



JOHANNESBURG ROADS AGENCY SOC (LTD)

Reg. No. 2000/028993/30

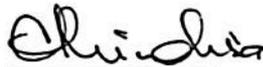
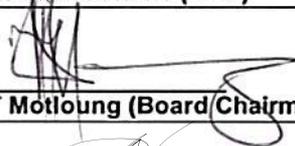
**PERFORMANCE REPORT FOR THE PERIOD JULY TO SEPTEMBER 2022
(Q1 REPORT 2022/23)**

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

Company Information

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

Approval

 M. Thindisa (CFO)	Date: <u>04/11/2022</u>
DocuSigned by:  CB01FA457770419... Dr T. Mahanuke (CEO)	Date: <u>11/16/2022</u>
 T Motloung (Board Chairman)	Date: <u>16.11.2022</u>
 Fuzela Ngobeni (MMC: Transport)	Date: <u>2022/11/18</u>

Vision

The best city roads authority that enables economic growth and sustainability

Mission

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

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CHAPTER 1: LEADERSHIP AND CORPORATE PROFILE

Section 1: Chief Executive Officer's Report

This report presents the 1st quarter (1 July 2022 to 30 September 2022) performance of the JRA in line with the relevant legislative provisions. The report presents corporate governance requirements as well as organisational performance against the targets set out in its Business Plan at the beginning of the financial year.

I am pleased to indicate that in terms of its financial position, the profitability and liquidity ratios of the JRA are positive, and the company is financially sound and solvent. However, I must highlight that the financial performance of the Entity needs some improvement, in particular with regards to its salaries to expenditure ratio and the management of its debtors. The Council approved JRA capex budget for the 2022/2023 financial year of R1, 095 billion. Overall, capital expenditure is on track against the target of 10% with a total expenditure of 14% as a the 1st quarter of the total 2022/2023 capital budget, (Refer Annexure "D"). ***(for details see Chapter 5 and Annexure D).***

During the quarter, the Entity has made progress on key service delivery programmes aligned to the City's Institutional SDBIP. This includes progress in roads resurfacing, gravel roads upgrading. The Entity is currently in progress of appointing service providers for the conversion of open storm water channels to accelerate expenditure on this programme. The Entity has also made progress in the number of SMMEs supported as well as the number of EPWP opportunities created and in the maintenance of road infrastructure.

Management is also engaged with the resolution of audit findings and the reduction in repeat findings. The entity resolved 23 Internal Audit findings of the 41 that were due in Q1 which accounts for 56% year-to-date and 1 of 7 (14%) AGSA findings. 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. ***(for details see Chapter 6).***

The entity has encountered some service delivery challenges which include the the lack of a plant contract, lack of capable resources across all Depots to ensure effective planning, scheduling, and monitoring of the work done by the SMMEs as well as infrastructure vandalism which continues to be a challenge. ***(for details and mitigations see Chapter 3).***

I am generally satisfied of the plans that the JRA management has put in place and are executing in order to redress the key challenges that the Entity faces.

DocuSigned by:

CB81FA457770419

Dr Tshepo Mahanuke
Chief Executive Officer

Section 2: Chief Financial Officer Report

This section presents the high-level 2022/2023 financial performance for the Johannesburg Roads Agency for the period ending 30 September 2022 (Quarter 1). The detailed financial performance information is contained in Chapter Five of this report and in Annexures B to D. As a service delivery entity, the JRA strives to balance the attainment of liquidity and profitability ratios with the attainment of key service delivery targets.

In 2022/23 financial year, the JRA has an approved operating budget of R1, 710 billion. In Q1 the Company had an operating expenditure and income of R 353,982 million and R 392,851 million respectively. This represents interim income exceeding interim expenditure by R 38,869 million at the end of the Quarter.

The JRA has a capital budget of R1, 095 billion for 2022/23 financial year. The entity spent R 62,356 million (6%) (R 149,453 million (14%) when provisional accruals and commitments are included). Refer to Chapter 5 and Annexure D for details of expenditure.

The entity has a positive Q1 current ratio, and is within the City's FDP target in the current year. The solvency ratio of 2,1 is above the City's FDP target of 2. The entity, is solvent for the 1st Quarter ended 30 September 2022.

The target on employee costs remains elusive primarily as indicated by the Remuneration to Operating Expenditure Ratio because of the business model of the JRA which sees Employee Costs made up of operational departments that generally work on road repairs and maintenance programmes. For detailed performance see chapter 5.

The JRA intercompany Sweeping Account has a favourable balance of R 331,339 million at the end of 2022/23 Q1. Included in the Sweeping Account balance is an amount of R3,956 million that represents interest received. The Sweeping Balance represents a loan to shareholders in the Statement of Financial Position. JRA has a favourable balance of R491,938 million in the Developers Contribution bank account at the end of 2022/23 Q1.

This balance includes an amount R 4,343 million interest earned for Q1. Therefore, the total cash on hand for 2022/23 Q1 amounts to R 823,277 million. (Please note that the Intercompany Sweeping Account is regarded as cash on hand, although it's reported separately as a Loan to shareholders in the Statement of Financial Position)

The 2022/2023 related party debtors of the JRA are R 221 million (44% improvement) at the end of Q1 as compared to R 393 million as at 30 June 2022.

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



M. Thindisa
Chief Financial Officer

Section 3: Corporate Profile and Overview of the Entity

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

Section 4: Strategic Objectives

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

Table 1.1: JRA alignment to CoJ Priorities and Outcomes

Mayoral Priorities	JRA Programmes / Projects
Priority 1: A City that gets the basics right	<p>Investment on fixing, replacing, and upgrading your roads, bridges, storm water pipes and traffic lights.</p> <ol style="list-style-type: none"> 1. Road Network Programme (Road Upgrades; Recycling Asphalt; Mechanical Street Sweepers (M1, M2, M70 and CBD) 2. Resurfacing Programme (Km of road resurfaced (maintenance) 3. Rehabilitation & Reconstruction Programme 4. Mobility (Traffic Lights) Programme (No-joint Re-cabling Project; UPS Rollout Project) 5. Bridges Programme (Bridge Rehabilitation Project; Bridge Expansion Joints; Bridge Overtopping (Flooding) 6. Customer Charter Standards 7. Stormwater Rehabilitation Programme (Clearing of stormwater channels (number of km's of stormwater pipes cleaned) Stormwater Catchments Programme (Reduce stormwater flooding; Stormwater Masterplans; Dam Safety Rehabilitation) 8. Asphalt Plant Commercialisation (Accreditation of the Materials Laboratory; Finalisation of the feasibility study; Improving production to above 50%)
Priority 2: A Safe and Secure City	<ol style="list-style-type: none"> 1. Number of initiatives implemented to combat vandalism and theft of road infrastructure (Awareness and ownership campaigns); 2. Number of inspections to improve safety on our roads (Wayleave management; Proactive maintenance
Priority 3: A Caring City	<ol style="list-style-type: none"> 1. Youth and people living with disabilities benefiting from socio-economic development programmes (EPWP Desk; Employment Equity Plan)
Priority 4: A Business Friendly City	<ol style="list-style-type: none"> 1. Average turnaround times for statutory development planning processes (Standard engineering applications and approvals) 2. Expanded Public Works programmes (Number of EPWP work opportunities created)
Priority 5: An Inclusive City	<ol style="list-style-type: none"> 1. Upgrade of Informal Settlement Road Infrastructure (Housing / JRA joint – collaboration; Informal Settlements Programme)
Priority 6: A Well Run City	<ol style="list-style-type: none"> 1. Improvement in Customer satisfaction and Quality of Life (Prudent financial management and policies (financial sustainability); OPCAR and audit outcomes management; Customer/road user satisfaction survey; Employee satisfaction survey 2. Fraud and corruption programme (JRA Hotline)
Priority 7: A Smart City	<ol style="list-style-type: none"> 1. Smart procurement apps to facilitate service delivery (Smart traffic management app; Traffic signal monitoring system; JRA Fix-it (for logging road defects)

CHAPTER 2: CORPORATE GOVERNANCE

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

The JRA has a Board of Directors appointed at an Annual General Meeting on February 15, 2022. Mr Tiyani Sambo was appointed Chairman of the Board for a term of three (3) years, renewable, annually, at the discretion of the Shareholder. At the end of the Q1, Mr Tiyani Sambo was replaced by Mr Thabo Motlounge as Chairperson of the Board. Mr Sello Michael Makhobela also tendered his resignation in the quarter under review. The Board has three subcommittees currently composed as follows;

Table 2.1: JRA Board Members

Audit, Finance, Risk & IT Committee	Service Delivery Committee	Remuneration and Social Ethics Committee
Thabo Motlounge (Chairperson)	Msizi Myeza (Chairperson)	Hazel Mthimkulu (Chairperson)
Boitumelo Makgatle (NED)	Silver Bapela (NED)	Msizi Myeza (NED)
Karen Parirenyatwa IACM	Innocent Mthembu (NED)	Tshepo Phetla (NED)
Mr Thabo Mongatane (IACM)	Nompumelelo Mkhize (NED)	Boitumelo Mokgatle (NED)
	Hazel Mthimkulu (NED)	

* See Annexure A for the meeting attendance of each member for 2022/23.

The key responsibilities of these Committees are illustrated in Table 2.2 below.

Table 2.2: Summary of terms of reference of Board Committees

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

Key Board Activities in Q1

In the quarter under review, the Board of Directors prioritised the appointment of the Chief Executive Officer of the JRA, the Head of Department for Public Relations and Stakeholder Engagement; and the Head of Department for Infrastructure Development.

Dr Tshepo Mahanuke was subsequently appointed as the Chief Executive Officer effective 01 August 2022. The Board outlined his focus areas as stabilising the executive management team and the organisation as a whole, as well as focusing on key areas such as preventing the theft and vandalism of critical infrastructure; repairing potholes; identifying alternative funding sources; implementing innovative and efficient ways of delivering services; inculcating the culture of good ethical conduct; and improving the daily lived experience of the City of Johannesburg residents.

Section 2: High-Level Organisational Structure

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

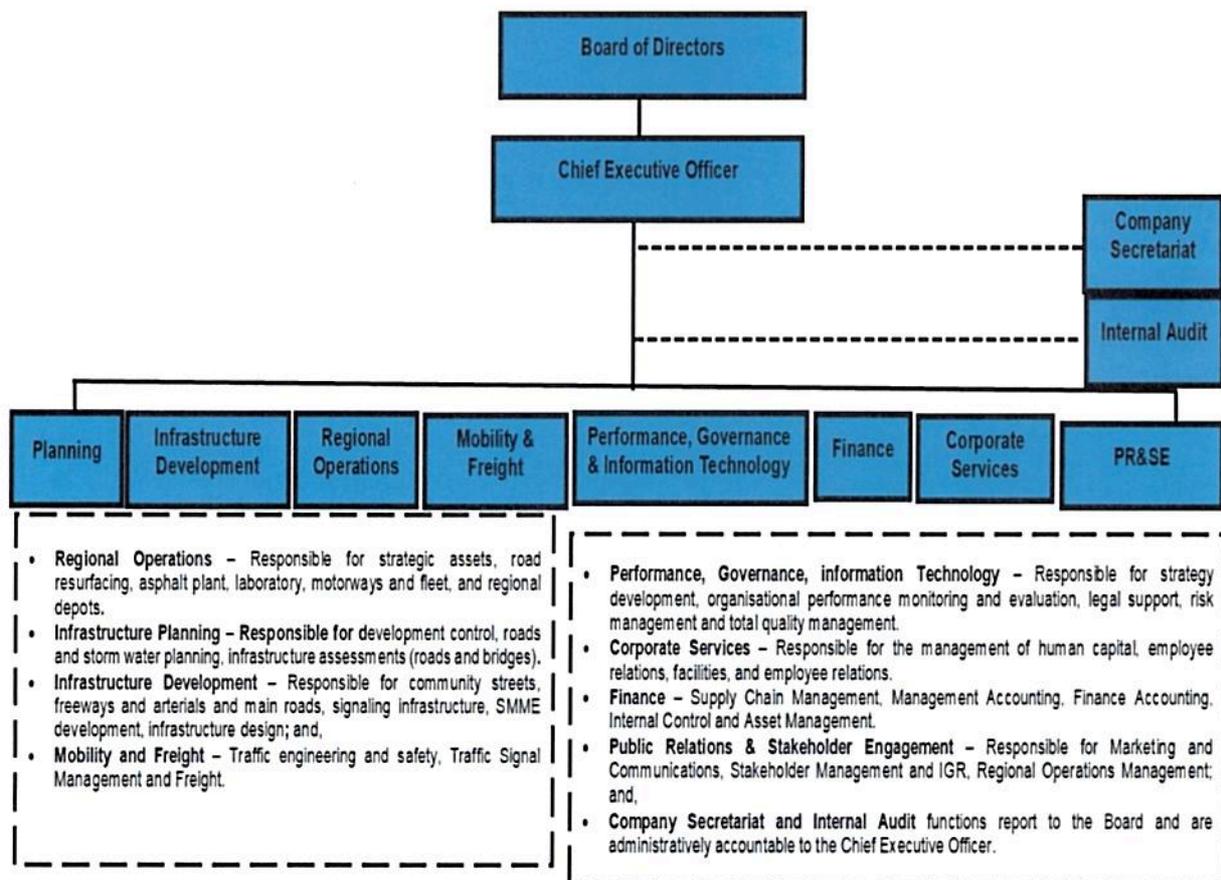


Figure 1.1. High level organisational structure of the Johannesburg Roads Agency

Figure 2.1: Organisational structure of the JRA

Executive Management Team (EMT)

The JRA Executive Management Team in the 1st Quarter is reflected in Table 1.1 below.

