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**JOHANNESBURG ROADS AGENCY SOC (LTD)**

**Reg. No. 2000/028993/30**

**PERFORMANCE REPORT FOR THE PERIOD OCTOBER TO DECEMBER 2023  
(Q2 REPORT 2023/24)**

In terms of Section 121 of the Municipal Finance Management Act 56 of 2003 (as amended), Section 46 of the Municipal Systems Act, 32 of 2000 (as amended) and the Companies Act.

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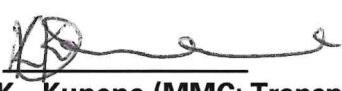
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### Company Information

<b>Registration number:</b>	2000/028993/30
<b>Registered address:</b>	75 Helen Joseph Street, Johannesburg, 2001
<b>Postal address:</b>	Johannesburg Roads Agency, Private Bag X70, Braamfontein, 2017
<b>Telephone number:</b>	(011) 298-5001
<b>Fax number:</b>	(011) 298-5178
<b>Website:</b>	www.jra.org.za
<b>Bankers:</b>	Standard Bank of SA Limited
<b>Auditors:</b>	Auditor General South Africa (AGSA)

### Approval

 <b>L. Mashau (CFO)</b>	Date: <u>31/01/2024</u>
 <b>G. Z Nyathi (A/CEO)</b>	Date: <u>31/01/2024</u>
 <b>Mr. E. Botha (Board Chairperson)</b>	Date: <u>02/01/2024</u>
 <b>K. Kunene (MMC: Transport)</b>	Date: <u>02/02/2024</u>

#### Vision

The best city roads authority  
that enables economic growth  
and sustainability

#### Mission

We commit to provide quality  
roads that are accessible,  
safe, and liveable for us  
Communities.

## CHAPTER 1: LEADERSHIP AND CORPORATE PROFILE

### Section 1: Chief Executive Officer's Report



This report presents the performance of the Johannesburg Roads Agency for the period October to December 2023 (Quarter 2) as required by Section 52 (d) of the MFMA. It reports on the implementation of the business plan and budget as per the approved 2023/24 Business Plan.

#### Corporate Governance

Lufuno Mashau was appointed as substantive Chief Financial Officer from 01 November 2023. Following the resignation of the Makhapule Khosa as Operations Manager Internal Audit, Hemmy Malebati was appointed to act as Operations Manager Internal Audit. In Regional Operations Department, in line with the rotational principle, Langeriwa Mthombeni was appointed

Acting HoD: Regional Operations from 16 November 2023. He took over from Lawrence Maseko. Sipho Nhlapho was appointed Acting HoD: Mobility and Freight Department (*See Chapter 2*).

#### Service Delivery Performance

In relation to service delivery performance, the JRA is on course to meet its key service delivery targets. As at mid-year the JRA resurfaced the total of 119.26 lane km against a target of 120 lane km, a total of 1.43km of open storm water channels have been converted to covered channels against a target of 1km. In the 3<sup>rd</sup> quarter attention will be placed on increasing gravel roads upgraded to surfaced standard as 2.15km have been upgraded against the target of 3km. Regarding Infrastructure maintenance, in Q2 a total of 5 918 potholes were repaired during the quarter under review. In terms of other road maintenance, a total of 1748 kerb inlets (KI) were unblocked and cleared. Furthermore, the JRA replaced 40 manhole covers including KI tops and 68.86m of guardrails. In Q2 the Asphalt plant has produced 7255.79 tons (*See Chapter 3*).

#### Support to SMMEs and EPWP

The JRA has also supported 77 SMMEs against a target of 25 and created 96 EPWP work opportunities were created against a target of 50. (*See Chapter 3*).

#### Clean Audit Process and Risk Management

The entity retained an Unqualified Audit Opinion for the 2022/23 Financial Year and is on track with implementing the Risk Management action plan. (*See Chapter 2 for Risk Management; Chapter 6 for Audit*).

#### Challenges

Theft and vandalism of infrastructure remains a challenge for the JRA and contributes to increased spending to replace damaged and stolen infrastructure. The JRA continues to work with law enforcement to reduce incidents of theft and vandalism.

#### Appreciation

I would like to express my gratitude to the Board and the MMC for their guidance and oversight as well as the JRA employees that have assisted the JRA to meet key targets.

  
Z. Nyathi  
(Acting CEO)

## Section 2: Chief Financial Officer Report

The purpose of this report is to present the high-level 2023/2024 Second quarter draft financial performance for the Johannesburg Roads Agency for the period ending 31<sup>st</sup> December 2023. The detailed financial performance information is contained in Chapter Five of this report and in Annexures B to D. As a service delivery entity, the JRA strives to balance the attainment of liquidity and profitability ratios with the attainment of key service delivery targets.



In 2023/24 financial year, JRA has an approved Operating budget of R1, 475 billion. As at 31<sup>st</sup> December 2023, the Company had an Operating Expenditure and Income of R670,4 million and R685,39 million, respectively.

This represents Income exceeding Expenditure by R 14,929 million at the end of December 2023. The Operating Expenditure is therefore 46,59% of the Budget.

The JRA has a Capital Budget of R 859,650 million for 2023/24 financial year. As of 31 December 2023, the entity spent an actual of R308,58 million, however have a year to date of R397,80 million which is 36% without accruals and commitments and 46% of the Capital Budget when provisional accruals and commitments are included (refer to Chapter 5 and Annexure B for details of expenditure).

The **Table 1** below illustrates Five 2023/24 key ratios for the period ending 31<sup>st</sup> December 2023 that are in line with the Financial Development Plan (FDP) of the City of Johannesburg.

**Table 1: Summary Ratios**

KEY RATIO	Target FDP	Dec 2023 (2023/25)	Performance Against Target (RAG Status)
Current ratio	1	0.81	
Solvency ratio	2	0.93	
Accumulated Surplus	R50M	(R459,122)	
Cash on hand	R50M	R36,224	
Salaries ratio	35%	31%	
Repairs & Maintenance ratio	7%	2%	

The entity has a negative 2023/24 current ratio at the end of 31 December 2023, and the ratio does not meet the FDP target in the current Quarter. The current ratio measures the company's ability to pay its short-term obligations. With the Current ratio of 0.81, this means that JRA's current assets are 0.81 less than the current liabilities which has a target of 1.

The 2022/23 solvency ratio for the period ending 31<sup>st</sup> December 2023 is below the FDP target of 2. The solvency ratio measures the company's ability to meet its long-term debt obligations. The entity's ratio of 0.93 indicates that JRA's cash flow is insufficient to meet its long-term liabilities. JRA is not solvent for the period ending 31<sup>st</sup> December 2023. If the ratio is 1.5 or below indicates that the company will have difficulty meeting the interest on its debts. The JRA is below 1.5 ratio. The financial position must improve however is because of the change in accounting policy on how to account for Developer Contribution Income now the income is accounted for as a liability this has added to the liabilities which was never the case previous financial year.

The JRA's Remuneration to Operating Expenditure Ratio for the period ending 31 December 2023 is 31%. The target on employee costs remains elusive primarily because of the business model of the JRA which sees Employee Costs made up of operational departments that generally work on road repairs and maintenance programmes. The reason for not meeting the target is the salaries for security and cleaning which was not initially budgeted for but forms part of the salaries.

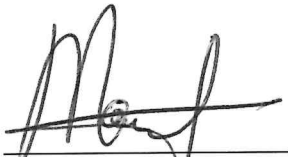
Salaries paid to Regional Operations and Mobility & Freight departments personnel are not recorded under direct road maintenance costs. This explains the reason for not meeting the target set of 35%.

The JRA intercompany Sweeping Account has a favourable balance of R 199 million at the end of December 2023. The Sweeping Balance represents a loan to Shareholders in the Statement of Financial Position. Developers Contribution Account has a balance of R36,2 million as of 30 December 2023 (with the new accounting policy). Therefore, the total Cash on hand for the period ending 30 December 2023 amounts to R 236 million, a substantial drop from R 465.2 at the end of the first quarter of 2023/2024 year.

The related party transactions pose minimal risk of payment to the JRA. The overall debtors' book shows an increase from R475 million to R570,9 million from the first quarter which is a result of related parties invoicing in the second quarter.

The total amount owed by related parties' debtors is R546 million, which represents 95,6% of the total debtors. It has increased from R451 million to R546 million; however, the figure includes the subsidy amount of R126m which was not settled by the end of the second quarter.

JRA is progressively improving the financial controls and it is envisaged that the entity will meet all the financial ratio targets as set by the Shareholder (CoJ). Based on the year-to-date performance, the Company remains solvent and will meet its financial obligations.



**Lufuno Mashau**  
**Chief Financial Officer**

### Section 3: Corporate Profile and Overview of the Entity

The Johannesburg Roads Agency (JRA) (herein referred to as the Company / Entity/MoE) is an entity of the City of Johannesburg (CoJ). It was established in 2001 to design, construct and maintain roads and stormwater infrastructure on behalf of the CoJ Metropolitan Municipality. The JRA delivers on this mandate through a staff compliment of over 1 500 employees operating in seven regions of (CoJ).

### Section 4: Strategic Objectives

The below table illustrates the alignment between JRA programmes and institutional strategic plans.

Table 1.1: JRA alignment to CoJ Priorities and Outcomes

Mayoral Priorities	JRA Programmes/Projects
<b>Priority 1: Good Governance</b>	i. Ethical Governance; Clean Audit; Board of Directors Training – IODSA
<b>Priority 2: Financial Sustainability</b>	i. Operation Clean Audit and management of audit outcomes; ii. MSCoA Programme; iii. Cash Flow Management Programme and Payment Plan
<b>Priority 3: Energy Mix</b>	i. Implementation of the Energy Supply mix to traffic signals network; ii. Alternative power sources & ITS
<b>Priority 4: Sustainable Service Delivery:</b>	i. Repair of damaged/missing road barriers or guardrails programme; ii. Blocked storm water repairs programme; iii. Replacement of manholes covers programme; iv. Regulatory Road Traffic Signs programme; v. Potholes repairs programme; vi. Traffic Signal Maintenance programme; and vii. Repair of damaged traffic light poles programme
<b>Priority 5: Infrastructure Development and Refurbishment</b>	i. Road Network Programme: Road Upgrades; Guardrail Upgrades; ii. Resurfacing Programme: Kilometres of road resurfaced or resealed; iii. rehabilitation & Reconstruction Programme: Kilometers of road reconstructed; iv. Mobility (Traffic Lights) Programme: Installation of new warranted traffic signals; Alternative power sources & ITS; UPS; Traffic lights upgrades; and Controller upgrades and phasing; v. Bridges Programme: Bridge Rehabilitation; Bridge Management System; Bridge Replacement; iv. Stormwater Rehabilitation Programme: Stormwater Conversion; Stormwater Masterplans; Rehabilitation of open channels; Emergency stormwater improvements; Bulk stormwater development; vii. Stormwater Catchments Programme: New Stormwater Catchments; Dam Safety Rehabilitation; Flooding interventions
<b>Priority 6: Job Opportunity and Creation</b>	EPWP programme; Employment Equity Plan; SMME's support programme
<b>Priority 7: Safer City</b>	Number of initiatives implemented to combat vandalism and theft of road infrastructure (Awareness and ownership campaigns); Number of inspections to improve safety on our roads (Wayleave management; Proactive maintenance)
<b>Priority 8: Active and Engaged Citizenry</b>	Media Relationship programme: Ward based communication; Road users / public relations programme
<b>Priority 9: Sustained Economic Growth</b>	Improved turnaround times for statutory development planning processes - Standard engineering applications and approvals; Implementation of Freight deliveries support through freight related signage and markings; Strategic partnerships
<b>Priority 10: Green Economy</b>	Recycling of asphalt; Replacement of LEDs with new technology; Third Party Traffic Lights back-up power Programme; Adaptive control programme
<b>Priority 11: Smart City</b>	Establishment of the Traffic Management Control Centre; 2. Implement an Adaptive Control Signaling prioritising public transport and critical intersections; Collection,

Mayoral Priorities	JRA Programmes/Projects
	<p>Analysis of road network data and Dissemination of traffic information; Implement Infrastructure Standards to maximal support Advanced Driver Assistance Systems (ADAS); and</p> <p>Smart procurement apps to facilitate service delivery: High-tech roads infrastructure maintenance methodologies; Smart traffic management app; Traffic signal monitoring system; SMART infrastructure security systems; Reliable and integrated ICT systems</p>

## CHAPTER 2: CORPORATE GOVERNANCE

### Section 1: Composition, Key Activities and Remuneration of Board of Directors

The JRA views corporate governance as a key pillar that sets out relationships between the company's management, its board, its shareholders, and other stakeholders. Corporate governance provides a framework through which the company objectives are set implemented, monitored, and evaluated.

The Board and Management of the JRA are committed to the highest standards of corporate governance as promoted by the King Committee's Code of Corporate Practices and Conduct (KING IV). Having examined the controls, the Board is satisfied that management is making every effort to comply with all material aspects of the King Report and relevant legislation. The JRA works closely with the shareholder representative and participates in the City's stakeholder engagement platforms i.e., Mayoral Lekgotla, Section 79, EMT, MMC's quarterly meetings and city-wide community engagements.

#### BOARD COMMITTEE'S

The JRA Board has three Committees, namely, Audit Finance, Risk and Information Technology, Remuneration and Social Ethics and Service Deliver Committees. In accordance with the skills matrix board members have been apportioned to serve in the committees that have the following mandate:

Table 2.1: Board Committees and Summary of Terms of Reference

Board Committee	Reporting Element	Mandate
AFRIT	Financial management	Oversight of all matters relating to financial accounting, accounting policies, reporting and disclosure.
AFRIT	Risk management and ICT governance	Oversight over risk management issues, the process of identifying material risks and mitigation actions, as well as oversight over ICT governance as envisaged in King Code IV.
AFRIT	Internal and external audit functions	Overseeing internal and external audit policy, including activities, scope, adequacy and effectiveness of the internal audit function and audit plans. Review or approval of external audit plans, findings, problems, reports and fees.
REMSEC	Governance	Oversight of compliance with corporate practices and code of ethics
REMSEC	Remuneration	Oversight over inter alia remuneration policies, remuneration packages and all other matters relating to human resources and /or labour related matters.
SDC	Strategy development and implementation and organisational performance management	Oversight over strategy development and approval, organisational performance measurement, identification of the appropriate indicators and targets and relevant reporting and accountability in support of the service delivery mandate.
SDC	Stakeholder engagement and relationships	Oversight over effective stakeholder engagement and responsiveness.

## QUARTER 2: KEY BOARD ACTIVITIES

### i. Stabilisation of JRA EMT

The primary focus for the Board has been stabilizing the Executive Management Team.

- The Board initiated the recruitment processes for the Chief Executive Officer and Chief Financial Officer.
- The recruitment process for the CEO has not been finalized and envisaged to be finalized in the third quarter of 2023/2024 financial year.
- The recruitment for the CFO was finalized in October 2023 and Mr. Lufuno Mashau assumed his responsibility as the JRA's CFO on 01 November 2023.
- The Board also finalised the recruitment process of the Operations Manager: Internal Audit who assumed duty on 01 September 2023 and subsequently resigned 30 October 2023. The Board resolved to initiate the recruitment process for this critical position.

Other critical focus areas for the Board in the quarter under review was the approval of the JRA Strategy 2027 and strategic tracking matrix; and the strategic and operational risks for 2023/2024 which will be monitored on a quarterly basis. The Asphalt plant remains operational, and the Board has considered the financial model for the commercialization aspect of the plant.

