



JOHANNESBURG ROADS AGENCY SOC (LTD)

Reg. No. 2000/028993/30

PERFORMANCE REPORT FOR THE PERIOD APRIL TO JUNE 2019

4TH QUARTER REPORT

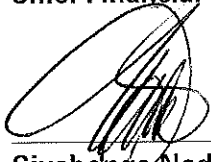
In terms of Section 121 of the Municipal Finance Management Act 56 of 2003 (as amended) and Section 46 of the Municipal Systems Act, 32 of 2000 (as amended) Companies Act.

Approval – Q4 Report (JRA)



Dikeledi Thindisa
Chief Financial Officer

Date: 15/07/2019



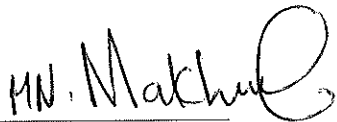
Siyabonga Nodu
Acting Managing Director

Date: 17/7/2019



Siphon Tshabalala
Chairperson of the Board

Date: 26/07/2019



Nonhlanhla Helen Makhuba
MMC: Transportation

Date: 02/08/2019

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CHAPTER 1: INTRODUCTION

Section 1: Corporate profile and overview of the entity

The Johannesburg Roads Agency (JRA) was established by the City of Johannesburg (CoJ) in 2001 to design, construct and maintain roads and road-related infrastructure. As a service delivery agent for the CoJ, the JRA operates based on an annual business plan that is informed by the City's strategic imperatives. These inform JRA's targets and outcomes. The JRA accounts to the Shareholder through the Department of Transportation under the leadership of a Member of the Mayoral Committee (MMC) who, together with the Section 79 Committee on Transportation, provide political oversight.

Section 2: Strategic objectives

The table below illustrates how the JRA is aligned to the City of Johannesburg's IDP and Mayoral Priorities for the period (2018/19 to 2020/21).

IDP Outcomes	Mayoral Priorities	Our Programmes
#1: A growing, diverse and competitive economy that creates jobs	Priority 1: Promote economic development and attract investment towards achieving 5% economic growth that reduces unemployment by 2021	<ul style="list-style-type: none"> ○ Road Network Programme ○ Bridge Rehabilitation Programme ○ Resurfacing & Reconstruction Programmes ○ No-joint re-cabling programme
#2: Enhanced, quality services and sustainable environmental practices	Priority 3: Create a culture of enhanced service delivery with pride Priority 8: Encourage innovation and efficiency through Smart City programme	<ul style="list-style-type: none"> ○ Customer Charter ○ Remote Monitoring System ○ Rehabilitation of open stormwater channels and catchments programmes
#3: An inclusive society with enhanced quality of life that provides meaningful redress through pro-poor development	Priority 2: Ensure pro-poor development that addresses inequality and poverty and provide meaningful redress	<ul style="list-style-type: none"> ○ Improved access to informal settlements ○ Gravel Roads Upgrades / Tarring of gravel roads
#4: Caring, safe and secure communities	Priority 6: Create a City that responds to the needs of citizens, customers, stakeholder and businesses	<ul style="list-style-type: none"> ○ Construction of pedestrian bridges. ○ Conversion of open stormwater drains to underground.
#5: An honest, transparent and responsive local government that prides itself on service excellence	Priority 5: Create an honest and transparent City that fights corruption	<ul style="list-style-type: none"> ○ Operation Clean Audit

Table 1.1: Alignment of JRA strategic plans to CoJ strategy

Section 3: Performance Summary

From a performance perspective, the JRA met several critical milestones, including progress on pedestrian crossing bridges such as Klipspruit and Diepsloot pedestrian bridges. Key projects such as the roads resurfacing programme, the gravel roads upgrades and reconstruction of the Selby bridge and other works on the M2 progressed in line with set milestones. The Company also exceeded its year-to-date targets for EPWP Work opportunities created and the number of SMMEs supported among other targets. Despite this progress, work stoppages continued in the period under review and negatively impacted on the implementation of capital projects. Challenges experienced were further compounded by theft and vandalism of JRA infrastructure. The JRA remains focussed on improving the performance of the Asphalt Plant and the attainment of service standards. *For detailed performance see Chapter 3 (page 15).*

Section 4: High Level Organisational Summary

The management of the JRA accounts to the Board on all strategic and operational matters. The Board of Directors controls and maintains a fiduciary relationship with the company. The Managing Director, who is also the Accounting Officer is supported by the Chief Operations Officer and eight Heads of Department (HoDs). To ensure service delivery continuity acting appointments are in place for all positions where substantive appointments have not been finalised. Core service delivery is undertaken through four departments — Infrastructure Planning, Infrastructure Development, Regional Operations and Mobility and Freight. Services are delivered through JRA Depots located in the seven (7) regions of CoJ and through Traffic Signals Depot, Resurfacing Depot (RSD), Motorways depot, the Asphalt Plant, Fleet and Plant and the Laboratory. These are supported by the support departments of Corporate Services, Finance, Public Relations and Stakeholder Engagement and Performance Governance and Information Technology. In 2018/19 the JRA organisational structure was as presented below;

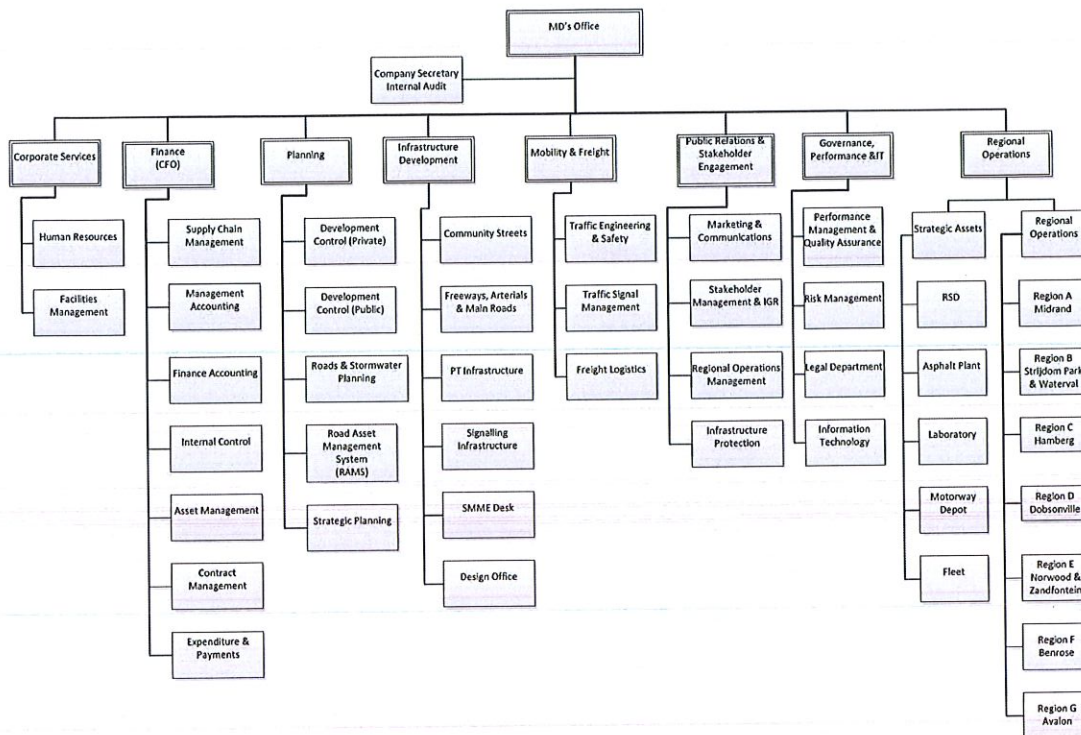


Figure 1.1: High level organisational structure

Executive Management Team (EMT)

In the period under review, the JRA board appointed Siyabonga Nodu as Acting Managing Director as well as Dikeledi Thindisa as Chief Financial Officer. Siyabonga Genu was also appointed as Acting Chief Operations Officer. The table below presents JRA's Executive Management Team between April to June 2019.

Department	Appointee
Acting Managing Director	Siyabonga Nodu
Acting Chief operations Officer	Siyabonga Genu Pr Eng.
HoD: Infrastructure Development	Siyabonga Genu Pr Eng.
Acting HOD: Planning	Raven Shabe
Acting HOD: Mobility & Freight	Sipho Nhlapo
Acting HoD: Performance, Governance and Information Technology**	Salatial Chikwema
HoD: Regional Operations	Muziwandile Nkonyane Pr Eng.
Chief Financial Officer	Dikeledi Thindisa
Acting HOD: Corporate Services	Elvis Zwane
Acting HOD: Public Relations and Stakeholder Management*	Siyabonga Nodu
Acting Operations Manager: Internal Audit	Selina Uwha
Operations Manager: Company Secretary	Phumla Majola

* The City approved the filling of the HOD: Public Relations and Stakeholder Management position which has since been advertised. **Fikile Mkhize currently seconded to CoJ

Section 5: Managing Director's Report



This report provides the fourth quarter performance of the Company towards targets set-out in the 2018/19 revised business plan. In the fourth quarter, the JRA focused on ramping up performance in all performance areas, especially those that were lagging behind at the end of the third quarter. As a result, I am pleased that the Company achieved key performance indicators, in particular those on the City's Institutional SDBIP.

Key milestones

The JRA made good progress in the road resurfacing programme. At year-end, the Company has resurfaced 225.05 lane kilometres against an annual target of 220 lane kilometres further improving the quality of the City's road infrastructure. In the gravel roads upgrading programme, year-to-date, a total of 25.014km were upgraded beyond an annual target of 25km.

In support of local economic development, the Company exceeded its year-to-date targets for Expanded Public Works Programme (EPWP) work opportunities and created (1512) against a target of 1500. The JRA also supported 153 SMMEs primarily through regional operations and infrastructure development. This was complemented by a total Broad Based Black Economic Empowerment (BBBEE) spend of 96.74% against a target of 75%.

Several infrastructure projects progressed well in particular the construction of the pedestrian crossing bridge that links Diepsloot Extension 1 and 2. Once complete the bridge will ensure safe passage to residents during times of heavy rains and flash flooding. Despite engineers discovering more damage on the M2 Selby bridge and other bridge structures, the M2 bridge reconstruction, I am pleased that all indications show the project is on track and is expected to be completed on time. Over 16 km of poor roads on the pavement management system were identified and rehabilitated according to the pavement management system.

In terms of service standards performance, the JRA met its targets in relation to traffic signals maintenance achieving year to date 90.60% against the 80% target of resolving all reported traffic faults. Overall, the mid-year revisions amended the service charter standards and created 21 sub-targets for the seven service standards on the customer charter relevant to the JRA. In the period under review the JRA met 12 of its 21 targets (57.14%). In the period under review the JRA also participated in key service delivery platforms including the clean-up campaign that was held to complement *A Re Sebetseng* in Bramley (Ward 81). At these platforms the JRA provided the full range of

services including road markings, skoffelling, kerb inlets cleaning as well as pothole repairs.

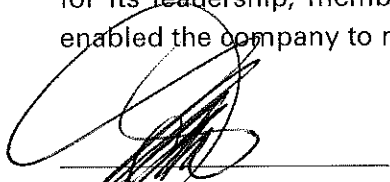
The JRA completed the identification and leasing of an alternative head-office given the poor state of 66 Pixley ka Isaka Seme Street. The relocation of the head-office to 75 Helen Joseph street is being finalised and phased relocation of staff will commence in July 2019.

Challenges

The company experienced problems in the period under review, including several community work stoppages, in particular on the gravel roads upgrade projects in Region A, C and G. Disputes experienced include selection of Community Liaison Officers (CLOs), local labourers and Local Emerging Contractors (SMMEs) for the projects. This led to downtime on several projects negatively impacting ability to spend capital budget. Further, theft and vandalism remain a challenge for the JRA with increasing evidence of theft of manhole covers and traffic signals related infrastructure on the rise. The Company has also prioritised improving the productivity of the Asphalt Plant through the development of a turnaround strategy focusing on the business and operating model of the Plant. The JRA continues to explore a progressive relationship with labour and notes that the labour unrest of 5 April regrettably, negatively affected traffic and businesses in the vicinity of the JRA Head Office.

Appreciation

I would like to welcome the new Board to the JRA as well as the new Chief Financial Officer Dikeledi Thindisa. I also note the appointment of the Acting Chief Operations Officer, Siyabonga Genu during the period under review. I would like to thank the Board for its leadership, members of the management team and all employees that have enabled the company to make progress in the period under review.



Siyabonga Nodu
Acting Managing Director

Section 6: Chief Financial Officer's Report



I would like to highlight the financial performance areas for the 4th Quarter ending 30 June 2019. Emphasis is brought to acknowledge that the nature of our business is service delivery and it is not envisaged that Company stakeholders would necessarily be comforted by large positive ratios and balances. The JRA therefore always seek to balance the attainment of objectives relating to key liquidity and profitability ratios with the attainment of service delivery targets and objectives.

The JRA adjusted operating budget for the 2018/2019 financial year was R 1, 283, 170 million. The interim operating expenditure and income was R 1, 163, 917 million and R 1, 376, 188 million respectively, representing income exceeding expenditure by R 212, 271 million at the end of the fourth quarter.

The adjusted capital budget for the 2018/2019 financial year is R 1, 301, 847 million and the interim capital expenditure for the 4th Quarter ended 30 June 2019 is R 1, 292, 145 million. This represents 99 % of the total adjustment capital budget spent.

The table below analyses five key ratios for the end of Quarter 4 in line with the Financial Development Plan (FDP) of the City of Johannesburg.

KEY RATIO	Target FDP	June 2019
Current ratio	1:1	1:1,96
Solvency	2:1	1:2,04
Debt to Revenue	45%	6, 9%
Interest to Expenditure	7%	0%
Remuneration to Expenditure	35%	57, 8%
Road and Traffic Signal personnel costs for repairs & maintenance - Direct costs		37, 8%
Administrative personnel costs - Indirect costs		20%

The entity has a positive current ratio and the ratio also met the FDP target in the current year. The solvency ratio of 2,04 is slightly above the FDP target of 2. The entity however, is solvent for the 4th Quarter ended 30 June 2019. The entity has increased revenue from Developers Contributions. The JRA is also collecting debtors' money on a timely basis and ensuring that all debtor payments are up to date, save for a few ageing debts that need to be written off.

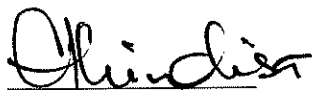
The financial position has improved significantly over the past five years. The long-term debt borrowings and the related interest costs are well within targets following the

elimination of the overdraft in 2014 which negatively affected the cash flows in the past financial years.

The target on employee costs remains elusive and is primarily because of the business model of the JRA which sees employee costs made up of operational departments who generally work on road repairs and maintenance programmes. The proper allocation of these employees' costs (excluding employee costs for road and traffic signal maintenance) results in the ratio reducing to 19% of total expenditure. The company is labour intensive and is made up of large internal teams for road and traffic signal maintenance.

The current Intercompany sweeping balance is a positive of R 474, 675 million as compared to a positive 30 June 2018 balance of R 454, 701 million and JRA earned R 20, 7 million on the positive COJ bank balance. JRA has a positive balance in the Developers Contribution bank account of R 307, 549 million, thus the total cash on hand is R 782, 224 million. The related party debtors of JRA are at R 421, 956 million at the end of the 4th quarter as compared to R 439 million as at 30 June 2018.

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



Dikeledi Thindisa
Chief Financial Officer

CHAPTER 2: CORPORATE GOVERNANCE

Section 1: Corporate Governance Statement

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

The Board and management of JRA are committed to the highest standard of corporate governance, accountability, transparency, fairness and integrity as promoted by the King Committee's Code of Corporate Practices and Conduct (KING IV). Having examined the controls, the Board is satisfied that every effort is being made by management to comply with all material aspects of the KING Report as well as relevant legislation.

The JRA works closely with the shareholder representative and participates in the City's stakeholder engagement platforms i.e. Mayoral Lekgotla, Section 79, EMT, MMC's quarterly meetings and community participation.

