 16. Braamfischerville Ext 12&13:Roads and Stormwater Management Systems including a Pedestrian Bridge New Bulk Infrastructure BRAM FISCHERVILLE EXT.13 C Ward | | | | | | | | | | Target was achieved. Contract award was finalised on the 6 th May 2019. |
| | | | 17. Claremont Renewal Clinic CLAREMONT B Ward | | | | | | | | | | Target was achieved as planned in the third quarter of 2018/19 financial year. Contract award was finalised on the 10 th December 2018. |
| | | | 18. Florida Clinic New Clinic FLORIDA EXT C Ward | | | | | | | | | | Target was achieved. Contract award was finalised on the 24 th May 2019. |
| | | | 19. Jabulani TOD: Phase 6b - Safe Hub | | | | | | | | | | Target was achieved. Contract award was finalised on the 25 th March 2019. |
| | | | 20. Jabulani TOD: Phase 7 - Safe Hub | | | | | | | | | | Target was achieved as planned in the third quarter of 2018/19 financial year. Contract award was finalised on the 21 st December 2018. |
| | 6) Number of projects at practical completion | 22 projects practical completion (cumulative) | 2 projects at practical completion | 0 | 6 projects at practical completion | 2 | 6 projects at practical completion | 2 | 22 projects completion | 14 | 8 |  | <p>Target was not achieved.</p> <p>The following eight projects did not achieve the Practical Completion Target as planned: Alexandra Automotive Hub, Alexandra Depot - Phase 1, Florida Clinic New Clinic FLORIDA EXT C Ward, Heritage Walkway Landscaping, Minor works at various recreational facilities: Citywide, Knowledge Precinct: Auckland Park Pedestrian Crossing New Precinct Redevelopment AUCKLAND</p> |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | PARK B City Wide (MILPARK BRIDGE), Complete Streets: NMT Facilities Linking Railway stations – “Marafi” and Complete Streets: NMT Facilities Linking Railway stations - "Mzimbhlophe". Greater effort will be made in project management oversight to ensure adherence to milestone deadlines. |
| | | | 1. Alex NMT and Loop(Phase 1C(a) requirements including Alex Phase 3 walk links) | | | | | | | | | | Target achieved. |
| | | | 2. 4th Avenue Clinic Renewal | | | | | | | | | | Target achieved. |
| | | | 3. Alexandra Automotive Hub | | | | | | | | | | <p>Target partially achieved.</p> <p>The main contractor commence with works on the 15th November 2018. Further delays were due to Eskom delaying electricity connection and JRA has not approved drawings for sewer connection. Construction has been finalised. Practical Completion meeting scheduled for the 28th June 2019.</p> <p>PM contract expired; PC certificate will have to be signed by JDA Development Manager or Senior Development Manager, meeting</p> |


| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | to discuss way forward and legal implications to be held on the 6 th July 2019. |
| | | | 4. Alexandra Depot - Phase 1 | | | | | | | | | | <p>Target was not achieved in fourth quarter of 2018/19 financial year.</p> <p>Delays were due to the on-going work stoppages by SMME's and regular community disruptions, neighbouring shack dwellers encroaching on the site boundary and occupying on some of the servitudes. There was a design change brought about by having to relocate the main project site attenuation pond that was positioned along the foot-print which had a number of illegal dwellers; this resulted in several weeks of work production loss. The construction of this project will continue in 2019/20 financial year and is scheduled to be completed by the first quarter. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.</p> |
| | | | 5. Claremont Renewal Clinic CLAREMONT B Ward | | | | | | | | | | Target achieved. |
| | | | 6. CORR - Louis Botha Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom | | | | | | | | | | Target achieved. |



| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|-------------------------------|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | Intervention ORANGE GROVE E Regional | | | | | | | | | | |
| | | | 7. CORR - Perth Empire Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction: Phase 2 | | | | | | | | | | Target achieved. |
| | | | 8. CORR - Turffontein Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction: Phase 2 | | | | | | | | | | Target achieved. |
| | | | 9. Corridor branding - public art and place-making programme | | | | | | | | | | Target achieved. |
| | | | 10. EBONY PARK Renewal Clinic EBONY PARK A Ward | | | | | | | | | | Target achieved. |
| | | | 11. Florida Clinic New Clinic FLORIDA EXT C Ward | | | | | | | | | | Target was not achieved. Practical completion delayed due to poor performance of the main contractor; the contract was subsequently terminated. The newly appointed contractor took occupation of the site on the 18 th June 2019. Project works to be expedited to ensure practical completion is achieved by December 2019. |
| | | | 12. ITS (Fibre Loop and CCTV) | | | | | | | | | | Target achieved. |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | 13. Jabulani TOD: Phase 6a - Safe Hub | | | | | | | | | | Target achieved. |
| | | | 14. Noordgesig - Social Precinct Implementation: Phase 1 – Library | | | | | | | | | | Target achieved. |
| | | | 15. Heritage Walkway Landscaping | | | | | | | | | | <p>Target was not achieved.</p> <p>The practical completion has been delayed due to the prolonged stakeholder participation processes in approvals of concepts with relevant City entities. This has impacted negatively on project milestones and timelines. The tender for the main contractor was advertised on the 24th June 2019; and closing on the 24th July 2019. Construction of work is anticipated completion in the fourth quarter of 2019/20 financial year.</p> |
| | | | 16. Phase 1C Stations | | | | | | | | | | Target achieved. |
| | | | 17. Section 15 Phase 2 (Close - out // Louis Botha Mixed) | | | | | | | | | | Target achieved. |
| | | | 18. Westbury TDC | | | | | | | | | | Target achieved. |
| | | | 19. Minor works at various recreational facilities: Citywide | | | | | | | | | | <p>Target was not achieved.</p> <p>The practical completion has been delayed</p> |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | due to failure by the client department to identify facilities for minor upgrades on time. The construction of this project will continue in 2019/20 financial year and is scheduled to be completed by the second quarter. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines. |
| | | | 20. Knowledge Precinct: Auckland Park Pedestrian Crossing New Precinct Redevelopment AUCKLAND PARK B City Wide (MILPARK BRIDGE) | | | | | | | | | | Target was not achieved. Construction contract was awarded and the commencement date was the 12 th January 2018. Construction was halted on the 12 th July 2018, due to financial constraints. Construction restarted on the 7 th January 2019 following resolution of the financial constraints. The construction of this project will continue in 2019/20 financial year and is scheduled to be completed by the first quarter (10 th July 2019). Greater effort will be made in project management oversight to ensure adherence to milestone deadlines. |
| | | | 21. Complete Streets: NMT Facilities Linking Railway station s – “Marafi” | | | | | | | | | | Target was not achieved. |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|---------------------------|----------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | The practical completion has been delayed due to stoppages for 4 months due to demands from SMMEs to restart the selection process for SMMEs. Site handover was held on the 25 th January 2019. A fatality occurred on site on the 6 th June 2019; resulting in site closure during the investigations. The embargo was lifted on the 14 th June 2019. However the affected site area of where the incident happened had to remain closed up until the embargo was lifted. The construction of this project will continue in 2019/20 financial year and is scheduled to be completed by the first quarter (23 rd July 2019). Greater effort will be made in project management oversight to ensure adherence to milestone deadlines. |
| | | | 22. Complete Streets: NMT Facilities Linking Railway stations - "Mzimhlophe" | | | | | | | | | | Target was not achieved. The practical completion has been delayed due to stoppages for 4 months due to demands from SMMEs to restart the selection process for SMMEs. Site handover was held on the 25 th January 2019. Construction commenced on the 10 th May |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|--|--|---|-------------------|---|-------------------|---|-------------------|---|-------------------|----------|---|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | 2019. The construction of this project will continue in 2019/20 financial year and is scheduled to be completed by the first quarter (23 rd July 2019). Greater effort will be made in project management oversight to ensure adherence to milestone deadlines. |
| | 7) Number of Area Based Precinct Management business plans / frameworks developed or implemented | 1 Area-Based Precinct Management business plans / frameworks developed or implemented (cumulative) | 0 Area-Based Precinct Management business plans / frameworks developed or implemented | 0 | 0 Area-Based Precinct Management business plans / frameworks developed or implemented | 0 | 0 Area-Based Precinct Management business plans / frameworks developed or implemented | 0 | 1 Area-Based Precinct Management business plans / frameworks developed or implemented | 1 | - |  | Target was achieved. |





| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|---|--|--|--|-------------------|--|-------------------|--|-------------------|---|-------------------|----------|---|--|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievem ent Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | ed | | | | | | | | |
| | 8) Number Of JDA Communication and Media related Initiatives | 220 JDA Communication and Media related Initiatives (cumulative) | 40 Communication and related Initiatives | 41 | 80 Communication and Media related Initiatives | 115 | 150 | 238 | 220 JDA Communication and Media related Initiatives | 392 | +172 |  | <p>Target was achieved.</p> <ul style="list-style-type: none"> ○ During the first quarter there was a total of 6 press media releases issued and a total of 35 social media posts. ○ During second quarter there was a total of 6 press media releases issued and a total of 109 social media posts. ○ During the third quarter there was a total of 4 press media releases issued and a total of 78 social media posts. ○ During the fourth quarter there was a total of 12 press media releases issued and a total of 142 social media posts. |
| | 9) Number of area or project baseline, impact or | 4 area or project baseline, impact or case study | 0 area or project baseline, impact or case study | 0 | 0 area or project baseline, impact or case study | 0 | 0 area or project baseline, impact or case study | 0 | 4 area or project baseline, impact or case study | 4 | - |  | <p>Target was achieved.</p> |

| National outcome: Outcome 6: An efficient, competitive and responsive economic infrastructure network. Outcome 8: Sustainable human settlements and improved quality of household life. | | | | | | | | | | | | | |
|--|--|--|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------------|-------------------|----------|------------------------------|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development | | | | | | | | | | | | | |
| IDP programme/s | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | case study performance assessments completed | performance assessments completed (cumulative) | performance assessments completed | | performance assessments completed | | performance assessments completed | | performance assessments completed | | | | |

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


| National outcome: Outcome 11: Creating a better South Africa and contributing to a better and safer Africa in a better world | | | | | | | | | | | | | |
|--|--|---|--|-------------------|---|-------------------|---|-------------------|--|-------------------|----------|------------------------------|---|
| Joburg Outcomes: Outcome 5: An honest, transparent and responsive local government that prides itself on service excellence | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| Increasing forensic investigative capability and controls | 10) Percentage resolution of Auditor General and Internal Audit findings | 100% resolution of Auditor General and Internal Audit findings (cumulative) | 10% of internal audit findings resolved | 73% | 30% of internal audit findings resolved | 70% | 70% of internal audit findings resolved | 77% | 100% of internal audit findings resolved | 87% | -13% | ☹️ | Target was partially achieved. |
| | | | 50% of AG audit findings of the previous financial year resolved (16/17) | 90% | 100% of AG audit findings of the previous financial year resolved (16/17) | 84% | 5% of AG audit findings of the previous financial year resolved (17/18) | 84% | 25% of AG audit findings of the previous financial year resolved (17/18) | 89% | +64% | | |