Table 2.1: JRA Executive Management Team

Department	Appointee	Status
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Chief Executive Officer	Dr Tshepo Mahanuke	Substantive
HOD: Infrastructure Development	Ridhwaan Mahomed	Acting
HOD: Planning	Musa Mkhacane Pr Eng.	Substantive
HOD: Mobility & Freight	Louis Nel Pr Eng.	Substantive
HOD: Performance, Governance, and Information Technology	Sekati Mangena	Substantive
HOD: Regional Operations	Muziwandile Nkonyane	Substantive
Chief Financial Officer	Dikeledi Thindisa	Substantive
HOD: Corporate Services	Siyabonga Nodu	Substantive
HOD: Public Relations and Stakeholder Management	Lawrence Maseko	Acting
Operations Manager: Internal Audit	Khaya Meslane	Contract
Company Secretary	Phumla Majola	Substantive

Section 3: Good Governance and Ethical Conduct

The JRA is committed to the fight against Fraud and Corruption which represents a significant potential risk to the company's assets, service delivery efficiency and reputation. The JRA does not tolerate corrupt or fraudulent activities either from internal or external stakeholders. The Board views ethical behavior and leadership as important in corporate governance and promotes it throughout the organisation. It endeavors to promote a culture of openness and transparency throughout the organization, and, as such, employees and other stakeholders are encouraged to report unethical conduct and other transgressions that they may become aware of.

Section 4: Anticorruption and Fraud Investigations

In Q1 the JRA escalated ethical matters to the Board formed Ethics Management Forum which worked closely with Group Forensic Investigative Services (GFIS), the Unions and employee representatives. Posters prompting Good and Ethical Governance erected throughout the JRA building and depots. Electronic messages promoting Good and Ethical Governance posted onto the JRA website. Anti-Fraud and Anti-Corruption messages communicated to all stakeholders. All finalised investigation reports were submitted to the Board and the CEO for administration purposes.

4.1 Ethics Management Forum

The Ethics Management Forum "EMF" held two meetings were held during the quarter and amongst others resolved to install Ethics Complaint Boxes at all JRA depots and the head office to augment the current system of addressing unethical conduct and behaviour. The boxes will be accessible to all employees and also uphold the confidentiality principle.

Section 5: Risk Management

The Risk Management Unit is awaiting the approval of the operational and strategic risk registers. The AFRIT Committee resolved that the strategic risk register, operational risk register together with the risk management strategy/ implementation plan 2022-23 be deferred to the Board workshop prior to the approval. The Risk Management Unit is still awaiting the workshop to take place.

Section 5: Anti-corruption and Fraud Investigations

The Johannesburg Roads Agency (JRA) is committed to the fight against fraud and corruption which represent a significant potential risk to the JRA's assets, service delivery efficiency and reputation. The JRA does not tolerate corrupt or fraudulent activities either from internal or external stakeholders. Working together with the Ethics Management Forum and Group Forensic and Investigation Services consequence management to all finalised cases is implemented. To mitigate against the occurrence or reoccurrence of corruption and fraud instances, the Entity carries out an awareness campaign through

posters prompting Good and Ethical Governance that are erected throughout the JRA building and depots. On a quarterly basis a compliance report is prepared and submitted to the Remunerations and Social Ethics Committee. Concluded forensic investigations received from Group Forensic Services are administered by the JRA management.

Section 6: Compliance with Laws and Regulations

The compliance universe for the JRA is summarised in the table below.

Table 2.8: Compliance Universe

AREA	TOTAL	COMPLIANT	NON-COMPLIANT
Companies Act	6	5	1
Labour Relations & Employment Laws	16	6	10
Finance Tax	6	5	1
MFMA	11	11	0
Environmental	3	2	1
General	6	5	1

Declaration of Interests

The current status of employee declarations is reflected in the table below;

Summary of Declarations forms JRA employees

JRA staff component	Number of signed declaration forms	Number of unsigned declaration forms	Number of employees who have not declared interest
1579	0	0	1579

All Board and Independent Audit Committee members have signed the code of ethical conduct and declaration of interest forms for the 2022 / 2023 financial year.

Protection of Personal Information Policy

In relation to The Protection of Personal Information Act, No. 4 of 2013, the JRA has conducted awareness campaigns and developed and communicated a POPI JRA statement in different official languages. Some policies remain unapproved, pending the outcome of consultations with the local labour forum. These include Revised Code of Ethical Conduct; Revised Whistle Blowing Policy; Revised Fraud and Prevention Policy, Plan and Framework; Protection of Personal Information Policy, Manual and Framework; and, the Revised Compliance Policy and Framework.

Section 7: ICT Governance

The Company operates based on an approved IT Governance Policy Framework as guided and mandated by the Department of Public Service and Administration (DPSA) and key policies as contained in the framework are being implemented. Below are the activities undertaken with regards to ICT Governance for the quarter under review: IT Disaster Recovery Inadequacies and corporate governance follow up audit by Internal Audit; Monthly SLA reports with service providers; Risk Assessment (Strategic & Operational); Disaster Recovery Testing; Follow up on outstanding audit findings; Logging of risk incidents as and when they occur with the Risk Department; and, Ongoing monitoring of compliance to policies and processes.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE**Section 1: Highlights and Achievements**

	2021/22 Performance and Targets	Q4	Q1 Performance and Targets
Institutional SDBIP			
Road Resurfacing	Actual:131.10km Target: 70km	Performance:131.10km Target: 70km	46.98 lane km resurfaced in the quarter against a target of 30.5 lane km
Gravel roads Upgraded to surfaced roads	Performance: 20.685km Target: 10km	Performance: 20.685km Target: 10km	3.34km upgraded in the quarter against a target of 2 km
Conversion of open drains to underground storm water	Performance: 3.05km Target:3km	Performance: 3.05km Target:3km	0 km was achieved against a target of 0.6 due to no contractors appointed
EPWP			
SMMEs	Performance: 106 Target:70	Performance: 106 Target:70	9 SMMEs were supported against a target of 18
EPWP work opportunities	Performance: 303	EPWP work opportunities	43 EPWP work opportunities were created against a target of 30
Infrastructure Maintenance			
Potholes	Performance: 45091	Performance: 7985 potholes were repaired during the quarter under review	A total 13 278 potholes were reported. 9 832.67 (74.05%) were repaired during the quarter under review
KIs	Performance: 4295.7	a total of 292.8 kerb inlets (KI) were unblocked and cleared.	a total of 649 kerb inlets (KI) were unblocked and cleared.
Manhole covers including KI tops	Performance: 96	Performance: 2	139 manhole covers including KI tops were replaced and 3117m of were replaced.
Guardrails	Performance: 20872.20	Performance: 620.2	Meters reported 3137 / Meters repaired / replaced 3117 (99.36%)
Mobility			
Technical faults	93.06% of reported faults have been resolved within 24 hours.	95.88% of reported faults have been resolved within 24 hours.	98.86% of reported faults have been resolved within 24 hours.
Revised and designed new traffic signal timings	Performance:297 Target:200	Performance :70 Target: 40	79 intersections during Q1 to improve mobility and reduce congestion against a target of 40.
Road safety investigations	Performance: 519 Target:300	Performance: 125 Target: 60	road safety investigations at 145 locations against a target of 75.
Traffic impact assessments	Performance:402 Target:350	Performance: 116 Target: 90	90 traffic impact assessments against a target of 70.
Governance			
AGSA repeat findings	Performance: 2 Target:2	Performance: 2 Target:2	1 of 7 findings that were due to be resolved this quarter which accounts for 0%.

Section 2: Service Delivery Challenges

In Q1 the JRA experienced the following challenges;

- The delay in the appointment of service providers this includes areas such as Klipfontein View, Ivory Park Gravel Roads (2 phases), Orange Farm Conversions, etc.
- The JRA continues to work with City Power on calls that are being closed by the power utility's contractors due to a lack of an effective supply point database.
- The lack of capable resources across all Depots to ensure effective planning, scheduling, and monitoring of the work done by the SMMEs remains a major challenge. Memo has been sent to City detailing request to appoint officials within the specified budget requirements. The appointment of SMME's for new projects is still at evaluation stages.
- The lack of resources for pro-active maintenance, aging infrastructure, inadequate storm water drainage system, vandalism and theft, sit in's and blocked drainage system have resulted in daily increase of potholes, given the rain and the unexpected inclement weather faced during the period.
- Day to day work being interrupted by influx of VIP calls that result in operational teams being re-directed to a different area of operation which was not part of the original schedule.
- Lack of specialised equipment – The company did place a short term contract during Q4 for specialised equipment.
- Lack of minor plant- The bid is currently at evaluation stage.
- Shortage of tools- The bid is at specification stage.
- Attending to minor works of capital in nature, this type of works is time consuming and keeps operational teams away from ordinary KPI's.
- Limited resources [Staff]. Moratorium to put the recruitment process was uplifted mid-August 2022.
- Running water and sewer water on roads - Collaboration with Joburg Water, City Regional Office [CRUM] and ward councillors.
- It's worth noting that the Treasury regulation on local content standards, which applies to the existing materials contract, has put the Logistics section's purchasing process on hold presenting a challenge for the internal signals construction crew to complete their work.

Section 3: Response to Strategic Direction

i. Roads Resurfacing Programme

The JRA manages over 12 000 km of road network. The status of most of the network ranges from poor to very poor and requires rehabilitation or reconstruction. The JRA has adopted road resurfacing as a short to medium term strategy to prevent complete failure of the road network. In Q1, the JRA resurfaced approximately **46.98 lane km** against target of **30 lane km** in the following roads; Olifantsfontein, Hampton, Grand Central and Republic Road (Region A); Johan and Main Reef Road (Region C) and South Road (Region E).

ii. Gravel Road Upgrade Programme

The JRA also upgrades gravel roads into surfaced roads mostly in marginalised areas across the city. In Q1, the JRA upgraded a total of **3.34km** against a target of **2km** to surfaced standard in the following areas; These areas include, Drieziek ward 4 & 5, (1.42km), Mayibuye Ward 110, Bulelwa Street, (0.195km), Poortjie ward 5, Mpofu street, Luthuli street, East street, and Mthonyana Street, (1.788km).

iii. **Bridges Management Programme**

There are currently 68 bridges that require urgent rehabilitation and or reconstruction across the City of which fourteen were elevated as high priority. In Quarter 1, a panel of bridges experts/consultants was finalized, and service providers appointed. RFQs for bridges identified as critical were sent to SCM. The evaluation process had not yet commenced at the end of the quarter.

iv. **Open Drains Conversions**

The JRA converts open storm water channel systems into underground pipe and or culvert systems. During the 2022/23 financial year the focus is on Bram Fischerville, Orange Farm and Ivory Park. In Q1 the appointment of a contractor for Orange Farm commenced. Designs and contractor's appointment for Bram Fischerville and Ivory Park are underway. In Q1 against a target of 0.6km there has been no implementation due to the pending procurement processes.

v. **Infrastructure Planning Management.**

In relation to infrastructure planning in Q1 very little progress has been made on planned activities as the focus was on the procurement of professional services.

- Stormwater Master Plan – Procurement currently at BAC stage;
- The GIS contract was approved and a service provider will be appointed to implement the hardware replacement;
- Pavement Management System – a service provider was appointed to conduct visual inspections focusing on road classes 5 and 6;
- Stormwater Management – The BAC process was completed and a service provider will be appointed to carry on with remaining work of stormwater Visual Condition Assessments
- Traffic Management System – TMS specification was completed; and,
- EDMS (Electronic Document Management System) – The EDMS contract was approved at the BAC and a service provider will be appointed for implementation of an integrated document management and records management system.
- **Development Control (Private)** – The amount of Town Planning applications is substantially more compared to Q1 in 2021/2022. There was an increase of 86% in Town Planning applications as compared to the same period last financial year. There were 693 applications received and 593 were processed. The construction work performed by private developers on behalf of the JRA amounts to R 15 892 625.76 (Incl. VAT) in Q1.
- **Development Control (Public)** – The amount of Town Planning applications by public developers increased considerably compared to 2021/2022. There was an increase of 366% in Town Planning applications as compared to the same period last year. As at 13 September 2022, the construction work performed by public developers on behalf of the JRA amounts to just over R 13 000,000.00 including VAT. Other ongoing projects about to be completed include: Rooderpoort Transit Oriented Development; Balfour Park NMT project; Lenasia Transit Oriented Development; Alexandra to Greenstone Mall BRT and NMT Implementation; Jabulani TOD Phase 5 – Bolani Road; Jabulani TOD Phase 7 – Molapo Bridge; Kya Sands Super Stop Facility etc. Other ongoing projects (excluding ID projects) include: Zandspruit Ext 84 – Construction of Internal Roads and Stormwater; Bram Fischerville Extension 12; Orlando Non-Motorised Transport; Construction of Bulk Stormwater Upgrades in Orange Farm Ext 6.

vi. Mobility and Freight

During the 1st quarter (Q1) of 2022/23 financial year, the following key service delivery highlights and milestones were achieved:

- 88 technical faults have been registered, through service requests, from 77 Intersections. 98.86% of reported faults were resolved within 24 hours;
- 125 pole-overs were registered, 40% of the service requests were resolved in a maximum of 9 days;
- Revised and designed new traffic signal timings at 79 intersections during Q1 to improve mobility and reduce congestion against a target of 40.
- Road safety investigations conducted at 145 locations against a target of 75.
- 90 traffic impact assessments evaluated against a target of 70.
- Freight Movement Support Activities – In Q1 this quarter, 15 inspections and identified 150 relevant signage and markings were implemented through Regional Operations and one awareness campaign was conducted.
- Implementation of Weigh in Motion Systems – Procurement processes commenced in Q1.

vii. Infrastructure Maintenance

In Q1 the following performance was recorded; patching & repair of potholes (7333); reinstatements, resurfacing, footways maintenance, road signs & markings were undertaken; 139 manhole covers with KI tops; 649 meters of guardrail repaired/replaced; and, 3117 regulatory road traffic signs were replaced.