### Section 2: High-Level Organisational Structure

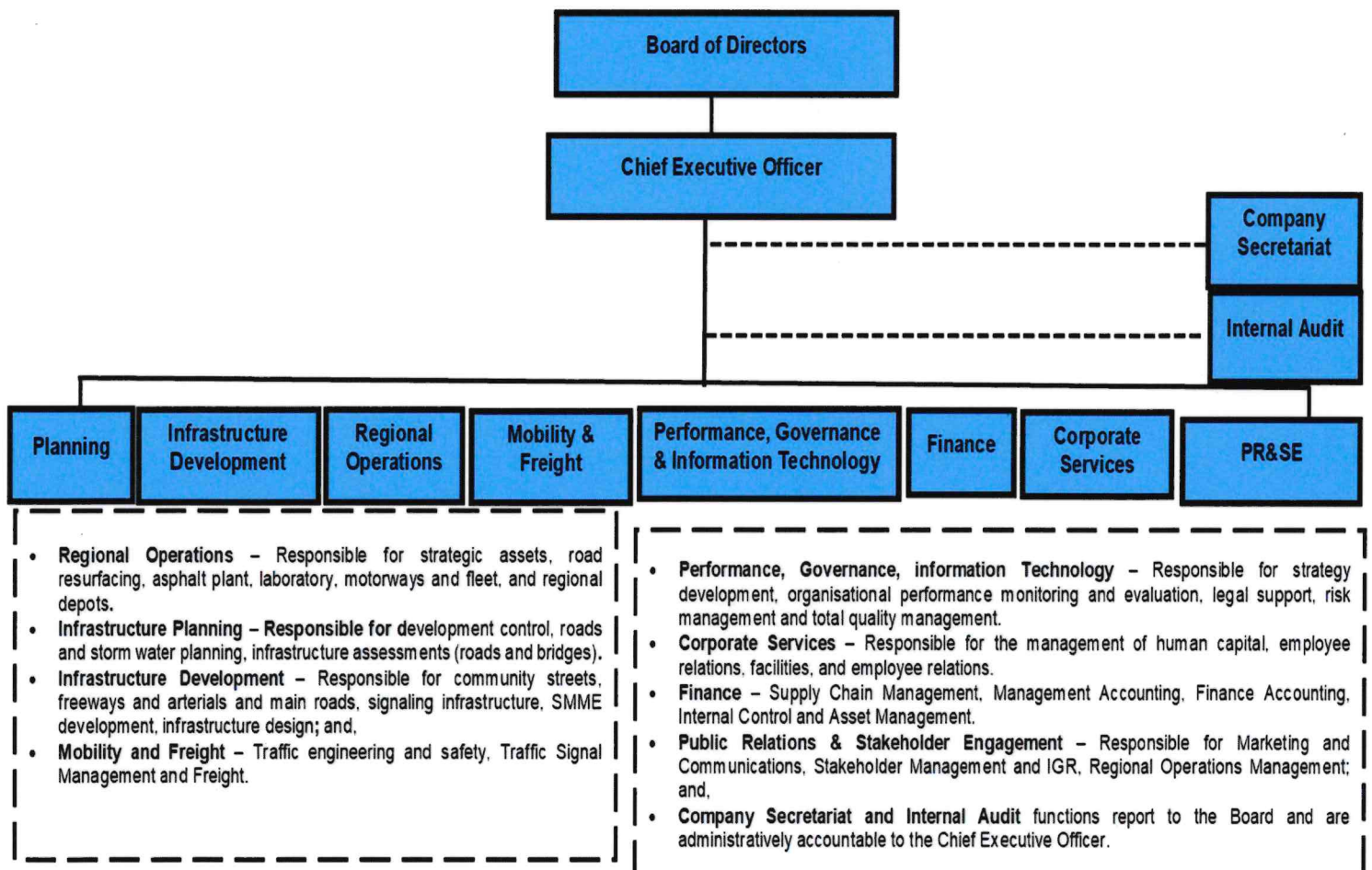


Figure 1.1. High level organisational structure of the Johannesburg Roads Agency

The high-level organisational structure of the JRA is illustrated in the figure above.

### Executive Management Team (EMT)

The JRA Executive Management Team in Q1 is reflected in Table 1.1 below.

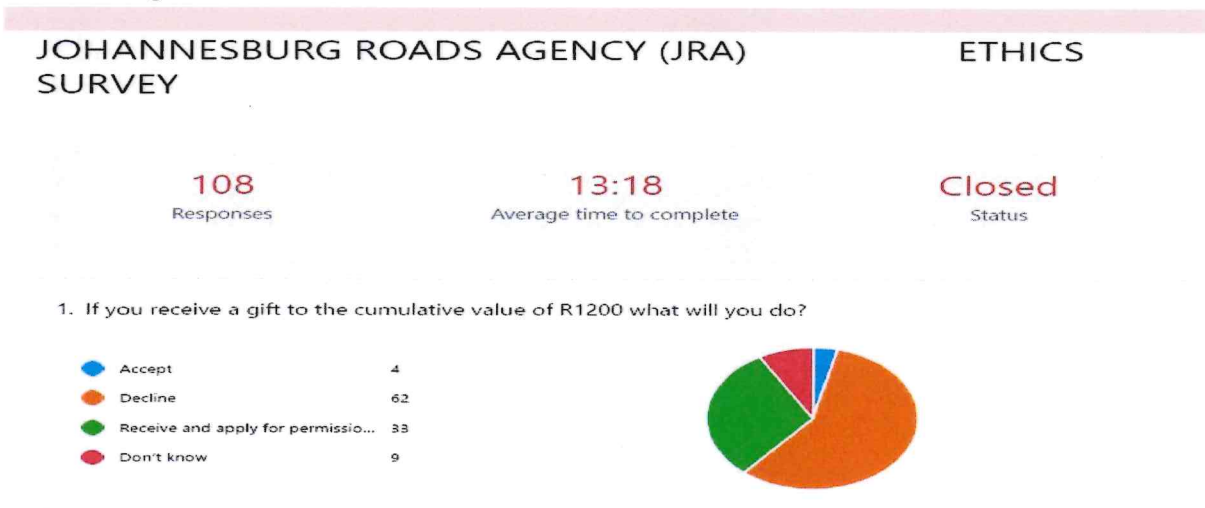
Department	Appointee	Status
Chief Executive Officer	Zweli Nyathi	Acting
HOD: Infrastructure Development	Kwazelela Mcetywa	Substantive
HOD: Planning	Musa Mkhacane Pr. Eng.	Substantive
HOD: Mobility & Freight	*Sipho Nhlapo	Substantive
HOD: Performance, Governance, and Information Technology	Sekati Mangena	Substantive
HOD: Regional Operations	Langeriwa Mthombeni	Acting
Chief Financial Officer	Lufuno Mashau	Substantive
HOD: Corporate Services	Sindiswa Mathebula	Acting
HOD: Public Relations and Stakeholder Management	Ayanda Ntshingila	Substantive
Operations Manager: Internal Audit	Hemmy Malebati	Acting
Company Secretary	Phumla Majola	Substantive

\*Sipho Nhlapo was Acting HoD Mobility and Freight from 14 September 2023.

### Section 3: Good governance and Ethical conduct

The King IV reports articulates seventeen principles on corporate governance which can be termed as best standards for good governance. These principles have been adopted by the accounting authority and are the base which informs the work that we do. Several activities were undertaken to support the implementation of these principles within the JRA. These include:

- Ethics Survey:** Ethics Management Forum conducted a survey across the organization on 20-24 November 2023- Primary purpose was to identify ethics related gaps and be able to implement control measures that can minimise the risks. The outcome of the survey indicates that awareness around ethical behaviour including fraud and corruption needs to be strengthened.



- Awareness Campaigns** – On 07, 08, 11 and 12 December 2023, the EMF and GFIS visited all depots conducting fraud and corruption awareness campaigns. The reception and participation from employees indicated that there is willingness to learn more about fraud and corruption. Key message focussed on the inconsistency with the application of disciplinary policy and collectivism in the fight against fraud and corruption.



- **Whistle Blowers** – In strengthening process and enable effectiveness, the EMF designed a structured and standard whistleblowing form which is intended to guide whistle-blowers while ensuring that anonymity is safeguarded, but more importantly inspire more whistle-blowers to come forward and report incidents of fraud and corruption.
- **Awareness** – Posters pertaining to the fraud and corruption were erected during the quarter under review and the internal communication platform was prioritized. On 31 October 2023, all departments were invited to the records and archives workshop facilitated by Group Compliance. The workshop provided education around effective records management and that the aim behind an effective records management is to ensure transparency, good governance, accountability, business continuity and service delivery, which is important in MOE's.
- **Investigations** – In this quarter three drafts reports were presented to the CEO: namely Brainwave, Econocom and Illegal possession of a JRA access card. Final reports have not been received.

#### Section 4: Risk Management.

The company is committed to a risk management process that aligns to the principles of good corporate governance. The JRA Board has delegated the monitoring of risk in the JRA to the Audit, Finance, Risk and Information Technology Committee (AFR&IT). The company undertakes risk assessments on a regular basis and develops appropriate responses in line with the Enterprise Risk Management Framework. The efficacy of these responses is monitored and reported to the Shareholder's governance structures on a regular basis.

In the period under review, the Company assessed its 2023/34 Strategic and Operational risk registers. Monitoring of the action plans for the period are ongoing and the maintenance of the risk appetite and tolerance dashboard is monitored and reported quarterly to relevant structures.

No	Strategic Risk	Residual Risk Exposure	Residual Risk Exposure
1.	Governance failures	High	High
2.	Failure to recruit, promote growth and retain skilled personnel	High	High
3	Insufficient funding for capex & opex projects	High	High
4	Unreliable power supply	High	High
5	Road Infrastructure Failure (roads, bridges, stormwater, traffic signals)	High	High
6	Delayed implementation & completion of projects	High	High
7	Inability to maximise asphalt plant	High	High
8	Fraud, theft and corruption	Very High	Very High
9	Cyber-attack, data fraud and data theft	High	High
10	Dissatisfied Stakeholders	High	High
11	Environmental hazards	High	High
12	Failure to conduct research, development and application of innovation	Very High	Very High
13	Ineffective Business Continuity Management system	High	High

#### Section 5: Anti-corruption and Fraud Investigations

The Johannesburg Roads Agency (JRA) is committed to the fight against fraud and corruption which represent a significant potential risk to the JRA's assets, service delivery efficiency and reputation. Working together with the Ethics Management Forum and Group Forensic and Investigation Services consequence management to all finalised cases is implemented.

To mitigate against the occurrence or reoccurrence of corruption and fraud instances, the Entity carries out an awareness campaign through posters prompting Good and Ethical Governance that are erected throughout the JRA building and depots. On a quarterly basis a compliance report is prepared and submitted to the Remunerations and Social Ethics Committee. Concluded forensic investigations received from Group Forensic Services are administered by the JRA management.

**Section 6: Compliance with Laws and Regulations.**

**6.1. Compliance with Laws and Regulations**

In terms of percentage compliance with laws, the impact thereof and mitigating actions on non-compliance areas, in total there are fifty legislations the entity reports on annually. The primary, secondary and general regulatory provision(s). However, in second quarter, the compliance universe is us summarized as follows:

AREA	TOTAL	COMPLIANT	NON-COMPLIANT
Companies Act	6	6	0
Labour Relations & Employment Laws	11	7	4
Finance Tax	7	4	3
Environmental	3	2	1
Fraud Corruption Ethics and Compliance	5	3	2
Road and Traffic Management Act	3	2	1
ICT	1	1	0
Capital Projects Requirements	2	1	1
General – MFMA	12	11	1
Environmental	3	2	1

**6.1.1. Declaration of Interests**

All employees of the city and municipal owned entities at all levels are required to declare their interest at the beginning of each financial year. This is a mandatory legislative compliance requirement in terms of the Code of Conduct for Municipal employees as contained within schedule two of the Municipal Systems Act (MSA) 32 of 2000 and is conducted on an annual basis.

The JRA embarked on a communication drive requesting all employees to submit signed declarations of interest forms from the 1st of August 2023 given until the 31st of August 2023. As of the 13th of December 2023, 1479, Declaration of Interest Forms were received by the office of the Ops Manager: HCM with 84 outstanding declarations.

**Table 1: Summary of Declarations forms JRA employees**

JRA staff component	Total number of signed declarations forms	Total number of unsigned submitted declarations forms	Total number of employees who have declared interest
1563	1479	0	51

All Board and Independent Audit Committee members have signed the code of ethical conduct and declaration of interest forms for the 2023 /2024 financial year.

**6.1.2. Gifts and Favours**

All employees of the city and municipal owned entities at all levels are required to declare gifts

and favours during the financial year. A register of all gifts and favours is kept by the Company Secretary. This is a mandatory legislative compliance requirement in terms of the Municipal Finance Management Act 56 of 2003 and the Municipal Supply Chain Management Regulations Section 47(1), all employees are required to declare gifts, rewards and favours. Summary is as follows:

JRA staff component	Total number of signed gift and favours forms	Total number of unsigned submitted declarations forms	Total number of employees who have declared gifts and favours
1563	133	2	3

### 6.1.2. Compliance with Protection of Personal Information Act

The organization has taken deliberate steps to create consciousness in various departments around the importance of processing employee and stakeholder’s personal information within the ambit of the law. Compliance with all legislative prerequisites is central to the company thus during the quarter under review:

- POPIA training was arranged for the Infrastructure Planning and PR&SE departments. This is among various other departments which have acquired training on POPIA such as SCM and Corporate Services. The overall objective is for all departments and units in the organization to receive POPIA training as it is the first and most significant step towards complying with the legislation.
- POPIA communication is sent through the business.

### 6.1.3. Mitigation Plans

The below policies will be consulted with labour at the next policy session considering that, the 20-21 session could not consider all policies:

- Whistleblowing policy.
- Fraud and Corruption Policy and framework.
- Protection of Personal Information Policy; and
- Compliance Policy and Framework; and
- Code of Ethical Conduct and Framework

Another critical element is the finalisation of fraud and corruption and disciplinary cases in the in-tray of GFIS. Continuous engagements are being held with GFIS officials.

## Section 7: ICT Governance.

The Company operates based on an approved IT Governance Policy Framework which identifies key elements for the effective management of information and technology. This ensures that company information and ICT systems are secure, protected, tested, controlled, developed and maintained in line with the company’s objectives and response to emerging technological trends. In Q2 the following milestones were achieved:

- JDE (ERP) system availability remained at acceptable levels;
- Improved network connectivity;
- Improved incident management (service desk);
- Automation of IT asset register
- Implementation of a parking booking system
- Testing of the Disaster Recovery Plan

- Improved resolution rate of audit findings;
- Improved mitigation plans on operational and strategic risks;
- Business process automation; and,
- Implementation of Microsoft Power Business Intelligence (BI) for the Strategic Assets unit to capture their maintenance projects.

ICT function is faced with several challenges which hinder its ability to offer better support, including the following with recommendations to mitigate:

Challenge	Recommendations
1. Load Shedding	The company needs to invest in adequate backup power for the Head Office as well as all its geographically dispersed depots.
2. High level of manual business processes	Digitalization should be made a strategic objective and driven at that level
3. Aging IT Infrastructure	Investments need to be made to upgrade the current IT equipment as it has reached its lifespan
4. Outdated ERP system	Migration to SAP should be prioritized

## CHAPTER 3: SERVICE DELIVERY PERFORMANCE

### Section 1: Highlights and Achievements

The performance report has been prepared against the JRA's 2023/24 Business Plan and Scorecard. The following are the highlights of the second quarter.

- Regarding Infrastructure development; the JRA made progress on key infrastructure projects, including the following: In Q2, the JRA resurfaced approximately **43.62 lane km** against a quarterly target of 75 lane km, the total of **119.26 lane km** was surfaced year to date. gravel roads upgraded to surfaced roads **2.081km upgraded**, against the target of 3 km), the total of **2.15km** was upgraded year to date; conversion of open drains to underground storm water channels, **0.293km** was achieved against the quarterly target of 0.5km), the total of **1.427km** was converted year to date.
- During the quarter under review, a total of **43 SMMEs** were supported in Q2 against the target of 25, the total of **77** year to date; **76 EPWP** work opportunities were created against a target of 50, the total of **96** year to date.
- Regarding Infrastructure maintenance, a total of **5918** potholes were repaired during the quarter under review. In terms of other road maintenance, a total of **1748** kerb inlets (KI) were unblocked and cleared. Furthermore **40** manhole covers including KI tops were replaced and **68.86m** of guardrails were replaced. Since the reopening of Asphalt Plant in 15<sup>th</sup> of August 2023, for Q2 the plant has produced **7255.79 tons**.
- As of the 11<sup>th</sup> December 2023, 93.26% of the technical faults service requests, from 72 signalized intersections, have been resolved within 24 hours and 97.75% has been resolved within 48 hours. It has been noted that over 85% of such service requests has already been reported by JRA's remote monitoring systems (RMS), making it quicker for the maintenance teams to respond.
- 85.71% of pole-over service requests have been resolved in less than 14 days of each report, in Q2, whereas 90.48% performance has been realized in 14 days YTD.
- As of 13 November 2023, 120 signalized intersections have been connected through this initiative. The highest uptake on this initiative has been from Sandton of which 85% of Sandton CBD through Sandton Central Management District (SCMD) is now connected to 3<sup>rd</sup> party power.
- The JRA revised and designed new traffic signal timings at 95 intersections during Q2 to improve mobility and reduce congestion against a target of 60. Year to date, 157 new and revised traffic signal designs have been completed against a target of 100.
- In Quarter 2, 6 petitions were received for which all investigation reports were completed.
- The company undertook 126 road safety investigations against a target of 75 during Q2. Year-to-date, 206 safety investigations have been completed against a half yearly target of 150.
- The company evaluated 87 traffic impact assessments against a target of 90 during Q2. Year to date 166 evaluations have been completed against a half yearly target of 160.