Priority 7: Enhance our financial sustainability.

| National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system | | | | | | | | | | | | | |
|--|---|--|--|-------------------|--|-------------------|--|-------------------|--|-------------------|----------|---|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: Enhanced, quality services and sustainable environmental practices; Outcome 3: An equitable and inclusive society with high quality of life | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| Focusing on driving up capital expenditure investment in infrastructure | 11) Percentage of budget spent on city-wide infrastructure | 95% budget spent on citywide infrastructure (cumulative) | 5% budget spent on city-wide infrastructure | 6.66% | 25% budget spent on citywide infrastructure | 28.04% | 50% budget spent on city-wide infrastructure | 41.69% | 95% budget spent on city-wide infrastructure | 85.42% | 9.58% |  | Target partially achieved. |
| | 12) Percentage of JDA capital budget spent | 95% spent JDA capital budget (cumulative) | 5% spent JDA capital budget | 6.77% | 25% spent JDA capital budget | 47.40% | 50% spent JDA capital budget | 57.37% | 95% spent JDA capital budget | 93.35% | 4.65% |  | Target achieved. |
| | 13) Number of solvency and liquidity ratio benchmarks achieved | 2 solvency and liquidity ratio benchmarks achieved | 2 solvency and liquidity ratio benchmarks achieved | 2 | 2 solvency and liquidity ratio benchmarks achieved | 2 | 2 solvency and liquidity ratio benchmarks achieved | 2 | 2 solvency and liquidity ratio benchmarks achieved | 2 | - |  | Target achieved. |
| | 14) Percentage of Valid invoices paid within 30 days of invoice | 98% of valid invoices paid within 30 days of | 98% of valid invoices paid within 30 days of | 90% | 98% of valid invoices paid within 30 days of | 94% | 98% of valid invoices paid within 30 days of | 99.749% | 98% of valid invoices paid within | 95% | 3% |  | Target was achieved. |


| National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system | | | | | | | | | | | | | |
|--|---------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------------|-------------------|----------|------------------------------|---|
| Joburg Outcomes: Outcome 1: A growing, diverse and competitive economy that creates jobs; Outcome 2: Enhanced, quality services and sustainable environmental practices; Outcome 3: An equitable and inclusive society with high quality of life | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | date | invoice date | invoice date | | invoice date | | invoice date | | 30 days of invoice date | | | | |

Priority 8: Encourage innovation and efficiency through the Smart City programme.


| National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system | | | | | | | | | | | | | |
|---|--|--|---|-------------------|---|-------------------|---|-------------------|---|-------------------|----------|---|---|
| Joburg Outcomes: Outcome 5: An honest, transparent and responsive local government that prides itself on service excellence | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| Focused improvement of ICT equipment and software | 15) Percentage Operationalisation and optimisation of ERP System (SAP) | 95% operationalisation and optimisation of ERP System (SAP) (cumulative) | 10% operationalisation and optimisation of ERP System (SAP) | 0% | 35% operationalisation and optimisation of ERP System (SAP) | 0% | 70% operationalisation and optimisation of ERP System (SAP) | 0% | 95% operationalisation and optimisation of ERP System (SAP) | 0 | 95% |  | <p>Target not achieved.</p> <p>The Implementation Progress Report of JDA operationalisation and optimisation programme of ERP System (SAP) was presented to JDA EXCO on the 4th October 2018.</p> <p>The implementation of this project will continue in 2019/20</p> |

| National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system | | | | | | | | | | | | | |
|---|---------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|--|
| Joburg Outcomes: Outcome 5: An honest, transparent and responsive local government that prides itself on service excellence | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | financial year. Thereafter, the JDA is part of the City's greater implementation plan and is on release 2, with an expected full integration completion date of July 2019. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines. |

Day-to-day Programme




| National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system | | | | | | | | | | | | | |
|---|---|--|--|-------------------|--|-------------------|--|-------------------|--|-------------------|----------|---|---|
| Joburg Outcomes: Outcome 5: An honest, transparent and responsive local government that prides itself on service excellence | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| Other IDP or Day-to-Day programmes | 16) Percentage spent on Broad-Based Economic Empowerment through local procurement as a share of total expenditure ⁵ | 100% spent on Broad-Based Economic Empowerment through local procurement as a share of total expenditure | 100% spent on Broad-Based Economic Empowerment through local procurement as a share of total expenditure | 95% | 100% spent on Broad-Based Economic Empowerment through local procurement as a share of total expenditure | 93.42% | 100% spent on Broad-Based Economic Empowerment through local procurement as a share of total expenditure | 102% | 100% spent on Broad-Based Economic Empowerment through local procurement as a share of total expenditure | 107% | +7% |  | Target achieved. |


⁵ Each service provider's individual BBBEE rating affects the amount of expenditure the JDA can claim as being from a BBBEE-compliant service provider when calculating its preferential procurement points. The higher the service provider's rating, the more expenditure can be claimed. If the agency buys from a level 1 service provider, it can claim 135 per cent of the actual expenditure ⁷ Paid work for an individual for any period of time, the same individual can be employed on different projects and each period will be counted as a work opportunity.

| National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system | | | | | | | | | | | | | |
|---|---|---|---|-------------------|-------------------------------|-------------------|---|-------------------|---------------------------------|-------------------|----------|---|--|
| Joburg Outcomes: Outcome 5: An honest, transparent and responsive local government that prides itself on service excellence | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | 17) Number of EPWP opportunities created ⁷ | 1500 EPW opportunities created (cumulative) | 500 EPWP opportunities created ⁶ | 109 | 600 EPW opportunities created | 247 | 800 EPWP opportunities created ⁷ | 378 | 1500 EPWP opportunities created | 417 | 1083 |  | <p>Target was not achieved.</p> <p>The Board and management is aware of the severity reflected by low figures reported to date and will be monitoring more closely to ensure that progress on EPWP projects and EPWP reporting is prioritized. To address the poor performance. Management is committed to ensure that internally an EPWP Champion is identified to address greater EPWP performance, i.e. more EPWP sub-projects and EPWP compliance, i.e. ensuring all the necessary evidence, as required by the Department of Public Works and by the Auditor General is provided.</p> <p>In addition, the JDA is</p> |

⁶ Represents a minimum threshold target

⁷ Represents a minimum threshold target

| National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system | | | | | | | | | | | | | |
|---|--|--|---|-------------------|---|-------------------|---|-------------------|---|-------------------|----------|---|---|
| Joburg Outcomes: Outcome 5: An honest, transparent and responsive local government that prides itself on service excellence | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | | | | | | | | | | | | | amending the contract governing the construction contracts, which hold the service provider to account on their contractual EPWP commitments. |
| | 18) Percentage Of SMME expenditure as a share of total expenditure | 30% SMME expenditure as a share of total expenditure | 30% SMME expenditure as a share of total expenditure | 36%. | 30% SMME expenditure as a share of total expenditure | 26.31% | 30% SMME expenditure as a share of total expenditure | 11% | 30% SMME expenditure as a share of total expenditure | 29% | 1% |  | Target achieved. |
| | 19) Percentage spend on JDA operating budget against approved operating budget | 95% spend on JDA operating budget against approved operating budget (cumulative) | 25% spend on JDA operating budget against approved operating budget | 27% | 50% spend on JDA operating budget against approved operating budget | 50% | 75% spend on JDA operating budget against approved operating budget | 77% | 95% spend on JDA operating budget against approved operating budget | 101% | +6% |  | Target achieved. |
| | 20) Percent age implementation of the strategic risk management | 95% implementation of the strategic risk management | 10% implementation of the strategic risk | 22% | 35% implementation of the strategic risk management | 50% | 70% implementation of the strategic risk | 50% | 95% implementation of the strategic risk | 63% | 32% |  | Target was not achieved. Rescheduling of implementation dates due to various reasons e.g. |

| National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system | | | | | | | | | | | | | |
|---|---|--|--|-------------------|--------------------------------------|-------------------|--|-------------------|--|-------------------|----------|---|--|
| Joburg Outcomes: Outcome 5: An honest, transparent and responsive local government that prides itself on service excellence | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | action plan findings resolved | plan findings resolved ⁸ (cumulative) | management action plan findings resolved | | action plan findings resolved | | management action plan findings resolved | | management action plan findings resolved | | | | Budget adjustment confirmation. Dependency on City's Policies, Frameworks etc. Protected processes on the reviewing of Policies which resulted in delays in implementing internal controls. Loss of critical personnel in crucial time periods which impacted on performance of planned activities. Implementation of rescheduled activities will be closely monitored and progress reported upon a monthly basis to ensure that the control environment is strengthened and risk management operates effectively. |
| | 21)Percentage of Predetermined objectives targets | 85% of predetermined objectives targets achieved | 85% of predetermined objectives targets | 71% | 85% predetermined objectives targets | 57% | 85% predetermined objectives targets | 52% | 85% predetermined objectives targets | 52% | 33% |  | Target was not achieved. The following KPI's were not achieved: - #4 No. of detailed |

⁸ From Red and Amber to Green Status

| National outcome: Outcome 9: Responsive, accountable, effective and efficient developmental local government system | | | | | | | | | | | | | |
|---|---------------------------|----------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------|------------------------------|---|
| Joburg Outcomes: Outcome 5: An honest, transparent and responsive local government that prides itself on service excellence | | | | | | | | | | | | | |
| IDP programme | Key Performance Indicator | Target 2018/19 | 2018/19 Q1 Target | 2018/19 Q1 Actual | 2018/19 Q2 Target | 2018/19 Q2 Actual | 2018/19 Q3 Target | 2018/19 Q3 Actual | 2018/19 Q4 Target | 2018/19 Q4 Actual | Variance | Quarterly Achievement Rating | Explanation of progress variations and steps to be taken to improve performance (as at end of 30 June 2019) |
| | achieved | | | | achieved | | achieved | | achieved | | | | <p>design phase</p> <ul style="list-style-type: none"> - #5 No. of contracts awarded - #6 No. of projects at practical completion - #15 Operationalisation and optimisation of ERP System (SAP) - #17 EPWP Opportunities created - #20 % implementation of the strategic risk management action plan findings resolved. <p>The following KPI was partially achieved:</p> <ul style="list-style-type: none"> - #1 No. of prefeasibility plans or studies produced, reviewed or updated - #10 Percentage resolution of Auditor General and Internal Audit Findings. - #11 Percentage of budget spent on city-wide infrastructure. |