Ethical Leadership

The Board views ethical behaviour and leadership as a second pillar of corporate governance and promotes it throughout the organisation. The JRA promotes a culture of openness and transparency throughout the organization, and employees and other stakeholders are encouraged to report unethical conduct and other transgressions. The Ethics Officer works closely with GFIS, Group Governance and the Ethics Management Forum to ensure that an ethical culture is promoted and inculcated within the organization. In the period under review, quarter the posters with JRA Values were posted within the JRA building and all Depots and messages promoting ethical behaviour were sent to staff. JRA employees are continuously encouraged to sign the Code of Ethical Conduct and all Board members signed the Code of Ethical Conduct and

The Board and Management recognise that the JRA is formed under a political structure and so it has a social and moral standing in society with all the attendant responsibilities. In promoting the culture of consultation and active citizenry the following activities were undertaken:

Table 3: Summary of activities:

Date	ACTIVITIES
04 May 2019	Launch of street naming
16 & 17 May 2019	Engagement with Regional Operations Managers
17 May 2019	Mayoral A re Sebetseng Region A – Mayibuye Precinct Midrand
18 May 2019	Mayoral A re Sebetseng Region D – Doornkop

23 May 2019	M2 Bridge update (media briefing)
31 May 2019	Launching Klipsruit West Bridge

Section 2: Board of Directors

Corporate governance within JRA is managed and monitored by a unitary Board of Directors, assisted by its Board Committees as well as the Executive Management who form the Executive Committee. The Executive Committee is further supported by its internal Sub Committees. On 17 April 2019 the City as the Shareholder convened the 18th Annual General Meeting and the following Directors were retired.

NAME & SURNAME	POSITION
Sipho Tshabalala	Non-Executive Director: Board Chairman
Albert Torres	Non-Executive Director
Albert Mokoena	Non-Executive Director
Steven Thunzi	Non-Executive Director
Thobile Nokulunga Magerman	Non-Executive Director
Thabiso Kutumela	Non-Executive Director
Lloyd Mayedwa	Non-Executive Director
Xolisa Mnyani	Non-Executive Director

The following directors were appointed and confirmed from 17 April 2019 up until the next annual general meeting:

NAME & SURNAME	POSITION
Sipho Tshabalala	Non-Executive Director: Board Chairman
Albert Torres	Non-Executive Director
Albert Mokoena	Non-Executive Director
Thabiso Kutumela	Non-Executive Director
Lloyd Mayedwa	Non-Executive Director
Thulani Hlatshwayo	Non-Executive Director
Moses Malungana	Non-Executive Director
Sepeke Nkadimeng	Non-Executive Director
Odirile Mekwa	Non-Executive Director

The Board has two subcommittees, the Audit, Finance, Risk & IT (AFR & IT) and Remuneration & Social Ethics and Service Delivery. The composition is as follows:

COMMITTEE	MEMBERS
AFR&IT	Mr Albert Torres – Chairperson; Mr Albert Mokoena; Ms Thabiso Kutumela; Mr Lloyd Mayedwa; Mr Odirile Mekwa Independent Audit Committee Members Ms Danile Nyalunga-Nyakale ; Ms Roleta Lebelo; Mr Cassim Tilly

REMSEC&SD	Mr Albert Mokoena – Chairperson; Ms Thabiso Kutumela; Mr Lloyd Mayedwa; Mr Thulani Hlatswayo; Mr Sepeke Nkadameng; Mr Moses Malungu
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Annexure A outlines the list of meetings attended in the 2018/19 financial year.

Board Induction

The Board held an induction on 28 and 29 June 2019 to:

- Discuss the status of the organisation and agree on key focus areas for the current Board term.
- Understand and agree on the Board of Directors expectations and assistance required by the Executive Management Team.
- Develop a common understanding of roles and responsibilities.

The Board of Directors and executive management agreed on deliverables for the current term of office;

- The need for targeted interventions to address challenges related to Supply Chain Management (SCM);
- The importance of proactive internal and external stakeholder engagement and communication;
- A call for greater capacitation of and improved delivery via depots and regions; and
- The need to embed a more proactive, service-delivery driven organisational culture;

Section 4: Company Secretarial Function

The Company Secretary serves as the link between the Board and management and facilitates good relationships with the shareholder. The Company Secretary is responsible for the general administration, ensuring compliance to good corporate governance practice and to provide guidance to the directors on corporate governance principles and applicable legislation. The Company Secretary also manages the meetings and resolutions of the Board and deals with correspondence ensuring decisions made are communicated to the relevant people.

Section 5: Risk Management

The JRA Board has delegated monitoring of risk to the Audit, Finance, Risk and Information Technology Committee (AFR&IT), which ensures that there is an effective risk management process and system in place. The JRA has implemented a risk management process as set out in the JRA Risk Management Framework and Policy adapted from the Group Risk Management Framework and Policy. In the period under review, the Company approved its Strategic Risk Register, Operational, Fraud & Ethics Risk Registers. Management action plans to manage the identified risks are monitored and reported quarterly to the management, AFRIT and Group Risk and Governance Committee.

Section 6: Anticorruption and Fraud

The JRA remains committed to promoting an ethical environment free of fraud and corruption. Email communication "saying no to corruption" and ethical behaviour posters are part of the awareness strategy. The draft whistleblowing, fraud and prevention policy is currently being reviewed by the Ethics Management Forum.

Section 7: ICT Governance

The Company has developed its ICT Strategy containing a Digital Strategy, Governance Framework and Enterprise Architecture and was approved by EMT. The strategy will be presented and workshopped to the new board. Implementation of elements of the strategy guided by the implementation plan will commence after Board workshop.

Section 8: Compliance with Laws and Regulations

In ensuring compliance with the Code of Conduct for Municipal Staff Members, (schedule 2 to the Municipal Systems Act No 32 of 2000) on-going communication is sent to the JRA staff promoting the importance of signing declaration forms. HOD's have been requested to ensure that all employees within respective departments have signed declarations of interests. This process has resulted in an improved submission of declaration of interests summarised as follows:

JRA staff component as at 06 June 2019	Total Number of signed declarations of interest forms without interest	Total Number of unsigned declarations of interest forms	Total Number of employees who have declared interests
1715	1615	A total of 37 employees are still outstanding. (22 employees did not submit the declarations and 15 employees are on leave and/or suspension.	63

Summary of Declarations from JRA employees

The compliance universe in the fourth quarter is summarised as follows:

No of regulations & laws for the JRA	In- Progress	Non- Compliant	Compliant
45	6	7	32

Summary of compliance universe

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

This Chapter provides fourth quarter JRA performance towards targets set-out in the revised company scorecard. The Company Scorecard is informed by the City of Johannesburg's Integrated Development Plan (IDP) and SDBIP, JRA business plan, Mayoral priorities and Board Priorities.

Section 1: Summary of Performance

The following are the key highlights for the fourth quarter on the Institutional SDBIP

- On 31st May the JRA together with other municipal entities participated in a joint clean-up campaign in Bramley (Ward 81). The operation complemented an already existing A Re Sebetseng Campaign;
- Significant progress was recorded on pedestrian crossing bridges including Klipspruit and Diepsloot pedestrian bridges. The bridges will ensure safe passage to residents during times of heavy rains and flash flooding;
- Despite engineers discovering more damage on the M2 Selby bridge and other bridge structures, the M2 bridge reconstruction is on track and is expected to be completed on time;
- The road resurfacing programme is on track. A total of 29.28 lane kilometres were resurfaced in Q4 and year-to-date, 225.05 lane kilometres have been resurfaced towards an annual target of 220 lane kilometres;
- A total of 11.802km of gravel roads were upgraded to surfaced standard roads and year-to-date, 25.014 km have been upgraded against an annual target of 25km;
- The Company exceeded its year-to-date targets for EPWP Work opportunities created (1512) against a target of 1500; and the number of SMMEs supported (153);
- Poor roads identified and rehabilitated according to the pavement management system with 16.35 km rehabilitated; and
- The Department has achieved its planned targets in relation to traffic signals maintenance achieving year to date 90.60% against the 80% target for resolving all reported traffic faults.

Appointments

The JRA board appointed Siyabonga Nodu as Acting Managing Director as well as Dikeledi Thindisa as Chief Financial Officer. Siyabonga Genu was also appointed as Acting Chief Operations Officer. The JRA advertised the position of HOD: Public Relations and Stakeholder Management. Several other positions have been advertised in line with a City directive.

Relocation

- The JRA Head Office relocation is at an advanced stage. Phased relocation will commence 1 July 2019 from 66 Pixley Ka Seme Street, Corner Rahima Moosa to 75 Helen Joseph Street, Johannesburg CBD.

Service delivery campaigns

The JRA participated in the A Re Sebetseng Campaign together with other CoJ entities in Region G and provided key services such as skoffelling, site clearing, cleaning of kerb inlets, cleaning and road marking activities.



Road markings Region G - A Re Sebetseng

Section 2: Service Delivery Challenges

The JRA experienced several community work stoppages, in particular on the gravel roads upgrade projects in Region A, C and G in the period under review. Disputes experienced include selection of Community Liaison Officers (CLOs), local labourers and Local Emerging Contractors (SMMEs) for the projects. This has led to downtime on several projects further negatively impacting service delivery and the Company's ability to spend capex budget. Other capex-impacting challenges include supply chain delays and contractor performance



BRT Phase 1B Region G work stoppage

The performance of the Asphalt plant is a priority area for the JRA and management is working on a long-term sustainable solution to improve productivity at the plant. Further, theft and vandalism remain a challenge with increasing evidence of theft of manhole covers and traffic signals related infrastructure on the rise. This contributes to traffic signals downtime. Vandalism is higher when communities are on protest action and traffic signals are burnt, broken and uprooted, as well as pole-overs post-weekends mainly. Components that are regularly stolen include cables which are stripped for copper content and UPS (Uninterruptible Power Supply) which are raided for the batteries and traffic signals poles for steel content. The images below illustrate this challenge;

Theft and Vandalism



Stolen infrastructure on 9th and Lever Road, Brown and Main in Newlands.

In the past 3 financial years the JRA has lost assets to the value of R37million due to vandalism, theft and motor accidents. The JRA is strengthening its relationship with JMPD to deal with the challenges of theft and vandalism of JRA assets.

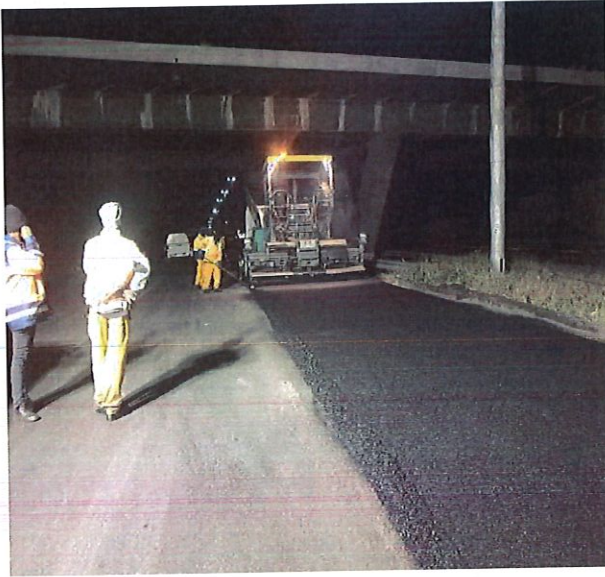
Section 3: Key Programmes Implemented

In the period under review, the JRA continued with the implementation of the following programmes focusing on;

- roads resurfacing;
- gravel roads upgrading;
- bridges management;
- storm-water management;
- Traffic Signals management, freight support programmes and safety investigations;
- customer service charter standards; and,
- internal governance and other internal processes.

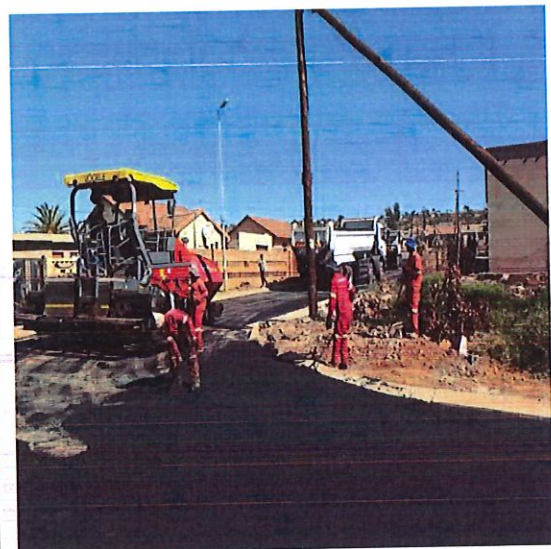
I. Road Management programme (Resurfacing and Upgrading)

The road resurfacing programme, which includes asphalt overlays, re-tarring and sealing of cracks across the City of Johannesburg's road network is paramount not only in improving the life span of the City's roads but in mitigating structural damages caused mainly by water which often results in pothole development. As of the end of this quarter, the JRA resurfaced 29.28 lane km. The cumulative progress, year-to-date is 225.05 lane km against an annual target of 220 lane km.

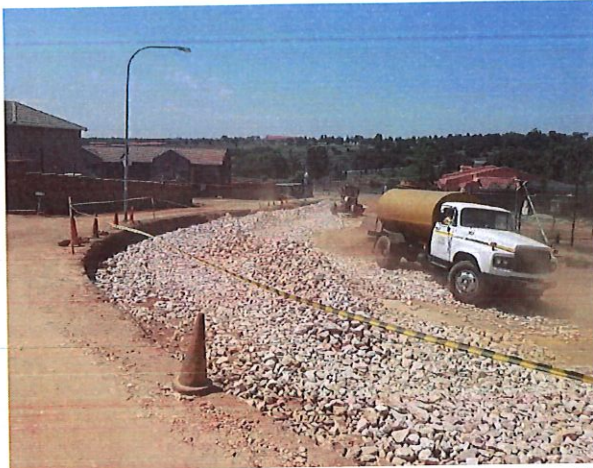


Resurfacing of M2 Highway in Region F and Njambayi Streets in Region D

The JRA embarked on several road upgrades, reconstruction and rehabilitation initiatives which are currently at different stages of construction. Some of the road rehabilitation initiatives include the rehabilitation and upgrading of sections of Republic Road, Pendoring Road, Dukes Avenue and Daphne Street, which have been completed. The JRA also provides support to the Transportation Department in rehabilitating its Phase 1A and Phase 1B BRT trunk Routes.



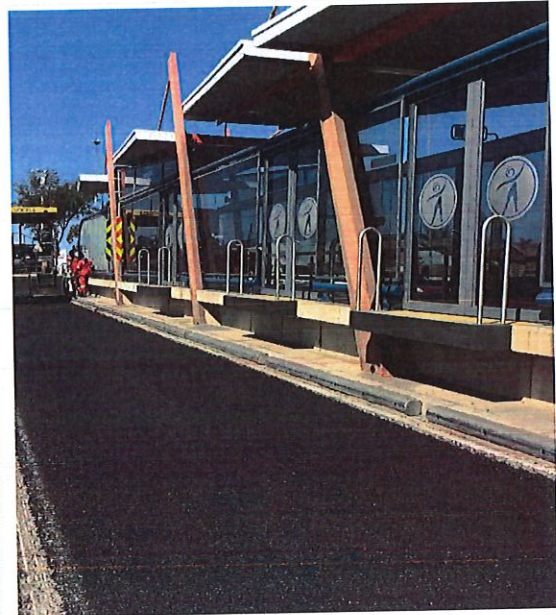
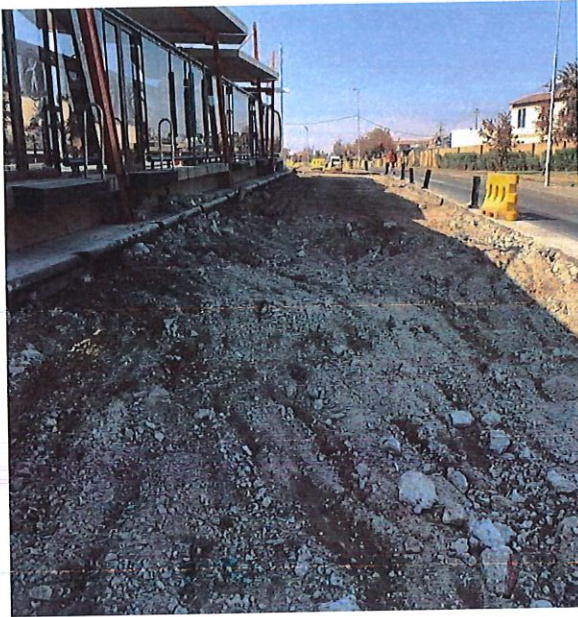
Reconstruction and rehabilitation in Region G



Road reconstruction on Region F – Daphne Street

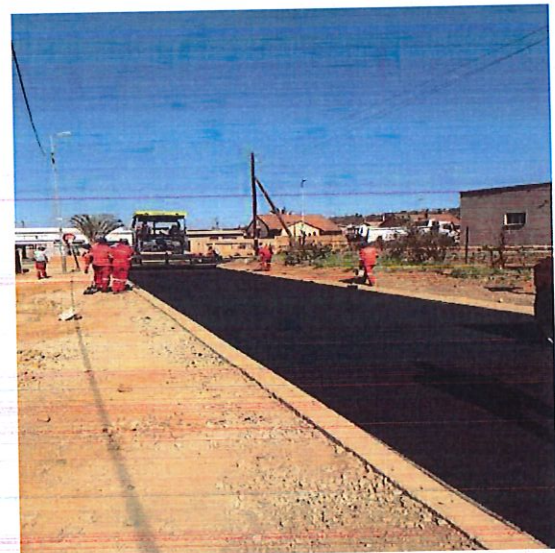
During the period under review, 4.66 km of existing road were rehabilitated, and these include 0.07 km in Region B, 2.69 km in Region F and 1.90km in Region G. Year-to-date 16.35 km citywide have been rehabilitated against an annual target of 12km. Several detailed designs for new road upgrades, reconstruction and rehabilitation are currently underway and these include Outspan Road, James Street, Spencer Road, Ballyclaire and Jam Smuts Drive.

