

**JOHANNESBURG ROADS AGENCY SOC (LTD)**

**Reg. No. 2000/028993/07**

# **3<sup>rd</sup> QUARTER REPORT**

## **(2015/16)**

FINAL

20 April 2016



In terms of Section 121 of the Municipal Finance Management Act 56 of 2003 (as amended) and Section 46 of the Municipal Systems Act, 32 of 2000 (as amended) Companies Act 71 of 2000

**COMPANY INFORMATION:**

**Registration number:** 2000/028993/07

**Registered address:** 66 Pixley Seme Street  
Johannesburg  
2001

Johannesburg  
2000

**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](http://www.jra.org.za)

**Bankers:** Standard Bank of SA Limited

**Auditors:** Auditor General South Africa (AGSA)

**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 our communities”*

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## Approval

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*Goodwill Mbatha*  
Chief Finance Officer

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Date

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*Mpho Kau*  
A/ Managing Director

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Date

## Confirmation of Receipt

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*Sipho Mhlambi*  
Cluster Champion  
Group Governance

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Date

**CHAPTER ONE**  
**CORPORATE PROFILE & LEADERSHIP**

**1.1 Company Profile and overview of the entity**

The Johannesburg Roads Agency (SOC) Ltd commenced its business on the 01 January 2001. The City of Johannesburg (COJ / the City) is the sole shareholder of the Company.

In terms of the founding documents of the Company, and the Service Delivery Agreement entered into between the City and the JRA, the mandate of the JRA is to design, construct and maintain roads and roads related infrastructure.

The City adopted a new governance model in 2006 placing the JRA within the transport sector which includes the Transportation Department and MetroBus, another COJ entity. Administratively, the sector is responsible and accountable to the City Manager whilst politically it is accountable to the Member of the Mayoral Committee (MMC) responsible for Transportation, who is currently Councillor Christine Walters.

The Company's Head Office is situated in the Central Business District (CBD) of Johannesburg.

**1.2 Strategic Objectives**

**Our Vision:** The JRA's vision is to be the best city roads authority that enables economic growth and sustainability.

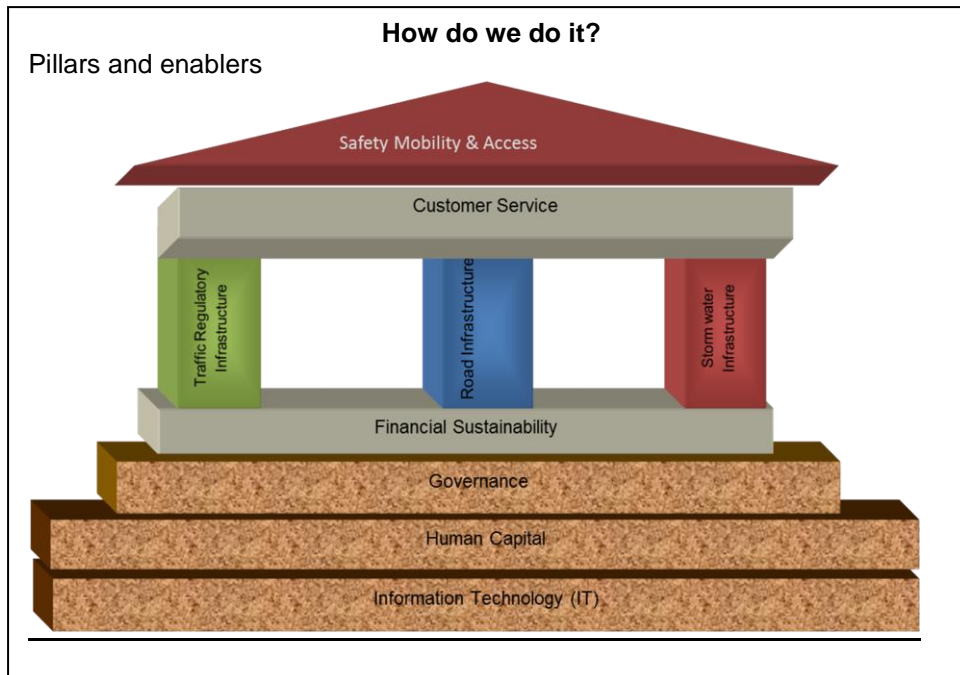
**Our Mission:** The JRA's mission is that we commit to provide quality roads that are accessible, safe and liveable for our communities.

