

JOHANNESBURG DEVELOPMENT AGENCY (SOC) LIMITED

Registration no: 2001/005101/07



ANNUAL INTEGRATED REPORT 2016/17

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

Registration number:	2001/005101/07
Parent municipality:	City of Johannesburg Metropolitan Municipality
Directors:	C Coovadia (Chairperson) K Govender P Masilo T Mendrew (Chief Executive Officer) P Zagaretos P Mashele N Ngwenya L Shole A Steyn M Qobo E Harvey (Resigned on 16 March 2017) P Mashiane (Resigned on 16 March 2017) N Selamolela (Resigned on 16 March 2017) W Thwala (Resigned on 16 March 2017) T Mukhuba (Resigned on 16 March 2017) Ms Z Mafata (CFO – Resigned 30 November 2016)
Registered address:	3 President (Helen Joseph) Street, Newtown, Johannesburg
Postal address:	PO Box 61877, Marshalltown, 2107
Telephone number:	+27 (0) 11 688 7851
Website:	www.jda.org.za
Bankers:	Standard Bank of SA Limited
Auditors:	The Auditor-General of South Africa
Company secretary:	Hasani Rodney Shirinda

JDA Vision

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

JDA Mission

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

JDA Values

Accountability: To its shareholders, Board and key stakeholders




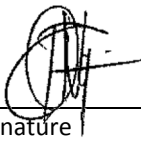
Innovation and creativity: Promoting an environment of fast-tracked decision-making and broader financial leverage, within which developments are planned, led, managed and implemented.

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

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

Seeking to empower: Through progressive procurement and work practices

APPROVAL

Ms Sherylee Moonsamy Name & Surname Acting Chief Financial Officer	 Signature	8 December 2017 Date of approval
Mr Christo Botes Name & Surname Acting Chief Executive Officer/MD	 Signature	8 December 2017 Date of approval
Mr Cassim Coovadia Name & Surname Chairperson of the Board	 Signature	8 December 2017 Date of approval
CLlr Richard Funzela Ngobeni Name & Surname MMC: Development Planning	 Signature	8 December 2017 Date of approval

CONFIRMATION OF RECEIPT

Name & Surname Cluster Champion Group Governance	Signature	Date of approval:
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ABOUT THIS REPORT

SECTION 1: SCOPE

Since 2012, the Johannesburg Development Agency (JDA) has applied circular 63 of the Municipal Finance Management Act (MFMA) (2003), issued by the National Treasury in the preparation of its annual reports. The circular prescribes the content municipalities should cover in their annual reports. The 2016/17 integrated annual report provides all of the required data and tables.

To comply with local and international sustainable reporting best practice guidelines, the 2016/17 integrated annual report also takes into account financial, social and economic factors in reporting on the JDA's operations. The guidelines applied include:

- Reporting requirements as per the Municipal Finance Management Act No. 56 of 2003, Circular 63 (MFMA)
- The South African Statements of Generally Recognised Accounting Practice (GRAP)
- Section 46(1) of the Municipal Systems Act (2000).
- International Integrated Reporting Council's Integrated Report Framework (IIRC IRF)
- King Code of Governance for South Africa
- National Treasury Guidelines and Regulations

The JDA's outcomes are aligned with those set out in the City of Johannesburg's 2016/17–2020/21 integrated development plan and the Joburg 2040 Growth and Development Strategy (GDS), the collective and shared vision for the future of Johannesburg.

SECTION 2: MATERIALITY

The JDA applies the principle of materiality to determine the nature, timing and extent of the disclosures in its annual reports. A matter is material if it is of such relevance and importance that it could substantially influence an assessment of the report and the entity's ability to create value in the short, medium and long term. Material issues are embedded into the company's processes in at least the following four ways that ensure efficiency and impact:

- Strategy: To feed into ongoing strategy development by highlighting rapidly emerging issues and enabling them to be factored into strategy development and possibly addressed as business opportunities, rather than ignored until they become business risks.
- Performance: To promote internal understanding of the link between environmental, social, and governance issues and business performance. The materiality determination provides a link between issue experts and strategic and operational managers.
- Stakeholder engagement: To provide a framework to design stakeholder engagement strategies and a powerful tool to help identify opportunities for dialogue and collaboration.

- Reporting: To determine the scope of reporting and other communications so that they are more strategically aligned and useful to external stakeholders.

TABLE 1: INTERNAL AND EXTERNAL CRITERIA WERE USED TO IDENTIFY MATERIAL ISSUES

Internal criteria	External criteria
Joburg 2040 GDS criteria and objectives	Emerging opportunities and challenges facing the JDA Changes in the socioeconomic development agenda and priorities of national and provincial government
Enterprise risk management process, including key risks affecting the JDA's strategic and operational objectives and the associated mitigating activities	Factors that may affect the JDA's reputation and influence its ability to promote sustainable growth
The expectations and feedback of stakeholders such as residents, ratepayers, the business community, civil society, national and provincial government, neighbouring municipalities, and designated targeted groups	The provisions of various frameworks, including the MFMA, section 46(1) of the Municipal Systems Act, King Code, the International Financial Reporting Standards, the Millennium Development Goals, and the broad-based black economic empowerment (BBBEE) code
The JDA's mission, vision and values	
The JDA's governance framework and policy environment	

SECTION 3: ASSURANCE STATEMENT

The JDA's executive management, internal audit unit, and the Audit and Risk Committee have reviewed and assessed the entity's integrated annual report for 2016/17 to ascertain whether minimum disclosure requirements were adhered to in terms of the following:

TABLE 2: MINIMUM DISCLOSURE REQUIREMENTS

Integrated reporting framework	MFMA: Circular 63 annual reporting requirements
Ethical leadership and corporate citizenship	Chairperson's foreword and executive summary
Boards and directors Board independence Board reporting Board's performance Board committees Directors' remuneration	Governance Governance structures Intergovernmental relations Public accountability participation Supply chain management, by-laws and oversight committees Risk management Anticorruption and fraud Disclosure of financial interests Councillors and committee
Audit and Risk Committee Finance competence Audit and Risk Committee performance	Service delivery
The governance of risk	Organisational development performance
Compliance with laws, codes, rules and standards	Financial performance
Internal audit Assessment of governance risk, management ethics and internal control processes	Appendices and annual financial statements
Governing stakeholder relationships	
Integrated reporting disclosure Financial disclosure Sustainability disclosure	
Integrated reporting philosophy	

The JDA will continue to refine its approach to reporting to further align it with international standards, and to strive to be consistent and accountable in its work to create sustainable value for all residents of Johannesburg.

SECTION 4: BOARD RESPONSIBILITY AND APPROVAL

The directors are responsible for the preparation, integrity and fair presentation of the financial statement of the entity. The financial statements presented in Chapter 5 have been prepared in accordance with Generally Recognised Accounting Practice and include amounts based on judgements and estimates made by management.

The directors are responsible for the preparation of the other information in the integrated annual report and are responsible for both its accuracy and consistency with the financial statements. The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the entity will not be a going concern in the foreseeable future based on the forecast and available cash resources. Refer to the Directors' report in Chapter 5 with regard to the appropriateness of the going concern assumption for the preparation of the financial statements.

The financial statements were approved by the Board of Directors on 23rd November 2017 and signed on its behalf by Mr. C Coovadia (Chairperson)



C Coovadia (Chairperson)

CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE

SECTION 1: FOREWORD BY MEMBER OF THE MAYORAL COMMITTEE

The JDA has played an important role in the work needed to achieve the spatial and economic goals set out in the Joburg 2040 GDS and in the priorities as defined by the New Strategic Agenda 2016-2021. Of particular importance are “Priority 1: To promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty”; and “Priority 2: To ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress”.

In 2016/17, the JDA supported these priorities through its focus in the Inner City, in the transport station or TOD precincts, in public transit and mobility infrastructure along the corridor routes and in on-going investments in marginalised areas including Alexandra, Ivory Park, Noordgesig and Westbury.

The JDA also contributed to job creation in the construction sector in Johannesburg, and local SMMEs’ development and BBBEE.



*Cllr. Richard Funzela Ngobeni
MMC Development Planning*

Stakeholder Engagement

The JDA’s Stakeholder Engagement Framework has guided the way in which the JDA supports productive development partnerships and co-operation between all stakeholders in these areas. It frames how the JDA works with the people and organisations which impact upon and are impacted by various JDA plans, interventions and projects which seek to fulfill the City of Johannesburg’s development policy objectives.

The JDA’s Framework has:

- Ensured a coherent approach to stakeholder engagement across the complete range of JDA plans, interventions and projects
- Enabled better planned projects and programs; and
- Facilitated effective collaboration with all affected and interested parties
- This is evident in all JDA development focus areas, including Alexandra, Noordgesig and in Norwood (along the TOD Development Corridors)

Key service delivery improvements

The JDA implemented capital projects to the value of R1.39 billion that translates into over R115 million being spent on average per month. This has taken JDA’s capital expenditure over the past 6 years close to R6 billion.

The three-year budget estimates indicate that the JDA will have to refine its plan to ensure it achieves its project implementation targets, which increase along with the budget allocation in 2017/18.

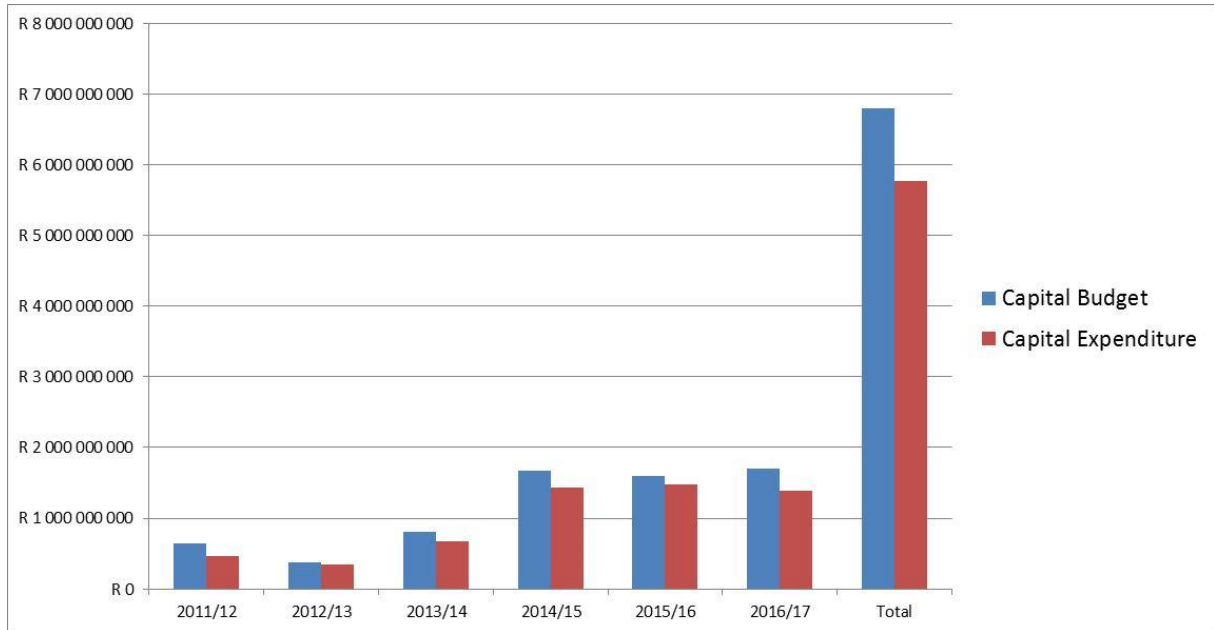


FIGURE 1: JDA’S CAPITAL BUDGET / CAPITAL EXPENDITURE 2011/12 - 2016/17

Future outlook

A foremost goal of urban development in the transformation of South African cities remains the need to address spatial and systemic inequalities. Striving for a more equitable and just city would result in access to a greater range of opportunities and services to all of its citizens. Johannesburg, like other South African cities, is changing rapidly and in sometimes unpredictable ways. This rapid urbanisation in the City brings with it both challenges and opportunities for urban development. As the City of Joburg, it is our responsibility to use our policies, resources and mandate and tackle the historical inequalities and the rapid changes that are taking place in the spatial fabric of the City.

Given this context, it is important that in 2017/18 the JDA, as an area-based development agency, continues to both deepen its efforts as well as catalyse new development that supports the spatial transformation of the City of Johannesburg. JDA must continue to make strides in place-making and the development of key infrastructure. We have placed high expectations and trust in the role JDA plays in the TOD Corridors, as well as other priority development areas across the City.

I would like to commend the CEO, the executive team and Board for their constant and valuable inputs and their stewardship of the JDA.

Councillor Richard Fanzela Ngobeni

Member of the Mayoral Committee on Development Planning

SECTION 2: CHAIRPERSON'S FOREWORD

As we consider the results for 2016/17, in which the organisation spent 82% capital budget of R1.7 billion, we are confident that the JDA can do even more to exceed its targets related to urban development performance and capital expenditure.

We must also use the opportunity to reflect on significant external changes impacting on the organisation, the organisation's performance, and where possible, take note of any relationship between the two.

What is clear is that while the multi-year planning, budgeting and contracting system is in-place, more needs to be done to ensure the necessary project management and performance management practices are enforced. Secondly while various innovative approaches to stakeholder engagement and public participation continue there remains an increasing resistance to projects from communities for various reasons, which delays project implementation and negatively impacts the JDA's performance. Alternative approaches are therefore required to understand and address these areas of resistance and will also require greater support for the JDA from the Shareholder.



*Mr Cassim Coovadia
JDA Chairperson*

Finally, while project delivery remains a priority, each area-based development undertaken by the JDA is now supported by the development facilitation unit, which supports in the pre-development and post-development phases. The 2016/17 financial year, we believe really demonstrated the important role facilitation plays in enhancing value to the capital works interventions by improving the longer-term sustainability of the capital investment.

One of the key strategic objectives of the JDA is the promotion of economic empowerment through the structuring and procurement of JDA developments. This remains an area where the organisation has improved its performance in 2016/17. This specifically relates to the BBBEE and SMME expenditure. While the expenditure on SMME's exceeded target, management must also continue with programmes to support sustainability through meaningful enterprise development for both new and emerging contractors.

The Annual General Meeting in March 2017 resulted in changes to the JDA Board, including the election, re-election, resignation and retirement of directors. The following Non-Executive Directors were re-elected:

- Mr Cassim Coovadia (as Chairperson), Mr Popo Masilo, Mr Krishna Govender and Mr Panos Zagaretos

The following new Non-Executive Directors were elected:

- Ms Lebogang Shole, Dr. Mzukisi Qobo, Mr Prince Mashele, Mr Arron Steyn, and Dr. Nomfundo Ngwenya

The following Independent Audit and Risk Committee members were reappointed:

- Ms Modi Dolamo, Ms Keabetswe Onuoka and Mr Zukisani Samsam.

I would like to welcome the newly elected members and we look forward to working collectively to support and guide the JDA in achieving the high standard of performance and delivery expected of the JDA. I would also like to use this platform to thank all the previous Non-Executive Directors who gave their time, energy and effort in ensuring that good governance looked beyond the audits and the boardroom and actually focused on ensuring the tangible outputs that transforms the lives of the residents of Johannesburg. We recognise and thank you for your contribution Ms Pamela Mashiane, Ms Nokuthula Selamolela, Dr. Ebrahim Harvey and Prof Wellington Didibhuku Thwala.

The JDA is instrumental in supporting the City achieve the spatial and economic goals set out in the GDS 2040, the SDF and the priorities of New Strategic Agenda. Therefore throughout the 2016/17 financial year the Board has worked closely with management to address various operational inefficiencies which have hampered the delivery capacity and performance of the JDA. This includes all the necessary and appropriate internal control measures to ensure that the entity does not falter in its mission of retaining a clean audit report for 2016/17. The Board will continue to monitor the performance outcomes stemming from the improved operational structures, processes and systems as developed by management.

Going into the 2017/18 financial year, the JDA Board is focused on ensuring that the JDA remains a sustainable, relevant and efficient entity of the City. We are all proud to play our role as non-executive directors in the nurturing the growth of the organisation.

Finally, I would like to thank the CEO for his contribution to the JDA and wish him success in his future endeavours.



C Coovadia (Chairperson)

SECTION 3: CHIEF EXECUTIVE OFFICER'S REPORT

In 2016/17, the JDA implemented just under 100 capital projects across five programmes and therefore the JDA proudly continues to support the City in transforming the spatial economy by "Building a Better City".

The major driver of the JDAs expenditure was from Greenways Programme, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes i.e. 1C along Louis Botha Avenue, and the projects to install pedestrian and non-motorised transport, or NMT, infrastructure that serves to connect commuters with the Rea Vaya BRT system and commuter rail services. Most of the NMT projects are being implemented by small construction companies, which mean that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.

The JDAs transit orientated development of TOD / Station Precinct Programme has encouraged the optimal development of transit hubs and corridors across the city. The JDA projects in TOD's, such as Jabulani, Westbury, Orange Grove / Patterson Park, Nancefield and Rotunda have laid a solid foundation for these nodes to not only provide affordable accommodation and transport but to also emerge as desirable and highly liveable neighbourhoods with vibrant public spaces and good community services.

The renewed focus on the inner city as a Mayoral Priority is strongly aligned with JDAs Inner City Programme which serves to strengthen the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city. The programme has delivered both large iconic projects such as the Karsene Intermodal facility at Park Station as well as through more localised neighbourhood projects in Hillbrow and in the Inner City Core. In 2016/17 the JDA also began a new planning cycle for areas both East (Eastern Gateway precinct) and West (Fordsburg and Mayfair) of the inner city. Some exciting developments are expected in both of these areas for the following years.

The Alexandra Renewal Programme or ARP has played its role in the development of Alexandra through capital investments, overseeing integrated investments by other departments and entities, and facilitating community based initiatives and local economic development strategies. Most of the JDA's project in Alexandra focused on community and social infrastructure and includes for example the Thoko Mngoma Clinic. Various projects in Alexandra continue into the 2017/18 financial year.

The Priority Development Areas Programme has managed a wider portfolio of projects from internal roads and storm-water infrastructure in Braamfisherville for the Department of Housing, the Rabie Ridge Multi-purpose Centre for the Community Development, through to a range of Clinics for the Department of Health. The JDA itself began a new cycle of planning in preparation for projects in Diepsloot where the JDA has worked for many years.

Reflecting on the previous year at the JDA, there are various highlights are worth listing:

- Obtaining a Clean Audit Opinion from the Auditor-General for the 2016/17 year
- The time and effort by JDAs Development Facilitation Unit resulting in greater City coordination and private sector interest in and around the JDA's developments in both the Inner City and along the TOD Development Corridors.



*Mr Thanduxolo Mendrew
JDA CEO*

- Under the priority of Smart Cities the JDA has continued with its SAP Project implementation in the 2016/2017 financial year.
- Greater stakeholder engagements, through co-creation initiatives as in Grant Avenue, Norwood and place-making projects such as #Walk My Jozi, have played a meaningful role in shaping the outcomes and greater community custodianship of future developments.

The 2016/17 year was however not without its challenges:

- The Department of Labour investigation into the collapse of scaffolding of the Great Walk pedestrian bridge while under construction in Sandton is continuing. It is anticipated that the investigation will be completed by August 2017. While the investigation is underway, the Department of Labour has approved that Murray and Roberts can continue on the broader bridge construction project. The construction was initially only allowed on parts of the dedicated pedestrian and cycling bridge at the Grayston off-ramp of the M1 Motorway. The City has subsequently been allowed to resume full construction of the bridge as the JDA and the contractor have demonstrated that they have put in place all possible risk mitigation measures to avoid a reoccurrence of this tragic accident. The Department of Labour have approved the design and construction methodology which is being applied.
- In the period under review, a number of JDA projects in Greater Region E have been delayed as a result of community issues, In particular with the Alexandra projects, the Paterson Park projects and the BRT project along Louis Botha Ave. Such actions stem primarily from the appointment surrounding local SMMEs, appointment of Community Liaison Officers (CLOs) and provisions of jobs to locals on projects within this Region. Where necessary the JDA has sought assistance in such matters from the Regional Director, the Department of Development Planning and the Office of the Speaker.
- Delays in the finalisation of the agreement regarding the Post Office land have impacted the Kazerne development.
- The Orlando East Transit Oriented Development was cancelled due to the dissatisfaction of community members of organised under the body called Orlando Task Team.

This increased confidence in the agency's capacity to implement projects is clearly shown in its increased capital expenditure budget as outlined in the table below.

TABLE 3: PERFORMANCE OF THE JDA OVER THE PAST FIVE YEARS

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2016/17
Number of Projects in the Implementation Phases	18	59	98	91	105
Number of Employees	55	61	86	87	96
SMME Share of expenditure	R 8,600,000	R 266,788,408	R 390,342,000	R 228,748,457	R 417,322,240.
BBBEE share of expenditure	R 310,200,000	R 952,029,254	R 1,466,054,000	R1,275,963,352	R1 376 164339
Operating Budget	R 46,000,000	R 62,200,000	R 88,853,200	R 105,185,000	R 104 555 000
Operating Expenditure	R 50,746,000	R 57,400,000	R 76,400,000	R 102,083,310	R 94 588 202
Capital Budget	R 376,614,000	R 807,884,000	R 1,678,046,000	R 1,599,560,995	R 1 705 000 000

Performance Indicator	2012/13	2013/14	2014/15	2015/16	2016/17
Capital Expenditure	R 341,871,000	R 665,700,000	R 1,426,557,000	R 1,482,716,598	R 1 396 628 214
No. of EPWP Work Opportunities	2737	1741	9611	1219	1262
Positive media reports as a % of the total number of media reports on JDA development areas	96%	97%	86%	84%	N/A
Number Media Releases Marketing Projects	N/A	N/A	N/A	N/A	75

An institutional review in 2011/12 extended the JDA's mandate from being a project implementation agency that catalyses economic growth to one that focuses on reorienting the space economy in Johannesburg. The 2016/17 was an election year and also brought change and a call for an institutional review. The City of Johannesburg council considered a report proposing the initiation of the process to reintegrating municipal-owned entities like Pikitup, Johannesburg Water, City Power and the JDA at the council meeting held on January 26 2017. The understanding that has been communicated is that the City will reabsorb these entities within the next 18 months with the intention of minimal job losses. During this period of 12 months, while such plans are being investigated the impact on employees, both attraction and retention, stemming from the processes linked to reabsorption of JDA must be of priority.

Whatever unfolds from the outcome of the institutional review I believe there will always remain a mandate for a well capacitated and innovative local development agency that delivers a lasting legacy for the citizens of Johannesburg.

As I depart the organisation, I would like to thank the executive team and every JDA staff member for their unwavering dedication to the achievement of our objectives, and the Board for their steadfast leadership and guidance throughout the year.



Thanduxolo Mendrew

Chief Executive Officer

SECTION 4: CHIEF FINANCIAL OFFICER'S REPORT

The office of the Chief Financial Officer was responsible for two functional areas Finance and Supply Chain Management.

Through the operation of these divisions we served to integrate the business into a cohesive unit in servicing both our internal and external stakeholders and surpassing some of our targets.

Actual surplus before taxation of R2.8 million (2015/16: R5million) was recorded against a balanced operational budget. The impact of the deferred tax adjustment of R572k (2015/16: R2.2million) resulted in a net surplus of R2.1million (R2015/16: R2.7million) for the year under review.

The organisation achieved 82% (2015/16: 99.6%) of the budgeted revenue and 91% (2015/16: 94.9%) of the budgeted operational expenditure.



*Sherylee Moonsamy
Acting Chief Financial Officer*

The organisation's total assets exceeded the total liabilities. The total net assets at 30 June 2017 were R72 538 146 (2015/16: R70 392 519). The net assets include accumulated reserves of R56 312 103 (2015/16: R54 114 895).

In the year under review development management fees, the main income source for the JDA, accounted for 71% of the revenue earned compared to 68% in the previous financial year. This was largely due to the capital expenditure achieved in the current year against the target which was 82% as compared to 91% from the prior year. The said revenue was earned from spending 82% of the allocated adjusted budget as opposed to 91% capital spent during the 2015/16 financial year. The challenge however remains being able to spend the entire allocated capital budget in order to earn the development management fees. This feat will be achieved through amongst others, a combination of adequate capacitation of the organization with the correct skilled individuals as well as proper planning of projects.

The organization's ability to generate revenue is almost entirely dependent on its ability to spend the capital budget allocated, that is own capital as well as capital implemented on behalf of other departments and entities. With indications from CoJ Budget Office pointing towards a declining operational subsidy, the reliance on management fees generated from spending allocated capex budget to cover operational expenditure is becoming a reality the organization must live with.

To achieve a break even position does not only require focusing on generating the revenue but it also requires the continuous monitoring of operational costs. Simply put, costs have to be monitored to the extent that at any given point the revenue being generated is sufficient to cover the operational costs. Approved procurement plans and the implementation thereof must be monitored closely throughout the year against targets set. The mid-year adjustment budget process is to be used as an effective tool to consider the following:

- Organisation's position regarding revenue already generated,
- The realistic capital to be spend from the unspent allocated budget,
- Organization's ability to generate sufficient revenue to cover the operational expenditure incurred and committed,

- Measures to be implemented to align the operational expenditure with the realistic revenue to be generated.

For the 2017/18 financial year the organization needs to, as a bare minimum, learn from the tough lessons of the 2016/17 financial year and come up with effective strategies to address all the internal deficiencies which are likely to result in the organization not achieving a breakeven position.

As at 30 June 2017 the organization had capital commitments of R1.4 billion. These are multi-year contracts awarded and contractors & professional teams appointed for which expenditure has been incurred in part or is still to be incurred. These awards were made after the normal supply chain management processes had been followed. Such an order book means the organization is poised to start the first quarter of 2017/18 financial year with some contracts already in the construction phase and this is likely to improve the first quarter expenditure levels.

Throughout the financial year the JDA's Internal Audit conducted various audits including but not limited to the Financial Discipline and Supply Chain Management Reviews in order to assist management in improving the organisation's internal control environment and assist in maintaining a clean audit for the year ended 30 June 2017.



Sherylee Moonsamy CA (SA)
Acting Chief Financial Officer

SECTION 5: COMPANY SECRETARY'S CERTIFICATION

In terms of section 88(2)(e) of the Companies Act (2008), I certify that, to the best of my knowledge and belief, the company has lodged and/or filed, for the financial year ended 30 June 2016, all such returns and notices as required and that all such returns and notices are true, correct and up to date.



A handwritten signature in black ink, consisting of several overlapping loops and lines, appearing to be the name 'Hasani Rodney Shirinda'.

Hasani Rodney Shirinda

Company Secretary

SECTION 6: CORPORATE PROFILE AND OVERVIEW

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

Outcomes and challenges

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

Political governance and accountability

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

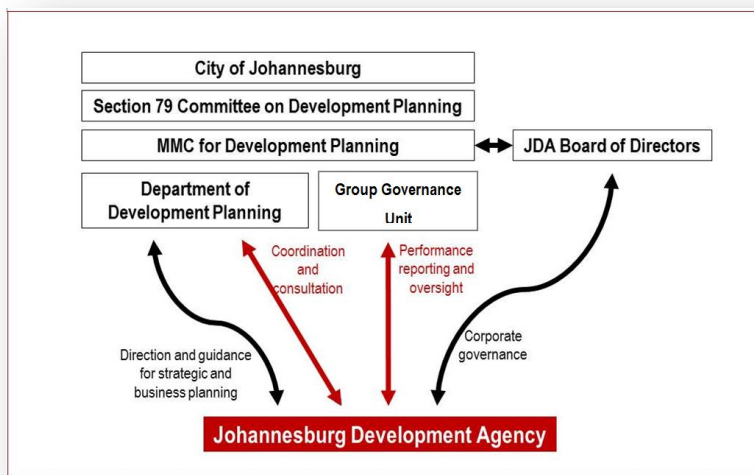


FIGURE 2: JDA GOVERNANCE SYSTEM

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

SECTION 7: STRATEGIC GOALS AND OBJECTIVES

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

TABLE 4: STRATEGIC GOALS AND OBJECTIVES

Strategic Goals		Aligned to Eight Strategic Objectives
Create great places	Creating robust democratic public spaces that give dignity and choice to city users. As urban densities continue to rise, the public spaces in cities are becoming increasingly important for meeting citizens’ social needs. The quality of space is just as important as the quantity. Given the increasing demand for open space, public spaces need to be creatively designed, moving towards greater adaptability and multiplicity of use to ensure their longer-term sustainability.	<ol style="list-style-type: none"> 1. Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them. 2. Encourage sustainable energy consumption and land-use in the city by developing strategic transit nodes and corridors.
Catalyse growth and investment	Catalysing growth in areas with latent investment potential. Catalytic intervention and strategic capital investments in areas that have been previously marginalised or have failed to attract private investment can unlock development potential, stimulate local economies and boost job creation and entrepreneurial development.	<ol style="list-style-type: none"> 3. Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas. 4. Turn around declining investment trends in these areas by upgrading public space, generating shared visions for future development, and encouraging urban management partnerships.
Connect people to opportunities	Connecting people with opportunities to live, work, play, learn and to be healthy in the city. Efficient mass public transport networks and connections, transit-oriented multi-use precincts, together with strategic land-use planning and zoning regimes, are essential in realising these connections.	<ol style="list-style-type: none"> 5. Develop local economic potential in marginalised areas to promote access to jobs and markets. 6. Promote economic empowerment through the structuring and procurement of JDA developments.
Co-produce solutions	Co-producing solutions in partnership with local communities and stakeholders to meet local needs and mitigate challenges. This is an essential component of development intervention in cities. Since 1994, the state has made concerted efforts to engage communities in the development of local solutions. Unfortunately this has not always been successful and often simply takes the form of decision-makers telling communities about their strategies. A more responsible and effective approach is to work with local stakeholders to produce solutions, drawing on their knowledge of the development context. This can cultivate a much more sustainable sense of ownership, civic pride and citizenship.	<ol style="list-style-type: none"> 7. Support productive development partnerships and co-operation between all stakeholders in these areas.
Continuous improvement	Underpinning all the strategic goals, there is the need for the JDA to run as efficiently as possible.	<ol style="list-style-type: none"> 8. To strengthen the JDA's operations to ensure that it remains an effective, efficient, sustainable and well-governed organization.

Transforming the Spatial Economy

The JDA’s primary medium-term purpose is to promote resilient city strategies by restructuring the urban spatial logic of the city. The JDA coordinates its area-based development activities and other catalytic

interventions with the Department of Development Planning and with other client departments. To ensure that the JDA is best positioned to respond to the spatial development priorities, the agency co-ordinates and manages its activities through the following six substantive programmes:

TABLE 5: SUMMARY OF JDA SUBSTANTIVE PROGRAMMES

JDA Development Programmes	Purpose
1: Inner city transformation	Manage the development of the Johannesburg inner city through capital investments in selected areas, by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives. Guided by the Inner City Transformation Roadmap as approved by the City of Johannesburg in 2013, the JDA will focus on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city; financial services networks for the City Region; and cross-border trade networks for the African continent. The JDA will continue to implement a phased plan to strengthen inner city precincts, address movement challenges, and improve the quality of the built environment across the inner city.
2: TOD / Station Precinct development	A station precinct development programme that encourages optimal development of transit hubs and corridors across the city, which provide access to affordable accommodation and transport, high quality public spaces and amenities, and good community services.
3: Priority Area Planning & Implementation	Manage the development of strategic economic nodes in marginalised areas through capital investments, overseeing integrated investments by other departments and entities, and facilitating partnership initiatives
4: Greenways	The greenways programme that focuses on providing resilient, liveable and sustainable environments within the City by using roads and transport modes to promote walking, cycling, and sustainable public transport. This programme includes the continued roll-out of the Rea Vaya BRT infrastructure and service.
5: Alexandra Renewal Project (ARP)	The Alexandra Renewal Project (ARP) which is established to coordinate intergovernmental activities to develop Alexandra. Manage the development of Alexandra through capital investments, overseeing integrated investments by other departments and entities, and facilitating community based initiatives and local economic development strategies. Most of the work involves human settlement development projects such as hostel upgrading, housing development and the construction of community facilities
6. Economic Development	A cluster of the JDA's economic development programmes that aims to (i) Develop skills and capacity within the construction industry in Johannesburg (ii) Optimise the JDA's contribution to inclusive economic growth and empowerment, and the transformation of the construction industry; and (iii) establish a monitoring and reporting system to measure the impact of the JDA's managing contractor development programme.

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

TABLE 6: SUMMARY OF JDA OPERATIONAL PROGRAMME

JDA Operational Programme	Programme Purpose
7: Good Governance, Management and Administration	This programme manages the governance, admin and operational functions and improves efficiency through Finance, Governance, Risk and Compliance, Supply Chain Management and IT.

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

FIGURE 3: SDF 2040 PRIORITY AREAS

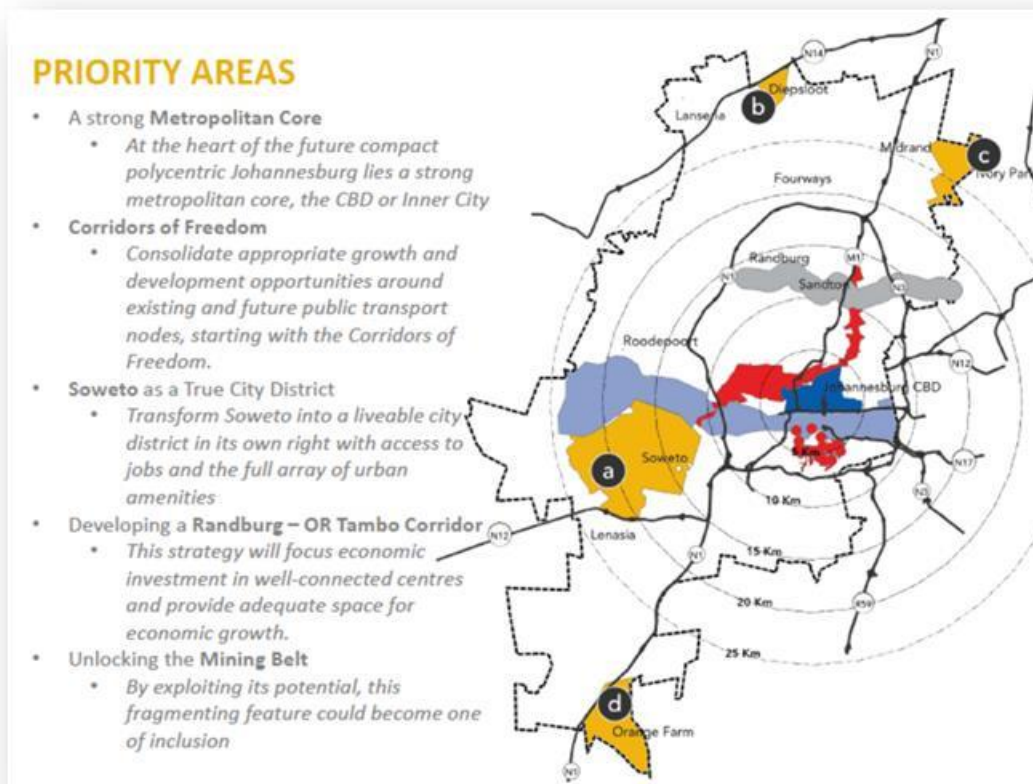


TABLE 7: SDF PRIORITY TRANSFORMATION AREAS AND CORRESPONDING JDA DEVELOPMENT REGIONS AND PROGRAMMES

SDF Priority Transformation areas	Corresponding JDA Regional Programmes	JDA Development Programmes
Strengthening the metro core	Inner City and the Old South (including Turffontein and Mining Belt)	Programme 1: Inner city transformation Programme 2: TOD / Station Precinct development
Unlocking Soweto	Greater Soweto (including Lenasia, Eldorado Park, Nancefield)	Programme 2: TOD / Station Precinct development Programme 3: Priority Area Planning & Implementation
Consolidating public transport backbone	The Corridors of Freedom: Empire-Perth Corridor and Louis Botha Corridor	Programme 2: TOD / Station Precinct development Programme 4: Greenways
OR Tambo Corridor	Alex and the OR Tambo Corridor (includes Randburg, Sandton, Cosmo City, Modderfontein, Frankenswald)	Programme 2: TOD / Station Precinct development Programme 3: Priority Area Planning & Implementation Programme 4: Greenways Programme 5: Alexandra Renewal (ARP)
Addressing marginalisation	Marginalised Areas – Diepsloot, Ivory Park, Orange Farm	Programme 3: Priority Area Planning & Implementation

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

1. **Development identification and project packaging** - Identifying strategic opportunities to respond to the CoJ’s focus area by bringing together all relevant stakeholders and parties to the initiative, and developing an implementation plan.

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

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



FIGURE 4: DEVELOPMENT PROCESS / LIFECYCLE

SECTION 8: VALUE CREATION PROCESS

Performance Summary

- The overall year to date capex expenditure was R1, 39 billion (2015/16: R1.481 billion) against an annual budget of R1, 7 billion (2015/16: R1.61 billion). This translates to 82% (2015/16: 91%) of the total annual budget and against the year to date target of 95% or R 1, 62 billion.
- The JDA was made aware of potentially receiving additional capital budget during the mid-year adjustment process however this capital budget allocation was only confirmed after the mid-year budget process was concluded. The value of this additional capital project budget was R62.5 million and the capex expenditure against this additional budget was R54.2 million. This amount has been excluded in the reporting against the Overall Programme Performance budget of R1, 7 billion.
- This under-performance on expenditure was due to a combination of factors at the project implementation level, these include: Project delays on site including land readiness, SMME disputes and contractor performance; Projects not reaching their development stages as planned; Construction challenges including projects with potential structural design risks that needed to be

suspended in order to be investigated; procurement delays or disputes resulting in community stoppages on projects. Management is aware of the severity reflected in expenditure performance and has put in place additional measures to address significant project risks earlier and more effectively. Adherence to project procurement deadlines has also been integrated into the project management system.

- The organisation achieved 93% (2015/16: 99%) of the budgeted revenue. The shortfall in the revenue is mainly due to development management fees that were budgeted on an overall capital spend of 95% of which the actual percentage spend is 81%. Currently over 74% of the JDA's funding model is dependent on the capital expenditure incurred on the infrastructure projects implemented. Although the revenue is normally based on a conservative spend percentage, most of the projects could be delayed by a number of factors as outlined above. These factors further contribute to the delays of these projects and indirectly the revenue generated by the JDA.
- The organisation incurred 90% (2015/16: 94%) of the budgeted operational expenditure. During the third quarter of the financial year, based on the capital expenditure projections it was evident that the overall capital target would not be achieved. In order to ensure that due to the reduction in the development management fees earned, the JDA does not result in an operating deficit position, further cost reduction measures were implemented to reduce the current year expenditure. This then resulted in only 90% of the overall expenditure target being achieved.

Financial highlights

The table below reflects the financial position and financial performance of the organisation for the year under review:

TABLE 8: FINANCIAL POSITION AND FINANCIAL PERFORMANCE, 2016/17

Key Performance Area	Key Performance Target ¹	Actual 30 June 2016	Actual 30 June 2017
Current ratio	Above 1 : 1	1.08 : 1	1.06 : 1
Solvency ratio	Above 1 : 1	1.08 : 1	1.07 : 1
Salaries to expenditure ratio	Below 60%	60%	66%
Revenue	R104. 5 million	R104.8 million	R97.3million
Expenditure (including taxation)	R104. 5 million	R102.1 million	R95.2 million
Surplus / (Deficit)	R nil	R2.8 million	R2.1 million
Total net assets	R47.4 million	R70.4 million	R72.5 million
Capital expenditure	95%%	92%	82%
B-BBEE expenditure	100%	90%	97%
SMME Expenditure	30%	16%	30%

TABLE 9: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE

Overall Programme Performance	2016/17 Annual Budget	Target YTD	Actual YTD	YTD Target %	% Actual / annual budget
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 705 000	1 620 000	1 396 628	95%	82%

¹ Given the specificity of JDA's business the JDA has where necessary its Key Performance Target defined and agreed to by the Shareholder

The overall year to date capex expenditure for the year ended 2016/17 was R1, 39 billion against an annual budget of R1,705 billion. This translates to 82% of the annual budget.

The JDA was made aware of potentially receiving additional capital budget during the mid-year adjustment process however this capital budget allocation was only confirmed after the mid-year budget process was concluded. The value of this additional capital project budget was R62.5 million and the capex expenditure against this additional budget was R54.2 million. This amount has been excluded in the reporting against the Overall Programme Performance budget of R1 705 billion. Refer to Chapter 3, Section 4: Capital projects and expenditure – Table 48.

TABLE 10: CAPITAL BUDGET MANAGEMENT OVERALL PROGRAMME PERFORMANCE INCLUDING ADDITIONAL PROJECTS

Overall Programme Performance	2016/17 Annual Budget	Target YTD	Actual YTD	YTD Target %	% Actual / annual budget Expenditure
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 705 000	1 620 000	1 396 628	95%	82%
Additional Project Budget	62 458	-	54 193	-	-
Overall Programme with Additional Projects Performance	1 767 458	1 620 000	1 450 821	95%	82%

TABLE 11: CAPITAL BUDGET MANAGEMENT PER PROGRAMME PERFORMANCE²

Per Programme Performance	2016/17	Actual YTD Expenditure	% Actual / annual budget Expenditure
	Annual Budget		
	R' 000	R' 000	%
Programme 1: Inner City transformation	217 612	186 180	86%
Programme 2: TOD Node developments	491 905	355 454	72%
Programme 3: GMS Priority development	197 166	136 821	69%
Programme 4: Greenways	707 017	653 033	92%
Programme 5: Alexandra Renewal Project	81 300	55 154	68%
Programme 7: Administrative	10 000	9 986	99%
Total	1 705 000	1 396 628	82%

² This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

TABLE 12: OPERATING BUDGET MANAGEMENT³

	2016/17	Year to date		% Achievement for Annual
	Original Budget	Target	Actual	
	R' 000	R' 000	R'000	%
Revenue	104 555	104 555	97 306	93%
Costs	104 555	104 555	95 160	91%
Net surplus/(deficit)	-	0	2 145	

Non-financial Performance

As a summary of the non-financial performance includes:

- The annual report has been prepared against the JDA’s 2016/17 business plan and adjusted scorecard. On the targeted performance for JDA’s 21 Strategic KPIs, 38% performance targets were achieved, 10% partially achieved and 52% not achieved.
- The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. For 2016/17 financial year, the overall BBBEE share of expenditure was R 1 376 164 339.24. This constitutes an achievement of 97% per cent.
- The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The SMME share of JDA’s operating and capital expenditure was R 417 322 240.64 for 2016/17 Financial year. This constitutes an achievement of 30% for the period under review. (Capex R 394 255 260.17 or 30 %; Opex R 14 996 548.54 or 36%; Retention R8 070 431.93 or 21%)
- The staff organogram has 109 approved positions. Of the 109 positions, 96 positions are filled and 13 positions are vacant. In terms of physical location, 86 employees are based at the JDA head Offices in Newtown, while 10 are based at the JDA Sandton Offices, in Sandton.
- A total of 1262 EPWP opportunities were reported against a fourth quarter target of 7000 and total of 59 job created city wide (Jozi@Work) against a fourth quarter target of 500. However, under the new administration, the Jozi@Work programme was suspended (i.e. no new work-packages or Community Support Agent’s could be awarded) and because majority of JDA projects with a planned Jozi@Work implementation were not yet at the construction stage no new jozi@work packages were awarded.

The following three diagrams below unpack the JDA’s value creation process to illustrate how:

- The JDA’s various inputs (i.e. financial, manufacturing, human, intellectual) are transformed into financial returns as well as non-financial sustainability outcomes.
- The JDA has aligned its activities and efforts to achieve expected results by structuring the main elements of our work.

³ This measures effective budget control of operating costs (indicated by budget variances). In respect of effective budget control of operating costs, a target of 0% over expenditure has been set.

JDA: Building a Better City

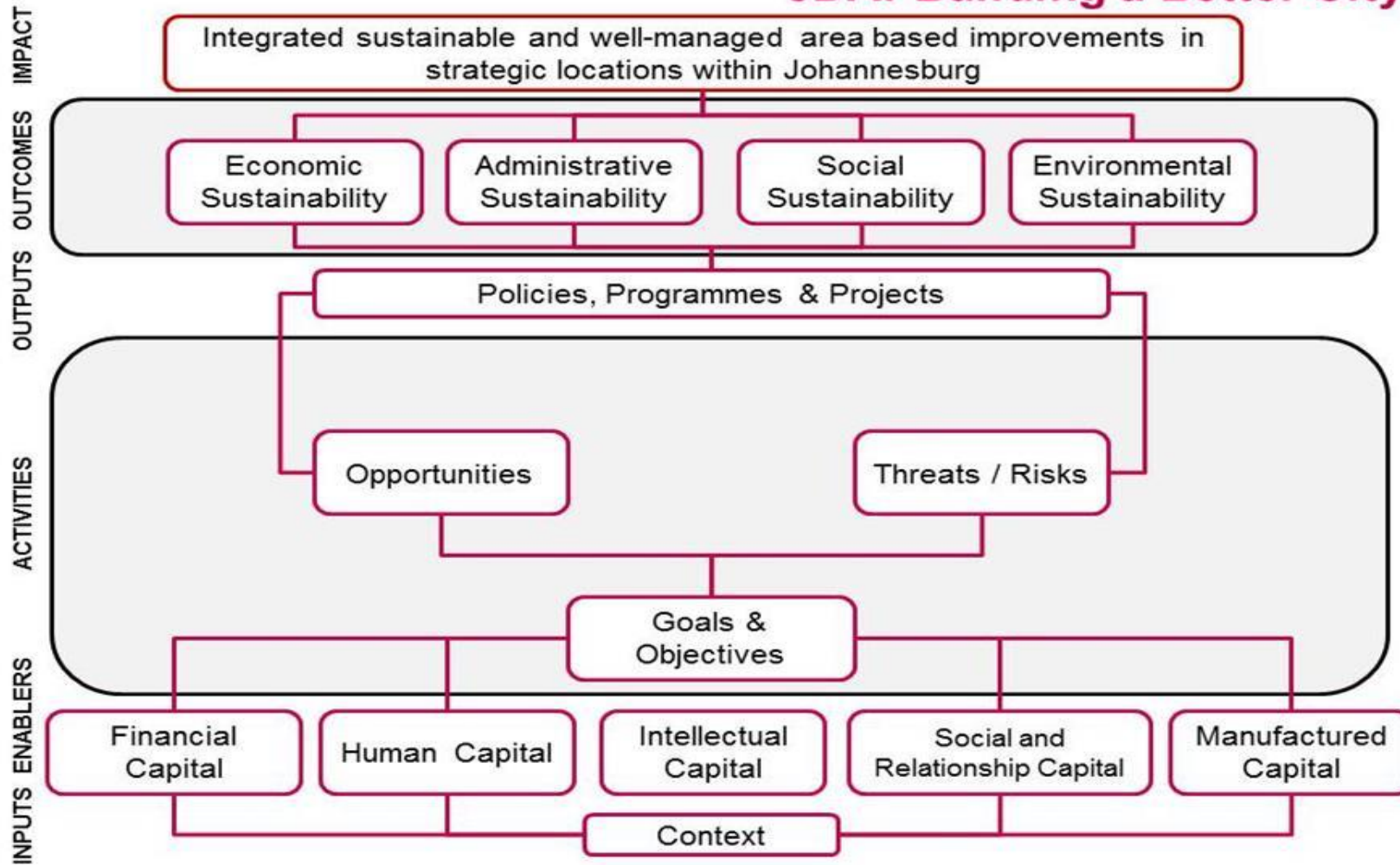


FIGURE 5: JDA'S VALUE CREATION PROCESS – LEVEL I

JDA: Building a Better City

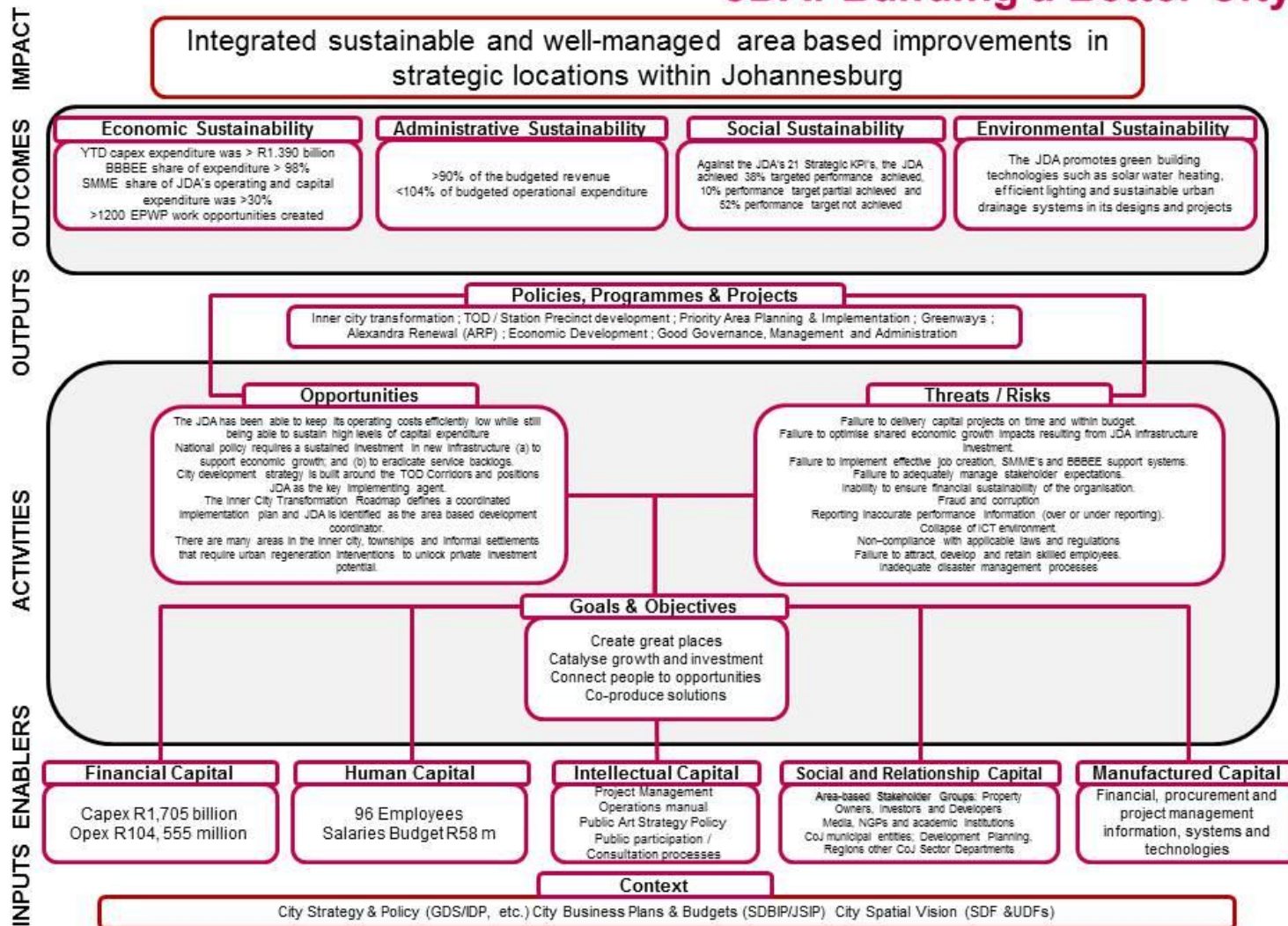


FIGURE 6: JDA'S VALUE CREATION PROCESS – LEVEL II

JDA: Building a Better City

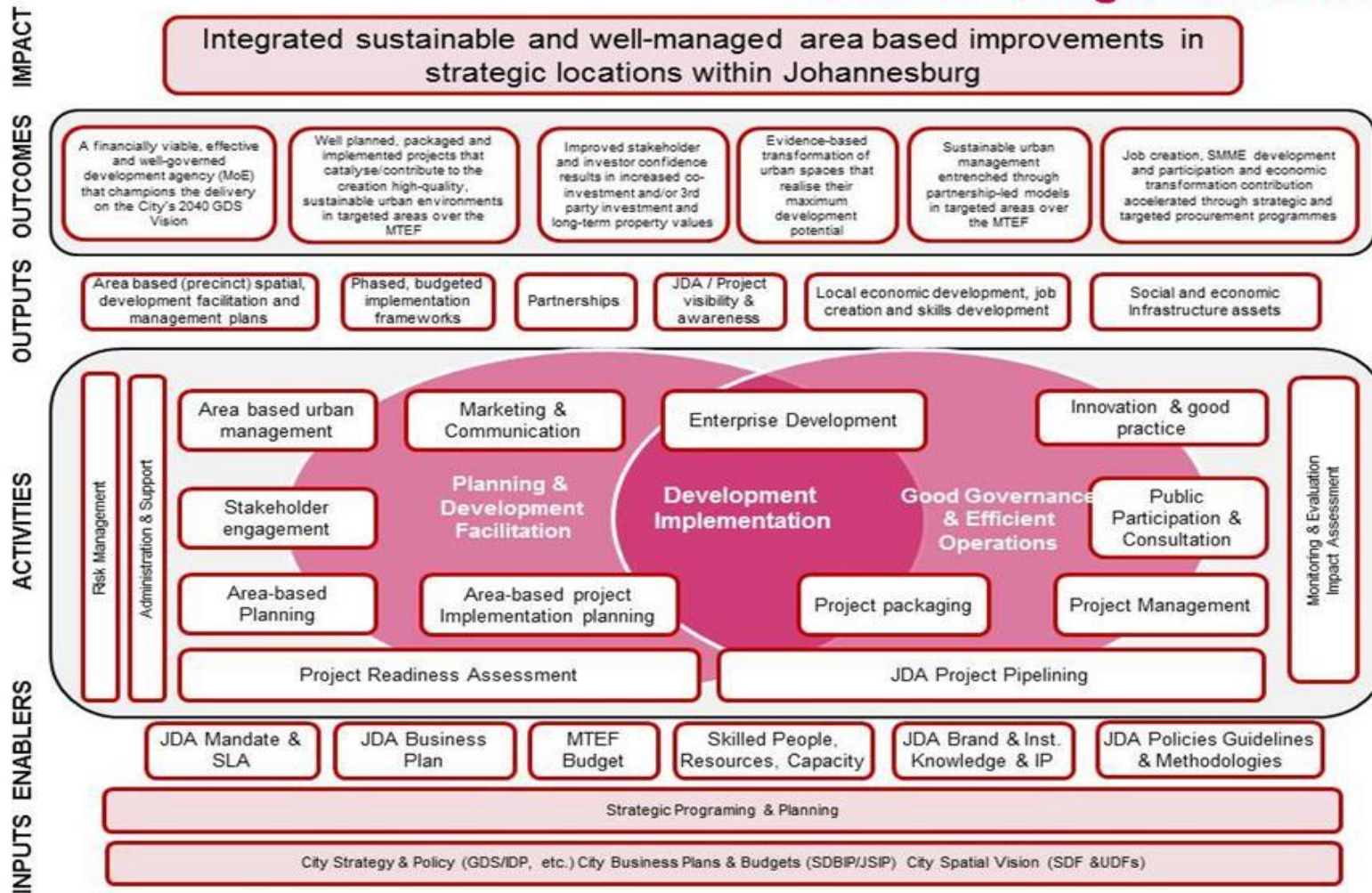


FIGURE 7: JDA'S VALUE CREATION PROCESS – LEVEL III

CHAPTER 2: GOVERNANCE

SECTION 1: CORPORATE GOVERNANCE STATEMENT

Governance Framework

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

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

JDA's Governance Arrangements

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

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

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

The Legislative framework

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

Implementation of King Code

The Board and management team are committed to the principles of openness, integrity and accountability advocated by the King Code. The JDA made progress during the reporting period towards entrenching and

strengthening the implementation of the recommended practices in its governance structures, systems, processes and procedures. The internal audit team provided regular feedback to the Audit and Risk Committee, which is responsible for monitoring compliance with the King Code.