### Section 2: Service Delivery Challenges.

In Q2 the JRA experienced some challenges;

Challenges	Mitigations
1. The inadequate budget allocated for resurfacing city-wide programme has led to underachievement of the set targets. The approved budget was reduced by R100 million when compared to the anticipated requested budget for the entire resurfacing programme including M1, M2 and Soweto Highway.	Additional budget was requested during mid-term budget adjustment for the city-wide resurfacing programme. The annual target for the programme will be achieved by 30 June 2024.
2. Load-shedding continues to affect mobility systems optimization. In addition to load-shedding impact, about 25% of reported faulty signalized sites were affected by electrical power related challenges. City Power and ESKOM remain the primary power suppliers and JRA continues to liaise with them to restore power at signalized sites of concern.	To reduce the impact of loadshedding and power outages, the Department is continuing with the installation of back-up power from 3rd parties.

### Section 3: Response to Strategic Direction

#### I. Roads Resurfacing Programme.

The JRA manages over 12 000 km of road network. Due to the largely poor to very poor state of the roads they require rehabilitation or reconstruction. The JRA has adopted road resurfacing as a short to medium term strategy to prevent complete failure of the road network. In Q2, the JRA resurfaced approximately 43.62 lane km against a quarterly cumulative target of 75 lane km, the total of 119.26 lane km was surfaced year-to-date. The roads have been resurfaced largely City Wide are in wards that include Wards 102 and 113 (Region A), Ward 86 (Region B), and Ward 61 (Region F).

#### II. Gravel Road Upgrade Programme

The JRA also upgrades gravel roads into surfaced roads mostly in marginalized areas across Johannesburg. In Q2, the JRA upgraded a total of 2.081km to surfaced standard roads in Klipfonteinview View (1.68km) and Doornkop/ Thulani (0.4km). A total of 2.15km has been upgraded year-to-date. The work is in progress in Braamfischerville, Ivory Park (2 projects), Diepsloot (2 projects) and Mayibuye.

#### III. Bridges Management Programme

There are currently 68 bridges that require urgent rehabilitation and or reconstruction across the City of which fourteen were elevated as high priority. In Quarter 2, 2023/24 FY the bid specification document was resubmitted to Supply Chain for appointment of a new panel of bridges contractors, following the non-responsive panel cancellation. Construction work is undertaken on the following bridges, Buccleuch bridge (High Level) in Region E, ward 32, Kilburn Bridged in Region C, ward 84, Canterbury in Region E ward 10 and Maphumulo Street Culvert in Region D, ward 46. Designs are underway for Moroka Nancefield and Ndaba Bridges.

#### IV. Open Drains Conversions

The JRA embarked on a programme of converting open storm water channel systems into underground pipe and or culvert systems. During the 2023/24 financial year the focus is on Braamfischerville, Orange Farm, and Ivory Park. In this quarter, work was implemented in Orange Farm and Ivory Park. The contractor was appointed for Braamfischerville during the quarter. The total of 1.427km of open drains have been converted to date in Orange Farm (0.517km) and Ivory Park (0.906km) against a target of 0.5km.

## **V. Infrastructure Planning Management.**

In relation to infrastructure planning, the JRA focuses on periodic assessments of roads and related infrastructure, research and development, development control, roads and stormwater planning including road asset management systems. Through these regular assessments, the JRA develops medium to long-term strategic technical infrastructure plans. The JRA also develops road and stormwater masterplans that guide future improvements within The City.

### **1. Roads and Stormwater Master planning**

For the 2023/24 financial year, the JRA prioritized eight sub-catchments for stormwater master planning studies which will culminate in a stormwater masterplan report, priority list and drawing for these areas. These sub-catchments are Cosmo City (Service Provider Appointed); Lenasia and Extensions (Service Provider Appointed); Greater Lombardy East, West Area, and Rembrandt Park (Service Provider Appointed); Greater Bezuidenhout Valley Area (Service Provider Appointed); Zakariyya Park & Ennerdale; Localized SMP for Dennis Road in Athol (litigation ongoing); Localized detailed SMP for Orlando West Flooding Intervention and Alleviation; and Norwood Hydropedology (litigation ongoing). The appointment of the service providers is budget dependent. Thus, the next round of appointments will only commence once the current appointment values have been confirmed and agreed.

### **Roads Master-planning**

Due to rapid development in what used to be agricultural developments in North Riding Corridor, our Development Control Unit has requested that a Roads masterplan be developed for the area. A service provider was appointed, and work has commenced. This project will run over two financial years due to budget constraints.

### **2. Dams**

In the City there are seven registered dams, dams with a specific risk as defined in the National Water Act. These dams are Category II dams, earth dam walls not exceeding 18m in height, with a crest that exceeds 100m in length, a capacity of not exceeding 50 000m<sup>3</sup> in the water body, and that has a severe impact on communities directly downstream of the actual dam wall structure in the event of a breach in the dam wall.

To date IP has completed 13 dam detail designs in the City since 2019. Due to budget constraints on other projects, it was decided that the implementation budget for dams be relocated to these projects. Thus, no implementation of dams' projects will commence in the current financial year.

- Hamberg Dam, a registered dam, to be rehabilitated. The dam wall shows serious evidence of a possible breach as there is a leak at the toe of the dam wall, and the wall shows evidence serious structural decay. After the rains of December 2022, severe damage was caused on the outlet structure which needs a total new design, with this work almost completed this dam will hopefully be handed over to ID towards the middle of the third quarter as challenges were experienced with a SASOL gas pipeline that crosses the valley just below the dam wall having an impact on the overflow structure.
- Lappies Dam (a directive from GDARD was received on the 15<sup>th</sup> of September 2023) Currently IP is finalizing the dam design and as per a further directive from GDARDE, Section 28L Directive the JRA has been forced to implement temporary measure to

stabilize the breach until permanent solution can be implemented. Currently a specialist contractor is on site to implement the temporary measures.

- Lenasia Dams (To alleviate the flooding of Mosquito Valley) - Detail Designs was completed, awaiting JRA approval as well as Environmental Authorization and Water-Use-License.
- Sonneglans - Dam Detail Designs was completed, awaiting JRA approval as well as Environmental Authorization and Water-Use-License.
- Florida Lake – The dam experienced some degradation after the 2023 floods and some minor remedial actions were implemented to secure the dam wall from any further damages. Unfortunately, due to it not been visible a large section of the wall caved in, and urgent work is now required to secure the overflow structure.

The condition of most of the dams, registered or unregistered, in the City is in a poor to very poor state.

### **3. Rehabilitation of Aged and Incapacitated Stormwater**

With the rapid densification and the age of the stormwater infrastructure in The City, the demand has grown to review most of the stormwater systems, local and bulk, either to establish if they meet the demand in capacity or the condition of the older stormwater infrastructure. In the 2023/24 financial year, the areas of focus are:

- Denver open stormwater channel through the informal settlement (Service Provider Appointed) Inception Complete, work stopped due contract extension finalization.
- Aged Stormwater culvert within Roedean School Parktown (Service Provider Appointed) Inception Report Completed, 5% complete awaiting approval. Project to be suspended due to budgetary constraints.
- Turffontein West, collapsed stormwater channel (Service Provider Appointed), Feasibility stage in progress.
- Orange Grove collapsed stormwater culvert (litigation ongoing) (Service Provider Appointed). Designs submitted to Complainant and her legal team as per court order. Comments still awaited.

### **4. Major Roads Projects**

IP is currently busy with planning of the following projects, they are:

- Fleurhof, Spencer Rd Extension – Main Reef Rd to Soweto Motorway: Detail Designs 98% completed, finalizing land acquisition.
- Midrand, Richard Drive detail designs completed, finalizing land acquisition.
- Ennerdale, James St Extension detail designs completed, finalizing land acquisition as well as an anomaly between the design alignment and the Environmental Authorization alignment.
- Ormonde View Link Rd Preliminary Design 85% completed,
- Roads affected by illegal mining:
  - Wemmer Pan Rd – Design completed, no funding to implement.

- Selby, Webber Rd corner John St – Detail Design Report 70% complete, no funding to implement.
- Mathollesville, Nic Toomy Boulevard – Design completed, no funding to implement.

A report was drafted and submitted to EMT to request additional budget from The City for the implementation of these projects as it does have a negative impact on the economic growth of the Southern parts of Johannesburg. Affected businesses has already indicated that if matter is not addressed timeously, they will follow litigation processes to force The City to implement these projects as well as to recuperate losses incurred due to the lack of The City to address these issues.

Johannesburg CBD, Lillian Ngoyi St – Detailed Design Report submitted, it was approved conditionally. Contractor was appointed in early December 2023 and should be in the process of commencing with site establishment.

## **VI. Mobility and Freight**

During the 2<sup>nd</sup> quarter (Q2) of 2023/24 financial year, the following key service delivery highlights and milestones were achieved.

- As of the 11<sup>th</sup> December 2023, 93.26% of the technical faults service requests, from 72 signalized intersections, have been resolved within 24 hours and 97.75% has been resolved within 48 hours. It is worth noting that Q2 performance contributes to 88.34% of YTD technical faults which were resolved within 24 hours, whereas 93.87% was resolved within 48 hours. It has been noted that over 85% of such service requests has already been reported by JRA's remote monitoring systems (RMS), making it quicker for the maintenance teams to respond.
- Load-shedding continues to affect mobility systems optimization. In addition to load-shedding impact, about 25% of reported faulty signalized sites were affected by electrical power related challenges. City Power and ESKOM remain the primary power suppliers and JRA continues to liaise with them to restore power at signalized sites of concern.
- To reduce the impact of loadshedding and power outages, the Department is continuing with the installation of backup power from 3<sup>rd</sup> parties.
- As of 13 November 2023, 120 signalized intersections have been connected through this initiative. The highest uptake on this initiative has been from Sandton of which 85% of Sandton CBD through Sandton Central Management District (SCMD) is now connected to the 3<sup>rd</sup> party power.
- There have been several requests received in the inner City with FNB adopting 10 intersections and Standard bank adopting 6. The JRA also received a request from Makro in Fordsburg.
- The unavailability of critical spares and tools still impacts on performance. The SCM processes for controller spares and other construction related materials are yet to be concluded.
- 85.71% of pole-over service requests have been resolved in less than 14 days of each

report, in Q2, whereas 90.48% performance has been realized in 14 days YTD.

- Theft and vandalism of signals infrastructure remain a serious challenge. 290 reports have been captured, on partial to complete destruction of the infrastructure.
- The JRA revised and designed new traffic signal timings at 95 intersections during Q2 to improve mobility and reduce congestion against a target of 60. Year to date, 157 new and revised traffic signal designs have been completed against a target of 100.
- In Quarter 2, 6 petitions were received for which 100% investigation reports were completed.
- The company undertook 126 road safety investigations against a target of 75 during Q2. Year to date, 206 safety investigations have been completed against a half yearly target of 150.
- The company evaluated 87 traffic impact assessments against a target of 90 during Q2. Year to date 166 evaluations have been completed against a half yearly target of 160.
- The tender for installation of WIMS which will finally assist in collecting Freight Data closed month end November 2023, the BEC will finalise on the panel. Furthermore, the development of JRA Smart Traffic system is at advanced stage.

## **VII. Infrastructure Maintenance**

The JRA, through its maintenance department, is responsible for both proactive and reactive maintenance of the road network within the City of Johannesburg. The activities include inter alia, different methodologies of routine maintenance, **5918** potholes were repaired during the quarter under review. In terms of other road maintenance, a total of **1748** kerb inlets (KI) were unblocked and cleared. Furthermore **40** manhole covers including KI tops were replaced and **68.86m** of guardrails were replaced. Since the reopening of Asphalt Plant in 15<sup>th</sup> of August 2023, for Q2 the plant has produced **7255.79 tons**.

## **VIII. Support to SMMEs and EPWP**

### **1. SMMEs Supported**

The JRA has a programme to support SMMEs and to create Expanded Public Works Programmes. In relation to SMME support, in Q2 the JRA supported 43 SMMEs against a target of 50.

### **2. EPWP Jobs Created**

In relation to EPWP opportunities created, in Q2, 76 EPWP jobs were created against the target of 50. The advanced progress achieved in the gravel roads upgrade programme resulted in higher number of EPWP job opportunities created than targeted.

## **IX Public Relation and Stakeholder Engagements (PR & SE)**

During the quarter under review, Regional stakeholder engagements were held in various constituencies to ensure better-informed communities of road users. JRA branding was set up at identified strategic positions for brand visibility and maximum exposure.



The Regional Operations Managers (ROMs) continue to process queries and complaints that are escalated to their offices via various regional stakeholders such as councillors, resident's associations and some of the member of the public when the operational department is unable to deliver services at the expected period. Most queries came through the WhatsApp Messenger service, phone calls and emails. The following activities were rolled out in the different Regions: Visible Service Delivery meetings; Walk-about Councillor's Forums; Oversight visits; Mayoral Golden Connection Tours; Regional Joint Operations meetings; Festive season safety campaigns; and Attending ASD meetings.

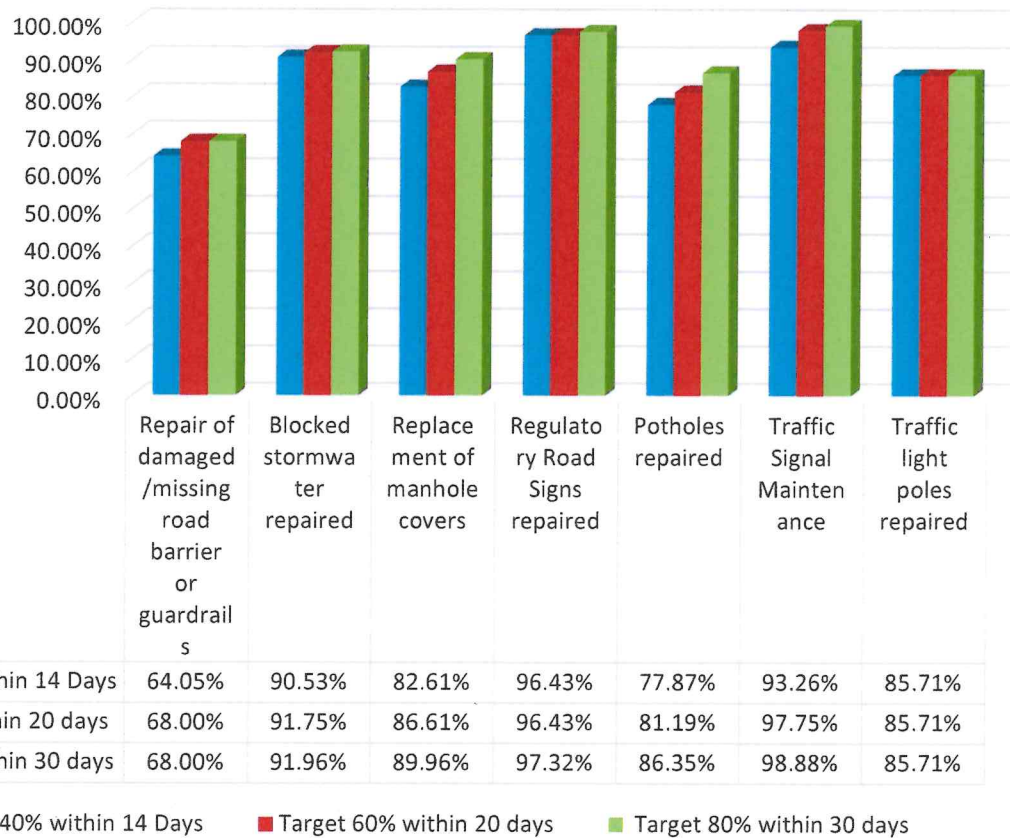
Key challenges that were identified include: Potholes that cannot be fixed due to a lack of availability of Tools, equipment, and minor plant; Illegal dumping and littering; Trucks and Taxis occupying the road reserves; Unkept stormwater drainage systems; Motorists disobeying rules of the road; Collapsing roads infrastructure; Bad state of roads in Informal Settlements; Numerous requests for Speed humps and other Traffic Calming measures; Blocked Kis and Sinkholes. Proactive Traffic Advisory reports are done twice a day to all media partners (10h00 and 15h00)

**Section 4: Performance Against Service Standards.**

The JRA achieved 20 (95.23%) against 21 targets. For details please see Annexure E.

Table 3.2: JRA Service Standards Performance Graph.

### Q2 Service Standard Performance



### Section 5: Performance Against Pre-Determined Objectives

For 2023/24, the JRA has 32 KPI's (3 Institutional KPIs; 9 Entity Scorecard KPIs; 9 Circular 88 as illustrated below. 48.38% were achieved and 51.61% were not achieved. One was not due.