<b>Our Core Values:</b>	Respect	Caring for the customer, prioritising communities, ensuring equity
	Accountability	The man in the mirror, responsible actions
	Ubuntu	Compassion for communities and road users, empathy, humility
	Cooperation	Working together, integration, collaboration and pooling resources
	Honesty	Ethics, transparency, doing the right thing

### 1.3 Salient Features

#### Who is the JRA and what do we do?

- Municipal Entity solely owned by the City of Johannesburg
- Tasked with the design, construction and maintenance of roads and roads related infrastructure
- Established 2001



### Governance

**Board:** 1 X Independent Chairman  
7 X Independent Directors  
2 X Executive Directors (MD & CFO)

- Audit and Finance Committee
- Risk and IT Committee
- Service Delivery Committee
- Remuneration, HR, Social and Ethics Committee

### 1.4 The JRA's High-Level Organisational Structure

The business model and structuring of the JRA sees the company managed by Heads of Department (HoD's) who report directly to the Managing Director, who is also the Accounting Officer. There are six HoD positions, plus the Chief Financial Officer, as set out in the organogram below.



## 1.5 Foreword by the Chairman of the Board

(To be provided in the JRA Annual Report)

## 1.6 Managing Director Report

For the 3<sup>rd</sup> quarter of 2015/16, the JRA's focus was on service delivery activities. Whilst service delivery remained at the core of the company activities, a lot of effort was spent in implementing the CAPEX programmes for the financial year. The City's recommitment to investment in the road infrastructure within the City of Johannesburg has been evident over the past 2 years with a drastic increase in the CAPEX budget allocation since the 2014/15 financial year. During the quarter, implementation of the capital programme continued and multi-year projects awarded in the previous financial year were progressing well and are on target.

Jozi@Work has been implemented through existing initiatives that commenced in the previous financial year. Procurement of CSA's and SMME's / Cooperatives for maintenance activities also commenced during the quarter. A total of 78 SMME's were appointed and 1238 jobs created and a total amount of R 31 881 570.86 has been committed during this quarter on this programme.

The JRA has 8 core areas over which work stream programs have been divided in terms of the 2015/16 scorecard. These include:

- Customer Charter;
- Roads Management;
- Bridges Management;
- Stormwater Management;
- Mobility Management;
- Finance Management;
- Internal processes;
- Governance.

### Key Vacancies

The following are key vacancies that were filled during the third quarter: -

- **Manager: Employee Relations** – The employee assumed duties on February 01, 2016
- **Manager: Operations Administration** – The employee assumed duties on the February 01, 2016.

### The following vacancies still in a process of being finalized

- **Office Manager: Corporate Services** – Interviews held on Dec 04, 2015, recommendation report awaiting approval.
- **Depot Manager: Region D** – Interviews held on Nov 06, 2015, no suitable candidates were found. The position was re-advertised on February 20 2016, with a closing date of February 24, 2016. The interviews took place on March 11, 2016 and the report is enroute for approval.
- **Manager: Internal Audit** – Interviews held on Dec 10, 2015, the offer was made to the candidate and they are currently negotiating the offer.

During the 3<sup>rd</sup> quarter, the JRA experienced a strike during March 2016 by SAMWU members impacting negatively on the JRA's ability to address customer service requests within the required timelines. Issues raised by the Union are being addressed at Entity and City level and it is envisaged that amicable solutions will be reached by the parties in due course.

Following the conclusion of the 2014/15 audit by AGSA in December 2015, an action plan has been developed by management to resolve the 33 Findings reported. To date 7, findings have been resolved and verified by Internal Audit. Four findings resolved still require to be verified by Internal Audit.

For the 3<sup>rd</sup> quarter the operating expenditure was R 195, 891 million. The income for the quarter was R 178, 616 million, representing a loss of R 17, 275 million for the quarter. The accumulated surplus at end of third quarter was R 229, 085 million as compared to an accumulated surplus of R 166, 802 million at the end of June 2015. The 'cash on hand' position as at the 3<sup>rd</sup> quarter was R 461, 939 million.

In terms of the Supply Chain Procurement Plan, the JRA is on target as at March 2016. Of the total CAPEX budget of R 1 415 241 000.00, awards to a value of R1 224 337 408.85 have been made. This represents 86.51% of the CAPEX allocation being committed as at March 2016.