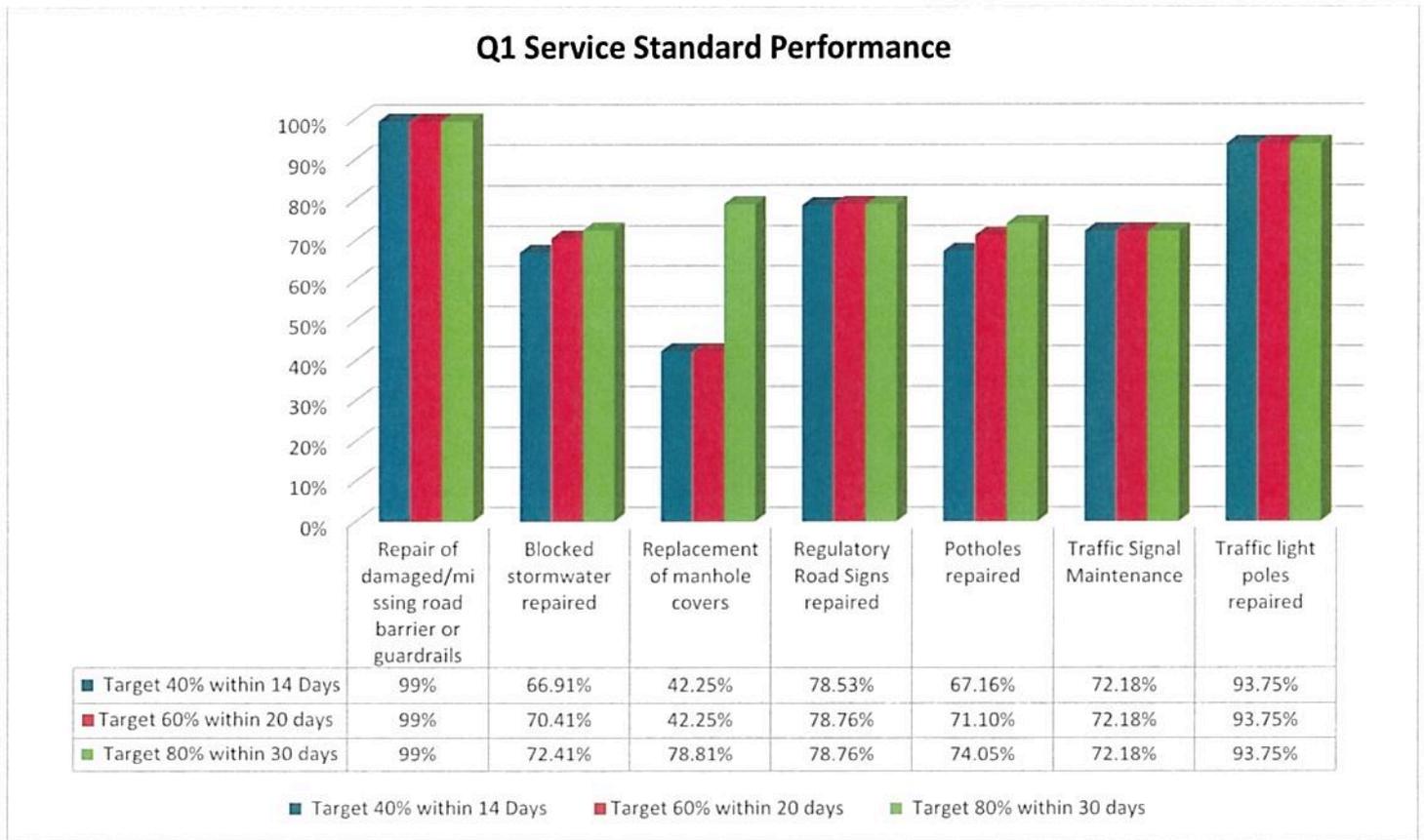
viii. Governance and Internal Processes

In Q1 43 EPWP jobs were created against the target of 30 and 9 emerging contractors were engaged against the quarterly target of 18.

Section 4: Performance Against Service Standards

The JRA achieved 15 (71.43%) against 21 targets. See Annexure I for the schedule of customer charter standards.

Table 3.2: JRA Service Standards Performance



Section 5: Performance Against Pre-Determined Objectives

For 2022/23 The JRA has 21 KPI's (3 Institutional KPIs; 8 Circular 88 Indicators; and 10 Entity Scorecard KPIs). The following table depicts the key performance indicators (KPIs). Out of the 21, 11 were achieved, 9 not achieved and 1 not due, giving the organisation a head count score of 52%.

Table 5.1 Performance On Institutional SDBIP Indicators

KPI No.	KPI	2022/23 Annual Target	Q1 Target	Q1 Actual	Achieved / Not-Achieved	Reasons for non-achievement and or exceeding target	Action plan to improve performance
1	Number of lane kilometres of roads resurfaced.	122 L km	30.5 Lkm	46.98 Lkm	Achieved	The programme progressed faster than anticipated. The work was implemented by internal teams (RSD)	N/A
2	Number of kilometres of gravel roads upgraded to surfaced roads	15 km	2 km	3.34km	Achieved	The programme progressed faster than anticipated. The work continued from 2021/22 hence overachievement was noted.	N/A
3	Number of kilometres of storm water drains converted to underground systems – Braamfischerville	2.7 km	0.6 km	0km	Not Achieved	There were no contractors appointed for the programme leading to underachievement.	The appointment of a contractor for the Orange Farm project is in progress. It is anticipated that the target will be achieved in the next quarters. The KPI will also be adjusted at Mid-year to cover Orange Farm project implementation

Table 5.2 Performance On Circular 88 Indicators

KPI No.	KPI	2022/23 Annual Target	Q1 Target	Q1 Actual	Achieved / Not-Achieved	Reasons for non-achievement and or exceeding target	Action plan to improve performance
4	Percentage of unsurfaced roads graded	(720km/1440km) 50%	25%	29%	Achieved	N/A	N/A
5	Percentage of municipal road lanes which has been resurfaced and resealed	4% (*122/4000 km)	0.75%	1.17%	Achieved	The programme progressed faster than anticipated. The work was implemented by internal teams (RSD)	N/A
6	KMs of new municipal road lanes built	30 km	4 km	6.68km	Achieved	The programme progressed faster than anticipated as work continued from 2021/22 hence overachievement was noted.	N/A
7	Staff vacancy rate	12%	12%	3.4%	Not Achieved	The moratorium on recruitment process lifted mid-August 2022. (3.4% for funded and 13.08% for unfunded posts (total 16.48%)	Recruitment processes have resumed. JRA lost funding for 250 positions which require management motivation during the mid-term budget adjustment for additional funding.
8	Percentage of vacant posts filled within 3 months	1%	1%	0.3%	Not achieved	Moratorium to put the recruitment process was uplifted mid-August 2022	Resumption of the recruitment process
9	Number of active suspensions longer than three months	28	12	5	Achieved	N/A	N/A
10	Quarterly salary bill of suspended officials	12 000	3 000	R642,069.3	Achieved	N/A	N/A
11	Number of repeat audit Findings	4	12	12	Achieved	There were only two remaining findings at the end of Quarter 1.	N/A

Table 5.3: Table 5.2 Performance On Entity Scorecard Indicators

KPI No.	KPI	2022/23 Annual Target	Q1 Target	Q1 Actual	Achieved / Not-Achieved	Reasons for non-achievement and or exceeding target	Action plan to improve performance
12	Km of surfaced roads rehabilitated and reconstructed	2 km	0 km	0km	Not Due	No panel of contractors in place for the programme leading to underachievement.	The appointment of the panel of contractors is in progress. The tender is being evaluated and the appointment is expected by December 2021
13	Number of bridges (Pedestrian & Vehicular) being reconstructed (replacement) and or rehabilitated	6	1	0	Not Achieved	There were no consultants appointed for new bridges.	The appointment of consultants is in progress for Maphumulo Street and Buccleuch Drive bridges.
14	Number of SMMEs supported	10	18	9	Not achieved	The underachievement is due to following: i. The procurement of contracts in progress; ii. The appointment of SMME's for new projects is still at evaluation stages.	The appointment of new contractors is in progress. The new projects on the ground will contribute in the next quarters as construction commenced in the current quarter
15	Number of signalised traffic intersections upgraded (as a % of budget spend)	40%	12.5%	7.86%	Not achieved	The underachievement is due to the following: i. The budget being uploaded late due to system being down; ii. Purchase Order received at the end of July; iii. The wayleaves received later than anticipated.	The expenditure will improve in the next quarter as work is in progress.
16	Number of EPWP jobs created	500	30	43	Achieved	N/A	N/A
17	Percentage budget expenditure on implementation of the stormwater master planning projects	95%	20%	43.65%	Achieved	The project progressed faster than anticipated. The work continued from 2021/22 hence over achievement was noted.	N/A
18	Percentage of the risks management implementation plan implemented	90%	22%	0%	Not achieved	The Risk implementation plan was developed, implementation is pending approval of the relevant structures.	Continuous engagements to fasttrack the approval are underway.
19	% of budget expenditure on M1 Motorway Renewal and Rehabilitation	100%	20%	0%	Not Achieved	No panel of contractors in place for the programme leading to under achievement.	The panel for resurfacing contractors is under procurement
20	% of Budget expenditure on M2 Motorway Renewal and Rehabilitation	100%	20%	23%	Achieved	N/A	N/A
21	% of Budget expenditure on M70 (Soweto Highway) Motorway Renewal and Rehabilitation	100%	20%	0%	Not Achieved	No panel of contractors in place for the programme leading to under achievement.	The panel for resurfacing contractors is under procurement

CHAPTER 4: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

Section 1: Employee Remuneration Highlights and Achievements

Table 4.1: Total employee costs

Category	Amount (R)
Executive Management	3 835 739.27
Senior Management	13 074 216.41
Professionally qualified and experienced specialists and mid-management	51 063 290.16
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	47 858 711.41
Semi-skilled and discretionary decision making	23 784 323.48
Unskilled and defined decision making	41 012 130.53
Total	180 628 411.30

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

R	Quarter 1
Total Salary Cost	213,319
Quarterly Operating Budget 2022/23	427,593
% of Salary to Operating Budget	49.89%

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

Section 2: Key Vacancies

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

Vacant Post	Progress
Chief Executive Officer	The CEO's appointment was finalized and the incumbent resumed duties on the 01st of August 2022
HOD:PR and Stakeholder Engagement	The recruitment process is currently at background check and vetting stage
HOD: Infrastructure Development	The appointment process has been finalized, the incumbent has accepted the offer and will start duties on the 01st of November 2022.

Vacancy Rate

This section provides information about rate of vacancies against the total population of funded posts within the approved organisational structure. The company has 2646 authorised positions on the approved structure. Of the total approved posts, only 1921 (72,6%) positions are funded while 725 (27,4%) not funded since the approval of the structure. Of the 1921 funded positions, 1579 (82,1%) are filled and 92 (4,79%) are vacant and currently funded. It should also be noted that there were 250 (13,01%) vacancies which were previously budgeted for, and somehow lost funding as the years' progresses due to non-filling of vacancies as a result of moratorium, rebasing or lack of provision for funding. The moratorium was uplifted and all recruitment activities resumed during the month of August 2022.

Table 4.4: Vacancy ratio

Grade / Level	Authorised Complement	Number of funded Vacancies	
		Q1	% Vacancies
Executive Management + HODs	9	2	22.22%
Senior Management	32	3	9.3%
Professionally qualified and experienced specialists and mid-management	102	4	3.9%
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	211	11	5.2%
Semi-skilled and discretionary decision making	867	52	5.9%
Unskilled and defined decision making	1425	20	1.4%
Total	2646	92	3.47%

Staff Turnover

The total percentage of staff turnover versus the authorized staff numbers for the 1st quarter is 0.34%) as illustrated in the table below:

Table 4.5: Staff Turnover

Turnover (Reason)	Staff Leaving JRA	
	Q1	Total
Resignation	2	2
Death	2	2
Dismissal	1	1
Medical Boarding	1	1
Retirement	5	5
Contract Termination	0	0
Total	11	11

Staff Movement

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

Table 4.6: Staff Movement

Staff Movements	African		Coloured		Indian		Whites	
	Male	Female	Male	Female	Male	Female	Male	Female
Appointments	1	-	-	-	-	-	-	-
Recruitments		-	-	-	-	-	-	-
Resignations	2	-	-	-	-	-	-	-
Death	1	1	-	-	-	-	-	-
Dismissals	1		-	-	-	-	-	-
Retirements	3	2	-	-	-	-	-	-

Section 3: Employment Equity (EE)

Table 4.7: JRA Q1 Workforce Profile

Description	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Province population	45.30%	1.30%	1.90%	7.40%	35.70%	1.30%	1.00%	6.10%	
Current no employees	977	11	6	33	522	9	3	18	1579
Required no of employees to EAP	745	21	31	121	587	21	16	100	
Gap	234	-10	-25	-88	-65	-12	-13	-82	
Current %	62.40%	0.70%	0.40%	2%	32.50%	0.60%	0.10%	1.20%	100%
Gap %	-17%	1%	2%	5%	3%	1%	1%	5%	
Representation status	over	under	under	under	under	under	under	under	

In Q1, the Employment Equity coordinated presentations to staff on the recruitment process and the objection process and on harassment in the workplace focusing on sexual harassment and amendments in the new disciplinary code. Safety, Health & Environment and Human Capital Development units presented to staff on training and road safety and rights and responsibilities of employees. A fair discrimination presentation was made to the EE Committee to educate them on what should happen recruitment selection to enable the organization to meet the EE Plan targets.

Section 4: Skills Development and Training

Table 4.8: Status of skills development at JRA

Strategic Skills	Education and Training Priority	Internal Training Provider	External Training provider	Total Number of Training
Improve Efficiency Improve Efficiency	Interns	-	-	-
	Degrees/Diplomas/Certificates (Employees)	-	-	-
	MFMP	-	-	-
	MFMA Senior Managers	-	4	4
	Contract Revenue Adjustment	-	-	-
	Assessor & Moderator	-	-	-
	Electrical Training Apprenticeship	-	-	-
	Performance Management	-	-	-
	Scoring Sheet Training	-	-	-
	Barricading	-	-	-
	Road Construction	-	-	-
Total				4

Section 5: Performance Management

To enable compliance with the Performance Management Policy for employees on 1-9 the JRA Performance Management unit trained Depot employees on the application of the performance management process; this was to ensure that they are able to complete their Annual Performance

Score Sheets for the 2021/22 financial year, Performance Agreements and Balanced scorecards for the 2022/2023 financial year. Training was undertaken from July 01 to 13, 2022 (Depots) and July 29 to August 04, 2022 (Head Office). Staff also submitted their Balanced Scorecards and Performance Agreements is 53.69% and 54.19%, respectively (inclusive of all levels).