JRA Programmes	Number of KPIs	Q2 Achieved	Q2 Not Achieved	Not Due	%age
Institutional SDBIP KPIs	3	1	2	0	33.33%
Entity Scorecards KPIs	9	4	5	0	44.44%
Gatekeeper KPIs	11	5	6	0	45.45%
Circular 88 Indicators	9	5	3	1	62.50%
<b>Total</b>	<b>32</b>	<b>15</b>	<b>16</b>	<b>1</b>	<b>48.38%</b>

**Table 5.1 Performance On Institutional SDBIP Indicators**

KPI No.	KPI	2023/24 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Achieved / Not Achieved	Reasons for non-achievement / exceeding target	Action plan to improve performance	Mid-Year Performance (YTD)
1	Number of lane kilometres of roads resurfaced.	145L/km	45L/km	75.64 Lane km	120Lkm	94.20 Lane km	Not Achieved	The work was put on hold due to budget constraints.	Additional budget was requested during mid-term budget adjustment.	94.20Lkm
2	Number of kilometres of gravel roads upgraded to surfaced roads	13km	0	0.073 km	3km	2.15km	Not Achieved	Due to the late commencement of Diepsloot, Ivory Park projects and Mayibuye projects, the target was not achieved.	The work is accelerating on sites and improved performance is anticipated to be reported during quarter 3.	2.15km
3	Number of kilometres of storm water drains converted to underground systems	2km	0.5km	1.134km	1km	1.43km	Achieved	Overall programme progressed faster than anticipated. Progress was achieved for Ivory Park project as construction work commenced late in June 2023.	Not Applicable	1.43km

**Table 5.2 Performance On Entity Scorecard Indicators**

KPI No.	KPI	2023/24 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Achieved / Not Achieved	Reasons for non-achievement / exceeding target	Action plan to improve performance	Mid-Year Performance (YTD)
4	Km of surface roads rehabilitated and reconstructed	6km	0	0km	2km	0km	Not Achieved	The budget was reduced and transferred to Lilian Ngoyi reconstruction project (new unfunded year). The projects are at design stages with the rehabilitation of Lilian Ngoyi, London Road, and Central African Street Cosmos City.	New contractors panel appointed. Improved performance is anticipated to be reported during quarter 3.	0km
5	Number of bridges (Pedestrian & Vehicular) being reconstructed (replacement) and or rehabilitated	10	1	4	2	7	Achieved	The following bridges were at design stages: Moroka, Nancefield Road Bridge and Ndaba Bridge	N/A	7
6	Number of SMMEs supported	90	25	34	50	77	Achieved	The target was exceeded due to projects progress that have accelerated, resulting in SMME subcontractors appointed earlier than anticipated.	N/A	77

KPI No.	KPI	2023/24 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Achieved / Not Achieved	Reasons for non-achievement / exceeding target	Action plan to improve performance	Mid-Year Performance (YTD)
7	Percentage of budget expenditure on upgrading signalized traffic intersection	95%	10%	20.06%	30%	55.32%	Achieved	Due to contracts being in place, expenditure was expedited as the works accelerated	N/A	55.32%
8	Number of EPWP jobs created	150	40	20	90	96	Achieved	The progress achieved in the gravel roads upgrade programmes resulted in higher number of EPWP job opportunities created	N/A	96
9	Percentage budget expenditure on implementation of the stormwater master planning projects	95%	10%	0%	30%	0%	Not Achieved	The underperformance on this KPI is attributed to the delays due to Joburg water pipes in construction vicinity	Engagements with Joburg Water are continuous as the challenge must be resolved prior to construction. It is anticipated that construction start date is January 2024.	0%
10	% of budget expenditure on M1 Motorway Renewal and Rehabilitation	95%	10%	0%	30%	0%	Not Achieved	The underperformance on this KPI is attributed to the delays in designs.	The performance of our service providers is being reviewed and necessary action is taken as reports are submitted to CMU monthly. Consultants are also closely monitored to ensure timeous submission of designs, should performance not improve termination will be anticipated.	0%
11	% of Budget expenditure on M2 Motorway Renewal and Rehabilitation	95%	10%	0%	30%	0%	Not Achieved	The underperformance on this KPI is attributed to the delays in designs.	The performance of service providers is being reviewed. Necessary action is taken and reports submitted to CMU monthly. Consultants are closely monitored to ensure timeous submission of designs, should performance not improve termination will be anticipated.	0%

KPI No.	KPI	2023/24 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Achieved / Not Achieved	Reasons for non-achievement / exceeding target	Action plan to improve performance	Mid-Year Performance (YTD)
12	% of Budget expenditure on M70 (Soweto Highway) Motorway Renewal and Rehabilitation	95%	10%	0%	30%	3.03%	Not Achieved	The milling machine is a challenge which resulted in the target not to be achieved.	A new contractor will be appointed from the panel.	3.03%

**Table 5.3 Gatekeeper Key Performance Indicators**

KPI No.	KPI	2023/24 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Achieved / Not Achieved	Reasons for non-achievement / exceeding target	Action plan to improve performance	Mid-Year Performance (YTD)
13	Percentage spent on operating budget against approved operating budget	95%	25%	21%	50%	46.59%	Not Achieved	Limited cashflow to process payments	Given the current cashflow challenge and new treatment of developer contribution, withdrawals are done from the Developers bank account to try and bridge the gap on the cashflow challenge.	46.59%
14	Percentage spent on capital budget against approved capital budget	90%	22.5%	21%	45%	46%	Achieved	A few projects progressed faster than anticipated, improving expenditure	N/A	46%
15	Percentage of spent on repairs and maintenance to property, plant, and equipment.	8%	0%	2%	4%	3.55%	Not Achieved	JRA repairs and maintenance is done on assets owned by the City. The Property, Plant and Equipment and Investment Property (Carrying Value) is not in JRA books but the City's.	Deviation request submitted to the Shareholder for approval	3.55%
16	Percentage reduction in unauthorized, irregular, fruitless and wasteful (UJFW) expenditure incurred	50%	40%	0%	30%	0%	Not Achieved	The closing balance of UJFW for Q4 (22/23) was R 417,706,728 for irregular expenditure plus R 66,632,277 of fruitless expenditure, which remained unchanged for Q2 (23/24).	UJFW matters have been referred for investigation in line with recommended process.	0%
17	Percentage of valid invoices paid within 30 days of invoice date	100%	100%	94.47%	100%	93.33%	Not Achieved	The limited cash flow, remains a challenge in attaining the 100% target.	Given the current cashflow challenge and new treatment of developer contribution,	93.33%

KPI No.	KPI	2023/24 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Achieved / Not Achieved	Reasons for non-achievement / exceeding target	Action plan to improve performance	Mid-Year Performance (YTD)
18	Percentage resolution of Internal Audit findings	Percentage resolution of Internal Audit findings	10%	47%	30%	47%	Achieved	Due to continuous engagement between management and Internal Audit, the tracking and reporting, management fast tracked the resolution of findings.	Not Applicable	47%
19	Percentage resolution of AG findings	Percentage resolution of AG Findings <sup>1</sup>	10%	20%	30%	20%	Not Achieved	Action plans for certain findings pending finalisation. Some action plans reliant on unavailable budget and pending SCM processes.	Finalisation of pending investigations, quarterly review of leave provision, finalisation of the procurement process for panel of Internal Audit service providers and the finalisation of the organisational review,	20%
20	Audit Outcome	Unqualified without material finding	Not Due	Not Due	Unqualified	Unqualified	Achieved	The Audit outcome for 2022/23 is unqualified with findings	Not Applicable	Unqualified with Findings
21	Percentage implementation of the strategic risk management action plan findings resolved <sup>2</sup>	80%	20%	21%	40%	43%	Achieved	10 were due in quarter 2, and all were achieved, except for 1 activity. Cumulatively, we are sitting at 43% achievement rate. Activity relating to the training for risk management personnel on BCM was not achieved	Engagements with HCD regarding this training have been conducted.	43%
22	Percentage achievement of service standards	75%	75%	100%	75%	95.23%	Achieved	Not Applicable	Not Applicable	95.23%
23	Percentage of predetermined objective achieved	75%	80%	62.06%	80%	48.38%	Not Achieved	There was underperformance on the SDBIP, Entity and gatekeeping KPIs for several reasons identified in this table.	Various mitigation actions have been identified and will be closely monitored to improve organisational performance	48.38%

<sup>1</sup> In 2021/22 the AG raised 26 Audit Findings

<sup>2</sup> KPI to be submitted for technical adjustment at mid-year to eliminate risk of audit finding.

**Table 5.4 Performance On Circular 88 Indicators**

KPI No.	KPI	2023/24 Annual Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Achieved / Not Achieved	Reasons for non-achievement and or exceeding target	Action plan to improve performance	Mid-Year Performance (YTD)
24	Percentage of unsurfaced roads graded	(720km/1440km) 50%	12.5% (180km)	24,11% 173.622 km)	12.5%	(431660/3500 = 123.331 km)/720 = 17,12%	Achieved	The programme progressed faster than anticipated.	Not Applicable	17,12%
25	Percentage of municipal road lanes which has been resurfaced and resealed	4% (*122/4000 km)	0.6%	75.64/4000 =1.89%	1.4%	84.75/4000 =2.12%	Achieved	The overall programme progressed faster than anticipated. The work was implemented City Wide by internal teams (RSD) and external contractors appointed from the panel of contractor in all seven regions of the City	N/A	2.12%
26	KMs of new municipal road lanes built	20km	4km	0.146km	10km	4.16 km	Not Achieved	The underperformance on this KPI is attributed to the delays in Supply Chain processes and design in progress during quarter 1.	Constant engagement with Supply is underway. Consultants are closely monitored to ensure timely submission of designs.	4.16km
27	Percentage of reported potholes complaints resolved within standard municipal response time	80% within 30 days per service charter	80%	Total repaired within 30 days: 10550.50 (87.59%)	80%	Total repaired within 30 days: 7210 (83.67%)	Achieved	The MMC's programs have assisted Regions in combining resources for accelerated service delivery.	Not Applicable	83.67%
28	Staff vacancy rate	10%	5%	12.5%	N/A	11.7%	Not Achieved	The recruitment process takes longer than expected due to the current manual processes as well as delays in procuring background and psychometric assessments service providers	Line Managers are contacted regularly to fast track the recruitment process	11.7%
29	Percentage of vacant posts filled within 3 months	1%	0.5%	0,6%	0%	1.4%	Not Due	Despite targeting 0, HCM worked overtime to clear the backlog of manual responses received for various positions enabling the JRA to exceed the 0% target	Not Applicable	1.4%
30	Number of active suspensions longer	≤ 28	13	7	10	13	Not Achieved	The presiding and presenting officers were committed elsewhere	A report has been prepared to train	13

KPI No.	KPI	2023/24 Annual Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Achieved / Not Achieved	Reasons for non-achievement and or exceeding target	Action plan to improve performance	Mid-Year Performance (YTD)
	than three months							with other cases impacting the resolution rate.	managers and assistant managers to create an internal pool of presiding and presenting officers	
31	Quarterly salary bill of suspended officials	≤ R12 000 00	R 3 000 000	R1,113,958.99	R 3 000 000	R813, 056. 16	Achieved	One matter of a Senior Manager was resolved.	Not Applicable	R813, 056. 16
32	Number of repeat audit findings <sup>3</sup>	2	7	4	5	3	Achieved	Due to continuous engagement between management and Internal Audit, the tracking and reporting, management fast tracked the resolution of findings.	Not Applicable	3

<sup>3</sup> In 2021/22 Audit the AG raised 10 repeat findings. (i. Commitments; ii. Differences in Related Figures and Schedules; iii. Related Party Disclosure; iv. Irregular Expenditure not Prevented as Required by MFMA; v. High Vacancy Rates; vi. Financial Instruments Disclosure; vii. Policies not reviewed / outdated; viii. Validity and Completeness of Indicator; ix. Cashflow Statement; x. Leave pay charge and performance bonus.

## CHAPTER 4: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

### Section 1: Employee Remuneration Highlights and Achievements

Table 4.1: Total employee costs

Category	Amount (R)
Executive Management	R 9,947,939.91
Senior Management	R 16,386,407.89
Professionally qualified and experienced specialists and mid-management	R 60,515,405.90
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	R 60,819,636.30
Semi-skilled and discretionary decision making	R 36,448,567.07
Unskilled and defined decision making	R 72,123,186.05
<b>Total</b>	<b>R 256,241,143.12</b>

Table 4.2 Staff cost as a percentage of adjusted operating budget.

R	Quarter 2
Total Salary Cost	R 464,242,000
Operating Budget 2023/24	R1,475,063,000
% of Salary to Operating Budget	31%

Please note that included in the salary cost are the cleaning and security staff, that are paid by COJ and charged to JRA.

### Section 2: Key Vacancies

Table 4.3: Progress in relation to the filling of key vacant posts

Vacant Post	Progress
Chief Executive Officer	On hold awaiting direction from the city
Chief Financial Officer	Position filled effective from 01 November 2023

### Vacancy Rate

This section provides information about rate of vacancies against the total population of funded posts within the approved organisational structure. The company has **2523** authorised positions on the approved structure of which **1898** positions are funded and **625** are unfunded. Of the **1898** funded positions, **1563** (82.61%) are filled as of 12 December 2023. There are currently **66** active funded vacancies in the process of being filled.

Of the 625 positions, 229 positions were previously authorised to be processed, budgeted for, but somehow lost funding as the years progressed due to non-filling of vacancies because several reasons including a moratorium on recruitment, rebasing of operational budget, or lack of provision for funding. The status thereof is recognised as the unfunded positions. Further positions that were never filled since the approval of the structure lost their status within the approved structure and have not been considered to form part of the vacancies to be filled soon.

Table 4.4: Vacancy ratio

Grade / Level	Authorised Complement	Number of funded Vacancies	
		Q2	% Vacancies
Executive Management + HODs	9	2	22.22%
Senior Management	36	4	11.11%
Professionally qualified and experienced specialists and mid-management	100	5	5%
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	218	14	6.4%
Semi-skilled and discretionary decision making	944	40	4.2%
Unskilled and defined decision making	1216	1	0.08%
<b>Total</b>	<b>2523</b>	<b>66</b>	<b>2.6%</b>

**Staff Turn-Over**

The total percentage of staff turnover versus the authorized staff numbers for the 2<sup>nd</sup> quarter is 0.38%) as illustrated in the table below:

Table 4.5: Staff Turnover

Turnover (Reason)	Staff Leaving JRA	
	Q1	Total
Resignation	6	6
Death	0	0
Dismissal	0	0
Medical Boarding	1	1
Retirement	2	7
Contract Termination	0	0
<b>Total</b>	<b>9</b>	<b>9</b>

**Staff Movement**

The below table provides an illustration of the staff movement recorded during this reporting period. Of interest to note is that the staff movement numbers are concentrated around African male employees.

Table 4.6: Staff Movement

Staff Movements	African		Coloured		Indian		Whites	
	Male	Female	Male	Female	Male	Female	Male	Female
Appointments	7	5				-	-	-
Recruitments	-	-	-	-	-	-	-	-
Resignations	2	3	-	-	-	-	-	-
Death	-	-	-	-	-	-	-	-
Dismissals	0	-	-	-	-	-	-	-

Staff Movements	African		Coloured		Indian		Whites	
	Male	Female	Male	Female	Male	Female	Male	Female
Retirements	3	-	-	-	-	-	1	-
Medical Boarding	1	-	-	-	-	-	-	-

### Section 3: Employment Equity

The Men's Forum launch preparation meeting was held during the reporting period, and the LGBTQI A+ communication strategy and Lactation room were developed. During the Month of November and December 2023, the JRA partnered with the City of Johannesburg (Transportation) to raise awareness on Gender Based Violence (GBV) and HIV and Aids awareness campaign. The Women's Desk's and the Employment Equity Committees were not scheduled during the period under review, and they are set to be prioritised during the third quarter.

#### Upcoming Events

On the 1 December 2023, the JRA commemorated the International Day of Persons with Disability by raising awareness through circulation of the Disability handbook and poster on International Day of Persons living with disabilities.

Number of JRA Employees as of December 2023

OCCUPATIONAL LEVEL (High Level)	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top Management	4			1	1				6
Senior Management	16		1	3	7			2	29
Professional Qualified	108	5	4	12	80	4	3	4	220
Skilled Technical	305	4	1	7	186	5		8	518
Semi-Skilled	520	3	3	6	260	2	1	3	796
Unskilled									
Temporary									
TOTAL	953	12	9	29	534	11	4	17	1569

Description	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Province population	45.30%	1.30%	1.90%	7.40%	35.70%	1.30%	1.00%	6.10%	
Current no employees	953	12	9	29	534	11	4	17	1569
Required no of employees to EAP	745	21	31	121	587	21	16	100	
Gap	-208	9	22	92	53	10	12	83	
Current %	62.40%	0.70%	0.40%	2%	32.50%	0.60%	0.10%	1.20%	100%
Gap %	-17%	0.6%	1.5%	5.4%	3.2%	0.7%	0.9%	4.9%	
Representation status	over	under	under	under	under	under	under	under	

#### Disability Statistics

The Employment Equity Act defines disability as "people who have a long-term or recurring physical

or mental impairment which substantially limits their prospects of entry into, or advancement in, employment.” The focus is on the effect of a disability on the person in relation to the working environment and not on the diagnosis or the impairment. The organization should strive to achieve 2% representation of persons with disabilities across all levels.