6.1 PROGRAMME EXPENDITURE

For period ended 30 June 2019

TABLE 18: EXPENDITURE BY FUNDING SOURCE

| Projects per Funding Source | CAPEX FOR JUNE | | | CAPEX YEAR TO DATE | | | | Annual | Budget |
|---|-------------------|-------------------|------------------|--------------------|--------------------|----------------|--------------|--------------------|----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Variance | Budget | Used |
| | R | R | R | R | R | R | % | R | % |
| PUBLIC TRANSPORT CORRIDOR DEVELOPMENT | | | | | | | | | |
| Patterson Park: Work Package 3 - Multipurpose Centre and Sports Facilities | R 20 163 319 | R 2 577 000 | R 17 586 319 | R 37 497 280 | R 36 377 000 | R 1 120 280 | 3.08% | R 36 377 000 | 103.08% |
| Brixton Social Cluster: Work Package 1 New multipurpose sports and recreation | 16 768 595 | 26 330 520 | (9 561 925) | 60 932 811 | 61 386 000 | (R 453 189) | (0.74%) | 61 386 000 | 99.26% |
| Corridor branding - public art and place-making programme | 3 611 458 | 1 900 000 | 1 711 458 | 5 614 656 | 5 615 000 | (R 344) | (0.01%) | 5 615 000 | 99.99% |
| Sub-total | 40 543 372 | 30 807 520 | 9 735 852 | 104 044 747 | 103 378 000 | 666 747 | 0.64% | 103 378 000 | 100.64% |
| | | | | | | | | | |
| JDA ON BUDGET | | | | | | | | | |
| | | | | | | | | | |
| Inner City Eastern Gateway_TOD and Movement Corridors | 14 564 079 | 6 250 000 | 8 314 079 | 18 008 058 | 17 200 000 | 808 058 | 4.70% | 17 200 000 | 104.70% |
| Marlboro South Light Industrial Business Hub_Skills Development Centre | 577 708 | 5 820 000 | (5 242 292) | 18 621 447 | 22 000 000 | (3 378 553) | (15.36%) | 22 000 000 | 84.64% |
| Regeneration of Lenasia CBD and Anchorville Industrial Hub – Region G | 0 | 570 000 | (570 000) | 0 | 1 500 000 | (1 500 000) | (100.00%) | 1 500 000 | 0.00% |
| CORR - Turffontein Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and | 38 216 | 9 500 000 | (9 461 784) | 18 945 233 | 19 000 000 | (54 767) | (0.29%) | 19 000 000 | 99.71% |

| Projects per Funding Source | CAPEX FOR JUNE | | | CAPEX YEAR TO DATE | | | | Annual | Budget |
|--|-------------------|-------------------|---------------------|--------------------|--------------------|---------------------|----------------|--------------------|---------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Variance | Budget | Used |
| | R | R | R | R | R | R | % | R | % |
| New Construction: Phase 2 | | | | | | | | | |
| CORR - Perth Empire Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction: Phase 2 | 3 209 051 | 9 500 000 | (6 290 949) | 25 760 193 | 25 000 000 | 760 193 | 3.04% | 25 000 000 | 103.04% |
| CORR - Louis Botha Corridor of Freedom Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional | 11 719 071 | 7 600 000 | 4 119 071 | 30 808 259 | 31 000 000 | (191 741) | (0.62%) | 31 000 000 | 99.38% |
| Ivory Park UDF_ Development_Catalytic Node infrastructure projects | 4 523 878 | 4 940 000 | (416 122) | 4 590 103 | 6 000 000 | (1 409 897) | (23.50%) | 6 000 000 | 76.50% |
| Alexandra Sports and Youth Development: SAFA Safe Hub Facility | 1 279 398 | 7 600 000 | (6 320 602) | 1 568 795 | 3 500 000 | (1 931 205) | (55.18%) | 3 500 000 | 44.82% |
| Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional | 8 685 974 | 5 700 000 | 2 985 974 | 19 374 691 | 20 000 000 | (625 309) | (3.13%) | 20 000 000 | 96.87% |
| Westbury Development Renewal TDC | 6 781 564 | 9 500 000 | (2 718 436) | 21 524 023 | 21 000 000 | 524 023 | 2.50% | 21 000 000 | 102.50% |
| 4th Avenue Clinic Renewal | 1 660 173 | 4 000 000 | (2 339 827) | 6 615 201 | 8 000 000 | (1 384 799) | (17.31%) | 8 000 000 | 82.69% |
| Auckland Park Pedestrian | 4 796 579 | 6 500 000 | (1 703 421) | 10 269 561 | 13 000 000 | (2 730 439) | (21.00%) | 13 000 000 | 79.00% |
| Banakekelen Hospice New Clinic ALEXANDRA EXT.38 E Ward | 1 611 242 | 380 000 | 1 231 242 | 1 611 242 | 1 500 000 | 111 242 | 7.42% | 1 500 000 | 107.42% |
| Operational Capex New Operational Capex NEWTOWN F City Wide | 556 748 | 380 000 | 176 748 | 931 748 | 1 000 000 | (68 252) | (6.83%) | 1 000 000 | 93.17% |
| Orchards Clinic | 2 463 028 | 7 600 000 | (5 136 972) | 10 408 502 | 11 300 000 | (891 498) | (7.89%) | 11 300 000 | 92.11% |
| Roodeport CBD regeneration Renewal Precinct Redevelopment REGION C | 0 | 570 000 | (570 000) | 0 | 1 500 000 | (1 500 000) | (100.00%) | 1 500 000 | 0.00% |
| Sub-total | 62 466 709 | 86 410 000 | (23 943 291) | 189 037 056 | 202 500 000 | (13 462 944) | (6.65%) | 202 500 000 | 93.35% |

| Projects per Funding Source | CAPEX FOR JUNE | | | CAPEX YEAR TO DATE | | | | Annual | Budget |
|---|------------------|-------------------|---------------------|--------------------|-------------------|---------------------|-----------------|-------------------|---------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Variance | Budget | Used |
| | R | R | R | R | R | R | % | R | % |
| COMMUNITY DEVELOPMENT (Comm Dev) | | | | | | | | | |
| Brixton Social Cluster: Work Package | 0 | 190 000 | (190 000) | 500 000 | 500 000 | 0 | 0.00% | 500 000 | 100.00% |
| Lehae MPC New Construction LEHAE G | 1 261 129 | 3 000 000 | (1 738 871) | 7 336 166 | 9 000 000 | (1 663 834) | (18.49%) | 9 000 000 | 81.51% |
| Johannesburg Library F | 295 668 | 380 000 | (84 332) | 295 668 | 1 000 000 | (704 332) | (70.43%) | 1 000 000 | 29.57% |
| Kaalfontein MPC New Construction | 457 746 | 3 800 000 | (3 342 254) | 1 504 306 | 10 000 000 | (8 495 694) | (84.96%) | 10 000 000 | 15.04% |
| Ivory Park Swimming Pool | 78 875 | 7 600 000 | (7 521 125) | 78 875 | 20 000 000 | (19 921 125) | (99.61%) | 20 000 000 | 0.39% |
| MPC Matholesville | 197 194 | 2 920 000 | (2 722 806) | 1 193 738 | 15 000 000 | (13 806 262) | (92.04%) | 15 000 000 | 7.96% |
| Drieziek MPC | 1 032 521 | 5 700 000 | (4 667 479) | 1 059 669 | 15 000 000 | (13 940 331) | (92.94%) | 15 000 000 | 7.06% |
| Minor works at various facilities | 126 393 | 1 900 000 | (1 773 607) | 126 393 | 5 000 000 | (4 873 607) | (97.47%) | 5 000 000 | 2.53% |
| Public art - Fountains | 182 750 | 192 000 | (9 250) | 313 550 | 192 000 | 121 550 | 63.31% | 192 000 | 163.31% |
| Sub-total | 3 632 276 | 25 682 000 | (22 049 724) | 12 408 365 | 75 692 000 | (63 283 635) | (83.61%) | 75 692 000 | 16.39% |
| INTEGRATED CITY DEVELOPMENT GRANT | | | | | | | | | |
| Noordgesig - Social Precinct Implementation: Phase 2 - Square | 1 662 144 | 9 000 000 | (7 337 856) | 15 323 547 | 18 000 000 | (2 676 453) | (14.87%) | 18 000 000 | 85.13% |
| | | | 0 | | | 0 | | | |
| Sub-total | 1 662 144 | 9 000 000 | (7 337 856) | 15 323 547 | 18 000 000 | (2 676 453) | (14.87%) | 18 000 000 | 85.13% |
| EMERGENCY MANAGEMENT SERVICES (EMS) | | | | | | | | | |
| Central Fire Station | 367 899 | 425 000 | (57 101) | 367 899 | 434 783 | (66 884) | (15.38%) | 434 783 | 84.62% |

| Projects per Funding Source | CAPEX FOR JUNE | | | CAPEX YEAR TO DATE | | | | Annual | Budget |
|--|-------------------|-------------------|--------------------|--------------------|-------------------|---------------------|-----------------|-------------------|---------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Variance | Budget | Used |
| | R | R | R | R | R | R | % | R | % |
| Fire Station - Alexandra and 'Be Safe Centre' New Building ALEXANDRA EXT.25 E Regional | 1 342 097 | 646 000 | 696 097 | 1 702 157 | 1 739 130 | (36 973) | (2.13%) | 1 739 130 | 97.87% |
| Lehae Fire Station | 0 | 425 000 | (425 000) | 0 | 434 783 | (434 783) | (100.00%) | 434 783 | 0.00% |
| Sub-total | 1 709 996 | 1 496 000 | 213 996 | 2 070 056 | 2 608 696 | (538 640) | (20.65%) | 2 608 696 | 79.35% |
| ECONOMIC DEVELOPMENT | | | | | | | | | |
| Orange Farm Business Support Centre | 0 | 190 000 | (190 000) | 488 250 | 500 000 | (11 750) | (2.35%) | 500 000 | 97.65% |
| Sub-total | 0 | 190 000 | (190 000) | 488 250 | 500 000 | (11 750) | (2.35%) | 500 000 | 97.65% |
| HEALTH DEPARTMENT | | | | | | | | | |
| Claremont Renewal Clinic | 4 180 366 | 3 800 000 | 380 366 | 11 298 140 | 10 000 000 | 1 298 140 | 12.98% | 10 000 000 | 112.98% |
| Florida clinic New Clinic FLORIDA EXT C Ward | 4 329 726 | 4 180 000 | 149 726 | 6 688 885 | 11 000 000 | (4 311 115) | (39.19%) | 11 000 000 | 60.81% |
| Ebony Park Clinic | 0 | 2 280 000 | (2 280 000) | 4 146 604 | 6 000 000 | (1 853 396) | (30.89%) | 6 000 000 | 69.11% |
| Bophelong Clinic | 5 982 963 | 4 750 000 | 1 232 963 | 7 337 474 | 12 500 000 | (5 162 526) | (41.30%) | 12 500 000 | 58.70% |
| Zandspruit New Clinic | 0 | 114 000 | (114 000) | 264 098 | 300 000 | (35 902) | (11.97%) | 300 000 | 88.03% |
| Naledi Clinic | 237 579 | 570 000 | (332 421) | 1 039 443 | 1 500 000 | (460 557) | (30.70%) | 1 500 000 | 69.30% |
| Princess Renewal Clinic Ward C | 0 | 114 000 | (114 000) | 0 | 300 000 | (300 000) | (100.00%) | 300 000 | 0.00% |
| Sub-total | 14 730 634 | 15 808 000 | (1 077 366) | 30 774 644 | 41 600 000 | (10 825 356) | (26.02%) | 41 600 000 | 73.98% |
| DEP OF HOUSING: | | | | | | | | | |
| Braamfischerville Ext 12&13:Roads and Stormwater Management Systems | 4 611 734 | 7 029 240 | (2 417 506) | 8 534 408 | 18 498 000 | (9 963 592) | (53.86%) | 18 498 000 | 46.14% |