Section 6: Disciplinary Matters and Outcomes

Disciplinary Cases Conducted and Finalised

The following disciplinary cases were conducted, and some finalized in 1st quarter as displayed in the below table:

Table 4.9: Disciplinary cases conducted and finalised

Nature of Case	Number of Employees	Outcome
Absenteeism	2	1 Hearings in progress
Insubordination	1	Hearing to start
Racism	1	Hearing on hold, pending negotiations between SAMWU and Former CEO
Conflict of interest	1	Hearing in progress (4.03.2022)
Violating COVID regulations	1	Hearing in progress (13,14.01.2022) Main witness currently still on maternity leave
Dereliction of duties	3	Hearings in progress
Irregular expenditure	5	Matter referred to COJ Disciplinary Board
Attempted theft	6	Hearings in progress (3 – 9.05.2022; 10.06.2022; 28.06.2022)
Illegal strike action	54	Hearing on hold pending negotiations between SAMWU and Former CEO.
Abuse of sick leave	1	Hearing to start
Misuse of JRA vehicle; bringing name of JRA into disrepute	1	Hearing to start

Suspensions

There are currently five (5) recorded cases of employees on suspension during the reporting period. Two (2) suspensions were uplifted. The table below reflects the circumstances and duration of each of these cases.

Table 4.10: Suspensions at JRA

Position Description / Designation	Category of Violations	Date of Suspension	Date of upliftment	Details of Disciplinary Action taken or Status of Case
HOD: R/O Level 2: Muziwandile Nkonyane	Dereliction of duties	2020.10.06	2022.09.05	Suspension Lifted
Security Officer: Tshilidzi Dalana	Attempted theft	2022.03.04	2022.09.30	Suspension Lifted
Security Officer: Prudence Dlamini	Attempted theft	2022.03.04	2022.09.30	Suspension Lifted
Security Officer: Raymond Mateta	Attempted theft	2022.03.04	2022.09.30	Suspension Lifted

Security Officer: Bavelile Dumakude	Attempted theft	2022.03.04	2022.09.30	Suspension Lifted
General Worker: Lwazi Delubom	Alleged theft	2022.06.01		Hearing to start
Ops Manager SCM: Sheila Ntimane	Alleged interference with tender processes	2022.06.13	2022.09.05	Investigation in progress
Driver: Victor Molokela	Bringing the JRA into disrepute	2022.09.30		Investigation in progress

Conciliations, arbitrations, and grievances

During the 1st quarter two (2) new arbitrations started.

Table 4.11: Conciliations, arbitrations, and grievances

NAME	NATURE OF DISPUTE	PROCESS	STATUS
Ronnie Molefe	Unfair dismissal	Arbitration	Arbitration in progress.
Kganelwa Tsatsi	Unfair dismissal	Arbitration	Award in favour of employee. Award on review to the Labour Court
Sifiso Gumbi	Unfair dismissal	Arbitration	In limine ruling on review to the Labour Court
Muziwandile Nkonyane	Unfair Labour Practice	Arbitration	Arbitration referred to National office for adjudication.
Marianne Meko	Unfair Labour Practice (Demotion)	Conciliation & arbitration	Conciliation failed, referred to arbitration

Section 7: Leave & Productivity Management

A summary of the leave provisions during the 1st quarter is presented below:

Figure 4.12: Leave and productivity management.



Section 8: Employee Wellness

In Employee Wellness in Q1, the JRA facilitated a blood donation drive in conjunction with the South African National Blood Services. The JRA Sports Committee met regularly and coordinated the hosting of a soccer and netball tournament at Marks Park. The EAP Manual was developed and finalised to help Managers/Team Leaders and Supervisors become more familiar with program issues

Counselling services

The following interventions are also used to address various personal problems encountered by staff that require psychological / counselling services. These included requests to address child behavioural problems to post-traumatic stress disorder issues. These were handled using a combination of telephonic and face-to-face sessions, with the latter being the most common. 26 Counselling sessions were conducted with employees in Q1 in various departments and depots on a number of issues. Five further matters were referred to the JRA's external service provider.

Section 9: Employee Benefits

As prescribed in the Basic Conditions of Employment Act (BCEA) the employees are provided with a range of employment benefits by the company. Employee pension benefits are provided by the company through membership in the following accredited funds: e-Joburg Retirement Fund; Municipal Employees Pension Fund; Municipal Gratuity Fund; Joint Municipal Employees Pension Fund; Soweto Pension Fund; and, City of Johannesburg Pension Fund.

Table 4.16: Pensions and Medical Aid Funds

MEDICAL AID	Name of the Medical Aid	No of employees
	Bonitas	370
	Key Health	121
	Sizwe Hosmed	58
	LA Health	276
	SAMWU Med	191
	Non members	563
	Total	1579
PENSION FUNDS	Name of Fund	No of employees
	E-Joburg	1387
	City of Johannesburg Pension Fund	121
	Municipality Gratuity & Pension Fund	68
	National Fund for Municipal Workers	1
	Employees who were given the option to have their own Retirement Annuity when employed by JRA	2
	Total	1579

Section 10: Occupational Health and Safety Programmes

In the 1st quarter, eight (8) disabling injury cases were reported.

Table 4.17: Injuries on duty

	Activity	Q1		Q2	Q3	Q4	Target / Comment
Injuries on Duty	Injuries on Duty (No of reportable cases)	21/22	22/23				The acceptable and recommended best practice DIFR value is a value of one.
		5	8				
	Reportable Cases Rate (DIFR)	0,24	0,670				
KPIs							

The table denotes that the DIFR¹ is below the value of one (1) and currently standing at 0,67 which is within the acceptable level of one (1). Table 4.17 demonstrates the comparison between Q1 in 2021/22 and 2022/23 financial year with the lowest at five (5) accidents and a high of eight (8) accidents, respectively. It is important to manage injury incidents to levels below the value of one. Recorded injuries during Q1 are as follows: July recorded the highest accidents at five (5) consisting of Avalon (2), Dobsonville (1), Midrand (1) and Zandfontein (1). August recorded the three (3) i.e. Avalon (1), Benrose (1) and RSD (1).

Number of days lost

Depot	Date of the Accident	No. of days Lost
Zandfontein	03 July 2022	3
Midrand	25 July 2022	10
Dobsonville	24 July 2022	25
Avalon	14 July 2022	4
Avalon	14 July 2022	4
AUGUST		
Avalon	28 August 2022	3 days
Benrose	12 August 2022	5 days
RSD	19 August 2022	1 day

The table above demonstrates lost days during July (9) and August (46) where fifty-five (55) days lost were recorded. An increase in the number of recorded injuries lead to high days lost from work and affects service delivery negatively due to inadequate number of employees available to achieve the set goals/ targets of the organisation.

Current implemented mitigating measures

The Safety and Health Environment (SHE) Unit has recommended that an action plan be developed by Mobility & Freight as well as Regional Operations Departments to ensure that the depot managers implement planned preventative measures and reduce the level of occupational accidents at the depots.

Summary of Occupational Accidents (July – September 2022)

¹ Injury incidents at the company are reported using Disabling Injury Frequency Rate (DIFR) values (the number of disabling injuries per 200 000 employees' hours worked over a 12-month period). The acceptable and recommended best practice DIFR value is one (1).

Table 4.18: Summary of Occupational Accidents (July - September 2022)

# Injuries	Cause	Injuries	Recommended Mitigation
AUGUST			
1.	An employee was loading concrete slab on to the truck at the depot when he strained his left hip and causing continuous pains on his hip (Benrose).	Left hip	The depot manager should ensure that the incident investigation is conducted to establish the cause. The report should be discussed in the health and safety meeting to prevent the re-occurrence. Depot manager should conduct daily toolbox talks and awareness for safe manual handling and loading of heavy materials on to trucks.
2.	An employee was driving a Grader on K 43 road to the depot from Mountain view Lenasia South work site when oncoming vehicle encroach in his driving lane causing him to go over the road shoulder losing control and bump into concrete pole injuring his right ribs (Avalon).	Right ribs	Depot manager and supervisor to prevent the re-occurrence of similar accident should conduct daily toolbox talks and awareness for safe driving of machines on public roads.
3.	An employee was having breakfast at the back of stationary truck at the M2 West Johannesburg when a reversing truck bumped into the back of the stationary truck causing him injuries to his waist and back (RSD).	Waist and back bones	The depot manager should ensure that the incident investigation is conducted to establish the causes and the report is discussed in the health and safety meeting to prevent the re-occurrence. Depot manager should conduct daily toolbox talks and awareness for hazards and risks including vehicle accident prevention. The depot manager should provide safe eating areas for employees before going to work on sites.
JULY			
1.	An employee was cleaning a drain when he misstep and fell backward hitting a concrete slab, injuring his upper back (Zandfontein).	Upper back	The depot manager should ensure that the incident investigation is conducted to establish the causes and the report should be discussed in the health and safety meeting to prevent the re-occurrence. Depot manager should conduct daily toolbox talks and awareness for the hazardous work.
2.	An employee was replacing KI top using crowbar when it slipped and fell on his hand injuring his left ring finger (Dobsonville).	Left ring finger	Daily toolbox talks for safe working procedure of replacing KI tops and hazard identification should be conducted by Depot manager to prevent the re-occurrence.
3.	An employee was getting (descending) off the grader when he tripped and fell injuring his right arm (Midrand).	Right arm	The depot manager should ensure that the incident investigation is conducted to establish the causes and the report is discussed in the health and safety meeting to prevent the re-occurrence. Daily toolbox talks and awareness for safe use of grader should be conducted by Depot manager.
4.	An employee was starting a roller machine using a slinger and it	Right arm	Daily toolbox talks for hazard identification including the procedure for starting a roller machine using slinger

	slipped off injuring his right arm (Avalon).		should be conducted by Depot manager to prevent the re-occurrence.
5.	An employee was walking to the stores to order material when he missed a step and injured his right leg ankle (Avalon).	Right leg ankle	The depot manager should ensure that the incident investigation is conducted to establish the causes and the report is discussed in the health and safety meeting to prevent the re-occurrence. Depot manager should conduct daily toolbox talks and awareness for safe walking in the depot.

OCCUPATIONAL HEALTH SERVICE

In Q1 the following interventions were implemented;

LOCATION	NO. POSITIVE COVID-19 CASES	INTERVENTION		
		SCREENING	AWARENESS	TESTING
MIDRAND SITE				
July	0	1599	HIRA (1)	0
AVALON SITE				
July	0	748	HIRA (1)	0

Table 4.19(a)

The table above reflects 2347 screened employees, COVID-19 tests and awareness were not carried out due to the low number of infected employees as well as the banning of mandatory face masks. Covid-19 screening will no longer be carried out at the depots in future.

Occupational health projects

In Q1 JRA Occupational Health Nurses continued with data capturing for Hazard Identification Risk Assessment (HIRA) project. This project will assist with the Medical Surveillance Program. The site assessments were conducted with the assistance of the following depots:

Health Risk Assessment

Depots	Dates
Laboratory Depot and Asphalt plant	20/07/2022
Fleet Depot	22/07/2022
RSD Surfacing	25 - 27/07/2022
Motorways	28/07/2022

CHAPTER 5: FINAL PERFORMANCE AND EXPOSURE

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

Q1

	2022 – 2023 R (000)
2022/2023 Operating surplus for Q 1	R 72 206 million
2022/2023 Cash on hand (Developer's account and loan to COJ)	R 975,798 million
2022/2023 Accumulative Surplus	R 539,780 million

(Refer to Annexure B for Interim Statement of Financial Position)

Section 2: Statement of Financial Performance and High-Level Notes

Component	Q1 Operating Budget	Actual	Variance	Comment
Income	R'000 427,593	R'000 389,346	R'000 -38, 247	Reinstatements, Developers Income, Management Fees and Jobbing's are under budget, the subsidy paid to JRA by COJ remains on course as reflects in 1st Quarter financials
Expenditure	427,593	317,140	110,453	Consulting, Employee costs, and Leasing of vehicles are under original budget. Office rental has surpassed the original budget targets.
Surplus/ (Deficit)	0	72,206	72,206	N/A

Notes to financial position / performance (Q1):

The Actual Income is below Budget for the 1st quarter by R 38, 247 million. This is mainly due to the Developers' Contribution that has not been received from COJ. The operating expenditure for the 1st quarter is under the budget by R 110,453 million mainly due to panel of contractors for contracted services for repairs and maintenance that has not yet been finalised.

Over/Under spending:

- Q1 Consulting fees:** These are expenses related to the use of external consultants. Expenditure to date is at R2,7 million or 68% within the budget of R8,5 million. The underspending is due to reduced spending on the use of consultants within the JRA. In addition, the JRA has been filling vacant positions to minimize the reliance on consultants.
- Q1 Contractors expenditure:** This expenditure relates to external contractors that the JRA uses for some of the maintenance work. Quarter 1 has an under expenditure of R11,5 million of the budget. The panel of contractors for contracted services for repairs and maintenance has not been finalised. An advert was out, and 600 bids were received for evaluation. The tender has been cancelled with plans to use the ID panel to execute the needs of the repairs and maintenance
- Depreciation and asset impairment:** The increase in the budgeted amount for depreciation was to accommodate the procurement of laptops and plant equipment which are not yet procured hence the lower depreciation, hence the under spending. Purchase requisitions for the laptops have been created.
- Repairs and Maintenance expenditure:** Accumulated expenditure to date is at R1,6 million or 70,42% within the budget of R5,4 million resulting in underspending of R3,8 million. 3 months into the new financial year, much of the work has not happened yet for repairs and maintenance work.

- **Materials expenditure:** Interim Material costs are R5,7 million over YTD Original budget due to road and traffic signal and increased road maintenance needs. Some of this interim expenditure relating to CAPEX expenditure is still to be capitalized pending the submission of all internal paperwork.
- **2022/2023 Q1 Leased Vehicles expenditure:** This is the expenditure relating to the motor vehicles leased by JRA from service providers and costs from the City. Accumulated expenditure for the first Quarter to date is at R33,2 million or 15.07% within the YTD Original budget of R39,1 million resulting in underspending of R5,8million for the first quarter, this though at this point is not way out of the budget targets.
- **Employee Costs:** Accumulated expenditure to date is at R213,7 million or 6,38 % within the budget of R228,3 million resulting in underspending of R14, 5 million. This includes the “insourced” security and cleaning staff expenses shown under employee costs.