In 2009, the City of Johannesburg was the first Municipality in the country to launch a dedicated Bus Rapid Transit (BRT) system as a key Public Transport strategy to stitch the City together and correct the imbalances of the past. Phase 1A connects Soweto with the Johannesburg CDB via Nasrec while Phase 1B connects it via Auckland Park. The two trunk routes total more than 50 km of dedicated bus lanes. The JRA provides maintenance of roads infrastructure along these routes including road rehabilitation, pavement repairs and other maintenance activities. A significant amount of works has been completed in particular the rehabilitation of BRT Stations and major intersections along the trunk route. A total capex budget of R 122 million which is grant funding from national department of Transport was spent.

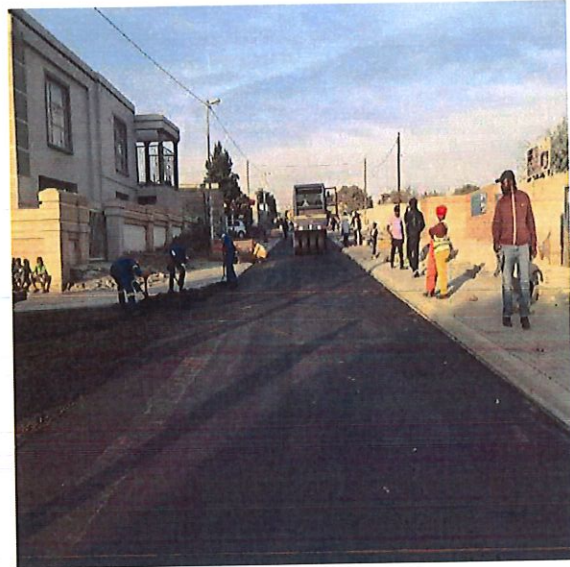
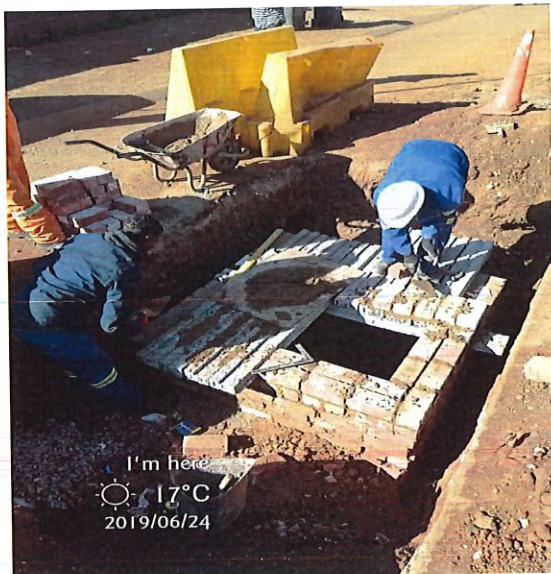


Rehabilitation of Phase 1A and Phase 1B BRT Trunk routes and stations

Aligned to the City's pro-poor development focus and the capital investment work, the JRA has focused on upgrading of road infrastructure, the upgrading of gravel roads into tar / surfaced roads mostly in marginalised areas across the City's townships. These townships include Ivory Park, Diepsloot, Braamfischerville, Orange Farm, Driezek, Tshepisoong, Doornkoop/Thulani, Lawley, Slovoville and Kaalfontein. This has also allowed JRA to contribute to short-term job creation and support of emerging enterprises (SMMEs).



Gravel Roads Upgrades in Poortjie



Upgrading of Gravel Roads and stormwater in Diepsloot

Several gravel roads upgrade projects are currently underway and are at different stages. In Poortjie, a total of 1.00 km, 1.52 km in Tshepisoong, 2.314 km in Diepsloot, 2.78 km in Bram Fischerville, Ivory Park 0.247 km and 3.933 km in Drieziek was upgraded to surfaced standard roads during Quarter 4. Mayibuye, Kaalfontein, Thulani / Doornkop, Slovoville, Tshepisoong, Orange Farm, Drieziek and Lawley construction progressed. During the Q4, 11.802 km of gravel roads were upgraded to surfaced roads and year-to-date 25.286 km of gravel roads have been upgraded to surfaced roads.

Key to the implementation of these programmes is the creation of short-term job opportunities (EPWP) and employment of local emerging contractors (SMMEs). During Quarter 4, 396 EPWP jobs were created against the target of 400 for the quarter and 43 local SMMEs were employed against the quarterly target of 30. Cumulatively, year-to-date, 1512 EPWP jobs have been created against a target of 1500 jobs and 127 local SMMEs have been supported against a planned target of 100 SMMEs.

II. Bridges Management Programme

During the course of the financial year several bridges were identified to have a variety of structural defects and required either rehabilitation and or reconstruction. The implementation of these bridge projects is at various stage based on the scope of works. Some like the M1 Double Decker Bridge, Selby and Karsene Bridge and South Road bridges are already at construction stage whereas most are at different design stages.

The rehabilitation of the M1 Double Decker Bridge is at an advanced construction stage, with the installation of new joints and parapet walls. The overall progress is at 80% and completion is scheduled for end August 2019 compared to the contractual completion

date of 12 December 2019. The rehabilitation of the M2 Motorway Bridges, Selby and Karsene progressed during this quarter and is scheduled for completion in October 2019. The reconstruction of South Road Bridge commenced during this quarter and appointment of contractors for Joe Nhlanhla Bridge, Moddersfontein Bridge, Spring Road Bridge is in progress.



M2 Selby deck demolition

One of the most significant projects that is currently underway is the emergency rehabilitation of the M1 Double Decker Bridge and the M2 Motorway Bridges, Selby and Karsene. The scope of work entails stormwater drainage upgrade, structural repairs and design to align the bridges to the Gauteng Freeway Improvement Programme (GFIP) Standards.



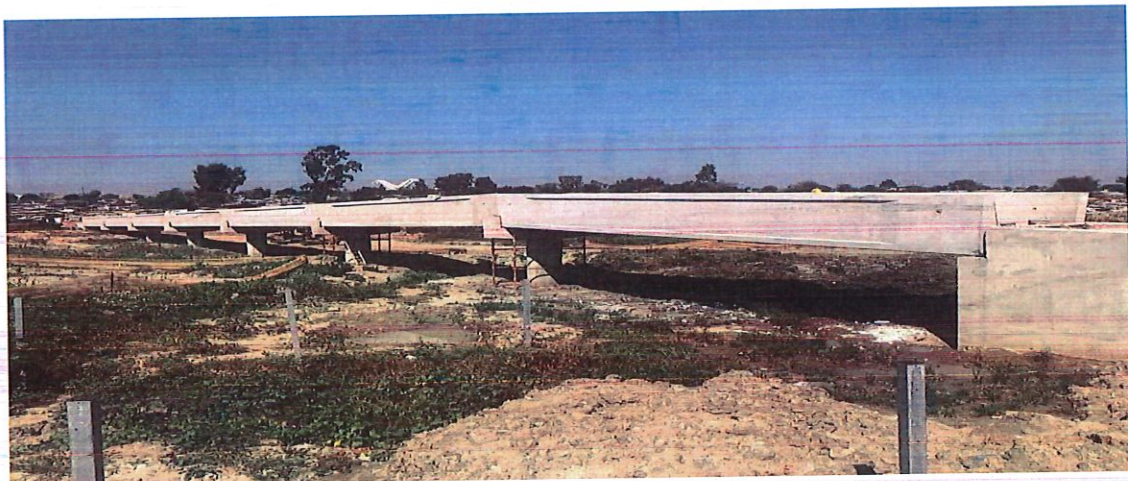
M1 Double Decker rehabilitation

In addition to the bridge rehabilitation projects is the construction of new bridges (pedestrian and vehicular) and reconstruction of some existing bridges. These include the Kaalfontein Pedestrian bridge, Diepsloot Pedestrian bridge, Klipspruit Pedestrian bridge, and Kliptown Low lying. All these projects are at an advance construction stage, the Diepsloot and Kliptown Low lying bridges have reached practical completion while Kaalfontein and Klipspruit Pedestrian bridges will be completed end August 2019.



Kliptown Low-level bridge during construction before and after

The construction of the Diepsloot pedestrian bridge in Diepsloot will play a significant role in the lives of residents by linking Diepsloot Extensions 1 and 2, with safe passage during times of heavy rains and flash flooding.



Diepsloot Pedestrian Bridge

III. Implementation of the "No joint policy" and traffic signal upgrade.

The JRA has embarked on a programme of upgrading all old traffic signal cables to eliminate cable faults that usually result in malfunctioning of traffic lights. Year to date, old cables in 195 intersections have been upgraded against a planned target of 175 intersections. Included in the programme is the upgrading of existing traffic signals in line with the SARTISM standards and year to date 45 intersections have been upgraded against a target of 40 intersections.

IV. Storm Water Management

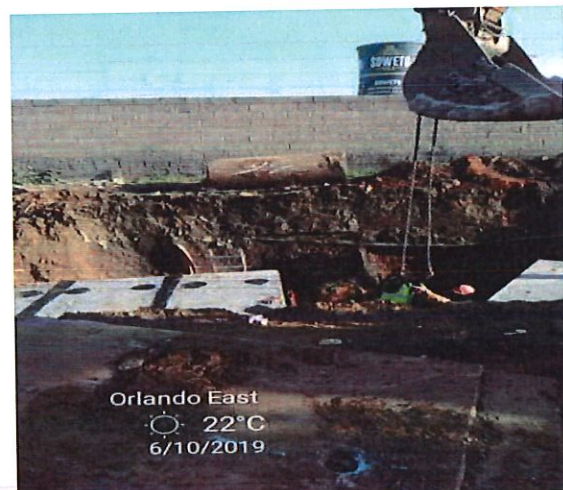
Stormwater Master Planning (SMP) is critical in identifying inadequacies within the existing infrastructure as well as defining new stormwater infrastructure to mitigate flooding which leads to loss of life and property. By the end of fourth quarter, two stormwater master plans (SMP) have been completed namely; Eros Street in Mayfair west and Typhoon Street in Ormonde and one is still in process of completion in Inner City (CBD). The implementation of the SMP in Soweto is currently underway in Orlando and Protea Glen.

Further to the implementation and development of SMP, the JRA has an embarked on a programme of converting all open stormwater channel systems into underground pipe and or culvert systems. During the 2018/19 financial year the focus has been on Braamfischerville, Orange Farm and Ivory Park.

Year-to-date, the low capacity of the current stormwater system across the City was impacted severely by the recent heavy rains and the JRA had to respond to numerous flooding "hotspots" complaints in areas such as Ikwezi Drive and Mmila Road in Ward 47- Region D; Senaone - Umvoti Street in Ward 15- Region D; Mabalane Street in Ward 15 Region D;; Mapetla Street, Sekoati and Malatsi Street in Ward 16 Region; Naledi - Madutlwa Street in Ward 20 Region D; Rathebe Passege in Ward 31- Region D and Bramfisherville Channel in Ward 44 Region C. The short-term solutions for the above areas are currently implemented and will continue in 2019/20 financial year.



Conversion of Open drains into closed system in Orange Farm and Ivory Park



Implementation of the Stormwater Master Plan in Soweto

V. Mobility Freight Management

During the 4th quarter, the following key service delivery highlights and milestones were achieved.

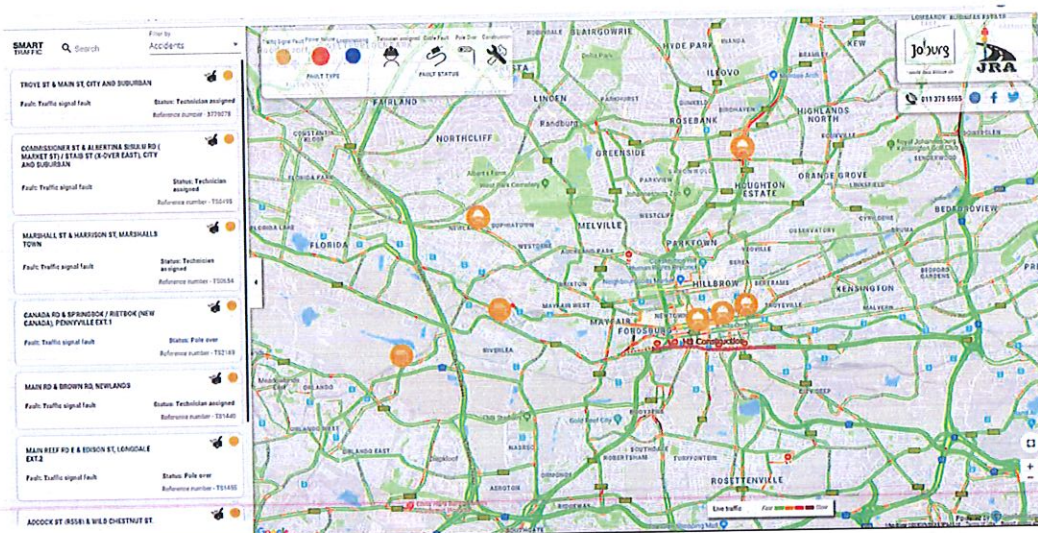
- The department achieved 81.89% on resolving all reported traffic faults on traffic signals. The year-to-date performance is 90,60% achievement against a target of 80%.
- The department achieved 100% on damaged traffic signal poles repairs. The year-to-date performance is 95.83% achievement against a target of 80%.
- The department revised the traffic signal timings at 63 intersections to improve mobility and reduce congestion. The quarter 4 target of 40 designs were

exceeded. For the 2018/19 financial year 285 designs have been completed against a target of 200

- 140 Safety investigations were completed during the 4th quarter in response to community road safety requests. The quarter 4 target of 50 investigations were exceeded. For the 2018/19 financial year, 455 site investigations have been completed against a target of 300.
- 8 Petition reports were received during the 4th quarter and investigation reports were completed for all. For the 2018/2019 financial year, 103 petition reports were received and 99 investigation reports completed. 4 Petitions could not be verified due to incorrect location information.