During the quarter a total of R 201, 637 million was spent on CAPEX projects against a quarterly target of R 566, 096 million. This represents a quarterly performance of 35,62 % in comparison with last year's 3<sup>rd</sup> quarter performance of 45 %. The Year-to-date CAPEX expenditure is R 580,885 Million against a Year-to-date target of R1 132,192 Million. This represents a Year -to-date performance of 51,31 %

*Mpho Kau*  
Acting Managing Director

## 1.7 Chief Financial Officers Report

### Financial Performance

#### 1.7.1 Financial performance 3rd quarter:-

- At end of the 3rd quarter, the JRA has cash reserves of R 461, 939 million.
- The operating expenditure for the 3<sup>rd</sup> quarter was R 195, 891 million against an adjusted budget target of R 229,798 million. This reflects a 21% underspend on OPEX Budget. The adjusted budget was approved by council in February and effected in March 2016.
- The income for the quarter was R 178, 616 million, compared to an adjusted budget estimate of R 229, 798 million. The revenue collection was under budget by 22%. This is mainly attributable to the adjusted budget which only came into effect in the last third of the quarter.
- The third quarter operations resulted in a loss of R 17, 275 million. The major contributing factor is the reduction of the COJ Subsidy by R 64 million, from 810, 409 million to R 746, 409 million in the 2015/16 Adjustment Budget. The adjustment in the budget was effected in third quarter financials, but will be balanced by 30 June 2016.

The Financial position of the JRA in the third quarter is summarised as follows:-

- Reduced income of R 51, 182 million during the quarter is comprised as follows:
  - Interest earned on the positive bank balance for the quarter was R 9, 156 million, and an adjustment budget of R 3, 250 million was approved for the quarter
  - COJ Subsidy paid to JRA for July 15 to March 2016 was based on the original budget of R 810, 409 m and this was reduced by COJ with the adjustment budget to R 746, 409 m, and the adjustment was made in March 16, after the Adjustment Budget was approved in February 2016, thus resulting in an adjustment of R 48 m for the quarter. This will balance out by 30 June 2016.
  - Jobbings and Developers Contributions are R 1 million and R 7, 8 million respectively, under budget. The JRA was allocated Nil and R 500 000 in January and February 2016 as supplied by COJ Planning. Management fees are R 3 m under budget due to the Capital spend being lower than projected for the quarter.
  - The accumulated surplus at end of second quarter was R 229, 085 million as compared to an accumulated surplus of R 166, 802 million at the end of June 2015.
  - For the quarter Advertising, Audit Fees, Inter Company charges, Municipal Service Charges, and Data Services are over budget by R 9, 151 million. There are savings on other expense line notably Consulting fees, Leased contract and Employee costs.
- For the 3rd quarter period (as at 31 March 2016), the employee costs are under the budget by R 7, 5 million. Provisions have been made for 13th cheque, performance bonus and leave. The Adjustment Budget for employee costs was increased by R 28 million to cover the salary increase approved for 1 July 2015 of 7% as well as the strategic posts to be filled and approved by COJ.

#### Supporting notes to the financial position:

- Provisions have been made for, leave provision, 13<sup>th</sup> cheque and performance bonus.

- The material stock amounts are now captured on the JRA's financial system, J D Edwards (JDE) instead of Hansen. This makes the reporting and monitoring of material costs easier as it is already on the financial system.
- The management fee is 2, 5% of the EFF and USDG Grant funded capital projects actual spend. This revenue stream is dependent on the CAPEX spend for the year.
- The current ratio at the end of the third quarter is 1: 1, 65 against a target of 1:1. This means that the JRA has more current assets than current liabilities and can settle its current liabilities through current assets.

### **1.7.2 Finance Interventions**

The following interventions continue to be implemented in order to stabilize the JRA financial environment:

- Implementation of processes whereby payments are made to service providers twice a month, except for emergencies, salaries and statutory payments such as VAT, PAYE and salary third party payments. This has a resultant effect as can be seen in the reduction of bank charges and no interest payable, but interest earned by JRA.
- Implementation of EFT payments instead of manual payments;
- Pre-approved overtime by the relevant Head of Department;
- Historically, the JRA has been invoicing the CoJ for the monthly operating subsidy allocation on 26<sup>th</sup>/27<sup>th</sup> of the month for the following month in order that the monthly allocation can be received from COJ in the first week of the ensuing month. The JRA is currently proposing to the CoJ that the allocation be received in July each year for the whole year.