Section 3: Cash Flow Statement

Refer to Annexure C for Interim Cash Flow Statement

Section 4: Capita Projects and Expenditure

Capital Projects & Expenditure

Budget		Q1
2016-17 (R 1 472 946 000)	Expenditure	R 213,644 850
	%	14,84 %
2017-18 (R 1 121 086 000)	Expenditure	R 140 052 822
	%	11.5%
2018-19 (R 1 301 847 000)	Expenditure	R 162 494 005
	%	13.5%
2019-20 (R 1 140 860 000)	Expenditure	R 340 901 123
	%	29, 88%
2020-21 (R 978 195 300)	Expenditure	R 66 059 812
	%	6,38%
2021-22 (R 863 707 000)	Expenditure	147 585 152
	%	16,96%
2022-23 (R 1 095 214 000)	Expenditure	149 453 580.77
	%	14%

Refer attached Annexure D for detail.

Funding Source

Table 5.1: Funding Source

Details	Budget (R'000)	Actual (R'000) (2022/2023)	2021/2022 % Spent
COJ Funded	833,664	122,526	15%
JRA Funded from Developers Contribution	189,968	0	0%
USDG	71,582	239	0.33%

Section 5: Ratio Analysis

Table 5.2: Financial ratios

Ratio	Interim Actual Q1 (2022/2023)	Target (FDP)	Performance Against Target (RAG Status)
Current ratio	1.72	1	
Solvency ratio	2	2	
Accumulated Surplus	R 539,780m	R50m	
Cash on hand (overdraft)	R 487,640m	R50m	
Salaries ratio	49.89%	35%	
Repairs & Maintenance ratio	1%	7%	
Notes			
The JRA is a labour-intensive company and most of the maintenance work is done internally. Salaries paid to Regional Operations and Mobility & Freight departments personnel are not recorded under direct road maintenance costs. This explains the reasons for not meeting the target set of 35%. If the Regional Operations and Mobility & Freight department salaries are excluded from the remuneration ratio, it comes down to 24, 5%.			
Overall, the rounded off ratios are positive, and the company is financially sound and solvent.			
The 2022/2023 current ratio is 1.72			
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 57% for Repairs and Maintenance for the period ended 30 September 2022.			

Cost coverage: The 2022/2023 interim cost coverage ratio for JRA is 6, 85 months. This is calculated based on Cash on Hand (sweeping and developers contribution) divided by average monthly operating adjustment budget for expenditure.

Section 6: Supply Chain Management and BBBEE

Table 5.3: BBBEE Expenditure

	%	RAG Status
Total payments made (excluding payroll amounts) - R214 900 924.76	72.49 % (target of 75% p.a.)	

Capex Percentage	- 93 226 899.76	31.45%
Opex Percentage	-121 674 025.00	41.04%

The new Preferential Procure Policy Framework Act came into effect on 1 April 2017. The B-BBEE point allocations have changed which impact future reporting. JRA reported B-BBEE spend of 72.49% against a scorecard target of 75% per annum.

Payment of suppliers within 30 days

	Q4 (2021/22)	Q1	Q2	Q3	Q4	Target
% compliance in respect of payment of all service providers within 30 days	April: 99.60% / May :100%/ June:100% Average: 99.87%	July'22: 100% / August: 99.50% Sept: 100% Average: 99.83%	-	-	-	100%

The provisional average compliance rate on payment within 30 days is 99,83%. This is slightly below the previous quarter compliance rate of 99,87%. The average compliance rate on payment within 30 days is 99,73%. This is slightly below the previous quarter compliance rate of 99,87%. For Q1 total cash flow cuts amounted to R103m. Delays in cash flow might have a serious impact on the 30 days KPI should the cash flow situation fail to improve. Service delivery might be affected especially for cash strapped entities.

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

- **Irregular expenditure** – The opening balance on the 1st of July 2021 was R640,2 million, we have observed increase in the amount of R122 513 450.13 million for the financial year 21/22. This brings the closing balance for financial year 21/22 to R762 729 481.13. The amount for the current financial year to date is R14 723 863.79 million, which brings the total amount of irregular expenditure to date to R777 553 344.92. The 2020/21 UIFW have been forwarded to Group Risk Audit Services (GRAS) at the city for further Investigation and we continue to follow up with GFIS / GRAS other old investigations for writing off purposes.
- **Fruitless and Wasteful Expenditure** – The Q1 Fruitless and Wasteful expenditure incurred for the Quarter 1 is R11,099.91 representing Eskom interest of R388.42(late submission of Eskom invoices and R711.49 incurred through SARS. The affected stakeholders have been requested to provide root cause of this expenditure. The year-to-date figure including the opening balance of the previous financial years stands at R32,64million.
- **Deviations** - There were five deviations reported for Q1. Three deviations were approved by the CFO on Regulation 17 for the panel of service providers to provide general advertising and all related services departments within the Johannesburg Roads Agency (JRA) for the newspaper advertisement for JRA positions with reference to contract No: JRA/19/270 which amount to **R108 453.84**. There are no deviations reported that were approved by the Accounting Officer. There are two deviations approved and reported from the COJ for Fleet and Plant which amount to **R3 165 245.48**. Total deviations approved and reported for Q1 inclusive of COJ Fleet and Plant amount to R 3 273 699.32.
- In the normal course of business, the JRA enters into transactions with various external parties, some of whom are Related Parties, other Government Entities and Third Parties. These transactions are deemed to be at arms' length whereby cash is paid upon exchange or payment terms are extended to the external party. In other instances, these transactions are of non-exchange nature. The following summary of the Age Analysis for the 1st Quarter by category of Debtors.

Description	%	Open Amount	Current	31 - 60	61 - 90	91 - 182	Over 182
Related Parties	92.68%	329,120,663.32	14,494,690.04	864,947.51	181,790,525.15	23,491,177.98	108,479,322.64
Other Govt. entities	6.35%	22,555,387.79	4,417.31	472,590.00	(310.00)	5,791,101.03	16,287,589.45
Third Parties	0.97%	3,441,926.69	1,104,741.55	14,446.48	11,363.50	0.01	2,311,375.15
		355,117,977.80	15,603,848.90	1,351,983.99	181,801,578.65	29,282,279.02	127,078,287.24

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

- a. That, the Debtors' book has decreased from R418 million to R245 million from the last quarter to the 1st quarter. The debtor's collection efforts are bearing positive results on the cash-flow of the JRA in that the Income and Asset unit has managed to reduce debtors by 41% (from R418 million to R245 million) from the beginning of the financial year to date. Payments were made by the related parties on outstanding invoices.
- b. Related Parties are those entities which fall within the ownership and control of the City of Johannesburg with whom the JRA does business. Under normal circumstances, the transactions between the entities are underpinned by the SLA failing which, a purchase order may become a trigger for doing business.

Of the total amount owed by debtors, 90% is attributable to Related Parties who pose minimal risk of payment to the JRA. The normal process requires all related entities to confirm the outstanding balances owing/owed to one another, as well as the transactions that gave rise to those balances.

This process ensures that all disputes are eradicated. Furthermore, due to the austerity measures of intercompany confirmations and reporting for each quarter and monthly, management is confident that the bulk of the invoices will be settled when all COJ operations normalise.

The debtors book on this category has decreased from R393 million to R221 million in the 1st quarter. The R160 million which is over 90days vs R146 million in last quarter, is mainly due to the following reasons:

- There are queries raised on invoices. However, the JRA is working on clearing the queries raised by the client and follow up on outstanding documents.
 - Budget lift issues and disputed invoices.
 - Lack of response by the client despite several correspondence
 - Service Level Agreement (SLA) issues that needs to be resolved between Infrastructure Development and Housing department.
- c. Third Parties are non-government owned and controlled entities. They account for 1% of the total debtors' book. The debt has decreased by 20% in the 1st Quarter from R2,2 million to R2.6 million to an amount of R325 000 that has to be recovered from Sisonke due to telephone usage contract with Telkom.
 - d. Other Government Entities are entities which are owned and controlled by other spheres of government but fall outside the City of Johannesburg. The amount outstanding is R22 million which accounts to 6% of the total debtors' book. Follow ups are being made on the over 60 days due for the Gautrans maintenance. A commitment to settle the account was made by DRT depending on SARS giving JRA a letter stating that clients of JRA can continue making payments to JRA even if non-compliance status is unresolved.

Bad Debts Provision

The bad debts provision for the 1st quarter increased compared to the last quarter by R270 000 from R1.9 million to R2.2 million due to an overpayment made to Phofu Bahurutshe. These debtors were assessed as per GRAP104 and will be adjusted during the year after impairment tests.

Bad Debts Provision at September 2022

Address Number	Description	Amount
1545622	Eyethu Translodge and Plant	1,646,184.82
120624	Asphalt Sales	276,795.56
1544930	Sipho Tshabalala	12,092.54
1556403	Phofu Bahurutshe	270,000.00
	TOTAL	2,205,072.92

All other long outstanding amounts are being monitored closely and ongoing communication is made with debtors to recover what is being owed to JRA. It has yielded positive results as the total Debtors balances were reduced from R418 million to R355 million, representing 15% reduction of debtors due to improved collection of long-outstanding monies from the CoJ.

Section 8: Litigations and Insurance Claims against/to MOE

In summary, the following litigation and public liability claims were received during the 1st Quarter of 2022/23:

Table 8.1: Pending litigations and possible liabilities

Litigation area	Total number of cases
Contractual disputes	4
Delict (damages)	2
Labour (review applications)	1
Others (Letters of Demand)	8

Section 8: Insurance Claims against / to MOE

Table 8.1: Public Liability Claims

Month	Letter of Demand	Normal Claims	Summons	Total	Total amount claimed
Jul-22	57	14	7	78	27,657,722.11
Aug-22	100	22	7	129	14,993,057.33
Sep-22	15	5	1	21	1,061,431.52

Total Amount for 1st Quarter is **R433, 712,210.96**

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

Table: 5.9 Amounts Owed by and to Government Departments and Public Entities

Name	Amount R
Department of Road and Transport	22,018,255
Total	22,018,255

NB: The letter of demand has been issued to the Department to settle the debt.

CHAPTER 6: INTERNAL AND EXTERNAL AUDIT FINDINGS

Section 1: Progress on Audit Plan

Results of the audits completed within the 1st Quarter are presented in the table below.

Table 6.2: Progress with audit plan

Name Audit Area	Date completed	Opinion Expressed	Original Rating	Rating (Only applicable to follow up audits)
Contract Management	Quarter 1	Adequate but Ineffective	Yellow	N/A
Contract Development	Quarter 1	Adequate but Ineffective	Yellow	N/A
Review of Interim Financial Statements	Quarter 1	Adequate but Ineffective	Yellow	N/A
Review of Annual Financial Statements	Quarter 1	Adequate but Ineffective	Yellow	N/A
IT Governance and strategy follow -up	Quarter 1	Adequate and Effective	Yellow	Green
Laboratory Management follow up	Quarter 1	Adequate and Effective	Yellow	Green
Employee Verification	Quarter 1	Adequate but Ineffective	Yellow	N/A
Capex verification	Quarter 1	Adequate and Ineffective	Yellow	N/A
Inventory Management	Quarter 1	Adequate but Ineffective	Yellow	N/A
Records Management	Quarter 1	Inadequate	Red	N/A
Audit of Performance information Q4	Quarter 1	Adequate but Ineffective	Yellow	N/A
Bids closing process	Quarter 1	Adequate and effective	Green	N/A
RFQ closing process	Quarter 1	Adequate and effective	Green	N/A

Section 2: Progress on the Resolution of Internal Audit Findings

The JRA resolved 22 IA findings of the 41 that were due in Q4 which accounts for 54%.

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

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

Section 3: Progress on the Resolutions of External Audit Findings

The entity resolved 1 of the 7 (14%) AG findings. The on-going audit will assess the interventions that management has put in place since the previous audit.

Section 4: Overall State of Internal Controls

The overall conclusion of the state of internal controls based on the following audits completed from the 1st of July 2022 to 30 September 2022 is that controls are adequate but ineffective to provide reasonable assurance that JRA objectives will be achieved:

Table 6.3: State of internal controls

Audit Area	Date Completed	Opinion Expressed	Original Rating	Rating
Contract Management	Quarter 1	Adequate but Ineffective	Yellow	N/A
Contract Development	Quarter 1	Adequate but Ineffective	Yellow	N/A
Interim Financial Statements audit report	Quarter 1	Adequate but ineffective	Yellow	N/A
IT Governance and strategy follow -up and report	Quarter 1	Adequate and effective	Yellow	N/A
Laboratory Management follow up	Quarter 1	Adequate and Effective	Green	N/A
Employee Verification	Quarter 1	Adequate but Ineffective	Yellow	N/A
Capex verification	Quarter 1	Adequate but Effective	Yellow	N/A
Inventory Management	Quarter 1	Adequate but Ineffective	Yellow	N/A
Records Management	Quarter 1	Inadequate	Red	N/A
Bids closing process	Quarter 1	Adequate and effective	Green	N/A

ANNEXURES**Annexure A: JRA Board and Committees Attendance Register
Scheduled and Special meetings for Q1 (2022-2023)****Annexure A**

Board member/ IAC	BOARD		Remuneration, Social & Ethics Committee REMSEC	Audit, Finance, Risk and IT Committee AFR&ITC		Service Delivery Committee SDC
	28 July Ordinary	30 August Special	15 July Ordinary	13 July Ordinary	24 August Special	12 July Ordinary
Tiyani Sambo	✓	X	N/A	N/A	N/A	N/A
Thabo Motloung	✓	✓	N/A	✓	✓	✓
Hazel Mtimkhulu	✓	✓	✓	N/A	N/A	✓
Msizi Myeza	✓	✓	N/A	N/A	N/A	✓
Nompumelelo Mkhize	✓	✓	✓	N/A	N/A	✓
Innocent Mthembu	✓	✓	✓	N/A	N/A	N/A
Boitumelo Mokgatle	X	X	✓	X	✓	N/A
Silver Bapela	✓	✓	N/A	N/A	N/A	✓
Tshepo Phetla	✓	X	✓	N/A	N/A	N/A
Independent Audit Committee (IACs) members						
Thabo Mongatane	N/A	N/A	N/A	✓	✓	N/A
Karen Parirenyatwa	N/A	N/A	N/A	✓	✓	N/A
Sello Makhubela	N/A	N/A	N/A	X	X	N/A

✓: denotes present

X: denotes absent

N/A: Not applicable.