Smart Traffic Systems

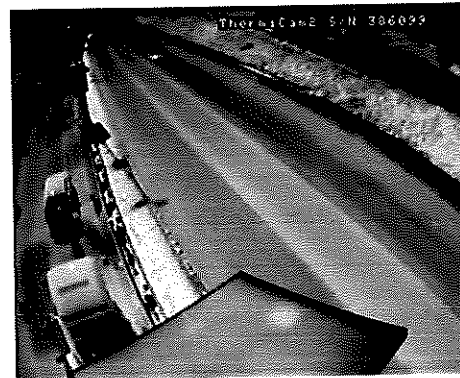
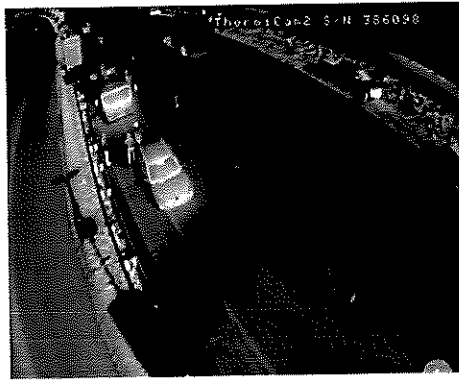
Smart Traffic Public Facing Module: During the quarter, the JRA completed a public facing smart traffic module that can be used by road users and media to see which traffic signals not working and as they get resolved. This smart traffic module can provide real-time performance of the traffic signals and road users can use this information to determine their travelling plans. Below is the screen grab of the system.



Screenshot of Smart Traffic Public Facing Module

The system is currently being tested with a planned launch in October during Transport Month. The system is capable of identifying traffic signals that are down as well as causes of the downtime. The downtime can be attributed to power outages, accidents, theft and vandalism as well as those down due to faulty components.

Traffic Volumes and Speed Detectors the department installed traffic volumes and speed detectors next to Glenhove offramp on the M1. These will assist the department with monitoring speeds and volumes on the M1 which will further assist with our planning processes for alleviating congestion. The pictures below show the thermal cam that will be capturing traffic flows.



Visuals from traffic volumes and speed detectors

VI. Governance and Internal Processes Programmes

Key to this programme is the creation of short-term job opportunities (EPWP) and employment of local emerging contractors (SMMEs). During Quarter 4, 396 EPWP jobs were created against the target of 400 for the quarter and 43 local emerging contractors were employed against the quarterly target of 30.

The JRA adjusted operating budget for the 2018/2019 financial year is R 1, 283, 170 million. The interim operating expenditure and income was R 1, 166, 733 million and R 1, 364,231 million respectively, representing income exceeding expenditure by R 197, 498 million at the end of the fourth quarter.

The adjusted capital budget for the 2018/2019 financial year is R 1, 301, 847 million and the interim capital expenditure for the 4th Quarter ended 30 June 2019 is R 1, 202, 848 million. This represents 92, 4 % of the total adjustment capital budget spent.

V. Regional Operations

The Regional Operations Department is a critical driver of our maintenance programme. Using the panel of contractors, the Department completed the installation of over 502 speed humps across the seven (7) Regions, most of which were installed in and around schools and public /recreational spaces. Region D alone installed over 300 speed humps thereby ensuring safety for pedestrian and kids. The total budget of R20 million was used to rollout the programme.

Regional Operations also embarked on the road marking programme that saw R40 million spent to do specialised road markings for all major arterials of the CoJ. The road markings types that were used were cold plastic, thermo-plastic and high- build water base road marking. The total coverage of road marking on major arterials was 968 lane kilometres. The main arterials where road markings were done included Columbine Ave, CR Swart road from Beyers Naude to R512, Oxford from M1 to Central.

In addition to the above, the Department enlisted their panel of contractors (39 Contractors) to deal with backlogs of reinstatements in the road reserve. The total work done contributed in ensuring that the backlogs are reduced, SMME's are allocated work and that local labour from communities get EPW work. 225.05 Lane km were resurfaced (against target of 220 Lane km) in various Regions.

Section 4: Company Performance against 2018/19 Company Scorecard Targets

The table below therefore sets out how the JRA performed in the fourth quarter against its Company Scorecard.

Q4 Company Performance Against Business Plan

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
Roads - Resurfacing	1	RESUR - Resurfacing of Roads JOHANNESBURG F City Wide	Number of Lane Kilometres of roads resurfaced	220 Lane km	<p>Target Achieved Q4 Achieved: 225.05 Lane km YTD Target: 220 Lane km Achieved: 225.05 Lane km</p>	The use of internal contractors and external contractors combined with value engineering assisted in the increase in lane km resurfaced in 2018/19.
Roads - Gravel Roads to	2	Upgrade: Gravel Roads to surfaced programme	Number of Kilometres of gravel roads upgraded to surfaced roads.	25 km	<p>Target Achieved Q4 Achieved: 11.802 km YTD Target: 25 km Achieved: 25.014 km</p>	The gravel roads programme progressed faster than planned during Q3 thus Q4 target was not achieved. However, the overall annual target has been exceeded.

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
Conversion of open Storm water channel	3	CONV - Conversion of Open Drains to Underground/Covered Drains	Kilometres of Open Drains converted to underground stormwater systems	1.5km	<p>Target Not Achieved Achieved: 1.264 km</p> <p>YTD Target: 1.5 km Achieved: 1.264 km</p>	<p>Reason for deviation: The low performance on this KPI is attributed to two key factors, delays in supply chain process and poor performing service providers. This led to delays appointment of service providers. In some instances, some service providers appointed did not have the capacity to execute the work.</p> <p>Mitigation Plan: The JRA management is currently reviewing its entire supply chain process to ensure both efficiency and compliance to all policies of the JRA.</p>
Roads - Resurfacing	4	M1 Motorway Capacity Expansion project	Budget expenditure on the M1 Motorway Capacity Expansion project	50%	<p>Target Not Achieved Q4 Achieved: 28.4% Budget Expenditure</p> <p>YTD Target: 100% Achieved: 100% Budget Expenditure</p>	<p>The overall expenditure on the M1 Motorway Capacity Expansion project was at 71% exceeding the Q3 year-to-date target. This explains the under-performance in Q4, as more than 50% of the budget had been spent by end of Q3. Annual target has been achieved.</p>

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
Roads - resurfacing	5	M2 Motorway Capacity Expansion	Budget expenditure on the M2 Motorway Capacity Expansion project	50% Budget expenditure	<p>Target Achieved Q4</p> <p>Achieved: 86% Budget Expenditure YTD</p> <p>Target: 100% Achieved: 95.7 Budget expenditure</p>	Due to the sensitivity of the material used for resurfacing, productivity on the M2 resurfacing was impacted by the recent cold weather experienced in Johannesburg.
	6	Soweto Highway resurfacing project	% Budget expenditure on the Soweto Highway resurfacing project	50% Budget expenditure	<p>Target Achieved Q4</p> <p>Achieved: 97.7% Budget Expenditure YTD</p> <p>Target: 100% Achieved: 108.5% Budget Expenditure</p>	The Soweto Highway resurfacing was impacted by work stoppages caused local Business Forums and this resulted in delays. The issue has been resolved for now and interested and affected stakeholders are being consulted on an ongoing basis.
Roads Management - (Improvements/upgrades)	7	REHAB - Road Rehabilitation / Reconstruction Programme. <i>(Roads in very poor condition all over the City that require urgent intervention according to PMS to improve VCI)</i>	Km of very poor roads identified through the Pavement Management System (PMS) rehabilitated / reconstructed in terms of the defined annual project scope	5 Kilometres	<p>Target Not Achieved Q4</p> <p>Achieved: 4.69km</p> <p>Target: 12 km</p> <p>Achieved: 16.35km</p>	The Road Rehabilitation / Reconstruction programme had over performed in Q3 thus the Q4 target was not achieved. It should be noted that the overall annual target has been exceeded.

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
		(Visual Condition Index).	including any authorized variations			
	8	Implementation of Complete Streets standards City Wide	Budget expenditure on implementation of complete street standards - citywide	70%	<p>Target Achieved</p> <p>Q4 Achieved: : 87.1%</p> <p>Budget Expenditure</p> <p>YTD Target: 100%</p> <p>Achieved: 87.1%</p> <p>Budget Expenditure</p>	<p>Reason for Deviation: The budget was only allocated during the mid-term budget adjustment process.</p> <p>Mitigation Plan: The recovery plan was put in place to allocate the budget to Hostels Access and Inner-City Complete Streets Implementation projects. The budget was also allocated to Region B Complete Streets to ensure full expenditure by June 2019.</p>
	9	Implementation of Complete Streets standards Inner City	Budget expenditure on implementation of complete street standards	70%	<p>Target Not Achieved</p> <p>Q4 Achieved: 0% Budget Expenditure</p> <p>YTD Target: 100%</p> <p>Achieved: 0% Budget Expenditure</p>	<p>The prefeasibility studies, field investigations and engagement of interested and affected stakeholders took longer than initially anticipated.</p> <p>A recovery plan has been developed and the project is back on track.</p>
	10	Traffic Signal maintenance	% Reduction in traffic signal	10% reduction	<p>Target Achieved</p> <p>0.082%</p>	

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
			downtime related to technical faults		YTD Target: 10% Achieved: 0.065%	The prefeasibility studies, field investigations and engagement of interested and affected stakeholders took longer than initially anticipated.
	11	Implementation of Hostel access roads upgrades – City wide	Number of access roads upgrades in Hostel areas	1	Target Not Achieved Achieved: 0	A recovery plan has been developed and the project is back on track. The focus on the project will be the Mzimhlope Hostels.
Bridge Management (Renewal (Improvements/upgrades	12	Bridge management programme	Number of bridges rehabilitated in terms of the defined project scope	10 bridges	Target Achieved Q4 Target 10 Achieved 13 YTD Target: 10 Achieved: 13	The initial plan was to rehabilitate only 10 bridges during the 2018/19 financial year but due to the heavy summer rains numerous bridges were affected and had to be attended leading to the target being exceeded.
	13	BRID 10 - Bridge Expansion Joints. Renewal Bridges (Pedestrian & Vehicles) City Wide	Number of bridge expansion joints replaced / rehabilitated	7	Target Achieved Q4 Target:7 Achieved: 144 YTD Target: 20 Achieved: 144	The initial plan was to replace / rehabilitate joints on 20 bridge but during the year more bridge joints that required urgent rehabilitation and replacement were identified, in particular on the M1 Double Decker. This contributed to the target being exceeded.

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
Stormwater Management - Planning and Rehabilitation	14	MISCL - Integrated Roads and Stormwater Master planning. <i>(Determination of flood lines and all the roads and stormwater studies as part of master planning throughout the City of Johannesburg.)</i>	Number of completed Stormwater Master Plans (SWMP) for identified areas in terms of the defined annual project scope including any authorized variations	1 storm water master planning completed (CBD)	Target Achieved <u>Q4</u> Target: 1 Achieved: 2 <u>YTD</u> 2 Stormwater Masterplans have been completed.	Programme proceeded faster than planned and the stormwater master plans for Inner City and Ormonde Ext 3 were completed.
	15	CATCH - Implementation of CBP Stormwater Master planning	% of construction completed of CBP Storm Water Master Planning: Soweto	50% completion of stormwater implementation	Target Achieved <u>Q4</u> Target: 50% Achieved: 58% <u>YTD</u> Target: 50% Achieved: 58%	The project has progressed faster than planned.
Internal Processes	16	EPWP Jobs created	Number of EPWP jobs created	400	Target Not Achieved <u>Q4</u> Achieved: 396 EPWP Jobs Created <u>YTD</u> Target: 1500 EPWP Jobs Created	Cumulatively more short-term jobs were created during the Q3 thus less jobs were created during Q4. It should be noted that the overall annual target has been exceeded.

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
					Achieved: 1512 Jobs Created	
	17	Appointment of SMME's	Number of SMME's appointed	30	<p>Target Achieved Q4</p> <p>Achieved: 69 SMME's appointed</p> <p>YTD</p> <p>Target: 100 SMME's appointed</p> <p>Achieved: 153 SMME's appointed</p> <p>Target Not Achieved</p>	The JRA has developed more initiatives to create more scope for participation of local SMMEs across all projects.
	18	Employment Equity achievement (EE)	Number of vacant positions filled in the numerical EE target	86	<p>Q4</p> <p>A total of 21 employees designated as African were appointed in the fourth quarter</p> <p>YTD</p> <p>Target: 86</p> <p>Achieved: 76</p>	<p>Reason for Deviation: The JRA could not achieve the target set of filling 22 positions due to a temporary hold on all positions on Circular 04/2019.</p> <p>Mitigation plan: The hold has been lifted and JRA is proceeding with the recruitment process in Q1 of 2019/20.</p>
Financial Management	19	Production of asphalt in support of Rehabilitation and Renewal Roads Programmes	Tons of Asphalt produced by JRA Asphalt plant for both internal use and external sales (new Kpi)	41 250 tons	<p>Target Not Achieved</p> <p>Q4:15 004.88 tons</p> <p>YTD</p> <p>Target:150 000 tons</p>	<p>Reason for Deviation: Inefficiencies emanating from the operating and business model of plant. Lack of strategic support from procurement to enhance production. Delays in payments of suppliers.</p>

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
					Achieved: 81 129.79 tons	Delays in awarding of contracts for materials. Mitigation: Develop and implement a turn-around plan to improve operating business processes. Implement the shift work system to realize higher production and align with contractors working programs, these will also ensure revenue generation.
	20	Financial Management (OPEX Expenditure)	% spend on JRA's operating budget against approved operating budget (5% over/under variance)	95% (5% over/under variance)	Target Achieved 95%	Please note that accruals are still being accounted for and the operating expenditure will increase
	21	Financial Management (CAPEX Expenditure)	% spend on JRA's capital budget against approved capital budget.	95%	Target Achieved 99%	Reason for Deviation: Several capex projects were negatively impacted by work stoppages on key projects, contractor performance and procurement challenges. Mitigation plan: Improved community engagement through CLOs and implementation of a strategic procurement process will be prioritised.

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
	22	BBBEE Expenditure	% of total procurement spend on BBBEEE	75%	Target Achieved 96.74%	The majority of JRA suppliers are BBBEE compliant enabling the JRA to achieve higher levels of BBBEE spend
Governance	23	Audit findings	Number of issues raised by the AG that are due to be resolved in the current year expressed as a % of the total number of issues raised by the AG in the management Letter that are due in the current year	90% of all findings raised by the AG resolved	Target Not Achieved Q4 Achieved: 33% YTD Achieved 60%. (The Entity resolved 15 of the 25 AG findings raised in 2017/18)	Some of the findings have been partially resolved and management is busy with full control implementation. Certain actions have documentation to be approved by Committee Structures before resolutions. Mitigation Plan: Regular OPCA meetings for continuous engagement between Management and Internal Audit on tracking and reporting.
	24	Audit Opinion	Unqualified without material findings	-	Not due	
	25	Audit findings - internal audit	Number of audit findings raised by Internal Audit due to be resolved in the current year, as a % of the total number of findings raised in the internal audit reports due to be	80% of all findings due to be resolved in the quarter	Target Achieved Achieved: 69% (Internal audit raised 93 findings. Of these 90 were due and the JRA resolved 62) YTD 69% resolved	Reason for Deviation: Some of the findings have been partially resolved and management is busy with full control implementation. Certain actions have documentation to be approved by Committee Structures before resolutions. Mitigation Plan: Regular OPCA meetings for continuous engagement between Management

KPA	KPI No	Programme	Key Performance Indicator	Q4 Target	Q4 Actual Performance	Comments
			resolved in the current year.			and Internal Audit on tracking and reporting.
	26	Risk Management	% Implementation of the Risk Management Plan (% <i>Implementation of 17 activities identified</i>)	90% Implementation of the Risk Annual Plan	Target Achieved 88.23%.	
	27	Promotion of Health and safety for employees	Number of Disabling Injuries recorded (New Kpi)	6	Target Not Achieved Q4: 12 incidents YTD Target: 40 Achieved: 57 incidents	Reason for Deviation: Accidents are attributed to inadequate supervision on site and motor vehicle accidents causing injuries to employees. Mitigation Plan: Depot managers to conduct accident investigations and ensure that recommendations are implemented as corrective and preventative measures to avoid reoccurrence. Ensure depots comply with toolbox talks requirements
	28	Promotion of ethics and integrity within the City	% Implementation of the approved annual Ethics Events Calendar	95%	Target Not Achieved Q4 Achieved: 71.53% 33 activities were due for 2018/19 financial year, of which of 28 (84.85%) were achieved.	Reason for deviation: Ethics Survey and training of Ethics Forum members were not performed in this quarter Mitigation Plan: Ethics survey and training of the ethics management forum to be prioritised in Q1 of 2019/20 financial year.