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

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

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

Ethical Leadership

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

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

Corporate citizenship

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

Compliance with laws, rules, codes and standards

The Board is responsible for ensuring that the entity complies with applicable laws and considers adherence to non-binding rules, codes and standards. The company secretary certifies that all statutory returns have been

submitted to the Registrar of Companies in terms of section 268(d) of the Companies Act. The internal audit team provides assurance on the JDA's compliance with laws and regulations.

Citizen Involvement in Plan-Making and Project Implementation

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

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

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

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

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

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

BOARD OF DIRECTORS

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

The Board is accountable to the CoJ and the citizens of Johannesburg. A service delivery agreement and shareholder compact, concluded in accordance with the provisions of the Municipal Systems Act, govern the entity's relationship with the CoJ. The Board provides monthly, quarterly, biannual and annual reports on its performance and service delivery to the parent municipality as prescribed in the service delivery agreement, the shareholder compact, the MFMA and the Municipal Systems Act. The JDA published its annual report in 2016/17 in line with section 121 of the MFMA and has prepared this report accordingly.

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

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

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

The Board of Directors consist of the following members as appointed at the Annual General Meeting (AGM) of the shareholder held on 16 March 2017:

- (i) Mr Cassim Coovadia (as Chairperson);
- (ii) Mr Popo Masilo;
- (iii) Ms Lebogang Shole;
- (iv) Mr Krishna Govender;
- (v) Dr Mzukisi Qobo;
- (vi) Mr Panos Zagaretos;
- (vii) Mr Prince Mashele;
- (viii) Mr Arron Steyn;
- (ix) Dr Nomfundo Ngwenya; and
- (x) Mr Thanduxolo Mendrew (as Chief Executive Officer and Executive Director)(Resigned 1 September 2017)

The following members were reappointed as Independent Audit and Risk Committee members at the AGM:

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

TABLE 13: COMPOSITION OF THE BOARD

Board member	Capacity:	Period of Membership	Qualification/s	Race	Gender	Board committee membership	
						Pre AGM 16 March 2017	Post AGM 16 March 2017
C Coovadia	Chairperson (Non-executive)	25 February 2014 to date	BCom Effective Directors Programme Governance Housing Finance Finance	Indian	Male	Development and Investment	Development and Investment
K Govender	Non-executive	25 February 2014 to date	CA (SA) BCom and Honours	Indian	Male	Audit and Risk Development and Investment	Audit and Risk Development and Investment
E Harvey ⁴	Non-executive	25 February 2014 - resigned	PhD (Sociology) Master's Degree (Public	Coloured	Male	Human Resources and Remuneration	N/A

⁴ Resigned on 16 March 2017`

Board member	Capacity:	Period of Membership	Qualification/s	Race	Gender	Board committee membership	
						Pre AGM 16 March 2017	Post AGM 16 March 2017
		on 16 March 2016	Development and Management)			Social and Ethics	
Z Mafata	CFO (Executive)	25 February 2014 - resigned on 30 November 2016	BCom and Honours (Accounting)	Black	Female	Social and Ethics Development and Investment	N/A
P Mashiane ⁵	Non-executive	24 April 2012 - resigned on 16 March 2017	BSc (Chemistry) Project Management Post-graduate Diploma (Marketing) MBA	Black	Female	Development and Investment Social and Ethics	N/A
P Masilo	Non-executive	1 October 2008 to date	B Proc LLB	Black	Male	Development and Investment Social and Ethics	Human Resources and Remuneration Social and Ethics
T Mendrew	CEO (Executive)	1 September 2007 to date	B Proc LLB	Black	Male	Development and Investment Social and Ethics	Development and Investment Social and Ethics
T Mukhuba ⁶	Non-executive	1 March 2016 - resigned on 16 March 2017	PhD in English Studies	Black	Male	Audit and Risk Human Resources and Remuneration	N/A
N Selamolela ⁷	Non-executive	25 February 2014 - resigned on 16 March 2017	BCompt (Honours)/CTA BCom (Accounting)	Black	Female	Audit and Risk Human Resources and Remuneration	N/A
W Thwala ⁸	Non-executive	24 April 2012 - resigned on 16 March 2017	PhD (Eng.) MSc (Eng.) MSc (Dev. Planning) Pr CPM FCIOB	Black	Male	Development and Investment Human Resources and Remuneration	N/A
P Zagaretos	Non-executive	October 2014 to date	BSc (QS) MSc (QS) MRICS	White	Male	Development and Investment Social and Ethics	Development and Investment Social and Ethics
P Mashele	Non-executive	16 March 2016 to date	MA (Political Studies) BA Hon (Political Studies)	Black	Male	N/A	Human Resources and Remuneration

⁵ Resigned on 16 March 2017

⁶ Resigned on 16 March 2017

⁷ Resigned on 16 March 2017

⁸ Resigned on 16 March 2017

Board member	Capacity:	Period of Membership	Qualification/s	Race	Gender	Board committee membership	
						Pre AGM 16 March 2017	Post AGM 16 March 2017
							Social and Ethics
N Ngwenya	Non-executive	16 March 2016 to date	PhD (International Studies) MSc (Politics of World Economy) MA (International Studies) BA Hon (International Relations)	Black	Female	N/A	Development and Investment Social and Ethics
L Shole	Non-executive	16 March 2016 to date	MSc (Building) BSc (Quantity Survey)	Black	Female	N/A	Development and Investment Human Resources and Remuneration
A Steyn	Non-executive	16 March 2016 to date	PRTech (Civil) Post Graduate Diploma in Project Management BCom Hon (Economics)	Coloured	Male	N/A	Audit and Risk Development and Investment
M Qobo	Non-executive	16 March 2016 to date	PhD (Politics and International Studies) MA (International Studies) BA	Black	Male	N/A	Audit and Risk Human Resources and Remuneration

TABLE 14: INDEPENDENT AUDIT AND RISK COMMITTEE MEMBERS

Board member	Capacity:	Period of Membership	Qualification/s	Race	Gender	Board committee membership	
						Pre AGM 16 March 2017	Post AGM 16 March 2017
Ms M Dolamo	Independent Audit and Risk Committee	3 February 2015 to date	BCom and Honours (Accounting) CTA CA (SA)	Black	Female	Audit and Risk	Audit and Risk
Ms K Onuoka	Independent Audit and Risk Committee	15 March 2016 to date	CSSA Qualification Postgraduate Diploma in Company Law MSc Finance and Financial Law (Current)	Black	Female	Audit and Risk	Audit and Risk

Board member	Capacity:	Period of Membership	Qualification/s	Race	Gender	Board committee membership	
						Pre AGM 16 March 2017	Post AGM 16 March 2017
Mr Z Samsam	Independent Audit and Risk Committee	25 February 2014 to date	CA (SA) MCom (Finance)	Black	Male	Audit and Risk	Audit and Risk

The JDA's directors bring together a range of complementary skills and experience that benefit the entity, including accounting, finance, legal, business management, human resources, labour relations, marketing, construction and development management.

Duties of the Board

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

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

Board charter

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

BOARD COMMITTEES

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

Board Meeting Attendance

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

TABLE 15: BOARD AND BOARD COMMITTEE MEETINGS & ATTENDANCE (1 JULY 2016 – 30 JUNE 2017) ⁹

Name	Board				Audit & Risk				Development & Investment				HR & Remco				Social & Ethics			
	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent	No of Meetings	Attendance	Apology	Absent
C Coovadia	10	4	6	0	N/A	N/A	N/A	N/A	4	2	2	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
K Govender	10	9	1	0	10	9	1	0	4	3	1	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
*L Shole	3	2	1	0	N/A	N/A	N/A	N/A	1	1	0	0	1	1	0	0	N/A	N/A	N/A	N/A
*P Mashele	3	3	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1	1	0	0	1	1	0	0
*N Ngwenya	3	3	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A	1	1	0	0
*M Qobo	3	3	0	0	2	2	0	0	N/A	N/A	N/A	N/A	1	1	0	0	N/A	N/A	N/A	N/A
*A Steyn	3	3	0	0	2	2	0	0	1	1	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
P Masilo	10	9	1	0	N/A	N/A	N/A	N/A	3	3	0	0	1	1	0	0	4	4	0	0
P Zagaretos	10	10	0	0	N/A	N/A	N/A	N/A	4	4	0	0	N/A	N/A	N/A	N/A	4	4	0	0
T Mendrew	10	10	0	0	10	7	3	0	4	2	2	0	5	5	0	0	4	4	0	0
**E Harvey	7	7	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4	4	0	0	3	3	0	0
**N Selamolela	7	6	1	0	8	7	1	0	N/A	N/A	N/A	N/A	4	3	1	0	N/A	N/A	N/A	N/A
**T Mukhuba	7	4	3	0	8	3	5	0	N/A	N/A	N/A	M/A	4	2	2	0	N/A	N/A	N/A	N/A
**P Mashiane	7	4	3	0	N/A	N/A	N/A	N/A	3	3	0	0	N/A	N/A	N/A	N/A	3	3	0	0
**W Thwala	7	5	2	0	N/A	N/A	N/A	N/A	3	2	1	0	4	4	0	0	N/A	N/A	N/A	N/A
Z Mafata (Resigned on 30 November 2016)	4	3	1	0	7	7	0	0	2	1	1	0	1	1	0	0	2	1	1	0
M Dolamo (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	10	10	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
K Onuoka (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	10	10	0	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Z Samsam (Independent Audit & Risk member)	N/A	N/A	N/A	N/A	10	7	3	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

⁹ * = Appointed on 16 March 2017

** = Resigned on 16 March 2017 (Applicable Meetings)

Board Committees

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

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

Each committee composition is as follows:

TABLE 16: AUDIT AND RISK COMMITTEE FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

Audit and Risk Committee	Composition	Mandate	Annual Activities
<p>The Audit and Risk Committee, which consists of three non-executive directors and three independent members, meets not less than four times a year.</p> <p>Most committee members have the collective skills with financial and audit backgrounds, which ensures that the committee is able to execute its mandate.</p> <p>The external and internal auditors attend ARC meetings, and have direct access to the committee chairperson.</p> <p>The Audit and Risk Committee, assisted by internal audit, continued to monitor the JDA’s internal control environment and ensured that management continued to implement recommendations by internal audit in an effort to achieve a clean audit</p>	<p>The following members served on the committee during the 01 July 2016 – 16 March 2017 period under review:</p> <ul style="list-style-type: none"> • K Govender (Chairperson) • N Selamolela • T Mukhuba • M Dolamo (Independent Member) • Z Samsam (Independent Member) • K Onuoka (Independent Member) <p>The following members served on the committee during the 17 March 2017 to 30 June 2017 period under review:</p> <ul style="list-style-type: none"> • K Govender (Chairperson) • M Qobo • A Steyn • Z Samsam (Independent Member) • M Dolamo (Independent Member) • K Onuoka (Independent Member) 	<p>The committee has specific responsibility for ensuring that all activities of the JDA are subject to independent and objective review and financial performance oversight. The Audit and Risk Committee has a Charter with clear terms of reference as guided by the provisions of Section 166 of the MFMA. The Committee has the following responsibilities:</p> <ul style="list-style-type: none"> • Reviewing the JDA’s internal controls and financial reports for statutory compliance and alignment with standards of best practice, and recommending appropriate disclosures to the Board. • Reviewing reports from management, risk and compliance, and internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed. • Reviewing the quarterly financial performance reports and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices. • Reviewing and monitoring enterprise risk management processes and ensuring that management implements appropriate risk management mitigation strategies. • Determining the levels of risk tolerance and risk appetite and monitoring that risks are managed within predetermined levels. • Determining a framework for good governance and ethical conduct across the entity. 	<p>The Audit and Risk Committee met 10 times in 2016/17 and considered the following matters, among others:</p> <ul style="list-style-type: none"> • The committee’s charter and internal audit charter. • The 2016/17 Business Plan. The committee recommended the business plan to the Board for approval. • Monitored management progress on resolution of internal and external audit findings. • Internal audit reports. • Internal audit three-year rolling plan. • Quarterly performance reports. • Quarterly risk management report.

TABLE 17: DEVELOPMENT AND INVESTMENT COMMITTEE FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

Development and Investment Committee	Composition	Mandate	Annual Activities
<p>JDA’s operates in a high-risk environment involving planning, development construction and procurement. Hence for the need to examining risks associated with the proposed projects such as the financing, returns and projects risk profiles. The Development and Investment</p> <p>Meetings are held on a bi-monthly basis or as required by the Chairperson.</p>	<p>The following members served on the committee during the 01 July 2016 – 16 March 2017 period under review:</p> <ul style="list-style-type: none"> • P Zagaretos (Chairperson) • C Coovadia • P Mashiane • K Govender • D Thwala • T Mendrew <p>The following members served on the committee during the 17 March 2017 to 30 June 2017 period under review:</p> <ul style="list-style-type: none"> • P Zagaretos (Chairperson) • C Coovadia • A Steyn • N Ngwenya • K Govender • L Shole • T Mendrew 	<p>The Committee is responsible for evaluating development proposals with a view to making recommendations for approval to the Board. The Committee has the following responsibilities:</p> <ul style="list-style-type: none"> • Assessing business risks associated with developments undertaken by the JDA with a view to ensuring that these are mitigated to acceptable levels; • Reviewing development contracting strategies undertaken by the JDA to inform contracting practice and development expenditure; • Reviewing the development plans that are produced for the JDA to define the investment pipeline over the medium term; • Reviewing Quarterly performance reports, periodic impact assessments, and independent critiques to guide development and operational practice; • Reviewing criteria and targets for investments on behalf of the clients; • Evaluating and making recommendations to the Board on the proposed new development projects; • Developing an understanding of key stakeholders and development partners; and • Reviewing of strategic, targeted and responsive engagement activities; • Identifying support for the development of key catalytic projects. This may include property owners and developers, project funders, urban management partnerships and community based organisations. 	<p>The committee met four times in 2016/17 and consolidated the following matters, among others:</p> <ul style="list-style-type: none"> • Development Contracting Strategies for 2016/17 • The 2016/17 Business Plan • Quarterly Performance Reports • Updates on development progress and challenges for all development portfolios.

TABLE 18: HUMAN RESOURCES AND REMUNERATION COMMITTEE FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

Human Resources and Remuneration Committee	Composition	Mandate	Annual Activities
<p>In line with the best practice of corporate governance, the Board maintains a Human Resources & Remuneration Committee (HR & REMCO), comprising of 4 (four) non-executive directors and chaired by a non-executive director.</p> <p>The executive directors are excluded from the HR & Remuneration Committee when matters relating to their remuneration are discussed.</p> <p>The remuneration of the Chairperson, the non-executive directors and independent Audit and Risk committee members is determined by the parent municipality.</p>	<p>The following members served on the committee during the 01 July 2016 – 16 March 2017 period under review:</p> <ul style="list-style-type: none"> • N Selamolela (Chairperson) • E Harvey • P Masilo • T Mukhuba • D Thwala <p>The following members served on the committee during the 17 March 2017 to 30 June 2017 period under review:</p> <ul style="list-style-type: none"> • M Qobo (Chairperson) • P Masilo • L Shole • P Mashele 	<p>The committee deals with all matters that relate to the management of human capital in the entity. The Committee has the following responsibilities:</p> <ul style="list-style-type: none"> • Directing the human resources policies and strategies for the organisation • Recommending the approval of the remuneration for the chief executive officer, senior executives and staff to the Board of Directors. • Ensuring that the remuneration of the chief executive officer and senior management are within the upper limits, as determined by the CoJ, in accordance with the provisions of section 89(a) of the MFMA. 	<p>The committee met five times in 2016/2017 to discuss:</p> <ul style="list-style-type: none"> • Quarterly human resources reports • The employee climate survey progress report • The staff establishment report • Performance incentive bonuses for employees, including senior managers • Corporate social investments implementation reports

TABLE 19: SOCIAL AND ETHICS COMMITTEE FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

Social and Ethics Committee	Composition	Mandate	Annual Activities
<p>The Social and Ethics Committee is responsible for acting as the social conscience of the business and ensuring that the company conducts itself as a responsible corporate citizen.</p>	<p>The following members served on the committee during the 01 July 2016 – 16 March 2017 period under review:</p> <ul style="list-style-type: none"> • P Mashiane (Chairperson) • P Masilo • E Harvey • P Zagaretos • D Thwala • T Mendrew <p>The following members served on the committee during the 17 March 2017 to 30 June 2017 period under review:</p> <ul style="list-style-type: none"> • P Mashele (Chairperson) • P Zagaretos • P Masilo • N Ngwenya • T Mendrew 	<p>The Committee has the following responsibilities:</p> <ul style="list-style-type: none"> • Ensuring that the JDA conducts its business in a sustainable manner, having regard for the environment, fostering healthy relationships with all its stakeholders and considering the impact of its work within the community. • Considering the treatment of and investment in employees, health and safety practices, black economic empowerment and the ethical corporate culture. 	<p>The committee met four times during 2016/2017 to discuss:</p> <ul style="list-style-type: none"> • Marketing and communications progress reports • Stakeholder Engagement Plan progress reports • Enterprise development results • Quarterly ethics and fraud reports • Integrated occupational health and safety quarterly reports • Progress made in the development of SMMEs and impact on the enterprise development programme • Progress made in relation to the Alexandra renewal project close-out report • Corporate social investment implementation reports • Job creation and Jozi@Work implementation reports.

DIRECTORS & PRESCRIBED OFFICERS REMUNERATION

The JDA remunerates the non-executive directors and independent Audit and Risk committee members in accordance with the policy and in the amounts determined from time to time by the City of Johannesburg Metropolitan Municipality, acting in its capacity as the sole shareholder of the JDA. The foregoing position was reaffirmed by special resolution at the 2016 annual general meeting. The non-executive directors and independent Audit and Risk committee members are paid per meeting. Executive directors and prescribed officers are employees of the JDA and do not receive any additional remuneration by reason of their office. The table below reflects the gross or cost to company amounts paid by the JDA in relation to non-executive directors' and independent Audit and Risk committee members' fees.

TABLE 20: EXECUTIVE DIRECTOR'S, SENIOR MANAGEMENT AND NON-EXECUTIVE DIRECTOR'S & INDEPENDENT AUDIT AND RISK DIT COMMITTEE MEMBERS REMUNERATION AND ALLOWANCES FOR THE PERIOD 1 JULY 2016 -30 JUNE 2017

Name	Designation	Salary/Board Fees	Pension	Bonus/Board Retention Fees	Travel allowance	Total
Executive Directors & Senior Management						
T Mendrew	CEO	1 805 827				1 805 827
Z Mafata (Resigned 30 November 2016)	CFO	721 757		217 314		939 071
Z Tshabalala	CAE	1 038 213	50 613	68 561		1 157 387
D Cohen	EM: Strategy & Planning	1 193 731	57 174	132 770		1 383 675
R Shirinda	Company Secretary	1 289 576	52 389	169 032		1 510 997
B Magoso (Resigned 31 December 2016)	EM: Corporate Services	771 313	36 783		120 000	928 096
N Letter (Appointed 01 March 2017)	Programme Manager: Alexandra Renewal Programme	416 785				416 785
C Botes	EM: Development Facilitation	1 068 231		101 847	30 000	1 200 078
N Mudlovhedzi (Appointed 01 October 2016)	Senior Development Manager	940 233	19 048	67 506		1 026 787
P Mkhize (Appointed 01 February 2017)	Senior Development Manager	448 108	21 499			469 607
S. Genu (Promoted on 01 September 2016)	Senior Development Manager	212 970	8 652	118 902		340 524
S. Genu (Appointed 01 September 2016)	EM: Development Implementation	1 275 328	62 172	120 549		1 458 049
Sub-Total		11 182 072	308 330	996 481	150 000	12 636 883
Non-Executive Directors & Independent Audit and Risk Committee Members						
C Coovadia	Chairperson	147 690				147 690
E Harvey (Retired 16 March 2017)	Board Member	87 864		22 816		110 680
P Mashiane	Board Member	74 161		22 816		96 977

Name	Designation	Salary/Board Fees	Pension	Bonus/Board Retention Fees	Travel allowance	Total
(Retired 16 March 2017)						
T Mukhuba (Retired 16 March 2017)	Board Member	59 330		22 816		82 146
N Selamolela (Retired 16 March 2017)	Board Member	108 382		22 816		131 198
W Thwala (Retired 16 March 2017)	Board Member	75 310		22 816		98 126
P Masilo	Board Member	162 308		22 816		185 124
M Qobo (Appointed 16 March 2017)	Board Member	114 039				114 039
N Ngwenya (Appointed 16 March 2017)	Board Member	101 872				101 872
A Steyn (Appointed 16 March 2017)	Board Member	98 998				98 998
K Govender	Board Member	237 816		22 816		260 632
P Mashele (Appointed 16 March 2017)	Board Member	104 913				104 913
P Zagaretos	Board Member	201 298		22 816		224 114
L Shole (Appointed 16 March 2017)	Board Member	77 872				77 872
**M Dolamo	Independent Audit and Risk Committee Member	87 460		22 816		110 276
**K Onuoka	Independent Audit and Risk Committee Member	81 756		22 816		104 572
Z Samsam	Independent Audit and Risk Committee Member	47 533		22 816		70 349
Sub-Total		1 868 602	-	250 976	-	2 119 578
TOTAL		13 050 674	308 328	1 247 454	150 000	14 756 461

** = Although Independent Audit and Risk Committee members attended the same number of meetings, others had to attend additional adhoc meetings over and above the schedule Audit & Risks Committee Meetings.

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

Loans and advances

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

COMPANY SECRETARIAL FUNCTION

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

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

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

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

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

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

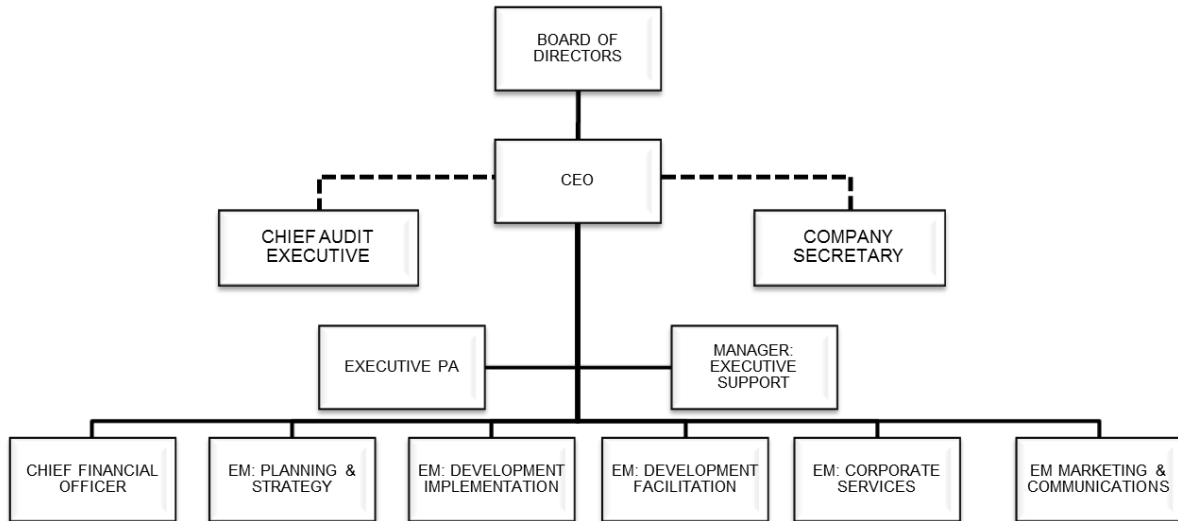


FIGURE 8: HIGH LEVEL ORGANISATION STRUCTURE

SECTION 3: GOVERNANCE OF STAKEHOLDER RELATIONSHIPS

The JDA always seeks to engage the public in a meaningful way at every stage of development. This includes doing public participation in the planning stage, consultations with communities and affected parties during design stage, and value-adding activities involving community members in projects such as the peoples' history, heritage exhibitions and public art projects that tell the story of the neighbourhood.

In 2017/18 further methods of engaging with local stakeholder communities will be explored to better respond to the needs and lifestyles of city users in the 21st century. Conventional methods can be enhanced by the use of social media platforms, electronic communication and other more engaging and relevant forms of sharing knowledge and ideas between professional teams and local communities.

While the JDA's Development Facilitation division is engaged in enhancing the way in which the institution engages communities in all its development areas, there is always room for improvement.

To this end the JDA will strive to:

- Enable the City to keep stakeholders informed, making sure there is accurate understanding of the impact of City developments in their area. This is about ensuring that stakeholders are actively engaged from the very inception of the project concept and play a meaningful role in shaping the development outcomes and future custodianship of the development.
- Enable the City to manage expectations and perceptions of all stakeholder groups throughout the project by providing clear and regular communication and mobilization activities, explaining the purpose, scope and outcomes of each project to minimize misunderstanding and misinformation.
- Enable the City to make sure all stakeholders understand, support and develop buy-in and ownership of the City Project

Managing Stakeholder Relationships

The JDA engages with various State and community stakeholders. Stakeholders in JDA planning processes and projects are the people and organisations which impact upon and are impacted by JDA plans, interventions and projects.

City of Johannesburg Stakeholders

As a Municipal Owned Entity (MOEs) the JDA has key linkages and relationships with the City of Johannesburg and other MOEs. These relationships are vital to ensure that development is aligned with the COJ vision and policies for Johannesburg. Some critical stakeholders and the relationships that JDA departments have with them are listed below:

TABLE 21: CITY OF JOHANNESBURG STAKEHOLDERS

CoJ Stakeholder	Nature of Engagement
Office of the Mayor	The JDA engages with the Office of the Mayor to ensure strategic engagement on city priorities, key decisions and formal oversight committees and steering groups. It ensures internal JDA priorities, policies and frameworks are in line with the Growth and Development Strategy (GDS) 2040 and other plans and policies of the city, and the JDA keeps the Office of the Mayor well informed of JDA project progress. The JDA highlights public addresses, site visits and mayoral priorities to the general public.

CoJ Stakeholder	Nature of Engagement
Office of the MMC for Development Planning	The JDA engages with the MMC for Development Planning to ensure both strategic and operational engagement on city priorities, key decisions and formal oversight committees. The JDA keeps the Office of the MMC well informed of JDA project process, and where possible, involves the MMC in stakeholder engagement where political intervention is sought.
The JDA Board	The JDA is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company.
Members of the Mayoral Committee (MMCs)	The JDA has representation on and reports regularly to oversight committees, as well as to key fora with MMCs from particular client departments. The JDA also provides engagement and support to MMCs in external stakeholder engagement. On particular projects the JDA works with specific portfolios for political support. The JDA also highlights public addresses, fora and site visits to the general public.
Office of the Speaker of the City of Johannesburg	As an agency of the City of Johannesburg, the JDA is bound by the rules on public participation as set out by the Office of the Speaker. The Speaker has to ensure public consultation, involvement and participation in the affairs of the municipality. As chairperson of the council's public participation and petitions committees, the Speaker must ensure that the public participates in city matters wherever possible, and facilitates the process whereby community requests and complaints are heard and ensures that there are appropriate responses from Council. In order to fulfill the role of building democracy, the Speaker manages community participation in local government.
City of Johannesburg Development Planning (City Transformation) (CT)	Planning roles in the JDA are integrally linked with planning in the City. Local area planning and implementation is undertaken in partnership between the JDA and City Transformation (CT). The JDA reports to City Transformation where it acts as implementing agent for planning projects. The JDA also provides strategic planning input on decision making for planning initiatives. The JDA collaborates with CT on providing input to the Integrated Development Plan (IDP) and associated Spatial Development Framework (SDF) as well as other key strategic planning initiatives. Through its relationship with CT, the JDA influences prioritisation and budgeting for infrastructural development to maximise impact. In terms of Development Facilitation the JDA collaborates closely with CT on spatial planning, precinct/ area research and planning and project prioritisation and budgeting. Development Implementation collaborates with CT on the Capex requirements and scope of work for particular projects, and the DI teams provide critical feedback to the planning department for accurate budgeting for development projects.
Johannesburg Property Company (JPC)	JPC will remain the city property manager, handling all individual transactions of public land; however as the key facilitator of area based developments JDA's participation in these transactions is vital. The JDA provides strategic engagement on land acquisition and disposal matters related to JDA implemented projects. This includes input into strategic decision making on land acquisitions and disposals. At local area level it includes collaboration between the JDA and JPC on land identification, provision of key information and unblocking of developments on both city and privately owned land. Furthermore it includes collaboration on transactions and connected developments are required on a regular basis to ensure that work continues smoothly. The JDA has representation on the Joint Land Steering Committee.
Municipal owned entities (MoEs) and Departments	These include Joburg Water, City Power, Johannesburg Roads Agency, City Parks, Pikitup, Department of Economic Development, Department of Community Development etc. These entities and departments act as project clients, co-implementers and operators in different projects. They are integral to any JDA development process. The JDA's engagement includes soliciting input into strategic planning initiatives underway by all relevant departments and development of linkages between overall planning at city level and the JDA business plan. At a local planning and project level it means bringing relevant departments together to coordinate between existing opportunities and to generate plans for new area based development. It is important to ensure that the adequate complimentary infrastructure is in place (e.g. stormwater, water and electricity reticulation) as well as complementary services (e.g. small cooperatives, social services) to schedule and bring projects to completion. Development Implementation teams interact with relevant MoEs and departments on project specific requirements.

CoJ Stakeholder	Nature of Engagement
	Marketing and Communications work with relevant departments, particularly where JDA acted as implementing agent, to share process and completion details as part of ensuring smooth implementation and to publicise the work of the City. The JDA engages with these entities individually as well as in joint forums. Technical forums are established by the DF team. They bring together the various City departments and entities working on specific investments/ projects to ensure that there is smooth communication between parties, that development blockages are blocked and that opportunities in the particular precincts are realised. DI teams utilise these forums to resolve project specific issues and ensure smooth coordination with other departments for development and handover processes.
Housing Agencies of the City	These include the City's Housing Department and Johannesburg Social Housing Company (JOSHCO), integral partners to ensuring the provision of affordable housing. The JDA provides input into strategic planning initiatives, prioritisation and budgeting for housing in the City. It also provides input into strategies for the provision of adequate housing and related social amenities in particular precincts. The JDA provides a service of implementation of refurbishment and development of housing where requested by JOSHCO or Housing Department.

National and Provincial State Stakeholders

TABLE 22: NATIONAL AND PROVINCIAL STATE STAKEHOLDERS

State Stakeholder	Nature of Engagement
National departments and entities include National Treasury, South African Police Services (SAPS) and Department of Public Works (DPW) as well as other critical partners in terms of budgeting and urban management on key projects.	These departments play key roles in developments across the City of Johannesburg in planning, implementation and sustainability of key developments. The various JDA departments engage with national and provincial departments at several levels. The JDA collaborates with departments on larger scale planning initiatives and on the finalisation of national or provincial programmatic grants for infrastructural development.
Provincial Departments include Departments of Human Settlements, Education, Economic Development, Safety and Security, department of environmental affairs and water affairs etc.	It utilises of national or provincial programmes for area based development initiatives. From time to time the JDA may implement projects for national or provincial client departments and from provincial grant schemes.

Community Stakeholders

TABLE 23: COMMUNITY STAKEHOLDERS

Community Stakeholders	Nature of Engagement
Private investors and developers	The JDA engages with private investors to share information about the City's work and vision and encourage private investment. It further works with the private sector in conveying the City's vision, policy and processes and assessing and establishing partnerships for achieving this vision. At a local area level the DF team engages with private investors and developers to highlight key opportunities for increasing private investment in areas where there is state investment. It also works with these stakeholders to understand the market dynamics and inhibitors to investment as well as to carve area based investment approaches that will enhance the public good within those areas.
Small and Medium Enterprises (SMMEs)	The JDA's mission directs the JDA to create a conducive environment for economic empowerment and makes use of programmes for the development of SMMEs (e.g. Expanded Public Works Programme). SMMEs are an essential stakeholder group to be engaged on local area projects both for determining the economic conditions and opportunities within areas and for identifying opportunities for enhancing opportunities for small business in development areas and directly in JDA projects.
City Improvement Districts (CIDs) and other Urban Management	These are key stakeholders in terms of the conceptualisation, implementation and maintenance of area based development. CIDs and Urban Management

Community Stakeholders	Nature of Engagement
Partnerships	Partnerships are important stakeholders in the long-term urban management of investments made by the JDA and others in local neighbourhoods.
Local area based stakeholder committees	These committees are established by the DF team and are representative of community interests in areas. They may include ward councillors, ward committee members, religious leaders, school governing bodies, business representatives, NGOs and community members, amongst others. These committees are integral for the approval and shaping of investments as well as for catalysing community efforts as a key resource for the development of local areas. These committees provide feedback on projects. They are also the platforms for resolving project specific issues, for identifying local opportunities (including employment) and for discussing project schedules.

Specific interest groups

The JDA will engage with specific interest groups to discuss the aspects of the projects that affect them directly and in particular ways. These include:

TABLE 24: SPECIFIC INTEREST GROUPS

Specific interest groups	Nature of Engagement
Local residents and business owners	A group of individuals that interact within their immediate surroundings. These are the stakeholders who should benefit from key investments. Engagements focus on how local residents can create the neighborhood vision by defining specific activities that will improve the neighborhood.
Women and Youth	These groups may be vulnerable in various ways or have unique needs that must be taken into account in projects. Engagements are directed at improving the responsiveness of developments to meet particular needs of these groups to improve living conditions and optimise economic outcomes for them.
Organised Labour	It is necessary to engage workers on their needs in the environment (transport, access, safety etc.) as well as on the development of enterprise and employment opportunity through project interventions.
Researchers and urbanists	The JDA works with these groups at a strategic planning level as well as at project level. At a strategic level the JDA works with researchers to inform evidence based policy development and to gain insight into particular dynamics in areas or particular development issues. It is important that JDA planning and facilitation staff keep abreast of critical research and discussions into various aspects of the city from demographics, to new policies, reports and publications. It is valuable to shaping thinking about area based development, and Development Implementation staff are required to keep abreast of new methodologies, design approaches, materials etc. to ensure best practice implementation of projects

Stakeholder Engagement Framework

One of the JDA's strategic goals is to co-produce solutions in partnership with local stakeholders to meet local needs and mitigate challenges. This is an essential component of development intervention in cities, but should not be read or interpreted as if it stands isolated from the other three strategic goals. Since 1994, the state has made concerted efforts to engage resident communities and other affected stakeholders in the development of local solutions. Unfortunately this has not always been successful and has often simply taken the form of decision-makers telling communities about their strategies. A more responsible and effective approach is to work with local stakeholders to produce solutions by drawing on their knowledge of the development context. This can cultivate a much more sustainable sense of ownership, civic pride and citizenship.

The JDA's Stakeholder Engagement Framework represents the JDA's on-going commitment to work effectively with its stakeholders through both the plans and interventions it designs and the projects it implements. This

includes learning from past stakeholder and community engagement experiences and continuing to improve performance.

The Stakeholder Engagement Framework guides the way in which the JDA supports productive development partnerships and co-operation between all stakeholders in these areas. It frames how the JDA works with the people and organisations which impact upon and are impacted by various JDA plans, interventions and projects which seek to fulfil the City of Johannesburg's development policy objectives. The Framework seeks to:

- Ensure a coherent approach to stakeholder engagement across the complete range of JDA plans, interventions and projects
- Enable better planned projects and programs
- Facilitate effective collaboration with all affected and interested parties

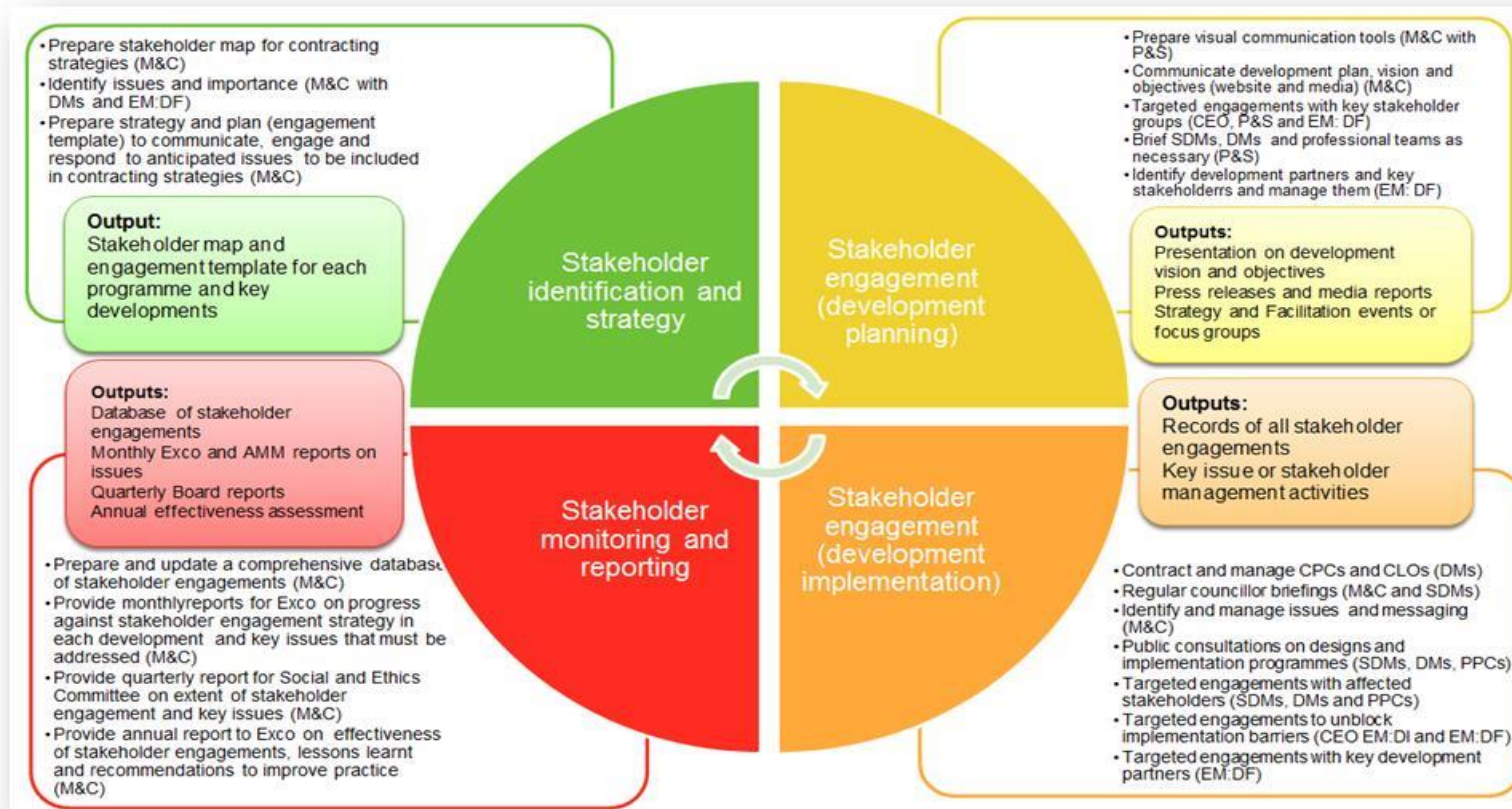


FIGURE 9: STAKEHOLDER ENGAGEMENT FRAMEWORK¹⁰

¹⁰ M&C – Marketing and Communications, DM – Development Managers, EM:DF – Executive Manager Development Facilitation, P&S – Planning and Strategy, CEO – Chief Executive Officer, PPC – Public Participation Consultants, SDM’s – Senior Development Manager, ED: DI – Executive Manager: Development Implementation

SECTION 4: RISK MANAGEMENT

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

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

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

Risk Management Process

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

The risk management programmes and/or activities that were implemented during the 2016/2017 financial year are as follows:

- Strategic Risks Management and Monitoring
- Operational Risks Management and Monitoring
- Universal Regulatory Register (URR) and Compliance Monitoring
- Audit Tracking Reports and Monitoring
- Reviewed Fraud Risk Register was approved by EXCO and is monitored
- Ethics Risk Profile in the process of being finalised
- Code of Ethics Policy recommended to Social and Ethics Committee for approval.

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

Strategic Risk Register

The JDA's risk management strategy is guided by the principles of the enterprise-wide risk management system. The JDA's strategic risk register is treated as a working document. Identified risks are recorded and the

management thereof is constantly monitored. Management monitors and evaluates the implementation and efficiency of controls.

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

The JDA conducts an annual strategic risk assessment workshop to ensure that there is a link between risk management and the business planning processes. A total of 11 strategic risks were identified with the implications of them materialising impacting the short, medium and/or long term.

TABLE 25: RISK IMPLICATIONS OVER THE SHORT, MEDIUM AND/OR LONG TERM

No.	Risk description	Short Term	Medium Term	Long term
1	Failure to deliver capital projects on time and within budget.	X		
2	Failure to optimise shared economic growth impacts resulting from JDA infrastructure investment.	X	X	X
3	Failure to implement effective job creation, SMME's and BBEE support systems.	X	X	
4	Failure to adequately manage stakeholder expectations.	X	X	
5	Inability to ensure financial sustainability of the organisation.	X	X	X
6	Fraud and corruption	X	X	X
7	Reporting inaccurate performance information (over or under reporting).	X	X	
8	Collapse of ICT environment.	X		
9	Non-compliance with applicable laws and regulations	X	X	X
10	Failure to attract, develop and retain skilled employees.	X	X	X
11	Inadequate disaster management processes	X		

Of the 11 strategic risks, management identified five critical risks that required urgent attention and close monitoring. These risks are ranked highly in accordance with the residual risks rating and pose significant threat to the business of the JDA.

The critical risks identified were:

- Failure to deliver capital projects on time and within budget.
- Failure to optimise shared economic growth impacts resulting from JDA infrastructure investment.
- Failure to implement effective job creation, SMME's and BBEE support systems.
- Failure to adequately manage stakeholder expectations.
- Failure to attract, develop and retain skilled employees.

Implementation progress and impact analysis

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

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

The critical challenges identified were as follows:

- Lack of consensus on developmental outcomes
- Unrealistic community expectations and service delivery protests
- Lack of capacity and requisite skills to deliver projects in volatile areas
- Risk management not fully institutionalised within the JDA.
- A few projects have been affected by contractor late payments to SMMEs
- Problems are encountered in Region E where there are different groups who organized themselves outside the Visible Service Delivery Forums due to mistrust and infighting
- Poor performing contractors
- Suspected SMME gatekeeping

To address these challenges, the JDA will:

- Develop a development facilitation and stakeholder management framework to effectively address how to implement projects with minimal resistance from key stakeholders.
- In certain exceptional cases where the contractor delays to pay sub-contractors and the payment delays can potentially cause overall project delays, JDA has committed to enter into agreement with the contractor to cede the payment rights and obligations to the JDA in order to pay Sub-contractors from the contractor's contract value.
- Include a clause in future SLA's with CoJ Departments, which in principle has been agreed upon that a portion of the balance would be paid upfront to the JDA and managed internally to ensure that the funds will be used for the purpose indicated. The arrangement will vary depending on the source of funding, the project value would determine if an upfront payment is required. The arrangement would be based on projected expenditure for at least three months or achievement of milestones i.e. approval of designs or appointment of contractors. Meetings have already been held with some client departments and this process should be finalised by the first quarter of the next financial year.
- Undertake a skills audit, develop a training programme on stakeholder engagement and management to capacitate facilitation and development managers, and ensure implementation of training.

- Continue to exercise oversight of all strategic risks identified and ensure that committed actions are being implemented.

Progress as at 30 June 2017:

- Strategic risk identification for 2017/18 was done and presented and approved to EXCO and to the Audit and Risk Committee in conjunction with Annual Plan for 2017/18.
- Strategic Risks are continuously monitored by management and governance structures provide oversight on a quarterly basis.
- Currently reviewing Risk Management Policy, Risk Management Framework, and Risk Strategy and will be submitted to EXCO and Audit and Committee for approval. Approved by EXCO and will be submitted to ARC on the 7th September 2017 for approval.
- Currently reviewing Fraud Risk Management Policy and Fraud Prevention Plan which will be submitted to EXCO and Audit and Risk Committee for approval. First draft review and will be submitted to EXCO before 31 December 2017 for approval.
- Currently developing Risk Tolerance and Appetite Framework Approved by EXCO and will be submitted to ARC on the 7th September 2017 and approved on the 31st October 2017.
- Stakeholder Engagement Management Framework: Planning and Project Implementation Methodology was approved by Social and Ethics Committee on the 11 May 2017.
- Alexandra Renewal Programme Unit Skills Audit undertaken to establish capability assessment in order to match with specific roles in the merging process - Completed
- Strategic Risks are monitored by management and governance structures provide oversight on a quarterly basis.
- Governance, Risk and Compliance software system has been configured, system testing undertaken and users and core users trained. System is live since 1st August 2016. Refresher training will be conducted in quarter 2 & 3 for all users to ensure that updates are done on the system.
- Compliance Universe and Framework approved – Approved on the 15 August 2017 by the Audit & Risk Committee.
- Ethics Risk Register developed and Ethics Policy reviewed - Reviewed Ethics Register presented to the Management Committee on the 15th of November 2017. Reviewed Ethics Policy will be presented to EXCO in Quarter 3.
- 2017/18 Strategic Risk Register has been reviewed and approved – Approved by the Audit & Risk Committee on the 30th of May 2017.
- 2016/17 Operational Risks Assessments conducted and identified risks monitored on a quarterly basis - Completed at the end September 2017.
- Projects risks register developed for all key projects. These are key multi-year projects that have started at different time periods. All projects must identify risks and mechanisms to manage the risks; which is a fundamental project management activity.

SECTION 5: ANTICORRUPTION AND FRAUD

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

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

The fraud risk register was updated and approved by EXCO in February 2017 and the tracking and monitoring occurred on a quarterly basis. The strategic risk register identifies "fraudulent and corrupt activities" as a strategic risk with a high inherent risk rating and medium residual risk rating of nine. Two other strategic risks on the strategic risk register also identify fraud and/or corruption as a root because that can potentially give rise to certain strategic risks. The strategic risk register sets out specific future actions to mitigate these risks, including conducting regular fraud risk assessments and creating fraud risk awareness.

In 2016/17, there were no cases that were reported through the hotline. The JDA plans to improve internal controls and standardise the disclosure and reporting protocols.

The table below provides progress of previously reported and outstanding cases.

TABLE 26 PREVIOUSLY REPORTED FRAUD CASES

Date of Case Reported	Where or to whom it was reported	No. of Employees involved if applicable	Allegation	Nature of the Cases e.g. Corruption, fraud and maladministration	Status (If resolved, State the outcome)
2015/03/24	JDA, Internal Audit Department, directly to the Chief Audit Executive	One	<ul style="list-style-type: none"> JDA official indirectly doing business with the JDA. 	Conflict of Interest	The preliminary report of the investigation has been referred to legal for advice and drafting of disciplinary charges against JDA Official working in the JDA's ARP Office implicated in SCM irregularity in Provincial project
2016/03/11	City of Johannesburg Fraud Hotline	One	<ul style="list-style-type: none"> Payment of Contractor in Advance. Poor workmanship by Contractor for appointed project. Contractor has a record of 	Corruption	The matter is being investigated and is at the reporting stage.

Date of Case Reported	Where or to whom it was reported	No. of Employees involved if applicable	Allegation	Nature of the Cases e.g. Corruption, fraud and maladministration	Status (If resolved, State the outcome)
			poor quality service. <ul style="list-style-type: none"> • Contractor awarded tender due to former employee to the JDA. 		

SECTION 6: ICT GOVERNANCE

The ICT Steering Committee plays a critical gatekeeper role that ensures that JDA has a sound and solid ICT Governance Framework that is fully implemented and importantly that ICT investments are protected and realise maximum business value to the benefit of the JDA.

ICT Management reviewed ICT Policies to ensure relevance and alignment.

The King Code introduces a fresh and significant dynamic to ICT governance. JDA ICT Management has fully embraced changes in the King Code relating to ICT and reviewed not only the ICT governance charter but further reviewed the ICT Steering Committee to ensure further alignment with the outcome based approach ,enshrined in the King Code.

It is expected that once the reviewed ICT Charter is presented to the relevant board sub committees and the board for approval, implementation of these changes will result in a significant improvement in the JDA business value chain with ICT as both a business processes enabler and barometer of business outcomes and their continuous improvement.

During the year the ICT Security Policy and the Backup and Disaster recovery plan was reviewed. The review was to ensure relevance in terms of capturing changes in the ICT environment, such as the continued and increased threat of malware, which have a potential threat of paralysing JDA business operations.

Service Level agreements are in place for Backup and Disaster recovery, Printing Services, Internet and Email services, IT Security (Anti-Virus, firewall) and are still valid and active. There were no new service level agreements for ICT concluded during the financial year.

ICT Control Environment

The JDA's internal audit department and external audit departments, provide a 'litmus' test on ICT controls within the JDA ICT environment. Audits commencing in the tail end of the year included the SAP post implementation review for SAP Project systems and ITGC. There were no ICT findings in this quarter, however, ICT management will continue to partner with assurance providers to ensure that controls are in place and improved.

Smart Cities

JDA ICT management views the smart cities as catalytic ICT intervention that will not only see online delivery of services to the City of Johannesburg possible but also preferably as a smart and more cost effective option.

In the assortment of key indicators on smart cities is the emergence of the individual becoming the centre for the city's services ,fair data sharing based on consent and shared initiatives ,backed by key institutional reforms that buttress and herald technological reform around people, processes and systems. Armed with this understanding, JDA ICT management has ensured that it continues to position itself to match and fully support the City of Johannesburg's smart cities initiative, through ensuring implementation of high speed internet connectivity, cloud computing, solid infrastructure investments that will see future realisation of the internet of things, among others.

The implementation of the Human Capital and Phase 2 of SAP financials modules are the highlights of this financial year, with the project reaching 100% and now in Technical "go-live" stage .

The successful implementation of this project is meant to centralise and boost the entire JDA Human Capital management value chain, enable HR to be more elastic in terms of responding to JDA business requirements, and ultimately help improve turnaround times to its client departments internally as well as externally .Critical to the implementation is tightening of record keeping in line with prescribed legislations such as POPI.

Network Performance

In 2016/17 financial year, the network uptime was 100% against a set target of 100%. The saturation index indicates over 90% utilization of the network. Despite a 10% leg room, ICT management has, throughout the financial year, kept a close radar (sic) on performance of the network to ensure there is adequate capacity for any future increase for network utilisation.