| Projects per Funding Source | CAPEX FOR JUNE | | | CAPEX YEAR TO DATE | | | | Annual | Budget |
|---|-------------------|-------------------|--------------------|--------------------|-------------------|---------------------|-----------------|-------------------|----------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Variance | Budget | Used |
| | R | R | R | R | R | R | % | R | % |
| including a Pedestrian Bridge New Bulk Infrastructure BRAM FISCHERVILLE EXT.13 C Ward | | | | | | | | | |
| Sub-total | 4 611 734 | 7 029 240 | (2 417 506) | 8 534 408 | 18 498 000 | (9 963 592) | (53.86%) | 18 498 000 | 46.14% |
| EISD | | | | | | | | | |
| Jukskei Alex Water management | 1 456 875 | 2 174 000 | (717 125) | 2 213 063 | 2 174 000 | 39 063 | 1.80% | 2 174 000 | 101.80% |
| Sub-total | 1 456 875 | 2 174 000 | (717 125) | 2 213 063 | 2 174 000 | 39 063 | 1.80% | 2 174 000 | 101.80% |
| INNER CITY FUND (ICF) | | | | | | | | | |
| Inner City Partnership Fund | 5 618 887 | 4 125 000 | 1 493 887 | 8 247 592 | 9 900 000 | (1 652 408) | (16.69%) | 9 900 000 | 83.31% |
| Park Station to Civic Centre PEU (Park Station Regeneration) | 0 | 456 000 | (456 000) | 0 | 585 000 | (585 000) | (100.00%) | 585 000 | 0.00% |
| Ghandhi Square East | 10 376 619 | 9 250 000 | 1 126 619 | 11 353 547 | 10 600 000 | 753 547 | 7.11% | 10 600 000 | 107.11% |
| Sub-total | 15 995 506 | 13 831 000 | 2 164 506 | 19 601 139 | 21 085 000 | (1 483 861) | (7.04%) | 21 085 000 | 92.96% |
| NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG) | | | | | | | | | |
| Jabulani TOD: Phase 6a - Safe Hub | 1 443 367 | 8 680 255 | (7 236 888) | 22 842 776 | 22 842 776 | 0 | 0.00% | 22 842 776 | 100.00% |
| Jabulani Phase 7 Bridge | 19 622 896 | 13 310 299 | 6 312 597 | 34 037 914 | 46 722 441 | (12 684 527) | (27.15%) | 46 722 441 | 72.85% |
| Alexandra Automotive Hub | 816 442 | 2 660 000 | (1 843 558) | 7 000 000 | 7 000 000 | 0 | 0.00% | 7 000 000 | 100.00% |
| Sub-total | 21 882 705 | 24 650 554 | (2 767 849) | 63 880 690 | 76 565 217 | (12 684 527) | (16.57%) | 76 565 217 | 83.43% |
| JOBURG MARKET | | | | | | | | | |

| Projects per Funding Source | CAPEX FOR JUNE | | | CAPEX YEAR TO DATE | | | | Annual | Budget |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|--------------------|---------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Variance | Budget | Used |
| | R | R | R | R | R | R | % | R | % |
| Technical Support Precinct Concept | 346 605 | 2 000 000 | (1 653 395) | 468 936 | 2 000 000 | (1 531 064) | (76.55%) | 2 000 000 | 23.45% |
| Sub-total | 346 605 | 2 000 000 | (1 653 395) | 468 936 | 2 000 000 | (1 531 064) | (76.55%) | 2 000 000 | 23.45% |
| TRANSPORTATION PTIS FUNDING: | | | | | | | | | |
| Phase 1C Stations | 28 499 581 | 26 000 000 | 2 499 581 | 44 149 039 | 31 500 000 | 12 649 039 | 40.16% | 31 500 000 | 140.16% |
| Selby Depot | 3 933 184 | 13 200 000 | (9 266 816) | 5 656 103 | 47 951 411 | (42 295 308) | (88.20%) | 47 951 411 | 11.80% |
| Alex NMT Loop | 0 | 7 817 392 | (7 817 392) | 23 395 408 | 24 565 178 | (1 169 770) | (4.76%) | 24 565 178 | 95.24% |
| ITS (Fibre Loop and CCTV) | 13 291 961 | 11 400 000 | 1 891 961 | 46 852 311 | 53 550 000 | (6 697 689) | (12.51%) | 53 550 000 | 87.49% |
| Alexandra Depot | 11 282 166 | 19 000 000 | (7 717 834) | 51 468 399 | 52 500 000 | (1 031 601) | (1.96%) | 52 500 000 | 98.04% |
| Section 15 Phase 2 (Close - out // Louis Botha Mixed) | 2 867 455 | 15 200 000 | (12 332 545) | 34 497 939 | 42 118 148 | (7 620 209) | (18.09%) | 42 118 148 | 81.91% |
| Section 15K (Watt Interchange Station Road Works and Bridges) | 84 830 666 | 38 000 000 | 46 830 666 | 194 068 656 | 143 850 000 | 50 218 656 | 34.91% | 143 850 000 | 134.91% |
| Ghandhi Square (Stations) | 0 | 500 000 | (500 000) | 0 | 1 575 000 | (1 575 000) | (100.00%) | 1 575 000 | 0.00% |
| OTHER Passenger Information Signage at Stations (at Totem, strip maps,"you are here" etc.) | 0 | 350 000 | (350 000) | 0 | 2 100 000 | (2 100 000) | (100.00%) | 2 100 000 | 0.00% |
| OTHER: Heritage Bus Rehab | 4 524 588 | 5 250 000 | (725 412) | 4 524 588 | 5 250 000 | (725 412) | (13.82%) | 5 250 000 | 86.18% |
| OTHER: ICT | 9 802 376 | 4 020 000 | 5 782 376 | 9 802 376 | 10 500 000 | (697 624) | (6.64%) | 10 500 000 | 93.36% |
| OTHER: Land | 289 817 | 3 040 000 | (2 750 183) | 5 978 431 | 8 400 000 | (2 421 569) | (28.83%) | 8 400 000 | 71.17% |
| Greenstone Terminal | 1 194 411 | 570 000 | 624 411 | 1 194 411 | 5 131 852 | (3 937 441) | (76.73%) | 5 131 852 | 23.27% |
| Old Pretoria road | 0 | 1 102 000 | (1 102 000) | 2 790 943 | 2 900 000 | (109 057) | (3.76%) | 2 900 000 | 96.24% |
| Sub-total | 160 516 205 | 145 449 392 | 15 066 813 | 424 378 604 | 431 891 589 | (7 512 985) | (1.74%) | 431 891 589 | 98.26% |
| OTHER | | | | | | | | | |

| Projects per Funding Source | CAPEX FOR JUNE | | | CAPEX YEAR TO DATE | | | | Annual | Budget |
|---|------------------|------------------|--------------------|--------------------|-------------------|--------------------|-----------------|-------------------|---------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Variance | Budget | Used |
| | R | R | R | R | R | R | % | R | % |
| UN Habitat Public Spaces Project | 0 | 370 623 | (370 623) | 599 369 | 975 322 | (375 953) | (38.55%) | 975 322 | 61.45% |
| Sub-total | 0 | 370 623 | (370 623) | 599 369 | 975 322 | (375 953) | (38.55%) | 975 322 | 61.45% |
| DEPARTMENT OF SOCIAL DEVELOPMENT (SoC DEV) | | | | | | | | | |
| Perth Empire Corridor Co - Production Zone (Westbury TDC) | 0 | 4 940 000 | (4 940 000) | 13 000 000 | 13 000 000 | 0 | 0.00% | 13 000 000 | 100.00% |
| Louis Botha - Co - Production zone for social interventions Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional | 1 038 322 | 874 000 | 164 322 | 1 038 322 | 2 300 000 | (1 261 678) | (54.86%) | 2 300 000 | 45.14% |
| Sub-total | 1 038 322 | 5 814 000 | (4 775 678) | 14 038 322 | 15 300 000 | (1 261 678) | (8.25%) | 15 300 000 | 91.75% |
| TRANSPORTATION COJ FUNDING: | | | | | | | | | |
| Karsene Public Transport Facility | 13 020 734 | 8 285 000 | 4 735 734 | 20 886 108 | 20 000 000 | 886 108 | 4.43% | 20 000 000 | 104.43% |
| Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route | 124 815 | 400 000 | (275 185) | 927 866 | 1 000 000 | (72 134) | (7.21%) | 1 000 000 | 92.79% |
| Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E | 0 | 1 520 000 | (1 520 000) | 61 413 | 4 000 000 | (3 938 587) | (98.46%) | 4 000 000 | 1.54% |
| Complete Streets: NMT Facilities Linking Railway stations - Merafe and "Mzimhlophe": | 1 944 934 | 18 300 000 | (16 355 066) | 10 244 429 | 36 600 000 | (26 355 571) | (72.01%) | 36 600 000 | 27.99% |
| PTF: Small Public Transport Facilities: Tshepisoong: | 56 530 | 1 000 000 | (943 470) | 110 987 | 2 000 000 | (1 889 013) | (94.45%) | 2 000 000 | 5.55% |
| Complete Streets: NMT Facilities Linking Railway stations New Dube | 0 | 1 000 000 | (1 000 000) | 0 | 1 000 000 | (1 000 000) | (100.00%) | 1 000 000 | 0.00% |