Section 5: Capital Projects and Expenditure

A comprehensive breakdown of capital expenditure and projects is attached as Annexure C.

Section 6: Performance Against Service Standard

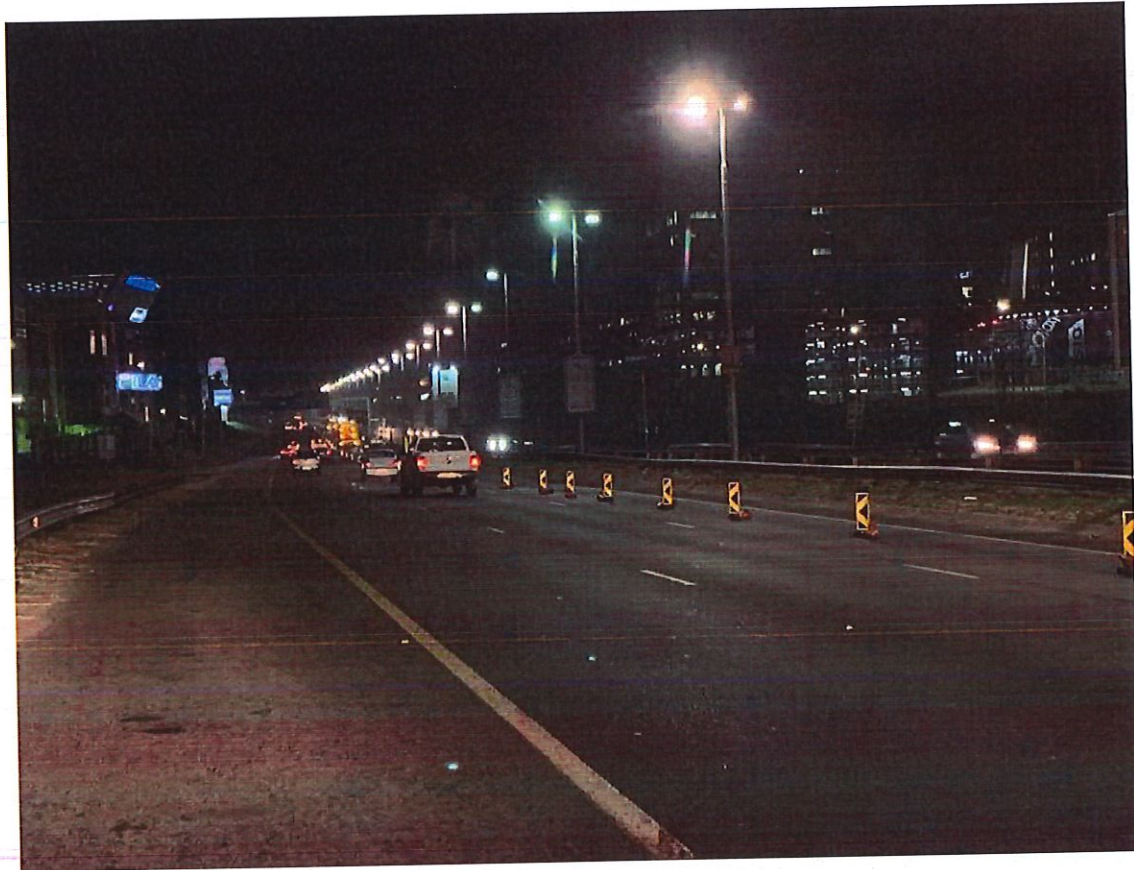
The company focuses on the following service standards as contained in the revised Customer Service Charter; repair of potholes; regulatory road signs repaired; traffic signal maintenance; repair of damaged / missing road barriers or guardrails; repair of damaged traffic light poles; blocked stormwater repair and replacement of manholes covers. The mid-year revisions amended the service charter standards and created 21 sub-targets for the seven service standards on the customer charter relevant to the JRA. In the period under review the JRA met 12 of its 21 targets (57.14%).

KPA	KPI	Programme	KPI	Q4 Target
JRA Customer Charter Standards	1	Repair of damaged/missing road barriers or guardrails	% of damaged / missing road barriers or guardrails repaired from when a valid call is logged.	40% within 14 days.
				60% within 20 days.
				80% within 30 days.
	2	Blocked stormwater repairs	% of blocked stormwater kerb inlets (KI's) repaired from when a valid call is logged.	40% within 10 days.
				60% within 20 days.
				80% within 30 days.
	3	Replacement of manholes covers	% of missing JRA manholes covers made safe and replaced after a valid call is logged	40% within 10 days.
				60% within 20 days.
				80% within 30 days.
	4	Regulatory Road Traffic Signs repaired	% of reported damaged/missing regulatory road traffic signs replaced or repaired from the time when a valid call is logged	40% within 10 days.
				60% within 20 days.
				80% within 30 days.
	5	Potholes repair	% of reported potholes repaired from time of recording of a genuine pothole by the JRA from all sources. ¹	40% within 14 days.
				60% within 20 days.
				80% within 30 days.
	6	Traffic Signal Maintenance	% of reported faulty traffic signals repaired from the time of genuine fault recorded by the JRA from all sources	40% within 24 hours.
				60% within 48 hours.
				80% within 7 days.

¹ Phakama, Hotline, Find & Fix, Internal JRA Staff, Urban Regional Inspectors (from Regional Directors Office), JRA Inspectors

KPA	KPI	Programme	KPI	Q4 Target
	7	Repair of damaged traffic light poles	% of reported damaged traffic signal poles repaired/ from when a valid call is logged	40% within 14 days.
				60% within 20 days.
				80% within 30 days.

For detailed performance against these service standards see Annexure I.



Repairs of damaged guardrails on the M1

CHAPTER 4: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT.

The JRA aims to be the employer of choice, recruiting and retaining talent through the Human Capital Management function. The JRA's employment policy allows employment practices and remuneration policies to motivate and retain talented employees and create an attractive work environment. The JRA periodically reviews all its employment policies and practices in line with applicable prescripts to ensure that it remains relevant.

Section 1: Employee Remuneration

The table below reflects total employee costs (including Executives) for the 4th quarter- April to June 2019.

Grade / Level	Amount (R)
Executive Management	4 473 386.93
Senior Management	9 606 488.31
Professionally qualified and experienced specialists and mid-management	21 495 750.03
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	25 789 247.48
Semi-skilled and discretionary decision making	81 680 138.63
Unskilled and defined decision making	63 933 650.32
Total	220 767 031 60

Table 4.1: Total employee costs

Section 2: Key Vacancies

During the 4th quarter the position of Head: Chief Financial Officer (CFO) was filled on 1 June 2019.

Progress in relation to the filling of vacant key posts

Vacant Post	Progress
HOD: Mobility & Freight	The recruitment and selection process is envisaged to resume in July 2019.
HOD: Public Relations & Stakeholder Engagement	This position was advertised on 16 June 2019 and the closing date is the 01 st July 2019.
HOD: Planning	This position was advertised on the 23 June 2019 and the closing date is July 04, 2019.

Depot Managers X4	Four Depot Managers were appointed, three started on May 01, 2019 and one on June 01, 2019.
Operations Manager: IT	The appointed candidate will start work on the 01 July 2019.

Table 4.2: Progress with filling of vacancies

Vacancy Ratio

A total of 1715 funded positions were filled, and 168 funded positions are vacant

Grade / Level	Authorised Complement	Number of funded Vacancies	
		Q4	% Vacancies
Executive Management + HOD's	9	3	33%
Senior Management	29	6	20%
Professionally qualified and experienced specialists and mid-management	104	5	4%
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	211	44	20%
Semi-skilled and discretionary decision making	867	34	3%
Unskilled and defined decision making	1425	76	5%
Total	2645	168	6%

Table 4.3: Vacancy ratio

Staff Turnover

The total percentage of staff turnover versus the authorized staff numbers for 4th quarter is 0.4% as illustrated in the table below;

Turnover (Reason)	Staff Leaving JRA				Total
	Q1	Q2	Q3	Q4	
Resignation	4	3	5	4	16
Death	1	1	0	3	5
Dismissal	1	1	0	2	4
Medical Boarding	0	1	0	0	1
Retirement	10	4	2	7	23
Contract Termination	0	1	0	0	1
Total	16	11	7	16	50

Table 4.3: Staff Turnover

Section 3: Employment Equity

At JRA there is commitment to the principles of equity, non-discrimination and diversity enshrined in the Constitution and the Employment Equity Act (1998). The objective is to be an equal opportunity employer and to ensure the staff composition is diverse and reflective of the South African society.

Provincial requirements

	MALES			FEMALES				MALES	FOREIGN NATIONALS		TOTAL
	A	C	I	A	C	I	W	W	MALES	FEMALES	
Provincial Population %	42,8	5,3	1,8	35,1	4,5	1,0	4,2	5.3			100,0

Current JRA status as at 30 June 2019

	MALES			FEMALES				NON-DESIGNATED	FOREIGN NATIONALS		TOTAL
	A	C	I	A	C	I	W	W	MALES	FEMALES	
Province Population %	42.8	5.3	1.8	35.1	4.5	1.0	4.2	5.3			100
Current number of employees	1086	12	5	537	11	2	21	41	0	0	1715
Required	734	91	31	602	77	17	72	91	-	-	1715
Difference (under/over represented)	352	-79	-26	-65	-66	-15	-51	-50	0	0	0
Current %	63.32	0.70	0.29	31.31	0.64	0.12	1.22	2.39	-	-	100
% Gap	20.52	-4.60	-1.51	-3.79	-3.86	-0.88	-2.98	-2.91	-	-	0

Table 4.4: Employment equity at JRA

Section 4: Skills Development and Training

Training Statistics for 4th Quarter

Skills development and training is a critical component of JRA's human capital management ensuring that the entity has access to a variety of skills. The table below indicates all the training interventions implemented during the 4th Quarter (April to June 2019).

Strategic Skills	Education and Training Priority	Internal Training Provider	External Training provider	Total Number of Training

Improve Efficiency	Interns	33	-	33
	Degrees/Diplomas/Certificates (Employees)		52	52
Develop Technical / Core Functional Skills	Municipal Executives Financial Management Programme	-	5	5
	Health & Safety (Mandatory training)	-	139	139
	MFMA	-	68	68
Total				297

Table 4.5: Status of skills development at JRA

Section 5: Performance Management

Progress on the Revised Performance Management and Development Policy

The Performance Management and Development policy was retracted and replaced by a newly revised policy which is aligned to the City's policy framework. The revised policy is still in the process of consultation. Despite the process of finalisation of the newly revised PMD policy, the performance management process is being managed internally according to best practice.

Submission statistics were provided to the HOD's to follow up with employees who have not complied with the submission date from their respective departments. The submission rate of performance management documents is at 73% and HCD continue to provide assistance to employees from different departments to complete performance management documentation.

Section 6: Disciplinary Matters and Outcome

Disciplinary Cases conducted and finalised

The following disciplinary cases were conducted and some finalised in 4th quarter:

Disciplinary Case	Number	Outcome
Insubordination	3	Hearings in progress. Employer presenting case
Theft	4	Hearing in progress
Negligence	1	Hearing finalized. Employee resigned
Fraud	3	Hearings in progress
Sexual harassment	1	Hearing finalized, employee dismissed
Absenteeism	3	Hearings in progress

Disciplinary Case	Number	Outcome
Irregular expenditure	2	1 Hearing in progress, employer presenting case. 1 Hearing finalized. Employee dismissed
Assault	1	Hearing finalized, employee dismissed
Corruption	1	Hearing finalized, employee dismissed
Misuse of JRA equipment	2	1 Hearing in progress, employer presenting case 1 Hearing finalized. Acquitted
Insolent behaviour	1	Hearing in progress, employer presenting case
Inappropriate behaviour	1	Hearing in progress, employer presenting case
Incitement	1	6 shop stewards charged. Hearings in progress

Table 4.6: Disciplinary cases conducted and finalised

Suspensions

There were seventeen (17) employees on suspension in the reporting period.

Position Description / Designation	Category of Violations	Date of Suspension	Details of Disciplinary Action taken or Status of Case
Depot Manager: Level 4	Alleged fraud and use of vulgar language	2016.10.10	Investigation underway by COJ appointed investigators
Manager Recruitment & Selection: Level 4	Alleged corruption relating to recruitment process	2017.02.17	
Acting Supervisor: Level 8	Alleged theft of asphalt	2017.03.22	Investigation underway by COJ appointed investigators
Assistant Manager: Level 5	Alleged sexual harassment	2017.05.22	
Depot Manager: Benrose Level 4	Assault of colleague and irregular expenditure	2018.06.05	Investigation underway by COJ appointed investigators
Accountant: Level 5	Offensive behaviour and Insubordination	2018.07.06	
Accountant: Level 5	Offensive behaviour and Insubordination	2018.07.06	Hearing finalized, employee dismissed on 16 April 2019.

Position Description / Designation	Category of Violations	Date of Suspension	Details of Disciplinary Action taken or Status of Case
Ops Manager: SCM Level 3	Insubordination, SCM Irregularities	2018.08.01	
Supervisor: Level 9	Theft	2018.10.19	Case finalized, employee dismissed on 15 April 2019.
Foreman: Level 7	Theft	2018.10.19	
General Worker: Level 9	Theft	2018.10.19	Employer presenting case
General Worker: Level 9	Recruitment fraud	2018.11.12	
General worker: Level 9	Misuse of JRA equipment	2019.02.06	Employer presenting case
HCD officer: Level 6	Inappropriate behaviour	2019.02.13	
Manager Legal Services: Level 4	Gross negligence	2019.02.27	Employer presenting case
HOD: Level 2	Corruption	2019.03.22	
Managing Director: Level 1	Alleged fraud and corruption	2019.04.15	Investigation underway
General Worker: Level 9	Alleged incitement of workers to embark on illegal strike	2019.04.09	
Personal Assistant: Level 6	Alleged incitement of workers to embark on illegal strike	2019.04.09	Investigation underway
Inspector: Level 6	Alleged incitement of workers to embark on illegal strike	2019.04.09	
General Worker: Level 9	Alleged incitement of workers to embark on illegal strike	2019.04.09	Investigation underway
Area Supervisor: Level 6	Alleged incitement of workers to embark on illegal strike	2019.04.09	

Table 4.7: Suspensions at JRA

Conciliations, arbitrations and grievances

Three (3) conciliations were conducted during the 4th quarter. One (1) conciliation from quarter 3 and 3 conciliations from quarter 4 referred for arbitration.

Nature of dispute	Status	Outcome
1 Unfair dismissal	Part heard	Arbitration to proceed
3 Unfair labour practice	Part heard	Arbitrations to proceed

Table 4.8: Grievances

Leave & Productivity Management

A summary of the leave provisions during the 4th quarter is noted below:

Category	Number of leave days
Annual leave	1424
Sick leave	740
Family Responsibility leave	44
Study leave	95

Category	Number of leave days
Long leave	10
Extended sick leave	0
Unpaid leave	95
Leave encashment	680

Table 4.9: Leave and productivity management

Note:

The high sick leave statistics are prevalent due to the aging of the work force especially general workers. This can also be attributed to the nature of work and the strain that it places on the aged body. Where there is abuse of sick leave suspected, line managers are expected to act and take disciplinary action as and when required.

Employee Wellness

The following are Health and Wellness programmes that were embarked on during the 4th quarter.

Program	Action
HIV & TB awareness	Posters placed on notice boards
Blood drive	One blood donation drive was held at Head Office and some depots, in partnership with the South African National Blood Service.
Money Management assistance	Assisting clients in debt management
Substance addiction	No tobacco day write-up
Wellness planning meeting	1 meeting held with staff to plan activities
Mohokare Wellness Tournament	JRA soccer and netball teams attended and won both divisions

Healthy Lifestyle	Male and female condoms distributed
ASSUPOL	Meeting with SANLAM to explore cooperation Meeting with Medizone for health screenings
Healthy lifestyle	Meeting with sports coordinators to elect new sports committee
Health Awareness	Health awareness questionnaire drafted for approval
SOP	Review of Wellness SOP
Healthy lifestyle	Workshop for empowering potential retirees held
Occupational Health and Safety	Presentation of psychological awareness to avoid IOD's.