The JRA recognises that its financial position has improved, by now having a 'cash on hand' position. In order to improve its financial position, the JRA continues to implement various plans to bring stability to its financial position. These plans include short terms interventions (quick wins), medium term (0-24 months) and long term plans (more than 24 months) and include the following:

- i) Stabilization of funding
  - a. Implementing tight budget monitoring controls;
  - b. Continually increasing collection levels for accounts receivable and prohibiting overspending, where possible;
  - c. Realign the budget to operations of the company and closer monitoring of actual expenditure;
  - d. Refurbish the Asphalt plant to increase production capacity and generate revenue from external customers;
  - e. Explore, within legislative compliance, other external revenue generating mechanisms.
- ii) Ensuring that the capital budget is spent in the year by having the projects tender process accelerated and to begin the projects earlier.
- iii) Reviewing the performance of the finance department in order to improve financial management and the overall effectiveness and efficiency.
- iv) Reviewing the Supply Chain Management unit and proposals will be made on amending the structure and documenting the processes.

- v) Implemented strict quality assurance reviews in Supply Chain Management unit to control and centralise procurement processes according to the approved budget.
- vi) Improving the inventory management at the Asphalt Plant to allow monitoring of activities in all stages of the value chain and record transactions in time for budget monitoring.

### 1.7.3 BBBEE Expenditure

Total payments made in the 3rd quarter amount to R 196 402 515, 04 of which R 191 924 537, 70 was spent on BBBEE suppliers. (97, 72% against a target of 75%).

### 1.7.4 Supply Chain Management:

The supply chain progress (per capital project) is summarised as attached **Annexure B**

Supply Chain Management (SCM) interventions in order to improve performance are noted below:-

	Challenges Identified	Progress on initiatives	Target Date
	Lack of utilization of panels in relation to the award of bids	The establishment of Panels will assist the business in the achievement of shorter service delivery lead-times and black economic empowerment objectives	Ongoing
Non-responsive tenders			
	<ul style="list-style-type: none"> <li>▪ Specifications too stringent for prospective bidders</li> <li>▪ Ambiguity in the specifications issued to prospective bidders</li> </ul>	<ul style="list-style-type: none"> <li>▪ Specifications for tenders that were not responsive have been revised – Gravel roads</li> <li>▪ Ambiguity in the specification documents has been removed and the specification documents were updated</li> </ul>	Ongoing
SCM Policy and Ethics			
	<ul style="list-style-type: none"> <li>▪ SCM Policy is not aligned to the Procurement Strategy</li> <li>▪ Code of conduct for SCM Practitioners is in place</li> </ul>	<ul style="list-style-type: none"> <li>▪ The current policy is under review and it is currently being work shopped in the various company committee</li> <li>▪ The SCM Unit, Regional Management and Committee Members signed a pledge on SCM practices.</li> </ul>	29 March 2016  Completed
Internal controls			
	<ul style="list-style-type: none"> <li>▪ Lack of compliance guidance and checklists</li> <li>▪ Lack of procedures for emergencies (deviations)</li> <li>▪ 3 quotes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continuous communication on procurement processes</li> <li>▪ Introduced the use of checklists in the procurement process</li> <li>▪ Defined procedures for handling emergencies (deviations)</li> <li>▪ Developed Standard Operating procedures for all finance processes</li> </ul>	Ongoing

## 1.7.5 Progress on supply chain processes

### Contracts awarded

Contract information can be found on the City of Johannesburg's website as well as the JRA website.

A summary of all contracts awarded is provide as Annexure L to this report

### Contracts awarded (above R 10 million)

During the 3<sup>rd</sup> Quarter of 2015/16, Contracts Awarded (Above R 10 million)

CONTRACT NUMBER	CONTRACT DESCRIPTION	BU	SERVICE PROVIDER (S)	START DATE	END DATE	CONTRACT AMOUNT (VAT INCLUSIVE)
<b>January 2016</b>						
Nil						
<b>February 2016</b>						
060/2015	Appointment of consultant for professional services for the upgrade of gravel roads to surface standards inclusive of associated stormwater in Mayibuye and Kaalfontein region a of the City of Johannesburg for three financial years	ID	GHM Tswelelo Consulting Engineering cc	29/02/2016	28/02/2019	R 6 430 427.40
059/2015	Appointment of consultant for professional services for the upgrade of gravel roads to surface standards inclusive of associated stormwater in Slovoville in Region D of the city of Johannesburg for three financial years	ID	GHM Tswelelo Consulting Engineering cc	29/02/2016	28/02/2019	R3 386 427.00
JRA/16/03	Rehabilitation of stormwater channel between Sophia and Lake Streets in Booyens in Johannesburg	ID	Nyoni Projects (Pty) Ltd	10/20/2016	Project Based	R 8 929 002.01
<b>March 2016</b>						
095/2015	Supply, delivery and offloading of weed killer and disposal of empty weed killer containers as and when required for a period of three years	Logistics	Blue Star Group	23/03/2016	22/03/2019	Rates