| Projects per Funding Source | CAPEX FOR JUNE | | | CAPEX YEAR TO DATE | | | | Annual | Budget |
|--|--------------------|--------------------|---------------------|---------------------|---------------------|----------------------|-----------------|---------------------|---------------|
| | Actual | Budget | Variance | Actual | Budget | Variance | Variance | Budget | Used |
| | R | R | R | R | R | R | % | R | % |
| CHIAWELO D City Wide: | | | | | | | | | |
| PTF: Small Public Transport Facility Design Kya Sand New Nodal Transport Facilities KYA SAND: | 291 319 | 1 000 000 | (708 681) | 291 319 | 1 000 000 | (708 681) | (70.87%) | 1 000 000 | 29.13% |
| PTF: Small Public Transport Facilities: DRIEZIEK EXT.3 | 4 884 698 | 12 844 000 | (7 959 302) | 9 561 360 | 33 800 000 | (24 238 640) | (71.71%) | 33 800 000 | 28.29% |
| Complete Streets: NMT Facilities Linking Railway stations Dube D Region | 41 348 605 | 15 000 000 | 26 348 605 | 61 281 895 | 30 000 000 | 31 281 895 | 104.27% | 30 000 000 | 204.27% |
| PTF Small Public Transport Facility Design and Construction of Zola Public Transport Facility New Nodal Transport Facilities ZOLA D Regional | 26 633 | 1 000 000 | (973 367) | 223 717 | 2 000 000 | (1 776 283) | (88.81%) | 2 000 000 | 11.19% |
| PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G) | 26 633 | 1 000 000 | (973 367) | 278 948 | 2 000 000 | (1 721 052) | (86.05%) | 2 000 000 | 13.95% |
| Small: Public Transport Facility in Zakariya Park Region G | 198 780 | 1 140 000 | (941 220) | 709 245 | 3 000 000 | (2 290 755) | (76.36%) | 3 000 000 | 23.64% |
| PTF: Redevelopment of Inner City Ranks | 0 | 3 800 000 | (3 800 000) | 0 | 10 000 000 | (10 000 000) | (100.00%) | 10 000 000 | 0.00% |
| Inner City Transport Masterplan | 0 | 826 087 | (826 087) | 0 | 2 173 913 | (2 173 913) | (100.00%) | 2 173 913 | 0.00% |
| Inner City Managed lanes | 8 646 735 | 8 080 000 | 566 735 | 19 716 015 | 20 000 000 | (283 985) | (1.42%) | 20 000 000 | 98.58% |
| Parking Management | 0 | 330 435 | (330 435) | 0 | 869 565 | (869 565) | (100.00%) | 869 565 | 0.00% |
| Feasibility Study for Braamfontein | 0 | 660 870 | (660 870) | 0 | 1 739 130 | (1 739 130) | (100.00%) | 1 739 130 | 0.00% |
| Feasibility Study Integrated Corridor Management | 0 | 826 087 | (826 087) | 0 | 2 173 913 | (2 173 913) | (100.00%) | 2 173 913 | 0.00% |
| Lenasia Scholar Transport Masterplan | 1 007 583 | 231 305 | 776 278 | 1 007 583 | 608 696 | 398 887 | 65.53% | 608 696 | 165.53% |
| Roodepoort CBD Transport Masterplan | 1 528 776 | 429 565 | 1 099 211 | 1 528 776 | 1 130 434 | 398 342 | 35.24% | 1 130 434 | 135.24% |
| | | | 0 | | | 0 | | | |
| Sub-total | 73 106 775 | 77 673 349 | (4 566 574) | 126 829 661 | 175 095 651 | (48 265 990) | (27.57%) | 175 095 651 | 72.43% |
| TOTAL | 403 699 858 | 448 385 678 | (44 685 820) | 1014 690 857 | 1187 863 475 | (173 172 618) | (14.58%) | 1187 863 475 | 85.42% |

6.1 ECONOMIC DEVELOPMENT

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

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

TABLE 19: EPWP PERFORMANCE

| JDA Programme | Quarter 1 EPWP Opportunities created in 2018/19 FY | Quarter 2 EPWP Opportunities created in 2018/19 FY | Quarter 3 EPWP Opportunities created in 2018/19 FY | Quarter 4 EPWP Opportunities created in 2018/19 FY | YTD EPWP Opportunities created in 2018/19 FY |
|---------------|--|--|--|--|--|
| Programme 1 | 13 | 18 | 0 | 3 | 34 |
| Programme 2 | 88 | 43 | 65 | 0 | 196 |
| Programme 3 | 8 | 77 | 66 | 36 | 187 |
| Programme 4 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | 109 | 138 | 131 | 39 | 417 |

6.2 GOOD GOVERNANCE, MANAGEMENT AND ADMINISTRATION

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

CHAPTER 4: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT

SECTION 1: HUMAN RESOURCE MANAGEMENT

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

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

There are 112 positions on the JDA staff establishment and organogram

The structure includes:

- **Top Management consists of the Chief Executive Officer (CEO)**
- **Executive Management consists of the Executive Management Committee Team excluding the CEO i.e. the:**
 1. Chief Financial Officer (CFO),
 2. Executive Manager: Development Implementation,
 3. Executive Manager: Planning and Strategy,
 4. Executive Manager: Development Facilitation
 5. Executive Manager: Marketing & Communications,
 6. Executive Manager: Corporate Services,
 7. Chief Audit Executive
 8. Company Secretary
 9. Head: ARP (ARP is no longer part of the JDA but still reflects on approved organogram)
- **Senior Management consists of Heads of Departments and Managers in the departments that reports to their Executives without heading departments, it comprises of:**
 1. Senior Development Managers,
 2. Executive Support Manager,
 3. Internal Audit Manager,
 4. Finance Manager,
 5. Budget Manager,
 6. Monitoring & Evaluation Manager,
 7. Supply Chain Manager,
 8. Planning Manager,
 9. Communications & Marketing Manager,
 10. Human Resources Manager,
 11. IT Manager,
 12. Risk & Compliance Manager and
 13. Manager: Stakeholder Relations.
- **Professional and Middle Management comprises of:**
 1. Development Facilitation Manager,
 2. Enterprise Development Manager,
 3. Development Managers,
 4. Coordinators,
 5. Accountants,
 6. Accounts Payable Officer,
 7. SCM Officer,
 8. Data Officer,
 9. Marketing Business Partners,
 10. Risk & Compliance Officer,
 11. IT Support Officer,

12. IT & IS Administration Officer,
 13. HR Business Partners,
 14. Legal Officer and
 15. Stakeholder Relations Officer.
- **Skilled Employees consists of:**
 1. Technical, Academically Qualified and Junior Management,
 2. Assistant Development Managers and Personal assistants.
 - **Semi-Skilled Employees consists of Drivers and Receptionists.**
 - **Unskilled Employees consists of General Workers and Housekeepers.**

In terms of physical location, there are 96 employees including 2 learners and temporary workers who are based at the JDA Head Offices in Newtown.

Learnership Programme

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

There are currently two (2) learners at the JDA, based in the Internal Audit and Risk Management and Compliance department.

HR Policies

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

Organisational Development

The JDA has recently embarked on an organisational development (OD) process in order to review the current structure of the organisation to ensure that to enable the JDA to better respond and adapt to the changing environment and to unlock internal efficiencies.

The OD process will be done in full consultation of both staff and Union in a participatory process.

Injuries, sickness and suspensions

We had one reported Injury on Duty in 2018/19 financial year. HR Processed the Workmen's Compensation documentation, the employee was subsequently attended to by doctors and returned safely back to work.

SECTION 2: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

The total remuneration costs for the period under review were R 63 109 220.88. This figure is inclusive of the Pension Fund. The JDA participates in Two Retirement Benefit Schemes: the eJoburg Retirement Fund (81 permanent employees) and the City of Johannesburg Pension Fund (1 permanent employee). The total contribution for Group Life Cover for the JDA employees and directors, in this period was R 898 351.44.

SECTION 3: KEY VACANCIES

The following key vacancies have are recorded:

TABLE 20: KEY VACANCIES

| Open Vacancies | Progress |
|---|--------------------|
| Chief Executive Officer | Recruitment Stage |
| Executive Manager: Development Facilitation | Pending OD Process |
| Executive Manager: Marketing and Communications | Recruitment Stage |
| Development Manager | Pending OD Process |
| IT Officer | Recruitment Stage |
| Finance Coordinator/PA to CFO – Finance | Pending OD Process |

TABLE 21: STAFF ESTABLISHMENT

| Description | Approved no. of posts per approved organogram | No. of employees | No. of vacancies | % of vacancies |
|--------------------------------------|---|------------------|------------------|----------------|
| Top management level | 1 | 0 | 1 | 100% |
| Executive management | 8 | 6 | 2 | 25% |
| Senior management (including 1 temp) | 17 | 18 | -1 | 106% |
| Middle management | 49 | 36 | 13 | 26% |
| Skilled technical/junior management | 27 | 27 | 0 | 0% |
| Semi-skilled | 4 | 3 | 1 | 25% |
| Unskilled housekeepers/cleaners | 6 | 6 | 0 | 0% |
| Total | 112 | 96 | 17 | 15% |

*Additional temporary resource added for capacity

The basis for turnover rates for period as at quarter four is 9.4%. Please note that the 96 includes 2 learners, and 1 temporary employee at Senior Management level.

TABLE 22: TURNOVER RATE (AS AT QUARTER THREE 2018/19)

| Details | Total active employees at the beginning of financial year | Total Current Active employees at 30 th June 2019 | Terminations during financial year (YTD) | Turnover rate |
|---------|---|--|--|---------------|
| | No. | | No. | % |
| 2018/19 | 94 | 96 | 10 | 9.4% |

As at the beginning of the financial year of 2018/19, the JDA had 94 employees and there have been ten (10) terminations.

TABLE 23: TERMINATIONS

| Position | Male | | | | Female | | | | Non South African | | |
|-----------------------------------|----------------------------------|---|---|---|--------|---|---|---|-------------------|--------|---|
| | A | C | I | W | A | C | I | W | Male | Female | |
| | Development Facilitation Manager | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Facilities Manager | 1 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| IT Officer | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Marketing & Communication Officer | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| SCM Officer | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 2 |
| Chief Executive Officer | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |

| Position | | | | | | | | | | | |
|-------------------------|----------|----------|----------|----------|----------|----------|----------|----------|-------------------|----------|-----------|
| | Male | | | | Female | | | | Non South African | | |
| | A | C | I | W | A | C | I | W | Male | Female | |
| Development Coordinator | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 |
| Finance Coordinator/PA | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Totals | 4 | 0 | 1 | 1 | 4 | 0 | 0 | 0 | 0 | 0 | 10 |

Retention Initiatives

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

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

The table below provides statistics of sick leave taken in Quarter Four:

TABLE 24 APRIL 2019 – JUNE 2019

| Type of Leave | April 2019 | May 2019 | June 2019 | Total |
|-----------------------|------------|--------------|------------|--------------|
| Annual Leave | 73 | 46.5 | 48 | 167.5 |
| Sick Leave | 20 | 32 | 33 | 85 |
| Family Responsibility | 1 | 13 | 21 | 35 |
| Study Leave | 6 | 13 | 31 | 50 |
| TOTAL | 100 | 104.5 | 133 | 337.5 |

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

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

TABLE 25: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW

| Occupational Levels | | | | | | | | | Foreign Nationals | | Total |
|--|-----------|----------|----------|----------|-----------|----------|----------|----------|-------------------|----------|-----------|
| | Male | | | | Female | | | | Male | Female | |
| | A | C | I | W | A | C | I | W | | | |
| Top management | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Executive Management | 2 | 0 | 0 | 1 | 2 | 0 | 1 | 0 | 0 | 0 | 6 |
| Senior Management | 7 | 1 | 0 | 1 | 8 | 0 | 1 | 0 | 0 | 0 | 18 |
| Professionally qualified and experienced specialists and mid-management | 18 | 0 | 0 | 0 | 14 | 1 | 1 | 2 | 0 | 0 | 36 |
| Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents | 3 | 0 | 0 | 0 | 22 | 1 | 1 | 0 | 0 | 0 | 27 |
| Semi-skilled and discretionary decision making | 1 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 3 |
| Unskilled and defined decision making | 2 | 0 | 0 | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 6 |
| Total Permanent | 33 | 1 | 0 | 2 | 52 | 2 | 4 | 2 | 0 | 0 | 96 |

*Please note that an SCM Officer employee who resigned in the Q4 is reflected as termination but also included in the final countdown. This is because the report is using Payroll listing of May 2019 until rollover.