**Disability Ration**

Actual PWD	27
JRA Staff Compliment	1569
JRA Disability Target	31
DOL Disability Target	2%
Actual PWD %	1.72%
Disability Gap	0.28%

**Section 4: Skills Development and Training**

Table 4.8: Status of skills development at JRA

Strategic Skills	Education and Training Priority	Internal Training Provider	External Training provider	Total Number of Training
Improve Efficiency Improve Efficiency	Interns	-	-	-
	Degrees/Diplomas/Certificates (Employees)	-	-	-
	MFMP	-	-	-
	MFMA Senior Managers	-	-	-
	Electrical Training Apprenticeship	-	-4	4
	Performance Management Moderation Training	26	-	26
	Barricade Training	-	49	49
	First Aid 1 & 2	-	100	100
	Administration	-	60	60
	Health and Safety	-	60	60
	Six Sigma	-	6	6
<b>Total</b>				<b>305</b>

**Section 5: Performance Management**

The Performance Management unit conducted training on the process of performance management moderation during the month of July 2023 for union representatives and employees on salary levels 1 to 3, this was to ensure that they are prepared for the performance management moderation sessions that will take place during the second quarter. Employees who are on salary levels submitted their annual performance scoresheets (2022/2023) and Performance Agreements as well as Balanced Scorecards for (2023/2024). About 95% of employees submitted their documents.

**Section 6: Disciplinary Matters and Outcomes**

**Disciplinary Cases conducted and finalized.**

There are currently twenty-two (22) recorded cases of employees that are currently conducted. The table below reflects the circumstances and duration of each of these cases.

Table 4.9: Disciplinary cases conducted and finalised.

<b>DISCIPLINARY CASES CURRENTLY CONDUCTED</b>		
<b>Nature of Case</b>	<b>No. of employees</b>	<b>Outcome/Status</b>
Absenteeism	3	1 Hearing in progress, matter sat; 1 Chairperson to hand down sanction during the month of November 2023; 1 New case registered
Dereliction of duties	1	Appointed the Chairperson and Presiding Officer, hearing to resume during the month of November 2023
Attempted theft	4	There was an issue of jurisdiction, which the City clarified, JRA is in the process of appointing Chairperson and the Presiding Officer to resume with the hearings.
Misuse of JRA vehicle; bringing name of JRA into disrepute	2	1 Employee transferred to Motorways Depot; 1 Case scheduled for the month of November 2023
Theft	3	1 Hearing finalised awaiting sanction; 2 Hearing scheduled for the month of November 2023
Insolent behaviour	1	Chairperson recused himself for this case end of September 2023 due to him being appointed to act at the Executive level, ER is currently in a process of appointing a new Chairperson
Misconduct	8	4 New cases registered; 2 Attorney firms appointed: investigations underway; 2 Cases ongoing

Table 4.10 Suspensions at the JRA

SUSPENSIONS						
Level	Date Suspensions	Category of Violations	Details of Disciplinary Action taken or status of case	Legal fees incurred	Basic Salary Paid	Acting Allowance paid
Level 4	2022.10.03	Gross Dereliction of duties	Hearing to proceed in the 3 <sup>rd</sup> quarter of the FY	No legal fees. Internal process – Chaired by CoJ employee	R 82,448.45	N/A
Level 8	2022.09.29	Misuse of Company car. Bringing the name of JRA into dispute.	Union requested time to submit the mitigation	No legal fees. Internal process – Chaired by JRA employee	R 37,706.94	N/A
Level 9	2022.06.01	Alleged theft	Union requested time to submit the mitigation	No legal fees. Internal process – Chaired by JRA employee	R 14,420.01	N/A
Level 3	28.11.2022	Alleged dishonesty by misleading the Board	Matter was finalised on the 28th September 2023, the JRA is taking the matter on review to the Labour Court in 2024	R 385,277.39	R 116,213.18	R 8,944.51
Level 3	2023.01.26	Alleged dishonesty by soliciting bribes from appointed contractors	Waiting for the Investigation report from GFIS in the 3 <sup>rd</sup> quarter of the FY	No legal fees incurred yet.	R 118,115.27	N/A
Level 9	24.04.2023	Alleged theft of laptops	Hearing to resume in January 2024.	No legal fees incurred yet.	R 9,043.22	N/A
Level 9	24.04.2023	Alleged theft of laptops	Hearing to resume in January 2024.	No legal fees incurred yet.	R 9,043.22	N/A
Level 4	21.09.2023	Alleged misconduct	Under investigation	No legal fees incurred yet.	R 74,317.05	R 10,683.70
Level 2	13.10.2023	Alleged misconduct	Under investigation	No legal fees incurred yet.	R 158,117.31	N/A
Level 4	19.10.2023	Alleged misconduct	Hearing to proceed in the 3 <sup>rd</sup> quarter	No legal fees incurred yet.	R 67,171.07	N/A

SUSPENSIONS						
Level	Date Suspensions	Category of Violations	Details of Disciplinary Action taken or status of case	Legal fees incurred	Basic Salary Paid	Acting Allowance paid
Level 4	23.10.2023	Alleged misconduct	Hearing to proceed in the 3 <sup>rd</sup> quarter	No legal fees incurred yet.	R 72,448.45	N/A
Level 9	28.11.2023	Physical Assault	Hearing to proceed in the 3 <sup>rd</sup> quarter	No legal fees incurred yet.	R 24, 713.78	N/A
Level 6	05.12.2023	Alleged misconduct	Hearing to proceed in the 3 <sup>rd</sup> quarter	No legal fees incurred yet.	R29, 298.21	N/A
<b>Total</b>					<b>R 813, 056.16</b>	<b>R 19,628.21</b>

### Conciliations, Arbitrations, and Grievances

The following disciplinary cases were conducted, and some finalized in 2nd Quarter.

Table 4.11: Conciliations, Arbitrations, and Grievances are currently being conducted:

CONCILIATIONS, ARBITRATIONS AND LABOUR COURT MATTERS			
DESIGNATION	NATURE OF DISPUTE	PROCESS	STATUS
Audit Executive	Unfair dismissal	Arbitration	24.08.2023, matter referred to SALGBC due to CCMA lacking jurisdiction.
Accountant	Unfair dismissal	Arbitration	In limine ruling on review to the Labour Court
VSD Officers	Unfair dismissal	Conciliation & Arbitration	Matter set for default judgement at the Labour Court 06th February 2024.
OPS Manager: SCM	Unfair dismissal	Conciliation & Arbitration	Matter set for judgement at the Labour Court in 2024.
IT Technician	Unfair dismissal	Conciliation & Arbitration	Matter set for appeal at the Labour Appeal Court in 2024.
General Worker	Unfair Discrimination	Arbitration	Matter set for arbitration at the CCMA on the 23rd January 2024.

## Section 7: Leave & Productivity Management

A summary of the leave provisions during the 2<sup>nd</sup> quarter is presented below.

Figure 4.12: Leave and productivity management.

Category	Number of leave days
Annual leave	1754
Sick leave	1258
Family Responsibility leave	235
Study leave	0
Long service leave	0
Extended sick leave	0
Unpaid leave	118
Leave encashment	5190

## Section 8: Employee Wellness

The table below provides information on Health and Wellness programmes that were embarked upon during the 2<sup>nd</sup> quarter of the financial year.

Table 4.13: Employee Wellness

Health & Physical Wellbeing	
Program	Activities
Blood donation drive in partnership with the SANBS.	On the 17 October 2023 one (1) Blood donation drive was successfully held at Head Office. The number of blood donors is gradually improving prompting plans to host this initiative to all Regions. The facilities provided by JRA for blood donation met the South African National Blood Services' requirements.
Sports committee	The JRA attended the successful Interdepartmental Sports, Health, and Wellness Day event to held on the 15th of November 2023 at Sun City Prison
Employee Health and Wellness Screening	The Health Screening Campaign was scheduled in November 2023 in partnership with OLD MUTUAL and other private Health Professionals.

## Counselling services

In addition to these programs, the following interventions are also used to address various personal problems encountered by staff that require psychological / counselling services. These ranged from requests to address behavioural problems to post-traumatic stress disorder issues. These were managed using a combination of telephonic and face-to-face sessions, with the latter being the most common.

Table 4.14: Counselling Sessions

Intervention	Type of session <sup>4</sup>	No. of Sessions	Referring Depot	Outcome
Abuse of alcohol Absenteeism Financial challenges	F	2	Midrand	This is a self-referral. An initial assessment was conducted, and consultations are unfolding.
Indebtedness/Financial difficulties	F T	4	Motorways Head office	The initial assessment was conducted however the client missed subsequent sessions. Follow ups are being made.
Absenteeism	F	1	Traffic Signal	The client has financial challenges which are being dealt with and has been transferred to Head office as part of the ongoing intervention.
Substance abuse and absenteeism	F	1	Benrose	Assessment conducted and intervention unfolding.
Trauma Debriefing	F T	1	Benrose	The client survived a robbery on her way to work. A trauma debriefing session was conducted followed by a home visit.

### Section 9: Employee Benefits

As prescribed in the Basic Conditions of Employment Act (BCEA) the employees are provided with a range of employment benefits by the company through membership in the following accredited funds:

Table 4.16: Pensions and Medical Aid Funds

	Name of the Medical Aid	No of employees
	<b>MEDICAL AID</b>	Bonitas
	Key Health	116
	Sizwe Hosmed	56
	LA Health	292
	SAMWU Med	178
	Non members	625
	<b>Total</b>	<b>1564</b>
	Name of Fund	No of employees
	<b>PENSION FUNDS</b>	E-Joburg
	City of Johannesburg Pension Fund	125
	Municipality Gratuity & Pension Fund	68
	National Fund for Municipal Workers	1
	Employees who were given the option to have their own Retirement Annuity when employed by JRA	1
	<b>Total</b>	<b>1564</b>

### Section 10: Occupational Health and Safety Programmes

<sup>4</sup> F= (Face to face); T = (Telephonic); E = Electronic

Injury incidents at the company are reported using Disabling Injury Frequency Rate (DIFR) values. DIFR is defined as the number of disabling injuries per 200 000 employees' hours worked over a 12-month period (an accident resulting in the loss of one or more shifts). The acceptable and recommended best practice DIFR value is one (1). It is important to manage injury incidents to levels below the value of one. In the 2nd quarter, twelve (12) disabling occupational accidents were reported.

Table 4.17: Injuries on duty

Activity	Q1		Q2		Q3		Q4		Target / Comment
	22/23	23/24	22/23	23/24	22/23	23/24	22/23	23/24	
Injuries on Duty (No of reportable cases)	8	13	8	12					The acceptable and recommended best practice DIFR value is a value of one.
	0,670	0,486	0,852	0,936					
Reportable Cases Rate (DIFR)									
KPIs									

The table denotes that the DIFR is below the value of one (1) and is currently standing at 0,936 which is below 1 and at the acceptable level of one (1). Table 4.17 demonstrates Q2 recorded twelve (12) occupational accidents higher than in 2021/22 (9) and 2022/23 (8) previous financial years respectively. Recorded occupational accidents during Q2 are the following i.e. Head Office (1), Midrand (2), Waterval (1), Fleet and Plant (1), Traffic Signals (1), Norwood (1), Motorways (1) and Zandfontein (4).

#### Current implemented mitigating measures

The Safety and Health Environment (SHE) Unit recommended that an action plan be developed by Mobility & Freight as well as Regional Operations Departments to ensure that the depot managers responsible for Midrand (2), Waterval (1), Fleet and Plant (1), Traffic Signals (1), Norwood (1), Motorways (1) and Zandfontein (4) and implement planned preventative measures to reduce the high levels of occupational accidents at the depots.

#### Summary of Occupational Accidents (October – December 2023)

Table 4.18: Summary of Occupational Accidents (October – December 2023)

# Injuries	Depots	Cause of Accident	Days lost	Recommended Mitigation
<b>December 2023</b>				
1	Norwood	An employee was getting out of the truck and stepped on the edge of the pothole patch on site and twisted his right ankle.	0	The depot manager should conduct safety awareness regarding safe ways for ascending and descending of construction vehicles to prevent the reoccurrence of similar

# Injuries	Depots	Cause of Accident	Days lost	Recommended Mitigation
				incident.
1	Motorways	An employee was cleaning a storm water pipe which fell on his head and got injured.	11	The depot manager should investigate the cause of fall and communicate the preventative measures to prevent the reoccurrence of similar accident.
4	Zandfontein	<p>Employees (4) were travelling from Head Office to attend training when a motor vehicle accident occurred due to miss communication by the illegal traffic controller at the intersection of Joe Slovo and Able Road where JRA vehicle collided with the oncoming vehicle driven by a public member, full description of injuries are as follows:</p> <ul style="list-style-type: none"> <li>• Neck pain to right shoulder and Left knee injury</li> <li>• General medical Examination.</li> <li>• Left knee sprain.</li> <li>• Contusion of the right hip.</li> </ul>	6	The depot manager must conduct driver's safety awareness to prevent the reoccurrence of similar incident.
			2	
			3	
			3	
<b>November 2023</b>				
1	Midrand	An employee was disconnecting the trailer from the truck when it slipped out of his hands and smash his hand against the truck injuring the forearm.	2	The line manager should conduct safety awareness regarding the hazard and risks related to the connecting and disconnecting of trailer to the trucks to prevent the re-occurrence of similar incident.
1	Traffic Signal	An employee was ascending the stairs when she fell from the stairs injuring her right ankle and the shoulder.	4	The line manager should conduct incident investigation to establish the course of fall and implement the findings to prevent the re-occurrence of similar incident.
<b>October 2023</b>				
1	Waterval	An employee was descending from a stationary bakkie (vehicle), when she fell on to the ground because the tailgate was not properly closed, she got injured on the head.	0	The depot manager should conduct safety awareness regarding the hazard and risks related to the transportation of employees including the ascending and descending from the bakkies (vehicles) to prevent the re-occurrence of similar incident.
1	Head Office	An employee was walking from the office to the parking area, while crossing over the main road she slipped and fell injuring both her knees.	3	The line manager should conduct incident investigation to establish the cause of the fall and implement the findings to prevent the re-occurrence of similar incident.
1	Midrand	An employee was barricading on site when a vehicle driving from a different direction hit	1	The depot manager should ensure that employees attend

# Injuries	Depots	Cause of Accident	Days lost	Recommended Mitigation
		her on the back injuring her right arm and both legs.		the barricading training to prevent the re-occurrence of incident on sites.
1	Fleet and Plant	An employee was patrolling the premises when he missed the step while climbing the stairs, he tripped and fell injuring his right leg ankle.	3	The line manager should conduct incident investigation to establish the cause of the fall and implement the findings to prevent the re-occurrence of similar incident.

The above table demonstrates twelve (12) recorded occupational accidents as well as a total of forty (40) lost days due to employees being absent from work due to disabling injuries during Quarter 2.

### Occupational Health Service Programmes

Blood test are used to detect and monitor Hepatitis A and B antibodies and remedial measures will be proposed in cases where the antibodies are low. Vaccination and boosters are recommended to those identified with low antibodies and highly susceptible to future Hepatitis exposure.

Table 1: Biological monitoring statistics from October to December 2023.

Depot	Total Scheduled	Total Completed	Remaining Employees
<b>October 2023</b>			
Fleet and Plant	20	14	06
Benrose	70	70	00
<b>November 2023</b>			
Motorways	75	71	04
Midrand	20	20	00
Strydompark	71	40	31
Waterval	65	56	09
<b>December 2023</b>			
Zandfontein	71	33	38
Norwood	55	36	19
Hamburg	82	73	9
Dobsonville	107	37	70
<b>TOTAL</b>	<b>636</b>	<b>450</b>	<b>186</b>

The above table demonstrates that 636 employees were booked and 450 attended biological monitoring /tests. Motorways (71) and Hamburg (73) depots has high number of employees that attended. Dobsonville experienced the highest number (70) employees that did not attend.

The blood results received from the Laboratory for the previous depots are as follows namely: Benrose, Motorways, Midrand, Strijdompark, and Waterval. Waterval, Hamburg, and Dobsonville depot results are still outstanding.