SECTION 7: COMPLIANCE WITH LAWS & REGULATIONS

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

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

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

- Develop and maintain a system for identifying the legislation that applies to JDA's activities.
- Assign responsibilities for ensuring that legislation and regulatory obligations are fully implemented in JDA.
- Provide training for officials, and other relevant stakeholders in the legislative requirements that affect them.
- Provide officials with the resources to identify and remain up-to-date with new legislation.

- Conduct audits to ensure there is full compliance.
- Establish a mechanism for reporting non-compliance
- Identify accidents, incidents and other situations where there may have been non-compliance.

In relation to compliance performance, the JDA has detected or registered 2 out of 252 Compliance obligations that are non-compliant in 2016/17 financial year. These two non-compliant matters cited relate to:

- Section 99(2)(b) of the Municipal Finance Management Act, No. 56 of 2004 requires that service providers be paid within 30 days. JDA has committed to take disciplinary actions against defaulting employees.
- Section 13(2)(c) of the National Archives and Record Service of South Africa, No. 43 of 1996 requires that public records be routinely inspected by records management staff. JDA is in the process of developing tender specifications for the outsourcing of Records Management. The Bid Specification Committee is envisaged to sit in the 1st quarter of 2017/18.

The JDA has not incurred any fruitless or unauthorized transactions for 2016/2017. However, during the financial year there was irregular expenditure to the value of R4 260 658 that was identified and disclosed as such. The expenditure related to a sub-contractor whom the JDA was not directly contracted with.

SECTION 8: CORPORATE ETHICS AND ORGANISATIONAL INTEGRITY

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

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

Code of Conduct

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

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

- The highest standards of integrity and behaviour in all its dealings with its stakeholders and society at large.
- Fair commercial and competitive business practices.
- Eliminating discrimination and enabling employees to realise their potential through continuous training and skills development.

- Taking environmental and social issues into consideration.
- Ensuring that all directors declare any direct or indirect personal or business interest that might adversely affect them in the proper performance of their stewardship of the entity.

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

Declaration of interest

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

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

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

SECTION 9: SUSTAINABILITY REPORT

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

The JDA's area-based development approach has evolved over the last 16 years. It begins by identifying the local competitive advantages, development needs and opportunities within the development area. Capital works projects are then used to catalyse private investment, enterprise and neighbourhood development. This area-based development approach ensures the long-term sustainability of the capital assets created by ensuring a greater focus on developing strategic capital works projects, facilitating development to increase the impact of public investments, and establishing urban management partnerships to ensure the sustainability of the public investments.

During the 2016/17 financial year the JDA continued working closely with the Department of Development Planning to communicate the strategic vision for the TOD corridors and the CoJ's spatial transformation objectives. The JDA also participated in stakeholder engagement regarding spatial transformation and urban planning and development of good practices.

Environmental Impact

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

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

Four major outcomes define the Joburg 2040 GDS. Outcome 2 highlights the need to "provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy". The CoJ plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (for example, housing, eco-mobility, energy, water, waste, sanitation, and ICT) to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives. Two of the JDA programmes, transit-oriented node development and greenways, are a direct response to Outcome 2.

- Transit-oriented node development - The transit-oriented node (TOD) development programme encourages optimal development of transit hubs and corridors across the city, which provides access to affordable accommodation and transport, high-quality public spaces and amenities, and good community services. Currently the JDA is working on the Nancefield and Jabulani TODs, with clearly defined long term (five years) development plans.
- Greenways - The greenways programme focuses on providing resilient, liveable and sustainable environments within the CoJ by using roads and transport modes to promote walking, cycling and sustainable public transport. This programme includes the continued roll-out of the Rea Vaya BRT infrastructure and service. Within the greenways programme, for example, the Rea Vaya BRT service has the potential to reduce the city's transport energy use and the associated carbon emissions in the medium term. The service is currently being used by up to 31 000 people per day, and there is potential to increase the numbers. Currently the JDA is implementing the Phase 1C Rea Vaya

infrastructure on behalf of the COJ Transport Department. Phase 1C is the extension of the current BRT phases to the North along Louis Botha Ave, Katherine Ave, William Nicol Drive, Republic Road and Old Pretoria Main road. This phase seeks to connect Randburg to Sandton, Sandton to Alexandra, Ivory Park to Sandton and all these key area to the Johannesburg CBD.

Health and Safety

Independent consultants Empowerisk (contract terminated in September 2016) and Ubomi Safety Consulting (Pty) Ltd conducted monthly occupational health and safety audits during 2016/17. These audits identify risks and cases of non-compliance with the Occupational Health and Safety Act (1993), enabling the JDA to implement risk mitigation plans to reduce the risks and address cases of non-compliance. A report prepared in the June 2017 estimated that the JDA's compliance rate for 2016/17 was 88.03 percent. The areas of non-compliance include:

- Inadequate working space for employees
- Unsafe Stacking Storage Boxes in Offices
- Cleaning of office carpets
- Pipe in office emitting dampness and smell
- An excessive amount of dust is accumulating on window sills and internal roof structures

Social Impact / Corporate Social Responsibility (CSR) Report

The JDA's corporate social investment (CSI) policy provides the framework within which the CSI partnerships and initiatives work. These partnerships and initiatives must align with the JDA's strategic objectives and priorities. Through CSI partnerships and initiatives, the JDA seeks to reduce poverty and inequality, promote civic engagement by improving stakeholder relations, promote social cohesion and build social capital. The implementation of the CSI policy is monitored by the Social and Ethics Committee.

The JDA had one CSR project for this financial year with an annual budget of R332 356 and an expenditure of R 162 854.

TABLE 27: JDA IMPLEMENTED CSI PROJECTS

CSR projects	Sector	Actual Expenditure Excl. Vat
Maintaining and monitoring an Alarm system at Reshomile School, Diepsloot. (Gochi Trading CSA will project manage the maintenance and monitoring of an Alarm system for a year at Reshomile Primary School in Diepsloot, Region A. The maintenance of the alarm system commenced from April 2016 for a period of twelve months)	Regeneration/Education	R 162 854
Total Investment		R162 854

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

CORE BUSINESS

The JDA set itself four strategic principles and seven strategic objectives:

Four Strategic Goals		Seven Strategic Objectives
Create great places	Creating robust democratic public spaces ¹¹ that give dignity and choice to city users. As urban densities continue to rise, the public spaces in cities are becoming increasingly important for meeting citizens' social needs. The quality of space is just as important as the quantity. Given the increasing demand for open space, public spaces need to be creatively designed, moving towards greater adaptability and multiplicity of use to ensure their longer-term sustainability.	<ol style="list-style-type: none"> 1 Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them. 2 Encourage sustainable energy consumption and land-use in the city by developing strategic transit nodes and corridors.
Catalyse growth and investment	Catalysing growth in areas with latent investment potential. Catalytic intervention and strategic capital investments in areas that have been previously marginalised or have failed to attract private investment can unlock development potential, stimulate local economies and boost job creation and entrepreneurial development.	<ol style="list-style-type: none"> 3 Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas. 4 Turn around declining investment trends in these areas by upgrading public space, generating shared visions for future development, and encouraging urban management partnerships.
Connect people to opportunities	Connecting people with opportunities to live, work, play, learn, and be healthy in the city. Efficient mass public transport networks and connections, transit-oriented multi-use precincts, together with strategic land-use planning and zoning regimes, are essential in realising these connections.	<ol style="list-style-type: none"> 5 Develop local economic potential in marginalised areas to promote access to jobs and markets. 6 Promote economic empowerment through the structuring and procurement of JDA developments.
Co-produce solutions	Co-producing solutions in partnership with local communities and stakeholders to meet local needs and mitigate challenges. This is an essential component of development intervention in cities. Since 1994, the state has made concerted efforts to engage communities in the development of local solutions. Unfortunately this has not always been successful and often simply takes the form of decision-makers telling communities about their strategies. A more responsible and effective approach is to work with local stakeholders to produce solutions, drawing on their knowledge of the development context. This can cultivate a much more sustainable sense of ownership, civic pride and citizenship.	<ol style="list-style-type: none"> 7 Support productive development partnerships and co-operation between all stakeholders in these areas.

¹¹ Democratization is undoubtedly an uneven process and the transformations in the urban space and in the public sphere in general bear the marks of this unevenness and the various contradictions and perversities they generate (<http://www.publicspace.org/en/text-library/eng/a015-democracy-and-enclosed-spaces-from-social-movements-to-fortified-enclaves-to-hip-hop-in-s-o-paulo>)

JDA PROGRAMMES, PROJECTS AND DAY-TO-DAY OPERATIONS

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

TABLE 28: SUMMARY OF JDA PROGRAMMES

JDA Programme	Programme Purpose	Description
Substantive programmes	1: Inner city transformation	Manage the development of the Johannesburg inner city through capital investments in selected areas, by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives. Guided by the Inner City Transformation Roadmap as approved by the City of Johannesburg in 2013, the JDA will focus on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city; financial services networks for the City Region; and cross-border trade networks for the African continent. The JDA will continue to implement a phased plan to strengthen inner city precincts, address movement challenges, and improve the quality of the built environment across the inner city.
	2: TOD / Station Precinct development	A station precinct development programme that encourages optimal development of transit hubs and corridors across the city, which provide access to affordable accommodation and transport, high quality public spaces and amenities, and good community services.
	3: Priority Area Planning & Implementation	Manage the development of strategic economic nodes in marginalised areas through capital investments, overseeing integrated investments by other departments and entities, and facilitating partnership initiatives
	4: Greenways	The greenways programme that focuses on providing resilient, liveable and sustainable environments within the City by using roads and transport modes to promote walking, cycling, and sustainable public transport. This programme includes the continued roll-out of the Rea Vaya BRT infrastructure and service.
	5: Alexandra Renewal (ARP)	The Alexandra Renewal Project (ARP) which is established to coordinate intergovernmental activities to develop Alex. Manage the development of Alexandra through capital investments, overseeing integrated investments by other departments and entities, and facilitating community based initiatives and local economic development strategies. Most of the work involves human settlement development projects such as hostel upgrading, housing development and the construction of community facilities
	6. Economic Development	A cluster of the JDA's economic development programmes that aims to (i) Develop skills and capacity within the construction industry in Johannesburg (ii) Optimise the JDA's contribution to inclusive economic growth and empowerment, and the transformation of the construction industry; and (iii) establish a monitoring and reporting system to measure the impact of the JDA's managing contractor development programme.
Operational programme	7: Good Governance, Management and Administration	This programme manages the governance, admin and operational functions and improves efficiency through Finance, Governance, Risk and Compliance, Supply Chain Management and IT.

The six substantive programmes, projects and project scope for 2016/17 are presented per programme below:

Inner City Programme

The programme purpose is to manage the development of the Johannesburg inner city through capital investments in selected areas, by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives. Guided by the Inner City Transformation Roadmap as approved by the City of Johannesburg in 2013, the JDA will focus on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the city; financial services networks for the City Region; and cross-border trade networks for the African continent. The JDA will continue to implement a phased plan to strengthen inner city precincts, address movement challenges, and improve the quality of the built environment across the inner city. The corresponding regional focus area of this programme includes:

- Inner City and the Old South (including Turffontein and Mining Belt)

TABLE 29: INNER CITY PROGRAMME

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
Inner City Commuter Links (Jack Mincer Taxi Facility Extension Noord Street)	The project is the 5th, 6th and 7th phase of the urban upgrade of the Inner City Commuter Links. In 2016/17 financial year Phase 6 of the development will be to complete the public environment upgrade of the market project along Noord Street (between Twist and Klein Streets) and the upgrade of the Jack Mincer Taxi Facility. On 12 May 2016 the site was handed over to the contractor for a three stage approach being PEU on Noord Street between Twist and Klein, Jack Mincer investigation work and Jack Mincer upgrade pending the outcome of the investigative work of stage 2.	Inner City Central Core	The scope of work includes the following key components: construction of trader structures, repairs and upgrades to existing storm water network, layer works, kerbing and channelling, the construction of driveways, wheel chair and access ramps, paving and surfacing, lighting, and street furniture.
Hillbrow Tower Precinct	In 2016/17 the project will focus on the planning and implementation of the public environment upgrade of various streets in Hillbrow which were not completed as per the original Urban Design Framework which was completed in the 2013/14 financial year. A new team of professionals are to be appointed for the implementation of the work. Possible streets identified are Hadfield Road, Nugget Street extension, Banket Street and Tudhope Streets from Barnato Street to Louis Botha Avenue.	Hillbrow and Berea	The project is part of the Inner City Upgrade. The overall scope of work entails implementation of Public Environment Upgrade Projects continuing with the work as per the Hillbrow Tower UDF. Focus areas are Tudhope Street and Nugget Street Extension.

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
Kazerne Intermodal Facility Development	At the moment the inner city has ranking facilities for 4 000 taxis; leaving the other 1 800 taxis to rank and hold on the streets. This is one of the key reasons for traffic congestion in the inner city. If we were to accommodate all taxis in formal off-street facilities this would require an additional 3 Jack-Mincer sized taxi ranks. There is also a shortage of bus ranking facilities. The need to improve the quality of life of commuters, streamline the flow of traffic and strengthen the commuting connections with the rail service all indicate that there is an urgent requirement to develop a new integrated transport facility with good access to Park Station. The under-developed Kazerne Taxi facility provides an opportunity for such a facility.	The railway seam - Park Station and surrounds	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to improve an existing informal mini bus ranking facility. The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility.
Inner City Eastern Gateway Precinct	The project is part of the Inner City Upgrade. The overall scope of work looks at areas on the east of the Inner City, formulation of a linkage and a Gateway to the Airport along Albertina Sisulu Street.	Bertrams, Jeppestown and Troyeville	The project is part of the Inner City Upgrade. The overall scope of work looks at areas on the east of the Inner City, formulation of a linkage and a Gateway to the Airport along Albertina Sisulu Street. The scope of work for 2016/17 included further defining the scope within the precinct and develop a concept design for the first phase of the project.
Inner City CORE (African Food Hub)	The project seeks to improve continuity and connectivity for pedestrians towards and between places of work, public transport and other facilities. It will also strive to improve access to spaces for recreational and social purposes and to formalize the trading spaces within the Inner City of Johannesburg. The project area is defined as De Villiers Street in the North, Commissioner Street in the South, Sauer Street in the West, and End Street in the East.	Inner City Central Core	In 2016/17 the project focused on the public environment upgrade of Delters, Polly, Klein, Von Brandis and Kruis Streets. The team is in the process of developing detailed designs for the project in order for the procurement of the contractor to commence early in the new financial year. The project is part of the Inner City Upgrade. The overall scope of work entails Public Environment Upgrade on Klein, Delters, Kerk and Polly Streets.
Inner City Managed Lanes	The JDA on behalf of Transportation will be implementing the managed lanes projects in the Inner City. The project will seek to align taxi and trading activities within the Inner City of Joburg. This will be achieved by having dedicated taxi routes and trading facilities within the Inner City. The project feasibility studies and proposed routes and public participation processes have been undertaken and completed by the City of Johannesburg and were handed over to the JDA in May 2016. In the 2016/17 financial year the project will focus on developing detailed design and start with the implementation and completion of one of the identified managed lanes.	Inner City Central Core	The project is part of the Inner City Upgrade. The overall scope of work entails implementation of Dedicated Public Transport lanes along Jorrisson, De Korte, Harrison, Rissik and Eloff Streets, connecting Braamfontein to the Inner City.

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
Park Station Precinct: Connections between Metro Centre and Park Station	The project is part of the Inner City Upgrade. The overall scope of work entails implementation improved pedestrian connections between Metro Centre and Park Station.	The railway seam - Park Station and surrounds	The project is part of the Inner City Upgrade. The overall scope of work entails implementation of improved pedestrian connections between Metro Centre and Park Station.
Mayfair PEU	Detailed area and project based planning Public Environment Upgrade and Social Facilities in the area.	Fordsburg, Vrededorp and Pageview	The overall scope of work entails implementation of Public Environment Upgrade and Social Facilities in the area.
Fordsburg PEU	Detailed area and project based planning Public Environment Upgrade and Social Facilities in the area.	Fordsburg, Vrededorp and Pageview	The overall scope of work entails implementation of Public Environment Upgrade and Social Facilities in the area.
Braamfontein Transport Study	Braamfontein Transport Study	Braamfontein	Braamfontein Transport Study
Kazerne Business and Management Plan	Business Plan and Operational framework to manage the facility	The railway seam - Park Station and surrounds	Business Plan and Operational framework
Corridor Naming - Turffontein	Naming and branding strategy for Turffontein	De Villiers Street	Naming and branding strategy
Mining Belt West (Crown Mine Precinct Plan)	In order to inform investment in this Sub-Area, the City and the JDA require the development of a more detailed urban integration framework that assesses areas-specific conditions and compiles a set of interventions that will directly address area-specific opportunities and challenges and will guide future public investment.	Fleurhof	The Fleurhof Cluster Urban Development Framework is a spatial plan that will detail interventions for the central part of the Western Mining Belt. It is a prioritised node identified for further planning in the Mining Belt West Strategic Area Framework approved by the City in 2015/16.
Inner City Assessment Study: Review and audit of UDFs and Precinct Plan implementation assessment	Assessment of Inner City precincts and projects to date	All	Review and audit of UDFs and Precinct Plan
ICHIP - Land Packaging and Agreements for Social and Affordable Housing	Project entails the profiling and packaging of inner city properties for social and affordable housing.	Bertrams, Jeppesstown and Troyeville	Precinct profiling and land assembly Detailed planning for specific properties A strategy for the release of land and buildings for development Establishing a 'smart partnership' programme for Social Housing Technical and programmatic support

TOD / Station Precinct Development Programme

A Transit Oriented Development (TOD)¹² / station precinct development programme that encourages optimal development of transit hubs and corridors across the city, which provide access to affordable accommodation and transport, high quality public spaces and amenities, and good community services. The corresponding regional focus areas of this programme include:

- Inner City and the Old South (including Turffontein and Mining Belt)
- Greater Soweto, (including Lenasia, Eldos, Nancefield)
- Empire-Perth Corridor
- Louis Botha Corridor
- Alexandra and the OR Tambo Corridor (includes Randburg, Cosmo City, Modderfontein, Frankenwald)

TABLE 30: TOD / STATION PRECINCT DEVELOPMENT PROGRAMME

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
Randburg CBD Public Environment Upgrade	<p>Despite its potential as a key regional transit node, Randburg CBD continues to function as a mid-level retail and office node, with less than optimal residential land uses and limited public amenities. The Randburg CBD has experienced more than two decades of decline and under development due to several factors ranging from property trends, lack of maintenance (of buildings and the public environment), competition with other retail and office nodes, and relocation of several key government functions. Despite several plans being commissioned and completed, limited success has been achieved in turning Randburg around since 2002.</p> <p>The upgrade initiatives in 2016/17 will focus on the completion of the public environment on Hill Street and Braam Fischer Street. Currently the contractor is on site and the work is progressing well. Agreements have been reached</p>	Randburg	The overall scope of work entails Public Environment Upgrade in the Randburg CBD which aims at improving pedestrian mobility and connectivity.

¹²

Transit Oriented Development is the exciting fast growing trend in creating vibrant, liveable, sustainable communities. Also known as TOD, it's the creation of compact, walkable, mixed-use communities centred on high-quality train or BRT systems. This makes it possible to live a lower-stress life without complete dependence on a car for mobility and survival. Transit oriented development is regional planning, city revitalization, suburban renewal, and walkable neighbourhoods combined - <http://www.tod.org/>

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	with the stakeholder and the contractor has completed the storm water installation on block 2.		
Paterson Park (Sports Facilities) (Storm water)	<p>The facility has been in existence for a number of years and is being fully utilized on a daily basis by the community it serves. This facility is situated strategically close to transport nodes like the newly constructed Bus Rapid Transit (BRT) system which assist commuters' easy and affordable access to such facility. The facility also forms part of the facilities that are situated along the Corridors of Freedom.</p> <p>This facility has different sporting codes which makes it unique and attractive to fitness fanatics and private functions like weddings, funerals etc. The surrounding schools also utilize this facility more often than usual for their school activities. The facility has succumbed to wear-and-tear over the years and there is a need therefore for this facility to be further developed, upgraded and refurbished so as to ensure continuity and sustainability to the community.</p> <p>Currently the contractor for the culvert and stream is on site and the remaining two contractors, mainly the contractor for the implementation of the outdoor courts and building works, commenced in July 2016. The work in the 2016/17 financial year will focus on the completion of the outdoor courts and the storm water and culvert projects.</p>	Orange Grove	<p>The project forms part of the Paterson Park precinct upgrade and is divided into three work packages as follows:</p> <p>Work Package 1: Construction of a large storm water culvert and stream upgrade</p> <p>Work Package 2: Lowering / depression of tennis court area</p> <p>Work Package 3: The construction of new single and double storey buildings and the renovation of a heritage building for a multipurpose sports and recreation complex, including an administration building, a swimming pool and related facilities, a sports pavilion, a gym / multi-purpose sports hall, a library, a crafts centre, bulk earthworks, roads, parking, storm water, hard and soft landscaping, and boundary wall.</p>
Brixton Transit Precinct Development Renewal Precinct Redevelopment BRIXTON B City Wide (Brixton Social Cluster Precinct implementation (includes social facilities and public environment) Brixton Social Cluster Precinct implementation (includes social facilities - library; sports field, park; MPC- and public environment)	<p>This project includes the creation of an integrated cluster of social and community facilities in Brixton, some of which are already located in proximity to each other. The JDA is implementing the project on behalf of Community Development and Development Planning Departments in the City.</p> <p>In the 2016/17 financial year the project will be developing the designs for the multipurpose centre, the library and sports facilities in the precinct and the completion of the public environment upgrade work that will link the social cluster to the recreation centre.</p> <p>The project is divided into two work packages as follows: Work Package 1: Multipurpose Sports and Recreation Centre,</p>	Brixton	It is envisaged that this project will involve the implementation of various upgrade initiatives within the Brixton Social Cluster such as but not limited to : public environment upgrades [storm water, paving, kerbing, street furniture, lighting, landscaping, etc.], creation of a public square, new library, new multi-purpose hall / recreation centre [with the possibility of multi-level parking], upgrades to sport facilities i.e. fields, courts, and swimming pool, and creation of green open spaces and children's play spaces

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	Parking Area and Sport Fields Work Package 2: Library, Study Centre, Play Area, Swimming Pool, Hard and Soft Landscaping		
Jabulani TOD (Phase 4) Lepogo Street, Jabulani	The Jabulani Urban Development Framework was approved by the City of Johannesburg in 2015. Between 2013/14 and 2015/16, three phases of work were successfully implemented, including a new link road and storm water infrastructure to support further development of the Jabulani TOD Node. Phase 4 of the project is currently in tender evaluation stage. The scope of works includes the construction of a new link road and Non-Motorised Transport infrastructure upgrades of existing link roads. A new professional team was appointed on three year contracts. Further phases in planning stage include the upgrade of Bolani Road and the development of a multi-purpose sports facility, with the main focus on grass roots football development.	Jabulani	Upgrade of existing Lepogo Road and construction of new Water Tower Link Road.
Jabulani TOD (Phase 5) Lepogo Street, Jabulani	Phase 5 will focus on the upgrade that will be undertaken on the existing Bolani Road between Koma Road and Legogo Road. The work includes the following key components: paving upgrade and creation of new sidewalks, storm water pipes and kerb inlets, protection pipes by non-motorised transport, bus lay-bys, traffic signals, landscaping, lighting, street furniture, artworks, traders structures and tables, and bus shelters.	Jabulani	Upgrade of existing Bolani Road, new trader stalls, pedestrian sidewalks and non-motorised transport.
Jabulani TOD (Phase 6)	Phase 6 will focus on the construction of the new Multipurpose Sports Facility. The work includes the following key components: i). SAFE HUB: Reception, change rooms, café + kitchen, shops, computer room, offices, counselling, workshop, soccer field and ablutions. ii). Community Centre: Reception, multipurpose hall, meeting room, library, offices, ablutions, play courts, playground and community garden. iii). External Works: Storm water network, landscaping, swimming pool, lighting and park furniture.	Jabulani	Planning, designs and contractor appointment.
Jabulani TOD (Phase 7)	Phase 7 will focus on the construction of a road over railway bridge to connect Jabulani CBD and Molapo. The length of the bridge is approximately 32m. The associated works include street lighting, sidewalk paving and urban furniture.	Jabulani	Planning and concept design

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
Nancefield TOD (Phase 4)	Phase 4 will focus on the construction of the multi-purpose hall with the outdoor tennis court, splash pad and the parking area in the Nancefield precinct.	Nancefield	This project is part of the Nancefield TOD development. The overall scope of works entails design and construction of a new multipurpose sports facility in Klipspruit, Soweto.
Rotunda Park Precinct (Turffontein) (Phase 2)	Phase 1 of the project was completed by end June 2016. Phase 2 of the project is currently in evaluation stage. The scope of works include the demolition of the existing road and construction of two new roads along a section of De Villiers Street and the upgrading of bulk services in the area to support the densification along the street. Construction was planned to commence during July 2016 and will be completed by October 2017. Further phases of the project include the construction of a linear park along De Villiers Street	De Villiers Street	The project is part of the Turffontein Corridor of Freedom. The overall scope of works entail bulk Infrastructure upgrades which aims at supporting the envisaged Corridor development. The scope of works include the demolition of the existing road and construction of two new roads along a section of De Villiers Street and the upgrading of bulk services in the area to support the densification along the street
Westbury TDC - Training Development Centre (Social Development) Perth Empire Corridor Co - Production Zone for Social Development Renewal of TOD Corridors Intervention (Social Development One Stop Centre) Renewal	This project is part of the Empire Perth TOD Corridor. The overall scope of works entails upgrade and refurbishment of existing community facility on behalf of the CoJ Social Development.	Westbury	This project is part of the Empire Perth TOD Corridor. The overall scope of works entails upgrade and refurbishment of existing community facility on behalf of the CoJ Social Development.
Balfour Park Transit Precinct Development (Louis Botha Corridor) Renewal Precinct Redevelopment Savoy Estate City Wide	This project is part of the Louis Botha TOD Corridor. The overall scope of works entails Public Environment Upgrade and NMT linking to the BRT Stations and the Balfour Park Shopping Mall.	Balfour Park	This project is part of the Louis Botha TOD Corridor. The overall scope of works entails Public Environment Upgrade and NMT linking to the BRT Stations and the Balfour Park Shopping Mall.
Milpark Precinct (Empire Perth Corridor) - Owl Street New Precinct Redevelopment Richmond, Regional NMT?	This project is part of Milpark Precinct Development which forms part of the Empire Perth TOD Corridor. The Milpark Precinct has been identified by the City of Johannesburg as one of the main precinct of the Empire Perth Corridor. The main objective of this project is to implement NMT infrastructure in order to support and encourage pedestrian and cyclist mobility. Above this, is to promote pedestrian connectivity to all the Rea Vaya BRT Station and areas of public interest. The overall scope of works for this project entails construction of pedestrian walks, street light upgrades, road upgrades, services upgrades, pedestrian bridge and soft and hard landscaping.	Milpark	The overall scope of works for this project entails construction of pedestrian walks, street light upgrades, road upgrades, services upgrades, pedestrian bridge and soft and hard landscaping. For ease of implementation this project has been divided into two phases and the pedestrian bridge will be implemented as a standalone project. The scope of works for the 2016/17 financial year is to appoint professional services providers, conduct all necessary field investigation, complete overall concept design and complete detailed designs for phase 1 only and complete a portion of phase 1 construction stage.

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	For ease of implementation this project has been divided into two phases and the pedestrian bridge will be implemented as a standalone project.		
Milpark Precinct Pedestrian Bridge	This project is part of the Milpark Precinct Development which is part of the Empire Perth TOD Corridor. The Milpark Precinct has been identified by the City of Johannesburg as one of the main precinct of the Empire Perth Corridor. The main objective of this project is to design and construct a pedestrian bridge over Barry Hertzog Avenue connecting Richmond and Milpark.	Milpark	This project is part of the Milpark Precinct Development which is part of the Empire Perth TOD Corridor. The Milpark Precinct has been identified by the City of Johannesburg as one of the main precinct of the Empire Perth Corridor. The main objective of this project is to design and construct a pedestrian bridge over Barry Hertzog Avenue connecting Richmond and Milpark. The scope of works for the 2016/17 financial year is to appoint professional service providers, conduct all necessary field investigations and complete concept design.
Campus Square Public Transport and Pedestrian Facility ¹³	Design and Implementation of the 'Campus Square' Public Transport and Pedestrian Bridge Facilities	Knowledge Precinct	The overall scope is to design and implement the Campus Square Public Transport and Pedestrian Bridge Facilities.
Westbury Development: Westbury Pedestrian Bridge	The Westbury Pedestrian Bridge is part of the Westbury Precinct Development. The Westbury Precinct has been identified by the City of Johannesburg as one of the main precincts on the Empire Perth Corridor. The project entails the design and implementation of a pedestrian bridge connecting Westbury and Coronationville. The main aim of the bridge is to provide a safer crossing point over the BRT Trunk route on Fuel Road for the scholars of Westbury who attend school in Coronationville. The detailed design and construction stage for this project commenced during the 2015/16 financial year and the scope of works for the 2016/17 financial year is to complete the construction stage.	Westbury	The project entails the design and implementation of a pedestrian bridge connecting Westbury and Coronationville. The scope of works for the 2016/17 financial year is to complete the construction stage.
Union Stadium (Phase 1A & 1B)	The Union Stadium upgrade is part of the Westbury Precinct Development. The Westbury Precinct has been identified by the City of Johannesburg as one of the main precincts on the Empire Perth Corridor. The overall scope for the project entails the design and implementation of two new soccer pitches, netball courts, volley ball courts and football courts. The detailed design and construction stage commenced during the 2015/16 financial year. The scope of work for the 2016/17	Westbury	The overall scope for project entails the design and implementation of two new soccer pitches, netball courts, volley ball courts and football courts. The scope of work for the 2016/17 financial year is to complete the construction stage.

¹³ (Knowledge Precinct: Auckland Park Pedestrian Crossing New Precinct Redevelopment AUUCKLAND PARK B City Wide)

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	financial year is to complete the construction stage. The main outstanding items are the removal of illegal dumping around the new grounds and courts and to level around the new grounds and courts to make them safer for use by the community.		
Westbury Phase 3: Westdene Dam Precinct Interventions / NMT	This project is part of Westdene Dam Precinct Development which is part of the Empire Perth TOD Corridor. The Westdene Dam Precinct has been identified by the City of Johannesburg as one of the main precinct of the Empire Perth Corridor. The main objective of this project is to implement NMT infrastructure in order to support and encourage pedestrian and cyclist mobility. Above this, is to promote pedestrian connectivity to all the Rea Vaya BRT Station and areas of public interest. The overall scope of works for this project entails construction of pedestrian walkways, street light upgrades, road upgrades, services upgrades, non-motorised transport and soft and hard landscaping.	Westdene Dam	The overall scope of works for this project entails construction of pedestrian walkways, street light upgrades, road upgrades, services upgrades, non-motorised transport and soft and hard landscaping.
CORR - Louis Botha Corridor of Freedom Storm water ¹⁴	The Louis Botha Corridor of Freedom Storm-water Master Plan (COF SMP) project entails the design and implementation of storm water upgrades required to support all the precinct developments that the City has identified along the Louis Botha Corridor. During the 2015/16 financial year the Johannesburg Roads Agency (JRA) completed a storm water masterplan indicating all the required upgrades along the Corridor.	Orange Grove	The scope of work for the 2016/17 financial year is to commence with the first phase of implementation, which entails appointing professional service providers, conducting field investigations, detailed design and complete phase 1 construction. The scope of work for phase 1 will be based on the available budget and the first priority will be to support the BRT project, current precinct developments and areas that are under stress.
CORR - Perth Empire Corridor of Freedom Storm water ¹⁵	The Empire Perth Corridor of Freedom Storm water Master Plan (COF SMP) project entails the design and implementation of storm water upgrades required to support all the precinct developments that the City has identified along the Empire Perth Corridor. During the 2015/16 financial year the Johannesburg Roads Agency (JRA) completed a storm water masterplan indicating all the required upgrades along the corridor.	Westbury	The scope of work for the 2016/17 financial year is to commence with the first phase of implementation, which entails appointing professional service providers, conducting field investigations, detailed design and complete phase 1 construction. The scope of work for phase 1 will be based on the available budget and the first priority will be to support the current precinct developments and areas that are under stress.
CORR - Turffontein Corridor of Freedom Storm water ¹⁶	The Turffontein Corridor of Freedom Storm water Master Plan (COF SMP) project entails the design and implementation of	De Villiers Street	The scope of work for the 2016/17 financial year is to commence with the first phase of implementation, which entails appointing

¹⁴ CORR - Louis Botha Corridor of Freedom Stormwater Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention ORANGE GROVE E Regional

¹⁵ CORR - Perth Empire Corridor of Freedom Stormwater Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention WESTBURY B Regional

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	storm water upgrades required to support all the precinct developments that the City has identified along the Turffontein Corridor. During the 2015/16 financial year the Johannesburg Roads Agency (JRA) completed a storm water masterplan indicating all the required upgrades along the corridor.		professional service providers, conducting field investigations, detailed design and complete phase 1 construction. The scope of work for phase 1 will be based on the available budget and the first priority will be to support current precinct developments and areas that are under stress.
Westbury NMT: Phase 4	The Westbury NMT Phase 4 is part of the Westbury Precinct Development. The Westbury Precinct has been identified by the City of Johannesburg as one of the main precincts on the Empire Perth Corridor. The project aims at design and implementing NMT infrastructure connecting the greater part of Westbury to public transport nodes around Westbury, with BRT Phase 2 being the main focus. For ease of implementation the project has been divided into four phases. Phases 1, 2 and 3 were completed during the 2014/15 and 2015/16 financial years. Phase 4 entails design and construction of the last portion of the NMT infrastructure.	Westbury	The scope of works for the 2016/17 financial year entails appointment of the professional team, field investigation, concept design, detailed design and begin construction.
Melville High Street detailed local area plan and implementation plan	Melville High Street detailed local area plan and implementation plan	Westdene / Melville	Melville High Street detailed local area plan and implementation plan
Balfour Park Area Based Mgmt. Plan	Balfour Park Area Based Mgmt. Plan	Balfour Park	Balfour Park Area Based Mgmt. Plan

Priority Area Planning & Implementation Programme

Manage the development of strategic economic nodes in marginalised areas through capital investments, overseeing integrated investments by other departments and entities, and facilitating partnership initiatives. The corresponding regional focus areas of this programme include:

- Greater Soweto, (including Lenasia, Eldos, Nancefield)
- Alexandra and the OR Tambo Corridor (includes Randburg, Cosmo City, Modderfontein, Frankenwald)
- Marginalised Areas – Diepsloot, Ivory Park, Orange Farm

¹⁶ CORR - Turffontein Corridor of Freedom Stormwater ¹⁶ Traffic Impact Assessment (TIA), Stormwater Masterplan and New Construction and Upgrading Renewal Corridors of Freedom Intervention Renewal Stormwater Management Projects JOHANNESBURG F Regional

TABLE 31: PRIORITY AREA PLANNING & IMPLEMENTATION PROGRAMME

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
Cosmo City Fire Station	JDA has been appointed as the implementing agent to construct a new fire station in Cosmo City for Emergency Management Services. The design work has been completed and the tender for the appointment of a main contractor has been completed. The Cosmo City Fire Station will be completed in the 2016/17 financial year.	Cosmo City	The construction of single and double storey buildings for a new fire station, including but is not limited to: building works including equipment stores, fire engine bays, offices, display rooms, rest rooms, wash bays and external works including bulk earthworks, paving, fencing, landscaping.
Lehae Fire Station	JDA is in the process of being appointed as the implementing agent to construct a new fire station in Lehae for Emergency Management Services.	Lehae	The design work will commence in the 2016/17 financial year and the detailed designs will be completed and the procurement of the contractor will be done.
Lehae Training Academy	JDA is in the process of being appointed as the implementing agent to construct a new training academy in Lehae for Emergency Management Services. The design work will commence in the 2016/17 financial year and the detailed designs will be completed and the procurement of the contractor will be done.	Lehae	The scope of works entails a combination of new and upgrade interventions are proposed with the intention of transforming the site from its current underdeveloped state to a facility that will offer world class training interventions.
Noordgesig - Social Cluster Re-design (including social housing)	The project entails the upgrading of the existing social cluster in Noordgesig and supporting pedestrian links. The development of a comprehensive precinct plan and the identification and prioritization of key interventions is currently underway. The project was presented to the JDA EXCO during June 2016 and construction of the priority intervention will start during January 2017.	Noordgesig	This project is part of the Noordgesig TOD and the overall scope of work entails design and construction of a Social Cluster
Kliptown Upgrade Programme (Kliptown Renewal Precinct Redevelopment (Walter Sisulu Square) KLIPSPRUIT EXT.4 D Ward) - Phase 2	The second phase of works to improve the Walter Sisulu Square of Dedication started during April 2016 and will be completed in November 2016. Further phases of the programme include a comprehensive overhaul of the informal trading market and the relocation of the Freedom Charter Museum to a more prominent position on the square. Planning work on these initiatives is underway and construction works are expected to start by November 2016. An extensive community consultation process started June 2016. A priority plan will be finalised after this process.	Kliptown	This project is part of the overall Kliptown Renewal Programme. The overall scope of works entails, new trader stalls, upgrade of Klipspruit Valley Road and the relocation of Kliptown Museum.
Claremont Clinic	The development concept was approved by the client for Claremont Clinic	Claremont	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility
Florida Clinic	A development concept will be presented to the client by end	Florida	This project is part of the City of Johannesburg service delivery

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	June 2016 For Florida Clinic		programmes. The objective of the project is to design and construct a new primary health care facility.
Noordgesig Clinic	Completion of construction of a new primary health care facility in Noordgesig	Noordgesig	Completion of construction of a new primary health care facility
Langlaagte Pharmacy Depot	This project is part of the City of Johannesburg Service delivery programme. The overall scope of works entails increasing capacity on an existing Pharmaceutical Depot which supports over seventy clinics in the City of Johannesburg.	Langlaagte	This project is part of the City of Johannesburg Service delivery programme. The overall scope of works entails increasing capacity on an existing Pharmaceutical Depot which supports over seventy clinics in the City of Johannesburg.
Orchards Clinic	Orchards Clinic implemented by Johannesburg Development Agency on behalf of City of Johannesburg Department of Health	Orange Grove	Orchards Clinic implemented by Johannesburg Development Agency on behalf of City of Johannesburg Department of Health
Zandspruit Clinic	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility	Zandspruit	A professional team is appointed and will focus on the identification of a suitable site for the development of a new clinic in Zandspruit. Once a site is secured, the team will focus on the development concept.
Ebony Park Clinic	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility.	Ebony Park	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility.
Golden Harvest Rehabilitation Centre Phase 2	The Golden Harvest Drug and Alcohol-Free Centre in Northgate, northern Johannesburg serves up to 12 young underprivileged patients mainly from areas such as Alexandra, Eldorado Park, Soweto and Westbury	Randburg	Golden Harvest Drug and Alcohol-Free Centre completion
Diepsloot Development Renewal Precinct Redevelopment DIEPSLOOT WES A Regional	The JDA has completed numerous key projects in Diepsloot, the most recent intervention was the completion of the new Ingonyama Link Road, including a vehicular bridge to ease vehicular movement and access and unlocking development potential in the area. The Urban Development Framework will now be reviewed and this revision will result in the identification of further key interventions. 2016/2017 will be a planning year, with key interventions being implemented from 2017/2018.	Diepsloot	The scope of work for this financial year entails the appointment of the professional team, field investigation and concept development.
Braamfischerville - Internal Roads and Storm water (housing)	This project is part of the City of Johannesburg service delivery programme. The overall scope of works entails upgrading of gravel roads to surfaced roads in Braamfischerville.	Braamfischerville	This project is part of the City of Johannesburg service delivery programme. The overall scope of works entails upgrading of gravel roads to surfaced roads in Braamfischerville. The scope of works for this financial year entails field investigations, concept development, detailed design and construction.
Bophelong Clinic	This project is part of the City of Johannesburg service delivery	Bophelong	The scope of works for this financial year entails the appointment of

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	programmes. The objective of the project is to design and construct a new primary health care facility.		professional team, land identification, field investigation, concept design and detailed design.
Eldorado Park Ext 9 Renewal Clinic ELDORADO PARK EXT.9 G Ward	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility.	Eldorado Park	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility.
Protea South Clinic Renewal Clinic PROTEA SOUTH EXT.1 G Ward	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility.	Protea South	The scope of works for this financial year entails appointment of professional team, land identification, field investigation, concept design and detailed design.
Lehae Library	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a Public Library in Lehae Township south of Johannesburg. The implementation of this project started last financial year, 2015/16.	Lehae	The objective of the project is to design and construct a Public Library in Lehae Township south of Johannesburg. The implementation of this project started in 2015/16. The scope of works for the 2016/17 financial year entails continuation of the construction stage up to practical completion stage.
Rabie Ridge Multi-Purpose Centre	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construction of an upgrade on the existing Rabie Ridge stadium in Rabie Ridge, north of Johannesburg. The implementation of this project started last financial year, 2015/16.	Rabie Ridge	The scope of works for the 2016/17 financial year entails continuation of the construction stage up to practical completion stage.
Bezuidenhout Valley Clinic	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design, construct and upgrade a primary health care facility in Bezuidenhout Valley.	Bezuidenhout Valley	The scope of works for this financial year entails appointment of professional team, land identification, field investigation and concept design.
Naledi Clinic	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design, construct and upgrade a primary health care facility in Naledi.	Naledi	The scope of works for this financial year entails appointment of professional team, land identification, field investigation and concept design.

Greenways Programme

The greenways programme that focuses on providing resilient, liveable and sustainable environments within the City by using roads and transport modes to promote walking, cycling, and sustainable public transport. This programme includes the continued roll-out of the Rea Vaya BRT infrastructure and service. The corresponding regional focus areas of this programme include:

- Empire-Perth Corridor
- Louis Botha Corridor
- Alexandra and the OR Tambo Corridor (includes Randburg, Sandton, Cosmo City, Modderfontein, Frankenwald)

TABLE 32: GREENWAYS PROGRAMME

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
Phase 1C Section 15 (Alexandra to Parktown) Roadworks Phase 2	<p>The Section 15 Phase 2 project is part of the Section 15 Trunk route. Section 15 starts at the corner of Empire and Victoria Avenue, turns left at Empire and Clarendon Road and traverses along Louis Botha Avenue until the intersection of Pretoria Main Lees Street. Section 15 is approximately 12 km long.</p> <p>For ease of implementation the Section 15 Trunk route was divided into two phases. Phase 1 entailed the construction of the BRT lanes, which was basically pavement strengthening of the two inside lanes. This phase was completed during the 2015/16 financial year.</p> <p>Phase 2 of this project entails road widening, intersection widening, pedestrian walkway upgrades, services upgrades, street light upgrades, signal upgrades and installation of CCTV camera and ITS ducts. The construction stage for this phase started during the 2015/16 financial year and the scope of works for this financial year entails completion of the project.</p>	Sandton	The Section 15 Phase 2 project is part of the Section 15 Trunk route. Section 15 starts at the corner of Empire and Victoria Avenue, turns left at Empire and Clarendon Road and traverses along Louis Botha Avenue until the intersection of Pretoria Main Lees Street. Section 15 is approximately 12 km long. For ease of implementation the Section 15 Trunk route was divided into two phases. Phase 1 entailed the construction of the BRT lanes, which was basically pavement strengthening of the two inside lanes. This phase was completed during the 2015/16 financial year. Phase 2 of this project entails road widening, intersection widening, pedestrian walkway upgrades, services upgrades, street light upgrades, signal upgrades and installation of CCTV camera and ITS ducts.
Phase 1C Section 8B (Sandspruit River Bridge Widening and road works)	The Section 8B project is part of the Section 8 trunk route. The overall scope of works for this project entails the widening of the Sandspruit Bridge from 2 lanes to 6 lanes, widening of the Katherine Street and Marlboro Drive intersection from 2 right turning lanes to 3 right turning lanes, and construction of wider pedestrian walkways.	Sandton	The Section 8A project is part of the Section 8 trunk route. The overall scope of works for this project entails the widening of the Sandspruit Bridge from 2 lanes to 6 lanes, widening of the Katherine Street and Marlboro Drive intersection from 2 right turning lanes to 3 right turning lanes, and construction of wider pedestrian walkways.

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	The construction stage for this project started during the 2015/16 financial year and the scope of works for the 2016/17 financial year is to complete the construction stage.		
Phase 1C Section 8A (New BRT Bridge over the M1 between Wynberg and Sandton)	The Section 8A project is part of the Section 8 trunk route. The overall scope of works for this project entails construction of a Flyover Bridge over the M1 between the Grayston and Marlboro interchanges, connecting Section 15 (Louis Botha) on the east of the M1 and Section 8 (Katherine Street) on the west.	Sandton	The Section 8A project is part of the Section 8 trunk route. The overall scope of works for this project entail construction of a Flyover Bridge over the M1 between the Grayston and Marlboro interchanges, connecting Section 15 (Louis Botha) on the east of the M1 and Section 8 (Katherine Street) on the west. The construction stage for this project started during the 2015/16 financial year and the scope of works for the 2016/17 financial year is to complete the construction stage.
Alexandra NMT Phase 3	The Alex Urban Upgrade is part of the Phase 1C Rea Vaya infrastructure. The objective of the project is to create green and liveable streets with primary focus on pedestrian mobility rather than motorists. The scope of the project entails design of high quality walkways, cycling lanes, speed calming measures, soft and hard landscaping and street lighting. For implementation purposes the project has been divided into three phases. Phases 1 and 2 were completed in 2014/15 and 2015/16 financial years, respectively.	Alexandra	The scope of work for this financial year is to complete the Phase 3 detailed designs and complete the full construction stage.
BRT Sandton / Randburg Section 9	The Section is a major part of the Phase 1C Rea Vaya BRT trunk routes. It aims at connecting Fourways and Randburg to the Sandton CBD. From Randburg, it traverses from the CBD along Republic Road into William Nicol and Sandton Drive up to the Gautrain Station and from Fourways Shopping Centre, along William Nicol and Sandton Drive up to the Gautrain Station. The route is approximately 12.2 km between Sandton and Fourways and approximately 8kms between Sandton and Randburg CBD. The scope of work for this financial year is to complete the detailed designs for the section between Sandton and Randburg.	Alex Randburg Corridor	The Section is a major part of the Phase 1C Rea Vaya BRT trunk routes. It aims at connecting Fourways and Randburg to the Sandton CBD. From Randburg, it traverses from the CBD along Republic Road into William Nicol and Sandton Drive up to the Gautrain Station and from Fourways Shopping Centre, along William Nicol and Sandton Drive up to the Gautrain Station. The route is approximately 12.2 km between Sandton and Fourways and approximately 8kms between Sandton and Randburg CBD.
Sandton Loop Project	The Sandton Loop is part of the Phase 1C Rea Vaya infrastructure which connects Sandton, Johannesburg CBD and Alexandra and Randburg CBD along Louis Botha, Katherine Street and Sandton Drive and Republic Road. The Sandton Loop traverses along Rivonia Road, Fredman Drive and 5th Street.	Sandton	The scope of works entails dedicated Public Transport and BRT lanes, pavement rehabilitation, pedestrian walkways, non-motorised transport and commuter shelters. The project is currently at construction stage and the scope of works for this financial year is to complete the construction stage and handover the project to the client department

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
Phase 1A NMT Feeder Routes (PHASE 2)	<p>The City of Johannesburg adopted its first Non-Motorised Transport (NMT) Frameworks in 2009, which guides the planning and implementation of NMT infrastructure throughout the City. NMT infrastructure can be categorised as sidewalks and other supporting facilities.</p> <p>The aim of NMT infrastructure is not only to address transportation related issue but social, environment and economic issues in the City.</p> <p>The Phase 1A Feeder route project entails design and implementation of NMT infrastructure along the Phase 1A Rea Vaya BRT Feeder routes. For ease of implementation the project has been divided into two phases. Phase 1 was completed during the 2015/16 financial year and Phase 2 will be implemented during the 2016/17 financial year.</p> <p>The scope of work for the 2016/17 financial year entails appointment of the main contractor and completing the construction stage.</p>	Protea Glen, Soweto.	The project entails the design and implementation of NMT strategies such as pedestrian walkways, soft and hard landscaping and street lighting along the Rea Vaya Phase 1A Feeder Routes in Protea Glen, Soweto.
Rosebank to Sandton NMT	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to improve existing pedestrian mobility and encourage use of NMT.	Rosebank	<p>The overall scope of works entails design and construction of pedestrian walkways and general public environment upgrade connecting Rosebank to Sandton, Melrose Arch to Rosebank and Parkhurst to Rosebank. For ease of implementation the project has been divided into three phases; Phase 1: Rosebank to Sandton, Phase 2: Parkhurst to Rosebank and Phase 3: Melrose Arch to Rosebank.</p> <p>The scope of works for the 2016/17 financial year entails detailed design and proceed with construction.</p>
Phase 1C Section 15I (Great Walk Pedestrian Bridge)	The Great Walk Bridge is part of the Great Walk NMT project which aims at promoting and supporting existing pedestrian mobility between Alexandra and Sandton. The bridge aims at promoting a safer crossing point for both pedestrians and cyclists over the M1 Grayston Interchange.	Alexandra	The scope of works for the 2016/17 financial year is to continue with the construction.
Phase 1C BRT Stations (Section 8 and 15)	This project is part of the Phase 1C Rea Vaya BRT Trunk route. The overall project scope entails design and construction of fourteen (14) new BRT stations. The stations are mainly located on section 8 and 15 of Phase 1C. There are eleven (11) along Louis Botha Avenue, one (1) on Katherine Street in Sandton and two (2) along Rivonia Road. Above this, are five (5) transition stations that are at the interface of the existing	Louis Botha Avenue	This project is likely run over two financial years. The scope of works for the 2016/17 financial year entails implementation of only five stations, one conversion and four new stations.

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	phase 1A and 1B routes with 1C. One (1) in the Hillbrow, two (2) in Joburg CBD and three (3) in Braamfontein. The transition stations have to be converted from a high floor design to a low floor design. This project is likely run over two financial years.		
Phase 1C Stations NMT Precinct	Project aims at design and implementation of NMT strategies such as pedestrian walkways soft and hard landscaping, and street lighting upgrade along key streets connecting to the new Rea Vaya Stations on Louis Botha Avenue. The scope of work for the 2016/17 financial year is to develop detailed designs.	Louis Botha Avenue	Project aims at design and implementation of NMT strategies such as pedestrian walkways, soft and hard landscaping, and street lighting upgrade along key streets connecting to the new Rea Vaya Stations on Louis Botha. The scope of work for the 2016/17 financial year is to develop detailed designs.
Selby BRT Bus Depot Phase 1	The project is part of the Phase 1C Rea Vaya BRT infrastructure. It is one of the three depots planned for the next three financial years. This depot is situated in Selby, south of Joburg CBD. The main features will be an Administration Building, Maintenance Building, Wash and Refuelling bays, ITS control centre. The project will be implemented over two financial years and for ease of construction it has been divided into two phases. The first phase 1 of project entails the perimeter fencing upgrade, the main parking area driveway upgrade and the construction main entrance road into the Depot (along Pat Mbatha road intersection with Ignatius Street). The second phase will involve revamping the balance of the property to prepare it for BRT operations and requirements.	Selby	The scope of the 2016/17 financial year is to start and finish with the construction of the Phase 1 scope of works. The first phase will entail the construction of the perimeter fence, bus parking area platform, site access road and administration building.
Selby BRT Bus Depot Phase 2	The project is part of the Phase 1C Rea Vaya BRT infrastructure. It is one of the three depots planned for the next three financial years. This depot is situated in Selby, south of Joburg CBD. The main features will be an Administration Building, Maintenance Building, Wash and Refuelling bays, ITS control centre. The project will be implemented over two financial years and for ease of construction it has been divided into two phases. Phase 2 will involve revamping the balance of the property to prepare it for BRT operations and requirements. The works will include the administration, workshop and the remote building conversion to a bus Operations centre, bus wash area and refuelling. As well as the balance of the existing driveway	Selby	The scope of works for the 2016/17 financial year is to complete detailed design and to begin construction.