Annexure B: Statement of Financial Position as of September 2022

Annexure B

Current assets		1,231,940	1,300,458
Inventories	5	65,743	55,778
Loan to Shareholders - Sweeping	15	331,339	277,266
Trade and other receivables	4	342,921	496,116
Intercompany account	12	-	-
Cash and Cash Equivalents	6	491,938	471,299
Non-Current assets		197,361	208,008
Property plant and equipment	1	119,734	130,863
Intangible Assets	2	23,225	23,268
Employee benefits investment	3	54,403	53,877
Total Assets		1,429,302	1,508,466
Liabilities			
Current Liabilities		489,151	607,209
Trade and other payables	10	334,940	459,625
Finance lease obligations	9	15,300	15,300
Loan from Shareholders - Overdraft		-	-
Taxation	14	(102,597)	(102,597)
Provisions	12	241,508	234,880
Non-Current Liabilities		87,906	87,906
Employee benefit obligations	8	51,528	51,528
Finance lease obligations	11	36,378	36,378
Total Liabilities		577,057	695,115
NET ASSETS		852,244	813,351
Equity		852,244	813,351
Contribution from owner	7	345,802	345,777
Accumulated Surplus		506,442	467,574

Annexure C: Cash Flow Statement for the Quarter ended September 2022

Cash Flows from Operating Activities			
Cash used in operations	13	83,070	(126,615)
Interest income		8,332	27,418
Finance Costs		-	-
Net Cash from operating activities		91,402	(99,197)
Cash flows from investing activities			
Purchase of property, plant and equipment		-27	(5,648)
Proceeds from sale of property, plant and equipment		-	-
Increase/(Decrease) in Developers contribution		(54,072)	179,783
Decrease in Loan to shareholder		-	-
Net Cash from investing activities		(54,099)	174,134
Cash Flow From Financing Activities			
Decrease in shareholder's loan		-	-
Repayment of finance lease obligations-non current		-	-
Net Cash From financing activities		-	-
Total Cash Movement for the period		37,303	74,937
Cash at the beginning of the period		462,765	387,827
Total cash at the end of the period		500,067	462,765

Annexure D: JRA CAPEX Spent Report as of September 30 September 2022

Annexure D

Cost Code	COJ WBS Elements	Source of Funding	Revised Budget	Actual Expenditure	Open Commitments	Accruals	YTD Expenditure	Budget Variance	Actual Expenditure %	YTD Expenditure %
301	58-14041.350.0020	EFF	30,000,000.00	267,563.63	-	-	267,563.63	29,732,436.37	1%	1%
307	58-16008.376.0020	Other	30,000,000.00	2,968,126.40	-	-	2,968,126.40	27,031,873.60	10%	10%
305	58-14045.360.0020	CRR	43,500,000.00	13,948,874.09	-	8,518,292.84	22,467,166.93	21,032,833.07	32%	52%
307	58-14045.376.0020	Other	40,000,000.00	-	-	-	-	40,000,000.00	0%	0%
305	58-14046.360.0020	CRR	30,000,000.00	-	-	-	-	30,000,000.00	0%	0%
301	58-16007.350.0020	EFF	17,000,000.00	4,883,109.24	-	271,553.37	5,154,662.61	11,845,337.39	29%	30%
305	58-16007.360.0020	CRR	6,500,000.00	-	-	-	-	6,500,000.00	0%	0%
305	58-14003.360.0020	CRR	5,000,000.00	-	-	-	-	5,000,000.00	0%	0%
305	58-14004.360.0020	CRR	55,000,000.00	891,918.61	-	-	891,918.61	54,108,081.39	2%	2%
305	58-14005.360.0020	CRR	10,000,000.00	-	-	-	-	10,000,000.00	0%	0%
305	58-14007.360.0020	CRR	40,000,000.00	-	-	-	-	40,000,000.00	0%	0%
305	58-15002.360.0020	CRR	20,000,000.00	-	-	-	-	20,000,000.00	0%	0%
301	58-15010.350.0020	EFF	15,000,000.00	-	-	-	-	15,000,000.00	0%	0%
305	58-14030.360.0020	CRR	10,000,000.00	4,710.19	-	188,407.71	193,117.90	9,806,882.10	0%	2%
305	58-14034.360.0020	CRR	15,000,000.00	-	-	-	-	15,000,000.00	0%	0%
305	58-14021.360.0020	CRR	30,000,000.00	256,454.00	1,583,331.00	-	1,839,785.00	28,160,215.00	1%	6%
305	58-14026.360.0020	CRR	25,000,000.00	539,624.50	18,295,660.15	-	18,835,284.65	6,164,715.35	2%	75%

Cost Code	COJ WBS Elements	Source of Funding	Revised Budget	Actual Expenditure	Open Commitments	Accruals	YTD Expenditure	Budget Variance	Actual Expenditure %	YTD Expenditure %
305	58-15016.360.0020	CRR	15,000,000.00	-	-	-	-	15,000,000.00	0%	0%
305	58-14047.360.0020	CRR	20,000,000.00	-	-	-	-	20,000,000.00	0%	0%
305	58-14048.360.0010	CRR	10,000,000.00	-	-	-	-	10,000,000.00	0%	0%
301	58-14037.350.0020	EFF	40,000,000.00	5,684,845.05	-	1,121,387.19	6,806,232.24	33,193,767.76	14%	17%
305	58-14057.360.0020	CRR	15,000,000.00	3,464.90	-	-	3,464.90	14,996,535.10	0%	0%
305	58-14058.360.0020	CRR	10,000,000.00	-	-	-	-	10,000,000.00	0%	0%
305	58-14053.360.0020	CRR	4,000,000.00	466,601.17	1,552,029.62	-	2,018,630.79	1,981,369.21	12%	50%
301	58-14052.350.0020	EFF	4,000,000.00	-	-	-	-	4,000,000.00	0%	0%
305	58-14059.360.0020	CRR	10,000,000.00	1,256,773.79	4,107,533.24	-	5,364,307.03	4,635,692.97	13%	54%
305	58-14061.360.0020	CRR	40,000,000.00	3,258,155.30	18,205,359.87	-	21,463,515.17	18,536,484.83	8%	54%
301	58-14062.350.0020	EFF	2,000,000.00	-	962,122.73	-	962,122.73	1,037,877.27	0%	48%
305	58-14063.360.0020	CRR	16,000,000.00	1,640,752.72	10,807,234.34	-	12,447,987.06	3,552,012.94	10%	78%
305	58-14065.360.0020	CRR	40,000,000.00	2,759,041.00	15,963,809.10	-	18,722,850.10	21,277,149.90	7%	47%
305	58-14066.360.0020	CRR	5,000,000.00	276,887.90	1,880,058.26	-	2,156,946.16	2,843,053.84	6%	43%
305	58-14023.360.0020	CRR	3,000,000.00	-	-	-	-	3,000,000.00	0%	0%
305	58-15002.360.0020	CRR	20,000,000.00	842,215.45	-	-	842,215.45	19,157,784.55	4%	4%
305	58-22000.360.0020	CRR	7,000,000.00	-	-	-	-	7,000,000.00	0%	0%
307	58-14010.376.0020	Other	20,000,000.00	-	-	-	-	20,000,000.00	0%	0%
307	58-14011.376.0020	Other	30,480,000.00	-	-	1,120,223.92	1,120,223.92	29,359,776.08	0%	4%

Cost Code	COJ WBS Elements	Source of Funding	Revised Budget	Actual Expenditure	Open Commitments	Accruals	YTD Expenditure	Budget Variance	Actual Expenditure %	YTD Expenditure %
301	58-14013.350.0020	EFF	15,000,000.00	-	-	-	-	15,000,000.00	0%	0%
301	58-14012.350.0020	EFF	30,512,000.00	21,491,974.59	-	-	21,491,974.59	9,020,025.41	70%	70%
307	58-14012.376.0020	Other	69,488,000.00	-	-	-	-	69,488,000.00	0%	0%
305	58-15027.360.0010	CRR	10,000,000.00	-	-	-	-	10,000,000.00	0%	0%
301	58-16014.350.0010	EFF	8,652,000.00	-	-	-	-	8,652,000.00	0%	0%
301	58-16016.350.0020	EFF	15,000,000.00	-	-	-	-	15,000,000.00	0%	0%
305	58-18002.360.0010	CRR	6,000,000.00	105,357.05	-	-	105,357.05	5,894,642.95	2%	2%
305	58-14016.360.0020	CRR	2,000,000.00	-	-	-	-	2,000,000.00	0%	0%
305	58-21004.360.0010	CRR	20,000,000.00	-	-	-	-	20,000,000.00	0%	0%
305	58-19003.360.0020	CRR	90,000,000.00	210,723.60	-	1,026,360.68	1,237,084.28	88,762,915.72	0%	1%
305	58-23000.360.0020	CRR	8,500,000.00	-	-	-	-	8,500,000.00	0%	0%
301	58-23001.350.0020	EFF	4,000,000.00	-	-	-	-	4,000,000.00	0%	0%
305	58-23001.360.0020	CRR	1,000,000.00	-	-	-	-	1,000,000.00	0%	0%
306	58-23005.373.0020	USDG	10,000,000.00	-	-	-	-	10,000,000.00	0%	0%
306	58-23004.373.0020	USDG	34,000,000.00	-	-	-	-	34,000,000.00	0%	0%
306	58-23003.373.0020	USDG	10,000,000.00	-	-	-	-	10,000,000.00	0%	0%
301	58-14020.350.0020	EFF	10,000,000.00	-	-	-	-	10,000,000.00	0%	0%
306	58-23002.373.0020	USDG	17,582,000.00	599,150.44	-	1,493,893.13	2,093,043.57	15,488,956.43	3%	12%
			1,095,214,000.00	62,356,323.62	73,357,138.31	13,740,118.84	149,453,580.77	945,760,419.23	6%	14%

Annexure E

Annexure E: JRA (PTY) LTD Detailed Income Statement for the Quarter ending: September 2022

Description	Current Month Actual Amount	Current Month Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amount	YTD Variance %	Prior Year's Actual Amount	Current Year Total Approved Budget
REVENUE										
Rent Received	644	408	236	57.68%	1,932	1,225	707	57.68%	1,772,040	4,900
COJ Maintenance	123,905	123,905	0	0.00%	371,715	371,715	-	0.00%	331,069,750	1,486,859
TOTAL REVENUE	124,549	124,313	236		373,646	372,940	707		332,841,790	1,491,759
DIRECT COSTS										
Material Cost	13,433	6,049	-7,384	122.07%	23,618	18,148	-5,470	-30.14%	6,952,021	72,591
Extra Items	-	-	-	0.00%	-31	-	31	100.00%	351,811	-
Stock Adjustment	-11	-108	-98	90.28%	55	325	-380	117.04%	448,045	1,300
TOTAL DIRECT COST	13,423	5,941	-7,482		23,642	17,823	-5,820		7,048,255	71,291
GROSS PROFIT	111,126	118,372	-7,247		350,004	355,117	-5,113		325,793,535	1,420,468
OTHER INCOME										
Jobbings	377	2,040	-1,664	-81.54%	377	6,121	-5,745	-93.84%	1,254	24,486
Interest from Intercompanies	1,718	1,792	-74	-4.12%	3,956	5,375	-1,419	-26.39%	2,092,631	21,500

Description	Current Month Actual Amount	Current Month Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amount	YTD Variance %	Prior Year's Actual Amount	Current Year Total Approved Budget
Interest Received Debtor	-	-	-	0.00%	33	-	33	100.00%	-	-
Interest Received from Bank	2,347	-	2,347	100.00%	4,343	-	4,343	100.00%	2,774,182	-
Developers Income	3,738	5,869	-2,131	-36.31%	3,738	17,607	13,869	-78.77%	-	70,428
Reinstatements	2,241	2,868	-626	-21.84%	2,707	8,603	-5,896	-68.54%	3,109,172	34,411
Road Closures	57	-	57	100.00%	100	-	100	100.00%	163,610	-
DCP Testing	-	20	-20	100.00%	-	60	60	-100.00%	-	239
Other Sales	-	50	-50	100.00%	-	151	-151	-100.00%	-	603
Management Fees	1,476	4,219	-2,743	-65.02%	1,854	12,658	10,804	-85.35%	5,770,828	50,633
Sundry Income	1,168	1,359	-192	-14.11%	2,097	4,078	-1,981	-48.58%	717,969	16,313
TOTAL OTHER INCOME	13,121	18,218	-5,097		19,205	54,653	35,448		14,629,646	# 218,613
INDIRECT COSTS										
Advertising Auditors	78	641	563	87.87%	176	1,922	1,746	90.86%	842,006	7,687
Remuneration Fees	179	429	251	58.36%	249	1,288	1,039	80.69%	300,000	5,152
Bank Charges	6	7	0	3.62%	22	20	2	-10.17%	14,420	79

Description	Current Month Actual Amount	Current Month Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amount	YTD Variance %	Prior Year's Actual Amount	Current Year Total Approved Budget
Finance Charges	-	229	229	100.00%	-	686	686	100.00%		2,743
Consulting Fees	1,216	2,847	1,631	57.30%	3,733	8,541	4,808	56.29%	3,366,954	34,164
Contractors JRA Contractors Outsourced	2,889	12,139	9,251	76.20%	-544	36,418	36,962	101.49%	8,717,946	145,674
Consumables	113	4,032	3,919	97.20%	587	12,096	11,508	95.14%	975,654	48,382
Entertainment Corporate Promotions Interest and Penalties	126	819	693	84.64%	751	2,457	1,706	69.43%	718,717	9,829
Depreciation Directors Emoluments	3,733	5,337	1,604	30.05%	11,199	16,010	4,811	30.05%	11,913,255	64,041
	128	191	63	33.12%	252	574	322	56.11%	425,826	2,297
	16	36	21	56.74%	17	109	92	84.24%		436
	-	157	157	100.00%	-	472	472	100.00%	2,184	1,888
	-	0	0	100.00%	-	0	0	100.00%		0
Insurance Leased Contract Services	1,700	1,700	-0	0.00%	5,100	5,100	0	0.00%	5,100,000	20,399
	16,421	13,036	-3,385	-25.97%	33,213	39,107	5,894	15.07%	22,000,656	156,429
Offices(Parking) Office Building(Rental)	2,435	576	-1,860	323.09%	3,839	1,727	-2,112	-122.31%	875,109	6,907
	23,072	5,279	-17,794	337.10%	30,799	15,836	14,963	-94.49%	8,590,015	63,343
Office Equipment	30	32	2	6.88%	100	97	3	-3.47%	300,000	387
Legal Expenses	500	414	-86	-20.68%	500	1,243	743	59.77%	4,755,153	4,972