### Occupational Health Awareness

#### Occupational Health awareness

Depot	Date	Attendees
Fleet and plant	02/10/2023	06

Benrose	09/10/2023	55
Motorways	26/10/2023	71
Strydompark	09/11/2023	55
Waterval	15/11/2023	55
Norwood	21/11/2023	50
Zandfontein	22/11/2023	66
Dobsonville	6/12/2023	79
Hamburg	7/12/2023	68

The table above demonstrates nine (9) depots were visited to conduct an awareness on blood monitoring and tests. Occupational Health awareness are carried out to communicate to employees the importance of Biological Monitoring and also explain the outcome of the tests to encourage teamwork.

## CHAPTER 5: FINAL PERFORMANCE AND EXPOSURE

### Section 1: Statement of Financial Position and High-Level Notes

(End of December 2023)

	2023-2024 R (000)
2023/2024 Operating surplus as of 31 December 2023	R 14,929
2023/2024 Cash on hand (Developer's account and loan to COJ)	R236,071
2023/2024 Accumulative Surplus	(R459,122)

(Refer to Annexure D for December 2023 Statement of Financial Position)

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

Component	2023/2024 Operating Budget R'	Actual (2023/2024)	Variance	Comment
2023/2024 Income	R'000 R737,532	R'000 R685,390	R'000 R52,141	Developer contribution income and interest from the Developers bank account is no longer accounted for as income.
2023/2024 Expenditure	R737,532	R670,462	R67,070	
2023/2024 Surplus/ (Deficit)	-	R14,929		

Notes to financial position / performance (as of 31 December 2023):

The 2023/2024 quarter 2 cumulative Actual Income is below Budget by R 52,141 million. This is due to the following reasons:

- The Income is below the budget for the end of quarter two by R 52,141. Although Developers Contribution is no longer accounted for as Income, there has been a billing which was over the budgeted amount and will later be accounted for differently and not shown as Income, this has contributed to the Income being lower than budget. Jobbings, have increased and there was a small variance between budget and actual. There was interest received from bank which was not budgeted for and an increase in the sundry income which is also over budget amount.
- The 2023/2024 Cumulative Operating expenditure is below the budget by R67 070 million, this is contributed to by the following reasons:

**Over/Under spending:**

- **2023/2024 Consulting fees:** These are underspent for the second quarter.
- **2023/2024 Audit Fees:** The audit fees are over the budget for this quarter because most of the audit work began in the second quarter and JRA was invoiced within this quarter, some invoices were received in the second quarter and related to the first quarter.

- **2023/2024 Depreciation and asset impairment:** The increase in the budgeted amount for depreciation was to accommodate the procurement of Laptops and plant equipment. New Plant has been procured and the variance should decrease in the 3<sup>rd</sup> quarter.
- **2023/2024 Materials expenditure:** Material costs for the quarter are over the quarterly budget because of the high demand at the beginning of the financial year from the different regions and special projects undertaken to meet service delivery challenges.
- **2023/2024 Leased Expenditure:** Due to the rebase budget of the previous financial year, the current year budget is based on the previous year trend, hence the reduced spend. Also, the Transport by contract have just procured/hired some fleet which will increase the spend in the 3<sup>rd</sup> quarter.
- **2023/2024 Municipal Charges:** Municipal charges are over budget because of invoices received late and not allocated in the correct period. The first quarter was under spent.
- **2023/2024 Employee Costs:** Employee related costs for the second quarter are under budget due to some vacancies not filled and more acting in these vacant positions.
- **2023/2024 Data Services:** Data services are 90.72% over budget for the current quarter because of a dispute on invoices being resolved and being paid in one period with back dated invoices.

### Section 3: Cashflow Statement

Refer to Annexure C for 2023/24 Cash Flow Statement

### Section 4: Q2 Capital Projects and Expenditure.

Capital Projects & Expenditure (2023/24)

Budget		Q1	Q2 Cumulative	Q3 Cumulative	Q4 Cumulative (2023/24)
2016-17 (R 1 472 946 000)	Expenditure	R 213,644 850	R 519 285 867	R 702, 044, 000	R 1, 288, 026, 000
	%	14,84 %	36,06%	47,7%	87,4%
2017-18 (R 1 121 086 000)	Expenditure	R 140 052 822	R 458 622 627	R 640 007 000	R 1,092,688,501
	%	11.5%	37,8%	57,1%	97, 4%
2018-19 (R 1 301 847 000)	Expenditure	R 162 494 005	R 494,151,605	R 681,126,046	R 1, 292, 145, 004
	%	13.5%	40,96%	52,32%	99%
2019-20 (R 1 140 860 000)	Expenditure	R 340 901 123	R 682 223 153	R 798, 736, 529	R 934, 521, 550
	%	29, 88%	59,8%	70%	82%
2020-21 (R 978 195 300)	Expenditure	R 66 059 812	R 204 845 109	R 320 170 903	R726 091 878
	%	6,38%	19,78%	30,93%	74,23%
2021-22 (R 863 707 000)	Expenditure	R147 585 152	R354 669 469	R497 382 976	R736 361 602
	%	16,96%	40,76%	57,16%	85.26%
2022-23 (R 795 214 000.)	Expenditure	R149 453 580.77	R244,774 910	R373,803,734.38	675,298,475.78
	%	<b>14%</b>	<b>22%</b>	<b>47.01%</b>	<b>85%</b>
2023-24 (R 859,650,000.)	Expenditure	R177,323,358.73	R397,800,393		
	%	<b>21%</b>	<b>46%</b>		

Refer to the attached Annexure B for detail. Please note that the summary includes commitments and accruals.

## Funding Sources

Table 5.1: Funding Source (2023/23)

Details	Budget (R'000)	Actual (R'000)	% Spent
COJ Funded	624,650	343,693	55%
USDG	235,000	54,107	23%
<b>Total</b>	<b>859,650</b>	<b>397,800</b>	<b>46%</b>

## Section 5: Ratio analysis

Table 5.2: Summary Ratios

Key Ration	Target FDP	Dec 2023 (2023/25)	Performance Against Target
Current ratio	1	0.81	
Solvency ratio	2	0.93	
Accumulated Surplus	R50M	(R459,122)	
Cash on hand	R50M	R36,224	
Salaries ratio	35%	31%	
Repairs & Maintenance ratio	7%	2%	

### Notes

The JRA is a labour-intensive company and most of the maintenance work is done internally. Salaries paid to Regional Operations and Mobility & Freight departments personnel are not recorded under direct road maintenance costs. This explains the reasons for not meeting the target set of 35%.

Although some of the FDP targets were not met on ratios, the company is financially sound.

**Cost coverage:** The 2023/2024 interim cost coverage ratio for JRA is 4 Months. This is calculated based on Cash on Hand (sweeping and developers contribution) divided by average monthly operating budget for expenditure.

If an entity has a ratio below the norm which is 1 to 3 months, it would be vulnerable and at a higher risk in the event of financial "shocks/setbacks" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

## Section 6: Supply Chain Management and BBBEE

Table 5.3: BBBEE Expenditure

	%	Status
Total payments made (excluding payroll amounts) - <b>380 543 082.58.</b>	<b>77%</b> Against a target of 75% p.a.	

Capex Percentage	<b>-87 913 136.91</b>	<b>18.00%</b>
Opex Percentage	<b>-292 629 945.67</b>	<b>61.00%</b>

The new Preferential Procure Policy Framework Act came into effect on 1 April 2017. The B-BBEE point allocations have changed which impact future reporting. JRA reported B-BBEE spend of 77% against a scorecard target of 75% per annum.

**Payment of suppliers within 30 days**

	2023: Q4	Q1 (2023-2024)	Q2 (2023-2024)	Target
% compliance in respect of payment of all Service Providers made within 30 days	April 94% May 99% June 100% <b>Average 97.67%</b>	July 100% August 92% September 100% <b>Average 97,33%</b>	October 97% November 98% December 85% <b>Average 93,33%</b>	100%

The compliance rate on payment within 30 days for Quarter 2 is 93,33%. Cash flow constraints led to some payments not being executed as per the Payment Plan. Interventions for cashflow approvals from the City were not always successful. Non-compliance to the 30 days payments per MFMA, s65, remains a challenge and risk to audit findings.

**Section 7: Report on Irregular, Fruitless and Wasteful Expenditure and Due Processes**

**Irregular expenditure** – The opening balance on the 1st of July 2023 is 417,706,728 and has increased as at the end of the 2<sup>nd</sup> quarter, which brings the total accumulative amount of irregular expenditure to date to R 567,093,067.62. However, there is an ongoing investigation on the Bayethe contract which was reported as irregular in the previous financial year.

**Fruitless and Wasteful Expenditure** – The Fruitless and Wasteful Expenditure incurred for Quarter 2 is R429,86 compared to R65,81 in Quarter 1. The main contribution to the increased fruitless & wasteful expenditure was the cashflow constraints. The amount reported is due to delayed Eskom payments. To mitigate interest risk, payments were planned for weekly execution, but this was not always successful due to cashflow limitations. The YTD amount is R62,914,196,49 which includes the opening balance of R62,913,700.81 from the previous financial years.

**Deviations** - For the month ending 31 December 2023, there were 3 deviations in appointments and to date there were 12 deviations. The total deviations from 1st July 2023 to 31 December 2023 amounts to R 33 206 468,65.

**Debtors**

In the normal course of business, the JRA enters transactions with various external parties, some of whom are Related Parties, other Government Entities and Third Parties. These transactions are deemed to be at arms’ length whereby cash is paid upon exchange or payment terms are extended to the external party. In other instances, these transactions are of non-exchange nature. The following summary of the Age Analysis for the 2<sup>nd</sup> Quarter by category of Debtor:

Description	%	Open Amount	Current	31 - 60	61 - 90	91 - 120	Over 120
Related Parties	95.66%	546,154,798.03	167,050,915.95	57,844,356.35	68,155,432.77	98,090,211.82	155,013,881.14
Other Govt entities	3.87%	22,081,464.29	-	19.95	19.76	994.82	22,080,429.76
Third Parties	0.47%	2,684,689.91	-	25,361.93	25,140.97	24,892.56	2,609,294.45
		570,920,952.23	167,050,915.95	57,869,738.23	68,180,593.50	98,116,099.20	179,703,605.35

From the above table, the following observations can be made:

- I. That, the overall debtors' book shows an increase from R475 million to R570,9 million from the first quarter which is a result of related parties invoicing in the second quarter.
- II. Related Parties are those entities which fall within the ownership and control of the City of Johannesburg with whom the JRA does business. Under normal circumstances, the transactions between the entities are underpinned by the SLA failing which, a purchase order may become a trigger for doing business.

The total amount owed by related parties' debtors is R546 million, which represents 95,6% of the total debtors. It has increased from R451 million to R546 million; however, the figure includes the subsidy amount of R126m which was not settled by the end of the second quarter. The related party transactions pose minimal risk of payment to the JRA. The normal process requires all related entities to confirm the outstanding balances owing/owed to one another, as well as the transactions that gave rise to those balances. This process ensures that all disputes are eradicated. Furthermore, due to the austerity measures of intercompany confirmations and reporting for each quarter and monthly, management is confident that bulk of the invoices will be settled, as the departments clear the accrued transactions. Furthermore, Corporate Finance-Capex and Income & Assets units are continuously engaging with City of Johannesburg departments to resolve any challenges of old invoices which are attributable to the following reasons:

- The queries raised on invoices and any disputes of transactions, however JRA is working on clearing up the queries raised by the client.
  - Challenges of cash flow
- III. Third Parties are non-government owned and controlled entities. They account for 0.47% of the total book. There is no movement in this category compared to the last quarter, a decrease of 0.08% from last quarter is attributed to aggregate percentage since overall debtors' book increased. The overdue debtors in this category have been provided as doubtful debts. Recommendations have been made to the Board to write-off the amount owed due to debtors being irrecoverable.
  - IV Other Government Entities are owned and controlled by other spheres of government but fall outside the City of Johannesburg. This category of debtor's accounts for 3.87% of the overall book in the 2nd quarter. These debtors are stagnant besides the follow up on the over 180 days due by the Department of Road and Transport and IDC. A commitment to settle the account was made, however JRA still has unresolved tax clearance status challenges. The DRT does not want to pay until JRA is tax compliant. The matter is given most important consideration to reach consensus between the

parties involved, options for COJ to collect the monies owed on our behalf is under consideration.

**V Bad Debts Provision**

For the financial year provision amounting to R86,880,348.68 was disclosed against JRA debtors. All debtors are assessed monthly, and provisions made and adjusted during the Impairment assessment as per GRAP 104. The following debtors as per below schedule has been recommended for write-off to the Board:

**Provision for Bad Debts - as of 31 December 2023**

<b>Description</b>	<b>Amount</b>
Eyethu Translodge & Plant	1,646,184.82
Asphalt Sales	276,795.56
Sipho Tshabalala	12,092.54
Phofu Bahurutshe	270,000.00
Pre-Payments and Developer's Income Debtor	135,401.41
Institute for Local Government	5,750.00
AFRI-INFRA Group Holdings	352,800,00
AFRI-INFRA Group Holdings	117,497,42
SEEDI Development Projects Reclassification	754,168,93
Outstanding Metro Claims	83,309,658
<b>Total</b>	<b>86,880,348,68</b>

All other long outstanding amounts are being monitored closely and ongoing communication is made with debtors to recover what is being owed to JRA.

**Section 9: Statement on Amounts Owed by and to Government Departments and Public Entities**

Table: 9.1: Amounts Owed by and to Government Departments and Public Entities

<b>Name</b>	<b>Amount (R)</b>
Department of Road and Transport	22,018,000
Industrial Development Corporation	61,500
<b>Total</b>	<b>22,079,500</b>

## CHAPTER 6: INTERNAL AND EXTERNAL AUDIT FINDINGS

### Section 1: Progress on Internal Audit Plan

Results of the audits completed within the 2<sup>nd</sup> Quarter are presented in the table below.

Table 6.1: Progress with audit plan

Description	Total projects	Deferred	Not yet started	Planning phase	Execution phase	Reporting/ Completed	Comments
Projects completed	8	0	0	0	0	7	None
Projects outstanding	1	0	0	0	1	0	Business Continuity Management Audit could not be completed during the quarter due to the prior quarter backlog caused by AFS and Probity Audits
Total Projects	8	0	0	0	1	7	None
Progress (percentage)	100%	0%	0%	0%	12.5%	87.5%	None

### Section 2: Progress on the resolution of Internal Audit findings

The JRA resolved 6 IA findings of the 31 that were due in Q2 which accounts for 19% (47% year-to-date).

#### Remedial Actions undertaken by Management to address the non-achievement:

To improve resolution of findings, there is continuous engagement between management and Internal Audit on tracking and reporting, and management is fast tracking the submission of matters requiring Board and Committee approvals. Findings are a standing agenda item at EMT for continuous oversight. Monthly and quarterly reports are submitted to the City and the Audit and Finance Committee, respectively.

### Section 3: Progress on the resolutions of the Auditor General findings

(Categories between findings affecting and not affecting the Audit Opinion)

Description	Total	Resolved	Unresolved
Matters affecting the audit report	1	0	1
Other important Matters	3	0	3
Administrative matters	0	0	0
<b>Total</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b>OVERALL PERFORMANCE - % Resolution of AGSA Audit Findings</b>		<b>0%</b>	<b>100%</b>

### 6.3.1.1. 2022/23 AG Audit

During Q2 the entity resolved 0 of 4 (0%) findings that were due to be resolved this quarter. (Year to-date 20%).

### 6.3.2 2021/22 AG repeat findings

In Q2 the entity resolved 0 of the remaining 3 AG repeat findings.