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	upgrade.		
Midrand BRT Bus Depot	The project is part of the Phase 1C Rea Vaya BRT infrastructure. It is one of the three depots planned for the next three financial years. This depot is situated opposite the Gautrain Station. The main features of the depot will be an Administration Building, Maintenance Building, Wash and Refuelling bays, ITS control centre. The project will be implemented over two financial years and for ease of construction it has been divided into two phases. The first phase will entail the construction of the perimeter fence, bus parking area platform, site access road and administration building. The second phase will be the construction of maintenance building and washing and refuelling facility.	Midrand	The scope of works for the 2016/17 financial year is to complete the detailed design.
Driezik Public Transport Facility	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to improve an existing informal mini bus ranking facility. The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility.	Driezik	The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility. The scope of works for the 2016/17 financial year entails concept development, detailed design and a portion of the construction.
Alex BRT Loop	The Alex Loop is one of the Phase 1C Rea Vaya BRT complementary routes. The purpose of complementary routes is to provide feeder services to the trunk routes on non-dedicated lanes. This route aims at connecting the greater Alexandra Community to the Section 8 and 15 Rea Vaya BRT operations. The overall scope of works entails public environmental upgrades, roads upgrades, commuter shelters and general civil infrastructure. The project will be implemented over three financial years. The traffic impact assessment and high level concept were completed during the 2015/16.	Alexandra	The overall scope of works entails public environmental upgrades, roads upgrades, commuter shelters and general civil infrastructure. The project will be implemented over three financial years. The traffic impact assessment and high level concept were completed during the 2015/16. The scope of works of the 2016/17 financial year is to complete all field investigation and detailed designs.
Ghandi Square Interchange	The Gandhi Square Terminal is one of the four key terminals for the Phase 1C Rea Vaya BRT. The project entails design and construction of an Intermodal Public Transport facility in Gandhi Square, Johannesburg CBD, which will accommodate BRT buses, Mini Bus Taxis, and Metro Buses.	Inner City Southwestern Precinct	The Gandhi Square Terminal is one of the four key terminals for the Phase 1C Rea Vaya BRT. The project entails design and construction of an Intermodal Public Transport facility in Gandhi Square, Johannesburg CBD, which will accommodate BRT buses, Mini Bus Taxis, and Metro Buses. The scope of works for the 2016/17 financial year is to complete the concept designs.
Phase 1C Landscaping	This project entails implementation of hard and soft	Louis Botha Avenue	This project entails implementation of hard and soft landscaping

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	<p>landscaping along Section 15 (Louis Botha Avenue), Section 8 (Katherine Street) and the Great Walk (from Alexandra to Katherine Street). For ease of implementation the project has been divided into three sub-projects; Section 15 Landscaping, Section 8 Landscaping and Great Walk Landscaping.</p> <p>The construction stage for Great Walk and Katherine Street started during the 2015/16 financial year. The scope of work for this financial year is to complete the construction stage for three projects.</p>		<p>along Section 15 (Louis Botha Avenue), Section 8 (Katherine Street) and the Great Walk (from Alexandra to Katherine Street). For ease of implementation the project has been divided into three sub-projects; Section 15 Landscaping, Section 8 Landscaping and Great Walk Landscaping.</p> <p>The construction stage for Great Walk and Katherine Street started during the 2015/16 financial year. The scope of work for this financial year is to complete the construction stage for three projects.</p>
Emthonjeni Terminal	The Emthonjeni Terminal is one of the four key terminals for the Phase 1C Rea Vaya BRT. The project entails design and construction of an Intermodal Public Transport facility in Ivory Park which will accommodate BRT Complementary buses, Mini Bus Taxis, BRT Park and Ride facilities and informal trading stalls.	Ivory Park	The Emthonjeni Terminal is one of the four key terminals for the Phase 1C Rea Vaya BRT. The project entails design and construction of an Intermodal Public Transport facility in Ivory Park which will accommodate BRT Complementary buses, Mini Bus Taxis, BRT Park and Ride facilities and informal trading stalls. The scope of works for the 2016/17 financial year is to complete the detailed designs.
Section 15J: Watt Road Works	Section 15J is part of the Section 15 Trunk route. It entails the construction of pedestrian bridge structure along Louis Botha Avenue between Houghton Drive and Lily Street, road widening, sidewalks upgrading and retaining structures along Louis Botha Avenue between Andries Street and Chadwick Avenue. The construction stage for this project started during the 2015/16 financial year and the scope of works for the 2016/17 financial year is to complete the construction stage.	Alexandra	The construction stage for this project started during the 2015/16 financial year and the scope of works for the 2016/17 financial year is to complete the construction stage.
Old Pretoria Road	The Old Pretoria Road is one of the Phase 1C Rea Vaya BRT complementary routes. The purpose of complementary routes is to provide feeder services to the trunk routes on non-dedicated lanes. This route will connect both Section 8 and 15 with Midrand and Tembisa along the Old Pretoria Road. The overall scopes of works entail road widening, non-motorist transport infrastructure, commuter shelters and general civil infrastructure upgrades. The project will be implemented over three financial years.	Midrand	The scope of works for the 2016/17 financial year is to appoint a Civil and Traffic Engineer, conduct necessary field investigations, traffic impact assessment and develop a concept design.
Zakariyya Park Public Transport Facility	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to improve an existing informal mini bus ranking facility. The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the	Zakariyya Park	This project is part of the City of Johannesburg service delivery programmes. The objective of the project to improve an existing informal mini bus ranking facility. The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility.

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	facility.		The scope of works for the 2016/17 financial year is entails appointment of professional team, field investigation and concept development.
Soweto Metrorail Station Precinct NMT	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to improve pedestrian connectivity and mobility to existing Metro Rail Stations. The overall scope of works entails design and construction of Non-Motorised Transport (NMT) facilities linking the Railway Stations in Dube, Naledi, Marafi, Ihlanzeni, Ikhwezi, Phefeni, Phumulong and Mzimhlophe.	Soweto	The overall scope of works entails design and construction of Non-Motorised Transport (NMT) facilities linking the Railway Stations in Dube, Naledi, Marafi, Ihlanzeni, Ikhwezi, Phefeni, Phumulong and Mzimhlophe. The scope of works for the 2016/17 financial year is entails appointment of professional team, field investigation, precinct plans and concept development.
Roodepoort Holding Facility	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to improve an existing informal mini bus ranking facility. The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility.	Roodepoort	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to improve an existing informal mini bus ranking facility. The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility. The scope of works for the 2016/17 financial year is entails appointment of professional team, field investigation and concept development.
Emdeni Public Transport Facility	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to improve an existing informal mini bus ranking facility. The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility.	Emdeni	The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility. The scope of works for the 2016/17 financial year is entails appointment of professional team, field investigation and concept development.
Orange Farm Ext 7 Public Transport Facility	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to improve an existing informal mini bus ranking facility. The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility.	Orange Farm	The scope of works for the 2016/17 financial year entails appointment of professional team, field investigation and concept development.
Auckland Park NMT: Phase 1	This project is part of Auckland Park Precinct Development which forms part of the Empire Perth TOD Corridor. The Auckland Park Precinct has been identified by the City of Johannesburg as one of the main precincts on the Empire Perth Corridor. The main objective of this project is to implement NMT infrastructure in order to support and encourage pedestrian and cyclist mobility. Above this, to promote pedestrian connectivity to all the Rea Vaya BRT Stations in the area.	Knowledge Precinct	The overall scope of works for this project entails construction of pedestrian walkways, street light upgrades, road upgrades, services upgrades and soft and hard landscaping. For ease of implementation the project has been divided into two phases. The construction stage for phase 1 commenced during the 2015/16 financial year and the scope of works for the 2016/17 financial year is to complete the construction stage.

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	The overall scope of works for this project entails construction of pedestrian walkways, street light upgrades, road upgrades, services upgrades and soft and hard landscaping. For ease of implementation the project has been divided into two phases. The construction stage for phase 1 commenced during the 2015/16 financial year and the scope of works for the 2016/17 financial year is to complete the construction stage.		
Auckland Park NMT: Phase 2	This project is part of Auckland Park Precinct Development which forms part of the Empire Perth TOD Corridor. The Auckland Park Precinct has been identified by the City of Johannesburg as one of the main precincts on the Empire Perth Corridor. The main objective of this project is to implement NMT infrastructure in order to support and encourage pedestrian and cyclist mobility. Above this, to promote pedestrian connectivity to all the Rea Vaya BRT Station in the area.	Knowledge Precinct	The overall scope of works for this project entails construction of pedestrian walkways, street light upgrades, road upgrades, services upgrades and soft and hard landscaping. For ease of implementation the project has been divided into two phases. The detailed design stage for phase 2 was completed during the 2015/16 financial year and the scope of works for the 2016/17 financial year is to appoint the main contractor and complete the construction stage.
Auckland Park NMT: Phase 2	This project is part of Auckland Park Precinct Development which forms part of the Empire Perth Corridor of Freedom. The Auckland Park Precinct has been identified by the City of Johannesburg as one of the main precincts on the Empire Perth Corridor. The main objective of this project is to implement NMT infrastructure in order to support and encourage pedestrian and cyclist mobility. Above this, to promote pedestrian connectivity to all the Rea Vaya BRT Station in the area.	Knowledge Precinct	The overall scope of works for this project entails construction of pedestrian walkways, street light upgrades, road upgrades, services upgrades and soft and hard landscaping. For ease of implementation the project has been divided into two phases. The detailed design stage for phase 2 was completed during the 2015/16 financial year and the scope of works for the 2016/17 financial year is to appoint the main contractor and complete the construction stage.

Alex Renewal Programme

The Alexandra Renewal Project (ARP) which is established to coordinate intergovernmental activities to develop Alex. Manage the development of Alexandra through capital investments, overseeing integrated investments by other departments and entities, and facilitating community based initiatives and local economic development strategies. Most of the work involves human settlement development projects such as hostel upgrading, housing development and the construction of community facilities. The corresponding regional focus areas of this programme include:

- Alexandra and the OR Tambo Corridor (includes Randburg, Sandton Cosmo City, Modderfontein, Frankenwald)

TABLE 33: ALEX RENEWAL PROGRAMME

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
Alexandra Automotive Industrial Park	This project is part of the Alexandra Renewal Programme. It aims at creating economic opportunities for emerging enterprises in Alexandra and surrounding areas. The overall scope of works entails design and construction of a new Automotive Facility which aims at creating a formalized work hub for local enterprises	Alexandra	The overall scope of works entails design and construction of a new Automotive Facility which aims at creating a formalized work hub for local enterprises. The scope of works for this financial year entails continuation of the construction stage up to practical completion.
Alexandra Heritage Centre	This project is sponsored by the Department of Tourism. The overall objective of the project is to complete the construction of the Heritage facility in Alexandra which was started by the ARP some years ago.	Alexandra	The scope of works for this financial year is to complete the construction stage and handover the project to the Client and Arts and Culture Department.
4th Avenue Clinic (Alexandra)	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility	Alexandra	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility. The scope of works for this financial year entails continuation of the construction stage up to practical completion.
Old Ikage housing development (Alexandra)	Planning, design and construction of new housing development in Alexandra Township.	Alexandra	The scope of works for this financial year entails concept development, field investigation, detailed design and commence construction up to 25%
Thoko Mngoma Clinic (Alexandra)	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility	Alexandra	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to design and construct a new primary health care facility. The scope of works for this financial year entails continuation of the construction stage up to practical completion.
Linear Markets (Ivory Park and Alexandra)	This project is part of the City of Johannesburg service delivery programmes. The objective of the project is to formalise informal trading activities in Alexandra in front of the Pan Africa Mall and in Ivory Park in front of the Kopanong Shopping Centre. The implementation of this project started last financial year, 2015/16. Last financial year the project was funded by Department of Economic Development (DED). However this financial year they have failed to make available the required budget to complete the project. The JDA will re-	Alexandra	The scope of works for the 2016/17 financial year entails continuation of the construction stage up to practical completion stage.

Project Name	Project Description	Node / Precinct	Scope of Work 2016/17
	allocate some R 10 million of the budget from the Old Ikage housing project to this project.		
Vincent Tshabalala Pedestrian Bridge (Pedestrian Bridge Vincent Tshabalala Road New Bulk Infrastructure FAR EAST BANK EXT.9 E)	Vincent Tshabalala Bridge is part of the Alexandra Renewal Programme. The overall scope of works entails design and construction of a Pedestrian Bridge over Vincent Tshabalala Road connecting River Park and the Far East Bank. The scope of works for the 2016/17 financial year entails concept design, detailed design, and contractor appointment and construction stage up to 40%.	Alexandra	Vincent Tshabalala Bridge is part of the Alexandra Renewal Programme. The overall scope of works entails design and construction of a Pedestrian Bridge over Vincent Tshabalala Road connecting River Park and the Far East Bank. The scope of works for the 2016/17 financial year entails concept design, detailed design, and contractor appointment and construction stage up to 40%.
Maputo Park (open spaces) Development of open Space New Precinct Redevelopment ALEXANDRA .EXT.53 E	Maputo Park is part of the Alexandra Renewal Programme. The overall scope of works entails design and construction of a Public Park. The scope of works for the 2016/17 financial year entails the appointment of the main contractor and commencement with construction up to practical completion. However, this project was delayed last financial year due to illegal occupants that have been on the site for years. The ARP office has been dealing with this issue since last financial year but to date it has not been resolved. If by the end of quarter two the matter is still outstanding the project will have to be cancelled and budget reallocated.	Alexandra	Maputo Park is part of the Alexandra Renewal Programme. The overall scope of works entails design and construction of a Public Park. The scope of works for the 2016/17 financial year entails the appointment of the main contractor and commencement with construction up to practical completion.

Key Programmatic Focus Areas

A summary of the JDA's key focus areas are in response to the GDS 2040, the SDF and the priorities of New Strategic Agenda are outlined below:

TOD Development Corridors

The key activities in this programme include:

- Investing in the public transit and mobility infrastructure to promote walking and sustainable public transport, along the corridor routes (JDA Programme 4). The major driver of capital expenditure is from Programme 4: Greenways, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and along the TOD Corridors. Most of the non-motorised transport [NMT] infrastructure projects are being implemented by small construction companies, meaning that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.
- Developing TOD / station precincts (JDA Programme 2) - The transit-oriented node development programme encourages optimal development of transit hubs and corridors across the city, which provides access to affordable accommodation and transport, high-quality public spaces and amenities and good community services.
- Development Facilitation - Investing time and resources on development facilitation necessary in the corridors in order to catalyse development. Development Facilitation capacity within the JDA will actively drive investment promotion and property development deals.

Inner City Transformation

The key activities in this programme include:

- JDA's inner-city programme (JDA Programme 1) - Within this programme there are elements of transit-oriented node and corridor development. Precinct developments are designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes.
- Inner City Housing Implementation Plan (ICHIP) - The Social Housing Regulatory Authority (SHRA) has approved a general capacitation grant for the City of Johannesburg on specific programmes relevant to social housing of the Inner City Housing Implementation Plan (ICHIP). The successful execution of specific programmes will support the creation of a pipeline of social housing projects in the inner city of Johannesburg that unlock new middle-income and affordable subsidised rental stock and to accelerate the restructuring of Johannesburg's inner city landscape. The scope of works agreed to by the parties consists of precinct profiling and land assembly; detailed planning for specific properties; strategy for the release of land and buildings for development; establishing a Smart Partner programme for Social Housing and technical and programmatic support.

Greater Alexandra Renewal

The key activities in this programme include:

- The Alexandra Renewal Project (ARP) forms a focus area of the JDA (JDA Programme 5) which is established to coordinate intergovernmental activities to develop Alex.

- Together with capital investments in clinics and housing, most of the work involves planning and land for human settlement development projects such as hostel upgrading, housing development and the construction of community facilities. In this regard, the objectives of this work are to present the full picture of development related initiatives impacting / influencing Greater Alex; formulate guiding principles that would guide the holistic development of Greater Alex “that builds a city” i.e. a CoJ perspective, informed by the principles of the 2016 SDF and to develop a logical “Development Proposal Framework” that underpins how best the City can/should engage with development proposals and current/ future key partners or stakeholders that would support the sustainable development of the greater Alex.

Economic Development & Job Creation

The key activities in this programme include:

- Enterprise Development Programme - The JDA continues to create jobs and economic development opportunities for small businesses through its construction programme. The programme has a new approach to contracting in selected developments, with a managing contractor responsible for subcontracting local SMME construction companies, and ensuring skills transfer within a construction contract period.
- Through its construction work, JDA will seek to optimise the number of local construction jobs created.
- In addition to the normal JDA practice of reserving a percentage of the value of all construction contracts for local SMMEs, projects will also be packaged to create further opportunities for local SMMEs.

Improved Stakeholder Engagement and Management

The key activities in this programme include:

- Stakeholder Engagement Framework - The JDA’s framework is used to engage communities in all its development areas and enable the City to keep stakeholders informed, making sure there is accurate understanding of the impact of City developments in their area.
- The aim is to ensure that stakeholders are actively engaged from the very inception of the project concept and play a meaningful role in shaping the development outcomes and future custodianship of the development
- The approval of the JDA’s Stakeholder Engagement Framework guides the way in which the JDA supports productive development partnerships and co-operation between all stakeholders in these areas. It frames how the JDA works with the people and organisations which impact upon and are impacted by various JDA plans, interventions and projects which seek to fulfil the City of Johannesburg’s development policy objectives. The Framework seeks to ensure a coherent approach to stakeholder engagement across the complete range of JDA plans, interventions and projects; enable better planned projects and programs and facilitate effective collaboration with all affected and interested parties

SECTION 1: HIGHLIGHTS OF ACHIEVEMENTS

Financial Performance

The overall year to date capex expenditure was R1, 39 billion (2015/16: R1.481 billion) against an annual budget of R1,705 billion (2015/16: R1.61 billion). This translates to 82% (2015/16: 91%) of the total annual budget and against the year to date target of 95% or R 1 620 billion.

This under-performance on expenditure was due to a combination of factors at the project implementation level, these include: Project delays on site including land readiness, SMME disputes and contractor performance; Projects not reaching a development stages as planned; Construction challenges including projects with potential structural design risks that needed to be suspended in order to be investigated; procurement delays or disputes resulting in community stoppages on projects. Management is aware of the severity reflected in expenditure performance and is committed to address significant project risks earlier and more effectively, including through JDA's Project Readiness Filter.

Capital Budget Management¹⁷

TABLE 34: OVERALL PROGRAMME PERFORMANCE

Overall Programme Performance	2016/17 Annual Budget	Target YTD	Actual YTD	YTD Target %	% Actual / annual budget
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 705 000	1 620 000	1 396 628	95%	82%

Operating Budget Management¹⁸

TABLE 35: OPERATING BUDGET MANAGEMENT¹⁹

	2016/17	Year to date		% Achievement for Annual
	Original Budget	Target	Actual	
	R' 000	R' 000	R'000	%
Revenue	104 555	104 555	97 306	93%
Costs	104 555	104 555	94 537	90%
Net surplus/(deficit)	-	0	2 197	

¹⁷ This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

¹⁸ This measures effective budget control of operating costs (indicated by budget variances). In respect of effective budget control of operating costs, a target of 0% over expenditure has been set.

¹⁹ This measures effective budget control of operating costs (indicated by budget variances). In respect of effective budget control of operating costs, a target of 0% over expenditure has been set.

Organisational Performance

The annual report has been prepared against the JDA's 2016/17 business plan and adjusted scorecard. On the JDA's 21 Strategic KPI's, the JDA achieved 38% targeted performance achieved, 10% performance target partial achieved and 52% performance target not achieved

The focus on reporting on highlights and achievements are reflected for each of JDAs substantive programmes, as per the table below.

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

TABLE 36 SUMMARY OF KPI PERFORMANCE

IDP Priority	IDP programme	Count of KPI's	KPI Number (Ref)	Target Achieved (95% - 100% rating)		Target Partially Achieved (80% - 94% rating)		Target not Achieved (<79% rating)	
				Count	%	Count	%	Count	%
Priority 6: Financial Sustainability	Capital project management	1	1	0	0%	1	100%	0	0%
	Enhanced corporate governance, through 100% compliance with financial, risk and performance management guidelines	1	2	0	0%	0	0%	1	100%
Priority 4: Transforming sustainable human settlements	Improved Mobility	1	3	1	100%	0	0%	0	0%
	Compact, integrated and liveable urban form and spaces	9	4-5-6-7-8-9-10-11-12	2	22%	1	11%	6	67%
Priority 1 and 2: Employment creation, investment attraction and retention; Informal Economy, SMME and Entrepreneurial support	City wide job creation programme - 250 000 jobs by 2016	2	13-14	0	0%	0	0%	2	100%
	Enterprise Development	1	15	1	100%	0	0%	0	0%
Priority 12:	To improve	1	16	0	0%	0	0%	1	100%

IDP Priority	IDP programme	Count of KPI's	KPI Number (Ref)	Target Achieved (95% - 100% rating)		Target Partially Achieved (80% - 94% rating)		Target not Achieved (<79% rating)	
				Count	%	Count	%	Count	%
Good governance	governance profile of the City								
	To reduce the levels of corruption in the City	1	17	1	100%	0	0%	0	0%
Day-to-day Programme	Other IDP or Day-to Day programmes	4	18-19-20-21	3	75%	0	0%	1	25%
		21		8	38%	2	10%	11	52%

Non-financial Performance

As a summary of the non-financial performance includes:

- The annual report has been prepared against the JDA's 2016/17 business plan and adjusted scorecard. On the JDA's 21 Strategic KPI's, the JDA achieved 38% targeted performance achieved, 10% performance target partial achieved and 52% performance target not achieved.
- The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. For 2016/17 financial year, the overall BBBEE share of expenditure was R 1 241 806 993.37. This constitutes an achievement of 93% per cent.
- The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The SMME share of JDA's operating and capital expenditure was R 436 334 198.34 for 2016/17 Financial year. This constitutes an achievement of 33% for the period under review. (Capex R 420 026 335.60 or 33 %; Opex R 16 307 862.74 or 31%)
- The staff organogram has 109 approved positions. Of the 109 positions, 96 positions are filled and 13 positions are vacant. In terms of physical location, 86 employees are based at the JDA head Offices in Newtown, while 10 are based at the JDA Sandton Offices, in Sandton.
- A total of 1262 EPWP opportunities were reported against the annual target of 7000 and total of 59 job created city wide (Jozi@Work) against the annual target of 500. However, under the new administration, the Jozi@Work programme was been suspended (i.e. no new work-packages or Community Support Agent's could be awarded) and because majority of JDA projects with a planned Jozi@Work implementation were not yet at the construction stage no new Jozi@Work packages were awarded.

TABLE 37: EPWP PERFORMANCE

JDA Programme	Q1 Number of EPWP Work Opportunities	Q2 Number of EPWP Work Opportunities	Q3 Number of EPWP Work Opportunities		Q4 Number of EPWP Work Opportunities	2016/17 YTD Number of EPWP Work Opportunities	
			Reported	Reconciled		Reported	Reconciled
	Reported & Reconciled	Reported & Reconciled	Reported	Reconciled	Reported & Reconciled	Reported	Reconciled
1	40	8	20	20	65	133	133

JDA Programme	Q1	Q2	Q3		Q4	2016/17 YTD	
	Number of EPWP Work Opportunities	Number of EPWP Work Opportunities	Number of EPWP Work Opportunities	Number of EPWP Work Opportunities	Number of EPWP Work Opportunities	Number of EPWP Work Opportunities	Number of EPWP Work Opportunities
	Reported & Reconciled	Reported & Reconciled	Reported	Reconciled	Reported & Reconciled	Reported	Reconciled
2	44	27	29	29	243	343	336
3	143	42	83	53	71	339	301
4	345	80	105	8	12	542	445
5	0	19	34	28	0	53	47
Total	572	176	271	138	391	1410	1262

Note that in reconciling EPWP work opportunities from Q3 and Q4 that in Q3 in Programmes 3, 4 and 5 there are a number work opportunities that were reported on the project EPWP database but without all the necessary supporting evidence (ID, Contract, Payslip). Until the supporting evidence is obtained for these, they have been removed from the totals provided.

TABLE 38: JOZI@WORK PERFORMANCE

	Number of Number of Jozi@Work Jobs				
	Q1	Q2	Q3	Q4	YTD
Total	59	0	0	0	59

SECTION 2: SERVICE DELIVERY CHALLENGES

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

By the end of the 2016/17 financial year delivery was affected in several projects. Some of these issues are highlighted below:

- The Department of Labour investigation into the collapse of scaffolding of the Great Walk pedestrian bridge while under construction in Sandton continued. It is anticipated that the investigation will be completed by August 2017. While investigation is underway, the Department of Labour has approved that Murray and Roberts can continue on the broader bridge construction project. The construction was initially only allowed on parts of the dedicated pedestrian and cycling bridge at the Grayston off-ramp of the M1 Motorway. The City has subsequently been allowed to resume full construction of the bridge as the JDA and the contractor have demonstrated that they have put in place all possible risk mitigation measures to avoid a reoccurrence of this tragic accident. The Department of Labour have approved the design and construction methodology which is being applied.
- In the period under review, a number of JDA projects in Greater Region E have been delayed as a result of community issues, In particular with the Alexandra projects, the Paterson Park projects and the BRT project along Louis Botha Ave. Such actions stem primarily from the appointment surrounding local SMMEs, appointment of Community Liaison Officers (CLOs) and provisions of jobs to locals on projects within this Region. Where necessary the JDA has sought assistance in such matters from the Regional Director, the Department of Development Planning and the Office of the Speaker.

SECTION 3: STRATEGIC DIRECTION

The JDA works within the Joburg 2040 Growth and Development Strategy (GDS) and with the Mayoral Priorities. The JDA responded to the multiple challenges and uncertain futures faced by the city.

The Joburg GDS 2040 offers a vision, mission and framing paradigm and principles, alongside outcomes, outputs and indicators. During 2016/17 the GDS was reviewed and amended. The following two original GDS and three amended outcomes are particularly relevant to the JDA:

TABLE 39: GDS OUTCOMES AND PROGRAMME DESCRIPTIONS

Original Outcomes	Programme Description	Amended GDS Outcomes
Outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy	<ul style="list-style-type: none"> The City plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (e.g. housing, eco-mobility, energy, water, waste, sanitation and information and communications technology), to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low carbon economy initiatives. 	<ul style="list-style-type: none"> Outcome 1: A growing, diverse and competitive economy that creates jobs Outcome 2: Enhanced, quality services and sustainable environmental practices Outcome 3: An equitable and inclusive society with high quality of life
Outcome 3: An inclusive, job-intensive, resilient and competitive economy that harnesses the potential of citizens	<ul style="list-style-type: none"> The GDS 2040 emphasises that “the City of Johannesburg will focus on supporting the creation of an even-more competitive, ‘smart’ and resilient city economy, when measured in relation to national, continent and global performance. The City will promote economic growth and sustainability through the meaningful mobilisation of all who work and live here, and through collaborating with others to build job-intensive long-term growth and prosperity, from which all can benefit.” 	

The strategic development plans produced by other spheres of government were also considered in defining the JDA’s priority programme for 2016/17. The key ones are the National Development Plan (2030); the Integrated Urban Development Framework (IUDF); and Gauteng 2055. These plans recognise that:

- The space economy transformation project is a key strategy to create more productive and inclusive cities.
- The most efficient urban form is compact, mixed land-use with an extensive public transport network that includes high intensity movement corridors with attractive environments for walking and cycling. There are also social and economic sustainability reasons for promoting compact urban form, including access, inclusion, health, social cohesion, vibrancy, economy, household savings, and air
- Living in higher densities and competing for access to increasingly scarce resources will require us to foster social interactions in a way that begins to create a new social compact between South African city dwellers. We will need alternative views of the way we behave in, and interact with, public spaces and what we regard as private space.

In the face of these challenges the JDA's 16/17 efforts were targeted toward making meaningful inroads into the spatial transformation project and will creatively pursue ways in which our capital works are able to address aspects of these challenges.

During the 2016 Mayoral Lekgotla, the City's executive and legislative leadership had an opportunity to engage and reflect on the current political environment. This lekgotla collectively agreed to propose the following priorities to the people of Johannesburg. These priorities are defined as the New Strategic Agenda 2016-2021 and are as follows:

- Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty
- Priority 2: Ensure pro-poor development that addresses spatial and all forms of income inequality and provides meaningful redress.
- Priority 3: Create a culture of enhanced service delivery with pride and dignity.
- Priority 4: Create a sense of security through improved public safety.
- Priority 5: Create an honest and transparent City that fights corruption.
- Priority 6: Create a City that responds to the needs of citizens, customers, stakeholder and businesses.
- Priority 7: Enhance our financial sustainability.
- Priority 8: Encourage innovation and efficiency through the Smart City programme.
- Priority 9: Preserve our resources for future generations.

Priority 1 and 2 are particularly relevant to the JDA as it coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and with other client departments.

SECTION 4: CAPITAL PROJECTS & EXPENDITURE

Capital expenditure is the primary measure of the JDA's performance, and the budget for the capital projects to be implemented forms part of the agency's annual business plan and scorecard. This measures effective capital budget management, in particular expenditure against set targets for project delivery.

Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

The overall year to date capex expenditure at Quarter 4 was R1, 39 billion against an annual budget of R1,705 billion. This translates to 82% of the annual budget.

Capital Budget Management²⁰

²⁰ This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

TABLE 40: OVERALL PROGRAMME PERFORMANCE

Overall Programme Performance	2016/17 Annual Budget	Target YTD	Actual YTD	YTD Target %	% Actual / annual budget
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 705 000	1 620 000	1 396 628	95%	82%

The JDA was made aware of the potential of receiving addition capital budget during the mid-year adjustment process however this capital budget allocation was only confirmed after the mid-year budget process was concluded. The value of this capital project budget was R62.4 million and the capex expenditure against this additional budget was R54.2 million. This amount has been excluded when reporting against the Overall Programme Performance budget of R1 705 billion.

TABLE 41: OVERALL PROGRAMME PERFORMANCE INCLUDING ADDITIONAL PROJECTS

Overall Programme Performance	2016/17 Annual Budget	Target YTD	Actual YTD	YTD Target %	% Actual / annual budget
		R' 000	R'000	%	%
Overall Programme Performance	1 705 000	1 620 000	1 396 628	95%	82%
Additional Projects	62 458	-	54 193	-	-
Overall Programme with Additional Projects Performance	1 767 458	1 620 000	1 450 821	95%	82%

TABLE 42: CAPITAL BUDGET MANAGEMENT PER JDA PROGRAMME PERFORMANCE

Per Programme Performance	2016/17 Annual Budget	Actual YTD Expenditure	% Actual / annual budget Expenditure
	R' 000		
Programme 1: Inner City transformation	217 612	186 180	86%
Programme 2: TOD Node developments	491 905	355 454	72%
Programme 3: GMS Priority development	197 166	136 821	69%
Programme 4: Greenways	707 017	653 033	92%
Programme 5: Alexandra Renewal Project	81 300	55 154	68%
Programme 7: Administrative	10 000	9 986	99%
Total	1 705 000	1 396 628	82%
Additional Projects	62 458	54 193	87%

The overall year to date capex expenditure at Quarter 4 was R1, 39 billion against an annual budget of R1,705 billion. This translates to 82% of the annual budget.

For period ended 30 June 2017

TABLE 43: EXPENDITURE BY PROGRAMME

Projects per Programme	CAPEX YEAR TO DATE				Annual	Budget
	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	%	R	%
Programme 1: Inner City transformation						
Hillbrow Tower Precinct	R 28 867 148	R 28 867 148	R 0	0.00%	R 28 867 148	100.00%
Inner City Commuter Links	14 334 136	17 500 000	(R 3 165 864)	(18.09%)	17 500 000	81.91%
Karsene Parkade	112 300 000	112 300 000	R 0	0.00%	112 300 000	100.00%
Mining Belt East - Fleurhof	1 775 445	2 000 000	(224 555)	(100.00%)	2 000 000	88.77%
Inner City Core	8 073 606	21 132 852	(R 13 059 246)	(61.80%)	21 132 852	38.20%
Mayfair PEU	789 990	1 250 000	(R 460 010)	(36.80%)	1 250 000	63.20%
Fordsburg PEU	789 990	1 250 000	(R 460 010)	(36.80%)	1 250 000	63.20%
Park Station Precinct	18 060 129	20 000 000	(R 1 939 871)	(9.70%)	20 000 000	90.30%
Braamfontein Traffic and Transport Plan	259 076	259 000	76	(100.00%)	259 000	100.03%
Land Audit & Agreements for Social and Affordable Housing	553 000	553 000	0	(100.00%)	553 000	100.00%
Inner City Managed Lanes	229 320	10 000 000	(R 9 770 680)	(97.71%)	10 000 000	2.29%
Inner City Eastern Gateway Precinct	148 565	2 500 000	(R 2 351 435)	(94.06%)	2 500 000	5.94%
Sub-total	186 180 405	217 612 000	(31 431 595)	(14.44%)	217 612 000	85.56%
Programme 2: TOD Node developments						
Orlando East Station Precinct	1 183 671	10 000 000	(8 816 329)	(88.16%)	10 000 000	11.84%
Nancefield Station Precinct	3 105 140	7 000 000	(3 894 860)	(55.64%)	7 000 000	44.36%
Louis Botha CoF, TIA, Stormwater Masterplan & New Construction	1 325 034	10 000 000	(8 674 966)	(86.75%)	10 000 000	13.25%
Nancefield TOD	26 000 000	26 000 000	(0)	(0.00%)	26 000 000	100.00%
Rotunda Park Precinct	25 330 000	25 330 000	0	0.00%	25 330 000	100.00%
Randburg CBD Public Environment Upgrade	12 302 656	12 500 000	(197 344)	(1.58%)	12 500 000	98.42%

Projects per Programme	CAPEX YEAR TO DATE				Annual	Budget
	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	%	R	%
Union Stadium Phase 1B	8 000 000	8 000 000	0	0.00%	8 000 000	100.00%
Patterson Park	51 064 156	80 000 000	(28 935 844)	(36.17%)	80 000 000	63.83%
Jabulani Station Precinct	13 868 361	17 000 000	(3 131 639)	(18.42%)	17 000 000	81.58%
Jabulani TOD (Phase 5)	37 730 000	37 730 000	0	0.00%	37 730 000	100.00%
Jukskei River upgrading		1 000 000	(1 000 000)	(100.00%)	1 000 000	0.00%
Westbury Pedestrian Bridge	6 000 000	6 000 000	0	0.00%	6 000 000	100.00%
Westbury TDC	26 999 152	30 000 000	(3 000 848)	(10.00%)	30 000 000	90.00%
Turffontein CoF, TIA, Stormwater Masterplan & New Construction	55 017 010	70 500 000	(15 482 990)	(21.96%)	70 500 000	78.04%
Perth Empire CoF, TIA, Stormwater Masterplan & New Construction	35 459 630	65 000 000	(29 540 370)	(45.45%)	65 000 000	54.55%
Balfour Park Transit Precinct Development	1 100 581	1 500 000	(399 419)	(26.63%)	1 500 000	73.37%
Brixton Social Cluster	6 277 679	25 000 000	(18 722 321)	(74.89%)	25 000 000	25.11%
Milpark Precinct Development: Pedestrian Bridge	1 000 000	1 000 000	0	0.00%	1 000 000	100.00%
Westbury Renewal Precinct NMT	13 344 958	13 344 958	(0)	(0.00%)	13 344 958	100.00%
Campus Square Pedestrian Facility	346 098	15 000 000	(14 653 902)	(97.69%)	15 000 000	2.31%
Westbury Phase 3: Westdene Dam NMT	20 000 000	20 000 000	0	0.00%	20 000 000	100.00%
Westdene Dam	10 000 000	10 000 000	0	0.00%	10 000 000	100.00%
Sub-total	355 454 126	491 904 958	(136 450 832)	(27.74%)	491 904 958	72.26%
Programme 3: GMS Priority Development						
Diepsloot Precinct Redevelopment	787 500	2 000 000	(1 212 500)	(60.63%)	2 000 000	39.38%
Rabie Ridge Multi-purpose Centre	9 000 000	9 000 000	(0)	(0.00%)	9 000 000	100.00%
Kliptown Upgrade Programme	27 517 043	50 000 000	(22 482 957)	(44.97%)	50 000 000	55.03%
Claremont Renewal Clinic	8 758 546	12 770 000	(4 011 454)	(31.41%)	12 770 000	68.59%
Noordgesig Clinic	2 936 000	2 936 000	0	0.00%	2 936 000	100.00%
Noordgesig Social cluster	4 612 976	10 000 000	(5 387 024)	(53.87%)	10 000 000	46.13%
Orchards Clinic	3 150 000	20 000 000	(16 850 000)	(84.25%)	20 000 000	15.75%
Langlaagte Pharmacy Depot	22 920 000	22 920 000	0	0.00%	22 920 000	100.00%

Projects per Programme	CAPEX YEAR TO DATE				Annual	Budget
	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	%	R	%
Florida Clinic	8 332 545	12 770 000	(4 437 455)	(34.75%)	12 770 000	65.25%
Ebony Park	8 788 220	12 770 000	(3 981 780)	(31.18%)	12 770 000	68.82%
Lehae Library	6 991 039	7 000 000	(8 961)	(0.13%)	7 000 000	99.87%
Golden Harvest Rehabilitation Centre Phase 2	4 000 000	4 000 000	0	0.00%	4 000 000	100.00%
Cosmo City Fire Station	15 000 000	15 000 000	0	0.00%	15 000 000	100.00%
Bophelong Clinic	799 474	800 000	(526)	(0.07%)	800 000	99.93%
Naledi Clinic	647 610	800 000	(152 390)	(19.05%)	800 000	80.95%
Bezuidenhout Valley Clinic	477 215	800 000	(322 785)	(40.35%)	800 000	59.65%
Braamfisherville - Internal Roads and Stormwater (housing)	4 800 000	4 800 000	0	0.00%	4 800 000	100.00%
Protea South Clinic	608 603	800 000	(191 397)	(23.92%)	800 000	76.08%
Lehae Training Academy	2 832 743	3 000 000	(167 257)	(5.58%)	3 000 000	94.42%
Lehae Fire Station	2 935 201	4 000 000	(1 064 799)	(26.62%)	4 000 000	73.38%
Central Fire station	926 335	1 000 000	(73 665)	(7.37%)	1 000 000	92.63%
Sub-total	136 821 050	197 166 000	(60 344 950)	(41.22%)	197 166 000	69.39%
Programme 4: Greenways						
Phase 1C Stations NMT	145 615 522	145 615 522	0	0.00%	145 615 522	100.00%
Station Retrofits	75 807	75 807	0	0.00%	75 807	100.00%
Selby BRT Bus Depot Phase 1	87 693 770	87 693 770	0	0.00%	87 693 770	100.00%
Selby BRT Bus Depot Phase 2	0	0	0	0.00%	0	0.00%
Mldrand Depot	2 676 386	2 676 386	0	0.00%	2 676 386	100.00%
Milpark Precinct NMT: Phase 1	2 746 097	8 175 042	(5 428 945)	(66.41%)	8 175 042	33.59%
Land Acquisition	10 232 641	10 232 641	0	0.00%	10 232 641	100.00%
Alexandra NMT Phase 3	1 107 958	1 107 958	0	0.00%	1 107 958	100.00%
Section 9 Sandton to Randburg	209 475	209 475	0	0.00%	209 475	100.00%
Gandhi Square Terminal	369 265	369 265	0	0.00%	369 265	100.00%
Sandton Loop Project	75 170 856	75 170 856	0	0.00%	75 170 856	100.00%
Auckland Park NMT: Phase 1	33 400 000	33 400 000	0	0.00%	33 400 000	100.00%

Projects per Programme	CAPEX YEAR TO DATE				Annual	Budget
	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	%	R	%
Auckland Park NMT: Phase 2	10 051 519	10 600 000	(548 481)	(5.17%)	10 600 000	94.83%
Alex Loop	173 250	173 250	0	0.00%	173 250	100.00%
Phase 1A NMT Feeder Routes (Phase 2)	25 529 135	25 529 135	0	0.00%	25 529 135	100.00%
Phase 1C Landscaping	13 405 756	13 405 756	0	0.00%	13 405 756	100.00%
Phase 1C Section 15 Roadworks Phase 2	60 000 000	60 000 000	0	0.00%	60 000 000	100.00%
Phase 1C Section 8A (New BRT Bridge over the M1 between Wynberg and Sandton)	61 760 308	61 760 308	0	0.00%	61 760 308	100.00%
Phase 1C Section 8B (Sandspruit River Bridge Widening and road works)	2 950 000	2 950 000	0	0.00%	2 950 000	100.00%
Old Pretoria Road	0	0	0	0.00%	0	0.00%
Zakariya Park Public Transport Facility	733 320	800 000	(66 680)	(8.34%)	800 000	91.67%
Soweto Metrorail Station Precinct: NMT Links	1 706 576	5 000 000	(3 293 424)	(65.87%)	5 000 000	34.13%
Roodeport Holding Facility	531 825	800 000	(268 175)	(33.52%)	800 000	66.48%
Emndeni Public Transport Facility	678 442	800 000	(121 558)	(15.19%)	800 000	84.81%
Orange Farm Ext 7 Public Transport Facility	796 320	800 000	(3 680)	(0.46%)	800 000	99.54%
Great Walk Bridge 15I	50 221 252	50 221 252	0	0.00%	50 221 252	100.00%
Section15J: Watt Road Works	50 808 619	50 808 619	0	0.00%	50 808 619	100.00%
Langlaagte to UJ NMT Phase 2	4 351 306	10 000 000	(5 648 694)	(56.49%)	10 000 000	43.51%
Rosebank to Sandton NMT	3 003 428	33 000 000	(29 996 572)	(90.90%)	33 000 000	9.10%
Driezik Public Transport Facility	4 144 381	5 000 000	(855 619)	(17.11%)	5 000 000	82.89%
Emthonjeni Terminal	123 375	7 663 011	(7 539 636)	(98.39%)	7 663 011	1.61%
Naming and Branding	1 429 474	1 642 000	(212 526)	(12.94%)	1 642 000	87.06%
Contractual Claims	1 336 989	1 336 989	0	0.00%	1 336 989	100.00%
Sub-total	653 033 052	707 017 042	(53 983 990)	(4.98%)	707 017 042	92.36%
Programme 5: Alexandra Renewal Project						
4th Avenue Clinic	7 330 725	13 900 000	(6 569 275)	(47.26%)	13 900 000	52.74%
Open Spaces Development	1 775 464	3 500 000	(1 724 536)	(49.27%)	3 500 000	50.73%
Old Ikage Housing Development	870 415	1 200 000	(329 585)	(27.47%)	1 200 000	72.53%

Projects per Programme	CAPEX YEAR TO DATE				Annual	Budget
	Actual	Budget	Variance	Variance	Budget	Used
	R	R	R	%	R	%
Vincent Tshabalala Pedestrian Bridge	1 734 133	3 000 000	(1 265 867)	(42.20%)	3 000 000	57.80%
Refuse Bins	263 070	300 000	(36 930)	(12.31%)	300 000	87.69%
Thoko Mngoma Clinic PL	22 000 000	22 000 000	0	0.00%	22 000 000	100.00%
Linear Markets Alexandra	11 347 184	13 400 000	(2 052 816)	(15.32%)	13 400 000	84.68%
Alexandra Automotive Industrial Park	8 889 378	23 000 000	(14 110 622)	(61.35%)	23 000 000	38.65%
Alex Heritage Centre	943 192	1 000 000	(56 808)	(5.68%)	1 000 000	94.32%
Sub-total	55 153 561	81 300 000	(26 146 439)	(32.16%)	81 300 000	67.84%
Programme 6 : Administration and management						
Operational capex	9 986 021	10 000 000	(13 979)	(0.14%)	10 000 000	99.86%
Sub-total	9 986 021	10 000 000	(13 979)	(0.14%)	10 000 000	99.86%
TOTAL	1 391 019 841	1705 000 000	(313 980 159)	(18.36%)	1705 000 000	81.58%
	=	=	=	=	=	=
Additional Projects						
Priority Economic Zones Study	1 740 980	2 000 000	(259 020)	(12.95%)	2 000 000	87.05%
COF Commercialisation Strategy	891 996	2 000 000	(1 108 004)	(55.40%)	2 000 000	44.60%
Land Audit & Agreements for Social and Affordable Housing	702 095	750 000	(47 905)	(100.00%)	750 000	93.61%
Public Art Programme	1 500 000	1 500 000	0	(100.00%)	1 500 000	100.00%
Langlagte Pharmacy	5 422 807	4 261 000	1 161 807	27.27%	4 261 000	127.27%
Noordgesig Clinic	6 532 637	11 000 000	(4 467 363)	(40.61%)	11 000 000	59.39%
Thoko Mngoma Clinic	3 000 000	3 000 000	0	0.00%	3 000 000	100.00%
Cosmo City Fire Station	5 636 531	6 000 000	(363 469)	(6.06%)	6 000 000	93.94%
PTIS projects	28 765 546	31 947 368	(3 181 822)	(9.96%)	31 947 368	90.04%

Projects per Programme	CAPEX YEAR TO DATE					Annual	Budget
	Actual	Budget	Variance	Variance		Budget	Used
	R	R	R	%		R	%
Sub-total	54 192 593	62 458 368	(8 265 776)	(13.23%)		62 458 368	86.77%
TOTAL	1450 820 806	1767 458 368	(316 637 562)	(18.68%)		1767 458 368	82.09%


SECTION 5: ORGANISATIONAL PERFORMANCE

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

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




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



TABLE 45: SCORECARD

No.	Key Performance Indicator	Baseline	2016/17				Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating	
1	% budget spent on city-wide infrastructure ²¹	New Indicator	95% budget spent on city-wide infrastructure (cumulative)	82%	13%		<p>Target partially achieved. The lower expenditure was due to a combination of factors at the project implementation level, these include:</p> <ul style="list-style-type: none"> • Project delays on site including land readiness, SMME disputes and contractor performance; • Construction challenges including projects with potential structural design risks that needed to be suspended in order to be investigated; • Procurement delays or disputes; • Management is aware of the severity reflected by performance to date and ensured that greater efforts are in place to address project risks earlier and more effectively and that adhering to project procurement deadlines form

²¹ Cumulative and as determined at mid-term adjustment budget


TABLE 44: KPI ACHIEVEMENT RATINGS


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


No.	Key Performance Indicator	Baseline	2016/17				Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating	
							part of the performance management system.
2	Clean audit opinion with a percentage of internal and AG audit findings of the previous financial year resolved ²²	Clean Audit Opinion with matters of emphasis	Clean Audit opinion with 100% of internal and AG audit findings of the previous financial year resolved (cumulative)	47%	53%		<p>Target was not achieved</p> <ul style="list-style-type: none"> In terms of AG audit findings 49% were resolved and 51% were unresolved. In terms of Internal Audit findings 45% were resolved and 55% were unresolved. The AG audit findings and many of the findings that are unresolved relate to the reviewing of Finance Policies, the absence of a Human Resource Performance Management System and the lack of an adequate Records Management Department & management programme. Management has committed that these findings are resolved and that the internal control environment is adequate and operating effectively. This will be managed directly by the CEO.
3	Number of kilometres of walkway and cycle lanes completed ²³	65 km of walkways and cycle lanes completed	50 km of walkways and cycle lanes completed (cumulative)	113.486km	+63.486km		<p>Target was achieved.</p> <p>The number of kilometres of walkways and cycle lanes were achieved in the following projects:</p> <ul style="list-style-type: none"> Section 15 E, F, & J - 24.696km Phase 1A Feeder Routes Phase 2 -26.9km Sandton Loop - 25.9 km Westbury NMT Phase 4 - 1.5km Park Station Precinct Connections between Metro Centre to Park Station - 1km Westbury NMT Phase 3: Westdene Dam - 2km Linear Market (Ivory Park) - 0.3km Linear Market (Alexandra) - 0.18km Phase 1C Section 8A, 8B and 8C - 8.89km Phase 1C Section 15H - 3.22km

²² The findings as contained in the management letter of the previous year

²³ Includes all Transport projects allocated and implemented by the JDA, as well as other projects from other funding sources

No.	Key Performance Indicator	Baseline	2016/17				Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)		
			Annual Target	Actual	Variance	Achievement Rating			
							<ul style="list-style-type: none"> Phase 1C Section 15I - 0.9km Jabulani TOD Phase 4 - 3km Auckland Park – 9.6km Kliptown Public Environment Upgrade (Phase 2) – 1.4km Randburg CBD – 4km 		
4	Number of detailed local area plans, detailed local area implementation plans or area-based studies produced, reviewed or updated	New indicator	5 Number of detailed local area plans, detailed local area implementation plans or area-based studies produced, reviewed or updated (non-cumulative)	4	1		<p>Target partially achieved</p> <ul style="list-style-type: none"> Due to starting later than planned it is only the Braamfontein Transport Study that was not fully concluded within the 2016/17 financial year. This study will be concluded in the first quarter of 2017/18 financial year. 		
			Projects	Q1	Q2	Q3	Q4		
			1. Braamfontein Transport Study				X	Target not achieved	Service provider has been appointed, but delays in conducting the traffic counts were experienced as a result of the student protests in Braamfontein. To date the first two phases of the study has been completed in 2016/17 financial year. The study will be concluded in the first quarter of 2017/18 financial year.
			2. Marginalised Areas Assessment Study				X	Target achieved	Completed
			3. Land Audit and Agreements for Social and Affordable Housing within Targeted Precincts of the Inner City (ICHIP Phase 2)				X	Target achieved	Completed
			4. Inner City Assessment Study				X	Target achieved	Completed
			5. Alexandra North East Quadrant Development Plan				X	Target achieved	Completed

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual		Variance	Achievement Rating		
			TOTAL				5		
5	Number of area-based or sector based partnerships formalised	New indicator	5 area-based or sector based partnerships formalised (non-cumulative)	1		4			<p>Target not achieved</p> <ul style="list-style-type: none"> The following projects did not achieve the partnerships formalised target; SAPI MOU, Kliptown Stakeholder (WSSD) Partnership, Balfour Park Stakeholders Partnership and MoU with UJ School of Architecture and Planning
			Projects	Q1	Q2	Q3	Q4		
			1. SAPI MOU		X			Target not achieved	A MoU with SAPI (South African Planning Institute) was not achieved as originally intended the City of Joburg's Development Planning Department independently developed a relationship with SAPI and it was then unnecessary for the JDA to replicate this arrangement. Greater effort will be made upfront to ensure that suitable and complimentary partnerships are made with built environment sector that relate to the JDA mandate.
			2. MOU with TUHF (Trust for Urban Housing Finance)			X		Target achieved	Completed
			3. Kliptown Stakeholders (WSSD) Partnership				X	Target not achieved	The JDA managed various coordination and facilitation workshops between the Kliptown stakeholders. However due to complex institutional arrangements and conflicting interests in the precinct a formal partnership with all parties was not successfully concluded. However going forward an alternative approach is being undertaken to conclude individual sector partnerships with the heritage stakeholders and human settlements (Provincial Housing) stakeholders which are both progressing well.
			4. Balfour Park Stakeholders Partnership				X	Target not achieved	A change in the CoJ strategic priorities together with budget reallocations resulted in JDA and City Transformation budget adjustments for Balfour Park. This had a material delay in the need for to conclude

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual		Variance			Achievement Rating
								a formal partnership with property stakeholders in Balfour Park as no City projects were budgeted for. The JDAs development facilitation work in the precinct will continue until such time that actual implementation plans are confirmed and a partnership needs to be formalized.	
			5. MoU with UJ School of Architecture and Planning				X	Target not achieved	While various partnership activities and events took place together with UJ through the Joburg Actionlab, the City Support Programme (CSP) in National Treasury and the Swiss State Secretariat of Economic Affairs (SECO) these were not formalized into a MoU defined partnership.
			TOTAL		1	1	3		
6	Number of projects at concept design phase	New indicator	34 projects at concept design phase (non-cumulative)	16		18			<p>Target not achieved</p> <ul style="list-style-type: none"> The following 17 projects did not achieve the Concept Design Phase Target; Brixton Transit Precinct Development; Balfour Park Transit Precinct Development; Louis Botha CoF, TIA, Stormwater Masterplan & New Construction; Hillbrow Tower Precinct; Florida Clinic; Diepsloot Precinct Redevelopment; Jabulani TOD (Phase 7); Inner City Eastern Gateway Precinct; Fordsburg PEU: Milpark Precinct NMT: Phase 1; Phase 1; Gandhi Square Terminal; Inner City Managed Lanes; Soweto Metrorail Station Precinct: NMT Links; Roodeport Holding Facility; Bezuidenhout Valley Clinic; Naledi Clinic; Protea South Clinic; Bophelong Clinic.
			Projects	Q1	Q2	Q3	Q4		
			1. Brixton Transit Precinct Development	X				Concept Design Phase Target not achieved	Target was not achieved as planned in the first quarter of 2016/17 financial year. Delays were due to the deliverables from the professionals. The professionals have since produced concept designs and were presented to the CoJ ComDev MANCO and JDA EXCO for approval.