The JDA status for period under review:

- 88% of employees are African
- 62 % of employees are Female
- 25% of employees in senior management positions are black females
- 2% of the JDA has employees have physical disabilities. This percentage is equal to the City of Johannesburg’s strategic target of 2%.

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

TABLE 26: STAFF MOVEMENTS

| Staff movements | African | | Coloured | | Indian | | White | | Total |
|-----------------|-----------|-----------|----------|----------|----------|----------|----------|----------|-----------|
| | Male | Female | Male | Female | Male | Female | Male | Female | |
| Appointments | 9 | 10 | 0 | 0 | 0 | 0 | 0 | 0 | 19 |
| Deceased | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | 1 |
| Retirements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Absenteeism | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Resignations | 4 | 4 | 0 | 0 | 1 | 0 | 0 | 0 | 9 |
| Total | 13 | 14 | 0 | 0 | 1 | 0 | 1 | 0 | 29 |

SECTION 5: SKILLS DEVELOPMENT AND TRAINING

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

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

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

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

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

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

A budget of R 662 000.00 has been allocated for training and development for the 2018/19 financial year, with an actual training expenditure R 756 570, 05. The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

SECTION 6: PERFORMANCE MANAGEMENT

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

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

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

SECTION 7: DISCIPLINARY MATTERS AND OUTCOMES

There is no disciplinary inquiries under way, however one employee was suspended during 2018/2019 financial year and has since returned to work.

SECTION 8: LEAVE AND PRODUCTIVITY MANAGEMENT

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

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

The most highly utilised leave type in this period is Annual leave with a total of 167.5 days, with Sick leave being the second most utilised leave type, with a total of 56 days, Study Leave being the third most utilised leave type, with a total of 25 days and Family Responsibility leave being the least utilised leave type, with a total of 21 days.

TABLE 27: LEAVE ANALYSIS PERFORMANCE FOR FOURTH QUARTER 2018/19

| Type of Leave | APRIL 2019 | MAY 2019 | JUNE 2019 | Total |
|-----------------------|---------------|--------------|--------------|--------------|
| Annual Leave | 73 | 46.5 | 48 | 167.5 |
| Sick Leave | 20 | 32 | 33 | 56 |
| Family Responsibility | 1 | 13 | 21 | 21 |
| Study Leave | 6 | 13 | 31 | 25 |
| TOTAL | 100 | 104.5 | 133 | 337.5 |

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 ICAS, offers behavioural risk management, free trauma counselling and free legal and financial advice for all employees. ICAS provides a confidential, 24-hour personal support and information service, which employees, as well as their partners and immediate family members, may access through a toll-free number for assistance with health, financial, legal and other issues.

The JDA receives statistical information on the issues discussed to enable it to identify and implement solutions to the particular issues raised. The identities of the employees who use this service remain strictly confidential. The JDA holds Wellness Day events every quarter. Employees can have their basic health assessed and receive feedback and guidance on corrective measures and counselling.

The overall objective therefore of the employee wellness programme is to improve the quality of life of all its employees through the provision of quality, sustainable and lifelong Wellness Programmes that work towards the holistic development and support of all employees in a professional and confidential manner, while providing support and assistance to alleviate the impact of everyday work, personal and family challenges.

HIV/AIDS in the Workplace

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

certain situations due to illness. All employees are encouraged to know their HIV status and to remain healthy if they are living with HIV.

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

In the period under review, the JDA and ICAS held a wellness day, where HIV/AIDS awareness was prioritized through testing and counselling to all JDA staff.

SECTION 10: EMPLOYEE BENEFITS

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

SECTION 11: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

Independent consultant Ubomi Safety Consulting conducted monthly occupational health and safety compliance audits during the period under review in the 2018/19 financial year. These audits identify risks and cases of noncompliance with the Occupational Health and Safety Act (1993), enabling the JDA to implement risk mitigation plans to reduce the risks and address cases of non-compliance. A report prepared during period under review estimated that the JDA's compliance rate for period under review was 92.26%. The areas of non-compliance include:

- Inadequate working space for employees - Service provider (Architects) has finalized the space designs. Finalising budget for the implementation of the space planning designs
- Unsafe Stacking Storage Boxes in Offices - Boxes to be removed to offsite storage have been identified and quotes from Service Providers have been sourced for the removal and storage of JDA files in boxes.

CHAPTER 5: FINANCIAL PERFORMANCE

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

STATEMENT OF FINANCIAL POSITION FOR THE QUARTER ENDED 30 JUNE 2019

| ASSETS | Quarter ended 30 June 2019 | | | Notes |
|--------------------------------|----------------------------|-----------------------|-----------------------|-------|
| | Actual | Budget | Variance | |
| | R'000 | R'000 | R'000 | |
| Non-current assets | 28 363 | 28 295 | 68 | |
| Property plant and equipment | 5 446 | 6 460 | (1 014) | 1 |
| Deferred tax | 2 092 | 835 | 1 257 | |
| Intangible assets | 20 825 | 21 000 | (175) | |
| Current assets | 696 508 | 577 979 | 118 529 | |
| Trade and other receivables | 439 794 | 400 000 | 39 794 | 2 |
| Vat Receivable | 256 711 | 177 977 | 78 734 | 3 |
| Cash and cash equivalents | 3 | 2 | 1 | |
| Total assets | <u>724 871</u> | <u>606 274</u> | <u>118 597</u> | |
| EQUITY AND LIABILITIES | | | | |
| Capital and reserves | 57 496 | 57 374 | 122 | |
| Contribution from owner | 16 278 | 16 278 | (0) | |
| Accumulated surplus/(deficit) | 41 218 | 41 096 | 122 | |
| Non-current liabilities | 41 945 | 37 463 | 4 482 | |
| Finance lease obligation | - | - | 0 | |

| | Quarter ended 30 June 2019 | | | Notes |
|-------------------------------------|----------------------------|-----------------------|-----------------------|-------|
| ASSETS | Actual | Budget | Variance | |
| | R'000 | R'000 | R'000 | |
| Deferred taxation | 4 307 | 5 581 | (1 274) | |
| Project funds payable | 37 638 | 31 882 | 5 756 | 4 |
| Current liabilities | 625 430 | 511 437 | 113 994 | |
| Loans from shareholders | 404 851 | 300 000 | 104 851 | 5 |
| Trade and other payables | 217 145 | 207 456 | 9 689 | 6 |
| VAT payable | - | - | 0 | |
| Finance lease obligation | - | 141 | (141) | |
| Bank Overdraft | - | | 1 | |
| Provisions – bonus | 3 434 | 3 840 | (406) | |
| Total equity and liabilities | <u>724 871</u> | <u>606 274</u> | <u>118 598</u> | |

| Notes | |
|-------|---|
| 1 | Variance due to procurement process for the purchase of new laptops was only concluded in June 2019, delivery of new laptops will only be in the new financial year |
| 2 | Balance includes claims from the previous financial that are still not settled in the current year. Although majority of the claims have been received from the various client departments, there are a few claims that are currently being queried, hence the variance. |
| 3 | SARS VAT refunds are still currently outstanding; however, the JDA is currently in discussion with SARS in order to for the refunds to be processed. |
| 4 | Included in the project funds payable is the BRT land funds that are currently being held for purchase of BRT land which relates to majority of these funds and funds that were transferred when the dissolution of the Greater Newtown Development Company for the management of the Newtown Precinct. |

| Notes | |
|-------|---|
| 5 | The variance is mainly due to a higher than expected overdrawn balance for the end of the quarter. This is mainly due to long outstanding claims that were received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pay these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg: Department of Transportation (NDOT). Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account. |
| 6 | The balance on payables will change once final accruals are processed and related party payable has been confirmed. |

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

STATEMENT OF FINANCIAL PERFORMANCE FOR THE QUARTER ENDED 30 JUNE 2019

| | Original approved | Adjusted approved | Year to date | | | |
|--|-------------------|-------------------|------------------|--------------|------------------|-------|
| | budget | budget | Actual | Budget | Variance | Notes |
| | R'000 | R'000 | R'000 | R'000 | R'000 | |
| Gross revenue | 129 074 | 110 510 | 101 255 | 110 510 | (9 255) | 7 |
| Operating costs | (121 705) | (103 141) | (91 788) | (103 141) | 11 353 | |
| Gross surplus/(deficit) | 7 369 | 7 369 | 9 467 | 7 369 | 2 098 | |
| Other operating income and expenditure | (7 369) | (7 369) | (20 301) | (7 369) | (12 932) | |
| Interest expense | (7 369) | (7 369) | (20 301) | (7 369) | (12 932) | 8 |
| Interest income | 0 | | 0 | 0 | 0 | |
| | | | | | 0 | |
| Deficit before tax | 0 | 0 | (10 834) | 0 | (10 834) | |
| Taxation | 0 | 0 | 0 | 0 | 0 | |
| Surplus/(Deficit) after tax | 0 | 0 | (10 834) | 0 | (10 834) | |

| Notes | |
|-------|--|
| 7 | Variance is as a result of under expenditure of the capital expenditure on which the management fees are based on. To date the actual percentage against target is 85%. The targeted percentage is 95%. |
| 8 | The JDA is not a revenue generating entity and its funding model depends largely on the organization being reimbursed timeously for all capital expenditure incurred. While on the one hand the organization has an obligation towards service providers and suppliers to pay invoices for work done within the mandatory 30 days, on the other hand it is expected to maintain a favourable sweeping account balance. The long lead time from payment of supplier invoices to reimbursement by the City of capital expenditure results in interest being charged on the sweeping account. |