Description	Current Month Actual Amount	Current Month Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amount	YTD Variance %	Prior Year's Actual Amount	Current Year Total Approved Budget
Licenses	529	613	84	13.73%	599	1,839	1,240	67.44%	826,159	7,356
Magazines, Books and Periodicals	-	207	207	100.00%	-	620	620	100.00%	6,200	2,479
Municipal Services Charges	3,935	1,850	-2,085	112.65%	5,154	5,551	397	7.16%	4,527,193	22,206
Stationary	566	318	-248	-78.04%	1,948	953	-995	-104.32%	294,654	3,813
Printing Repairs & Maintenance	1,223	466	-757	162.42%	1,223	1,398	175	12.53%	490,815	5,592
Strategic Planning Employee & Related Costs	1,599	1,748	148	8.48%	2,390	5,243	2,853	54.41%	1,770,221	20,971
	-	98	98	100.00%	-	294	294	100.00%		1,177
	69,670	75,525	5,855	7.75%	218,767	226,575	7,808	3.45%	192,627,481	906,299
Interns Stipend Cost	73	242	168	69.62%	73	725	652	89.87%	518,700	2,901
Placement Fees	-	4	4	100.00%	-	11	11	100.00%		46
Recognition	-	89	89	100.00%	-	267	267	100.00%		1,068
Temporary Staff	-	-	-	0.00%	-	-	-	0.00%	2,920,092	-
Employee Wellness	-	49	49	100.00%	-	147	147	100.00%		589
Security	529	336	-192	-57.08%	793	1,009	217	21.46%	528,533	4,038
Social Responsibility	-	7	7	100.00%	-	20	20	100.00%		79
Telephone & Fax	229	866	637	73.56%	329	2,598	2,269	87.34%	1,407,624	10,391

Description	Current Month Actual Amount	Current Month Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amount	YTD Variance %	Prior Year's Actual Amount	Current Year Total Approved Budget
Training	76	842	766	90.95%	458	2,526	2,068	81.86%	1,398,807	10,105
Conferences and Seminars	62	129	67	51.71%	77	386	309	80.13%		1,545
Travel Expenses	76	85	9	11.08%	76	255	179	70.36%		1,019
Data Services Realised	199	1,298	1,099	84.70%	1,168	3,894	2,726	70.01%	3,003,885	15,575
Gains/Losses	-	3	3	100.00%	-	8	8	100.00%	106,900	30
TOTAL INDIRECT COST	131,407	132,674	1,268		323,046	398,022	74,976		279,325,159	# 1,592,088
OPERATING PROFIT	7,160	3,916	-11,076		46,162	11,748	34,414		61,098,022	# 46,993
INTERNAL TRANSFERS										
Interest (Sweeping Account)	-	-	-	0.00%	-	-	-	0.00%	-	-
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%	-	-
Contractors: JRA	-	585	585	100.00%	500	1,755	1,255	71.50%	500,000	7,018
Consulting Fees	-	229	229	100.00%	200	687	487	70.90%	200,000	2,749

Description	Current Month Actual Amount	Current Month Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amount	YTD Variance %	Prior Year's Actual Amount	Current Year Total Approved Budget
Employee & Related Costs	146	583	437	75.02%	439	1,748	1,309	74.90%	425,179	6,993
Intercompany Charges	1,929	643	-1,286	200.02%	1,929	1,929	0	-0.01%	150,000	7,715
Leased Contract Services	1,548	855	-693	-81.08%	3,097	2,565	-532	-20.72%	2,000,000	10,261
Legal Expenses	427	531	104	19.57%	630	1,592	962	60.42%	849,402	6,367
Printing	-	8	8	100.00%	-	23	23	100.00%	-	90
Training	-	23	23	100.00%	-	69	69	100.00%	-	274
Telecommunications	-	461	461	100.00%	500	1,382	882	63.81%	500,000	5,526
Internal Charges (Core)	-	-	-	0.00%	-	-	-	0.00%	-	-
Internal Col Billing (Utilities)	-	-	-	0.00%	-	-	-	0.00%	-	-
Operating Grants (Subsidies to ME's)	-	-	-	0.00%	-	-	-	0.00%	-	-
TOTAL INTERNAL TRANSFERS	4,050	3,916	-134		7,294	11,748	4,454		4,624,581	46,993
NET INCOME BEFORE TAX	-11,209	0	-11,209		38,868	-0	38,868		56,473,441	-0
NET INCOME AFTER TAX	-11,209	0	-11,209		38,868	-0	38,868		56,473,441	-0

Annexure F: Notes to The Financial Statements for Quarter Ended September 2022

Annexure F

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 2022							
				2022			2022
				September			June
				R'000			R'000
1. Property, plant and equipment			Accumulated	Carrying			
	Cost		Depreciation	Value			
	R'000		R'000	R'000			
Buildings	74,203		21,696	52,507			52,872
Land	17,294		-	17,294			17,294
IT Equipment	59,596		55,163	4,433			5,615
Furniture and Fittings	20,622		18,986	1,635			1,979
Office Equipment	10,613		7,562	3,052			3,146
Motor Vehicles	100,208		73,565	26,643			31,933
Tools and Loose Gear	952		903	49			76
Assets (WIP)	3,976			3,976			3,976
Plant and Machinery	158,268		148,122	10,145			13,971
Total	445,731		325,997	119,734			130,863
2. Intangible Assets			Accumulated	Carrying			
	Cost		Depreciation	Value			
	R'000		R'000	R'000			
Assets (WIP)	23,172			23,172			23,172
Computer Software	14,836		14,782	53			96
Total	38,008	#	14,782	#	23,225	#	23,268
3. Employee benefit investment							
Post-retirement Gratuity				23,124			22,598
Post-retirement Housing Subsidy				-			-
Post-retirement Medical Aid				31,279			31,279
				54,403			53,877

4. Trade and other receivables							
Trade Debtors					1		2
Related party Receivables					244,222		400,496
Prepayments					196		196
Provision for bad debts					(1,935)		-1,935
Electricity Deposit					833		833
Rental Deposit					6,847		6,847
Interest Receivable					-		1,843
SARS Payments					-		-
Unclaimed Amounts					89,828		84,827
Staff debtors - subsidised education					2,182		2,260
Sundry Debtors					746		746
CoJ - Capital expenditure							
JRA - COJ Dev Control Transfer					-		-
Loans to shareholders (Sweeping account)					-		-
					342,921		496,116

5. Inventories							
Raw Materials			72,223				62,258
Consumables			-				-
Disclosure of Consumables			-				-
Manufactured Products			-				-
Impairments			(6,481)				(6,481)
			65,743				55,778
6. Bank Balances and Cash							
Petty Cash			-				-
JPC Portfolio (Bank)			-				-
Inter-company account			-				-
Absa Bank Accounts			-				-
Standard Bank Accounts			-				-
Developers contribution			491,938				471,299
			491,938				471,299

7. Contribution from Owner			
Share Capital	1		1
Shareholders Loan	345,801		345,776
	345,802		345,777
8. Employee Benefit Obligation			
Gratuity Liabilities	34,636		34,636
Post-retirement medical aid	8,798		8,798
Post-retirement housing subsidy	8,094		8,094
	51,528		51,528
9. Finance Lease Obligation			
Current lease portion	15,300		15,300
	15,300		15,300
10. Trade and other payables			
Trade Payables	9,709		121,882
Capital Creditors and Accruals	44,551		46,705
Leave Pay Provision	40,374		38,597
Retention	139,639		152,959
Related Party Creditors	63,994		70,389
Payroll Accruals	10,707		7,709
Value Added Tax (VAT)	1,159		3,313
Prepayments	1,579		1,579
Other Creditors	-		-
Debtors Reclassification	-		-
SARS - Tax Payments	-		-
Bonus Provision: 13th Cheque	23,228		16,493
	334,940		459,625
11. Finance Lease Obligation			
Long term portion of finance lease	36,378		36,378
	36,378		36,378

12. Provision			
Legal Claim Provision		206,643	206,643
Other Provisions		-	-
Bonus Provision: Performance		34,865	28,237
		241,508	234,880

13. Cash Utilised in Operations				
Surplus / (Deficit) before taxation		38,868		101,031
Adjusted for:				
Depreciation and amortisation		11,199		44,207
Interest Earned		8,332		27,418
Gain on sales of property, plant and equipment		-		-
Finance Costs				
Decrease in loan to shareholder		-		-
Other non-cash movements		-		-180,168
Movement in provisions		6,628		44,205
Movement in Tax Receivable and Payable		-		-
Movement in shareholders loan		25		2,982
Assets purchased through finance lease		-		6,389
Movement in retirement benefit obligation		(526)		943
Changes in Working Capital				
Receivables from Exchange Transactions				
Inventories		(9,965)		9,934
Trade and other receivables		153,195		74,137
Other Receivables from Non-Exchange Transaction				
Trade and other payables		(124,685)		-257,692
		83,070		(126,615)
14. Taxation		(102,597)		(102,597)
15. Sweeping Account Balance		331,339		277,266

**Annexure G: Compliance Universe
SUMMARY OF LEGAL & REGULATORY COMPLIANT UNIVERSE**

						Annexure G	
No	Relevant Act / Section	Person/Dept. Responsible	Activity	Frequency	Due Date	Status	
COMPANIES ACT NO 71 OF 2008							
1.	Financial Statements Sec 30	Company Secretary	Ensure that these are submitted to Registrar of companies (CIPC) together with the annual returns.	With annual returns	End Feb	COMPLIANT	
2.	Directors, company name, registered office, registration number Sec 70	Company Secretary	Ensure that letter heads, website (and records with the Registrar) are up to date and that all official communication reflects this information.	Ongoing	10 days after change	COMPLIANT	
3.	Register of directors and Officials	Company Secretary	Register of directors and officials to be maintained. Consent to act as director to be kept on record	Ongoing	Ongoing	NON-COMPLIANT	
4.	Annual Returns to be submitted in terms of Sec 30	Company Secretary	Ensure that annual return (comprising full details of company: directors; auditors; company secretary and financial year end) is submitted to CIPC within 30 days of anniversary date of registration.	By end of the month following the anniversary date of incorporation	End February	COMPLIANT	
5.	Annual General Meetings – this is only a requirement of the Act i.r.o Public Companies and thus there is no requirement for the JRA	Company Secretary	Ensure that: meetings take place; terms of reference are up to date and adhered to; meeting is duly constituted; all proxies received; all members are represented; minutes are taken and filed.	Within 3 months of year end	Ongoing	COMPLIANT	
6.	Auditor been appointed	Company Secretary	Auditor be consent to appointment and same to be lodged with CIPC	As and When	Ongoing	COMPLIANT	
LABOUR RELATIONS AND EMPLOYMENT LAW							
7.	Labour Relations Act No. 66 of 1995	HoD: Corporate Services	Ensure that Act is adhered to.	Ongoing	Ongoing	COMPLIANT	
8.	Basic Conditions of Employment Act No. 11 of 2002	HoD: Corporate Services	Ensure that Act is adhered to.	Ongoing	Ongoing	COMPLIANT	
9.	Employment Equity Act No. 55 of 1998	HoD: Corporate Services	Ensure that Employment Equity plan is followed and adhered to.	Ongoing	Ongoing	COMPLIANT	
10.	Occupational Health and Safety Act No. 85 of 1993 including Construction Regulations	HoD: Corporate Services	Ensure execution, in particular, that safe working environment is maintained and that the Act is displayed in the workplace. Ensure that JRA employees meet requirements as contemplated in Construction Regulations	Ongoing	Ongoing	NON-COMPLIANT	

No	Relevant Act / Section	Person/Dept. Responsible	Activity	Frequency	Due Date	Status
11	Skills Development Act No.97 of 1998 as amended by the Skills Development Act, 2003	HoD: Corporate Services	Ensure ongoing execution and compliance.	Ongoing	Ongoing	COMPLIANT
12	Unemployment Insurance Act No.32 of 2003	HoD: Corporate Services	Ensure that all returns are submitted to the Commissioner (by the 26th of each month).	Ongoing	26 th of each month	COMPLIANT
13	Promotion of Equality and Prevention of Unfair Discrimination Act No.52 of 2002	HoD: Corporate Services	Ensure that requirements are met and that JRA Code is adhered to.	Ongoing	Ongoing	COMPLIANT
14	Compensation for Occupational Injuries and Diseases Act No. 130 of 1993 ("COID")	HoD: Corporate Services	Ensure that Act is adhered to - Return of Earnings (W.As.8) and Act is adhered to - lodgement of employee claims	Ongoing	31 March	COMPLIANT
FINANCE / VALUE ADDED/ TAX LAW						
15	MFMA Circular 68	Chief Officer Financial	Unauthorised, Irregular, Fruitless and Wasteful	Ongoing	Ongoing	NON-COMPLIANT
16	MFMA Section 65(2) (e)	Chief Officer Financial	Valid invoices of Service providers must be paid within the 30 day period after its submission	Ongoing	Ongoing	NON-COMPLIANT
17	Value Added Tax No. 89 of 1991	Company Secretary & Chief Financial Officer	Operate with a valid tax clearance	Ongoing	Ongoing	NON-COMPLIANT
18	Value Added Tax No. 89 of 1991	Chief Officer Financial	Ensure that relevant returns are submitted to the Receiver by the 25th of every month. (If submitted by EFT the due date is the 31 of each month.)	Ongoing	End of each month	COMPLIANT
19	Income Tax Act No. 58 of 1962	Chief Officer Financial	Ensure that relevant returns are submitted to the Receiver	Ongoing	Ongoing	COMPLIANT
20	Income Tax Act No. 58 of 1962 PAYE	HoD: Corporate Services	Ensure that monthly payments are made.	Ongoing	Monthly	COMPLIANT
21	Financial Intelligence Centre Act, No 38 of 2001	Chief Officer Financial	All service providers FICA'ed	Ongoing	Ongoing	COMPLIANT
ENVIRONMENTAL						
22	Waste Act 59 of 2008	HoD: RO / Manager H&S.	Waste Act 59 of 2008 – Regional Depots to store waste in compliance with the Waste Act.	Ongoing	Ongoing	NON-COMPLIANT