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating			
			2. Balfour Park Transit Precinct Development	X				Concept Design Phase Target not achieved	Target was not achieved as planned in the first quarter of 2016/17 financial year. Delays were due to the procurement process for the appointment of all professional team. The professionals have since produced concept designs and were presented to JDA EXCO for approval.
			3. Louis Botha CoF, TIA, Stormwater Masterplan & New Construction	X				Concept Design Phase Target not achieved	Target was not achieved as planned in the first quarter of 2016/17 financial year. Delays were due to the procurement process for the appointment of the professional team. The professionals have since produced concept designs and were presented to the JDA EXCO for approval
			4. Hillbrow Tower Precinct	X				Concept Design Phase Target not achieved	Target was not achieved as planned in the first quarter of 2016/17 financial year. Delays were due to the procurement process for the appointment of the professional team. The professionals have since produced concept designs and were presented to the JDA EXCO for approval
			5. Jabulani TOD (Phase 5)	X				Concept Design Phase Target achieved	Target was achieved as planned in the first quarter of 2016/17 financial year. Detailed designs have also since been produced and construction on this project has commenced.
			6. Florida Clinic	X				Concept Design Phase Target not achieved	Target was not achieved as planned in the first quarter of 2016/17 financial year. The project was behind schedule due to the late appointment of the professional team. The professionals have since produced draft concept designs that are still to be presented to the JDA EXCO for approval.
			7. Perth Empire CoF, TIA, Stormwater Masterplan & New Construction		X			Concept Design Phase Target achieved	Target was achieved as planned in the second quarter of 2016/17 financial year. Concept designs and also detailed designs have been produced by CoJ Transportation and JRA; JDA needed to prioritise the work to be undertaken on the stormwater upgrade and the tender procurement process for the main contractor has been concluded and the overall

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual		Variance	Achievement Rating		
								progress is at the advanced stage.	
			8. Turffontein CoF, TIA, Stormwater Masterplan & New Construction		X			Concept Design Phase Target achieved	Target was achieved as planned in the second quarter of 2016/17 financial year. Concept designs and also detailed designs have been produced by CoJ Transportation and JRA; JDA needed to prioritise the work to be undertaken on the stormwater upgrade and the tender procurement process for the main contractor has been concluded and the overall progress is at the advanced stage.
			9. Park Station Precinct: Connections between Metro Centre and Park Station				X	Concept Design Phase Target achieved	Concept and detailed designs were been completed and approved by JDA EXCO on the 16 March 2017.
			10. Diepsloot Precinct Redevelopment				X	Concept Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. There were delays in appointing the professional team however work on the concept design is currently underway. The anticipated completion target date is the second quarter of 2017/18.
			11. Jabulani TOD (Phase 7)				X	Concept Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Professional team has been appointed. The draft concept design was completed by the professional team but it is still to be submitted and approved by JDA EXCO, as it needs to be costed for the NDPG fund at National Treasury first. The anticipated date is the first quarter of 2017/18. Greater effort will be made in project management oversight.
			12. Westbury Housing Refurbishment Project				X	Concept Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. The professional team has been appointed and concept has been approved by JDA EXCO and Client Department. Detailed design underway and the preparation for the procurement processes for the main contractor have begun.

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating			
			13. Inner City Eastern Gateway Precinct				X	Concept Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The JDA has completed the Urban Design Framework (UDF) for this area. The draft concept design has been completed by the professional team but it is still to be workshopped with the necessary stakeholders prior to it being submitted and approved by JDA EXCO. The anticipated date is the first quarter of 2017/18. Greater effort will be made in project management oversight.
			14. Mayfair PEU				X	Concept Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. The professional team has been appointed and concept design has been approved by City Parks and JDA EXCO. The procurement process for the main contractor is underway.
			15. Fordsburg PEU				X	Concept Design Phase Target not achieved	Target was not achieved as planned in fourth quarter of 2016/17 financial year. The professional team has been appointed however challenges emerged with regards to the stakeholder participation and consultation process hampering any consensus on a concept. This has delayed the process, hence a concept still needs to be workshopped with the necessary stakeholders prior to it being submitted and approved by JDA EXCO. The anticipated date is the first quarter of 2017/18. Greater effort will be made in project management oversight.
			16. Milpark Precinct Development: Pedestrian Bridge			X		Concept Design Phase Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. Professional team was been appointed. Topographic survey is completed. Detailed designs have been completed and approved. The procurement process for the main contractor has been concluded.
			17. Langlaagte to UJ NMT Phase 2				X	Concept Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year as concept design has been finished and was originally presented to JDA EXCO


No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating			
								and client in 2014/15 financial year. At that time the Client Department requested that the detailed design and other stages be postponed. Currently, with the concept having been approved and the professional team is busy with detailed design.	
			18. Milpark Precinct NMT: Phase 1			X		Concept Design Phase not Target achieved	Target was not achieved as planned in the third quarter of 2016/17 financial year. It was originally reported as achieved in the JDA's third quarter report, as it was at the time considered to form part of the Milpark Precinct Development: Pedestrian Bridge project which was presented and approved at Exco. However when verifying evidence, the Milpark Precinct NMT: Phase 1 should have been considered as a standalone project, hence it was not approved separately by Exco. Subsequently to then the project concept have been completed and approved.
			19. Lehae Fire Station			X		Concept Design Phase Target achieved	Target was achieved as planned in third quarter of 2016/17 financial year. This project has been divided into two work packages: <ul style="list-style-type: none"> Work Package 1: The construction of a new fire station. Work Package 2: The construction of the training academy Concept designs for Work Package 1 and 2 have been approved by CoJ Emergency Services (EMS) and JDA EXCO. The Quantity Surveyor is currently preparing the tender document and Bill of Quantities for Work Package 1. The dates for the procurement of the contractor for Work Package 2 will be determined once the JDA and EMS have reached consensus on the budget allocation and the manner in which the works will be sequenced.
			20. Gandhi Square Terminal				X	Concept Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The concept design is only partially completed as the options for the positioning of the station are still being investigated

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating		
								with the necessary stakeholders prior to it being submitted and approved by JDA EXCO. The anticipated date is the first quarter of 2017/18. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			21. Inner City Managed Lanes				X	Concept Design Phase Target not achieved Target was not achieved as planned in the fourth quarter of 2016/17 financial year. A draft concept design has been completed and still to be approved by the necessary stakeholders prior to it being submitted and approved by JDA EXCO. The anticipated date is the first quarter of 2017/18. Greater effort will be made in project management oversight.
			22. Lehae Training Academy				X	Concept Design Phase Target achieved Target was achieved but together with the Lehae Fire Station which was planned for in the third quarter of 2016/17 financial year. This project has been divided into two work packages: <ul style="list-style-type: none"> Work Package 1: The construction of a new fire station. Work Package 2: The construction of the training academy The concept designs for Work Package 1 and 2 have been approved by CoJ Emergency Services (EMS) and JDA EXCO. The Professional Team is currently preparing a technical note that seeks to justify some of the costs associated with the civil and external works.
			23. Rotunda Park Precinct (Phase 2)				X	Concept Design Phase Target achieved Target was achieved as planned in the fourth quarter of 2016/17 financial year. Professional team has been appointed. Original concept designs had been developed but due to changes to City priorities and related budget reallocations the original concepts needed to be revised / amended. The amendment to concept designs the were presented and approved by JDA EXCO

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating			
			24. Jabulani TOD (Phase 6a)				X	Concept Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. Professional team has been appointed. Original concept designs had been developed but due to budget reallocations the original concepts needed to be revised / amended. The amendment to concept designs the were presented and approved by JDA EXCO
			25. Soweto Metrorail Station Precinct: NMT Links				X	Concept Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Due to late confirmation from the Client department the project was delay and hence the tender process for appointing the professional team is only at evaluation stage. Greater effort will be made in project management oversight.
			26. Roodeport Holding Facility				X	Concept Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The Professional team has been appointed. A draft concept design was presented to Exco in Q4 however there were concerns raised by Development Planning regarding the site and the team was requested to consider alternatives and resubmit. Greater effort will be made in ensuring Development Planning input prior to Exco submission.
			27. Emndeni Public Transport Facility				X	Concept Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. Professional team has been appointed. Geotech investigations and traffic studies have been completed. Concept designs have been completed and approved by Exco
			28. Orange Farm Ext 7 Public Transport Facility				X	Concept Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. Professional team has been appointed. Geotech investigations and traffic studies have been completed. Concept designs have been completed and approved by Exco
			29. Zakariya Park Public Transport Facility				X	Concept Design Phase Target	Target was achieved as planned in the fourth quarter of 2016/17 financial year. Professional team has


No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating			
							achieved	been appointed. Geotech investigations and traffic studies have been completed. Concept designs have been completed and approved by Exco	
			30. Rotunda Park Precinct (Phase 3)				X	Concept Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. Professional team has been appointed. Original concept designs had been developed but due to changes to City priorities and related budget reallocations the original concepts needed to be revised / amended. The amendment to concept designs the were presented and approved by JDA EXCO
			31. Bezuidenhout Valley Clinic				X	Concept Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Project briefing and planning has been completed with the end user client. Consultants have been appointed, with electrical/mechanical consultant outstanding. Land Surveyor's report has been received by the team. Appointments of Town Planner, Geo-Tech and Traffic Engineer have been completed. Preparation of As-Built drawing for Bez valley has commenced. Rough sketch concepts have been developed. Draft concepts are still to be approved by the Client department and will be presented to JDA EXCO in July 2017. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			32. Naledi Clinic				X	Concept Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Project briefing and planning has been completed with the end user client. Consultants have been appointed, with electrical/mechanical consultant outstanding. Land Surveyor's report has been received by the team. Appointments of Town Planner, Geo-Tech and Traffic Engineer have been completed. Draft concepts are still to be approved by the Client department and will be presented to JDA EXCO in July 2017. Greater

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating		
								effort will be made in project management oversight to ensure adherence to milestone deadlines.
			33. Protea South Clinic			X	Concept Design Phase Target not achieved	<p>Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The following professional team has been appointed, Project Manager, Community Participation Consultant, Civil and Structural Engineer and Architect. The QS, Electrical and Mechanical Engineer are still to be appointed. A conditions assessment, geotechnical investigation and land survey have been conducted and the following issues were discovered:</p> <ul style="list-style-type: none"> • There is limited space on the site for an extension • The erf is currently zoned as a “Public Open Space” and would therefore require rezoning. The site is also sitting within a larger “erf” that the whole neighbourhood is sitting on and would therefore also require subdivision. • There is a sewer line 1.2m in diameter running across and under the existing building. Access to this pipeline will therefore be a challenge. It was suggested that a meeting with Joburg Water be arranged to discuss the possibilities and costs of re-routing the sewer line for the safety of the current building. • The site is dolomitic (D3 classification) with medium to high risk of sink holes forming. <p>Based on all the issues raised above, it was agreed that an alternative site will be investigated. The JDA and COJ Health are to discuss the above and advise on the way forward. Until then, the development of the concept any further has been put on hold.</p>
			34. Bophelong Clinic			X	Concept Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Professional team has been appointed. Draft concepts are still to be

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual		Variance		
								approved by the Client department and will be presented to JDA EXCO in July 2017. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			TOTAL	6	2	3	23	
7	Number of. projects at detailed design phase	New indicator	20 projects at detailed design phase (non-cumulative)	11		9		 <p>Target was not achieved</p> <ul style="list-style-type: none"> The following 9 projects did not achieve the Detail Design Phase Target Noordgesig - Social Cluster Re-design (including social housing); Ebony Park Clinic; Kliptown Upgrade Programme – Phase 3; Brixton Transit Precinct Development; Louis Botha CoF, TIA, Stormwater Masterplan & New Construction; Vincent Tshabalala Pedestrian Bridge; Driezik Public Transport Facility; Balfour Park Transit Precinct Development; Emthonjeni Bus Terminal.
			Projects	Q1	Q2	Q3	Q4	
			1. Noordgesig - Social Cluster Re-design (including social housing)	X				Detailed Design Phase Target not achieved Target was not achieved as planned in the first quarter of 2016/17 financial year. Delays were due to the deliverables from the professionals. Concept designs and detailed design have since been completed. Construction has commenced.
			2. Ebony Park Clinic			X		Detailed Design Phase Target not achieved Target was not achieved as planned in the third quarter of 2016/17 financial year. Delays were due to the procurement process for the appointment of all professional team. The professional team has since been appointed. A draft concept has been developed but it still to be approved by the Client department and presented to EXCO. Detailed designs will proceed thereafter. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			3. Braamfisherville - Internal Roads and Stormwater (housing)	X				Detailed Design Phase Target achieved Target was achieved as planned in the first quarter of 2016/17 financial year. Construction has commenced.

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual		Variance	Achievement Rating		
			4. Kliptown Upgrade Programme – Phase 3	X				Detailed Design Phase Target not achieved	Target was not achieved as planned in the first quarter of 2016/17 financial year. Delays were due to confirming the project scope relating to the trading facilities and the relocation of the museum. A various draft concepts have been developed but they are still under consideration and yet to be presented to EXCO. The project has been put on hold until remedial works of the Walter Sisulu parking basement have been resolved.
			5. Campus Square Pedestrian Facility		X			Detailed Design Phase Target achieved	Target was achieved as planned in the second quarter of 2016/17 financial year. Construction has commenced.
			6. Brixton Transit Precinct Development		X			Detailed Design Phase Target not achieved	Target was not achieved as planned in the second quarter of 2016/17 financial year. The detailed designs have since been completed and tender advertised. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			7. Louis Botha CoF, TIA, Stormwater Masterplan & New Construction				X	Detailed Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Professional team has been appointed however they are still to finalise the concept design to be presented to the Client department (JRA) and the JDA EXCO prior to the detail designs being completed. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			8. Vincent Tshabalala Pedestrian Bridge				X	Detailed Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Delays were due to community unrest as the SMMEs briefing on the 21 st November 2016 was disrupted and subsequently cancelled because of issues raised a Region E SMME Forum. A draft detailed design was presented to EXCO in Q4 however there were concerns regarding the site and the team was requested to consider alternatives and resubmit.

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating			
			9. Hillbrow Tower Precinct			X		Detailed Design Phase Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. Construction has commenced.
			10. Florida Clinic			X		Detailed Design Phase Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. The procurement process for the appointment of the contractor has commenced with the invitation of bidders to participate in the prequalification process. It is envisaged that a main contractor will be appointed to ensure construction can begin in the first quarter of 2017/18.
			11. Alexandra NMT Phase 3		X			Detailed Design Phase Target achieved	Target was achieved as planned in the second quarter of 2016/17 financial year. A tender for the construction was advertised thereafter and construction has commenced.
			12. Driezik Public Transport Facility				X	Detailed Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The Architects, Quantity Surveyor and Civil Engineers have been appointed. All external studies (Traffic, Survey, Geotech etc.) are complete. Conceptual designs are complete. Preliminary designs are complete and approved by CoJ Transportation however the completion of detailed design is only expected in the first quarter of 2017. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines. This is a multi-year project will continue in the 2017/18 financial year.
			13. Jabulani TOD (Phase 5)			X		Detailed Design Phase Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. The tender for the main contractor has been awarded.
			14. Union Stadium Phase 1B			X		Detailed Design Phase Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. Phase 1B appointment of the main contractor has been approved.
			15. Balfour Park Transit Precinct Development				X	Detailed Design Phase Target not	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Detailed design is

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual		Variance			Achievement Rating
								achieved	still underway with detailed specialist studies for Traffic Engineer, Land Surveyor and Town Planner still due. This remains a multi-year project and will continue into the 2017/18 financial year. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			16. Phase 1C Stations NMT Precinct				X	Detailed Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. The Contractor has been appointed and the site was handed over.
			17. Selby BRT Bus Depot Phase 2				X	Detailed Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. The main contractor has been appointed and is currently working on finalizing construction methodologies. This multi-year construction project will continue without pause in 2017/18 financial year.
			18. Claremont Clinic			X		Detailed Design Phase Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. Contractor appointment was planned to commence before the end of June 2017.
			19. Emthonjeni Bus Terminal				X	Detailed Design Phase Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Concept design had to be revised to incorporate the City's comments and hence the traffic study was also revised to align with the revised concept. The process to detailed designs has been put on hold by the CoJ Department of Transport due to changes in their operational plan.
			20. Milpark Precinct Development: Pedestrian Bridge				X	Detailed Design Phase Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. This is a multi-year construction project will continue in 2017/18 financial year.
			TOTAL	3	3	6	8		
8	Number of contracts awarded	New indicator	24 contracts awarded (non-cumulative)	15		9			Target not achieved. <ul style="list-style-type: none"> The following project did not achieve the Contract Award Phase Target: Rotunda Park Precinct (Turffontein) (Phase 2); Kliptown


No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual		Variance	Achievement Rating		
								Upgrade Programme – Phase 3; Campus Square Pedestrian Facility; Brixton Social Cluster; Jabulani TOD (Phase 6); Noordgesig - Social Cluster Re-design (including social housing); Alexandra NMT Phase 3; Park Station Precinct: Connections between Metro Centre and Park Station; Patterson Park Work Package 3 (Multipurpose Centre)	
			Projects	Q1	Q2	Q3	Q4		
			1. Jabulani TOD (Phase 4)	X				Contract Awarded Target achieved	Target was achieved as planned in the first quarter of 2016/17 financial year. Contactor was appointed and site handover was done on the 3rd October 2016.
			2. Rotunda Park Precinct (Turffontein) (Phase 2)	X				Contract Awarded Target not achieved	Target was not achieved as planned in the first quarter of 2016/17 financial year. Tender procurement was advertised and closed on the 11 April 2016. Delays were due to JDA internal processes to approve recommended bidder and furthermore there was a delay in approval of Town Planning processes for the portion of road which is privately owned. There was approximately a three months delay in appointing a contractor. In second quarter the contractor was appointed and commence with construction up to practical completion.
			3. Inner City Commuter Links (Jack Mincer Taxi Facility Extension)	X				Contract Awarded Target achieved	Target was achieved as planned in the first quarter of 2016/17 financial year. Site was handed over to the main Contractor on the 12 May 2016 for a three stage approach Being PEU on Noord Street between Twist and Klein.
			4. Claremont Clinic				X	Contract Awarded Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. The tender for the main contractor has been awarded. This is a multi-year construction project will continue in 2017/18 financial year.
			5. Kliptown Upgrade			X		Contract	Target was not achieved as planned in the third

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating			
			Programme – Phase 3					Awarded Target not achieved	quarter of 2016/17 financial year. Professional team has been appointed. Field investigation has been completed and concept and detailed designs were underway. Delays were due to confirming the project scope relating to the trading facilities and the relocation of the museum. The project has been put on hold until remedial works of the Walter Sisulu parking basement have been resolved.
			6. Ebony Park Clinic				X	Contract Awarded Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. Through a competitive bidding process, the tender for the main contractor has been awarded. This is a multi-year construction project and will continue in 2017/18 financial year.
			7. Campus Square Pedestrian Facility			X		Contract Awarded Target not achieved	Target was not achieved as planned in the third quarter of 2016/17 financial year. Traffic engineering studies and concept design has been completed and approved by JDA EXCO. Detail designs has been completed and submitted to the Client department (JRA). Delays were due to the changes requested by City Transformation to the original concept, which impacted on the timeframes of completing the detailed design. Tender procurement process is currently underway. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			8. Perth Empire CoF, TIA, Stormwater Masterplan & New Construction			X		Contract Awarded Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. Construction has commenced.
			9. Turffontein CoF, TIA, Stormwater Masterplan & New Construction			X		Contract Awarded Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. Construction has commenced.
			10. Westbury Phase 3: Westdene Dam NMT			X		Contract Awarded Target	Target was achieved as planned in the third quarter of 2016/17 financial year. Construction has

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating		
							achieved	commenced.
			11. Hillbrow Tower Precinct			X	Contract Awarded Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. Construction has commenced.
			12. Brixton Social Cluster				X Contract Awarded Target not achieved	<p>Target was not achieved as planned in the fourth quarter of 2016/17 financial year. This project has been divided into two work packages:</p> <ul style="list-style-type: none"> Work Package 1: The construction of a Multipurpose Sports and Recreation Centre, Parking Area and Sports Fields. The tender process for the appointment of the contractor has also run its course. However, none of the contractors who submitted bids progressed through the technical evaluation stage, the JDA must decide on the course of action to resurrect the procurement process. Work Package 2: The construction of a Library, Study Centre, Play Area, Upgrading of Swimming Pool, Hard and Soft Landscaping. The tender document is completed and the timelines and budgets associated with the procurement process are still being finalised. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines. <p>This is a multi-year construction project will continue in 2017/18 financial year.</p>
			13. Jabulani TOD (Phase 6)			X	Contract Awarded Target not achieved	Target was not achieved as planned in the third quarter of 2016/17 financial year. Delays due to finalizing MoU arrangements between between CoJ (sports and recreation) and SAFA Development Agency. The tender process for the procurement of main contractor underway and will be conclude in the first quarter of 2017/18.
			14. Noordgesig - Social Cluster Re-design			X	Contract Awarded Target	Target was not achieved as planned in the third quarter of 2016/17 financial year. Delays were

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating			
			(including social housing)					not achieved	caused by minor changes were made from the original designs and the Engineers have finalised their designs in accordance to the changes. The tender has since been awarded and the site was handed handover to the contractor in the fourth quarter of the financial year.
			15. Florida Clinic				X	Contract Awarded Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. The expected site handover, early July 2017 as this is a multi-year construction project and will continue in the 2017/18 financial year.
			16. Braamfisherville - Internal Roads and Stormwater (housing)			X		Contract Awarded Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. The site has been handed over and this is a multi-year construction project and will continue in the 2017/18 financial year.
			17. Alexandra NMT Phase 3			X		Contract Awarded Target not achieved	Target was not achieved as planned in the third quarter of 2016/17 financial year. Concept and detailed designs have been completed. The tender for construction was advertised on the 14 th October 2016 and it closed on the 17 th November 2016. Tender adjudication commenced on the 22 nd November 2016 with the adjudication report was submitted on the 13 th December 2016. However, the CoJ Department of Transport has put the project on hold due to changes in their operational plan.
			18. Union Stadium Phase 1B			X		Contract Awarded Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. This project was divided into two phases. Phase 1A has been completed and the practical completion certificate is still to be issued. Phase 1B appointment of the main contractor was been approved. The proposed works for Upgrade of Union Stadium Phase 1B mainly include clearing the site of existing surface rubble and grassing around sports fields constructed in Phase 1A. The project also includes construction of concrete terraces, walkways around the fields,

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating		
								upgrade of storm water, electrical first fix works and installation of an irrigation system.
			19. Westbury NMT Phase 4			X	Contract Awarded Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year. The site handover took place in May 2017, the contractor commenced with site establishment. This is a multi-year construction project will continue in 2017/18 financial year.
			20. Inner City CORE			X	Contract Awarded Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. The contractor commenced with site establishment.
			21. Park Station Precinct: Connections between Metro Centre and Park Station			X	Contract Awarded Target not achieved	Target was not achieved as planned in the third quarter of 2016/17 financial year. Procurement deadlines were not met and hence the contractor was only appointed in the fourth quarter and the site handover has taken place. This is a multi-year construction project will continue into the 2017/18 financial year. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			22. Westbury TDC			X	Contract Awarded Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. The contractor appointment has been finalized and site handover was on the 27 January 2017. Construction has commenced. This is a multi-year construction project will continue into the 2017/18 financial year
			23. Rosebank to Sandton NMT			X	Contract Awarded Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year. The tender for the main contractor has been awarded. This is a multi-year construction project will continue into the 2017/18 financial year.
			24. Patterson Park Work Package 3 (Multipurpose Centre)			X	Contract Awarded Target not achieved	Target was not achieved as planned in the third quarter of 2016/17 financial year. There were delays in the tender award process, which was only concluded during the fourth quarter of 2016/17 financial year. This is a multi-year construction

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual		Variance		
								project will continue into the 2017/18 financial year. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			TOTAL	3	0	16	5	
9	Number of projects at practical completion	New indicator	30 projects at practical completion (non-cumulative)	12	0	18		 <p>Target was not achieved.</p> <ul style="list-style-type: none"> The following projects did not achieve the Practical Completion Phase Target: Alexandra Automotive Industrial Park; Noordgesig Clinic; Langlaagte Pharmacy Depot; Orchards Clinic; Hillbrow Tower Precinct; Patterson Park Work Package 1 (Stormwater); Patterson Park Work Package 3 (Multipurpose Centre); 4th Avenue Clinic (Alexandra); Thoko Mngoma Clinic; Inner City CORE; Sandton Loop Project; Phase 1C Landscaping Great Walk - Katherine Street; Union Stadium Phase 1B; Rabie Ridge Multipurpose Centre; Golden Harvest Rehabilitation Centre Phase 2; Selby BRT Bus Depot Phase 1; Lehae Library; Linear Markets (Ivory Park and Alexandra)
			Projects	Q1	Q2	Q3	Q4	
			1. Alexandra Automotive Industrial Park				X	Practical Completion Target not achieved Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The construction stage is at an advanced stage but not completed due to ground water challenges. The contractor has issued a revised programme to indicate new practical completion date, the construction project will continue into 2017/18 financial year.
			2. Randburg CBD Public Environment Upgrade		X			Practical Completion Target achieved Target was achieved as planned in the second quarter of 2016/17 financial year. Project was completed on the 30th November 2016.
			3. Cosmo City Fire Station				X	Practical Completion Target was achieved as planned in the fourth quarter of 2016/17 financial year. Project has been

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating	Target achieved		
								completed.	
			4. Noordgesig Clinic				X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Construction works is underway. Delays were due to on-going issues with SMMEs and unskilled labourers which slowed the progress on site. Regular meetings with the JDA and the respective SMMEs are underway to assist in sorting out the misunderstanding and points of confusion with SMMEs. Relocation of the DFA manhole causing delay with external works. The contractor suspended works on site on the 25 th of May 2017 due to payment dispute and the contractor was back on site on the 21 st of June 2017. Practical completion date of the 30 th of June 2017 will not be achieved. Contractor to issue revised programme to indicate new practical completion date. Construction will continue into 2017/18 financial year and will be completed in the first quarter.
			5. Langlaagte Pharmacy Depot				X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Construction work has been delayed due to poor performance by the contractor and the contract has been cancelled and re-advertised. Procurement of the new contractor has been finalized. The old contractor was terminated on 12 October 2016 and new contractor was appointed on 13 March 2017. Construction will continue in 2017/18 financial year and will be completed by the end of the second quarter.
			6. Orchards Clinic				X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The site has been on hold since 25 January 2017 due to structural concerns and further investigations. The propping has been completed and the structural engineer gave the approval to proceed with geotechnical

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating		
								investigations. Fellows Dube and Associates (FDA) have been appointed by the JDA to investigate the soil conditions (Geotech) and foundations design in relation to these findings. The foundations investigation report with recommendations was submitted by 23 June 2017. Preliminary feedback has been provided indicating that the soil conditions are better than originally reported in the original Geotech report. Delays were due to the continued stoppage on site, the project is being affected financially as the contractor claims for standing time. The PM and the QS are going through each claim thoroughly to ensure that the contractor is not over-claiming on items and attributing it on the structural issues. Construction project will continue in 2017/18 financial year.
			7. Phase 1C Section 8B (Sandspruit River Bridge Widening and road works)			X		Practical Completion Target achieved Target was achieved as planned in the third quarter of 2016/17 financial year.
			8. Hillbrow Tower Precinct				X	Practical Completion Target not achieved Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Constructions commenced late in March 2017. The construction will therefore continue in 2017/18 financial year and is scheduled to be completed in the second quarter.
			9. Kliptown Upgrade Programme – Phase 2				X	Practical Completion Target achieved Target was achieved as planned in the fourth quarter of 2016/17 financial year. The Kliptown Upgrade Programme Phase 2 and Phase 2 Extension have been completed.
			10. Phase 1C Section 15 (Alexandra to Parktown) Roadworks Phase 2				X	Practical Completion Target achieved Target was achieved as planned in the fourth quarter of 2016/17 financial year.
			11. Phase 1C Section 8A (New BRT Bridge over				X	Practical Completion Target was achieved as planned in the fourth quarter of 2016/17 financial year.

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual	Variance	Achievement Rating			
			the M1 between Wynberg and Sandton)					Target achieved	
			12. Patterson Park Work Package 1 (Stormwater)			X		Practical Completion Target not achieved	Target was not achieved as planned in the third quarter of 2016/17 financial year. There were delays in completing the final but complex elements including the existing culvert in the in-situ section, backfilling, reinstatement of Paterson Road and Landscaping. Construction is currently at snagging phase and close to practical completion.
			13. Patterson Park Work Package 3 (Multipurpose Centre)				X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The tender for the construction works was awarded later than scheduled. The contractor is busy with earthworks and construction will continue in 2017/18 financial year. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			14. 4th Avenue Clinic (Alexandra)				X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. There have been regular disruptions resulting in delays due to interferences from local community, councillor and local business forums. There is ongoing engagement through appointed CPC. Other delays were due to excessive underground water encountered. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the second quarter.
			15. Thoko Mngoma Clinic				X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Construction and the site handover occurred late, only in February. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the second quarter.
			16. Inner City CORE				X	Practical Completion	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The main



No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating		
							Target not achieved	contractor was appointed later than scheduled and construction is underway. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the third quarter. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			17. Auckland Park NMT: Phase 1		X		Practical Completion Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year.
			18. Sandton Loop Project			X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The construction stage is at an advanced stage (snagging). The construction of this project will continue into 2017/18 financial year and is scheduled to be completed in first quarter. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			19. Phase 1A NMT Feeder Routes (PHASE 2)			X	Practical Completion Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year.
			20. Phase 1C Landscaping Great Walk	X			Practical Completion Target achieved	Target was achieved as planned in the second quarter of 2016/17 financial year.
			21. Phase 1C Landscaping Great Walk - Katherine Street			X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The Phase 1C Landscaping in Katherine Street is at an advanced stage all that remains is to address the snagging. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the first quarter. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			22. Union Stadium Phase 1B			X	Practical Completion	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Phase 1B



No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual		Variance	Achievement Rating		
								Target not achieved	appointment of the main contractor has been approved and construction commenced on the 11 April 2017. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the first quarter. Greater effort will be made in project management oversight to ensure adherence to milestone deadlines.
			23. Rabie Ridge Multi-purpose Centre				X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Construction work has been delayed due to poor performance by the contractor and the contract has to be cancelled and re-advertised. Procurement of the new contractor has been finalized and construction commenced again on the 10 May 2017. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the second quarter.
			24. Auckland Park NMT: Phase 2			X		Practical Completion Target achieved	Target was achieved as planned in the third quarter of 2016/17 financial year.
			25. Golden Harvest Rehabilitation Centre Phase 2			X		Practical Completion Target not achieved	Target was not achieved as planned in the third quarter of 2016/17 financial year. Contractor is busy with the rectification of snags. The JDA to make a BAC application for the increase of the contingency beyond the typical 20% as the value of the additional works required in the project and as requested by the end-user client has exceeded the available contingency. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the first quarter.
			26. Alexandra Heritage Centre				X	Practical Completion Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year.
			27. Selby BRT Bus Depot Phase 1				X	Practical Completion Target not	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Construction is at an advanced stage however, delays were due to slow

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating		
							achieved	progress in getting the SMME portion of the works underway at the commencement of the project, including Jozi@Work. Furthermore, there was also a slower rate of production in the anticipated progress on the concrete platform because of inclement weather. The road works for traffic circle also presented challenges as they were under live traffic conditions that needed to take priority. There were also unknown storm water services that had to be relocated that were not apparent when the project was scoped. This led to the overall programmed being delayed and contractor being given extension of time to complete the works. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the second quarter.
			28. Lehae Library			X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Delays were due to fabrication, delivery and installation of the roof structure have had a negative impact on the programme. This was further exacerbated by poor quality control on site thus leading to the removal of roof members after being condemned by the Structural Engineers. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the second quarter.
			29. Inner City Commuter Links (Jack Mincer Taxi Facility Extension)			X	Practical Completion Target achieved	Target was achieved as planned in the fourth quarter of 2016/17 financial year.
			30. Linear Markets (Ivory Park and Alexandra)			X	Practical Completion Target not achieved	Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Construction is at an advanced stage in Linear Market in Ivory Park. The construction of this project will continue in 2017/18 financial year and is scheduled to be completed by the first quarter.

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual		Variance		
			TOTAL	0	2	5	23	
10	Number of Area Based Precinct Management business plans / frameworks developed	New indicator	5 Area Based Precinct Management business plans / frameworks developed	1		4		<p>Target not achieved</p> <ul style="list-style-type: none"> The following projects did not achieve the Precinct Management business plans / frameworks developed Target: African Food Hub Area Based Mgmt. Plan; Noord Street Area Based Mgmt. Plan; Kliptown Area Based Mgmt. Plan and Balfour Park Area Based Mgmt. Plan.
			Projects	Q1	Q2	Q3	Q4	
			Jabulani Area Based Mgmt. Plan				X	Target achieved Completed
			African Food Hub Area Based Mgmt. Plan				X	Target not achieved Target was not achieved as planned in the fourth quarter of 2016/17 financial year. As the management arrangements for the facility were not concluded, no capital budget was directly allocated to fund this construction project in the 2016/17 financial year. Management arrangements must align directly with the construction of the facility. The City is still to provide direction on whether or not this project must proceed in 2017/18 and if funding will be made available.
			Noord Street Area Based Mgmt. Plan				X	Target not achieved Target was not achieved as planned in the fourth quarter of 2016/17 financial year. Project not





No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual		Variance	Achievement Rating	
								completed, unfortunately no capable bidders were received. Supply Chain Management process to be re-started in the 2017/18 financial year.
			Kliptown Area Based Mgmt. Plan			X		Target not achieved Target was not achieved as planned in the fourth quarter of 2016/17 financial year. The Kliptown urban management plan has not been completed due to the fact that the Jozi@Work programme has been suspended (i.e. no new work-packages or CSA's to be awarded). The basis of the Kliptown urban management plan planned to use Jozi@Work co-operatives paid for by the contract on the Kliptown Square upgrade. The Jozi@Work programme was however cancelled by the new City administration. The JDA is trying to set up another urban management vehicle but we are hamstrung by the lack of financial support from both the city and local stakeholders. According to DED, funds for the establishment of urban management vehicles are going to be made available on their budget in the 2017/2018 to assist in the establishment of these.
			Balfour Park Area Based Mgmt. Plan				X	Target not achieved Target was not achieved as planned in the fourth quarter of 2016/17 financial year. A change in the CoJ strategic priorities together with budget reallocations resulted in the JDA and City Transformation making budget adjustments for Balfour Park. This had a both a material delay in the urgency of the professional team being appointed as well as communicating the need for a formal partnership with property stakeholders in Balfour Park. Development facilitation work in the precinct will continue until such time that it actual implementation plans are confirmed and a partnership needs to be formalized.
			TOTAL			1	4	




No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual		Variance	Achievement Rating		
11	Number of Media Releases Marketing Projects	New indicator	48 Media Releases Marketing Projects (non-cumulative)	75		+27			Target was achieved. During the 2016/17 financial year for JDA achieved a total of 75 media releases marketing projects.
			Projects	Q1	Q2	Q3	Q4		
			Quarterly Target	12	12	12	12		On a quarterly basis the target was not achieved as planned in the first, second and third quarters and achieved in the fourth quarter of 2016/17 financial year. The reason targets were not met in the first three quarters are three-fold. The first being the earlier quarters of the year the JDA has numerous projects that were still in the planning stage and the evidence required a formal press-release. The second reason is that the JDA only started implementing a communications business partner model in the third quarter. Thirdly, the KPI evidence was also amended to include Social Media. These three reasons support the improvements towards the year-end.
			Quarterly Actual	4	5	7	59		
			Quarterly Variance	8	7	5	47		
12	Number of area or project impact (case studies) or performance assessments completed	New indicator	6 area or project impact (case studies) or performance assessments completed (non-cumulative)	13		+7			Target achieved.
			Projects	Q1	Q2	Q3	Q4		
			Quarterly Target			2	4		The target was not achieved as planned in the third quarter and but was over-achieved within later the financial year. The reason for the over-achievement was the approach was originally planned to use two Jozi@Work co-operatives and their related Community Support Agents for the assessments. However, under the new administration, the Jozi@Work programme was been suspended (i.e. no new work-packages or Community Support Agent's could be awarded). Hence an alternative approach was required that resulted smaller by a greater
			Quarterly Actual			0	13		
			Quarterly Variance			2	+9		

No.	Key Performance Indicator	Baseline	2016/17				Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating	
							number of community led assessments under a project called "Walk my Jozi".
13	Number of EPWP opportunities as created	1219	7000 EPWP opportunities created (cumulative)	1262	5738		<p>Target not achieved</p> <ul style="list-style-type: none"> • Only projects that are in the construction phase would have the potential for EPWP and approximately 50% of the JDA projects for the year have been in pre-feasibility and planning. • Therefore the targets for the JDA were overly ambitious and an attempt was made to realign them to a more realistic target during the mid-year adjustment process. • Most of JDA capital projects have an EPWP component or labour intensive work package, in some cases the project is too technical. • Due to the changes in the nature of EPWP contracts, reporting and verification, fewer work opportunities have been reported but the work opportunities that are reported are for a longer nature. EPWP participants appears to stay on-site longer as General Workers, doing a variety of activities, rather than separate individual contracts for each activity. • Management is aware of the severity reflected by performance to date and will be monitoring more closely to ensure that implementation progress and in turn EPWP is fast-tracked but not at the expense of quality, value for money or safety.
14	Number of jobs created city-wide ²⁴	New indicator	500 jobs created city-wide (cumulative)	59	441		<p>Target not achieved.</p> <ul style="list-style-type: none"> • The Jozi@Work programme was suspended by the new administration (i.e. no new work-packages or CSA's²⁵ could be awarded) and

²⁴ Paid work for an individual for any period of time, the same individual can be employed on different projects and each period will be counted as a work opportunity. The definition as per the national employment indicator

²⁵ Capability Support Agent's

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)	
			Annual Target	Actual		Variance	Achievement Rating		
								because majority of projects with a planned Jozi@Work implementation were not yet at the construction stage no Jozi@Work packages were awarded. The total cumulative is 59 jobs created city-wide as at the end of the 2016/17 financial year.	
15	Percentage of SMME expenditure as a share of total expenditure	29% SMME expenditure as a share of total expenditure	30% SMME expenditure as a share of total expenditure (non-cumulative)	30%		-			Target achieved
			Projects	Q1	Q2	Q3	Q4		
			Quarterly Target	30%	30%	30%	30%		
			Quarterly Actual	12%	20%	33%	34%		
			Quarterly Variance	18%	10%	+3%	+4%		
16	% of predetermined objectives achieved	37% of predetermined objectives achieved	85% of predetermined objectives achieved	38%		47%			<p>Target not achieved</p> <ul style="list-style-type: none"> This is mainly due to projects not achieving their milestones as planned. In particular the development progress milestones regarding Priority 4: Transforming sustainable human settlements - Compact, integrated and liveable urban form and spaces in which 56% of the target planned were not achieved and in Priority 1 and 2: Employment creation, investment attraction and retention; Informal Economy, SMME and Entrepreneurial support - City wide job creation programme in which 100% of the target planned were not achieved.
17	% delivery on reported cases of corruption	New indicator	100% delivery on reported cases of corruption	100%		100%			Target was not achieved (2 existing cases from previous financial year. 1 at reporting stage, 1 disciplinary action is currently being taken).
18	Percentage of BBBEE expenditure as a share of	91% spent of BBBEE expenditure	100% spent of BBBEE expenditure as a share of	97%		-3%			Target was achieved

No.	Key Performance Indicator	Baseline	2016/17					Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual		Variance	Achievement Rating	
	total expenditure ²⁶	as a share of total expenditure	total expenditure (non-cumulative)					
			Projects	Q1	Q2	Q3	Q4	
			Quarterly Target	100%	100%	100%	100%	
			Quarterly Actual	105%	96%	97%	99%	
			Quarterly Variance	+5%	4%	3%	1%	
19	Percentage spend on JDA operating budget against approved operating budget	91% spend on JDA operating budget against approved operating budget	95% spend on JDA operating budget against approved operating budget (cumulative)	90%		5%		 <p>Target was achieved</p> <ul style="list-style-type: none"> The organisation incurred 90% (2015/16: 94%) of the budgeted operational expenditure. During the third quarter of the financial year, based on the capital expenditure projections it was evident that the overall capital target would not be achieved. In order to ensure that due to the reduction in the development management fees earned, the JDA does not result in an operating deficit position, further cost reduction measures were implemented to reduce the current year expenditure. This then resulted in then only 90% of the overall expenditure target being achieved.
20	Percentage implementation of the strategic risk management plan findings resolved	New indicator	95% implementation of the strategic risk management plan findings resolved ²⁷ (cumulative)	75%		20%		 <p>Target not achieved</p> <ul style="list-style-type: none"> Various reasons are attributable to not achieving the 95% set target. As managing risk is critical management is committed in ensuring greater accountability and compliance of senior management in dealing with risk related issues.
21	Percentage implementation new ERP System (SAP)	New indicator	95% implementation new ERP System (SAP) ²⁸	100%		+5%		 <p>Target achieved</p>

²⁶ Each service provider's individual BBEE rating affects the amount of expenditure the JDA can claim as being from a BBEE-compliant service provider when calculating its preferential procurement points. The higher the service provider's rating, the more expenditure can be claimed. If the agency buys from a level 1 service provider, it can claim 135% of the actual expenditure

²⁷ From Red and Amber to Green Status

²⁸ As defined by implementation plan and change management plan

No.	Key Performance Indicator	Baseline	2016/17				Explanation of progress, variations and steps to be taken to improve performance (as at end of 30 June 2017)
			Annual Target	Actual	Variance	Achievement Rating	
			(cumulative)				

SECTION 6: PUBLIC SATISFACTION

The JDA has adopted a Stakeholder and Community Engagement Policy which represents the JDA's ongoing commitment to work effectively with its stakeholders through the plans and projects it implements. This includes learning from past stakeholder and community engagement experiences and continuing to improve performance.

The Stakeholder Engagement policy guides the way in which the JDA supports productive development partnerships and co-operation between all stakeholders in these areas. It frames how the JDA works with the people and organisations which impact upon and are impacted by various JDA projects which seek to fulfill the City of Johannesburg's development policy objectives.

The policy seeks to:

- Ensure a coherent approach to stakeholder and community engagement across the JDA projects
- Enable better planned projects and programs
- Facilitate effective collaboration with all affected and interested parties

Stakeholder Engagement at various stages of planning and implementation

The engagement methodology that is applied depends to some extent on the stage of the planning process. It is important to be sure of what the purpose of engagement is at each stage. The following provides some guidelines:

TABLE 46: PURPOSE OF STAKEHOLDER ENGAGEMENT PER DEVELOPMENT PHASE

Stage	Purpose of stakeholder engagement in this phase
Project inception stage (pre-planning)	<ul style="list-style-type: none"> • Present the intention to prepare a plan for an area or project intervention as well as the proposed methodology and timelines • Agree on the scope of the plan or project – and the limitations • Share information about the City's intentions and resources • Hear community needs and priorities • Agree on the planning and participation methodology to be employed • Identify the key stakeholders for participation • Agree on the nature of representation and forums (e.g. steering committee or development forum) that will represent community interests in the planning process
Planning stage	<ul style="list-style-type: none"> • Present the results of surveys and investigations • Confirm the findings and analysis that is undertaken by the planners • Consult the community and different stakeholders on particular planning issues • Consult particular stakeholders, key individuals and representative groupings on the various planning issues • Discuss the implications of the research or information provided by the community for the plan • Present draft ideas at various stages of development – from conceptual to more detailed proposals and action plans • Discuss various possibilities and agree on priorities to be taken forward in the plan • Agree on the final plan to be submitted to authorities for approval
Implementation stage	<ul style="list-style-type: none"> • Localise the project by agreeing on the stakeholders and participants who will be involved in detailed planning and in overseeing the implementation on behalf of the broader community and on behalf of the community in the direct area where the projects are being implemented • Confirm the arrangements for implementation and all the factors around job creation, sustainable project development, financing and project management arrangements • Communicate all the implementation steps and agree on timelines for implementation

Stage	Purpose of stakeholder engagement in this phase
	<ul style="list-style-type: none"> • Monitor the timing of implementation • Resolve any problems that arise from implementation
Long-term sustainability	<ul style="list-style-type: none"> • Agree on key responsibilities for the operation and care of facilities developed by the City. • Agree on programmatic/activation use of the space
Monitoring and review stage	<ul style="list-style-type: none"> • Agree on the terms and the tools for measuring the impact of the projects that have been implemented • Allow stakeholders to question and to evaluate the project implementation and impact • Present the findings of external evaluations and reviews

SECTION 7: RECOMMENDATIONS AND PLANS FOR 2017/18

The Joburg 2040 Growth and Development Strategy (GDS) responds to the multiple challenges and uncertain futures faced by the city. Joburg 2040 offers a vision, mission and framing paradigm and principles, alongside outcomes, outputs and indicators.

GDS outcome were expanded to better reflect the long-term vision of the administration, with following amended list of outcomes:

- Outcome 1: A growing, diverse and competitive economy that creates jobs
- Outcome 2: Enhanced, quality services and sustainable environmental practices
- Outcome 3: An equitable and inclusive society with high quality of life
- Outcome 4: Caring, safe and secure communities
- Outcome 5: An honest, transparent and responsive local government that prides itself on service excellence

Outcomes 1, 2 and 3 are particularly relevant to the JDA business plan

The strategic development plans produced by other spheres of government also need to be considered in defining the JDA's priority programme for 2017/18. The key ones are the National Development Plan (2030); and Gauteng 2055.

In addition there is significant work being done to finalise the Integrated Urban Development Framework (IUDF), which is a national urban development plan meant to give direction to the spatial transformation of cities nationally. These plans recognize that:

- The space economy transformation project is a key strategy to create more productive and inclusive cities.
- The most efficient urban form is compact, mixed land-use with an extensive public transport network that includes high intensity movement corridors with attractive environments for walking and cycling. There are also social and economic sustainability reasons for promoting compact urban form, including access, inclusion, health, social cohesion, vibrancy, economy, household savings, and air
- Living in higher densities and competing for access to increasingly scarce resources will require us to foster social interactions in a way that begins to create a new social compact between South African city dwellers. We will need alternative views of the way we behave in, and interact with, public spaces and what we regard as private space.

In the face of these challenges the JDA's 17/18 Business Plan will be targeted toward making meaningful inroads into the spatial transformation project and will creatively pursue ways in which our capital works are able to address aspects of these challenges. In addition to this the JDA will align its work to the new Strategic Agenda announced in 2016/17

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

TABLE 47: SDF PRIORITY TRANSFORMATION AREAS AND CORRESPONDING JDA DEVELOPMENT REGIONS

SDF Priority Transformation areas	Corresponding JDA Regional Classification
Strengthening the metro core	Inner City and the Old South (including Turffontein and Mining Belt)
Unlocking Soweto	Greater Soweto (including Lenasia, Eldos, Nancefield)
Consolidating public transport backbone	The Transit-Oriented Development Corridors: Empire-Perth Corridor and Louis-Botha Corridor
OR Tambo Corridor	Alex and the OR Tambo Corridor (includes Randburg, Sandton, Cosmo City, Modderfontein, Frankenwald)
Addressing marginalization	Marginalised Areas – Diepsloot, Ivory Park, Orange farm

The JDA coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and with other client departments.

To ensure that the JDA is best positioned to respond to the above development priorities, the agency coordinates and manages its activities through substantive programmes. In addition, we ensure good governance of the organisation through an Operational Focus area, resourced to support the optimal performance of the substantive programme.

Implementation and Performance Overview for 2017/18

The 2017/18 approach, responds to five IDP priority programmes (contained within the prevailing IDP), with 14 KPI's and one day-to-day Programme, with 5 KPI's.

TABLE 48: IMPLEMENTATION AND PERFORMANCE OVERVIEW FOR 2017/18

IDP Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty			
IDP Priority 2: Ensure pro-poor development that addresses spatial and income inequality and provides meaningful redress			
IDP programme/s	Key Performance Indicator	Annual Target	JDA Outcome Statement/s
Inner city regeneration, including key economic nodes	Number of pre-feasibility plans or studies ²⁹ produced, reviewed or updated	8	To efficiently, effectively and economically deliver sustainable social and economic infrastructure projects
Increased infrastructure investment (from both public and private sectors)	Number of area-based or sector based partnerships formalised or partnership programmes implemented	7	To enable the long-term growth and development of strategic economic nodes in the city (including the CBD, future mixed use and TOD nodes) through multi-year delivery programmes, proactive development facilitation and productive
Residents live, work and play close to work, leisure and cultural opportunities			

²⁹ Detailed local area plans, detailed local area implementation plans, or area-based studies

IDP Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment, inequality and poverty			
IDP Priority 2. Ensure pro-poor development that addresses spatial and income inequality and provides meaningful redress			
IDP programme/s	Key Performance Indicator	Annual Target	JDA Outcome Statement/s
Efficient and effective transport (Public and Freight) connecting home, work, culture and leisure			development partnerships.
	Number of projects at concept design phase	16	To efficiently, effectively and economically deliver sustainable social and economic infrastructure projects
	Number of. projects at detailed design phase	29	
	Number of contracts awarded	30	
	Number of projects at practical completion	35	
	Number of public environment upgrades ³⁰ to support strategic public transport hubs in the Inner City	3	To enable the long-term growth and development of strategic economic nodes in the city (including the CBD, future mixed use and TOD nodes) through multi-year delivery programmes, proactive development facilitation and productive development partnerships.
	Number of Area-Based Precinct Management business plans / frameworks developed or Precinct Management business plans / frameworks programmes implemented	5	
	Number of Media Releases Marketing Projects	48	
Number of area or project impact (case studies) or performance assessments completed	6		
IDP Priority 5: Create an honest and transparent City that fights corruption.			
IDP programme	Key Performance Indicator	Annual Target	JDA Outcome Statement/s
Increasing forensic investigative capability and controls	Clean audit opinion with a percentage of internal and AG audit findings of the previous financial year resolved	Clean Audit	To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, sustainable and well-governed organisation.
	% delivery on reported cases of corruption	100%	
IDP Priority 8: Enhance our financial sustainability.			
IDP programme	Key Performance Indicator	Annual Target	JDA Outcome Statement/s
Focusing on driving up capital expenditure investment in infrastructure	% budget spent on city-wide infrastructure	95%	To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, sustainable and well-governed organisation.
Priority 8: Encourage innovation and efficiency through the Smart City programme.			
IDP programme	Key Performance Indicator	Annual Target	JDA Outcome Statement/s
Focused improvement of ICT equipment and software	Percentage implementation new ERP System (SAP)	95%	To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, sustainable and well-governed organisation.
Day-to-day Programme			
IDP programme	Key Performance Indicator	Annual Target	JDA Outcome Statement/s
Other IDP or Day-to-day programmes	Percentage of BBBEE expenditure as a share of total expenditure	100%	To promote economic empowerment and transformation through the structuring and procurement of JDA developments
	Number of EPWP opportunities as created	3500	
	Percentage of SMME expenditure as a share of total expenditure	30%	

³⁰ Increasing accessibility, walkability, public safety and a quality well management urban environment within 500 – 800 metres from a identified public transport hubs

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

IDP programme/s	Key Performance Indicator	Annual Target	JDA Outcome Statement/s
	Percentage spend on JDA operating budget against approved operating budget	95%	To strengthen and improve the JDA's corporate governance and operations to ensure that it remains an effective, efficient, sustainable and well-governed organisation.
	Percentage implementation of the strategic risk management plan findings resolved	95%	

It is incumbent upon the shareholder to ensure that the JDA is well positioned, structured and capacitated (effectively, efficiently and economically) to respond to the Joburg 2040 GDS ideals of resilience, liveability and sustainability, to ensure that the JDA:

- Aligns to the City's spatial transformational priority areas
- Is able to deliver on development against planned works targets.
- Retains a strategic focus on co-production and to manage expectations and perceptions of all stakeholder groups throughout
- Manages capital spending of an estimated budget of R1.8 billion. This funding is broken up as per the figure below:

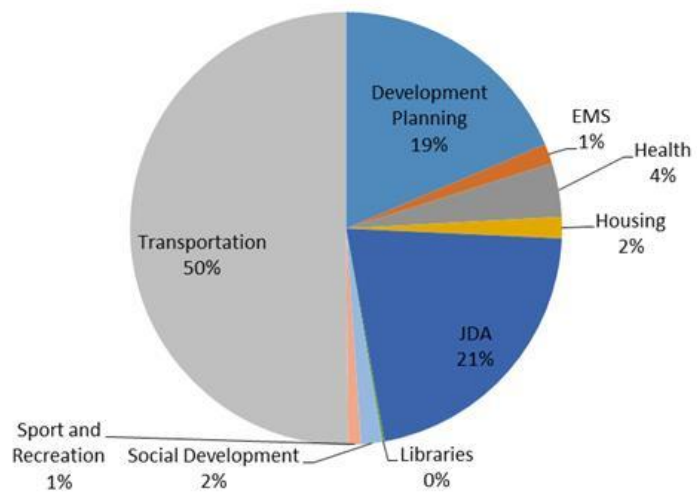


FIGURE 10: 2017/18 CAPITAL BUDGET BY FUNDING SOURCE

CHAPTER 4: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

HUMAN RESOURCE MANAGEMENT

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

Until recently the JDA was a non-unionised work environment. Since November 2016, the JDA has started with IMATU (Independent Municipal and Allied Trade Union) membership subscriptions. JDA respects and promotes the exercise of employment laws.