Table 4.10: Employee wellness



Counselling Sessions

No of employees	Problem	Nature of intervention
2	Life-management	Inhouse counselling
5	HIV/ AIDS counselling	Inhouse counselling
4	PTSD counselling	Inhouse & External counselling
1	Couple intervention	Inhouse & external counselling
1	Conflict Management	Inhouse counselling
4	Substance abuse	External referral
2	Career guidance	Inhouse counselling
1	Debt Management	Inhouse

2	Post-natal depression	Inhouse counselling
2	Family counselling	Inhouse counselling
2	Absenteeism	Home visits

Table 4.11 Counselling Sessions

Employee Benefits

The JRA provides employment benefits to its employees as prescribed in the Basic Conditions of Employment Act (BCEA).

Pension Fund Benefits

The JRA provides pension benefits to its employees through membership of the following accredited funds:

- eJoburg Retirement Fund;
- Municipal Employees Pension Fund;
- Municipal Gratuity Fund;
- Joint Municipal Employees Pension Fund;
- Soweto Pension Fund;
- City of Johannesburg Pension Fund.

FUND	NAME OF FUND	NO OF EMPLOYEES
MEDICAL AID	Bonitas	381
	KeyHealth	81
	Hosmed	69
	LA Health	173
	SAMWU Med	221
	Total	925
PENSION FUNDS	eJoburg	1276
	City of Johannesburg Pension Fund	331
	Municipality Gratuity & Pension Fund	104
	National Fund for Municipal Workers	1
	TOTAL	1712

Table 4.12: Pensions and medical aid funds

Occupational Health & Safety programmes

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

Injuries on Duty	Activity	Q1		Q2		Q3		Q4		Annual		Target / Comment
		17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	
	Injuries on Duty (No of reportable cases)	11	18	15	19	5	8	15	12	48	57	The acceptable and recommended best practice Disabling Injury Frequency Rate value is one.
	Reportable Cases Rate (DIFR)	1.53	1.45	3.27	3.17	3.52	3.52	5.201	4.37	5.201	4.37	
	KPIs		9		13							

Table 4.14: Injuries on 4.13: Injuries on duty

Note

The table denotes that the DIFR is above one and currently standing at 4.37. This means that lower number of employees within the organisation experiencing high number of accidents will result in DIFR above one (1) and higher. A DIFR of 4.37 for the fourth quarter demonstrates that concerted effort by management and employee's commitment and zero accident culture is necessary to reduce occupational accidents to be able to reach the acceptable level of DIFR one (1) and below.

The table 4.14 demonstrates the comparison between 17/18 and 18/19 financial year regarding number of accidents and progress made to reduce the occurrences.

Current implemented mitigating measures

- In June 2019 SHE Unit conducted Annual SHE awareness sessions under the theme "Accidents are Avoidable". The SHE awareness promoted toolbox talk sessions, use of issued personal protective equipment, making use of barricading equipment on site all the time, accident investigations and implementing recommended corrective measures to prevent reoccurrence of such accidents.
- All accident is investigated and discussed in the newly established Accident Investigation Management Committee to ensure that Depot Managers are held accountable by implementing corrective measures to prevent recurrence of same accidents. Communicate injury statistics to JRA employees through intranet, creating awareness to reduce the number of injuries at the workplace.
- A comprehensive summary of injury incidents (April – June 2019) is provided as Annexure H

CHAPTER 5 FINANCIAL PERFORMANCE

Section 1: Interim Statement of Finance position and high-level notes

Q4 (End of June 2019)

	2018-19
Operating surplus	R 212, 271 m
Cash on hand (Developers account and loan to COJ)	R 782, 224 m
Accumulative Surplus	R 470, 673 m

(Refer to **Annexure E**).

Section 2: Statement of Financial Performance and high-level notes Q4

Component	Adjustment Budget	Actual	Variance	Comment
Income	320, 792 m	388, 760 m	R 67, 968 m	Developers Contribution and Interest Income are over Adjustment Budget
Expenditure	(320, 792 m)	(235, 852 m)	R 84, 940 m	Savings on Consultants, Municipal Charges, Repairs and Maintenance of JRA assets, Security (Note Accruals are still being finalised and will increase the 4 th Q operating expenditure)
Surplus/ (Deficit)	Nil	R152, 908 m	R 152, 908 m	

(Refer to **Annexure E**).

Notes to Finance position / performance (Q4):

The major contributing factor for the surplus in the quarter is due to the Reinstatement Income of R 7, 2 million over budget, Developers Contribution of R 9, 188 million over budget, the overcollection on interest from bank of R 6, 056 million and Intercompanies of R 9, 030 million, as well as R 18 million on COJ subsidy as this was an additional amount allocated by COJ for the adjustment budget and this also contributed to the surplus of the JRA.

Management fees was also over the budget by R 17, 6 million and, this is directly linked to the capital spend for the quarter, which was more than the targeted amount. Developers Contributions is over budget by R 9, 188 million as the COJ Infrastructure

Planning Department has paid over to JRA R 21, 750 million for the quarter. The operating expenditure for the quarter is under the Adjustment budget due to consultants, security, repairs and maintenance, insurance, municipal charges and security costs which were under by R 84, 9 million. Note JRA is still in the process of raising operating expenditure accruals for 18/19, which will increase the operating expenditure.

In the context of necessary expenditure, management has drastically reduced all non-essential expenditure including expenditure for functions, travel and participation in events. There is a focus on using vehicles more efficiently to reduce fleet lease costs.

Interim Under/Over spending:

- **Contractors:** This expense relates to external contractors that the JRA uses for some of the maintenance work. Due to a slow start to the financial year by Level 1 and 2 appointments, Quarter 4 has an over expenditure of R 4, 5 million.
- **Repairs and maintenance:** This is related to the repairs and maintenance of JRA's buildings. The expenditure was curtailed due to pending JRA Head Office relocation to a new building. The quarter spend is within the budget amount. A chiller was installed at the Head Office, but this was a capital expenditure expense. Actual invoices of June 19 must still be taken into account.
- **Municipal Service charges:** These charges are based on actual usage by JRA and the adjustment budget is based on history. There was an underspend of R 9 million in the current quarter, and the actual charges for June 19 must still be accounted.
- **Material costs:** This is expenditure related to materials issued internally for maintenance as well as Level 1 and 2 maintenance contractors. The material is under budget by R 1, 9 million for the quarter.
- **Consulting fees:** These are expenses related to the use of external consultants. The expense is R 31 million under budget. This is due to the reduced use of consultants within the JRA. In addition, the JRA has been filling in vacant positions to minimize the reliance on consultants.
- **Leased Charges:** This is expenditure related to leased equipment and motor vehicles. During the 4th Quarter, there was an underspend by R 9 million, and June 19 invoices must still be accrued.

Section 3: Cash Flow Statement

Refer to Annexure B

• **Capital Projects & Expenditure**
CAPEX expenditure

		Q1	Q2 Cumulative	Q3 Cumulative	Q4 Cumulative
2016-17	Expenditure	R 213,644 850	R 519 285 867	R 702, 044, 000	R 1, 288, 026, 000
(R 1 472 946 000)	%	14,84 %	36,06%	47,7%	87,4%

		Q1	Q2 Cumulative	Q3 Cumulative	Q4 Cumulative
2017-18 (R 1 121 086 000)	Expenditure	R 140 052 822	R 458 622 627	R 640 007 000	1,092,688,501
	%	11.5%	37,8%	57,1%	97,4%
2018-19 (R 1 301 847 000)	Expenditure	R 162 494 005	494,151,605	681,126,046	1,292,145,004
	%	13.5%	40,96%	52,32%	99%

Refer attached **Annexure C** for detail.

Section 4: Ratio Analysis

- **Finance Ratios as at 2018-19**

Ratio	Actual	Target (FDP)	Performance Against Target (RAG Status)
Current ratio		1	1.96
Acid test ratio		0.9	1.87
Solvency ratio		2	2.04
Accumulated Surplus		R50m	R 470, 673 m
Cash on hand (overdraft)		R50m	R 782, 224 m
Salaries ratio		35%	57, 8%
Repairs & Maintenance ratio		7%	,33%
Notes			
The JRA is a labour-intensive company and most of the maintenance work is done internally. Salaries paid to Regional Operations and Mobility & Freight departments personnel are recorded under direct road maintenance costs. This explains the reasons for not meeting the target set of 35%. If the Regional Operations and Mobility & Freight department salaries are excluded from the remuneration ratio, it comes down to 20%.			
Overall, the rounded off ratios are positive, and the company is financially sound and solvent.			
The current ratio is 1, 96 compared to 1, 46 at 30 June 2018. The acid test ratio is 1,87 in the current year compared to 1, 39 in June 2018.			
The Repairs and Maintenance ratio only depicts the maintenance on JRA owned movable assets, but if the Operations and Traffic Signal Departments who do repairs and maintenance to roads and traffic signals, where the assets are capitalised by the City, are considered, this percentage is 62% for Repairs and Maintenance for the 4th quarter.			

Table 5.1: Financial ratios

Cost coverage:

The cost coverage ratio for JRA is 7 months. This is calculated based on Cash on Hand (sweeping and developers contribution) divided by average monthly operating expenditure.

Section 5: Supply Chain Management and BBBEE

BBBEE Expenditure

	Amount	%	RAG Status
Total payments made (excluding payroll amounts)	R412 420 378.08	96.74% against a target of 75%	
B-BBEE suppliers	R 398 984 685.90		
Capex payments	R 251 340 793.74		
Opex payment	R147 643 892.16		

Table 5.2: BBBEE Expenditure

The new Preferential Procure Policy Framework Activity came into effect on 1 April 2017. The B-BBEE point allocations have changed which impact future reporting. JRA reported B-BBEE spend of 96.74% against a scorecard target of 75%. (CAPEX 60.94% and OPEX 35.80%). Total payments made (excluding payroll) amounted to R 412 420 378m of which R 398 984 685m was made out to B-BBEE suppliers.

Payment of suppliers within 30 days –

	Q1	Q2	Q3	Q4	Target
<i>% compliance in respect of payment of all service providers within 30 days</i>	87%	98%	97%	97.5%	90%

Section 6: Report on Irregular, Fruitless and Wasteful Expenditure and Due Processes –

Irregular expenditure

There was R 5 171 609.99 irregular expenditure identified during Quarter 4. The year to date irregular expenditure thus amounts to R 16 290 721.56 on expired Information Technology contracts. The Accounting Officer has commissioned an investigation into the circumstances leading to the irregular expenditure. Upon the conclusion of the investigation a report to refer the irregular expenditure will be concluded.

Fruitless and Wasteful expenditure

The JRA incurred R 1 161.23 Fruitless and Wasteful expenditure identified during the 4th quarter ending 30 June 2019. Year to date amounted to R 1 437.13. The amount relates

to interest charged by Eskom. Management is instituting consequence management in all instances of irregular, fruitless and wasteful expenditure incurred by the entity.

Deviations

During the 4th quarter ,two deviations were awarded , one based on rates limited to R200 000.00 and another amounting to R23 474.00. The year to date deviations amount to R3 880 194.63 This includes service provider for parking space at the Newgate Building, emergency procurement of a Chiller at JRA head office building, procurement of repairs and maintenance of traffic counting machines and emergency trauma debriefing intervention of a JRA employee.

Due processes

Compliance with MFMA rules and regulations, Standard for Infrastructure Procurement and Delivery Management, JRA SCM Policy and the JRA SCM Policy for Infrastructure Procurement and Delivery Management. All Supply Chain Management processes are controlled and governed by the JRA SCM Standard Operating Procedures.

Section 7: Q4 Pending Litigations and possible Liabilities

Litigation Area	Total number of cases
Contractual Disputes	2
Delict (damages)	2
Labour (review applications)	0
Motion proceedings (Interdicts & Applications)	1

Claims against JRA

In summary, the following claims have been received during the 4th Quarter 2018/2019

Month	Letter of Demand	Normal Claims	Summons	Total	Total amount claimed
April 2019	23	31	07	61	R 5 109 408.80
May 2019	32	45	02	79	R 10 762 837.71
June	23	15	02	40	R 10 972 737.23

Total amount for 4th Quarter R26,844,983.74

CHAPTER 6: INTERNAL AUDIT FINDINGS – INTERNAL AUDIT

Section 1: Progress on Audit Plan

Results of the overall audits completed within the 4th quarter.

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	Rating (Only applicable to follow up audits)
Recruitment ,Retention and termination	5 May 2019	Adequate but ineffective	Yellow	N/A
Training and development	3 March 2019	Inadequate and ineffective	Red	N/A
CAPEX Physical verification Q2	26 April 2019	Adequate and effective	Green	N/A
Interim Financial Statement review 2018/19	7 June 2019	Disclaimer	Red	N/A
Contract Management	26 April 2019	Adequate and ineffective	Yellow	N/A
Bids Management	June 2019	Inadequate and ineffective	Red	N/A
Bids Continuous Audit for bids above 5 Mil (Circular 62)	June 2019	Inadequate and ineffective	Red	N/A

Table 6.1: Progress with audit plan

NB: The ratings expressed on the follow up audit are only based on the previously raised findings.

Adhoc Audits completed within the 4th quarter:

- Exit Payments reviews
- Request for Quotations
 - Bids Opening observations
 - Request for quotations
 - Request for proposals

Section 2: Progress on the resolution of Internal Audit findings

There were 93 open Internal Audit Findings due to be resolved by management based on set implementation plans and dates by end of 4th quarter of which 3 were not yet due by the end of quarter 4, translating to 90 findings. 80% of the 60 findings were due to be resolved for this quarter as per the target, translating to 48 findings. Of these 69% (62/90) of the findings were resolved by end of quarter 4. The progress on the resolution of the findings is as follows:

Findings due	Q4 Target	Resolved against target in Q4	Unresolved against target Q4	Total Unresolved to date	RAG Status
60	48	31	17	29	Amber
	80%	64%	36%		

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

To improve resolution of findings, there is continuous engagement between management and Internal Audit on tracking and reporting and management is fast tracking the submission of matters requiring Board and Committee approvals. Findings are a standing Agenda item at EMT for continuous oversight. Monthly and quarterly reports are submitted to the City and the Audit and Finance Committee respectively. One-on-one meetings with the departments, held by the MD are taking place.

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

6.3.1 2017/18 AG Audit

There were 15 open Auditor General Findings that were raised to be resolved by management based on set implementation plans and dates. 90% of the 15 findings that were due to be resolved by end of quarter 4 as per the target, translated to 14 findings. Of these 65% (15/23) of the findings were resolved by end of quarter 4.