No	Relevant Act / Section	Person/Dept. Responsible	Activity	Frequency	Due Date	Status
23	Air Quality Act 39 of 2004,	Manager H&S.	Asphalt Plant compliance with Air Quality Act	Ongoing	Ongoing	COMPLIANT
24	Environmental Regulations in relation to Asphalt Production and Transportation; Road Maintenance and Road Construction	HoD: RO	Asphalt Plant compliance with Air Quality Act NEMA (National Environmental Management Act)	Ongoing	Ongoing	COMPLIANT
GENERAL LAWS						
25	Prevention and Combating of Corrupt Activities Act No 12 of 2004 (Anti-corruption Act)	Ethics Champion / Company Secretary	Ensure corruption is managed effectively	Ongoing	Ongoing	COMPLIANT
26	Prevention and Combating of Corrupt Activities Act No 12 of 2004 (Anti-corruption Act)	Fraud Officer/ Company Secretary	Approved Fraud and Prevention Policy	Ongoing	Ongoing	NON-COMPLIANT
27	Protected Disclosures Act, No 26 of 2000 (Whistleblowing Act);	Ethics Champion / Company Secretary	Management of whistleblowing hotline – reports received and addressed in line with policy	Ongoing	Monthly	COMPLIANT
28	Protected Disclosures Act, No 26 of 2000 (Whistleblowing Act);	Ethics Champion / Company Secretary	Approved whistleblowing Policy	Ongoing	Reviewed every 3 rd year	NON-COMPLIANT
29	Promotion of Access to Information Act No. 2 of 2000	Company Secretary	Ensure that policy is adhered to and in particular that JRA's Code/Procedures on access to information are adhered to.	Ongoing	Ongoing	COMPLIANT
30	National Credit Act	HoD: Corporate Services	Staff Loans previously granted were not issued in line with prescribed Regulations.	Ongoing	Ongoing	COMPLIANT
31	Road Traffic Act	HoD: Regional Operations	Ensure that all vehicles licenses and traffic fines are paid.	Ongoing	Ongoing	COMPLIANT
32	Women Empowerment and Gender Equity	Corporate Services' (All Departments & Directors and Board Sub-Committees)	Both public and private entities will be required to precede all organisational decision and activities with a gender equality analysis, as well as achieve at least 50%	Ongoing	Ongoing	NON-COMPLIANT

No	Relevant Act / Section	Person/Dept. Responsible	Activity	Frequency	Due Date	Status
33	National Archives and Records Services of South Africa Act	HoD: Corporate Services	representation of women in decision making structures. Ensure there is a records management system and documents are stored in the manner, and for the required time frame, as per legislation	Ongoing	Ongoing	NON-COMPLIANT
34	National Road Traffic Act 93 of 1996 and chapter VIII of National Road Traffic Regulations of 2000	HoD: Regional Operations	Transportation of dangerous goods as classified in terms of SABS code of practice (SANS 0228:2012);	Ongoing	Ongoing	COMPLIANT
35	Roads / signals Road Traffic: SARTSM guideline	HoD: M&F	Road signals support staff compliant with legislation	Ongoing	Ongoing	NON-COMPLIANT
36	ITC Governance	Manager IT	Implementation of Government approved ITC governance framework	Ongoing	Ongoing	COMPLIANT
37	Construction Industry Development Board Act No 45 of 2000	COJ	To have in place procurement and provisioning system, which is fair, equitable, transparent, competitive and cost effective; effective, efficient and transparent systems of financial and risk management and internal control; and a system for evaluating all major capital projects prior to a final decision on the project	Ongoing	Ongoing	City has established the disciplinary board however, is still not functional. Terms of references are being reviewed.
38	Infrastructure Development Act, 2014 (Act No.23 of 2014)	HOD: ID	Section 4 – The function of the council is to – (a) To ensure the development, maintenance, implementation and monitoring of the National Infrastructure Plan. (b) Coordinate the determination of priorities for infrastructure development (c) Development and issue guidelines and frameworks to facilitate and align the implementation of strategic integrated projects	Ongoing	Ongoing	COMPLIANT
NO		Person/Dept. Responsible	Activity	Frequency	Due Date	Status
Municipal Finance Management Act No.56 of 2003 - - the said Act cross references the following Acts which should also be taken into account when determining compliance:						

No	Relevant Act / Section	Person/Dept. Responsible	Activity	Frequency	Due Date	Status
51	Code of Conduct for Municipal employees as contained within schedule 2 of the Municipal Systems Act(MSA) 32 of 2000	HOD: CS	Facilitate the annual submission of Employee Code of ethical conduct	Annually	30 September 2022	NON-COMPLIANT

Annexure H

Annexure H: Areas of Non-Compliance and mitigation measures:

COMPLIANCE WITH LAWS AND REGULATIONS	
SECTION	AREA
Companies Act	Register of directors and Officials: Ensure that these are submitted to Registrar of companies (CIPC) together with the annual returns.
MFMA Circular 68	Unauthorized, Irregular, Fruitless and Wasteful
MFMA Section 65(2)(e)	Valid invoices of Service providers must be paid within the 30-day period after its submission
Tax & VAT	Valid Tax Certificate
FINANCE MITIGATION MEASURES	
MFMA Circular 68: Irregular Expenditure	Route cause or challenges <ul style="list-style-type: none"> - The Regulation 32 contracts which were multiyear and continue to be spent in current financial year - Spending on Expired contracts without extension - Procurement of Items on RFQ without clearing stipulating upfront the required minimum Local Content Threshold required by National Treasury
MFMA Circular 68: Fruitless Expenditure	Route cause or challenges <ul style="list-style-type: none"> - Eskom wrongfully charging us interest
MFMA Section 65(2)(e): 30 Days payment	Route cause or challenges <ul style="list-style-type: none"> - Delay is payment on expired contract invoices - Non-payment of invoice with outstanding documents - Submission of copy of invoice instated or original JDA as payroll system and report on it is a challenge
Tax & VAT	Valid Tax Certificate
STATUS	
NON-COMPLIANT The CEO was appointed on 01 August 2022. The CEO's details have been submitted to CIPC for updating JRA directors. Currently awaiting updated company documents from CIPC.	
NON-COMPLIANCE <ul style="list-style-type: none"> - Irregular Expenditure: The opening balance on the 1st of July 2021 was R640,2 million. An increase of an amount of R122 513 450,13 million for the financial year 21/22. This brings the closing balance for financial year 21/22 to R762 729 481,13. The amount for the current financial year to date is R14 723 863,79 million, which brings the total amount of irregular expenditure to date to R777 553 344,92 - Fruitless and Wasteful Expenditure: The provisional Fruitless and Wasteful expenditure incurred for the Quarter 1 is R388,42. The provisional year-to-date figure including the opening balance of the previous financial years stands at R32,62million 	
NON-COMPLIANCE July'22: 100% August: 99,50% Sept 99,70% Average: 99,73% (Prov.)	
NON-COMPLIANCE JRA currently operates without a valid tax clearance	
<ul style="list-style-type: none"> - The JRA has issued a Moratorium to stop the use of Regulation 32 as a procurement strategy. - CMU continues to inform Client department six month prior to the expiry of the contract and no payment will be process before the relevant authority has proved the extension of contract. - The JRA has reviewed and amended the BID and RFQ MBD forms in order to comply to Minimum threshold required. 	
<ul style="list-style-type: none"> - The amount relates to interest charged on late submission of Eskom invoices. The affected stakeholders have been requested to provide root cause of this expenditure. 	
<ul style="list-style-type: none"> - Timely engagement with relevant stakeholders with regard to invoices on expired contract - Continue to workshop Client department and service providers on what's expected in order to process payment of the invoice - Introduction of central Email to receive Invoices Online and check progress - We are awaiting the roll out of SAP system which will assist with tracking of invoices and reporting <p>The provisional average compliance rate on payment within 30 days is 99,73%. This is slightly below the previous quarter compliance rate of 99,87%. Generally, payments have been affected by the cash flow cuts in this quarter. From July 2022 to 22 September 2022, a total of R279.15m was requested from the City and only R99.13m (36%) was approved. This has a serious impact on the 30 days KPI should the cash flow situation fail to improve. Service delivery might be affected especially for cash stripped entities</p> <ul style="list-style-type: none"> - Matter is before the tax court; - 3rd party claims preventing not processed by the City, matter was escalated to the City Manager for intervention to ensure VAT matters are attended to. 	

COMPLIANCE WITH LAWS AND REGULATIONS	
SECTION	STATUS
PUBLIC ACCESS TO PERSONAL INFORMATION	
AREA	
POPI ACT	<p>Approval of the POPI Policy, Manual and Framework</p> <p>NON- COMPLIANCE</p> <ul style="list-style-type: none"> - Draft POPI policy, manual and framework has been developed and submitted to LLF for consultation. <p>MITIGATING MEASURES</p> <ul style="list-style-type: none"> - The policy workshop request from LLF has been escalated to the CEO for his intervention. - The Company Secretary is engaging with the LLF Chairperson requesting an urgent policy workshop to prevent current audit findings and risks of the JRA operating with absolute policies.
LABOUR RELATIONS	<p>The Labour Relations Act (1996); The Basic Conditions of Employment Act (1998); The Employment Equity Act (1999) and the Skills Development Act (1999). Government's commitment towards ensuring alignment to the EAP, and a 50/50 gender split - mainly in decision making levels.</p> <p>NON- COMPLIANCE</p> <ul style="list-style-type: none"> - Current staff complement is 1579: Male is 1027 and Female is 552 - The JRA's workforce currently comprises of 65% men and 35% women <p>MITIGATING MEASURES</p> <ul style="list-style-type: none"> - <p>MITIGATING MEASURES</p> <ul style="list-style-type: none"> - The Recruitment and Selection to conduct a presentation on the recruitment process as well as the objection process, also the Employee Relations unit were requested to conduct a presentation on Harassment in the workplace and focused on sexual harassment and amendments in the new disciplinary code. These were outlined to familiarize the EE Committee to be on par with processes involved and to equip themselves better. - Training: The Employment Equity Committee were trained on Culture and Diversity, training will be rolled out in all regions to sensitize the workforce on the importance of hiring persons with various features such as religion, gender, sexual orientation (with more emphasis on LGBTQI+ community), language and cultural background. By putting measures in place and implementing these, JRA will become more inclusive, more people would be interested in joining this organization. - Women Desk projects: The Employment Equity unit is in the planning stages for a lactation centre. Breastfeeding mothers/employees have the right to breastfeed, not having a clean place to pump and store milk for their babies during working hours hinders the production of milk. This results in comfortability, health problems and mothers choosing to stop breast-feeding all together. - Parking: Parking for disabled staff at the JRA Head Office is not adequate, only one (1) parking bay was made available, hence the EE unit embarked on the mission to request that more parking be made available in the building, with all regions as well. - Youth and LGBTQI+: In the second quarter, the unit will be focusing on establishing a Youth Desk and planning around sensitizing and strategizing the LGBTQI+ programme and Desk.
Employment Equity Act No. 55 of 1998	<p>Ensure full compliance to the EE Act (EEA) namely: Consult (section 16 & 17 EEA) Conduct an Analysis (Section 19) Develop and Implement an EE Plan (Section 20 EEA) Report to the Department of Labour (Section 21 EEA) Duty to Inform (Section 25 EEA) Assignment of Senior Management (Section 24 EEA)</p>
RECORD MANAGEMENT	<p>NON- COMPLIANCE</p> <p>File plan approved in terms of the national archives.</p> <p>MITIGATING MEASURES</p> <ul style="list-style-type: none"> - Implementation of the file plan: Gaps were identified in the approved file plan, however, engagements with departments / business units have yielded into additional initiatives being adopted to improve same. - Corporate Services will be monitoring adopted initiatives to ensure that the file plan is fully functional. - Monitoring and evaluation will start when the business units have been provided with adequate records storage facilities (filing cabinets) as there were concerns of not having filing cabinets in the old building. - Business units have settled in at the new building and an assessment of records storage facilities requirements will be done considering the partitioning plans.
National Archives and Records Services of South Africa Act	<p>Ensure there is a records management system and documents are stored in the manner, and for the required time frame, as per legislation</p>
ROADS / TRAFFIC SIGNALS	<p>NON- COMPLIANCE</p> <p>Not all recommended changes (non-compulsory conditions) can be implemented in a financial year due to funding constraints.</p>
Roads / signals Road Traffic:	<p>a) A responsible registered PROFESSIONAL ENGINEER or registered professional TECHNOLOGIST of the road authority</p>

COMPLIANCE WITH LAWS AND REGULATIONS		
SECTION	AREA	STATUS
<p>SARTSM guideline-</p> <ul style="list-style-type: none"> - National Road Traffic Act and Regulations - Chapter 6 of Volume 1 of the SADC Road Traffic Signs Manual. 	<p>concerned SHALL approve every traffic signal installation</p> <p>b) Standard traffic signal faces, control precedence, vehicular light signals, flashing and other modes of operations, arrangement of light signals on a signal face, number and location of traffic signal faces, overhead traffic signals, traffic signal layout plans, pedestrian and pedal cyclist signals, road markings, signal phases, light signals and posts, power supply</p>	<p>MITIGATING MEASURES</p> <ul style="list-style-type: none"> - The Standard Operating Procedures for the Traffic Signal Division including the Traffic Engineering Section are all in full compliance with the SHALL and SHOULD conditions as set out in the manual. - The JRA also has an annual SARTSM Upgrading of Traffic Signal Capital programme that is utilised to improve the existing traffic signal system in aspects where the layout or timings can be improved to ensure better mobility or improved road safety. - Traffic engineers review the traffic signal system on a continuous basis and where improvements are identified, the capital programme is utilised to implement the recommended changes, provided sufficient funding is available.