The JDA has a total of 109 positions as per organogram approved in 2014/15 financial year. The structure includes:

- A Top Management consists of level 1 and 2 which accounts for the CEO and Executive Management Committee team i.e. the Chief Executive Officer, the Chief Financial Officer, the Executive Manager: Development Implementation, the Executive Manager: Planning and Strategy, the Executive Manager: Development Facilitation, the Executive Manager: Marketing and Communications and the Executive Manager: Corporate Services, the Chief Audit Executive and the Company Secretary, who both report to the Board.
- Senior Management consists of level 3 and 4 comprising Senior Development Managers, Executive Support Manager, Internal Audit Manager, Finance Manager, Budget Manager, Supply Chain Manager, Planning Manager, Monitoring and Evaluation Manager, Communications and Marketing Manager, the Human Resources Manager, the IT Manager, the Risk and Compliance Manager, the Legal Manager, Development Facilitation Manager, Manager: Stakeholder Relations, Enterprise Development Manager and Development Managers.
- Professional and Middle Management consists of level 5 and 6, comprising, Accountants, SCM Officer, M&E Data Officer, Marketing Business Partners, HR Generalists, Assistants Development Managers, Internal Auditors, Risk Officer and Legal Officer.
- Skilled technical, academically qualified and junior management are level 7 and 8, comprising Leaners, Coordinators, a Receptionist, Personal assistants, Accounts Payable Officers, IT support Officers, the IT and Information Systems Administration Officer, the Fixed Asset Register Officer, the Messenger/Caretaker and the Procurement Coordinators.
- Semi-skilled workers, comprising a driver.
- Unskilled workers, comprising housekeepers and cleaners.

The staff organogram has 109 approved positions.

- Of the 109 positions, 96 positions are filled and 13 positions are vacant.
- In terms of physical location, 86 employees are based at the JDA head Offices in Newtown, while 10 are based at the JDA Sandton Offices, in Sandton.

Learnership Programme

The learnership programme provides an excellent opportunity for learners to acquire practical work experience in their field of expertise, as well as all other operational areas of the JDA. It also provides a fantastic opportunity for learners to get a practical feel of the work environment. It is for this reason that the JDA fully supports and subscribes to a learnership program.

There had been two (2) learners for the financial year, in the Internal Audit department.

Injuries, sickness and suspensions

The Basic Conditions of Employment Act 75 of 1997, is a statutory instrument that provides guidelines for basic conditions of employment, critical among them being an employee's right to take leave. To ensure proper management of leave, the JDA has implemented an employee self-service web platform which allows employees to electronically apply for leave, as well as obtain electronic approvals on their leave application. The table below provides statistics of sick leave taken in this quarter. It is important to note that the number of sick leave days taken was very low.

The following table shows sick leave statistics. These statistics exclude the ten (10) employees who are located at the Sandton offices, due to the fact that they are not on the JDA payroll, as they are paid through the City of Johannesburg payroll. The ten (10), employees were seconded to the JDA, without transfer of their salaries to the JDA payroll.

TABLE 49: COST OF SICK LEAVE – EMPLOYEES ON JDA PAYROLL ONLY

Salary band	Total sick leave	Proportion of sick leave without medical certificate	Employees using sick leave	Total employees in post	Average sick leave per employee	Estimated cost
	Days	%	No.	No.	Days	
Top management	0	0	0	1	0	0
Executive management (including chief audit executive)	3	0	2	5	0.60	12 456.87
Senior management	48	0	10	18	2.67	113 072.16
Middle management	58	0	13	27	2.15	156 871.44
Skilled technical/junior management	74	0	3	27	2.74	103 090.14
Semi-skilled	0	0	0	2	0	0
Unskilled	43	0	4	6	7.17	16 317.11
TOTAL	226	0	32	86	15.33	401 807.72

SECTION 1: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

For the period under review, the JDA paid a total of 96 employees. The total remuneration costs for the 2016/2017 financial year is R 62 170 899 which includes pension fund.

SECTION 2: KEY VACANCIES

For the year 2016/17, the JDA's total staff-complement including permanent, non-permanent staff and seconded staff is 96 employees.

A key HR strategy of the JDA is to ensure that there is adequate human resources capacity to efficiently deliver on the JDA's expanded mandate.

TABLE 50: STAFF ESTABLISHMENT

Description	2016/17				
	Approved no. of posts per approved organogram	Additions to the structure	No. of employees	No. of vacancies	% of vacancies
Top management	1	0	1	0	0%
Executive management	8	0	5	3	37%
Senior management	22	0	18	4	18%
Middle management	34	0	31	3	9%
Skilled technical/junior management	30	0	30	0	0%
Semi-skilled	4	0	3	1	25%
Unskilled housekeepers/cleaners	6	0	6	0	0%
Intern / Learners	4	0	2	2	50%
Total	109	0	96	13	12%

With regards to Executive Management, the recruitment process for the CFO, the EM: Corporate Services and EM: Marketing & Communications is currently underway.

Turnover rates from 2010/11 to 2016/17

The basis for turnover rates is annual .To give an accurate indicator of the turnover rates, year on year, this indicator will therefore not look at 2016/17 financial year in isolation and then interrogate the cumulative effect of turnover year to date. This is one of the indicators that have to use the year to date figures.

In the current year under review, staff turnover is 17.7% due to resignations and dismissals. These numbers include temporary employees paid through the JDA payroll. 8 of these 17 terminated where temporary employees.

Percentages of staff turnover in the financial year range 2010/2011 to 2015/2016 are between 5% and 16%, with the lowest being in the 2012/2013 financial year and the highest being 2014/2015 financial year.

TABLE 51: ANNUAL TURNOVER RATE

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

Details	Total appointments at beginning of financial year	Terminations during financial year (YTD)	Turnover rate
	No.	No.	%
2015/16	87	8	9
2016/17	96	17	17.7

Retention Initiatives

JDA remains committed to mitigate against resignations through various initiatives. These seek to make the JDA an employer of choice by way of offering competitive market related remunerations structures to promote staff retention as follows:

- Structured interventions for employee development.
- Accelerated interventions targeted at continuous improvement on employee relations

SECTION 3: EMPLOYMENT EQUITY

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

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

The Employment Equity Plan was developed to promote an environment and culture that supports open communication, where everyone is encouraged to express their views without fear of being victimised, and to ensure fair and consistent application and implementation of all employment practices and procedures. Structures and resources have been put in place to coordinate and monitor employment equity implementation across the organisation. The JDA undertakes an annual review of its employment equity processes and general employment practices to inform the implementation of the Employment Equity Plan. The JDA plans its annual employment equity targets in terms of its Employment Equity Policy and reports to the Department of Labour in accordance with the provisions of the Employment Equity Act and within legislated timeframes.

TABLE 52: EMPLOYMENT EQUITY DEMOGRAPHICS STATUS FOR PERIOD UNDER REVIEW

Occupational Levels									Foreign Nationals		Total
	Male				Female				Male	Female	
	A	C	I	W	A	C	I	W			
Top management	1	0	0	0	0	0	0	0	0	0	1
Executive Management	2	0	0	2	1	0	0	0	0	0	5
Senior Management	5	1	1	2	7	0	2	0	0	0	18
Professionally qualified and experienced specialists	12	0	0	1	13	2	1	2	0	0	31

Occupational Levels											Total
	Male				Female				Foreign Nationals		
	A	C	I	W	A	C	I	W	Male	Female	
and mid-management											
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	7	0	0	0	19	1	2	1	0	0	30
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	0	0	3
Unskilled and defined decision making	2	0	0	0	4	0	0	0	0	0	6
TOTAL PERMANENT	30	1	1	5	45	3	5	3	0	0	94
Temporary employees	1	0	0	0	1	0	0	0	0	0	2
GRAND TOTAL	31	1	1	5	47	3	5	3	0	0	96

The JDA targets and achievements for period under review:

- 81% of its employees are black (target: 80%).
- 60% of its staff members are female (target: 45%).
- 30% of Executive and Senior Management positions are held by black women
- The JDA has employees with physical disabilities, exceeding the CoJ's strategic target of 2% by 0.3% The JDA is committed to improve the percentage representation of people from designated groups across all occupational categories.

TABLE 53: STAFF MOVEMENTS

Staff movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	61	12	0	0	0	0	1	0	24
Dismissals	1	0	0	0	0	0	0	0	1
Retirements	1	1	0	0	0	0	2	0	4
Absenteeism	0	0	0	0	0	0	0	0	0
Termination/other	5	7	0	0	0	0	0	0	12
TOTAL	18	20	0	0	0	0	3	0	41

SECTION 4: SKILLS DEVELOPMENT AND TRAINING

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

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

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

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

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

A budget of R591 226.00 has been allocated for training and development for the 2016/17 financial year. The actual expenditure for period under review is R551 280.72. The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

SECTION 5: PERFORMANCE MANAGEMENT

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

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

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

Despite the JDA's increasing budget allocation and portfolio, which has put strain on employees' performance, the JDA will continue to implement measures to improve its operational effectiveness in 2017/18 financial year.

SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

During the period under review, there was one (1) disciplinary matter that resulted in a dismissal.

SECTION 7: LEAVE & PRODUCTIVITY MANAGEMENT

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

The next table gives an analysis of the various leave types and how they were utilised by JDA employees in the 2016/2017 financial year. The most highly utilised leave type is annual leave with a total of 481.75 days and

the least taken leave type is Family responsibility leave with a total of 25 days taken. Sick leave was the second most used with 231 days, with 51 days taken for study leave.

TABLE 54: LEAVE ANALYSIS – 2016/17

Type of Leave	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Total
Annual Leave	43	21	0	19	97.75	71	77	42	16	42	53	0	481.75
Sick Leave	1	4	56	5	41	9	7	22	21	8	16	41	231
Family Responsibility	0	3	0	0	5	0	1	7	4	2	3	0	25
Study Leave	0	1	0	2	13	0	0	2	2	18	13	0	51
TOTAL	44	29	56	26	156.75	80	85	73	43	70	85	41	788.75

SECTION 8: EMPLOYEE WELLNESS

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

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

The JDA holds Wellness Day events every quarter in a financial year. Employees can have their basic health assessed and receive feedback and guidance on corrective measures and counselling.

SECTION 9: EMPLOYEE BENEFITS

The JDA participates in two retirement benefit schemes: eJoburg Retirement Fund (81 permanent employees) and City of Johannesburg Pension Fund (1 permanent employee). The total remuneration costs for the 2016/2017 financial year is R 62 170 899 which includes pension fund.

The total contribution for Group Life Cover for the JDA employees and directors, in the financial year is R 764, 957.31.

SECTION 10: OCCUPATIONAL HEALTH & SAFETY PROGRAMMES

HIV/AIDS in the Workplace

The JDA's HIV/AIDS Policy is aligned with the CoJ's policy and its HIV/AIDS coordinator attends the CoJ HIV and AIDS Committee meetings. The policy ensures that no employee is discriminated against based on their HIV status. All employees must respect the confidentiality of information regarding existing or potential employees with life-threatening illnesses. Any employee who divulges information without the employee's knowledge or consent will be disciplined in accordance with the disciplinary code and procedure of the JDA. The JDA reserves the right to request medical advice or intervention in instances where an employee's illness adversely affects

performance, or where an employee claims that he/she cannot work in certain situations due to illness. All employees are encouraged to know their HIV status and to remain healthy if they are living with HIV.

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

In the period under review, the JDA and ICAS have had 4 wellness day, where the HIV/AIDS awareness is prioritized through testing and counselling to all JDA staff.

Occupational Health and Safety

Independent consultant Ubomi Safety Consulting conducted monthly occupational health and safety compliance audits during period under review in 2016/17 financial year. These audits identify risks and cases of non-compliance with the Occupational Health and Safety Act (1993), enabling the JDA to implement risk mitigation plans to reduce the risks and address cases of non-compliance. A report prepared in June 2017 estimated that the JDA's compliance rate for period under review was 88.03%. The areas of non-compliance include:

- Inadequate working space for employees
- Unsafe Stacking Storage Boxes in Offices
- Cleaning of office carpets
- Pipe in office emitting dampness and smells
- An excessive amount of dust is accumulating on window sills and internal roof structures

CHAPTER 5: FINANCIAL PERFORMANCE

The JDA recorded a surplus of R2.2 million for the financial year ended 30 June 2017.

Revenue

The organisation achieved 93% (2015/16: 99%) of the budgeted revenue. The shortfall in the revenue is mainly due to development management fees that was budgeted on an overall capital spend of 95% of which the actual percentage spend is 82%. Currently over 74% of the JDA's funding model is dependent on the capital expenditure incurred on the infrastructure projects implemented. Although the revenue is normally based on a conservative spend percentage, most of the projects were delayed by a number of factors as outlined above. These factors further contribute to the delays of these projects and directly to the revenue generated by the JDA through development management fees.

Results of operations

During the third quarter of the financial year, based on the capital expenditure projections it was evident that the overall capital target would not be achieved. In order to ensure that due to the reduction in the development management fees earned, the JDA does not result in an operating deficit position further cost reduction measures were implemented to reduce the current year expenditure. This then resulted in only 91% of the overall expenditure target being achieved. Actual operating expenses were R95.2 million against a budget of R104.5million. The under expenditure of 9% related to the cost reduction measures that were taken to reduce the overall financial operating deficit due to the reduction in the development management fees.

Capital expenditure

The JDA spent R1.39 billion of its capital budget of R1.7 billion.

TABLE 55: SOURCE OF OPERATING REVENUE

R thousands	Original budget	Budget adjustments ³¹	Final adjustments budget	Final budget	Actual outcome
	1	2	3	6	7
Financial performance					
Property rates			–	–	
Service charges	84 426	(8 226)	76 2001	76 200	69 006
Transfers recognised – operational	16 942	9 753	26 695	26 695	26 695
Other own revenue	3 187	(1 527)	1 660	1 660	1 604
Total revenue (excluding capital transfers and contributions)	104 555	-	104 555	104 555	97 305

The JDA's primary source of operating revenue is the 5% or 7% development fee charged against all capital expenditure, which yielded R69 million in 2016/17. The operating grant from the CoJ amounted to R27 million.

The JDA's primary sources of capital funding are:

- Public transport infrastructure grant
- Urban settlement development grant
- Capital grants from the CoJ

³¹ i.t.o. s28 and s31 of the MFMA

- Neighbourhood development partnership grant.

Operating budget management

The JDA manages its operating budget by measuring the effectiveness of its control of operating costs (indicated by budget variances) and has set a target of 0 per cent over expenditure. Actual operating expenses were R94.5 million against a budget of R104.5million. However, the under expenditure of 9% related the cost reduction measures that were taken to reduce the overall financial operating deficit due to the reduction in the development management fees.

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

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Current Assets			
Trade and other receivables from exchange transactions	3	1 132 970 248	873 681 388
VAT receivable	4	31 434 609	-
Cash and cash equivalents	5	2 170	638 330
		1 164 407 027	874 319 718
Non-Current Assets			
Property, plant and equipment	6	7 020 191	8 496 462
Intangible assets	7	14 846 916	6 776 984
Deferred tax	8	2 151 955	1 908 668
		24 019 062	17 182 114
Total Assets		1 188 426 089	891 501 832
Liabilities			
Current Liabilities			
Loans from shareholders	9	248 602 144	141 042 337
Finance lease obligation	10	523 571	573 034
Payables from exchange transactions	11	814 457 203	634 531 247
VAT payable	12	-	1 759 240
Provisions	13	4 455 469	3 282 653
Project Funds payable	14	31 882 603	24 384 979
Bank overdraft	5	1 083	867
		1 099 922 073	805 574 357
Non-Current Liabilities			
Finance lease obligation	10	99 158	483 510
Deferred tax	8	15 866 712	15 051 446
		15 965 870	15 534 956
Total Liabilities		1 115 887 943	821 109 313
Net Assets			
Contribution from shareholder	15	16 277 624	16 277 624
Accumulated surplus		56 260 522	54 114 895
Total Net Assets		72 538 146	70 392 519

The organisation's total assets exceeded the total liabilities. The total net assets at 30 June 2017 were R72 538 146 (2015/16: R70 392 519).

The net assets include accumulated reserves of R56 312 103 (2015/16: R54 114 895).

The full explanatory notes can be found in the Annual Financial Statements attached as Annexure 6

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

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016
Revenue			
Rendering of services	16	69 006 423	70 740 593
Tender fee income	17	1 174 127	1 190 392
Rental income	17	317 766	358 352
Sundry income	17	112 491	1 049 622
Interest received	18	-	35 817
Government grants and subsidies	19	26 695 000	22 382 000
Recovery of non-current and intangible assets expenditure	16	-	9 080 135
Total revenue		97 305 807	104 836 911
Expenditure			
Employee related costs	20	(62 170 899)	(61 754 144)
Administrative expenses	21	(2 030 864)	(2 183 911)
Depreciation and amortisation	22	(4 504 700)	(2 201 222)
Finance costs	23	(111 278)	(3 115 583)
Lease rentals on operating lease	24	(56 686)	-
Debt impairment	25	(92 375)	-
General Expenses	26	(25 536 135)	(30 509 479)
Total expenditure		(94 502 937)	(99 764 339)
Operating surplus		2 802 870	5 072 572
Loss on disposal of assets	28	(85 265)	(87 471)
Surplus before taxation		2 717 605	4 985 101
Taxation	29	(571 978)	(2 231 500)
Surplus for the year		2 145 627	2 753 601

Actual surplus before taxation of R2.8 million (2015/16: R5million) was recorded against a balanced operational budget. The impact of the deferred tax adjustment of R572k (2015/16: R2.2million) resulted in a net surplus of R2.1million (R2015/16: R2.7million) for the year under review.

The explanatory notes can be found in the Annual Financial Statements attached as Annexure 6

SECTION 3: CASH FLOW STATEMENT AND HIGH-LEVEL NOTES

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Receipts			
Grants		26 695 000	22 382 000
Interest received		-	35 817
Other receipts incl. Tender fee income, rental income and sundry income		1 343 102	2 108 709
Cash receipts from CAPEX funding		1 285 709 873	1 668 489 489
		<u>1 313 747 975</u>	<u>1 693 016 015</u>
Payments			
Employee costs		(60 881 867)	(62 179 942)
Suppliers		(1 356 805 631)	(1 660 668 792)
Finance costs		-	(3 115 583)
		<u>(1 417 687 498)</u>	<u>(1 725 964 317)</u>
Net cash flows from operating activities	30	(103 939 523)	(32 948 302)
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(664 430)	(3 157 061)
Purchase of other intangible assets	7	(10 516 821)	(6 945 342)
Net cash flows from investing activities		(11 181 251)	(10 102 403)
Cash flows from financing activities			
Movement in project funds payable		7 497 624	20 043 921
Proceeds of shareholders loan		107 559 807	17 991 469
Finance lease payments		(573 033)	(507 483)
Net cash flows from financing activities		114 484 398	37 527 907
Net increase/(decrease) in cash and cash equivalents		(636 376)	(5 522 798)
Cash and cash equivalents at the beginning of the year		637 463	6 160 261
Cash and cash equivalents at the end of the year	5	1 087	637 463

The explanatory notes can be found in the Annual Financial Statements attached as Annexure 6

SECTION 4: CAPITAL PROJECTS & EXPENDITURE

Capital expenditure is the primary measure of the JDA's performance, and the budget for the capital projects to be implemented forms part of the agency's annual business plan and scorecard. This measures effective capital budget management, in particular expenditure against set targets for project delivery.

Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

The overall year to date capex expenditure at Quarter 4 was R1, 39 billion against an annual budget of R1,705 billion. This translates to 82% of the annual budget.

Capital Budget Management³²

TABLE 56: OVERALL PROGRAMME PERFORMANCE

Overall Programme Performance	2016/17 Annual Budget	Target YTD	Actual YTD	YTD Target %	% Actual / annual budget
	R' 000	R' 000	R'000	%	%
Overall Programme Performance	1 705 000	1 620 000	1 396 628	95%	82%

The JDA was made aware of the potential of receiving additional capital budget during the mid-year adjustment process however this capital budget allocation was only confirmed after the mid-year budget process was concluded. The value of this capital project budget was R62.4 million and the capex expenditure against this additional budget was R54.2 million. This amount has been excluded when reporting against the Overall Programme Performance budget of R1 705 billion.

TABLE 57: OVERALL PROGRAMME PERFORMANCE INCLUDING ADDITIONAL PROJECTS

Overall Programme Performance	2016/17 Annual Budget	Target YTD	Actual YTD	YTD Target %	% Actual / annual budget
		R' 000	R'000	%	%
Overall Programme Performance	1 705 000	1 620 000	1 396 628	95%	82%
Additional Projects	62 458	-	54 193	-	-
Overall Programme with Additional Projects Performance	1 767 458	1 620 000	1 450 821	95%	82%

TABLE 58: CAPITAL BUDGET MANAGEMENT PER JDA PROGRAMME PERFORMANCE

Per Programme Performance	2016/17 Annual Budget	Actual YTD Expenditure	% Actual / annual budget Expenditure
	R' 000		
Programme 1: Inner City transformation	217 612	186 180	86%
Programme 2: TOD Node developments	491 905	355 454	72%
Programme 3: GMS Priority development	197 166	136 821	69%
Programme 4: Greenways	707 017	653 033	92%
Programme 5: Alexandra Renewal Project	81 300	55 154	68%
Programme 7: Administrative	10 000	9 986	99%
Total	1 705 000	1 396 628	82%
Additional Projects	62 458	54 193	87%

The overall year to date capex expenditure at Quarter 4 was R1, 39 billion against an annual budget of R1,705 billion. This translates to 82% of the annual budget.

³² This measures effective capital budget management, in particular expenditure against set targets for project delivery. Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

SECTION 5: RATIO ANALYSIS (MINIMUM: LIQUIDITY, SOLVENCY, COST COVERAGE)

The table below reflects the financial position and financial performance of the organization for the year under review:

TABLE 59: FINANCIAL POSITION AND FINANCIAL PERFORMANCE

Key Performance Area	Key Performance Target ³³	Actual 30 June 2016	Actual 30 June 2017
Current ratio	Above 1 : 1	1.08 : 1	1.06 : 1
Solvency ratio	Above 1 : 1	1.08 : 1	1.07 : 1
Salaries to expenditure ratio	Below 60%	60%	66%
Revenue	R104. 5 million	R104.8 million	R97.3million
Expenditure (including taxation)	R104. 5 million	R102.1 million	R95.2 million
Surplus / (Deficit)	R nil	R2.8 million	R2.1 million
Total net assets	R70.4 million	R70.4 million	R72.5 million
Capital expenditure	95%%	92%	82%
B-BBEE expenditure	100%	90%	97%
SMME Expenditure	30%	16%	30%

The overall liquidity and solvency position of the JDA although lower than the prior year is still above the current industry norms. The main contributing factor to the overall decrease in comparison to the prior year is the higher trade payables at year end from payments that were only made in July 2017.

The JDA is mainly a service-orientated organisation with employee costs constituting majority of the operational budget. The actual remuneration to expenditure ratio achieved was 66% against a target of 60%. The remuneration ratio is higher than the norm which is mainly as a result of a reduction in the overall expenditure as only 91% against the target was incurred in the current year.

SECTION 6: SUPPLY CHAIN MANAGEMENT

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

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

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

Supply chain deviations and approval

³³ Given the specificity of JDA's business the JDA has where necessary its Key Performance Target defined and agreed to by the Shareholder

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

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

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

The accounting officer ratified the following deviations for the period 1 July 2016 to 30 June 2017:

- The deviation from obtaining at least a minimum of three written quotations in terms of Regulation 16, 17 and 18 of the MFMA Act 56 of 2003. The accounting officer ratified a minor breach in the supply chain process for the appointment of service providers through the request for quotation process where less than the minimum three quotations were received. In the current financial year there were various service providers appointed where while multiple quotations were requested however less than three quotations were returned to a combined value of R2 943 918.80. This combined total includes the request for quotations from the approved panel service providers.

TABLE 60 DEVIATIONS

Category	Count
Bus Factory Maintenance	2
Event Management & Services	5
Finance Consultants	1
Internal Audit Consultants	2
Legal Consultants	13
Other services	4
Recruitment	5
Training	29
Travel	1
Grand Total	62

- The deviation from including the weighting criteria in the functionality evaluation when requesting quotations. A number of requests for quotations stipulated that the quotations will be evaluated for functionality, however there was no weight stipulated for each of the criteria outlined in the request. The accounting officer ratified a minor breach in the supply chain process for the omission of the weighting criteria in the RFQ. In the current financial year there were seven service providers

appointed where the weighting criteria was not included in the functionality to a combined value of R 564 989.93. These are applicable to all awards made as per the supply chain processes of between R 30 000 to R 200 000.

Deviations from normal supply chain management regulations for the period 1 July 2016 to 30 June 2017 are as follows:

- Vodacom

The appointment of Vodacom Service Provider (Pty) Ltd was undertaken as an appointment under the provision of regulation 32 of the MFMA. Vodacom was procured under a contract secured by the City of Johannesburg. The contract came to an end in January 2015. The contract was extended for a prolonged period without procurement process. Therefore the JDA entered into direct negotiations with the service provider as per regulation 36 of the MFMA.

National Treasury has concluded a valid contract with Vodacom for the provision of cellular services and has gone further to issue circular encouraging organs of state in all spheres of government to make use of the said contract. The JDA does require these services and the use of the transversal contract is likely to result in cost savings of between 30%-40% on the previous contract for the JDA due to the impact of economies of scale.

Therefore whilst the JDA is in the process of finalising its participation in the transversal contract procured through National Treasury, the JDA entered into an agreement through direct negotiations with Vodacom to continue to render the services for an amount of R 824 560. Such direct negotiation is a deviation from normal supply chain management processes.

There were no unsolicited bids to the JDA from July 2016 to June 2017 with all procurement going through the Supply Chain processes.

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

SECTION 12: BLACK ECONOMIC EMPOWERMENT

The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts. The table below shows the BBBEE share of capital and operating expenditure. For 2016/17 financial year, the overall BBBEE share of expenditure was R 1 376 164 339.24. This constitutes an achievement of 97% per cent.

TABLE 61: SUMMARY OF BBBEE EXPENDITURE

Description	01 July 2016 – 30 June 2017		
	Total Expenditure	BBBEE Claimed	BBBEE %
Capex	R 1 334 497 583.71	R 1 304 278 550.32	98%
Opex	R 41 993 292.07	R 35 271 486.05	84%
Retention	R 37 822 262.12	R 36 614 302.87	97%
Consolidated Opex and Capex	R 1 414 313 137.90	R 1 376 164 339.24	97%

The JDA uses various criteria for calculating the BBBEE claimed. Each service provider's individual BBBEE rating affects the amount of expenditure the JDA can claim as being from a BBBEE-compliant service provider when calculating its preferential procurement points. The higher the service provider's rating, the more expenditure can be claimed. If the agency buys from a level 1 service provider, it can claim 135% of the actual expenditure. For example, if the JDA spends R10 000 with a level 1 service provider, it can claim R13 500 as BBBEE spend. If it spends R10 000 with a level 6 service provider, it can only claim R6 000. The JDA only claims 100% for service providers with BBBEE level 1 to 4 and 80 percent, 60 percent, 50 percent and 10 percent for service providers with BBBEE level 5 to 8 respectively.

The JDA confirms the validity of BBBEE certificates by verification agencies by tracing the name of the agency to the South African National Accreditation System's list of accredited agencies.

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

TABLE 62: BBBEE POINTS

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

SECTION 13: ENTERPRISE / SMME DEVELOPMENT

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

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

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

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

The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts. The table below shows the SMME share of capital and operating expenditure. The SMME share of JDA's operating and capital expenditure was R 417 322 240.64 for 2016/17 Financial year. This constitutes an achievement of 30% for the period under review. (Capex R 394 255 260.17 or 30 %; Opex R 14 996 548.54 or 36%; Retention R8 070 431.93 or 21%).

TABLE 63: SUMMARY OF SMME EXPENDITURE³⁴

Description	01 July 2016 – 30 June 2017	
	SMME Expenditure	SMME %
Capex	R 394 255 260.17	30%
Opex	R 14 996 548.54	36%
Retention	R8 070 431.93	21
Consolidated Opex and Capex	R 417 322 240.64	30%

³⁴ Note: Any discrepancies between this table and the financial statements are due to timing differences between when the expenditure is captured in the Development Information Management System and the report on actual invoices paid. These variances are not significant and the ratios remain valid.

SECTION 7: PENDING LITIGATIONS AND POSSIBLE LIABILITIES

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Ubuntu Kraal (Pty) Ltd vs JDA	± 23 555 160, 06 million	13/12/2013	Damages suffered by Ubuntu Kraal as a result of “alleged” negligence by the JDA and other parties.	<p>On Friday, 13 December 2013 the JDA was served with summons. The summons relate to the “alleged” negligence on the part of the JDA during the widening of the Klipspruit Valley Road during the construction of the BRT routes around 2010. It is alleged that as a consequence of such construction, which resulted in flooding in 2010 and 2011, damage to buildings and properties to the tune of approximately R23 555 160, 06 was incurred by the plaintiff. The JDA has been cited as the first defendant and the City of Johannesburg as the second defended in the matter, together with other 5 defendants.</p> <p>The JDA has appointed Routledge Modise Attorneys (T/A Hogan Lovells) to assist in defending the matter.</p> <p>Routledge Modise have handed over the matter to the insurers attorneys at the request of the JDA’s insurers (Webber Wentzel Bowens). The matter is being defended by the JDA and COJ’s insurer’s lawyers.</p>	The matter is still at pleadings stage. It has not yet been set down for trial.	Not yet determined at this stage.
Tembu Convenience Centre CC vs City of Johannesburg 1 st Defendant and Others (JDA-2 nd Defendant)	± R10 488 324 million		Damages suffered by Tembu Convenience Centre CC as a result of “alleged” extensive permanent road diversions and/or closures having been effected in order to cater for the BRT system in the area known as “Soweto to Parktown Bus Rapid Network, Section 1, Moroka Police Station to Modderspruit Culvert”. It is alleged that COJ or the JDA failed to comply with the relevant legislation and ordinances.	<p>The JDA is defending the matter through its attorneys (Mchunu Inc.) The matter went for trial on 6 to 8 June 2017.</p> <p>We now await judgement from the court.</p>	July 2017	<p>The Matter has successfully been defended at the High Court. The Judge ruled against the applicant in September 2017.</p> <p>However, the applicant lodged an application for leave to appeal</p>

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
						the judgement.
Achusim Chijoike vs (JDA 1 st Defendant) and Sykmark Security Services (Pty) Ltd (2 nd Defendant)	± R353000.00	10/2013	Injury suffered by Plaintiff as a result of a shooting incident that occurred in December 2010. The Plaintiff alleges that the person implicated in the shooting is linked to the JDA as its employee. Hence the claim of vicarious liability.	<p>The JDA was incorrectly cited as a party to the proceedings. Particulars of defence were submitted to the plaintiff accordingly.</p> <p>The Plaintiff has to date not responded to our pleadings.</p> <p>A letter has been addressed by the JDA's attorneys (Routledge Modise T/A Hogan Lovells) to the Plaintiff to the effect that should we not receive any feedback from them, we shall proceed to seek court approval to withdraw the matter.</p> <p>We still await feedback from the Plaintiff's attorneys.</p>	The matter stopped at pleadings stage and is likely not going to proceed.	Not yet determined.
Bertrams Priority Block vs JDA	Not applicable	February 2008	Relocation of illegal occupants in various buildings around Bertrams Priority Block.	<p>The JDA has through its Attorneys (Edward Nathan Sonneburg ENS) entered into legal proceedings regarding the relocation of illegal occupants in various buildings around Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations are underway with the occupants to settle the matter out of court. Progress made since 2012, some occupants have agreed to be reallocated to properties operated by the Johannesburg Social Housing Company. The few that would be left would, due to inability to meet monthly rentals be accommodated by the Department of Housing.</p> <p>The parties are working together to reach agreement without a protracted litigation processes.</p>	On-going	Good
Dark Fibre Africa vs JDA and Easyway Tarmac Pave and	R42,037.85	14/03/2014	The matter relates to the fibre optic cable that was damaged by opening a trench in the road reserve with a TLB Machine along	The matter is being defended by the lawyers appointed by the JDA's insurers (AON).	The matter has been finalised.	

CASE / MATTER	AMOUNT CLAIMED	DATE INSTITUTED	DISCRIPTION	CURRENT STATUS	ANTICIPATED COMPLETION DATE	CHANCES OF SUCCESS
Projects CC			<p>the road carriage way of Orlando east, near Sefasonke street around 22 June 2013.</p> <p>The plaintiff, Dark Fibre Africa (Pty) Ltd is suing the JDA (2nd Defendant) on the basis that JDA used the services of Easyway Tarmac Pave and Projects CC to manage and control the execution of the water pipeline project and to do the drilling and excavation along the road carriage way of Orlando East near the intersection with Sefasonke Sonke Street.</p>			

SECTION 8: INSURANCE CLAIMS AGAINST/TO MOE

A total number seven (7) claims for the 2016/17 year.

- Five (5) claims relates to theft of employee laptops;
- One relates to a Public Liability Claim; and
- One relates to a civil litigation case.

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

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

TABLE 64: AMOUNTS OWED BY AND TO GOVERNMENT DEPARTMENTS AND PUBLIC ENTITIES

Name of department	Balance	Comments
	R' 000	
City of Johannesburg - CAM & USDG	147 243	Balance mainly relates to amounts outstanding for June 2017 claims that were submitted and accrued for in July 2017.
City of Johannesburg - Department of transportation and planning	770 308	Balance mainly relates to amounts outstanding for longer than 30 days. Majority of the balance relates to claims for June 2017 submitted and accrued for in July 2017.
City of Johannesburg - Department of planning	-	Balance mainly relates to amounts outstanding for longer than 30 days. Majority of the balance relates to claims for June 2017 submitted and accrued for in July 2017.
City of Johannesburg - EMS	41 132	Balance mainly relates to amounts outstanding for longer than 30 days. Majority of the balance relates to claims for June 2017 submitted and accrued for in July 2017.
City of Johannesburg - Department of Health	58 032	Balance mainly relates to amounts outstanding for longer than 30 days. Majority of the balance relates to claims for June 2017 submitted and accrued for in July 2017.
City of Johannesburg - GSPCR	3 184	Balance mainly relates to amounts outstanding for longer than 30 days. Majority of the balance relates to claims for June 2017 submitted and accrued for in July 2017.
City of Johannesburg - Other departments (Department of Economic Development, Department of Housing, Department of Social Development, Department of Community Development, Johannesburg Roads Agency (SOC) Ltd)	92 803	Balance mainly relates to amounts outstanding for longer than 30 days. Majority of the balance relates to claims for June 2017 submitted and accrued for in July 2017.
Total	1 112 702	

SECTION 10: ASSESSMENT OF ARREARS ON MUNICIPAL TAXES AND SERVICE CHARGES

Directors' and employees' declarations of interest

In accordance with its code of conduct, which is consistent with schedule 1 of the Municipal Systems Act and the provisions of the CoJ Corporate Governance Protocol for Municipal Entities, the JDA maintains a register of directors' declarations of interests. The register is updated annually and as and when each director's interests have changed. The JDA ensures that a conflicts of interest register is also circulated at every Board and Board committee meeting for the directors to declare any interests in relation to any matter that is to be discussed at a particular meeting.

All JDA employees are required to fill in declarations of interest covering shareholding in private companies, membership of close corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the JDA, gifts and hospitality and the status of their municipal accounts. The employees' declaration of interests was undertaken in 2016/17.

TABLE 65: ASSESSMENT OF MUNICIPAL TAXES AND SERVICE CHARGES OWED TO THE JDA

Detail	0–30 days	31–60 days	61–90 days	91–180 days	>181	Total
Not applicable	-	-	-			

This is not applicable to the JDA as it does not levy municipal taxes and service charges.

TABLE 66: AMOUNTS OWED BY THE JDA FOR SERVICE CHARGES

Name of entity	Amount owed	Status	Comments
Johannesburg Water	Nil	Up to date	N/A
City Power	Nil	Up to date	N/A
City of Johannesburg	Nil	Up to date	N/A

TABLE 67: ASSESSMENT OF DIRECTORS' AND SENIOR MANAGERS' MUNICIPAL ACCOUNTS

Name	Designation	Name of municipality	Municipal account name/number	Status as at June 2016	Comments
T Mendrew	Chief executive officer	City of Johannesburg	Holly Land (Pty) Ltd 201030171	Nil	Account paid up
D. Cohen	Executive manager: strategy and planning	City of Johannesburg	550412216	Nil	Account paid up
R Shirinda	Company secretary	Ekurhuleni Municipality	1706238428	Nil	Account paid up
C Botes	Executive manager: development facilitation	City of Johannesburg	552623847	Nil	Account paid up
Z. Tshabalala	Chief Audit Executive (Appointed 01 December 2015)	City of Tshwane	5002180543	Nil	Account paid up
S. Genu	Executive manager: development implementation	City of Johannesburg	550117725	Nil	Account paid up
P Mkhize	Senior	City of	Awaiting Account	Nil	Account paid up

Name	Designation	Name of municipality	Municipal account name/number	Status as at June 2016	Comments
	Development Manager	Johannesburg	Number (New Development)		
N Mudlovhedzi	Senior Development Manager	City of Johannesburg	550117725	Nil	Account paid up
N Letter	Programme Manager: Alexandra Renewal Programme	Johannesburg	303137343	-5691.93	Property sold on 23 June 2017
		Johannesburg	202673873	113.42	None
		Johannesburg	552400826	0	Account paid up
C Coovadia	Non-executive director	City of Johannesburg	400864220	Nil	Account paid up
P Masilo	Non-executive director	Ekurhuleni Municipality	2603356925	Nil	Account paid up
K Govender	Non-executive director	City of Johannesburg	551971094	Nil	Account paid up
P Zagaretos	Non-executive director	City Of Johannesburg	403253685	Nil	Account paid up
N Ngwenya	Non-executive director	City of Johannesburg	2608551960	Nil	Account paid up
L Shole	Non-executive director	City of Johannesburg	403328362	Nil	Account paid up
A Steyn	Non-executive director	City of Johannesburg	300154298	Nil	Account paid up
M Qobo	Non-executive director	City of Tshwane	5013675161	Nil	Account paid up
P Mashele	Non-executive director	City of Tshwane	BOVB00023A	Nil	Account paid up

CHAPTER 6: INTERNAL AND EXTERNAL AUDIT FINDINGS

SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

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

The key objectives of the Internal Audit Function is to assist the Audit & Risk Committee in the effective discharge of their responsibilities, provide strategic support to the Chief Executive Officer (“CEO”) and management that contributes towards the establishment of adequate and effective systems of governance, risk management and internal control processes through providing value adding recommendations to improve the effectiveness and efficiency of the operations of the JDA.

The internal audit function, which is independent of all line and functional management, is established in terms of section 165 of the MFMA and Circular 65. Its responsibilities are defined by the Board’s Audit and Risk Committee, taking into account all relevant legislative, governance and professional requirements. The chief audit executive reports administratively to the chief executive officer and functionally to the Audit and Risk Committee. In line with the corporate governance requirements in the King Code, the chief audit executive has a standing invitation to attend Executive Committee meetings but has no voting rights.

It is within this context that the IAF strives to continuously strengthen and understand its stakeholders, their specific requirements and business drivers so that there is continuous strategic alignment and value add to long term and short term goals.

The internal audit function prepared a risk based annual audit plan for the year ending 30 June 2017. The internal audit plan was approved by the Audit and Risk Committee. The internal audit function carried out its activities in accordance with the risk based internal audit plan. The plan was updated based on the risk assessment and other factors that may impede the planned execution. Internal audit submitted to the Audit and Risk Committee quarterly progress reports detailing performance against the annual internal audit coverage plan to allow for effective monitoring and possible intervention.

As required by principle 7.3 and related recommended practices of the King Code, the internal audit function provided quarterly written assessment on the effectiveness of the company’s system of internal controls and risk management. The review included the assessment of governance, ethics, risk management, compliance with legislative requirements and internal controls. The internal audit function noted an improvement in the ethics, risk management, compliance and control environment compared to previous financial years. Overall, the JDA’s systems were rated as marginally effective and require improvement.

Resourcing of the Internal Audit Function and related changes

In terms of the approved structure, the Internal Audit unit consists of a Chief Audit Executive, an Administrator; 2 Internal Audit Managers; and 2 Internal Audit Learners. An Internal Auditor was also contracted on a temporary basis to assist with capacity challenges. There have been no appointments and / or resignations in the reporting period.

- a. The internal audit structure consists of a Chief Audit Executive; 2 Internal Audit Managers, 2 Interns and 1 Administrator.
- b. New appointments in this financial year were; 1 Internal Audit Manager and 1 Learner .Both employees started in July and August 2016 , respectively
- c. In the 1st and 2nd quarter of the 2016/17 FY, two (2) additional staff members (Internal Auditors) were appointed on a 6 months temporary basis. Their contracts ended in December 2016. The contract of one temporary staff member was extended for another 6 months up until 30 June 2017.
- d. An Internal Audit Learner completed the 2 year training programme in May 2017 and his employment contract expired on 30 June 2017.
- e. An advertisement has been placed for the appointment of 2 Internal Auditors in line with the revised Internal Audit structure approved by the ARC in 2015/16 financial year. Appointments were made on 01 July 2017.
- f. A panel of service providers for internal audit services has been put in place to assist with capacity challenges as and when necessary. The panel is for the period of 3 years (October 2016 to September 2019).

Progress made against the approved Annual Internal Audit Plan

The scope of the internal audit progress to which this report relates is for the period 01 July 2016 to 30 June 2017; the report includes progress status on the planned audits executed as well as special audit requests (if any) that were undertaken.

The chart below serves to indicate an overview of the progress made for the period 01 July 2016 to 30 June 2017 against the Internal Audit Plan for the 2016/17 financial year

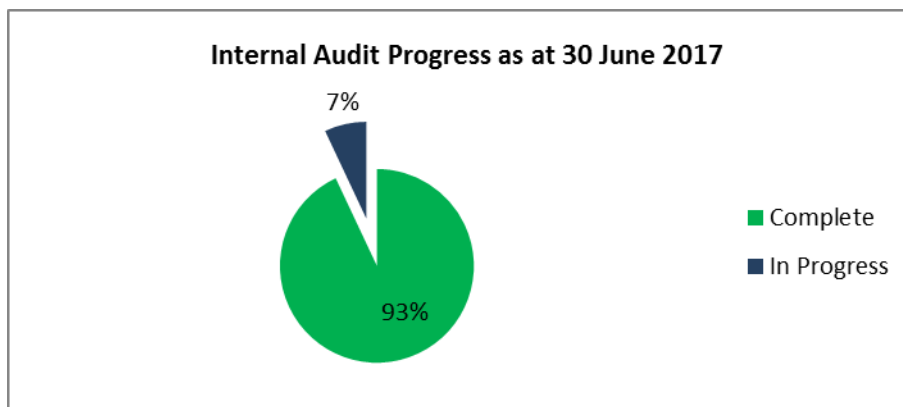


FIGURE 11: INTERNAL AUDIT PROGRESS AS AT 30 JUNE 2017

In the 2016/17 financial year, twenty six (26) audit projects were planned in terms of the approved 2016/17 annual audit plan. In addition to the twenty six (26) planned, there were six (6) adhoc /unplanned audits undertaken by internal audit in the 2016/17 financial year.

On 17 May 2017, the adjustment to the annual audit plan was approved by the Audit and Risk Committee, whereby five (5) audits were postponed to the 2017/18 financial year. The six (6) unplanned audits added to

the annual internal audit plan. Thus, the 2016/17 adjusted annual audit plan, comprised of twenty seven (27) audits.

As at 30 June 2017; twenty seven (27) audit projects were executed by internal audit; of these 27 audits, 25 (93%) were completed and 2 (7%) were still in progress as at 30 June 2017. The table below provides details of the audit description and the completion status of the project.

TABLE 68: PROJECTS UNDERTAKEN BY THE INTERNAL AUDIT FUNCTION FOR THE REPORTING PERIOD ARE DETAILED IN THE TABLE BELOW

No.	Audit Description	Completion Status	Progress Comments
1	Audit of the SCM Processes, Contract Management	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee.
2	Audit of Performance Information 2016/17 (Q1-Q4)	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee.
3	Quarterly follow up on unresolved internal audit findings	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee.
4	Audit of the Budget and Expenditure Management processes	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee.
5	Financial Discipline Review	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee.
6	Follow-up on 2015/16 AGSA audit findings	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
7	Audit of the HR Recruitment Processes	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
8	Audit of the Performance Management Processes.	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
9	2015/16 Annual Integrated Report Review	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
10	Review of the 2015/16 Draft Annual Financial Statements.	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
11	2015/16 Performance Bonuses Review	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
12	Physical Security Management Audit	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
13	Implementation of Risk Mitigation Plans	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
14	Audit of the Project Stakeholder Management Processes	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
15	Review of the Risk Management Processes and the Fraud Prevention Plan	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
16	Audit on the Process for the Procurement Of Goods And Services Above R200 000.00	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
17	Audit of the Compliance Management Processes	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk

No.	Audit Description	Completion Status	Progress Comments
			Committee
18	Review of Corporate Governance processes	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
19	Follow-up on Internal Audit findings	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee.
20	Information Technology General Controls (ITGC) , Business Continuity, Disaster recovery and IT Governance Review	In Progress	Audit currently in progress. The Audit is expected to be completed in the 1 st quarter of the 2017/18 financial year.
21	SAP Review <ul style="list-style-type: none"> • SAP PPM Post Implementation Review • SAP HCM Pre Implementation Review 	In Progress	Audit currently in progress. The Audit is expected to be completed in the 1 st quarter of the 2017/18 financial year.

TABLE 69: ADHOC / ADDITIONAL AUDITS

No.	Audit Description	Completion Status	Progress Comments
22	Audit of tenders above R10million: Rotunda Precinct Park	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
23	Review of the Implementation of Board Resolutions 2013 – 2015	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
24	Audit of tenders above R10million: Paterson Park Multipurpose centre	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
25	Audit of tenders above R10million: Westbury Transformation Development Centre	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
26	Audit of tenders above R10million: Rosebank NMT	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee
27	Audit of tenders above R10million: Westbury NMT: Westdene	Completed	Audit Completed. Final Report issued to Management and the Audit and Risk Committee

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

SECTION 2: PROGRESS ON RESOLUTION OF INTERNAL AUDIT FINDINGS

Internal Audit continuously follows-up on the audit findings raised to establish the extent to which management resolves the findings raised by both Internal Audit and the Auditor-General.

There were a total of 71 findings raised as at 30 June 2017. Of these findings 32 (45%) were resolved by management and 39(55%) remained unresolved as at 30 June 2017.

SECTION 3: AUDITOR-GENERAL'S REPORT FOR THE CURRENT YEAR

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all Municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

The Auditor General completed with the 2015/16 regulatory audit at the end of November 2015 and JDA obtained a Clean Audit for the 2015/16 financial year.

TABLE 70: AUDIT OPINIONS

	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Audit opinion	Unqualified	Unqualified	Unqualified	Clean	Clean	Clean

HISTORICAL AUDIT FINDINGS AND REMEDIAL ACTION

TABLE 71: ANALYSIS OF 2015/16 AUDIT FINDINGS

	New in 2015/16	Repeat Finding	Action to Resolve
Matters affecting Audit opinion	0	0	The JDA received a clean audit status in the 2015/16 financial year. However, management still continues to improve on internal controls to maintain this status
Important Matters	34	6	Most of the reported findings have been resolved and additional controls/measures were taken to ensure that it is not a repeat finding.
Administrative Matters	0	0	No administrative matters were identified.

In 2015/16, the JDA received a clean audit opinion. The Auditor-General also identified areas of improvement for management. Recommendations included improved non-financial performance information controls and reporting. Remedial action has since been taken.

Progress on resolving Auditor General and Internal Audit Findings

The internal audit function has undertaken reviews to assess management's implementation progress and provided its reports to the Audit and Risk Committee.

Table 68: AG and IA audit findings

Audit Category	Total Unresolved Findings %	Total Resolved Findings	Total Findings
Auditor General	23	22	45
Internal Audit	39	32	71
Overall Total	62	54	116
Percentage	53%	47%	

SECTION 4: OVERALL STATE OF INTERNAL CONTROLS (ADEQUACY AND EFFECTIVENESS)

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

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

The JDA has a system of internal control to provide cost-effective assurance that the entitie's goals will be economically, effectively and efficiently achieved. In line with the MFMA, the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors and the King Code Report on Corporate Governance, Internal Audit provided the Audit and Risk Committee and Management with quarterly internal audit reports in terms of its approved annual and three-year rolling Internal Audit Plan. From the Internal Audit reports, it was noted that there were no material deficiencies in the system of internal control for the reporting period.

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

Management is committed to addressing control weaknesses identified by internal and external audit and this is supported by the increasing the number of audit findings resolved by management through implementation of the internal and external audit recommendations. There has been a great improvement on the adherence to controls by JDA staff as compared to the previous year's; however with that being said there is still room for improvement. Based on the internal audits completed in the 2016/17 financial, internal audit's overall conclusion on the state of internal controls; is that controls currently in place are **Adequate and Partially Effective** to provide reasonable assurance that JDA objectives will be achieved.

Although there are areas where controls are partially effective; mitigating controls are in place to manage the risk exposure. Internal Audit's overall control environment within JDA is that it is **Satisfactory**; the internal audit results in the 2016/17 financial year indicate that on overall; sufficient reliance can be placed on the design and operational effectiveness of internal controls to mitigate the risks to which JDA is exposed. Through internal audit projects conducted

SECTION 5: COMMITMENT BY THE BOARD OF DIRECTORS

The table below provides strategic commitments or improvement initiatives per key role player. These will be monitored and tracked during quarterly engagements with the administrative leadership.

New and in-progress commitments

Key role players	Current year initiatives and commitments	Focus area targeted by commitment
Mayor	Key commitments	
	1 Expectation of Mayor is for a clean audit as documented in shareholder compact.	Financial statements
Accounting Authority/CEO	Key commitments	
	1 Quarterly financial statements with all disclosures prepared and audited by internal audit.	Financial statements
	2 Proper and accurate alignment of the JDA scorecard and annual report with regards to how outcomes are documented in the respective documents.	Predetermined objectives
	3 Develop an invoice management guideline to ensure compliance with section 99(2) of the MFMA.	Expenditure management
Audit and Risk Committee	Key commitments	
	1 Quarterly financial statements with all disclosures prepared and audited by internal audit.	Financial statements
	2 Quarterly audit of predetermined objectives by internal audit.	Quarterly Reports
	3 Tracking of findings raised by internal and external auditors.	Internal controls
Other role player	Key commitments	
	1 Quarterly financial statements with all disclosures prepared and audited by internal audit.	Financial statements
	2 Proper and accurate alignment of the JDA scorecard and annual report with regards to how outcomes are documented in the respective documents.	Predetermined objectives
	3 Develop an invoice management guideline to ensure compliance with section 99(2) of the MFMA.	Expenditure management
	4 Review the finance policies and procedures and have a separate document for policies and a separate document for procedures.	Policy management



C Coovadia (Chairperson)

SECTION 6: MITIGATION STRATEGIES ON THE ASSESSMENT OF THE INTEGRATED REPORTING AND MFMA CIRCULAR 63

The table below provides the improvement in the preparation of this report based on the assessment report provided by the City of Joburg’s Group Governance Department (GGD).

TABLE 72: RESPONSES TO GGD ASSESSMENT REPORT

Area	Response
Value Creation	An infographic depicting the JDA’s value creation process has been developed and included in the report under Chapter 1, Section 3
Conciseness	JDA performance has been captured and where possible, unnecessary content has been removed
Consistency and Comparability	Performance of the JDA has been highlighted, especially in the table under the CEO’s message
Governance	The Board members profiles have been shortened and reflected to be consistent with the example provided by GGD.