Section 4: State of internal controls

The overall conclusion of the state of internal controls based on the following audits completed from the 1st of July 2018 to the 30 June 2019 is that controls are adequate but ineffective to provide reasonable assurance that JRA objectives will be achieved:

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	*Rating
Expenditure Management and Accounts payable audit	Quarter 1	Adequate but ineffective	Yellow	N/A
Budget Management Audit	Quarter 1	Adequate and effective	Green	N/A
Wayleave Management Audit	Quarter 1	Adequate but ineffective	Yellow	N/A
Performance Information Audit (Annual and Q1)	Quarter 1 and 2	Adequate but ineffective	Yellow	N/A
Annual Financial Statement review	Quarter 1	Adequate and effective	Green	N/A
Employee Physical verification	Quarter 1 and 2	Adequate but ineffective	Yellow	N/A

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	*Rating
Bids and RFQ opening observation	Quarter 1	Adequate but ineffective	Yellow	N/A
Contract Management and development Audit	Quarter 2	Adequate but ineffective	Yellow	N/A
Risk Management	Quarter 2	Adequate but ineffective	Yellow	N/A
Bids Management Audits	Quarter 2	Adequate but ineffective	Yellow	N/A
Capex review and Physical verification (Q4 2017/18)	Quarter 2	Adequate and effective	Green	N/A
Bids and request for quotations observation	Quarter 2	Adequate and effective	Green	N/A
Freight Management	Quarter 2	Inadequate and Ineffective	Red	N/A
Performance Bonus calculations verification 2017/18	Quarter 2	N/A	N/A	N/A
Key Control Assessment Dashboard	Quarter 2	Adequate but ineffective	Yellow	NA
Marketing and Communication	Quarter 3	Adequate but ineffective	Yellow	N/A
Performance information Audit – Q1 SDBIP	Quarter 3	Adequate but ineffective	Yellow	N/A
Expanded public works programme (EPWP)	Quarter 3	Adequate but ineffective	Yellow	N/A
Stakeholder engagements	Quarter 3	inadequate and ineffective	Red	N/A
Environmental Management control self-assessment	Quarter 3	inadequate and ineffective	Red	N/A
Training and development	Quarter 3	inadequate and ineffective	Red	N/A
CAPEX Physical verification Q1	Quarter 3	Adequate but ineffective	Yellow	N/A
Corporate Governance and compliance audit	Quarter 3	Adequate but ineffective	Yellow	N/A
Recruitment Retention and Termination Audit	Quarter 3	Adequate but ineffective	Yellow	N/A

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	*Rating
Performance information Audit- Q2 SDBIP	Quarter 3	Adequate but ineffective	Yellow	N/A
SMME	Quarter 3	Need for improvement	Green	N/A
Recruitment ,Retention and termination	Quarter 4	Adequate but ineffective	Yellow	N/A
Training and development	Quarter 4	Inadequate and ineffective	Red	N/A
CAPEX Physical verification Q2	Quarter 4	Adequate and effective	Green	N/A
Interim Financial Statement review 2018/19	Quarter 4	Disclaimer	Red	N/A
Contract Management	Quarter 4	Adequacy and ineffective	Yellow	
Bids Management	Quarter 4	Inadequate and ineffective	Red	N/A
Bids Continuous Audit for bids above 5 Mil(Circular 62)	Quarter 4	Inadequate and ineffective	Red	N/A

Below is the Follow up on internal audit findings

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	*Rating
Disaster recovery	Quarter 2	inadequate and ineffective	Red	Yellow
IT hardware and software management audit	Quarter 2	inadequate and ineffective	Red	Yellow
IT application Controls review	Quarter 2	Adequate but ineffective	Yellow	Yellow
Roads infrastructure planning	Quarter 2	Adequate and effective	Green	Green (2 findings out of 2 findings were resolved)
Occupational health and safety audit.	Quarter 2	inadequate and ineffective	Red	Green (1 findings out of 1 finding was resolved)

ANNEXURES

Annexure A: JRA Board and Committees Attendance Register





JRA Board and Committees Attendance Register: Meeting of 2018-19 Financial Year

The members of the respective Committees, as well as their attendance at meetings held during the 2018/19 Financial Year

Annexure A

Board member/ IAC	BOARD										REMSEC & Service Delivery					AFR & IT							
	13 July	23 Aug	21 Sept	30 Oct	28 Nov	07 Feb	18 Mar	25 Mar	15 Apr	31 May	31 July	09 Oct	10 Jan	25 Jan	10 Apr	11 Jun	27 Jul	23 Aug	11 Oct	28 Nov	11 Jan	11 Apr	
Sipho Tshabalala	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	N/A	N/A	N/A	N/A	N/A	N/A	✓	N/A	✓	✓	N/A	✓	✓
Albert Torres	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Albert Mokoena	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Steven Thunzi	✓	✓	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	N/A	✓	N/A	✓	✓	N/A	✓	✓
Thabiso Kutumela	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Lulama Mayedwa	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Xolisa Mnyani	✓	✓	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓
Thobile Magerman	✓	✓	✓	✓	✓	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	N/A	✓	N/A	✓	✓	N/A	✓	✓
Goodwill Mbatha	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dikeledi Thindisa			N/A																				
Moses Malungana			N/A																				
Sepeke Nkadameng			N/A																				
Thulani Hlatshwayo			N/A																				
Odirile Mekwa			N/A																				
INDEPENDENT AUDIT COMMITTEE MEMBERS																							
Rob Theunissen																							
Badanile Nyakale																							
Cassim Tilly																							
Roleta Lebelo																							

Legend:

-  N/A highlighted in black = not in the system.
-  N/A highlighted in any other colour = not a member of the Committee.
-  ✓: denotes attendance
-  X: denotes absenteeism

Annexure B: Cash Flow Statement for the Quarter ended June 2019

Cash Flow Statement for the Quarter ended June 2019			
		2019	2018
		June	June
		R'000	R'000
	Note		
Cash Flows from Operating Activities			
Cash used in operations	13	210,629	123,573
Interest income		(34,845)	
Finance Costs		-	-
Net Cash from operating activities		175,785	123,573
Cash flows from investing activities			
Purchase of property, plant and equipment		-14,450	(36,079)
Proceeds from sale of property, plant and equipment		-	
Increase in Developers contribution		(19,974)	
Decrease in Loan to shareholder		-	
Net Cash from investing activities		(34,425)	(36,079)
Cash Flow From Financing Activities			
Decrease in shareholder's loan		-	32,145
Repayment of finance lease obligations-non current		-	(9,582)
Net Cash From financing activities		-	22,563
Total Cash Movement for the period		141,360	110,057
Cash at the beginning of the period		167,252	57,195
Total cash at the end of the period		308,612	167,252

Annexure C: JRA CAPEX Expenditure Report Summary – June 2019

Project Description	Revised budget lift	YTD Expenditure	Manual Accruals	Total Expenditure
Gravel Roads Bramfischerville	56,100,000.00	55,890,740.76		55,890,740.76
Gravel Roads Diepsloot	6,900,000.00	6,900,000.00		6,900,000.00
Gravel Roads Diepsloot	30,600,000.00	30,873,903.61		30,873,903.61
Gravel Roads Doornkop / Thulan	17,200,000.00	15,838,907.85	1,417,638.08	17,256,545.93
Gravel Roads Drieziek	16,173,000.00	15,644,224.60		15,644,224.60
Gravel Roads Ivory Park	18,000,000.00	18,122,403.71		18,122,403.71
Gravel Roads Lawley	5,400,000.00	4,957,456.17		4,957,456.17
Gravel Roads Lawley	-			-
Gravel Roads Mayibuye	16,000,000.00	15,948,318.15		15,948,318.15
Gravel Roads Orange Farm	35,000,000.00	33,104,381.95		33,104,381.95
Gravel Roads Tshepisoong	12,300,000.00	12,300,000.00		12,300,000.00
Gravel Roads Tshepisoong	33,000,000.00	33,190,424.38		33,190,424.38
Gravel Roads Kaalfontein	15,200,000.00	11,695,993.94		15,506,298.74
Gravel Roads Poortje	37,200,000.00	37,320,370.35	3,810,304.80	37,320,370.35

Project Description	Revised budget lift	YTD Expenditure	Manual Accruals	Total Expenditure
Gravel Roads Slovoville	36,000,000.00	37,863,985.30	- 1,417,638.08	36,446,347.22
Bridge Expansion Joints	3,000,000.00	2,926,082.72		2,926,082.72
Bridge Rehabilitation (BMS)	84,000,000.00	84,957,486.67		84,957,486.67
Bridges - Visual & Detailed I	11,833,000.00	12,138,099.65		12,138,099.65
Bridges - Overtopping (Floodin	11,000,000.00	10,475,839.19		10,475,839.19
Conrad Drive Bridge	910,000.00	906,357.90		906,357.90
Blairgowri	14,100,000.00	14,115,317.54		14,115,317.54
Pedestrian Bridge Kaalfontein	15,359,000.00	15,497,192.22		15,497,192.22
Pedestrian Bridge Klipspruit W	1,350,000.00	958,682.50		958,682.50
Pedestrian Bridge Slovo Park	17,400,000.00	17,384,201.37		17,384,201.37
Pedestrian Bridge Diepsloot We	14,300,000.00	14,453,131.88		14,453,131.88
Stormwater Masterplanning Soweto	10,300,000.00	10,244,647.23		10,244,647.23
Stormwater Masterplanning Soweto	19,100,000.00	19,043,109.11		19,043,109.11
Emergency Stormwater Improve	1,200,000.00	1,192,591.30		1,192,591.30
Braamfontein Spruit Erosion Pr				

Project Description	Revised budget lift	YTD Expenditure	Manual Accruals	Total Expenditure
Klein Jukskei Bond Stream Fern	4,000,000.00	99,131.92	3,965,276.74	4,064,408.66
Kliptown Low Level Bridge	26,600,000.00	30,687,210.25	-	26,622,801.59
Conversion of Open Drains Bram	3,400,000.00	3,400,000.00	4,064,408.66	3,400,000.00
Conversion of Open Drains Bram	2,400,000.00	2,436,741.57		2,436,741.57
Conversion of Open Drains Ivor	-			-
Conversion of Open Drains Ivor	3,300,000.00	2,635,613.66		2,635,613.66
Conversion of Open Drains Oran	23,000,000.00	22,965,905.89		22,965,905.89
New Plant and Equipment	5,000,000.00	4,826,615.13		4,826,615.13
Depot Upgrading Operational Ca	2,100,000.00	1,625,008.35	311,388.10	1,936,396.45
Operational Capex	6,400,000.00	6,346,183.75		6,346,183.75
Upgrading of Head Office	2,000,000.00	1,924,909.22		1,924,909.22
Dam Safety Rehabilitation	1,800,000.00	1,837,179.59		1,837,179.59
Emergency Stormwater Intervent	250,000.00	664,361.29		664,361.29
Environmental Compliance	920,000.00	922,500.00		922,500.00
Integrated Roads & Stormwater	5,300,000.00	5,409,631.77		5,409,631.77

Project Description	Revised budget lift	YTD Expenditure	Manual Accruals	Total Expenditure
Investigate and Design Future	4,000,000.00	3,721,885.50		3,721,885.50
Emergency, Critical & Urgent S	17,200,000.00	16,172,775.23		16,172,775.23
Emergency, Critical & Urgent S	32,200,000.00	33,487,751.56		33,487,751.56
Complete Streets	6,600,000.00	5,907,513.38		5,907,513.38
Geometric Improvements	2,000,000.00	1,367,171.74	472,209.47	1,839,381.21
Guardrails	5,300,000.00	5,267,075.20		5,267,075.20
Alternative Power Sources (LED)	2,218,000.00	2,205,131.57		2,205,131.57
Alternative Power Sources (UPS)	5,000,000.00	4,848,696.47		4,848,696.47
CCTV Cameras	2,000,000.00	1,630,397.14	92,000.00	1,722,397.14
Installation New Warranted Tra	5,000,000.00	4,251,810.06	13,676.40	4,265,486.46
Intelligent Transport System	5,000,000.00	4,770,005.68		4,770,005.68
Recabling of Signalised Intersections	43,730,000.00	43,368,163.72	13,676.40	43,381,840.12
Remote Monitoring	3,650,000.00	3,919,684.27		3,919,684.27
SARTSM	3,100,000.00	3,111,949.95		3,111,949.95
Traffic Management Centre	6,100,000.00	6,279,126.10		6,279,126.10
Traffic Adaptive Control	5,000,000.00	4,935,798.02		4,935,798.02
Upgrading Controllers and Phas	3,000,000.00	2,981,192.90		2,981,192.90

Project Description	Revised budget lift	YTD Expenditure	Manual Accruals	Total Expenditure
GIS Improvement	-			-
Stormwater Asset Monitoring Sy	-			-
Rehabilitation of Open Drains	2,975,000.00	2,620,918.48		2,620,918.48
Road Rehabilitation and Recons	125,741,000.00	125,629,187.47		125,629,187.47
Resurfacing of M1 Motorway	90,300,000.00	90,312,280.98		90,312,280.98
Resurfacing of M2 Motorway	72,750,000.00	69,515,236.67		69,515,236.67
Resurfacing of Soweto Highway	13,200,000.00	14,334,806.58		14,334,806.58
Resurfacing	165,100,000.00	165,052,887.10		165,052,887.10
James Street Extension Ennerda	1,700,000.00	1,696,611.43		1,696,611.43
Spencer Road New Link	325,000.00	325,000.00		325,000.00
Jan Smuts Dualling	5,100,000.00	5,075,074.07		5,075,074.07
Outspan Road Upgrading	1,000,000.00	174,692.35	759,531.96	934,224.31
Crownwood Road Upgrade	250,000.00	245,816.73		245,816.73
Richards Drive Upgrade	2,000,000.00	1,166,104.80		1,166,104.80
Stormwater Development Sandown	-			-
Traffic Calming measures	18,500,000.00	18,412,957.55		18,412,957.55

Project Description	Revised budget lift	YTD Expenditure	Manual Accruals	Total Expenditure
Tarring of Zandspruit Access R	5,100,000.00	9,606,532.08	- 4,506,532.08	5,100,000.00
Bez Valley Upgrade	9,000,000.00	8,714,520.18		8,714,520.18
Vorna Valley	1,500,000.00	1,270,378.55		1,270,378.55
Klein Jukskei Willows Developm	700,000.00	679,471.49		679,471.49
Pedestrian Crossing Paterson P	5,000,000.00	3,764,751.76		3,764,751.76
Tarring Gravel Roads:CityWide	5,000,000.00	4,729,681.69		4,729,681.69
Hostel Access Roads Upgrade	113,000.00			-
Implementation of Complete Str				-
	1,301,847,000.00	1,291,277,880.89	867,123.13	1,292,145,004.02
% Capex Spend		99%		

Annexure D: JRA (PTY)LTD Detailed Income Statement for Quarter Ending June 2019

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
	R'1000	R'1000	R'1000		R'1000	R'1000	R'1000	%	R'1000
REVENUE									
Recoveries Telephone Calls, Faxes	161	-	161	0.00%	429	-	429	100.00%	-
Gautrans Maintenance	96	2,915	2,819	96.72%	6,632	11,659	5,027	43.12%	11,659
COJ Maintenance	294,143	275,793	18,350	6.65%	1,103,170	1,103,170	-	0.00%	1,103,170
TOTAL REVENUE	294,399	278,707	15,692		1,110,231	1,114,829	4,598		1,114,829
DIRECT COSTS									
Material Cost	19,823	20,640	817	3.96%	75,363	82,559	7,195	8.72%	82,559
Extra Items	-1,140	-	1,140	100.00%	3,107	-	3,107	100.00%	-
Stock Adjustment	20	-	20	100.00%	-229	-	229	100.00%	-
TOTAL DIRECT COST	18,703	20,640	1,937		72,028	82,559	10,531		82,559

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
GROSS PROFIT	275,696	258,068	17,629		1,038,203	1,032,270	5,932		1,032,270
OTHER INCOME									
Asphalt Sales	-	47	47	100.00 %	-	190	-190	100.00 %	190
Jobbings	11,744	8,939	2,805	31.38%	19,481	35,756	16,275	45.52%	35,756
Developers Income	21,750	12,563	9,188	73.14%	100,086	50,250	49,836	99.18%	50,250
Reinstatements	13,396	6,179	7,216	116.78 %	36,753	24,718	12,035	48.69%	24,718
Road Closures	199	-	199	100.00 %	271	-	271	100.00 %	-
DCP Testing	48	-	48	0.00%	116	-	116	100.00 %	-
Insurance Claims	2,213	860	1,353	157.37 %	2,213	3,439	1,226	35.66%	3,439
Interest from Intercompanies	9,030	-	9,030	100.00 %	20,767	-	20,767	100.00 %	-
Interest Received Debtor	15	-	15	100.00 %	15	-	15	100.00 %	-
Interest Received from Bank	6,056	-	6,056	100.00 %	14,078	-	14,078	100.00 %	-

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Other Sales	417	200	217	108.53 %	751	799	-49	-6.07%	799
Management Fees	26,987	9,377	17,610	187.79 %	45,312	37,510	7,803	20.80%	37,510
P/L Sale of Fixed Assets	-	-	-	0.00%	-	-	-	100.00 %	-
Rent Received	1,004	1,020	16	-1.59%	4,015	4,080	-65	-1.59%	4,080
Sundry Income	370	2,900	2,530	87.25%	20,967	11,599	9,368	80.76%	11,599
Training Income	1,133	-	1,133	100.00 %	1,133	-	1,133	100.00 %	-
TOTAL OTHER INCOME	94,361	42,085	52,276		265,957	168,341	97,616		168,341
INDIRECT COSTS									
Advertising	-2,081	872	2,953	338.78 %	723	3,486	2,764	79.27%	3,486
Auditors Remuneration Fees	-1,500	810	2,310	285.16 %	2,138	3,240	1,103	34.03%	3,240
Bank Charges	17	18	1	6.69%	69	72	3	4.34%	72
Finance Charges	-	250	250	100.00 %	1,481	1,000	-481	-48.15%	1,000
Consulting Fees	15,638	11,399	27,038	237.18 %	21,237	45,598	24,361	53.43%	45,598