SECTION 3: CASH FLOW STATEMENT

CASH FLOW STATEMENT FOR THE QUARTER ENDED 30 JUNE 2019

| | Year to date | | | Notes |
|---|-------------------|-------------------|---------------|-----------|
| | Actual | Budget | Variance | |
| | R'000 | R'000 | R'000 | |
| Cash flows from operating activities | | | | |
| | (109 665) | (134 057) | 24 392 | |
| <i>Receipts</i> | | | | |
| Grants | 39 006 | 39 006 | 0 | |
| Interest received | 389 | 0 | 389 | |
| Cash receipts from CAPEX funding | 1 292 817 | 1 187 933 | 104 884 | 9 |
| Other receipts | 0 | 310 | (310) | |
| | | 0 | 0 | |
| <i>Payments</i> | | | | |
| Employee cost | (65 633) | (75 739) | 10 106 | 10 |
| Suppliers | (1 376 244) | (1 187 863) | (188 381) | 11 |
| Interest paid | 0 | 0 | 0 | |
| Cash flows from investing activities | (205) | (4 500) | 4 295 | |
| <i>Expenditure to maintain operating capacity</i> | | | | |
| Property, plant and equipment acquired | (205) | (400) | 195 | |

| | Year to date | | | Notes |
|---|-----------------|-----------------|------------------|-----------|
| | Actual | Budget | Variance | |
| | R'000 | R'000 | R'000 | |
| Proceeds from sale of property, plant and equipment | | | 0 | |
| Purchase of intangible assets | 0 | | 0 | |
| Cash flows from financing activities | 109 869 | 137 918 | (28 049) | |
| Movement in project funds payable | 7 000 | 0 | 7 000 | |
| Proceeds from Shareholders' loan | 102 869 | 137 984 | (35 115) | 12 |
| Repayments of Shareholders' loan | 0 | 0 | 0 | |
| Finance lease repayments | 0 | (66) | 66 | |
| Net increase/(decrease) in cash and cash equivalents | (1) | (639) | 638 | |
| Cash and cash equivalents at beginning of the year | 1 | 639 | (638) | |
| Cash and cash equivalents at the end of the year | <u>0</u> | <u>0</u> | <u>0</u> | |

| Notes | |
|-------|--|
| 9 | Variance is as a result of some long outstanding claims that are still not yet collected from client departments |
| 10 | The adverse variance it is due to savings on the employee costs expenditure as compared to the budgeted amounts. Included in the budgets is the allocation relating to salary parity to be implemented by the City and savings from vacant positions. |
| 11 | The adverse variance it due to accrual that were recognized in 2017/18 that were paid in the current year. |
| 12 | The variance is mainly due to a higher than expected overdrawn balance for the end of the quarter. This is mainly due to long outstanding claims that were received late or still outstanding from the various departments. The JDA contracts with suppliers with regards to the development projects implemented by the JDA on behalf of the City of Johannesburg and pay these suppliers within the legislated period of 30 days. These expenditure items are then claimed from the City with the inclusion of the JDA management fee. Majority of the long outstanding claims related to the City of Johannesburg: Department of Transportation (NDOT). Although the recovery time for claims has reduced, the JDA still incurs capital expenditure during the claims recovery period which results in final overdraft balance on the treasury sweeping account. In addition the JDA is holding an amount on behalf of the Newtown Improvement District resulting from the sale of City owned property. |

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD ENDED 30 JUNE 2019

| | Share capital | Share premium | Total share capital | Accumulated surplus | Total net assets |
|--|---------------|---------------|---------------------|---------------------|------------------|
| | | R'000 | R'000 | R'000 | R'000 |
| Opening balance as previously reported | | 60 | 16 278 | 16 278 | 56 260 |
| Adjustments | | 0 | 0 | 0 | 0 |
| Prior year adjustments | | | | | 0 |
| Balance at 01 July 2017 | | 60 | 16 278 | 16 278 | 56 260 |
| Changes in net assets | | | | | |
| Surplus for the year | | 0 | 0 | 0 | (4 207) |
| Total changes | | 0 | 0 | 0 | -4 207 |
| Balance at 01 July 2018 | | 60 | 16 278 | 16 278 | 52 053 |
| Changes in net assets | | | | | |
| Deficit for the year | | 0 | 0 | 0 | (10 834) |
| Total changes | | 60 | 16 278 | 16 278 | 41 219 |
| Balance at 30 June 2019 | | 60 | 16 278 | 16 278 | 41 219 |

SECTION 5: RATIO ANALYSIS

| Key Performance Area | Target | Actual 30 June 2018 | Actual 30 June 2019 | Note |
|----------------------------------|------------------|---------------------|---------------------|------|
| Current ratio | Above 1 : 1 | 1.06 : 1 | 1.11 : 1 | 1 |
| Solvency ratio | Above 1 : 1 | 1.07 : 1 | 1.09 : 1 | 2 |
| Salaries to expenditure ratio | Below 60% | 63% | 62% | 3 |
| Revenue | R 104.98 million | R99 million | R101million | |
| Expenditure (including taxation) | R104.98 million | R103.2 million | R112 million | |
| Surplus / (Deficit) | nil | (R4.2 million) | (R10.8 million) | |
| Total net assets | R47.4 million | R68.3 million | R42.7 million | |
| Capital expenditure | 95% | 91.80% | 85.42% | 4 |

| Notes | |
|-------|--|
| 1 | Current ratio exceeds target and is higher than the fourth quarter of the previous year due to a higher trade receivables in the current financial year. |
| 2 | Solvency ratio is higher than target and higher than the fourth quarter of the previous year mainly due to the higher receivables balance. |
| 3 | Remuneration to expenditure ratio is lower than the fourth quarter of the previous financial year and higher than the target. The remuneration ratio is calculated using the total employee costs value divided by the total expenditure. Should the overall total expenditure differ from the budgeted amounts, this will impact the ratio. At the end of June, there was an under expenditure against the employee costs budget. |

SECTION 6: SUPPLY CHAIN MANAGEMENT

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

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

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

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

Supply chain deviations and approval

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

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

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

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

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

- The deviation from obtaining at least a minimum of three written quotations in terms of Regulation 16, 17 and 18 of the MFMA Act 56 of 2003. The accounting officer ratified a minor breach in the supply chain process for the appointment of service providers through the request for quotation process where less than the minimum three quotations were received. For the period 1 July 2018 to 30 June 2019 there were 23 service providers appointed where less than three quotations were returned or obtained to a combined value of R 13 827 287.51 Excluding VAT) .

According to Regulation 44 of the Municipal Supply Chain Management Regulations the regulation prohibits municipal entities from awarding contracts to a person who is in the service of the state. To date the JDA has not awarded any contract to a person who is in the employment of the state.

BLACK ECONOMIC EMPOWERMENT

The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. The table below shows the BBBEE share of capital and operating expenditure. For the period 1st July 2018 to 30th June 2019, the overall BBBEE share of expenditure was R 1 059 660 543.09. This translates into an achievement of 107% BBBEE claimed against quarterly expenditure.

TABLE 28: SUMMARY OF BBBEE EXPENDITURE⁹

| Description | Q4 2018/19 | | |
|------------------------------------|---|---------------------------|-------------|
| | Total Expenditure - excluding management fees and retentions. | BBBEE Claimed | BBBEE % |
| Capex | R 929 738 046.73 | R 1 014 794 626.44 | 109% |
| Opex | R 59 461 967.77 | R 44 865 916.65 | 75% |
| Consolidated Opex and Capex | R 989 200 014.50 | R 1 059 660 543.09 | 107% |

The JDA uses various criteria for calculating the BBBEE claimed. Each service provider's individual BBBEE rating affects the amount of expenditure the JDA can claim as being from a BBBEE-compliant service provider when calculating its preferential procurement points. The higher the service provider's rating, the more expenditure can be claimed. If the agency buys from a level 1 service provider, it can claim 135% of the actual expenditure. For example, if the JDA spends R10 000 with a level 1 service provider, it can claim R13 500 as BBBEE spend. If it spends R10 000 with a level 6 service provider, it can only claim R6 000. The JDA only claims 100% 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.

⁹ The reason why there is a difference in total expenditure and expenditure claimed for BBBEE is that the JDA's 5% Development Fee and retentions have been excluded

Each BBEE level is translated into a BBEE score reflected as a percentage. For example, BBEE level 6 equals 60%, while BBEE level 1 equals 135%.

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

ENTERPRISE / SMME DEVELOPMENT

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

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

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

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

The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The table below shows the SMME share of capital and operating expenditure. The SMME share of JDA's operating and capital expenditure was R 285 662 407.81 for the period 1st July 2019 to 30th June 2019. This constitutes an achievement of 29% for the period under review.

TABLE 29: SUMMARY OF SMME EXPENDITURE¹⁰

| Description | Q4 2018/19 | |
|------------------------------------|-------------------------|------------|
| | SMME Expenditure | SMME % |
| Capex | R 273 193 538.22 | 29% |
| Opex | R 12 468 869.59 | 21% |
| Consolidated Opex and Capex | R 285 662 407.81 | 29% |

REPORT ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND DUE PROCESSES

JDA has not incurred any fruitless, wasteful and unauthorized transactions for the fourth quarter of 2018/2019 with the exception to irregular expenditure. The JDA incurred irregular expenditure to the value of R60 274.54 year to date for 2018/19. The nature of the irregular expenditure is as follows:

- The extension of the contract with Zeda car Leasing (Pty) Ltd t/a Avis fleet services was not done in accordance with applicable legislation by the City of Johannesburg. JDA acquired the contract under regulation 32 of MFMA for five years which ended on the 31st of October 2017. The City is in the process of entering into a new contract following supply chain management regulations.

It is also imperative to note that management's accountability for compliance is reinforced by Internal Audit.

¹⁰ 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.

SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

TABLE 30: PENDING LITIGATIONS

| CASE / MATTER | AMOUNT CLAIMED | DATE INSTITUTED | DESCRIPTION | CURRENT STATUS | ANTICIPATED COMPLETION DATE | CHANCES OF SUCCESS |
|-------------------------------|--------------------------|-----------------|--|--|-----------------------------------|-----------------------------------|
| Ubuntu Kraal (Pty) Ltd vs JDA | ± R23,555,160,06 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 (T/A Hogan Lovells) to assist in defending the matter.</p> <p>Routledge Modise have handed over the matter to the insurers attorneys at the request of the JDA’s insurers (Webber Wentzel Bowens). The matter is being defended by the JDA and City of Johannesburg’s insurer’s lawyers. The Matter was set for trial in June 2018 but was withdrawn from the trial roll. There have been no developments since the matter was removed from the trial roll in June 2018. The plaintiff has remained inactive.</p> | Not yet determined at this stage. | Not yet determined at this stage. |

| CASE / MATTER | AMOUNT CLAIMED | DATE INSTITUTED | DESCRIPTION | CURRENT STATUS | ANTICIPATED COMPLETION DATE | CHANCES OF SUCCESS |
|--|-----------------------|-----------------|--|---|---|---------------------|
| Tembu Convenience Centre CC vs City of Johannesburg 1 st Defendant and Others (JDA-2 nd Defendant) | ± R10,488,324 million | | Damages suffered by Tembu Convenience Centre CC as a result of “alleged” extensive permanent road diversions and/or closures having been affected in order to cater for the BRT system in the area known as “Soweto to Parktown Bus Rapid Network, Section 1, Moroka Police Station to Modderspruit Culvert”. It is alleged that COJ or the JDA failed to comply with the relevant legislation and ordinances. | The JDA has successfully defended the matter through its attorneys (Mchunu Inc.) at the Supreme Court of Appeal and was awarded costs. This matter will no longer be reported on in the new financial year. | Completed | Succeeded |
| Achusim Chijoike vs (JDA 1 st Defendant) and Sykmark Security Services (Pty) Ltd (2 nd 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. | Not determined. yet |

| CASE / MATTER | AMOUNT CLAIMED | DATE INSTITUTED | DESCRIPTION | CURRENT STATUS | ANTICIPATED COMPLETION DATE | CHANCES OF SUCCESS |
|--|----------------|-----------------|--|---|-----------------------------|--------------------|
| Bertrams Priority Block vs JDA | Not applicable | February 2008 | Relocation of illegal occupants in various buildings around Bertrams Priority Block. | The JDA has through its Attorneys (Edward Nathan Sonnenburg ENS) entered into legal proceedings regarding the relocation of illegal occupants in various buildings around Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations are underway with the occupants to settle the matter out of court. Progress made since 2012, some occupants have agreed to be reallocated to properties operated by the Johannesburg Social Housing Company. The few that would be left would, due to inability to meet monthly rentals be accommodated by the Department of Housing. The parties are working together to reach agreement without protracted litigation processes. | On-going | Good |
| Grayston Bridge Collapse (scaffolding) | | 2015 | The scaffolding supporting the bridge collapsed in 2015 resulting in 2 fatalities and an additional 9 people injured as a result of the collapse. The matter was investigated by the Department of Labour and a hearing commenced in 2016 and concluded in July 2018. | Heads of argument have been submitted to the commission by the legal representatives of the parties concerned and it is expected that the commissioner will provide his ruling by end of July 2019 pronouncing on the guilt or innocence of the parties. | 31 July 2019 | Good |

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

No claims within the fourth quarter report of 2018/19 financial year.

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

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

TABLE 31: AMOUNTS OWED BY AND TO GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

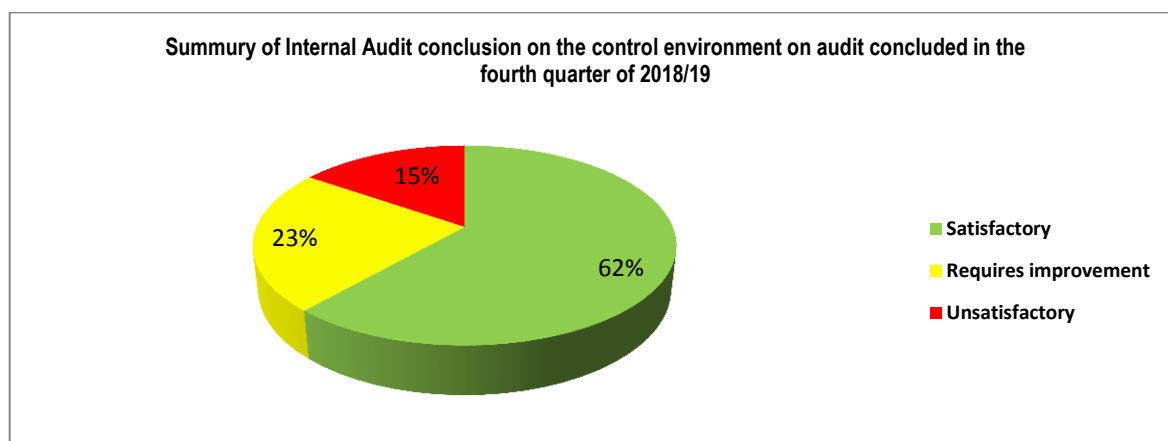
| Name of department | Current claims | Balance | Comments |
|---|----------------|----------------|--|
| | R' 000 | R' 000 | |
| City of Johannesburg - CAM & USDG | 26 700 | 26 700 | Balance relates mainly to current claims. |
| City of Johannesburg - Department of transportation | 59 109 | 188 609 | Huge payment was settled in February 2018 post budget adjustment confirmation that was received. Balance relates mainly to current claims. |
| City of Johannesburg - Department of planning | 68 700 | 127 969 | Balance relates mainly to current claims and some claims for 2017/18 financial year that are awaiting budget lift approval |
| City of Johannesburg - EMS | 680 | 32 623 | Balance mainly relates to amounts outstanding since 2016/17 financial year. Although discussions have been held with the department, no payments have yet been received. |
| City of Johannesburg - Department of Health | 16 700 | 27 037 | Balance relates mainly to current claims. |
| City of Johannesburg - Economic Development | 560 | 19 906 | Balance mainly relates to amounts outstanding since 2016/17 financial year and remaining it for the current claims. Although discussions have been held with the department, no payments have yet been received. Matter has been escalated to the ED: Economic Development |
| City of Johannesburg - Housing | 4 700 | 6 800 | Balance includes amounts outstanding since 2017/18 financial year and the current claims. We had discussions with the department, and majority of the opening balance was settled. |
| City of Johannesburg - GSPCR | | 3 850 | Balance mainly relates to amounts outstanding since 2016/17 financial year. Although discussions have been held with the department, no payments have yet been received. |
| City of Johannesburg - Other departments | 2300 | 6 300 | Balance includes amounts outstanding since 2017/18 financial year and remaining balance it for the current claims. Although discussions have been held with the department, no payments have yet been received. |
| Total | 179 449 | 439 794 | |

CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS

SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

The chart below serves to indicate an overview of the audit conclusion made regarding the control environment based on the audits conducted and completed by internal audit in the fourth quarter of 2018/19 financial year. On overall there were 25 audit projects undertaken by internal audit in the report period of which; 13 audits have been completed as at 21 June 2019.

FIGURE 5: OVERVIEW OF AUDIT CONCLUSION ON CONTROL ENVIRONMENT MADE FROM AUDITS COMPLETED BY INTERNAL AUDIT AS AT FOURTH QUARTER OF 2018/19



Below is an indication of the overall internal audit conclusions on the control environment on each of the 13 audit completed with reports issued by internal audit as at 21 June 2019.

TABLE 32: PROGRESS AGAINST THE APPROVED 2018/19 ANNUAL INTERNAL AUDIT PLAN

| No. | Audit Description | Overall Conclusion |
|-----|---|----------------------|
| 1 | Monthly follow up on internal and external audit findings | Requires improvement |
| 2 | Third quarter performance review (AOPO) | Requires improvement |
| 3 | Re appointment of main contractor for the construction Karzene Intermodal Facility | Requires improvement |
| 4 | Pre-qualification of contractor Our City our Block | Satisfactory |
| 5 | Re appointment of main contractor for the construction of Braamfischerville Ext 12 Roads and Storm waters | Satisfactory |
| 6 | Gandhi Precinct East development: Upgrade of Main street | Satisfactory |
| 7 | Community Development Department: Work package 1 (Kaalfontein and Motherwell: Consortium of engineers | Satisfactory |
| 8 | Karzene Intermodal Facility (SUPPLEMENTARY) | Requires improvement |
| 9 | Re appointment of the main contractor for the construction of Florida Clinic | Unsatisfactory |
| 10 | Alex Youth Development Hub – Main contractor | Satisfactory |
| 11 | Pre – qualification for the construction of various multipurpose facilities (ComDev) | Satisfactory |
| 12 | Contract administration services for the Rea Vaya intelligence transport facility | Satisfactory |
| 13 | Appointment of main contractor for the refurbishment of the administrative building at Rea Vaya Selby bus depot | Satisfactory |

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

TABLE 33: CONTROL ENVIRONMENT CONCLUSION EXPLANATION

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

SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

TABLE 34: INTERNAL AUDIT FINDINGS

| Financial Period | Total Unresolved Findings | Total Resolved Findings % | Total Findings % |
|-------------------|---------------------------|---------------------------|------------------|
| 2013/14 | 0 | 2 | 2 |
| 2014/15 | 2 | 15 | 17 |
| 2015/16 | 4 | 41 | 45 |
| 2016/17 | 5 | 53 | 58 |
| 2017/18 | 8 | 32 | 40 |
| 2018/19 | 4 | 10 | 14 |
| Total | 23 | 153 | 176 |
| Percentage | 13% | 87% | 100% |

Internal Audit conducts follow-up reviews on a monthly basis on the status of unresolved findings and then provides these monthly reports on the status of unresolved findings to the chairperson of the Operation

Clean Audit (OPCA) Committee and to the Group Risk Assurance Services for discussion with the City Manager.

On a quarterly basis Internal Audit, also conducts a follow-up on the implementation of Internal and External audit recommendations. These reports are presented to the Audit and Risk Committee, who monitors the progress made by management on the implementation of recommendations and action plans.

SECTION 3: PROGRESS ON RESOLUTION OF EXTERNAL AUDIT FINDINGS

The table below provides a summary of AG Findings raised in the 2014/2015, 2015/2016, 2016/17 and 2017/18 financial period:

TABLE 35: AUDITOR GENERAL FINDINGS

| Financial Period | Total Unresolved Findings | Total Resolved Findings | Total Findings |
|-------------------|---------------------------|-------------------------|----------------|
| 2014/15 | 1 | 10 | 11 |
| 2015/16 | 2 | 32 | 34 |
| 2016/17 | 1 | 5 | 6 |
| 2017/18 | 2 | 3 | 5 |
| Total | 6 | 50 | 56 |
| Percentage | 11% | 89% | 100% |

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

The Audit and Risk Committee has in recent meetings requested management to provide a report outlining action plans to ensure that all unresolved findings outstanding from the previous three financial years are resolved by the end of the 2018/19 financial year. The Audit and Risk Committee provides oversight of the following corrective actions managed at the internal Operation Clean Audit Committee (OPCA):

- The status report on the resolutions, in particular the action plan and prescribed timelines as agreed with the individual executive managers.
- The continued one-on-one engagement with Executive Managers and the CEO continue to be prioritised and not only for monitoring executive performance but reinforcing accountability of their functional areas and offering support.
- Emphasis on building a healthy organisational culture which fosters engagement and living up to the JDA values is critical and a priority. There have been considerable changes and announcements made to staff during this transition stage and cohesive leadership become very important at this stage.
- Consequence management will be applied to all Executive Managers who do not adhere to their final revised plan of action as tabled.

SECTION 4: STATE OF INTERNAL CONTROLS

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

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

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

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

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

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

ANNEXURES

ANNEXURE 1: ACRONYMS AND ABBREVIATIONS

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