ANNEXURES

ANNEXURE 1: RECOMMENDATIONS OF THE AUDIT AND RISK COMMITTEE (APPENDIX G)

TABLE 73: AUDIT AND RISK COMMITTEE RECOMMENDATIONS

Date of committee	Committee recommendations during 2016/17	If recommendations adopted, enter Yes. If not adopted, provide explanation
27 July 2016	4th Quarter Performance Report	Yes
	JDA SCM Policy and Procedures	Yes
	Finance Policies: <ul style="list-style-type: none"> Asset Management Policy and Procedures Bank and Cash Policy and Procedures Debtor Management Policy and Procedures Revenue Management Procedures 	The Committee did not approve finance policies as there were some structural changes to be made to the documents. There were a lot of issues around the process of how specific areas should be documented in terms of achieving the objectives of the policies and to split them into procedures. The four policies should be resubmitted at the next Committee meeting having incorporated comments made at the meeting.
	Condonation of irregular, fruitless and wasteful expenditure	Yes
	Internal Audit Reports:	
	Internal Audit Progress Report	The report was for noting by the Committee and was noted accordingly.
	Proposal Internal Audit Capacitation Strategy Report	Approved by the Committee.
	Follow-up Audit Report – Performance Information Processes and 3 rd Quarter Performance Information	Approved by the Committee
	EPWP Short-term Jobs Created 2015-16	Approved by the Committee
	Governance, Risk and Compliance Report	Approved by the Committee
QAIP Manual	Approved by the Committee	
11 August 2016	Audit Strategy	Yes
	Internal Audit : review of annual financial statements	The report was for noting by the Committee and was noted accordingly.
	CFO's Report including 2015/16 annual financial statements	Yes
	2015/16 Integrated annual report	Yes
15 August 2016	Compliance Management Framework	The report was not approved
	Audit Findings Tracking Registers	The report was for noting by the Committee and was noted accordingly.
	4 th Quarter Strategic Risk Management Report	The report was for noting by the Committee and was noted accordingly.
	Universal Regulatory Register	The report was for noting by the Committee and was noted accordingly.
	2016/17 Strategic Register	The report was for noting by the Committee and was noted accordingly.
	Quarterly Fraud Report	The report was for noting by the Committee and was noted accordingly.
	SAP Migration Risk Register	The report was for noting by the

Date of committee	Committee recommendations during 2016/17	If recommendations adopted, enter Yes. If not adopted, provide explanation
		Committee and was noted accordingly.
	2016/17 Annual Internal Audit Plan and Programme	The report was for noting by the Committee and was noted accordingly.
17 October 2016	2016/17 Q1 Performance Report	Yes
26 October 2016	CFO's Report	The report was for noting by the Committee and was noted accordingly.
	Internal Audit Progress report	The report was for noting by the Committee and was noted accordingly.
	Follow-up audit of IA and AGSA unresolved findings	The report was for noting by the Committee and was noted accordingly.
	Development Implementation project management review 2015/16	Deferred to next Committee meeting
	ICT General Controls Review 2015/16	The report was for noting by the Committee and was noted accordingly.
	Contract Management 2015/16	The report was for noting by the Committee and was noted accordingly.
	Tenders above R10m – Rotunda Park	The report was for noting by the Committee and was noted accordingly.
	2014/15 Performance Bonus 2/2(Management)	The report was for noting by the Committee and was noted accordingly.
	Governance, Risk and Controls (GRC)	The report was for noting by the Committee and was noted accordingly.
	2016/17 Internal Audit Charter	Approved
	Internal Audit Methodology (Procedure Manual)	Approved
	Request Internal Audit Annual Assessment 2015/16 - ARC	For Committees completion and sent back to Internal audit.
10 November 2016	Feedback in relation to the practical implementation of the arrangement regarding interest charged by the City on late payment of claims	The report was for noting by the Committee and was noted accordingly.
	Management's proposal on the resolution of internal audit and external audit findings	Deferred to next Committee meeting
	SAP migration risk register and progress status	The report was for noting by the Committee and was noted accordingly.
	Universal Regulatory Register	The report was for noting by the Committee and was noted accordingly.
	Q1 Strategic Risk Register	The report was for noting by the Committee and was noted accordingly.
	Q1 Ethics and Fraud Report	The report was for noting by the Committee and was noted accordingly.
	Development Implementation project management review 2015/16	The report was for noting by the Committee and was noted accordingly.
17 November 2016	Draft Management Letter	Yes
	Draft Audit Report	Yes

Date of committee	Committee recommendations during 2016/17	If recommendations adopted, enter Yes. If not adopted, provide explanation
	Integrated Annual Report (Including AFS)	Yes
	Management's proposal on the resolution of internal audit and external audit findings	The report was for noting by the Committee and was noted accordingly.
	Human Resources Business Process Review	The report was for noting by the Committee and was noted accordingly.
09 March 2017	The 2017/18 Draft Business Plan	Yes
	The 2016/17 Adjusted Scorecard	Yes
	Performance Information Policy	Yes
17 May 2017	Internal Audit progress report for period 01 December 2016 to 30 April 2017	Approved
	Consolidated report on internal audit findings	Approved
	Follow-up on unresolved audit findings as at 28 February 2017	Approved
	Draft combined assurance framework	Not approved- The Committee requested that the framework should be reworked and aligned with the current assurance structure within the JDA.
	CFO's report for the period ended 30 April 2017	The report was for noting by the Committee and was noted accordingly.
	Implementation plan for standardized project management procedure manual	The report was for noting by the Committee and was noted accordingly.
30 May 2017	Audit and Risk Committee Charter	Not approved – The Committee did not approve the Charter as there were some structural changes to be made to the documents.
	Risk and Compliance Report (executive summary & annexures)	The report was for noting by the Committee and was noted accordingly.
	2017/18 Strategic Risk Register	Deferred to Board Strategic Workshop and later adopted at subsequent Board Meeting 30 th June.
	Finance Policies	Not approved. The Committee did not approve finance policies as there were some structural changes to be made to the documents. There were a lot of issues around the process of how specific areas should be documented in terms of achieving the objectives of the policies and to split them into procedures. The four policies should be resubmitted at the next Committee meeting having incorporated comments made at the meeting.
	Projections towards financial year-end and mitigation plans	The report was for noting by the Committee and was noted accordingly.
	Plan of action to resolve HR audit findings	The report was for noting by the Committee and was noted accordingly.

Date of committee	Committee recommendations during 2016/17	If recommendations adopted, enter Yes. If not adopted, provide explanation
	IT Governance and SAP report	The report was for noting by the Committee and was noted accordingly.
	SAP Risk Report	The report was for noting by the Committee and was noted accordingly.
	Delegation of authority framework	<p>Not considered. The document was in no form to be approved.</p> <p>It was requested that the document should be redrafted taking into account comments and inputs made in the meeting.</p>

ANNEXURE 2: LONG-TERM CONTRACTS AND PUBLIC-PRIVATE PARTNERSHIPS (APPENDIX H)

TABLE 74: SCHEDULE OF CONTRACTS OVER R10 MILLION AND RUNNING FOR MORE THAN ONE FINANCIAL YEAR:

Long-term contracts for 2016/17 R 000					
Name of service provider (entity or municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project manager	Contract value
Nyoni Projects (Pty) Ltd	Rotunda Park Precinct-Phase 2	October 2016	June 2018	Portfolio B	R 86 436 873.00
Motheo Construction Group (Pty) Ltd	Westbury Transformation Centre	November 2016	June 2018	Portfolio B	R 54 001 326.98
Rembu Construction	Paterson Park Multi-purpose Sports and Recreational complex	November 2016	June 2018	Portfolio A	R 101 721 720.26
Easyway/Puttie JV	Inner City Core	February 2017	June 2018	Portfolio A	R 31 705 591.14
Kingsway Civil (Pty) Ltd	Westbury NMT Phase 3: Westdene Dam	March 2017	June 2018	Portfolio C	R 38 388 138.13
Halifax Road/Road Tech Engineering/Agisanang Town Developer	Turffontein Stormwater Masterplan Implementation	March 2017	June 2018	Portfolio C	R 65 903 135.95
A & P Civils	Empire Perth Stormwater Masterplan Implementation	March 2017	June 2018	Portfolio C	R 46 614 859.50
Kingsway Civil (Pty) Ltd	Rosebank NMT Transport and Cycle Lanes	April 2017	June 2018	Portfolio C	R 30 071 112.47
Masingita Properties No 2 (Pty) Ltd	Noordgesig Social Cluster Phase 1A	April 2017	June 2018	Portfolio B	R 24 420 856.01
Kingsway Civil (Pty) Ltd	Braamfichersville Ext 12 Internal Roads and Storm	April 2017	June 2018	Portfolio B	R 78 458 790.00
Zidlaphi Kgomo & Associates	Ebony Health Care Facility	June 2017	June 2018	Portfolio B	R 38 687 502.72
Shota Engineering	Florida Health Care Facility	June 2017	June 2018	Portfolio B	R 33 749 520.19
Esor Construction	Claremont Clinic	June 2017	June 2018	Portfolio B	R 24 928 132.12
Tswellapele Plant CC	Noordgesig Social Cluster Phase 1B	June 2017	June 2018	Portfolio B	R 13 318 156.89
Bophelong Construction	Hillbrow Towers Precinct PEU: Phase 4&5 Implementation	February 2017	June 2018	Portfolio A	R 40 171 442.31
Shomang Construction cc	Nancefield Transit Oriented Development Phase 4B	February 2017	June 2018	Portfolio B	R 33 751 839.88
Masingita Vlamini JV	Langlaagte Pharmacy Depot	February 2017	June 2018	Portfolio B	R 30 078 629.10
Shomang Construction cc	Thoko Mngoma Clinic	February 2017	June 2018	Portfolio B	R 18 674 912.13
Jodan Construction	Park Station Precinct : Metro Centre to Park station	April 2017	June 2018	Portfolio C	R 17 001 294.21
Bophelong Construction	Rabie Ridge Community Centre Sports fields upgrade	April 2017	June 2018	Portfolio C	R 16 926 005.36

Long-term contracts for 2016/17					
R 000					
Name of service provider (entity or municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project manager	Contract value
GPH Construction JV	Westbury NMT Development Implementantation Phase 4	April 2017	June 2018	Portfolio C	R 40 314 538.80
Enza Construction	BRT Selby Deport Phase 2A	03 May 2017	June 2018	Portfolio C	R 28 866 666.66

No public-private partnership contracts are currently managed by the JDA.

ANNEXURE 3: DISCLOSURE OF FINANCIAL INTEREST (APPENDIX J)

TABLE 75: DISCLOSURES OF FINANCIAL INTERESTS PERIOD 1 JULY 2016 TO 30 JUNE OF 2017

Position	Name	Description of financial interests (Nil or details)
Chair	C Coovadia	<p>Trustee for Urban Housing Finance</p> <p>Director at: African Union for Housing Finance Banking Association SA Business Unity SA Centre for Development Enterprise Financial Services Council Finmark Trust International Banking Federation International Union for Housing Finance Metier Lereko National Business Unit Initiative Nepad Business Foundation Ombudsman for Financial Services SABRIC SADC Banking Association</p> <p>Shares in: ABIL AngloGold ARROW A ARROW B Capitec Finbond FirstRand INVPLC JDE Netcare Oasis Petmin Pick n Pay PROPXTEN Redefine Satrix 40 Standard Bank</p>
Board members	P Masilo	<p>R Masilo Attorneys</p> <p>Director at: Ekurhuleni Development Company Maxalex Investments (Pty) Ltd Maxalex Property Development (Pty) Ltd</p>
	P Mashele	<p>Non-Executive Director: Centre for Progressive Ideas 1000 shares: Centre for Politics and Research 400 shares: Tshivirikani Enterprise 370 shares: Swakahina Enterprise 500 shares: Thought Capital</p>
	L Shole	<p>Director at: PowerCircle Investment Group (Pty) Ltd Vascoglo (Pty) Ltd Meltora (Pty) Ltd Diamond Investment Holdings (Pty) Ltd Nareflex (Pty) Ltd</p> <p>Financial Interest:</p>

Position	Name	Description of financial interests (Nil or details)
		none
	A Steyn	Director at: n/a Financial Interest: Shares in: Sasol Inzalo Sasol BEE Multichoice MTN Fedsure Telkom
	N Ngwenya	Director at: Ntsele Global Financial Interest: 5 no. of shares – Ntsele Global 20 no. of shares – Ntsele Foods
	K Govender	Director at: Mally Govender and Associates Zukramede (Pty) Ltd Shares in MTN
	M Qobo	Director at: Zivoscan Qobo Destiny Group MUROTRAX MONUMATE Tutwa Consulting Group Financial Interest: 100 shares – Qobo Destiny Group 30 Tutwa Consulting Group Qobo Destiny Trust (Family Trust not active yet)
	P Zagaretos	Director at: Tenurey Bespoke Advisory (Pty) Ltd Ule Investments (Pty) Ltd
Chief executive officer	T Mendrew	Director at: Constitution Hill Development Company (SOC) Ltd Greater Newtown Development Company (SOC) Ltd MAYBORN Investment 73 (Pty) Ltd
Executive managers	D Cohen	Nil
	S Genu	Nil
	C Botes	Nil
Other S57 officials	R Shirinda	Nil
	Z Tshabalala	Audit and Risk Committee Member for Ekurhuleni Metropolitan Municipality and its entities.

ANNEXURE 4: JDA SCORECARD FOR 2016/17³⁵

Key Performance Indicator Overview

Priority 6: Financial Sustainability				
IDP programme	Key Performance Indicator	Evidence	Means of verification	Outcome Statement/s
Capital project management	1. % budget spent on city-wide infrastructure	Invoices received, processed and paid	Financial system management report	A financially viable, effective and well-governed development agency (MoE) that champions the delivery on the City's 2040 GDS Vision
Enhanced corporate governance, through 100% compliance with financial, risk and performance management guidelines	2. Clean audit opinion with a percentage of internal and AG audit findings of the previous financial year resolved	Internal Audit, Annual Financial and Performance reports AG Management Letter	Annual Financial Statement AG Report	

Priority 4: Transforming sustainable human settlements				
IDP programme	Key Performance Indicator	Evidence	Means of verification	Outcome Statement/s
Improved Mobility	3. Number of kilometres of walkway and cycle lanes completed	Physical Inspection 3 rd Party Certificate	Review of Practical Completion certificates (3rd Party Certificate)	Well planned, packaged and implemented projects that catalyse / contribute to the creation high-quality, sustainable urban environments in targeted areas over the MTEF
Compact, integrated and livable urban form and spaces	4. Number of detailed local area plans, detailed local area implementation plans, or area-based studies produced, reviewed or updated	Detailed local area plans, detailed local area implementation plans or area-based studies produced, reviewed or updated ³⁶	JDA Exco approval. Exco minutes. Proof of client sign-off / acceptance	
	5. Number of area-based or sector based partnerships formalised	Area or sector based partnerships, in the form of MoU's, contracts, letters of intent or commitment	JDA Exco approval. Exco minutes.	Improved stakeholder and investor confidence results in increased co-investment and/or 3rd party investment and long-term property values
	6. Number of projects at concept design phase	Project Concept Design report as per JDA/CoJ Standards	JDA Exco approval. Exco minutes. Proof of client sign-off.	Well planned, packaged and implemented projects that catalyse/contribute to the creation high-quality, sustainable urban environments in targeted areas over the MTEF
	7. Number of projects at detailed design phase	Project Design report as per JDA/CoJ Standards	Sign-off on Design Report by Client or PM or Principal Agent	
	8. Number of contracts awarded	JDA BAC Approval (Letter)	Letter of Intent or Acceptance Letter	
9. Number of projects at practical completion	Practical Completion certificates (3rd Party)	Review of Practical Completion certificates (3rd Party Certificate)		

³⁵ Approved by Board Committee post mid-year budget adjustment

³⁶ To JDA and / or CoJ Policy Standards

Priority 4: Transforming sustainable human settlements				
IDP programme	Key Performance Indicator	Evidence	Means of verification	Outcome Statement/s
			Physical inspection	
	10. Number of Area Based Precinct Management business plans / frameworks developed	Area Based Management business plans / frameworks as per JDA/CoJ Standards	JDA Exco approval. Exco minutes. Proof of client sign-off.	Sustainable urban management entrenched through partnership-led models in targeted areas over the MTEF
	11. Number of Media Releases Marketing Projects	Project related Press Releases as reflected on the JDA Website and / or Social Media Platforms with project name and date presented	Press Releases or Social Media Articles Published (Quarterly).	Improved stakeholder and investor confidence results in increased co-investment and/or 3rd party investment and long-term property values
	12. Number of area or project impact (case studies) or performance assessments completed	Impact / performance assessments or case studies per JDA/CoJ Standards	JDA Exco approval. Exco minutes.	Evidence-based transformation of urban spaces that realise their maximum development potential

Priority 1 and 2: Employment creation, investment attraction and retention Informal Economy, SMME and Entrepreneurial support				
IDP programme	Key Performance Indicator	Evidence	Means of verification	Outcome Statement/s
City wide job creation programme - 250 000 jobs by 2016	13. Number of EPWP opportunities as created	EPWP Database	ID copies, contracts or pay slips	Job creation, SMME development and participation and economic transformation contribution accelerated through strategic and targeted procurement programmes
	14. Number of jobs created city-wide	Finalised Work packages Employment database	Name and ID Copies of labourers	
Enterprise Development	15. Percentage of SMME expenditure as a share of total expenditure	SCM verified certificates Contacts awarded	Procurement system report Database of SMME's	

Priority 12: Good governance				
IDP programme	Key Performance Indicator	Evidence	Means of verification	Outcome Statement/s
To improve governance profile of the City	16. % of predetermined objectives achieved	Internal Audit, Annual Financial and Performance reports AG Management Letter	Annual Financial Statement AG Report	A financially viable, effective and well-governed development agency (MoE) that champions the delivery on the City's 2040 GDS Vision
To reduce the levels of corruption in the City	17. % delivery on reported cases of corruption	Fraud and Corruption Investigation Register Strategic Risks Tracking Report	Verification of Strategic Risks Tracking Report by Group Risk and Assurance Services	

Day-to-day Programme				
IDP programme	Key Performance Indicator	Evidence	Means of verification	Outcome Statement/s
Other IDP or Day-to Day programmes	18. Percentage of BBBEE expenditure as a share of total expenditure	All necessary BBBEE information certified by an accredited certification authority ³⁷	Procurement system report	Job creation, SMME development and participation and economic transformation contribution accelerated through strategic and targeted procurement programmes
	19. Percentage spend on JDA operating budget against approved operating budget	Based on invoices received, processed and paid	Financial system report	A financially viable, effective and well-governed development agency (MoE) that champions the delivery on the City's 2040 GDS Vision
	20. Percentage implementation of the strategic risk management plan findings resolved	Strategic Risks Tracking Report	Verification of Strategic Risks Tracking Report	
	21. Percentage implementation new ERP System (SAP)	Implementation Progress Report	JDA Exco approval. Exco minutes SAP Implementation Progress Report (Quarterly)	

³⁷The JDA confirms the validity of BBBEE certificates by verification agencies by tracing the name of the agency to the South African National Accreditation System's list of accredited agencies.

ANNEXURE 5: ACRONYMS AND ABBREVIATIONS

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

ANNEXURE 6: ANNUAL FINANCIAL STATEMENTS



Johannesburg Development Agency (SOC) Ltd
(Registration number 2001/005101/07)
Annual financial statements
for the year ended 30 June 2017

These annual financial statements were prepared by:
Sherylee Moonsamy

Auditor-General of South Africa
Chartered Accountants (S.A.)
Registered Auditors

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Regenerating the City of Johannesburg through facilitating and/or investing in development projects.
DIRECTORS	C Coovadia (Chairperson) Z Mafata (Chief Financial Officer) (Resigned 30 November 2016) K Govender E Harvey (Retired 16 March 2017) P Mashiane (Retired 16 March 2017) P Masilo T Mukhuba (Retired 16 March 2017) N Selamolela (Retired 16 March 2017) W Thwala (Retired 16 March 2017) P Zagaretos L Shole (Appointed 16 March 2017) M Qobo (Appointed 16 March 2017) A Steyn (Appointed 16 March 2017) N Ngwenya (Appointed 16 March 2017) P Mashele (Appointed 16 March 2017)
REGISTERED OFFICE	The Bus Factory 3 Helen Joseph Street Newtown Johannesburg 2000
BUSINESS ADDRESS	The Bus Factory 3 Helen Joseph Street Newtown Johannesburg 2000
POSTAL ADDRESS	P O Box 61877 Marshalltown Johannesburg 2001
CONTROLLING ENTITY	The City of Johannesburg Metropolitan Municipality incorporated in South Africa
BANKERS	Standard Bank of South Africa Limited
AUDITORS	Auditor-General of South Africa Chartered Accountants (S.A.) Registered Auditors
SECRETARY	HR Shirinda
COMPANY REGISTRATION NUMBER	2001/005101/07

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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COID	Compensation for Occupational Injuries and Diseases
CJMM	City of Johannesburg Metropolitan Municipality
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
JDA	Johannesburg Development Agency (SOC) Ltd
ME's	Municipal Entities
MMC	Member of the Mayoral Committee
MFMA	Municipal Finance Management Act
BAC	Bid Adjudication Committee
BRT	Bus Rapid Transit System

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Directors' Responsibilities and Approval

The directors are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal controls aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The directors have reviewed the entity's cash flow forecast for the year to 30 June 2018 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The JDA is wholly dependent on the CJMM for continued funding of operations. The annual financial statements are prepared on the basis that the JDA is a going concern and that the CJMM has neither the intention nor the need to liquidate or curtail materially the scale of the JDA.

Although the directors are primarily responsible for the financial affairs of the JDA, they are supported by the JDA's internal auditors to independently appraise the appropriateness, adequacy and the efficiency of the internal control environment within the JDA.

The external auditors are responsible for independently reviewing and reporting on the JDA's annual financial statements. The annual financial statements have been examined by the JDA's external auditors and their report is presented on page 6.

The annual financial statements set out on pages 7 to 67, which have been prepared on the going concern basis, were approved by the directors on 27 November 2017 and were signed on its behalf by:



C Coovadia (Chairperson)



C Botes (Acting Chief Executive Officer)

Newtown, Johannesburg

27 November 2017

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Audit and Risk Committee Report

We are pleased to present the Audit and Risk Committee Report of the JDA for the financial year ended 30 June 2017; which is in compliance with the Companies Act and the requirements of the MFMA. The Committee has been appointed and has adopted terms of reference that comply with the Companies Act, King Code and MFMA (where applicable to the JDA). These terms have been approved by the JDA Board of Directors, copies of which are available from the Company Secretary on request.

Audit and Risk Committee members and attendance

The Audit and Risk Committee consists of the members listed here under and should meet not less than 4 times per annum as per its approved terms of reference. During the current year ten meetings were held.

Name of member	Number of meetings attended
K Govender (Chairperson)	9/10
N Selamolela (Retired 16 March 2017)	7/8
T Mukhuba (Retired 16 March 2017)	3/8
M Qobo (Appointed 16 March 2017)	2/2
A Steyn (Appointed 16 March 2017)	2/2
M Dolamo (Independent Audit & Risk member)	10/10
K Onuoka (Independent Audit & Risk member)	10/10
Z Samsam (Independent Audit & Risk member)	7/10

Audit and risk committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King Report on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee and management with assurance that the internal controls are appropriate, adequate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations thereof. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Evaluation of the annual financial statements

The Audit and Risk committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the directors;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices ;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit; and considered appropriateness of accounting policies and any changes made.

Internal audit

The Audit and Risk committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits. The Audit and Risk Committee has;

- Approved the three year strategic rolling plan and the annual internal audit plan;
- Received and reviewed internal audit reports concerning the effectiveness and adequacy of the internal control environment, systems and processes;
- Reviewed the adequacy and appropriateness of management's corrective actions and implementation progress of such action plans; and
- Reviewed the internal audit function capacity and made recommendations.

Johannesburg Development Agency (SOC) Ltd

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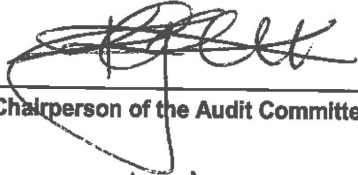
Annual Financial Statements for the year ended 30 June 2017

Audit and Risk Committee Report

Risk management and compliance

The Audit and Risk Committee has:

- Reviewed the compliance framework and the risk management framework;
- Reviewed the JDA's strategic, operational, fraud, IT and compliance risks;
- Determined the levels of risk appetite and monitoring that risks are managed within the pre-determination levels; and
- Reviewed and monitored the risk management processes to ensure that management implements appropriate risk management mitigation strategies.



Chairperson of the Audit Committee

Date: 27/11/2017



Report of the Auditor General

To the Provincial Legislature of Johannesburg Development Agency (SOC) Ltd

**Auditor-General of South Africa
Registered Auditors**

27 November 2017

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Directors' Report

The directors submit their report for the year ended 30 June 2017.

1. INCORPORATION

The entity was incorporated in terms of the Companies Act 61 of 1973 on 07 March 2001 and obtained its certificate to commence business on the same day. The entity is a state-owned company as defined in the Companies Act No. 71 of 2008.

2. REVIEW OF ACTIVITIES

Main business and operations

The company is a Municipal Entity as contemplated in Local Government: Municipal Systems Act 32 of 2000. The principal objective of the company is to initiate, stimulate and support development projects that rejuvenate economic activity throughout the Johannesburg Metropolitan area. Its activities and interventions are directed at the urban and economic regeneration through large and small scale, multi-faceted capital infrastructure developments to achieve a spatially restructured city which promotes liveability, economic growth and an efficient and competitive, multi-use environments.

As an agency of the CJMM, the JDA obtains its mandate from the CJMM, acting through the Executive Mayor and Council. Acting through its Board of Directors, it is accountable to the Member of Mayoral Committee for Development Planning, who exercises political oversight and to whom the JDA undertakes service delivery and compliance reporting in respect of its scorecard. As an agency, JDA interacts closely with the CJMM's various departments and municipal entities in respect of their functional interests in development activities. The JDA operates in accordance with the Growth and Development Strategy principles of its parent municipality. Its overall functions are guided by the CJMM's existing plans, and spatial and economic frameworks.

The service delivery mandate is articulated in the Service Delivery Agreement (SDA) with the CJMM which serves as a shareholder compact with its parent municipality.

JDA manages its resources judiciously, adhering to the prescripts of its Supply Chain Management policies. To that end, the JDA follows best practice, balancing the need to support suppliers and ensure their continued survival and sustainability while simultaneously ensuring timeous delivery and execution of its activities, ensuring value for money is received.

Net surplus of the entity for the financial year is R2 145 627 (2016: surplus R2 753 601).

Fraud Hotline

As part of its endeavours to curb fraud and corruption in its activities, the entity maintains an anti-corruption Anonymous Tip-off Hotline which is managed by the City of Johannesburg Metropolitan Municipality. The JDA encourages all its stakeholders to use the Hotline to report incidents of fraud, corruption and maladministration. For the period under review the JDA received no tip-offs from members of the public. The detail of the one case for 2016 is as follows:

2016

An allegation was made through the fraud hotline regarding the awarding of a tender for one of the JDA's projects to a bidder with issues of historic poor performance. The matter is being investigated and is in reporting stage.

2015

A case was reported to the Chief Audit Executive by a whistle-blower about a possible conflict of interest relating to a JDA official who works in the ARP. The conflict of interest relate to a JDA official who works in the ARP indirectly doing business with the Gauteng Provincial Government. The matter has been investigated and then referred to CJMM as the employer of the ARP employee to take disciplinary charges.

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Directors' Report

3. GOING CONCERN

The JDA is dependent on the CJMM to fund its operations as it earns revenue from management fees from CJMM's capital projects.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the entity to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to receive funding for the ongoing operations for the entity from its controlling entity, the CJMM.

4. EVENTS AFTER THE REPORTING DATE

Subsequent to the first submission of the financial statements, there was one non-adjusting and one adjusting event after the reporting date.

After ten years of service to the JDA, including both as a CEO and as an Executive Manager: Risk and Compliance, the CEO of the JDA resigned from the organisation. His last working day will be the 31st August 2017. The Executive Manager: Development Facilitation has been appointed in an acting capacity until the position is filled. This was a non-adjusting event

A litigation matter whereby the CJMM and the JDA were served with a summons by Tembu Convenience Centre CC, trading as a convenience store and Engen Fuel dealership, for loss of income estimated at R17.8 million as a result of BRT construction works has been finalised as a judgement was passed in September 2017. The judgement was in the favor of the JDA and the CJMM and resulted in no financial liability.

Other than above, the accounting officer is not aware of any matter or event arising since the end of the reporting period and the date of this report, which will significantly affect the financial position and the results of the entity's operations.

5. CONTINGENT LIABILITIES

The JDA is involved in several legal proceedings. The outcome of these legal proceedings cannot as yet be determined. Details of contingent liabilities are disclosed in note 33 .

Included in the contingencies is the matter regarding the Grayston Pedestrian Bridge scaffolding collapse. On 14 October 2015 the scaffolding work into the Grayston Drive Pedestrian and Cyclist structural bridge collapsed which resulted in the loss of life and other damages.

Due to the nature of the incident, the Department of Labour (DOL) has to conduct a formal inquiry in terms of section 32 of the Occupational Health and Safety Act 85 of 1993 to determine the causes for the collapse of the scaffolding works.

The inquiry commenced on 7 July 2016 and a Commissioner has been appointed by the DOL. The matter has been delayed and is still ongoing.

6. FRUITLESS AND WASTEFUL EXPENDITURE

The organisation had incurred no fruitless and wasteful expenditure in the current year. Details of the fruitless and wasteful expenditure incurred in the prior year is disclosed in Note 41.

7. IRREGULAR EXPENDITURE

Irregular expenditure to the value of R4,260,658 was incurred during the current year . Details of the irregular expenditure incurred in the current and prior year is disclosed in Note 42 .

8. ACCOUNTING POLICIES

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

Johannesburg Development Agency (SOC) Ltd

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Annual Financial Statements for the year ended 30 June 2017

Directors' Report

9. CONTRIBUTION FROM SHAREHOLDER

There were no changes in the authorised or issued share capital of the entity during the year under review.

An operating subsidy was provided to the entity by the shareholder during the year and except for this, no other contributions were received during the year.

10. DIRECTORS' PERSONAL FINANCIAL INTERESTS

All Directors have made the declarations of their business interest and signed their annual declarations of interests. No director is involved in any undertaking or entity which is in direct competition or whose activities are in conflict with the interests of the company. No director of the company declared any personal financial interest in any contracts considered and entered into by the company during the period under review.

11. DIRECTORS

The directors of the entity during the year and to the date of this report are as follows:

Name	Nationality	Changes
C Coovadia (Chairperson)	South African	
T Mendrew (Chief Executive Officer)	South African	Resigned 31 August 2017
Z Mafata (Chief Financial Officer)	South African	Resigned 30 November 2016
K Govender	South African	
E Harvey	South African	Resigned 16 March 2017
P Mashiane	South African	Resigned 16 March 2017
P Masilo	South African	
T Mukhuba	South African	Resigned 16 March 2017
N Selamolela	South African	Resigned 16 March 2017
W Thwala	South African	Resigned 16 March 2017
P Zagaretos	South African	
L Shole	South African	Appointed 16 March 2017
M Qobo	South African	Appointed 16 March 2017
A Steyn	South African	Appointed 16 March 2017
N Ngwenya	South African	Appointed 16 March 2017
P Mashele	South African	Appointed 16 March 2017

12. SECRETARY

The company secretary of the entity is HR Shirinda of:

Business address

The Bus Factory
3 Helen Joseph Street
Newtown
Johannesburg
2000

Postal address

P O Box 61877
Marshalltown
Johannesburg
2001

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Directors' Report

13. CORPORATE GOVERNANCE

General

The Board of directors are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the directors supports the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa. The directors discuss the responsibilities of management in this respect, at Board meetings and monitor the entity's compliance with the code, the Companies Act and MFMA on a quarterly basis.

The salient features of the entity's adoption of the Code is outlined below:

Board of directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
 - nine non-executive directors (2016: nine non-executive directors), all of whom are independent directors as defined in the Code. No director is a disqualified person in terms of Section 93F of the Municipal Systems Act; and
 - one executive directors (2016: two executive directors), the Chief Executive Officer and the Chief Financial Officer. The Chief Financial Officer had resigned on the 30 November 2016.
- has established a Board directorship training programme through the annual induction programme and attendance of applicable courses for directors with the Institute of Directors.

Board Chairperson and Chief Executive Officer

The Board Chairperson is a non-executive and independent director and is not in employment of the company, or its parent municipality (as defined by the Code and the Municipal Systems Act).

The roles of Chairperson and Chief Executive Officer are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion. The powers and duties of the Chief Executive Officer are properly delegated and are contained in a written delegation of duties document. Although functionally reporting to the Chief Executive Officer, the Chief Financial Officer is a full member of the Board and owes fiduciary duties to the entity and the entire Board in relation to the prudent financial management of the entity.

HR and Remuneration Committee

The members of the HR and Remuneration Committee are Mr M Qobo, Mr P Masilo, Ms L Shole and Mr P Mashele. The Chairperson of the HR and Remuneration Committee is Mr M Qobo who is a non-executive director. The HR and Remuneration Committee has met on five occasions during period under review to review matters necessary to fulfil their role. During the year under review the changes to the committee included the retirement of Ms N Selamolela, Dr E Harvey, Mr T Mukhuba and D Thwala and the appointment of Mr M Qobo, Ms L Shole and Mr P Mashele.

The upper limits of the remuneration of the Chief Executive Officer, and the Chief Financial Officer, who are the only two executive directors of the entity, are determined by CJMM, and the directors will determine the remuneration within the above mentioned limits.

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Directors' Report

Development and Investment Committee

The members of the Development and Investment Committee are: Mr C Coovadia, Mr K Govender Mr P Zagaretos, Mr A Steyn, Ms L Shole, Ms N Ngwenya and Mr T Mendrew. The Chairperson of the Development and Investment Committee is Mr P Zagaretos, who is a non-executive director. The Development and Investment Committee met on four occasions during period under review to review matters necessary to fulfil its role. During the year under review the changes in the committee included the retirement of Ms P Mashiane and Mr D Thwala and the appointment of Mr A Steyn, Ms L Shole and Ms N Ngwenya .

Audit and Risk Committee

The members of the Audit and Risk Committee are: Mr K Govender, Ms M Dolamo, Ms K Onuoka, Mr Z Samsam, Mr M Qobo and Mr A Steyn. The Chairperson of the Audit and Risk committee is Mr K Govender, who is a non-executive director. The committee has three independent members i.e: Ms K Onuoka, Ms M Dolamo and Mr Z Samsam. The Audit Committee has met on eight occasions during period under review to review matters necessary to fulfil its role including recommending the annual financial statements to the Board for approval. The Chief Executive Officer and Chief Financial Officer are not members of the Audit and Risk Committee but have a standing invitation to attend meetings. During the current year under review the changes in the committee included the retirement of Ms N Selamolela and Mr T Mukhuba and the appointment of Mr M Qobo and Mr A Steyn.

Social and Ethics Committee

The members of the Social and Ethics Committee are Mr P Masilo, Mr P Zagaretos, Mr P Mashele, Ms N Ngwenya and Mr Mendrew. The Chairperson of the Social and Ethics Committee is Mr P Mashele who is a non-executive director. The Social and Ethics Committee met on four occasions during period under review to review matters necessary to fulfil their role. During the current year under review the changes in the committee included the retirement of Ms P Mashiane, Dr E Harvey and Mr D Thwala and the appointment of Mr P Mashele and Ms N Ngwenya .

14. CONTROLLING ENTITY

The JDA's controlling entity is The City of Johannesburg Metropolitan Municipality incorporated in South Africa.

15. SPECIAL RESOLUTIONS

None.

16. BANKERS

The management of the treasury function within the Company is managed under the auspices of the CJMM's Treasury department and Assets and Liabilities Committee. The current bankers are Standard Bank of South Africa Limited.

17. AUDITORS

Auditor-General of South Africa, Johannesburg will continue in office in accordance with the Public Audit Act No 25, section 92 of the MFMA and section 90 of the Companies Act.

18. INTERNAL AUDIT

The entity has established an internal audit function which is headed by a Chief Audit Executive. This is as per Circular 65 of the MFMA.

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Company Secretary's Certification

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

HR Shirinda
Company Secretary

Newtown, Johannesburg
31 August 2017

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Position as at 30 June 2017

Figures in Rand	Note(s)	2017	2016
Assets			
Current Assets			
Trade and other receivables from exchange transactions	3	1 132 970 248	873 681 388
VAT receivable	4	31 434 609	-
Cash and cash equivalents	5	2 170	638 330
		1 164 407 027	874 319 718
Non-Current Assets			
Property, plant and equipment	6	7 020 191	8 496 462
Intangible assets	7	14 846 916	6 776 984
Deferred tax	8	2 151 955	1 908 668
		24 019 062	17 182 114
Total Assets		1 188 426 089	891 501 832
Liabilities			
Current Liabilities			
Loans from shareholders	9	248 602 144	141 042 337
Finance lease obligation	10	523 571	573 034
Payables from exchange transactions	11	814 457 203	634 531 247
VAT payable	12	-	1 759 240
Provisions	13	4 455 469	3 282 653
Project Funds payable	14	31 882 603	24 384 979
Bank overdraft	5	1 083	867
		1 099 922 073	805 574 357
Non-Current Liabilities			
Finance lease obligation	10	99 158	483 510
Deferred tax	8	15 866 712	15 051 446
		15 965 870	15 534 956
Total Liabilities		1 115 887 943	821 109 313
Net Assets		72 538 146	70 392 519
Contribution from shareholder	15	16 277 624	16 277 624
Accumulated surplus		56 260 522	54 114 895
Total Net Assets		72 538 146	70 392 519

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Statement of Financial Performance

Figures in Rand	Note(s)	2017	2016
Revenue			
Rendering of services	16	69 006 423	70 740 593
Tender fee income	17	1 174 127	1 190 392
Rental income	17	317 766	358 352
Sundry income	17	112 491	1 049 622
Interest received	18	-	35 817
Government grants and subsidies	19	26 695 000	22 382 000
Recovery of non-current and intangible assets expenditure	16	-	9 080 135
Total revenue		97 305 807	104 836 911
Expenditure			
Employee related costs	20	(62 170 899)	(61 754 144)
Administrative expenses	21	(2 030 864)	(2 183 911)
Depreciation and amortisation	22	(4 504 700)	(2 201 222)
Finance costs	23	(111 278)	(3 115 583)
Lease rentals on operating lease	24	(56 686)	-
Debt impairment	25	(92 375)	-
General Expenses	26	(25 536 135)	(30 509 479)
Total expenditure		(94 502 937)	(99 764 339)
Operating surplus		2 802 870	5 072 572
Loss on disposal of assets	28	(85 265)	(87 471)
Surplus before taxation		2 717 605	4 985 101
Taxation	29	(571 978)	(2 231 500)
Surplus for the year		2 145 627	2 753 601

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Statement of Changes in Net Assets

Figures in Rand	Contribution from shareholder	Share premium	Total share capital	Accumulated surplus	Total net assets
Balance at 01 July 2015	60	16 277 564	16 277 624	51 361 294	67 638 918
Changes in net assets					
Surplus for the year	-	-	-	2 753 601	2 753 601
Total changes	-	-	-	2 753 601	2 753 601
Balance at 01 July 2016	60	16 277 564	16 277 624	54 114 895	70 392 519
Changes in net assets					
Surplus for the year	-	-	-	2 145 627	2 145 627
Total changes	-	-	-	2 145 627	2 145 627
Balance at 30 June 2017	60	16 277 564	16 277 624	56 260 522	72 538 146
Note(s)	15	15	15		

Johannesburg Development Agency (SOC) Ltd

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Annual Financial Statements for the year ended 30 June 2017

Cash Flow Statement

Figures in Rand	Note(s)	2017	2016
Cash flows from operating activities			
Receipts			
Grants		26 695 000	22 382 000
Interest received		-	35 817
Other receipts incl. Tender fee income, rental income and sundry income		1 343 102	2 108 709
Cash receipts from CAPEX funding		1 285 709 873	1 668 489 489
		<u>1 313 747 975</u>	<u>1 693 016 015</u>
Payments			
Employee costs		(60 881 867)	(62 179 942)
Suppliers		(1 356 805 631)	(1 660 668 792)
Finance costs		-	(3 115 583)
		<u>(1 417 687 498)</u>	<u>(1 725 964 317)</u>
Net cash flows from operating activities	30	<u>(103 939 523)</u>	<u>(32 948 302)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(664 430)	(3 157 061)
Purchase of other intangible assets	7	(10 516 821)	(6 945 342)
Net cash flows from investing activities		<u>(11 181 251)</u>	<u>(10 102 403)</u>
Cash flows from financing activities			
Movement in project funds payable		7 497 624	20 043 921
Proceeds of shareholders loan		107 559 807	17 991 469
Finance lease payments		(573 033)	(507 483)
Net cash flows from financing activities		<u>114 484 398</u>	<u>37 527 907</u>
Net increase/(decrease) in cash and cash equivalents		(636 376)	(5 522 798)
Cash and cash equivalents at the beginning of the year		637 463	6 160 261
Cash and cash equivalents at the end of the year	5	<u>1 087</u>	<u>637 463</u>

Johannesburg Development Agency (SOC) Ltd

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Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Rendering of services	84 426 000	(8 226 000)	76 200 000	69 006 423	(7 193 577)	47
Tender fee income	850 000	-	850 000	1 174 127	324 127	47
Rental income	360 000	-	360 000	317 766	(42 234)	
Sundry income	1 977 000	(1 527 000)	450 000	112 491	(337 509)	
Total revenue from exchange transactions	87 613 000	(9 753 000)	77 860 000	70 610 807	(7 249 193)	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	16 942 001	9 753 000	26 695 001	26 695 000	(1)	
Total revenue	104 555 001	-	104 555 001	97 305 807	(7 249 194)	
Expenditure						
Employee related costs	(66 785 309)	-	(66 785 309)	(62 170 899)	4 614 410	47
Administration expenses	(366 276)	-	(366 276)	(2 030 864)	(1 664 588)	
Depreciation and amortisation	(1 228 361)	-	(1 228 361)	(4 504 700)	(3 276 339)	
Finance costs	(6 959 000)	-	(6 959 000)	(111 278)	6 847 722	47
Lease rentals on operating lease	(2 088 110)	-	(2 088 110)	(56 686)	2 031 424	
Debt Impairment	-	-	-	(92 375)	(92 375)	
General expenses	(27 102 945)	-	(27 102 945)	(25 536 135)	1 566 810	47
Total expenditure	(104 530 001)	-	(104 530 001)	(94 502 937)	10 027 064	
Operating surplus	25 000	-	25 000	2 802 870	2 777 870	
Loss on disposal of assets	(25 000)	25 000	-	(85 265)	(85 265)	
Surplus before taxation	-	25 000	25 000	2 717 605	2 692 605	
Taxation	-	-	-	571 978	571 978	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	25 000	25 000	2 145 627	2 120 627	

Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2017

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

Statement of Financial Position

Assets

Current Assets

Trade and other receivables from exchange transactions	871 569 000	-	871 569 000	1 132 970 248	261 401 248	
VAT receivable	-	-	-	31 434 609	31 434 609	
Cash and cash equivalents	638 000	-	638 000	2 170	(635 830)	
	872 207 000	-	872 207 000	1 164 407 027	292 200 027	

Non-Current Assets

Property, plant and equipment	8 496 000	-	8 496 000	7 020 191	(1 475 809)	
Intangible assets	5 755 000	-	5 755 000	14 846 916	9 091 916	
Deferred tax	-	-	-	2 151 955	2 151 955	
	14 251 000	-	14 251 000	24 019 062	9 768 062	

Total Assets

	886 458 000	-	886 458 000	1 188 426 089	301 968 089	
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Liabilities

Current Liabilities

Loans from shareholders	141 042 000	-	141 042 000	248 602 144	107 560 144	
Finance lease obligation	573 000	-	573 000	523 571	(49 429)	
Payables from exchange transactions	637 620 000	-	637 620 000	814 457 202	176 837 202	
Provisions	-	-	-	4 455 469	4 455 469	
Project Funds payable	-	-	-	31 882 603	31 882 603	
Bank overdraft	-	-	-	1 083	1 083	
	779 235 000	-	779 235 000	1 099 922 072	320 687 072	

Non-Current Liabilities

Loans from shareholders	38 295 000	-	38 295 000	-	(38 295 000)	
Finance lease obligation	170 000	-	170 000	99 158	(70 842)	
Deferred tax	314 000	-	314 000	15 866 712	15 552 712	
Provisions	3 283 000	-	3 283 000	-	(3 283 000)	
	42 062 000	-	42 062 000	15 965 870	(26 096 130)	

Total Liabilities

	821 297 000	-	821 297 000	1 115 887 942	294 590 942	
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Net Assets

	65 161 000	-	65 161 000	72 538 147	7 377 147	
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Net Assets

Net Assets Attributable to Owners of Controlling Entity

Contribution from shareholder	16 277 624	-	16 277 624	16 277 624	-	
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Reserves

Accumulated surplus	48 883 376	-	48 883 376	56 260 523	7 377 147	
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Total Net Assets

	65 161 000	-	65 161 000	72 538 147	7 377 147	
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Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Grants	16 942 000	9 752 999	26 694 999	26 695 000	1	
CAPEX funding and other income	1 680 387 000	(9 752 999)	1 670 634 001	1 287 052 975	(383 581 026)	
	1 697 329 000		- 1 697 329 000	1 313 747 975	(383 581 025)	
Payments						
Employee costs & Supplier payments	(1 723 995 000)		-(1 723 995 000)	(1 417 687 498)	306 307 502	
Finance costs	(7 099 000)		(7 099 000)	-	7 099 000	
	(1 731 094 000)		-(1 731 094 000)	(1 417 687 498)	313 406 502	
Net cash flows from operating activities	(33 765 000)		- (33 765 000)	(103 939 523)	(70 174 523)	
Cash flows from investing activities						
Purchase of property, plant and equipment	-	-	-	(664 430)	(664 430)	
Purchase of other intangible assets	(9 080 000)	-	(9 080 000)	(10 516 821)	(1 436 821)	
Net cash flows from investing activities	(9 080 000)		(9 080 000)	(11 181 251)	(2 101 251)	
Cash flows from financing activities						
Movements in Projects Funds Payable	-	-	-	7 497 624	7 497 624	
Repayment of shareholders loan	42 208 000	-	42 208 000	107 559 807	65 351 807	
Finance lease payments	-	-	-	(573 033)	(573 033)	
Net cash flows from financing activities	42 208 000		42 208 000	114 484 398	72 276 398	
Net increase/(decrease) in cash and cash equivalents	(637 000)	-	(637 000)	(636 376)	624	
Cash and cash equivalents at the beginning of the year	637 000	-	637 000	637 463	463	
Cash and cash equivalents at the end of the year	-	-	-	1 087	1 087	

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Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

a. Trade receivables and/or loans and receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

b. Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets and intangible assets.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors.

c. Performance bonus

Bonus provision was raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 13 - Provisions. The estimate includes all employees that were still in the JDA's employ as at year end and is based on the current year salary packages and the last approved performance scores (i.e. prior years performance bonus scores approved). These estimates are apportioned for all new employees and where no approved scores are available, an average of 8% was used.

d. Useful lives of property, plant and equipment and intangible assets

The entity's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and intangible assets. This estimate is based on an industry norm. Management will adjust the depreciation charge where useful lives are less than previously estimated useful lives.

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Annual Financial Statements for the year ended 30 June 2017

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

e. Effective interest rate

The entity used the prime interest rate to discount future cash flows.

f. Allowance for impairment

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

g. Relationship with majority shareholder and classification as principal

The JDA is an agency of the CJMM as a municipal entity. The JDA implements capital projects as part of the City's infrastructure programme. The CJMM makes capital budget available for these projects. The JDA contracts with suppliers and delivers these projects. The JDA pays suppliers, and then claims the capital expenditure against the budget from the CJMM. The CJMM then reimburses the JDA including a pre-determined rate of management fees, after the invoices have been submitted and scrutinised as correct.

Since the JDA does not capitalise any of these assets in its financial statements and CJMM recognises these as either Work-in-Progress or completed assets, i.e. as invoices are sent for reimbursement, the JDA is of the view that this revenue, which is received in arrears, cannot be classified as 'grant revenue'. Furthermore, CJMM does not recognise this as an expense paid to the JDA or grant. CJMM benefits totally from all implementation work done by the JDA, as at the completion of each project they add yet another asset to their register. The JDA bears all the contractual risk with the suppliers and regardless of any defaults in claims received from the controlling entity, the JDA will be liable to the suppliers for actual work performed. The only assets in the JDA's financials is a motor vehicle, computer equipment, furniture and fittings, office equipment and improvements to the office building. All these are paid from the operational funding and capitalised in the statement of financial position.

h. Project funds payable

Funds held for the purchase of land was transferred to the project funds payable from the Funds Held by the City. BRT Land was identified and these will be purchased once all the necessary processes have been completed. The current year project funds payable was then classified as current liabilities as these funds will be utilised in the next twelve months. Refer to note 14 for details.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

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Accounting Policies

1.3 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is unrecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the supply of services.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10-15
Motor vehicles	Straight line	8
Office equipment	Straight line	6-15
IT equipment	Straight line	5-15
Leasehold improvements	Straight line	20
Computer equipment - servers	Straight line	6-15
Leased assets - printers	Straight line	3

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend previous estimate unless expectations differ from the previous estimate.

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Accounting Policies

1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised initially at cost when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Licenses	1 year
Computer software, internally generated	8-10 years
Computer software, other	8 years
Intangible assets under development	nil years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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Accounting Policies

1.4 Intangible assets (continued)

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

1.5 Financial instruments

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Cash and cash equivalents	Financial asset measured at fair value
Trade and other receivables from exchange transactions	Financial asset measured at fair value

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Trade and other payables from exchange transactions	Financial liability measured at amortised cost
Loans to/(from) shareholder	Financial liability measured at amortised cost
Other financial liabilities	Financial liability measured at amortised cost
Finance lease liabilities	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using initial cost accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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Accounting Policies

1.5 Financial instruments (continued)

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following category:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

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Accounting Policies

1.5 Financial instruments (continued)

Derecognition

Financial assets

The entity derecognises financial assets using the initial cost accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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Accounting Policies

1.6 Tax (continued)

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses and unused STC credits to the extent that it is probable that future taxable surplus will be available against which the unused tax losses and unused STC credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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Accounting Policies

1.7 Leases (continued)

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

1.8 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

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Accounting Policies

1.8 Impairment of non-cash-generating assets (continued)

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.9 Contribution from shareholder

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

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1.10 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.11 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

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1.11 Provisions and contingencies (continued)

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 33.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments, which is disclosed in note 32.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

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1.13 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

Interest

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.14 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

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1.14 Revenue from non-exchange transactions (continued)

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Government grants

Government grants Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt.

When government remit grants on a re-imburement basis, revenue, is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Capital grants are funds due from the CJMM for capital expenditure incurred on projects.

The monthly expenditure incurred for each project is accounted for as work in progress. The monthly equivalent of the work in progress is claimed from the CJMM.

Transfers

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

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1.14 Revenue from non-exchange transactions (continued)

Debt forgiveness and assumption of liabilities

The entity recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Services in-kind

Services received in kind are recognised as revenue and as an asset as and when incurred.

1.15 Related parties

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Relationships between parents and subsidiaries shall be disclosed irrespective of whether there have been transactions between those related parties. An entity shall disclose the name of the entity's parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

The JDA is a subsidiary of the CJMM and as a result is classified as a municipal entity. The JDA has identified the controlling entity and all fellow controlled entities as related parties and all related party transactions and balances are disclosed accordingly.

Employees identified as key personnel are all employees on the executive management committee of the JDA. Details of transactions with these individuals are included in the employee costs note.

1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

The JDA has a sweeping arrangement with CJMM Treasury Department thus interest incurred on the sweeping account is accounted for as a finance cost.

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as income in the statement of financial performance.

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1.18 Unauthorised expenditure (continued)

Unauthorised expenditure that was incurred and identified during the current financial year and which was not condoned by the Council or the Board of Directors or the relevant authority must be recorded appropriately in the unauthorised expenditure register. If liability for the unauthorised expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The unauthorised expenditure register must also be updated accordingly. If the unauthorised expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the unauthorised expenditure register.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as income in the statement of financial performance.

Fruitless and wasteful expenditure excludes finance charges on the sweeping account and finance leases.

1.20 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was written off before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned/written off in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned/written off by the CJMM, JDA Board of Directors or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.21 Accumulated Surplus

The accumulated surplus represents the net difference between the total assets and total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

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1.22 Change in estimates and errors

The effect of a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in; the
-period of the change, if the change affects that period only, or
-the period of the change and future periods, if the change affects both.

All material prior period errors are corrected retrospectively in the first set of financial statements authorised for issue after the discovery by management by;

- restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

However, if it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity must restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Further, if it is impracticable to determine the cumulative effect, the beginning of the current period, of an error on all prior periods, the entity must restate the comparative information to correct the error prospectively from the earliest date practicable.

1.23 Budget information

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2016/07/01 to 2017/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.24 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.25 Loan to/(from) shareholder

These include loans to and from the controlling municipality (City of Johannesburg Metropolitan Municipality) and are recognized initially at fair value plus direct transaction costs.

Loans to controlling municipality are classified as loans and receivables.

Loans from controlling municipality are classified as financial liabilities measured at amortised cost.

1.26 VAT Receivable/(Payable)

VAT is an indirect tax based on the consumption in the economy. Vendors act as the agent of the government in collecting the VAT charged on taxable transactions. SARS is a government agency which administers the VAT Act and ensures that the tax is collected and that the tax law is properly enforced.

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1.26 VAT Receivable/(Payable) (continued)

The generally accepted essential characteristics of a VAT type transaction are as follows:

- The tax applies generally to transactions related to goods and services.
- It is proportional to the price charged for the goods and services.
- It is charged at each stage of the production and distribution process.
- The taxable person (vendor) may deduct the tax paid during the preceding stages (i.e. the burden of the tax is on the final consumer)

VAT is only charged on taxable supplies made by a vendor. Taxable supplies include supplies for which VAT is charged at either the standard rate or zero rate, but does not include:

- salaries and wages;
- hobbies or any recreational pursuits (not conducted in the form of a business);
- exempt supplies (as defined in the VAT Act).

The South African VAT is destination based, which means that only the consumption of goods and services in South Africa is taxed. VAT is therefore paid on the supply of goods or services in South Africa as well as on the importation of goods into South Africa. VAT is currently levied at the standard rate of 14% on most supplies and importations, but there is a limited range of goods and services which are either exempt, or which are subject to tax at the zero rate (for example, exports are taxed at 0%). The importation of services is only subject to VAT where the importer is not a vendor, or where the services are imported for private, exempt or other non-taxable purposes. Certain imports of goods or services are exempt from VAT.