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Contractors JRA	24,118	19,579	4,539	23.18%	96,500	78,316	18,184	23.22%	78,316
Contractors Outsourced	1,787	1,521	266	17.46%	4,255	6,085	1,830	30.07%	6,085
Consumables	3,260	2,394	866	36.18%	7,014	9,576	2,562	26.75%	9,576
Depreciation	7,536	11,333	3,796	33.50%	40,657	45,330	4,673	10.31%	45,330
Directors Emoluments	754	559	195	34.94%	2,171	2,235	64	2.88%	2,235
Entertainment	92	162	70	43.17%	388	647	259	39.98%	647
Corporate Promotions	94	170	76	44.78%	427	680	253	37.20%	680
Insurance	-4,191	4,166	8,356	200.61%	12,009	16,662	4,653	27.92%	16,662
Interest and Penalties	-	-	-	100.00%	-	-	-	0.00%	-
Intercompany Charges	-	-	-	0.00%	134	-	-134	100.00%	-
Leased Contract Services	32,477	39,205	6,728	17.16%	138,120	156,819	18,699	11.92%	156,819
Offices(Parking)	41	548	507	92.59%	1,070	2,190	1,120	51.14%	2,190
Office Building(Rental)	-	-	-	0.00%	-	-	-	0.00%	-

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Office Building(Relocation)	-	-	-	0.00%	-	-	-	0.00%	-
Office Equipment	667	1,055	388	36.77%	2,705	4,218	1,513	35.86%	4,218
Legal Expenses	-	-	-	0.00%	-	-	-	0.00%	-
Licenses	2,221	1,892	329	17.36%	6,738	7,569	831	10.98%	7,569
Magazines, Books and Periodicals	325	408	83	20.36%	1,369	1,632	263	16.11%	1,632
Municipal Services Charges	-3,009	6,421	9,430	146.87%	23,014	25,683	2,668	10.39%	25,683
Stationary	605	923	318	34.43%	2,320	3,690	1,370	37.12%	3,690
Printing	302	585	283	48.38%	1,025	2,340	1,316	56.22%	2,340
Repairs & Maintenance	-3,668	2,986	6,654	222.86%	3,842	11,943	8,101	67.83%	11,943
Strategic Planning	23	267	244	91.56%	104	1,066	962	90.22%	1,066
Employee & Related Costs	170,163	167,832	2,330	-1.39%	666,896	671,329	4,433	0.66%	671,329
Employee Wellness	36	75	39	52.17%	90	300	210	70.00%	300
Security	-3,375	6,460	9,835	152.24%	13,554	25,839	12,285	47.55%	25,839

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Social Responsibility	-	1	1	100.00%	-	2	2	100.00%	2
Telephone & Fax	1,958	1,722	236	13.72%	7,197	6,887	-310	-4.50%	6,887
Training	2,293	2,167	126	-5.83%	5,167	8,667	3,500	40.39%	8,667
Travel Expenses	61	265	204	77.00%	214	1,060	846	79.83%	1,060
Data Services	2,799	2,980	181	6.08%	9,165	11,920	2,755	23.11%	11,920
Write-Offs	359	-	359	0.00%	359	-	-359	0.00%	-
Realised Gains/Losses	354	7	347	5263.56%	721	26	-694	2630.49%	26
TOTAL INDIRECT COST	218,877	289,028	70,151		1,072,873	1,156,110	83,238		1,156,110
OPERATING PROFIT	151,181	11,125	140,056		231,287	44,501	186,786		44,501
INTERNAL TRANSFERS									
Interest (Sweeping Account)	-	-	-	0.00%	-	-	-	0.00%	-

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Interest on Shareholders Loans	-	-	-	0.00%	-	-	-	0.00%	-
Interest on Mirror Conduit Loans	-	-	-	0.00%	-	-	-	0.00%	-
Internal Charges (ME's)	-	-	-	0.00%	-	-	-	0.00%	-
Advertising	3,609	950	2,659	279.92%	3,609	3,800	191	5.02%	3,800
Contractors: JRA	-1,977	3,175	5,152	162.26%	23	12,700	12,677	99.82%	12,700
Consulting Fees	-3,000	558	3,558	637.63%	-	2,232	2,232	100.00%	2,232
Consumables	-	89	89	100.00%	-	357	357	100.00%	357
Employee & Related Costs	390	1,321	931	70.48%	5,997	5,283	-714	13.52%	5,283
Employee Wellness	-500	535	1,035	193.46%	-	2,140	2,140	100.00%	2,140
Intercompany Charges	663	1,565	902	57.65%	1,855	6,258	4,403	70.36%	6,258
Leased Contract Services	-1,284	1,127	2,411	213.95%	1,716	4,508	2,792	61.94%	4,508
Legal Expenses	2,349	1,762	587	33.33%	5,749	7,047	1,298	18.42%	7,047
Printing	-	19	19	100.00%	-	74	74	100.00%	74

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Training	22	26	3	11.98%	67	102	35	33.88%	102
Telecommunications	-2,000	-	2,000	100.00%	-	-	-	0.00%	-
Internal Charges (Core)	-	-	-	0.00%	-	-	-	0.00%	-
Internal CoJ Billing (Utilities)	-	-	-	0.00%	-	-	-	0.00%	-
Operating Grants (Subsidies to ME's)	-	-	-	0.00%	-	-	-	0.00%	-
TOTAL INTERNAL TRANSFERS	-1,728	11,125	12,853		19,016	44,501	25,485		44,501
NET INCOME BEFORE TAX	152,909	-0	152,909		212,271	-0	212,271		-0
NET INCOME AFTER TAX	152,909	-0	152,909		212,271	-0	212,271		-1

Annexure E: Statement of Financial Position as at June 2019

Statement of Financial Position as at June 2019		2019		2018	
		June	June	June	June
		R'000	R'000	R'000	R'000
Assets	Notes				
Non Current assets		327,104		273,534	
Property plant and equipment	1	246,319		194,455	
Intangible Assets	2	24,441		23,352	
Employee benefits investment	3	56,344		55,727	
Current assets		1,239,215		1,154,195	
Inventories	5	58,016		52,775	
Loan to Shareholders - Sweeping		474,675		454,701	
Trade and other receivables	4	398,975		479,472	
Cash and Cash Equivalents	6	307,549		167,247	
Total Assets		1,566,318		1,427,729	
Equity & Liability					
Equity		799,243		571,988	
Contribution from owner	7	328,570		313,586	
Accumulated Surplus		470,673		258,402	
Non Current Liabilities		136,057		63,315	

Employee benefit obligations	8	49,406	49,406
Finance lease obligations	11	86,651	13,909
Current Liabilities		631,018	792,426
Trade and other payables	10	576,077	740,555
Finance lease obligations	9	8,382	8,323
Loan from Shareholders - Overdraft	15	-	
Taxation	14	-	
Provisions	12	46,559	43,548
Total Liabilities		1,566,318	1,427,729

Decrease in Loan to shareholder	-	
Net Cash from investing activities	(105,097)	(36,079)
Cash Flow From Financing Activities		
Decrease in shareholder's loan	-	32,145
Repayment of finance lease obligations-non current	-	(9,582)
Net Cash From financing activities	-	22,563
Total Cash Movement for the period	148,789	110,057
Cash at the beginning of the period	167,252	57,195
Total cash at the end of the period	316,041	167,252

Annexure G: Amounts Owing

Description	Company	Open Amount
Related Parties	1	202,498,595.32
Other Govt entities	2	12,118,870.57
Third Parties	3	27,441,062.38
		242,058,528.27

As at 30 June 2019, an amount of R242 058 528.27 was owed to JRA as per the above table.

Annexure H: Summary of injury incidents: April - June 2019

Reported Occupational Accident Schedule: April – June 2019 (Quarter 4)

# Injuries	Cause	Injuries	Mitigation
June 2019			
1.	Motor vehicle accident, employee lost control of the vehicle and crash into a tree. (Hamburg)	Cervical Spine Strain	The Depot Manager verbally reprimanded the employee for speeding. This will be highlighted during the toolbox talks and adherence to road safety by all employees driving the JRA vehicles
2.	An employee was opening a toolbox on site when he injured his right middle finger which got stuck between the lid and the toolbox.(Midrand)	finger	The employee was negligent when opening the lid and did not check if it was balanced correctly. The Depot manager will discuss the accident with the depot staff and ensure that employees wear safety gloves to protect their hands. Encourage employees to conduct toolbox talk sessions before and after work,
3.	An employee got injured on the right ankle when the Bomag rolled and hit her while sweeping the tar in Kaalfontein (Midrand)	Right ankle	The Depot Manager discussed the accident with the employees that the team was negligent in their duties. Employees were instructed to conduct toolbox talk and risk related to working close to Bomag machine. The employees must use the stopping block for all minor plant with potential to roll while stationary.
4.	An employee twisted his right shoulder while offloading a concrete kerb from truck (Norwood)	Right Shoulder	The Depot Manager discussed with the employees safe working procedures for offloading of concrete kerbs from trucks.
May 2019			
1	An employee was digging a trench installing a traffic signal cable when he hit a live electricity cable buried underground with a pick and experienced an electrical shock (Traffic Signals).	Body electrical shock and eyes	Employees must conduct toolbox sessions and risk assessment of the site before commencing with work. Develop Standard Operating Procedure (SOP) of cable installation to prevent electrical shock. Employees must wear and use personal protective clothing and equipment at all times.

April 2019				
1.	An employee was performing level 1 maintenance (Skoffelling) using an axe to remove tree roots on the road and a piece of wood hit his eye (Strijdom park).	Eye		The Depot Manager held a H&S meeting (07 May 2019) and discussed the accident with all employees encouraging regular usage and wearing of personal protective equipment after assessing the work area for possible risk and hazards. Verbal warning was issued to the employee by his immediate supervisor.
2.	A reversing truck bumped into a tree causing employee sitting on its back to fall and injure his right knee (Norwood).	Right Knee		Always ensure that there is an employee on the ground directing the driver while reversing the truck. The truck must have a beep signal to alert employees on the ground that the truck is in motion.
3.	Five (5) employees were injured when a truck belonging to a member of the public crashed in to their stationary truck while working alongside the road.	Chest Wall, Right Shoulder, Right Ankle, Lower Back and Lumbar Strain.		Develop Standard Operating Procedure (SOP) Traffic Signal Head repairs and structured construction sign barricading of workstation. Employees must always barricade their workstation to alert road users of the road work.

Annexure I: Quarter 4 Performance Against the Services Standard

KPA	KPI	Programme	KPI	Q4 Target	Q4 Actual Performance	Comments
JRA Customer Charter Standards	1	Repair of damaged/missing road barriers or guardrails	% of damaged / missing road barriers or guardrails repaired from when a valid call is logged.	40% within 14 days. 60% within 20 days. 80% within 30 days.	Total calls received within the period: 14 Total repaired within 14 days 0 (0%) Total repaired within 20 days 0 (0%) Total repaired within 30days 0 (0%) Year-To-Date: Total calls received within the period: 151 Total repaired within 14 days 40(26.49%) Total repaired within 20 days 44 (29.14) Total repaired within 30 days 60(39.74%)	Over-reliance on Reactive maintenance. Material shortages due to poor planning and procurement delays Mitigation The department will develop the Proactive Maintenance plan. Demand and Procurement Plan will be developed and monitored closely
	2	Blocked stormwater repairs	% of blocked stormwater kerb inlets (K's) repaired from when a valid call is logged.	40% within 10 days. 60% within 20 days. 80% within 30 days.	Total calls received within the period: 676 Total repaired within 10 days 427 (63.17%) Total repaired within 20 days 533 (78.85%) Total repaired within 30 days 569 (84.17%) Year-To-Date: Total calls received within the period: 4335 Total repaired within 10 days 2621 (60.46%) Total repaired within 20 days 3325 (76.70%)	N/A

KPA	KPI	Programme	KPI	Q4 Target	Q4 Actual Performance	Comments
					Total repaired within 30 days 3532 (81.48%)	Vandalism and theft of manhole covers is increasing
				40% within 10 days.	Total calls received within the period: 104	
				60% within 20 days.	Total repaired within 10 days 22 (21.15%)	
				80% within 30 days.	Total repaired within 20 days 58 (55.77%)	Mitigation: Sourcing of technologically advanced products which are less susceptible to theft and vandalism
	3	Replacement of manholes covers	% of missing JRA manholes covers made safe and replaced after a valid call is logged		Total repaired within 30 days 62 (59.62%)	
					Year-To-Date: Total calls received within the period: 577	
					Total repaired within 10 days 113 (19.58%)	
					Total repaired within 20 days 294 (50.95%)	
					Total repaired within 30 days 334 (57.89%)	
JRA Customer Charter Standards	4	Regulatory Road Traffic Signs repaired	% of reported damaged/missing regulatory road traffic signs replaced or repaired from the time when a	40% within 10 days.	Total calls received within the period: 360	Vandalism and theft as well as a procurement process deficiency contributed to underperformance
				60% within 20 days.	Total repaired within 10 days 157(43.61%)	
				80% within 30 days.	Total repaired within 20 days 227(63.06%)	Mitigation: The department will implement proactive maintenance plans and
					Total repaired within 30 days 255(70.83%)	

KPA	KPI	Programme	KPI	Q4 Target	Q4 Actual Performance	Comments
			valid call is logged		Year-To-Date: Total calls received in the period: 1830 Total repaired within 10 days 803(43.88%) Total repaired within 20 days 1018 (55.63%) Total repaired within 30 days 1091 (59.62%)	demand and procurement plans to manage supply as well as improve engagements with JMPD
				40% within 14 days.	Total received within the period: 2184 Total repaired within 14 days 1137 (52.06%)	
				60% within 20 days.	Total repaired within 20 days 1298(59.43%)	
				80% within 30 days.	Total repaired within 30 days 1435 (65.71%)	Ageing infrastructure exacerbated by a primary focus on reactive maintenance of infrastructure
	5	Potholes repair	% of reported potholes repaired from time of recording of a genuine pothole by the JRA from all sources. ²		Year-To-Date: Total calls received within the period: 8754 Total repaired within 14 days 5584 (63.74%) Total repaired within 20 days 6260 (71.51%) Total repaired within 30 days 6816 (77.86%)	Mitigation: The department will implement proactive maintenance plans
				40% within 24 hours.	Total calls received in the period:265 Total completed within 24 hours 217 (81.42%)	
	6	Traffic Signal Maintenance	% of reported faulty traffic signals repaired from the time of genuine fault	60% within 48 hours.	Total completed within 48 hours 217 (81.42%)	

² Phakama, Hotline, Find & Fix, Internal JRA Staff, Urban Regional Inspectors (from Regional Directors Office), JRA Inspectors

KPA	KPI	Programme	KPI	O4 Target	O4 Actual Performance	Comments
			recorded by the JRA from all sources	80% within 7 days.	Total completed within 7 days 217 (81.42%) Year-To-Date: Total calls received within the period: 1361 Total completed within 24 hours 1233 (90.60%) Total completed within 48 hours 1233 (90.60%) Total completed within 7 days 1233 (90.60%)	
				40% within 14 days.	Total received within the period:34 Total completed within 14 days 34 (100%)	
				60% within 20 days.	Total completed within 20 days 34 (100%)	
				80% within 30 days.	Total completed within 30 days 34 (100%)	
	7	Repair of damaged traffic light poles	% of reported damaged traffic signal poles repaired/ from when a valid call is logged		Year-To-Date: Total calls received within the period: 48 Total repaired within 10 days 46 (95.83%) Total repaired within 20 days 46 (95.83%) Total repaired within 30 days 46 (95.83%)	Targets are Achieved