### Section 4: Overall State of internal Controls

The overall conclusion of the state of internal controls based on the following audits completed from the 1<sup>st</sup> of July 2023 to 31 December 2023 is that controls are adequate but ineffective to provide reasonable assurance that JRA objectives will be achieved:

Table 6.3: State of internal controls

Name Audit Area	Date completed	Opinion Expressed	Original Rating	Rating (Follow up audits)
Security Services Management Audit	Quarter 1	Inadequate	Red	N/A
Public Claim Liability	Quarter 1	Inadequate	Red	N/A
Facility Management Audit	Quarter 1	Adequate but Ineffective	Yellow	N/A
Capex Verification Audit	Quarter 1	Adequate but Ineffective	Yellow	N/A
Interim Financial Statement Review	Quarter 1	Adequate but Ineffective	Yellow	N/A
Audit of Performance Information (AOPO) Report	Quarter 1&2	Adequate but Ineffective	Yellow	N/A
IT Hardware and software Audit	Quarter 2	Adequate but Ineffective	Red	N/A
Risk Management	Quarter 2	Adequate but Ineffective	Yellow	N/A
Employee Physical verification	Quarter 2	Adequate but Ineffective	Yellow	N/A
Exit Pay	Quarter 2	Adequate but Ineffective	Yellow	N/A
EPWP	Quarter 2	Adequate but Ineffective	Yellow	N/A
Probity Audits	Quarter 1&2	Adequate but Ineffective	Yellow	N/A
RFQ closing process Q4 & Q1	Quarter 4&1	Adequate and Effective	Green	N/A
Bids closing process Q4 & Q1	Quarter 4&1	Adequate and Effective	Green	N/A

## ANNEXURES

### Annexure A: JRA Board and Committees Attendance Register (Q2 2023-24 Financial Year)

Non-Executive Directors (NEDs)	Board 27-10-2023	Special Board 30-11-2023	Service Delivery Committee (SDC) 13-10-2023	Audit, Finance, Risk, and IT Committee (AFR&ITC) 17-10-2023	Special Audit, Finance, Risk, and IT Committee (AFR&ITC) 27-11-2023	Remuneration, Social & Ethics Committee (REMSEC) 11-10-2023
Ewan Botha	✓	✓	n/a	n/a	n/a	n/a
Alvarno Francis	✓	✓	✓	✓	✓	n/a
Dr Ravendran Govender	✓	✓	n/a	✓	✓	✓
Daniel Nyamazane	✓	✓	✓	n/a	n/a	✓
Cleopatra Lourens	✓	✓	n/a	n/a	n/a	✓
Kabelo Mofokeng	✓	✓	n/a	n/a	n/a	✓
Bruce Nimmerhoudt	✓	✓	✓	n/a	n/a	n/a
Siphosethu Mtanzeli	✓	✓	✓	n/a	n/a	n/a
Zenzokuhle Xaba	✓	✓	✓	n/a	n/a	n/a
Victoria Mamogobo	✓	✓	✓	n/a	n/a	n/a
Sharon Kleinbooi	✓	✓	n/a	n/a	n/a	✓
Trevor Goldsmith	✓	✓	n/a	n/a	n/a	✓
<b>Independent Audit Committee (IAC)</b>						
Nison Khoza	n/a	n/a	n/a	✓	✓	n/a
Derek Martin	n/a	n/a	n/a	✓	✓	n/a
Thando Kwela	n/a	n/a	n/a	X	✓	n/a

✓: denotes attendance.

X: denotes absenteeism

N/A: denotes not applicable.

## Annexure B: JRA CAPEX Report

Project Number	Project Description	Source	Original Budget	Actual Expenditure	Open Commitments	YTD Expenditure	Budget Variance	Actual	YTD Expenditure %	Comments
50012024	Tarring of Gravel Roads: Diepsloot	USDG	30,000,000	24,393,017	-	24,393,017	5,606,983	81%	81%	
50062024	Tarring of Gravel Roads: Mayibuye	USDG	10,000,000	1,723,566	-	1,723,566	8,276,434	17%	17%	
50072024	Tarring of Gravel Roads: Orange Farm	USDG	70,000,000	3,832,268	-	3,832,268	66,167,732	5%	5%	
50092024	Tarring of Gravel Roads: Tshephisong	USDG	20,000,000	912,589	-	912,589	19,087,411	5%	5%	
50102024	Tarring of Gravel Roads: Kaalfontein	USDG	15,000,000	3,415,696	-	3,415,696	11,584,304	23%	23%	
50152024	Bridge Rehabilitation	CRR	35,630,000	474,711	-	474,711	35,155,289	1%	1%	
50162024	Bridges: Visual ConditionASSE	CRR	10,000,000	2,009,523	-	2,009,523	7,990,477	20%	20%	
50172024	Bridges: Replacement of bridge	CRR	43,000,000	3,411,493	-	3,411,493	39,588,507	8%	8%	
50242024	Emergency Stormwater Improvement	EFF	10,000,000	9,596,195	-	9,596,195	403,805	96%	96%	
50302024	Klein Jukskei Catchment: Bond	EFF	10,000,000	7,552,482	-	7,552,482	2,447,518	76%	76%	
50332024	Conversion of Open Drains Braamfischerville	CRR	10,000,000	60,270	-	60,270	9,939,730	1%	1%	
50352024	Conversion of Open Drains Orange Farm	CRR	10,000,000	7,125,909	-	7,125,909	2,874,091	71%	71%	
50372024	Operational Capital: Depot Upgrade	CRR	51,000,000	5,925,074	45,072,864	50,997,938	2,062	12%	100%	
50392024	Operational Capital	CRR	10,000,000	50,499	9,944,042	9,994,541	5,459	1%	100%	
50422024	Dam Safety Rehabilitation	CRR	5,000,000	967,324	-	967,324	4,032,676	19%	19%	
50452024	Integrated Roads and Stormwater	CRR	15,000,000	88,174	-	88,174	14,911,826	1%	1%	
50462024	Investigate and Design Future	CRR	7,500,000	2,930,214	-	2,930,214	4,569,786	39%	39%	
50472024	Emergency, Critical and Urgent	CRR	50,370,000	1,523,997	-	1,523,997	48,846,003	3%	3%	
50512024	Geometric Improvements	CRR	3,000,000	1,217,513	-	1,217,513	1,782,487	41%	41%	
50532024	Alternative Power Sources (LED)	CRR	2,000,000	1,900,780	94,901	1,995,682	4,318	95%	100%	
50542024	Alternative Power Sources (UPS)	EFF	5,000,000	1,467,484	2,272,556	3,740,040	1,259,960	29%	75%	
50562024	Installation of New Warranted	CRR	5,000,000	1,876,258	1,718,369	3,594,627	1,405,373	38%	72%	
50582024	Re-cabling of Traffic Signals	CRR	24,400,000	17,728,618	5,304,399	23,033,017	1,366,983	73%	94%	
50592024	Remote Monitoring	CRR	1,500,000	-	1,463,414	1,463,414	36,586	0%	98%	
50602024	SARTSM	CRR	21,000,000	13,774,553	6,924,614	20,699,167	300,833	66%	99%	

Project Number	Project Description	Source	Original Budget	Actual Expenditure	Open Commitments	YTD Expenditure	Budget Variance	Actual	YTD Expenditure %	Comments
50622024	Upgrading of Traffic Signal Co	CRR	17,000,000	8,808,944	7,215,429	16,024,373	975,627	52%	94%	
50632024	Upgrading Controllers and Phase	CRR	4,750,000	1,383,042	2,685,493	4,068,535	681,465	29%	86%	
50642024	GIS Improvement	CRR	3,000,000	512,482	-	512,482	2,487,518	17%	17%	
50662024	Rehabilitation of open Channel	CRR	10,000,000	6,652,354	-	6,652,354	3,347,646	67%	67%	
50672024	Road Rehabilitation and Reconstruction	CRR	8,721,000	5,660,927	-	5,660,927	3,060,073	65%	65%	
50682024	Resurfacing of M1 Motorway	CRR	10,000,000	503,350	-	503,350	9,496,650	5%	5%	
50692024	Resurfacing of M2 Motorway	CRR	10,000,000	-	-	-	10,000,000	0%	0%	
50702024	Resurfacing of Soweto Highway	EFF	5,650,000	-	166,937	166,937	5,483,063	0%	3%	
50712024	Resurfacing of Roads	CRR	86,029,000	95,821,209	-	95,821,209	-9,792,209	111%	111%	Overspent
50752024	Spencer Road New Link New Road	CRR	5,000,000	91,260	-	91,260	4,908,740	2%	2%	
50822024	Bulk stormwater development	EFF	10,000,000	4,554,053	-	4,554,053	5,445,947	46%	46%	
50892024	Vorna Valley	CRR	3,000,000	1,659,547	-	1,659,547	1,340,453	55%	55%	
50942024	Flooding intervention and alleviation	CRR	10,000,000	6,009,254	-	6,009,254	3,990,746	60%	60%	
50972024	Tarring of Gravel Roads: City	USDG	60,000,000	12,489,125	-	12,489,125	47,510,875	21%	21%	
50982024	Rehabilitation of aged infrastructure	CRR	4,000,000	2,784,123	-	2,784,123	1,215,877	70%	70%	
50992024	River rehabilitation and erosion	CRR	4,000,000	175,066	-	175,066	3,824,934	4%	4%	
51142024	Ivory Park - Khosa Street	USDG	20,000,000	1,142,089	-	1,142,089	18,857,911	6%	6%	
51152024	Upgrade roads Klipfonteinview	EFF	25,000,000	11,688,690	-	11,688,690	13,311,310	47%	47%	
51162024	Stormwater Conversion: wards 7	EFF	10,000,000	4,701,418	-	4,701,418	5,298,582	47%	47%	
51172024	Capital Equipment New Plant an	CRR	23,500,000	21,729,261	-	21,729,261	1,770,739	92%	92%	
51182024	Tarring of gravel roads: Ivory Park	USDG	10,000,000	6,198,871	-	6,198,871	3,801,129	62%	62%	
51232024	Intelligent Transport Systems	CRR	3,000,000	-	-	-	3,000,000	0%	0%	
51242024	Traffic Management Centre	CRR	7,600,000	2,064,500	6,349,600	8,414,100	-814,100	27%	111%	Overspent
51352024	Lilian Ngoyi Region F	CRR	35,000,000	-	-	-	35,000,000	0%	0%	
			859,650,000	308,587,776	89,212,618	397,800,393	461,849,607	36%	46%	

**Annexure C: JRA Detailed Income Statement**

Detail Income Statement by Company For the Quarter ending: December 2023										
Description	Current Quarter Actual Amount 000	Current Quarter Budget Amount 000	Variance Amount 000	Variance %	YTD Actual Current Period 000	YTD Budget Amount 000	YTD Variance Amt 000	YTD Variance %	Current Year Total Approved Budget	
<b>REVENUE</b>										
Rent Received	1,019	426	593	139.29%	6,093	2,555	3,538	138.47%	5,110	
COJ Maintenance	110,303	110,303	-	0.00%	661,817	661,817	-	0.00%	1,323,633	
Insurance Claims	1,108	2,688	-1,580	-58.79%	6,674	16,128	-9,454	-58.62%	32,257	
<b>TOTAL REVENUE</b>	<b>112,429</b>	<b>113,417</b>	<b>-987</b>		<b>674,584</b>	<b>680,500</b>	<b>-5,916</b>		<b>1,361,000</b>	
<b>DIRECT COSTS</b>										
Material Cost	4,716	3,923	-793	-20.20%	32,877	23,538	-9,339	-39.68%	47,076	
Extra Items	-183	-	183	100.00%	-1,329	-	1,329	100.00%	-	
Stock Adjustment	2,326	-	-2,326	-100.00%	2,797	-	-2,797	-100.00%	-	
<b>TOTAL DIRECT COST</b>	<b>6,859</b>	<b>3,923</b>	<b>-2,936</b>		<b>34,345</b>	<b>23,538</b>	<b>-10,807</b>		<b>47,076</b>	
<b>GROSS PROFIT</b>	<b>321,840</b>	<b>328,481</b>	<b>-6,640</b>		<b>321,840</b>	<b>328,481</b>	<b>-6,640</b>		<b>1,313,924</b>	
<b>OTHER INCOME</b>										
Jobbings	1,183	1,534	-351	-22.89%	4,493	9,206	-4,713	-51.20%	18,413	
Interest from Intercompanies	-54	1,872	-1,926	-102.86%	-1,081	11,234	-12,315	-109.62%	22,468	
Interest Received Debtor	-	-	-	0.00%	124	-	124	-100.00%	-	
Reinstatements	36	1,616	-1,580	-97.79%	3,308	9,694	-6,385	-65.87%	19,387	
Road Closures	-	-	-	0.00%	306	-	306	100.00%	-	
DCP Testing	-	21	-21	-100.00%	11	126	-115	-91.22%	252	
Sundry Income	1,312	37	1,275	3454.65%	3,645	221	3,424	1546.11%	443	
<b>TOTAL OTHER INCOME</b>	<b>2,477</b>	<b>5,080</b>	<b>-2,603</b>		<b>10,807</b>	<b>30,481</b>	<b>-19,675</b>		<b>60,962</b>	
<b>INDIRECT COSTS</b>										

**Detail Income Statement by Company For the Quarter ending: December 2023**

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Advertising	30	26	-4	-16.94%	92	153	61	39.95%	306
Auditors Remuneration Fees	1,245	443	-802	-180.83%	3,794	2,660	-1,134	-42.65%	5,320
Bank Charges	8	7	-1	-21.68%	50	41	-9	-23.09%	81
Finance Charges	-	236	236	100.00%	-	1,416	1,416	100.00%	2,832
Consulting Fees	1,078	1,163	85	7.30%	4,915	6,977	2,063	29.56%	13,955
Contractors JRA	2,519	2,462	-57	-2.30%	6,364	14,775	8,411	56.93%	29,550
Contractors Outsourced	498	994	496	49.88%	3,617	5,964	2,347	39.35%	11,928
Consumables	65	430	365	84.89%	2,765	2,581	-184	-7.13%	5,162
Depreciation	3,148	5,566	2,418	43.45%	19,661	33,397	13,736	41.13%	66,794
Directors Emoluments	270	198	-72	-36.64%	1,204	1,186	-18	-1.53%	2,371
Entertainment	1	5	4	86.29%	35	30	-5	-15.31%	60
Corporate Promotions	-	25	25	100.00%	251	152	-99	-65.49%	303
Insurance	1,500	1,325	-175	-13.21%	9,000	7,950	-1,050	-13.21%	15,900
Interest and Penalties	-	0	0	100.00%	-	0	0	100.00%	0
Leased Contract Services	7,098	11,590	4,492	38.76%	37,388	69,539	32,150	46.23%	139,077
Offices (Parking)	1,200	594	-606	-101.93%	4,200	3,566	-634	-17.79%	7,131
Office Building (Rental)	6,492	5,171	-1,320	-25.54%	24,441	31,028	6,586	21.23%	62,055
Office Equipment	-	453	453	100.00%	1,510	2,720	1,210	44.47%	5,440
Legal Expenses	706	428	-278	-64.93%	1,339	2,567	1,228	47.83%	5,133
Licenses	-	462	462	100.00%	-	2,769	2,769	100.00%	5,538
Magazines, Books and Periodicals	130	18	-112	-627.99%	130	107	-23	-21.33%	214
Municipal Services Charges	3,304	1,763	-1,541	-87.40%	13,974	10,580	-3,394	-32.08%	21,160
Stationary	8	279	271	97.25%	1,267	1,672	405	24.22%	3,344
Printing	-	83	83	100.00%	5	497	492	99.09%	994
Repairs & Maintenance	1,218	582	-636	-109.16%	3,979	3,495	-485	-13.87%	6,989
Strategic Planning	-	9	9	100.00%	-	52	52	100.00%	104
Employee & Related Costs	77,951	79,311	1,360	1.71%	463,365	475,866	12,501	2.63%	951,732
Interns Stipend Cost	-	39	39	100.00%	-	231	231	100.00%	463

**Detail Income Statement by Company For the Quarter ending: December 2023**

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Placement Fees	-	4	4	100.00%	-	24	24	100.00%	47
Employee Wellness	11	33	22	65.99%	1,181	198	-983	-497.76%	395
Security	683	252	-431	-170.69%	1,965	1,515	-451	-29.76%	3,029
Telephone & Fax	-	222	222	100.00%	916	1,331	415	31.16%	2,661
Training	598	364	-234	-64.18%	1,339	2,184	845	38.68%	4,369
Conferences and Seminars	136	74	-63	-85.15%	488	441	-47	-10.60%	882
Travel Expenses	-	25	25	100.00%	233	149	-84	-56.72%	298
Data Services	6,043	1,361	-4,682	-343.89%	9,686	8,169	-1,517	-18.57%	16,338
Realised Gains/Losses	35	3	-33	-1307.56%	100	15	-85	-569.11%	30
<b>TOTAL INDIRECT COST</b>	<b>115,976</b>	<b>115,999</b>	<b>23</b>		<b>619,256</b>	<b>695,993</b>	<b>76,737</b>		<b>1,391,987</b>
<b>OPERATING PROFIT</b>	<b>30,374</b>	<b>-4,275</b>	<b>34,649</b>		<b>30,374</b>	<b>-4,275</b>	<b>34,649</b>		<b>-17,101</b>
<b>INTERNAL TRANSFERS</b>									
Consulting Fees	-	239	239	100.00%	480	1,437	957	66.60%	2,873
Employee & Related Costs	140	609	469	77.09%	877	3,654	2,777	75.99%	7,308
Intercompany Charges	-	672	672	100.00%	3,359	4,031	672	16.67%	8,062
Leased Contract Services	2,993	894	-2,100	-234.99%	8,787	5,362	-3,425	-63.89%	10,723
Legal Expenses	339	555	215	38.81%	3,357	3,327	-30	-0.90%	6,654
Printing	-	8	8	100.00%	-	47	47	100.00%	94
Training	-	24	24	100.00%	-	143	143	100.00%	286
<b>TOTAL INTERNAL TRANSFERS</b>	<b>3,472</b>	<b>3,000</b>	<b>-472</b>		<b>16,860</b>	<b>18,000</b>	<b>1,140</b>		<b>36,000</b>
<b>NET INCOME BEFORE TAX</b>	<b>-11,400</b>	<b>-4,425</b>	<b>-6,975</b>		<b>14,929</b>	<b>-26,550</b>	<b>41,479</b>		<b>-</b>