VAT is recognised on the earlier of receipt of payment or invoice. The vendor reports to SARS at the end of every tax period on a VAT 201 return, where the input tax incurred for the tax period is offset against the output tax collected for the tax period and the balance is paid to SARS. It sometimes occurs that the result of the calculation for the tax period is a refund, instead of an amount payable to SARS. Refunds must be paid by SARS within 21 working days of receiving the correctly completed refund return, otherwise interest at the prescribed rate is payable by SARS to the vendor. However, interest is not paid if certain conditions are not met.

The JDA accounts for VAT in the invoice basis.

At the end of each month the amount owing to or from SARS is recognised as the net effect of of output tax earned and input tax incurred.

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2. NEW STANDARDS AND INTERPRETATIONS

2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 34: Separate Financial Statements	01 April 2019	Unlikely there will be a material impact
• GRAP 35: Consolidated Financial Statements	01 April 2019	Unlikely there will be a material impact
• GRAP 36: Investments in Associates and Joint Ventures	01 April 2019	Unlikely there will be a material impact
• GRAP 37: Joint Arrangements	01 April 2019	Unlikely there will be a material impact
• GRAP 38: Disclosure of Interests in Other Entities	01 April 2019	Unlikely there will be a material impact
• GRAP 110: Living and Non-living Resources	01 April 2019	Unlikely there will be a material impact
• GRAP 12 (as amended 2016): Inventories	01 April 2018	Unlikely there will be a material impact
• GRAP 27 (as amended 2016): Agriculture	01 April 2018	Unlikely there will be a material impact
• GRAP 31 (as amended 2016): Intangible Assets	01 April 2018	Unlikely there will be a material impact
• GRAP 103 (as amended 2016): Heritage Assets	01 April 2018	Unlikely there will be a material impact
• GRAP 110 (as amended 2016): Living and Non-living Resources	01 April 2018	Unlikely there will be a material impact
• Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	Unlikely there will be a material impact
• GRAP 20: Related parties	01 April 2017	Unlikely there will be a material impact
• GRAP 26 (as amended 2016): Impairment of cash-generating assets	01 April 2018	Unlikely there will be a material impact
• GRAP 21 (as amended 2016): Impairment of non-cash-generating assets	01 April 2018	Unlikely there will be a material impact
• GRAP 17 (as amended 2016): Property, Plant and Equipment	01 April 2018	Unlikely there will be a material impact

The aggregate impact of the initial application of the statements and interpretations on the entity's annual financial statements are considered as unlikely to have a material impact on the results of the entity with the exception of GRAP 20 Related Parties which may result in additional disclosure than is currently provided in the annual financial statements.

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3. Trade and other receivables from exchange transactions		
Deposits	55 000	55 000
Project Funds Receivable	19 681 780	14 395 540
Rental Debtors	484 572	223 290
Prepaid expenses	47 394	81 175
Staff loans	-	110 375
Related party debtors	1 112 701 502	858 816 008
	1 132 970 248	873 681 388

Deposits paid relate to a utility deposit that is held by City Power for the Bus Factory electricity account.

Projects funds receivable related to funds owing from the National Department of Tourism for the Alexandra Heritage Centre. The initial SLA indicated that payments will be effected based on different stages of the project. However, due to delays in the finalisation of the Business Plan at the National Department of Tourism, only part of the total value had been received. The balance included in Project funds receivable related to capital expenditure that was incurred in the previous and current year. The balance was subsequently invoiced to National Department of Tourism.

Rental debtors consist of the rental outstanding from the Bus Factory tenants. In comparison to the prior year, the rental debtor balances had increased significantly due to outstanding balances at year end. Payments are being received for the balances outstanding, however, not always consistently. The majority of the balance is owing by the Market Theatre that have since vacated the premises. The amount is currently under dispute based on a disagreement with them regarding the payments.

Prepaid expenses relate to computer network costs that was paid in advance.

Related party debtors relate to funds owed by the CJMM and other municipal entities for expenditure incurred on capital projects.

Trade and other receivables pledged as security

No trade and other receivables were pledged as security for the period under review.

Trade and other receivables past due but not impaired

Trade and other receivables are considered individually for impairment. At 30 June 2017, R 429 747 527 (2016: R 77 692 529) were past due because the debtor is the CJMM and the possibility of default is remote.

The ageing of amounts past due but not impaired is as follows:

3 months past due	429 747 527	77 692 529
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4. VAT RECEIVABLE

VAT	31 434 609	-
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5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	2 170	1 196
Standard Bank - Sweeping account	-	637 134
Alexandra Heritage Project funds - overdrawn balance	(1 083)	(867)
	1 087	637 463

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5. CASH AND CASH EQUIVALENTS (continued)

Current assets	2 170	638 330
Current liabilities	(1 083)	(867)
	1 087	637 463

Cash on hand consists of petty cash.

The funds held in the prior year for the Alexandra Heritage Project from the National Department of Tourism related to funds deposited into a separate bank account (Standard Bank) for exclusive use for this project. These funds were all utilised in the prior year. However, after the funds were transferred which cleared out the account and additional bank charge was incurred of R1,083 which resulted in an overdrawn balance of R1,083. The account has remained open until the final balance owing from National Tourism is received.

The sweeping account refers to a sweeping arrangement held with CJMM whereby all cash in the sweeping account is swept on a daily basis to the CJMM's bank account. The prior year balance related mainly to amounts that were not swept by Standard Bank at the end of the financial year. These balances then remained in the bank account and were therefore reported as such at the end of 2015/16.

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2017	30 June 2016	30 June 2015	30 June 2017	30 June 2016	30 June 2015
SBSA - Account type - Current Account 198366	-	637 134	-	-	637 134	-
SBSA - Account type - Current Account Tourism 352543	(1 083)	(867)	6 156 813	(1 083)	(867)	6 156 813
Total	(1 083)	636 267	6 156 813	(1 083)	636 267	6 156 813

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6. PROPERTY, PLANT AND EQUIPMENT

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	2 440 062	(1 481 898)	958 164	2 440 061	(1 282 856)	1 157 205
Motor vehicles	136 013	(136 013)	-	136 013	(136 013)	-
Office equipment	394 474	(137 360)	257 114	371 153	(100 533)	270 620
Computer Equipment	3 176 788	(1 889 441)	1 287 347	3 429 716	(1 610 111)	1 819 605
Leasehold improvements	5 489 305	(2 201 713)	3 287 592	5 489 305	(1 927 303)	3 562 002
Computer Equipment - Servers	1 632 851	(873 434)	759 417	1 446 455	(650 949)	795 506
Leased assets	1 262 900	(792 343)	470 557	1 262 900	(371 376)	891 524
Total	14 532 393	(7 512 202)	7 020 191	14 575 603	(6 079 141)	8 496 462

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 157 205	-	-	(199 041)	958 164
Office equipment	270 620	24 320	(496)	(37 330)	257 114
Computer Equipment	1 819 605	428 800	(25 496)	(935 562)	1 287 347
Leasehold improvements	3 562 002	-	-	(274 410)	3 287 592
Computer Equipment - Servers	795 506	211 310	-	(247 399)	759 417
Leased assets	891 524	-	-	(420 967)	470 557
	8 496 462	664 430	(25 992)	(2 114 709)	7 020 191

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 093 233	260 828	-	(196 856)	1 157 205
Motor vehicles	3 889	-	-	(3 889)	-
Office equipment	176 018	128 105	-	(33 503)	270 620
Computer Equipment	735 670	1 887 179	(87 471)	(715 773)	1 819 605
Leasehold improvements	3 525 012	311 422	-	(274 432)	3 562 002
Computer Equipment - Servers	366 261	569 527	-	(140 282)	795 506
Computer Equipment - Leased Printers	-	1 262 900	-	(371 376)	891 524
	5 900 083	4 419 961	(87 471)	(1 736 111)	8 496 462

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6. PROPERTY, PLANT AND EQUIPMENT (continued)

Pledged as security

None of the above property, plant and equipment have been pledged as security.

Assets subject to finance lease (Net carrying amount)

Leasehold improvements	3 287 592	3 562 002
Printers and copiers	470 557	891 524
	3 758 149	4 453 526

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the entity.

Included in the above property, plant and equipment is a motor vehicle that is fully depreciated at year end. During the reassessment of useful lives the motor vehicle useful life was still assessed at 8 years with the intention of replacing the motor vehicle in the 2016/17 financial year. A operating lease for a new vehicle was entered into in the 2016/17 financial year. Certain disposal methods are still being considered and the vehicle is currently not in use.

7. INTANGIBLE ASSETS

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Licenses	530 781	(59 120)	471 661	285 197	(241 561)	43 636
Computer software, internally generated	1 070 480	(882 604)	187 876	1 819 266	(1 387 954)	431 312
Computer software, other	16 288 057	(2 100 678)	14 187 379	1 022 268	-	1 022 268
Intangible assets under development	-	-	-	5 279 768	-	5 279 768
Total	17 889 318	(3 042 402)	14 846 916	8 406 499	(1 629 515)	6 776 984

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Disposals	Transfers received	Transfers	Amortisation	Total
Licenses	43 636	530 800	-	-	-	(102 775)	471 661
Computer software, internally generated	431 312	-	(56 900)	-	-	(186 536)	187 876
Computer software - other	1 022 268	-	-	15 265 789	-	(2 100 678)	14 187 379
Intangible assets under development	5 279 768	9 986 021	-	-	(15 265 789)	-	-
	6 776 984	10 516 821	(56 900)	15 265 789	(15 265 789)	(2 389 989)	14 846 916

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7. INTANGIBLE ASSETS (continued)

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Licenses	95 066	285 216	(336 646)	43 636
Computer software, internally generated	201 687	358 090	(128 465)	431 312
Computer software, other	-	1 022 268	-	1 022 268
Intangible assets under development	-	5 279 768	-	5 279 768
	296 753	6 945 342	(465 111)	6 776 984

Other information

Intangible assets under construction - 5 279 768

The JDA is currently implementing different phases of the SAP computer software. Phase 1 included project systems being project implementation and supply chain management. The system related to Project Implementation went live in the first quarter of the 2016/17 financial year. In the current financial year, all of the intangible assets under construction were capitalised as other software.

Other intangible assets 16 288 057 1 022 268

Other computer software for the prior year related to a General Risk Control software for Risk Management, Internal Audit and Compliance. In the current year, there was a transfer of intangible assets from the intangible assets under construction to the intangible assets other software as these assets were deemed ready for use.

8. DEFERRED TAX

Deferred tax liability

Property, plant and equipment	(1 288 340)	(1 803 892)
Temporary difference - S24C Allowance	(14 578 372)	(13 247 554)
Total deferred tax liability	(15 866 712)	(15 051 446)

Deferred tax asset

Provisions	1 977 591	1 612 836
Leases	174 364	295 832
Deferred tax balance from temporary differences other than unused tax losses	2 151 955	1 908 668
Total deferred tax asset	2 151 955	1 908 668

Deferred tax liability	(15 866 712)	(15 051 446)
Deferred tax asset	2 151 955	1 908 668
Total net deferred tax liability	(13 714 757)	(13 142 778)

Reconciliation of deferred tax asset \ (liability)

At beginning of year	(13 142 778)	(10 911 279)
Originating differences on tangible fixed assets	515 553	(257 428)
Originating differences on the S24C allowance	(1 330 820)	(2 490 785)
Originating differences arising from leases	(121 467)	295 832
Originating differences arising from provisions	364 755	220 882
	(13 714 757)	(13 142 778)

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9. LOANS TO (FROM) SHAREHOLDERS		
Sweeping account	(248 602 144)	(141 042 337)
The company has a sweeping arrangement with the CJMM whereby all cash is swept on a daily basis to the CJMM's bank account. Interest is paid and earned on this account at the CJMM Treasury rate.		
10. FINANCE LEASE OBLIGATION		
Minimum lease payments due		
- within one year	573 033	573 034
- in second to fifth year inclusive	101 734	638 584
	<u>674 767</u>	<u>1 211 618</u>
less: future finance charges	(52 038)	(155 074)
Present value of minimum lease payments	<u>622 729</u>	<u>1 056 544</u>
Present value of minimum lease payments due		
Opening balance	1 056 544	-
Lease obligation current year	139 218	1 564 027
Lease payments	(573 033)	(507 483)
	<u>622 729</u>	<u>1 056 544</u>
Non-current liabilities	99 158	483 510
Current liabilities	523 571	573 034
	<u>622 729</u>	<u>1 056 544</u>

The JDA has leased 20 printer machines from Dalitso Business Equipment (Pty) Ltd and 2 printer machines from Konica Minolta (Pty) Ltd for a period of 3 years as from the 2015/16 financial year. The lease agreement provides for monthly payments of R47,753 in advance and no residual value.

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11. PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade payables	695 753 625	493 283 150
Deposits received from tenants	37 435	44 835
Accrued leave pay	2 607 354	2 476 474
Accrued expenses	5 440 239	1 301 741
Retentions held on construction contracts	105 932 005	126 700 504
Retentions owing to related parties	-	6 252 718
Related parties payables	4 686 545	4 471 825
	814 457 203	634 531 247

Accrued expenses relates to expenditure that was incurred but no invoices was received as yet.

Deposits received from tenants represents deposits held on the initial rental agreements with the Bus Factory tenants.

Accrued leave pay relates to days owed to staff members at the reporting date calculated based on the daily pay rate.

Related party payables relate to funds owed to the CJMM and other entities for expenditure incurred and services rendered by the CJMM and other municipal entities.

Trade payables relate to suppliers payable for work done in the normal course of business. The JDA continues to strive to pay its trade payables within 30 days. However, based on the nature of the implementation of capital projects, the bulk of the expenditure is incurred during the last quarter of the financial year with recognition of these trade payables at year end. This results in a higher than normal trade payables balance at year end and is not necessarily a consistent balance throughout the year.

12. VAT PAYABLE

VAT payable	-	1 759 240
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13. PROVISIONS

Reconciliation of provisions - 2017

	Opening Balance	Additions	Utilised during the year	Total
Provision - Performance bonus	3 282 653	4 729 592	(3 556 776)	4 455 469

Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Provision - Performance bonus	3 207 417	2 146 327	(2 071 091)	3 282 653

The performance management system is designed to ensure that the JDA's business strategy is translated into measurable key performance areas and indicators for employees. At the beginning of each financial year each employee concludes a performance management contract with a scorecard. Although the performance review in respect of the 2016/17 financial year will be completed during August 2017, bonus payments to qualifying employees will only be made after the finalisation of the 2016/17 audit and upon receipt of a unqualified audit report from the Auditor General. In December 2016, a bonus payment was made in relation to the 2015/16 year for all qualifying employees excluding Executive and Senior Managers and in March 2017 for all qualifying Executive and Senior Managers.

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14. PROJECT FUNDS PAYABLE

Projects Funds

Balance at the beginning of the year	24 384 979	4 341 058
Claims for the year	1 458 318 430	1 505 411 734
Expenditure for the year	(1 450 820 806)	(1 485 367 813)
	31 882 603	24 384 979

Funds Payable

BRT funds	6 252 718	-
SHRA	1 244 906	-
BRT Land	24 384 979	24 384 979
	31 882 603	24 384 979

The project funds payable relates to funding that was previously received in advance from CJMM for the implementation of projects. The remaining balances represent the projects that were either implemented below the original estimated costs or recoveries that were received after the completion of the projects.

BRT Land transfer relates to land funds that were previously held in attorney trust accounts and was transferred based on BRT land that was identified in the current year and will be purchased in the following financial year. These costs include the purchase of the land and other related costs.

SHRA funds relate to funds that were received from the Social Housing and Regulatory Association for the implementation of the Land Audit and Agreements for Social and Affordable Housing currently being undertaken by the Development Facilitation department.

15. CONTRIBUTION FROM SHAREHOLDER

Authorised

100 Ordinary Type A shares of R1 each	100	100
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Issued

60 Ordinary Type A shares of R1	60	60
Share premium	16 277 564	16 277 564
	16 277 624	16 277 624

All issued shares are fully paid up by CJMM. CJMM paid a share premium for these shares. The initial amount was issued in 2002 and was R3,489,664. The balance of this amount was paid to the JDA in 2003.

16. REVENUE

Rendering of services	69 006 423	70 740 593
Tender fee income	1 174 127	1 190 392
Rental income	317 766	358 352
Sundry Income	112 491	1 049 622
Interest received	-	35 817
Government grants & subsidies	26 695 000	22 382 000
Recovery of non-current and intangible assets expenditure	-	9 080 135
	97 305 807	104 836 911

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16. REVENUE (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

Rendering of services	69 006 423	70 740 593
Tender fee income	1 174 127	1 190 392
Rental income	317 766	358 352
Sundry income	112 491	1 049 622
Interest received	-	35 817
	70 610 807	73 374 776

The amount included in revenue arising from non-exchange transactions is as follows:

Taxation revenue

Transfer revenue

Government grants & subsidies	26 695 000	22 382 000
Recovery of non-current and intangible assets expenditure	-	9 080 135
	26 695 000	31 462 135

Rendering of Services

Management fees are earned through the rendering of services by the JDA on projects funded by the CJMM and other funders. The JDA's Service Level Agreement with the CJMM and with each of the other funders stipulates the percentage fee to be claimed by the JDA for actual capital expenditure spent. The capital expenditure incurred and the management fees earned are claimed from CJMM on a monthly basis.

Recovery of non-current and intangible assets expenditure

Included in the prior year approved capital budgets is a budget for the purchase of operational assets. This was not included as a capital grant and was included to be reimbursed from CJMM. Included in this expenditure is the initial implementation of SAP ERP system and other fixed assets. This expenditure was incurred during the prior year and claimed from the CJMM Capital Asset Management department. During the current financial year, the operational capital expenditure was required to be funded through the JDA's reserves.

17. OTHER REVENUE

Tender fee income	1 174 127	1 190 392
Rental income - Bus Factory	317 766	358 352
Sundry Income	112 491	1 049 622
	1 604 384	2 598 366

18. INTEREST RECEIVED

Interest revenue

Interest earned on VAT refunds	-	35 817
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19. GOVERNMENT GRANTS AND SUBSIDIES

Operating grants

Government grant (operating)	26 695 000	22 382 000
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20. EMPLOYEE RELATED COSTS

Basic	55 265 255	56 331 164
Bonus	4 303 453	2 427 405
UIF	314 100	281 752
COID	439 238	420 368
SDL	539 953	477 724
Other payroll levies	769 724	697 731
Leave pay accrual charge	539 176	1 118 000
	62 170 899	61 754 144

Included in the employee costs are non-executive director fees as shown in detail in note 31.

Included in the employee costs are the following key management positions:

Remuneration of executive managers	Earnings	Pension	Travel allowance	Annual Bonus	Total
T Mendrew (Chief Executive Officer)	1 805 826	-	-	-	1 805 826
Z Mafata (Chief Financial Officer) (Resigned 31 November 2016)	721 757	-	-	217 313	939 070
D Cohen (EM: Planning & Strategy)	1 193 731	57 174	-	132 769	1 383 674
B Magoso (EM: Corporate Services) (Resigned 31 December 2016)	771 313	36 783	120 000	-	928 096
C Botes (EM: Development Facilitation)	1 068 231	-	30 000	101 846	1 200 077
Z Tshabalala (Chief Audit Executive) (Appointed 01 December 2015)	1 038 212	50 612	-	68 561	1 157 385
R Shirinda (Company Secretary)	1 289 576	52 389	-	169 032	1 510 997
P Mkhize (SDM: Portfolio C) (Appointed 01 February 2017))	448 108	21 498	-	-	469 606
N Mulovhedzi (SDM: Portfolio B) (Appointed 01 October 2016)	940 233	19 048	-	67 506	1 026 787
S Genu (EM: Development Implementation)(Promoted 01 September 2016)	1 275 328	62 172	-	120 549	1 458 049
S Genu (SDM: Portfolio C)(Promoted 01 September 2016)	212 970	8 652	-	118 902	340 524
C Letter (Executive Manager: ARP) (Appointed: 01 March 2017)	416 785	-	-	-	416 785
	11 182 070	308 328	150 000	996 478	12 636 876

21. ADMINISTRATIVE EXPENDITURE

Administration expenses	2 030 864	2 183 911
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Administrative expenditure includes archiving costs and monthly fees paid to Ditlodi Community Co-operative liason officers.

22. DEPRECIATION AND AMORTISATION

Property, plant and equipment	2 114 710	1 736 111
Intangible assets	2 389 990	465 111
	4 504 700	2 201 222

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23. FINANCE COSTS

Trade and other payables - Telkom	209	1
The South African Revenue Service	-	2 991 261
Finance leases	111 069	124 321
	111 278	3 115 583

24. OPERATING LEASE

Current year payments

Lease rentals on vehicle	56 686	-
	56 686	-

Minimum lease payments due

- within one year	108 778	-
- in second to fifth year inclusive	27 194	-
	135 972	-

Operating lease payments represents rental payable by the entity for the use of a motor vehicle . The rental is for a motor vehicle over 10 months at a monthly payment of R9,064.84. The rental period is from the 2nd December 2016 until 1st October 2017.

25. DEBT IMPAIRMENT

Reassessment of staff loans	92 375	-
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Amount written off in the current year relates to a staff loan balance from the prior year. This balance related to payments that were made for staff development to an employee who then subsequently resigned. During the current year, this balance was reconsidered and was classified as study grant and the balance is not regarded as an amount owing by the staff member.

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26. GENERAL EXPENSES		
Advertising	1 052 864	839 818
Auditors remuneration	1 604 613	1 736 379
Bank charges	12 834	22 178
CEO's Special Projects	28 027	9 910
Cellphone Expenses	448 537	504 301
Computer expenses	5 306 555	4 459 250
Consulting and professional fees	2 513 188	2 949 344
Development Facilitation Fees	1 355 275	3 370 168
Hygiene and other services	569 075	1 029 702
Insurance	799 392	555 730
Internal Audit Fees	577 285	651 262
Marketing	1 878 960	3 493 838
Meetings and Entertainment	419 661	307 165
Motor vehicle expenses	19 028	18 180
Placement fees	971 427	1 769 691
Planning and Strategy	1 198 405	1 668 607
Postage costs	-	149
Printing and stationery	628 466	839 712
Project Maintenance Costs	-	156 989
Security (Guarding of municipal property)	3 722 130	2 075 636
Space planning costs	-	255 850
Staff welfare	451 978	1 411 107
Telephone and fax	384 795	410 282
Training	457 481	979 579
Travel - local and foreign	50 120	227 370
Utilities	1 086 039	767 282
	25 536 135	30 509 479
27. AUDITORS' REMUNERATION		
External audit fees	1 604 613	1 736 379
28. LOSS ON DISPOSAL OF ASSETS		
Loss on disposal of assets	85 265	87 471

The loss on disposal of assets relates to assets that were written off. Included in the assets written off is assets that were obsolete or damaged as well the previous Project Implementation system (DMIS).

Included in the assets written off for the prior year is five laptops that were stolen during the financial year as well as any assets that were obsolete or damaged.

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29. TAXATION

Major components of the tax expense

Deferred

Originating and reversing temporary differences 571 978 2 231 500

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28,00 %	28,00 %
Tax effect on permanent differences	0,32 %	(0,53)%
Add: Tax effect of timing differences	(7,66)%	17,29 %
	20,66 %	44,76 %

30. CASH USED IN OPERATIONS

Surplus	2 145 627	2 753 601
Adjustments for:		
Depreciation and amortisation	4 504 700	2 201 222
Loss on disposal of assets	85 265	87 471
Debt impairment	92 375	-
Movements in provisions	1 172 816	75 236
Movement in expenditure - non-cash items	571 978	2 231 500
Movement in expenditure - non-cash items	(66 599)	(26 343)
Interest from finance leases	111 069	124 321
Changes in working capital:		
Trade and other receivables from exchange transactions	(259 288 860)	3 534 938
Trade and other payables from exchange transactions	179 925 955	(19 383 448)
VAT	(33 193 849)	(24 546 800)
	(103 939 523)	(32 948 302)

31. DIRECTORS' EMOLUMENTS

Executive

2017

	Emoluments	Annual bonus	Total
T Mendrew (Chief Executive Officer)	1 805 827	-	1 805 827
Z Mafata (Chief Financial Officer) (Resigned 30 November 2016)	721 757	217 313	939 070
	2 527 584	217 313	2 744 897

2016

	Emoluments	Total
T Mendrew (Chief Executive Officer)	1 703 610	1 703 610
Z Mafata (Chief Financial Officer)	1 407 953	1 407 953
	3 111 563	3 111 563

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31. DIRECTORS' EMOLUMENTS (continued)

Non-executive

2017

	Directors' fees	Retainers	Total
C Coovadia (Chairperson)	147 690	-	147 690
A Steyn	98 998	-	98 998
K Govender	237 816	22 816	260 632
E Harvey	87 864	22 816	110 680
P Mashiane	74 161	22 816	96 977
P Mashele	104 913	-	104 913
L Shole	77 872	-	77 872
M Qobo	114 039	-	114 039
N Ngwenya	101 872	-	101 872
N Selamolela	108 382	22 816	131 198
P Masilo	162 308	22 816	185 124
P Zagaretos	201 298	22 816	224 114
M Dolamo (Independent Audit and Risk Committee Member)	87 460	22 816	110 276
K Onuoka (Independent Audit and Risk Committee Member)	81 756	22 816	104 572
T Mukhuba	59 330	22 816	82 146
W Thwala	75 310	22 816	98 126
Z Samsam (Independent Audit and Risk Committee Member)	47 533	22 816	70 349
	1 868 602	250 976	2 119 578

2016

	Directors' fees	Retainers	Total
C Coovadia (Chairperson)	127 778	45 626	173 404
K Govender	183 680	22 816	206 496
E Harvey	101 543	22 816	124 359
N Maila	73 014	22 816	95 830
P Mashiane	86 710	22 816	109 526
P Masilo	94 706	22 816	117 522
T Mukhuba	21 678	-	21 678
N Selamolela	128 919	22 816	151 735
W Thwala	102 736	22 816	125 552
P Zagaretos	78 680	22 816	101 496
M Dolamo (Independent Audit and Risk Committee member)	20 088	22 816	42 904
B Kelly (Independent Audit and Risk Committee member)	17 112	22 816	39 928
K Onuoka (Independent Audit and Risk Committee member)	11 408	-	11 408
Z Samsam (Independent Audit and Risk Committee member)	34 224	22 816	57 040
	1 082 276	296 602	1 378 878

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32. COMMITMENTS

Authorised capital expenditure

Approved and not yet contracted for

• Jabulani	30 000 000	17 000 000
• Kliptown Renewal Precinct	14 000 000	50 000 000
• Rotunda Park	45 000 000	25 330 000
• Westbury Renewal Precinct	40 000 000	15 000 000
• Alexandra Renewal Projects	10 300 000	48 300 000
• Jukskei River Environmental Upgrading	7 000 000	-
• Balfour Park Transit	-	1 500 000
• Orlando East Station Precinct	-	10 000 000
• Nancefield Station Precinct	20 000 000	5 000 000
• Randburg Precinct Upgrade	30 000 000	7 500 000
• Knowledge Precinct: Auckland Park	10 000 000	100 000 000
• Louis Botha	15 000 000	10 000 000
• Perth Corridor	75 000 000	65 000 000
• Turffontein corridor	60 000 000	70 500 000
• Ivory Park UDF	8 500 000	-
• Alexandra Sports and Youth development	8 500 000	-
• Diepsloot Development	20 000 000	2 000 000
• Operational CAPEX	10 000 000	10 000 000
	403 300 000	437 130 000

Approved and contracted for

• Contractual costs committed for multi-year contracts	1 362 193 640	1 433 044 813
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Total capital commitments

Approved and not yet contracted for	403 300 000	437 130 000
Approved and contracted for	1 362 193 640	1 433 044 813

1 765 493 640 1 870 174 813

The contractual costs committed arise from the related construction work as well as professional services which was contracted for but not yet incurred. This will be funded through capital budget allocations from various departments.

The approved and not yet contracted for commitments arise from the approved capital budget allocated to the JDA in the 2017/18 financial year.

The approved and contracted for commitments consist of the following:

Randburg Precinct	-	8 311 914
Hillbrow Tower Precinct	143 402	194 000
Inner City Core	20 578 618	1 240 976
Kaserne Development	121 549 562	228 594 840
Community Development Corridors of Freedom	104 150 660	32 896 840
Cosmo City Fire Station	-	13 169 062
Brixton Social Cluster	6 279 890	9 690 181
Inner City Commuter Links	-	127 952 922
Central Fire Station	4 204 856	-
Lehae Training Academy & Fire Station	5 838 047	-
Inner City Eastern Gateway	3 566 650	-
Inner City Managed Lanes	2 312 030	-
	268 623 715	422 050 735

Portfolio B:

Orchards Clinic_Corridors of Freedom	7 950 038	10 800 038
Noordgesig Clinic_Corridors of Freedom	-	5 897 196

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32. COMMITMENTS (continued)		
Golden Harvest	-	1 091 526
Kliptown Development	-	24 827 667
Alexandra Heritage Centre	-	2 110 546
Alex Marlboro Automotive	22 447 684	7 938 757
Westbury TDC	33 300 852	2 501 497
Langlaagte Pharmacy	5 466 475	22 118 791
Claremont Clinic	17 465 464	685 944
Parkhurst Clinic	-	1 604 766
Zandspruit Clinic	-	2 276 879
Florida Clinic	28 100 274	1 803 207
Nancefield TOD	12 542 722	30 182 244
Jabulani TOD	10 724 580	11 831 542
Noordgesig Social Cluster	38 311 247	4 508 381
Ebony Park Clinic	33 211 192	1 361 091
Orlando East TOD	-	22 600 000
Rotunda Park	68 223 604	7 298 433
Naledi Clinic	4 391 092	-
Bezuidenhout Clinic	3 031 448	-
Braamfischerville Ext 12	76 436 493	-
Bophelong and Protea South Clinics	3 989 880	-
Balfour Park	3 649 604	-
Diepsloot	4 359 662	-
	373 602 311	161 438 505
Portfolio C:		
Cycle Lanes_Corridors of Freedom	30 339 200	3 650 723
Non-motorised Transport (NMT)	53 959 050	18 041 643
BRT Various	560 079 479	727 628 093
Community Development Libraries	14 740 906	20 723 974
Community Development Community Centres	17 767 431	22 602 244
Community Development Union Stadium	862 099	-
	677 748 165	792 646 677
Portfolio D:		
Thoko Mngoma Clinic	-	8 579 741
4th Avenue Clinic	9 216 026	13 336 050
Old Ikage Housing Project	-	4 984 920
Jukskei River Rehabilitation	580 000	580 000
Open Spaces Development	1 648 940	2 522 758
Vincent Tshabalala Bridge	916 245	2 522 800
Linear Markets: Ivory Park/Alex	23 418 676	17 276 470
	35 779 887	49 802 739
Other projects		
Naming and branding _Corridors of Freedom	-	1 356 489
Integrated Internet Services	964 582	2 172 181
Backup and Disaster Recovery	-	1 850 868
Supply of Hardware	-	273 714
Community Liason services	-	1 452 905
Security Services	3 232 594	-
Planning and strategy	2 242 386	-
	6 439 562	5 749 668
Total Approved and contracted	1 362 193 640	1 433 044 813

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32. COMMITMENTS (continued)

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	108 778	-
- in second to fifth year inclusive	27 194	-
	135 972	-

Operating lease payments represents rental payable by the entity for the use of a motor vehicle . The rental is for a motor vehicle over 10 months at a monthly payment of R9,064.84. The rental period is from the 2nd December 2016 until 1st October 2017.

33. CONTINGENCIES

Bertrams Priority Block

The JDA has entered into legal proceedings regarding the relocation of illegal occupants in various buildings around the Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations are underway with illegal occupants to settle the matter out of court. Progress made since 2012 - Some of the illegal occupants have agreed to be reallocated to properties operated by the Johannesburg Social Housing Company. The few that would be left because of inability to meet monthly rental payments will be accommodated by the Department of Housing. Since this, no progress has been made in this matter due to ongoing negotiations for reallocations and the legal proceedings have been put in abeyance until alternate accommodation is found by the JDA and CJMM. The parties are working together to reach agreement without a protracted litigation processes.

Ubuntu Kraal (Pty) Ltd vs JDA & CJMM

The JDA has been served with summons for loss of income and damages to property by the operators of the establishment known as Ubuntu Kraal in Soweto, Johannesburg. The damages were alleged to have been caused by flooding due to the JDA activities in the construction of the Rea Vaya BRT infrastructure along Klipspruit Valley Road. The amount of damages claimed by the plaintiffs is R23.5 million. The matter is now being handled by CJMM insurer attorneys.

Achusim Chijoike vs JDA and Skymark Security (Pty) Ltd

The JDA was incorrectly cited as a party to the proceedings. The JDA disputed the matter and indicated to the Plaintiff that it was incorrectly cited as a party.

The Plaintiff has to date not responded to our pleadings. A letter has been addressed by the JDA's attorneys (Routledge Modise T/A Hogan Lovells) to the Plaintiff to the effect that should we not receive any feedback from them, we shall proceed to seek court approval to withdraw the matter.

Dark Fibre Africa vs JDA and Easyway Tarmac Pave and Projects CC

The matter relates to the fibre optic cable that was damaged by opening a trench in the road reserve with a TLB Machine along the road carriage way of Orlando east, near Sefa Sonke street around 22 June 2013. The plaintiff, Dark Fibre Africa (Pty) Ltd is suing the JDA (2nd Defendant) on the basis that JDA used the services of Easyway Tarmac Pave and Projects CC to manage and control the execution of the water pipeline project and to do the drilling and excavation along the road carriage way of Orlando east near the intersection with sefa sonke street. The matter is being defended by the lawyers appointed by the JDA's insurers (AON). Estimated claim value - R45,256.

Grayston Pedestrian Bridge scaffolding collapse

On 14 October 2015 the scaffolding work into the Grayston Drive Pedestrian and Cyclist structural bridge collapsed which resulted in the loss of life and other damages.

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33. CONTINGENCIES (continued)

Due to the nature of the incident, the Department of Labour (DOL) has to conduct a formal inquiry in terms of section 32 of the Occupational Health and Safety Act 85 of 1993 to determine the causes for the collapse of the scaffolding works.

The inquiry commenced on 7 July 2016 and a Commissioner has been appointed by the DOL. The matter has been delayed and is still ongoing.

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34. RELATED PARTIES

Relationships		
Controlling entity	The City of Johannesburg Metropolitan Municipality	
Other members of the group	Johannesburg Social Housing Company (SOC) Ltd City of Johannesburg Property Company (SOC) Ltd City Power Johannesburg (SOC) Ltd Johannesburg City Parks and Zoo NPC Johannesburg Metropolitan Bus Services (SOC) Ltd Johannesburg Roads Agency (SOC) Ltd The Johannesburg Tourism Company NPC Johannesburg Water (SOC) Ltd Pikitup Johannesburg (SOC) Ltd Joburg Theatres (SOC) Ltd The Johannesburg Fresh Produce Market (SOC) Ltd	
Members of key management	Refer to note 20	

Related party balances

Loan accounts - Owing (to) by related parties

CJMM - Treasury	(248 602 144)	(141 042 337)
-----------------	---------------	---------------

Amounts included in Trade receivable regarding related parties

CJMM	1 109 473 351	856 118 963
Johannesburg Roads Agency (SOC) Ltd	3 228 152	2 697 045

Amounts included in Trade payables regarding related parties

CJMM	(4 386 645)	(4 284 913)
Johannesburg Metropolitan Bus Services (SOC) Ltd	-	(6 320)
Pikitup Johannesburg (SOC) Ltd	(299 900)	(180 592)

Related party transactions

Purchases from (sales to) related parties

CJMM - Corporate Services	602 186	753 069
City Power (SOC) Ltd	1 173 278	707 281
Johannesburg Metropolitan Services (SOC) Ltd	6 320	16 220
CJMM - Risk Services	-	555 730
CJMM - Department of Planning (ARP)	5 866 439	7 543 896
Pikitup (SOC) Ltd	263 070	-

Income from related parties

CJMM - Development Management fees	69 006 423	70 740 593
CJMM Grant	26 695 000	22 382 000

Payments made to related parties

CJMM	8 770 830	7 292 735
------	-----------	-----------

Purchases from related parties are listed above.

These services were supplied by the related parties and the CJMM in terms of Section 45 of the Municipal Supply Chain Management of 2005.

Terms and conditions There are no terms and conditions and no interest is due or payable to any related parties listed above. All related party transactions are on an arm's length basis.

Remuneration of management

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34. RELATED PARTIES (continued)

Executive management

*Refer to note 20 "Employee related costs"

35. CHANGE IN ESTIMATE

Property, plant and equipment

The useful life of certain computer equipment was estimated in 2016 to be 5-15 years. In the current period management have revised their estimate to within 5-15 years. The effect of this revision has decreased the depreciation charges for the current by R 3 090 and increased future periods by R17,850.

The impact on tax would be R4,998 in future periods.

The impact on the cash flow statement would be R17,850.

Furniture and fittings

The useful life of furniture and fittings was estimated in 2016 to be 10-15 years. In the current period management have revised their estimate to within 10-15 years. The effect of this revision has decreased the depreciation for the current year by R 26 and increased future periods by R2,293.

The impact on tax is R642.

The impact on the cash flow statement is R2,293.

Intangible assets

The useful life of intangible assets was estimated in 2016 to be 8 years. In the current period management have revised their estimate to 8-10 years. The effect of this revision has decreased the amortisation for the current period by R 7 040 and increased future periods by R64,460.

The impact on tax is R18,049.

The impact on the cash flow statement is R64,460.

36. COMPARATIVE FIGURES

Certain comparative figures as per the disclosure have been restated.

Amendments were made to the prior year disclosure notes based on current year considerations as indicated below with the following reasons:

- Repairs and maintenance - Group instruction to disclose repairs and maintenance by nature of costs and not as a separate disclosable item;
- Reclassification of certain disclosures items for consistency purposes.

The effects of the restatement are as follows:

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36. COMPARATIVE FIGURES (continued)

Other disclosure notes

	Comparative figures previously reported	Reclassificatio n	After reclassification
Repairs and maintenance	889 580	(889 580)	-
General expenses	29 619 899	889 580	30 509 479
Related parties - Development management fees	-	70 740 593	70 740 593
Related parties - CJMM (various departments consolidated into one line item)	858 816 008	-	858 816 008
Total	889 325 487	70 740 593	960 066 080

37. RISK MANAGEMENT

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

Capital risk management

The entity's objectives when managing capital are to safeguard the entity's ability to continue as a going concern in order to meet the principle objectives of the organisation for the controlling entity and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the entity consists of debt, which includes the borrowings disclosed in notes 8 and 10, cash and cash equivalents disclosed in note 3, and equity as disclosed in the statement of financial position.

As stated in the note regarding going concern, the entity's existence is dependant on the continued support from the controlling entity CJMM.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 30 June 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	814 457 202	-	-	-
At 30 June 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	634 531 248	-	-	-

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37. RISK MANAGEMENT (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counterparty.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2017	2016
Loan from shareholder	(248 602 144)	(141 042 337)
Trade and other receivables	1 132 970 248	873 681 388

38. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The JDA is dependent on the CJMM to fund its operations as it earns revenue from management fees from CJMM's capital projects.

The ability of the JDA to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to receive funding for the ongoing operations for the entity from its controlling entity, the CJMM.

39. EVENTS AFTER THE REPORTING DATE

Subsequent to the first submission of the financial statements, there was one non-adjusting event and one adjusting event after the reporting date.

After ten years of service to the JDA, including both as a CEO and as an Executive Manager: Risk and Compliance, the CEO of the JDA resigned from the organisation. His last working day will be the 31st August 2017. The Executive Manager: Development Facilitation has been appointed in an acting capacity until the position is filled. This was a non-adjusting event

A litigation matter whereby the CJMM and the JDA were served with a summons by Tembu Convenience Centre CC, trading as a convenience store and Engen Fuel dealership, for loss of income estimated at R17.8 million as a result of BRT construction works has been finalised as a judgement was passed in September 2017. The judgement was in the favor of the JDA and the CJMM and resulted in no financial liability. This was subsequently removed from the contingent liability disclosure which resulted in an adjusting event.

Other than above, the accounting officer is not aware of any matter or event arising since the end of the reporting period and the date of this report, which will significantly affect the financial position and the results of the entity's operations.

40. UNAUTHORISED EXPENDITURE

No unauthorised expenditure has been incurred in the current year.

41. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	2 991 261	878 886
Fruitless and wasteful expenditure current year	-	2 991 261
Certified by the Board of Directors for write off	-	(878 886)
	2 991 261	2 991 261

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41. FRUITLESS AND WASTEFUL EXPENDITURE (continued)

Prior year (2014/15) fruitless and wasteful expenditure was reported and written off by the JDA Board of Directors in the 2015/16 year.

Detail of expenditure - 2016

	Interest and penalties to SARS	Total
Fruitless and wasteful expenditure identified	2 991 261	2 991 261

Interest and penalties paid to SARS was charged based on the late payment and submission of the December 2015 VAT return. At the time of submission, the VAT return on the e-filing system was completed however due to some system errors the VAT return was not allowing the return to be submitted and for a payment to be generated. This was then communicated to SARS and when the matter was finally resolved, it was after the Standard Bank shut-down restricted time. This was then objected to and the matter is still under investigation by SARS.

42. IRREGULAR EXPENDITURE

Opening balance	-	355 316
Add: Irregular Expenditure - current year	4 260 658	-
Less: Certification by the Board of Directors for write off	-	(355 316)
	4 260 658	-

Details of irregular expenditure – current year

	Disciplinary steps taken/criminal proceedings	
Patterson Park - service provider	Matter is currently being investigated	4 260 658

During the 2016/17 financial year, a service provider had rendered services to the JDA during the implementation of the Patterson Park development project without having a valid contract.

No irregular expenditure was incurred in the 2015/16 financial year.

43. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

Audit fees

Current year subscription / fee	1 604 613	1 736 379
Amount paid - current year	(1 604 613)	(1 736 379)
	-	-

PAYE and UIF

Current year subscription / fee	14 048 202	11 692 254
Amount paid - current year	(14 048 202)	(11 692 254)
	-	-

Pension Deductions

Current year subscription / fee	4 776 803	4 367 454
Amount paid - current year	(4 776 803)	(4 367 454)
	-	-

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43. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT (continued)

VAT

VAT receivable	31 434 609	-
VAT payable	-	1 759 240
	31 434 609	1 759 240

All VAT returns was submitted by the due date throughout the year.

44. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the directors and includes a note to the annual financial statements.

African Graphix	-	13 200
Ascret of David Initiative Projects and Construction	-	3 450
Ditlodi Community Liasons	1 937 244	-
Britehouse	-	25 378
The Creative Axis	-	256 740
Sizwe Ntsaluba Gobodo (Pty) Ltd	-	867 798
Vodacom	824 560	428 200
Various service providers - minimum three quotations not received	2 943 918	716 895
Various service providers - weighting for the criteria not included in the RFQ's	564 990	2 115 589
	6 270 712	4 427 250

Categories of deviation as per Regulation 36 of the MFMA

Services required in an emergency - regulation 36(1)(a)(i)	-	16 650
Ratified minor breaches of SCM processes	6 270 712	4 410 600
	6 270 712	4 427 250

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44. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

Deviations - 2017

Ratification - Appointments made were less than three quotations were received

The accounting officer ratified a minor breach in the supply chain process for the appointment of service providers through the request for quotation process where less than the minimum three quotations were received. In the current financial year there were various service providers appointed where less than three quotations were obtained to a value of R2 943 918.80 these also includes the request for quotation s form the approved panel service providers.

Ratification - Appointments made where a weighting criteria was not used in the technical evaluation

The accounting officer ratified a minor breach in the supply chain process for the omission of the weighting criteria in the RFQ. In the current financial year there were various service providers appointed where the weighting criteria was not included in the functionality to a value of R 564 989.93. These are applicable to all awards made as per the supply chain processes of between R 30 000 to R 200 000.

Appointment of service provider for Community Liaison services in Alexandra - Ditlodi

The Accounting officer approved a deviation from normal supply chain processes as per regulation 36 (1)(a)(v) for the appointment of a service provider to manage Community Liaison Officers (CLOs) based in Alexandra. Since the beginning of the Alexandra Renewal Programme in 2001 the project has had the services of a group of CLOs. These CLO's were appointed by the Gauteng Department of Human Settlements through an independent service provider. The contract between the Gauteng Department of Human Settlements and the service provider came to an end on 31 March 2015. Replacing the group of CLOs through an open tender process would pose a serious threat to the delivery of projects in Alexandra. The deviation from normal supply chain processes was to enter into direct negotiations with the Cooperative formed by the CLOs with a view of appointing them to provide community liaison services for the Alexandra Renewal Programme.

Appointment of service provider for cellular services - Vodacom

The appointment of Vodacom service provider (Pty) Ltd, was undertaken as an appointment under the provision of section 32 of MFMA. Vodacom was procured under a contract secured by the City of Johannesburg Metropolitan Municipality (CJMM). The contract came to an end January 2015 and the contract was extended while CJMM was finalising the procurement of a new service provider. The contract was extended for a prolonged period without procurement process for new service provider being undertaken. Thereafter the JDA entered into direct negotiations with the service provider as per regulation 36 of the MFMA.

National Treasury has concluded a valid contract with Vodacom for the provision of cellular services and has gone further to issue circular encouraging organs of state in all spheres of government to make use of the said contract. The JDA does require these services and the use of the transversal contract is likely to result in cost savings of between 30%-40% on the previous contract for the JDA due to the impact of economies of scale.

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44. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

Therefore whilst the JDA is in the process of finalising its participation in the transversal contract procured through National Treasury, the JDA entered into an agreement through direct negotiations with Vodacom to continue to render the services for an amount of R 824 560. Such direct negotiation is a deviation from normal supply chain management processes.

Deviations - 2016

The deviations from normal supply chain management regulations in the current year are as follows:

African Graphix

Service required for the Great Walk Bridge collapse cleansing ceremony. Sole supplier appointed by CoJ to place and manage CoJ related branding material. The deviation from the normal JDA Supply Chain Management processes was approved by the CEO.

Ascret of David

Due to a water leak from the downstairs kitchen overflowing into Portfolio A offices, emergency repairs had to be effected. The water pipes had to be replaced to avoid flooding. In order to minimise further damage to the property and goods only one quotation was sourced from a plumber Ascret of David Initiative Projects and Construction from the JDA panel of plumbers to carry out the emergency repairs. The total cost of the repairs amounted to R 3 450.00. The deviation from the normal JDA Supply Chain Management processes was approved by the CEO.

Vodacom

The appointment of Vodacom service provider (Pty) Ltd, was undertaken as an appointment under the provision of section 32 of MFMA. Vodacom was procured under a contract secured by the City of Johannesburg Metropolitan Municipality (CJMM). The contract came to an end January 2015 and the contract was extended while CJMM was finalising the procurement of a new service provider. The contract was extended for a prolonged period without procurement process for new service provider being undertaken. The minor breach of the procurement process was ratified by the Accounting Officer.

Ratification - Appointment of a service provider for a compubrand software - Britehouse

The Accounting Officer ratified a minor breach in supply chain processes for the appointment of Britehouse. An RFQ was advertised on the JDA website for seven days, on receipt of the RFQ the bid was evaluated and the service provider was appointed with a value that exceeds the threshold of R200 000 by R 25,378. The minor breach of the procurement process was ratified by the Accounting Officer.

Ratification - Extension of an appointment from two years to three years - The Creative Axis

The Accounting Officer ratified a minor breach in supply chain processes for the continued appointment of The Creative Axis. The team was erroneously appointed for two years (2013/14 and 2014/15) instead of three years i.e. including the 2015/16 financial year. The tender document advertised had stated a three year appointment of a service provider. The minor breach of the procurement process was ratified by the Accounting Officer.

Ratification - Reduction of the advertising period - Sizwe Ntsalubo Gobodo

The Accounting Officer ratified a minor breach in supply chain processes for the reduction in the RFQ advertisement period. The successful bidder of which was Sizwe Ntsalubo Gobodo and the remainder of the process was in terms of the normal SCM processes. The minor breach of the procurement process was ratified by the Accounting Officer.

Ratification - Appointments made were less than three quotations were received

The Accounting Officer ratified a minor breach in supply chain processes for the appointment of service providers through the request of quotation process were less than the minimum of three quotations was received. These are applicable to all awards made as per supply chain processes of between R30,000 and R200,000. In the current year, there was seven of these instances in a total population of 28 awards. The minor breach of the procurement process was ratified by the Accounting Officer.

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44. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

Ratification - Appointments made where a weighting criteria was not used in the technical evaluation

The Accounting Officer ratified a minor breach in supply chain processes for the appointment of service providers through the request of quotation process where the weighting criteria was not applied in the technical evaluation phase of the process. This was applicable to all the awards made to bidders of between R30,000 and R200,000 which in the current year consisted of a total of twenty eight appointments . The minor breach of the procurement process was ratified by the Accounting Officer.

45. OPERATING LEASE INCOME

Operating leases - as a lessor (income)

Minimum lease payments due

- within one year	-	161 247
- in second to fifth year	-	529 521
	-	690 768

The operating lease income related to rental of Bus Factory offices to tenants. The lease agreements general period is three years and is based on a rental fee per square metre of rental space. During the current year, the tenant had vacated to new premises and the lease agreement was terminated.

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46. AWARDS MADE TO A PERSON WHOSE CLOSE FAMILY MEMBERS ARE IN THE SERVICE OF THE STATE

A municipal entity must disclose particulars of any award of more than R2 000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous twelve months, including.

- (a) the name of that bidder;
- (b) the capacity in which that person is in the service of the state; and
- (c) the amount of the award.

Name of project	Company name	Name of the person/company award	Amount
Alexandra Urban Development Framework	Gudlhuza Development Solutions	Nyiko Gudlhuza- Spouse works for Eskom but of not a member of the CC	300 000
CoJ Health CAPEX Programme B	Gudlhuza development Solutions	Nyiko Gudlhuza- Spouse works for Eskom but of not a member of the CC	808 000
Noordgesig Social Cluster: CPC	GIBB (Pty) Ltd	Clive September -Daughter employed by Health Infrastructure PWGWC as a State Accountant and another Daughter employed by the City of Cape town as a Project Administrator	656 263
		Darren Pillay - Parent employed by the Dept of Education KZN as a data capture and Another parent employed by the Dept of Education as an Educator	
		Jenny Moon - Spouse works for the City of Cape Town as Head: Business Continuity	
		Jo-Anne Stolworthy - Spouse works for the City of Cape Town as Principle Professional officer	
		Lize de Beer - Spouse works for Eskom as Chief Engineer	
		Mthokozisi Selby Mkhize - Spouse works for the National Department of water Affairs and Forestry as an Accounting Clerk	
		Neville Randall - Spouse Department of Education as a Senior Educator	
		Nomasithini Mzayiya - Spouse works for the Dept of Correctional Services as Correctional Officer	
		Penny Smith - Partner works for the Department of transport and Public Works as DDG	
		Rorisang Lekonyana - Spouse work for Department of National Treasury as Deputy Director	
		Douglas Kiewiet - Parent works for Department of Water Affairs and Forestry	
		Vinnie Naidoo - Spouse works for the Gauteng Dept of Education as an HOD for Math's	
		Pravanya Pillay - Spouse works for the City of Cape Town as senior Professional Officer and Mother works for the Dept of Education KZN as HoD: Languages,Father works for the Dept of Transport KZN as Mechanical Engineer	
		Zafar Haq - Brother works for City Engineers as Architect/town Planner	

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46. AWARDS MADE TO A PERSON WHOSE CLOSE FAMILY MEMBERS ARE IN THE SERVICE OF THE STATE (continued)

Old Ikage Housing: Civil and structural Engineers	CSM Consulting Services	CAJ van Coillie - Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	1 700 425
Brixton Social Cluster: Consortium of Engineers	CSM Consulting Services	CAJ van Coillie - Son is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	2 053 480
Brixton Social Cluster: Project Manager	Delta Built Environment	Nokuthula Sedumedi - Wife is employed by DBSA and Sister is employed by SAA	1 839 600

47. BUDGET DIFFERENCES

Material differences between budget and actual amounts

Rendering of services - Management fees are raised on CAPEX budget and only 91% of the overall CAPEX budget was spent for the current financial year. The under expenditure in the CAPEX budget has resulted in an under recovery of management fees from the relevant departments.

Tender fee income - The overall tender fees are budgeted for based on prior year trends. The overall tender fee income is dependant on the number of bidders that purchase the proposal documents. During the current year a higher than expected number of tender documents were purchased.

Employee related costs - The variance is mainly as a result of vacant positions that are still currently under recruitment process. These positions include Chief Financial Officer, EM: Corporate Services, Em: Marketing & Communications and Senior Development Manager: Portfolio A.

Depreciation and amortisation - The variance is mainly due to the increase in the property, plant and equipment and the intangible assets in the current year. This includes the capitalisation of the SAP software for the current year.

Finance costs - Included in the finance costs is interest relating to finance leases. Included in the budget was interest expense on the overall sweeping account. During the current year, this interest was subsequently reversed by the City.

General expenses - During the last quarter of the financial year, the anticipated capital expenditure was lower than originally planned. This would have resulted in lower revenue being generated. Based on this, the operational budget was reviewed and operational expenditure was reduced significantly to reduce the likelihood of an overall deficit at year end.