## Annexure D: Notes to Financial Statements

			December 2023 'R'000	2023 June 'R'000
1. Property, plant and equipment		Accumulated	Carrying	
	Cost	Depreciation	Value	
	R'000	R'000	R'000	
Buildings	77,800	23,589	54,211	54,964
Land	17,294	-	17,294	17,294
IT Equipment	74,448	61,356	13,092	14,938
Furniture and Fittings	22,489	20,152	2,337	2,591
Office Equipment	10,845	8,406	2,439	2,581
Motor Vehicles	97,924	90,391	7,533	15,697
Tools and Loose Gear	1,111	1,019	92	150
Assets (WIP)	12,570		12,570	11,753
Plant and Machinery	158,268	156,287	1,981	6,741
<b>Total</b>	<b>472,748</b>	<b>361,200</b>	<b>111,548</b>	<b>126,709</b>
<b>2. Intangible Assets</b>		<b>Accumulated</b>	<b>Carrying</b>	<b>2023 June 'R'000</b>
	<b>Cost</b>	<b>Depreciation</b>	<b>Value</b>	
	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
Assets (WIP)	-		-	23,172
Computer Software	14,836		14,423	
<b>Total</b>	<b>14,836</b>	<b>-</b>	<b>14,423</b>	<b>-</b>
<b>3. Employee benefit investment</b>				
Post-retirement Gratuity			17,725	17,649
Post-retirement Housing Subsidy			-	-
Post-retirement Medical Aid			35,143	35,143
			<b>52,868</b>	<b>52,791</b>
<b>4. Trade and other receivables</b>				
Trade Debtors			17,249	24,825
Related party Receivables			454,483	410,758
Prepayments			135	135
Provision for bad debts			(86,880)	-3,571
Electricity Deposit			1,017	1,017
Rental Deposit			6,905	6,905
Interest Receivable			-	3,235
SARS Payments			15,853	15,853
Unclaimed Amounts			191,874	0
Staff debtors - subsidised education			1,863	2,131
Sundry Debtors			1,237	1,237
CoJ - Capital expenditure			17,249	
JRA - COJ Dev Contr Transfer			-	-
Loans to shareholders (Sweeping account)			-	-
			<b>603,736</b>	<b>462,526</b>
<b>5. Inventories</b>				

Raw Materials	69,836	60,560
Consumables	-	-
Disclosure of Consumables	-	-
Manufactured Products	-	-
Impairments	(6,481)	(6,481)
	<b>63,355</b>	<b>54,079</b>
<b>6. Bank Balances and Cash</b>		
Standard Bank Accounts	-	-
Developers' contribution	36,224	178,893
	<b>36,224</b>	<b>178,893</b>
<b>7. Contribution from Owner</b>		
Share Capital	1	1
Shareholders Loan	372,919	372,102
	<b>372,920</b>	<b>372,103</b>
<b>8. Employee Benefit Obligation</b>		
Gratuity Liabilities	26,599	26,599
Post-retirement medical aid	7,552	7,552
Post-retirement housing subsidy	5,206	5,206
	<b>39,357</b>	<b>39,357</b>
<b>9. Finance Lease Obligation</b>		
Current lease portion	16,267	16,267
	<b>16,267</b>	<b>16,267</b>
<b>10. Trade and other payables</b>		
Trade Payables	45,621	392,117
Capital Creditors and Accruals	(215)	-215
Leave Pay Provision	40,052	42,757
Retention	117,069	122,594
Related Party Creditors	35,057	31,099
Payroll Accruals	4,183	3,880
Value Added Tax (VAT)	(11,873)	1,300
Prepayments	0	0
Other Creditors	-	-
Debtors Reclassification	-	-
SARS - Tax Payments	-	-
Bonus Provision: 13th Cheque	5,311	18,017
Developers Contribution	477,928	477,928
	<b>713,134</b>	<b>1,089,479</b>
<b>11. Finance Lease Obligation</b>		
Long term portion of finance lease	0	0
<b>12. Provision</b>		
Legal Claim Provision	207,900	207,900
Other Provisions	-	-
Bonus Provision: Performance	75,625	60,364
	<b>283,525</b>	<b>268,264</b>
<b>13. Cash Utilised in Operations</b>		
Surplus / (Deficit) before taxation	14,929	-214,858
<b>Adjusted for:</b>		
Depreciation and amortisation	19,661	34,449
Interest Earned	-	21,800

Gain on sales of property, plant, and equipment	-	-
Finance Costs		
Decrease in loan to shareholder	(6,731)	-
Other non-cash movements	-	-80,507
Movement in provisions	15,261	-47,941
Movement in Tax Receivable and Payable	-	-
Movement in shareholders loan	817	-
Assets purchased through finance lease	-	-
Movement in retirement benefit obligation	(77)	-7,059
<b>Changes in Working Capital</b>		
Receivables from Exchange Transactions		
Inventories	(15,757)	25,645
Trade and other receivables	(141,209)	88,273
Other Receivables from Non-Exchange Transaction		
Trade and other payables	(376,344)	181,656
	<b>(489,450)</b>	<b>1,459</b>
<b>14. Taxation</b>	101,911	101,911
<b>15. Sweeping Account Balance</b>	199,847	505,613
<b>16. Operating Lease Liability</b>	0	0

## Annexure E: Q2 Performance Against Service Standards

Annexure E

KPI No.	Core Service	Service Level Standard Target	Q2 Actual	Reasons for non-achievement	Mitigations
1	% of damaged / missing road barriers or guardrails repaired from when a valid call is logged:	40% within 14 days	Total calls received within the period: 101.26 Total repaired within 14 days: 64.86 (64.05%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days: 68.86 (68%)	Target Achieved	N/A
		80% within 30 days	Total repaired within 30 days: 68.86 (68%)	Target Not Achieved	
2	% of blocked Storm water kerb inlets (KI's) repaired from when a valid call is logged.	40% within 14 days	Total calls received within the period:1890 Total repaired within 14 days: 1711 (90.53%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days: 1734 (91.75%)	Target Achieved	N/A
		80% within 30 days.	Total repaired within 30 days: 1738 (91.96%)	Target Achieved	N/A
3	% of missing JRA manhole covers made safe and replaced after a valid call is logged.	40% within 14 days	Total calls received within the period: 46 Total repaired within 14 days:38 (82.61%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days:40 (86.96%)	Target Achieved	N/A
		80% within 30 days.	Total repaired within 30 days:40 (89.96%)	Target Achieved	N/A
4	% of reported damaged / missing regulatory road traffic signs replaced or repaired from the time when a valid call is logged	40% within 14 days	Total calls received within the period:1344 Total repaired within 14 days: 1296 (96.43%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days: 1308 (97.32%)	Target Achieved	N/A
		80% within 30 days.	Total repaired within 30 days: 1308 (97.32%)	Target Achieved	N/A
5	% of reported potholes repaired from time of recording of a genuine pothole by the JRA from all Phakama, Hotline, Urban Regional Inspectors (from Regional Directors Office)	40% within 14 days	Total received within the period: 6782 Total repaired within 14 days: 5281 (77.87%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days: 5506 (81.19%)	Target Achieved	N/A
		80% within 30 days.	Total repaired within 30 days: 5856 (86.35%)	Target Achieved	N/A
6	% of reported faulty traffic signals within 24 working hours	40% within 24 hours	Total received within the period: 89. Total completed within 24 hrs. 83 (93.26%)	Target Achieved	N/A
		60% within 48 hours	Total completed within 48 hrs.: 87 (97.75%)	Target Achieved	N/A
		80% within 7 days	Total completed within 7 days: 88 (98.88%)	Target Achieved	N/A
7	% of reported damaged traffic signal poles repaired/replaced from when a valid call is logged	40% within 14 days	Total received within the period: 07 Total completed within 14 days: 06 (85.71%)	Target Achieved	N/A
		60% within 20 days	Total completed within 20 days: 06 (85.71%)	Target Achieved	N/A
		80% within 30 days	Total completed within 30 days: 06 (85.71%)	Target Achieved	N/A

**Annexure F: Areas of Non-Compliance and Mitigation Measures**  
**COMPLIANCE WITH LAWS AND REGULATIONS**

LEGISLATION/ACT	REQUIREMENT	ACTIVITY	STATUS	RISK
MFMA	Section 32 of the MFMA Circular 68	Unauthorized, Irregular, Fruitless and Wasteful	<p><b>NON-COMPLIANT</b></p> <p>Irregular Expenditure: The opening balance on the 1st of July 2023 is R62 804 474 and has increased as at the end of the 1st quarter, which brings the total accumulative July 2023 is R62 804 474 and has increased as at the end of amount of irregular expenditure to date R62 804 474. However, there is an ongoing investigation on the Bayethe contract which was reported as irregular in the previous financial year. Fruitless and Wasteful Expenditure: The Fruitless and Wasteful expenditure incurred for Quarter 1 is R65, 81 compared to R414. 31 in quarter 4 of 2023. This is a reduction of R348, 50 (84%) due to enforced monitoring and controls to ensure invoices prone to interest are paid timeously. The entire amount represents interest for delayed submissions and payment for some Eskom invoices.</p>	<ul style="list-style-type: none"> <li>▪ Audit finding</li> <li>▪ Penalties / fines / recoverability</li> <li>▪ Consequence management</li> </ul>
MFMA Section 65(2)(e)	Section 65(2)(e)	Valid invoices of Service providers must be paid within the 30-day	<p>July August 100% 92%</p> <p>September 100%</p> <p><b>Average 97,33%</b></p> <ul style="list-style-type: none"> <li>▪ The target of 100% compliance could not be achieved due to Cashflow limitation.</li> <li>▪ Motivations /escalations were done for City intervention. Prioritising ageing and sensitive accounts</li> </ul>	<ul style="list-style-type: none"> <li>▪ National Treasury issued Instruction Note 34: requiring departments / entities to explain as to why invoices were not paid in time.</li> <li>▪ Audit finding</li> <li>▪ Service Providers escalations are on the increase and there is also impact on service delivery.</li> </ul>

COMPLIANCE WITH LAWS AND REGULATIONS			
LEGISLATION/ACT	REQUIREMENT	ACTIVITY	STATUS
		period after its submission	
SARS	TAX and VAT compliance	Valid Tax Certificate	<b>NON-COMPLIANCE</b> JRA currently operates without a valid tax clearance
<b>FINANCE MITIGATION MEASURES</b>			
MFMA Circular 68: Irregular Expenditure	Route cause or challenges - The Regulation 32 contracts which were multiyear and continue to be spent in current financial year. - Spending on Expired contracts without extension		- The JRA has issued a Moratorium to stop the use of Regulation 32 as a procurement strategy. - CMU continues to inform Client department six month prior to the expiry of the contract and no payment will be process before the relevant authority has proved the extension of contract. The JRA has reviewed and amended the BID and RFQ MBD forms to comply to Minimum threshold required.
			<ul style="list-style-type: none"> <li>▪ Audit finding</li> <li>▪ Creditors (Departments/entities) are unable to pay JRA</li> </ul>

COMPLIANCE WITH LAWS AND REGULATIONS		
LEGISLATION/ACT	REQUIREMENT	ACTIVITY
MFMA Circular 68: Fruitless Expenditure	Route cause or challenges - Eskom wrongfully charging us interest	
MFMA Section 65(2) (e): 30 Days payment	Route cause or challenges - Delay is payment on expired contract invoices. - Non-payment of invoice with outstanding documents - Submission of copy of invoice instated or original. - JDA as payroll system and report on it is a challenged	
SARS	Valid Tax & VAT Certificate	

	<p>and the dispute case number is 445272589 &amp; 445272417.</p> <p>- 3<sup>rd</sup> party claims preventing not processed by the City, matter was escalated to the City Manager for intervention to ensure VAT matters are attended to.</p>
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**COMPLIANCE WITH LAWS AND REGULATIONS**

LEGISLATION/ACT	REQUIREMENT	ACTIVITY	STATUS	RISK
<b>PUBLIC ACCESS TO PERSONAL INFORMATION</b>				
POPI ACT	Approval of the POPI Policy, Manual and Framework	Register with the Information Regulator POPI Framework and manual: Checklist POPI statement Constantly communicate to the business regarding the importance of POPI Simplify messages	<p><b>NON-COMPLIANCE</b></p> <ul style="list-style-type: none"> <li>▪ Draft POPI policy, manual and framework has been developed and submitted to LLF for consultation.</li> <li>▪ Attempts to consult LLF on pertaining to policies failed as LLF maintain that a moratorium imposed on policy discussions still applies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Fine / Penalties: Failure to comply with the POPI Act, whether intentional or accidental, you can be liable for an administrative fine of up to R10 million.</li> <li>▪ Audit finding</li> <li>▪ Operating without a Board approved policy</li> </ul>

**LABOUR RELATIONS**

Employment Equity Act No. 55 of 1998	To achieve equity in the workplace, by <ul style="list-style-type: none"> <li>• Promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination.</li> </ul>	<p>Ensure full compliance to the EE Act (EEA) namely:</p> <ul style="list-style-type: none"> <li>▪ Consult (section 16 &amp; 17 EEA)</li> <li>▪ Conduct an Analysis (Section 19)</li> </ul>	<p><b>COMPLIANT</b></p> <p><b>Department of Labour has issued a compliance certificate as the JRA has submitted an EE Plan</b></p> <ul style="list-style-type: none"> <li>- Targets contained in the plan have been set to ensure a steady improvement in the recruitment and retention of women.</li> <li>- <b>The JRA will be measured against the plan on a</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Inequality, poverty and unemployment</li> <li>▪ Discrimination</li> </ul>
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**COMPLIANCE WITH LAWS AND REGULATIONS**

LEGISLATION/ACT	REQUIREMENT	ACTIVITY	STATUS	RISK
	<ul style="list-style-type: none"> <li>Implementing affirmative action measures to redress the disadvantages in employment experienced by designated groups (A designated group means black people, women, or people with disabilities) to ensure their equitable representation in all occupational categories and levels in the workforce.</li> </ul>	<ul style="list-style-type: none"> <li>Develop and Implement an EE Plan (Section 20 EEA)                             <ul style="list-style-type: none"> <li>Report to the Department of Labour (Section 21 EEA)</li> <li>Duty to Inform (Section 25 EEA)</li> </ul> </li> <li>Assignment of Senior Management (Section 24 EEA)</li> </ul>	<p>quarterly basis.</p> <ul style="list-style-type: none"> <li><b>GENDER SPLIT:</b> Current staff complement is 1586. The JRA's workforce currently comprises of 65% men and 35% women.</li> </ul>	
Occupational Health and Safety Act No. 85 of 1993 including Construction Regulations	The Occupational Health and Safety Act	Safety incidents	<p><b>NON-COMPLIANT MITIGATING MEASURES</b></p> <ul style="list-style-type: none"> <li>Status of emergency preparedness – not adequate, to be improved.                             <ul style="list-style-type: none"> <li>Injuries and fatalities</li> </ul> </li> </ul>	

**COMPLIANCE WITH LAWS AND REGULATIONS**

LEGISLATION/ACT	REQUIREMENT	ACTIVITY	STATUS	RISK
			<ul style="list-style-type: none"> <li>19 non-conformances raised in quarter 3 for not adhering to the occupational health and safety requirements in various depots.</li> <li>Work site inspections – signs not adequate to communicate to road users and barricading is not adequate.</li> </ul>	

**RECORD MANAGEMENT**

<p>National Archives and Records Services of South Africa Act</p>	<ul style="list-style-type: none"> <li>▪ Ensure there is a records management system and documents are stored in the manner, and for the required time frame, as per legislation</li> </ul>	<p>File plan approved in terms of the national archives.</p>	<p><b>NON-COMPLIANCE MITIGATING MEASURES</b></p> <ul style="list-style-type: none"> <li>- Approved File Plan/not fully implemented.</li> <li>- Gaps have been identified when implementing the file plan.</li> <li>- Valid Record and Admin Management Policy.</li> <li>- Dedicated records storing areas have been identified and records are being stored. This process will be monitored by corporate services to ensure that the file plan is fully functional.</li> <li>- An assessment of records storage facilities for the organisation is being conducted considering the partitioning plans.</li> </ul>	<p><b>Loss of company records</b></p>
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