### 1.7.6 Contract Management

Contract performance assessments have been conducted for most projects in consultation with the Project Managers and business representatives. Departmental meetings are held on a regular basis to discuss contracts within Business Units and their statuses thereof, i.e. contracts about to expire, contract extensions, price increases and price variation and also performance issues.

Performance evaluation forms are submitted monthly by the contract owners and from the ones received poor performance is estimated to be around 10% when looking at the contracts register.

Performance scoring of the service providers is conducted on a monthly basis and feedback is still at a very slow pace.

There is improvement on the signing of contracts especially the currently awarded contracts.

Queries received during the quarter include inter alia:

- Queries regarding pricing, i.e. the issue of pricing affected by exchange rates differences needs to be clearly addressed at the specification document and spelt out in line with the prescripts of the MFMA so as to deal clearly with the exchange differences - Section 47 in Chapter 6 and Section 163 in Chapter 14.
- Two (2) contracts were escalated to contracts management for poor performance, late deliveries and poor quality of products on supply of goods contracts ;
- Nine (9) contracts, majority being construction contracts were escalated to Contracts Management for poor performance.
- Four (4) contracts are currently on penalties
- Three (3) reports have been submitted recommending termination of contracts for upgrading of gravel roads contracts.

### Expiry of contracts

During the quarter, a total of three (3) contracts for the supply of goods expired in accordance with the contract period, two(2) of these contract were extended for a period of 3 months. Eleven (11) requests for extension of contracts was received from Infrastructure Development Department and only three (3) have been approved so far as those complied with the requirements for extensions and price increases.

### 1.7.7 Contract Expenditure

Currently, there are 294 contracts recorded in the JRA Contracts Register and spend analysis was conducted on all the 294 contracts.

Two (2) contracts have gone over budget. Thirty (30) contracts have spent less than 30% after six months of being appointed. Nine (9) contracts have no spending after 6 months of being appointed.

### 1.7.8 Capital Projects

Period	Capital Expenditure progress	% Progress against respective quarterly target	Annual progress
Quarter 3	During the quarter a total of R 201, 637 million was spent on CAPEX projects against a quarterly target of	This represents a quarterly performance of 35,62 % against a target of 40%.	The Year-to-date CAPEX expenditure is R 580,885 Million against a Year-to-

Period	Capital Expenditure progress	% Progress against respective quarterly target	Annual progress
	R 566, 096 million.	Last year's 3rd quarter performance was 45 % of quarterly budget spend	date target of R1 132,192 Million. This represents a Year –to-date performance of 51,3 %

The detailed JRA CAPEX Expenditure Report Summary (as at March 2016) is attached as **Annexure C** to this report.

## CHAPTER TWO

### GOVERNANCE

#### 2.1 Board of Directors

The Board is a unitary one having both executive and non-executive directors. The Board has overall responsibility for governance and operates in terms of a Board Charter which clearly defines its primary **functions** including the determination and direction of strategy, review of performance against the business plan, determining and monitoring compliance with policies and procedures and the management of risk. The Board retains effective control of the company and the formal **delegation of authority** is approved. The Managing Director is the accounting officer in terms of the MFMA.

The process to recruit a new Managing Director is complete and the preferred candidate was recommended to, and accepted by, the Shareholder. The provisions of the regulations for the appointment of senior managers in the public sector have been adhered to. Dr. Sean Phillips will commence duties on the 1<sup>st</sup> May 2016.

At the Annual General Meeting held on the 15<sup>th</sup> March 2016 Dr Ramasia resigned and was replaced by Mr Govender. All other directors were re-appointed by the Shareholder in accordance with its approved selection process in line with the City's Governance Framework. The new MD was also appointed as an executive director with effect from 1 May 2016.

All the directors are non-executive, save for the Managing Director and the Chief Financial Officer, with the role of the Chairman and the Chief Executive Officer being separate. The executive directors have five year fixed term contracts with the company. It is the opinion of the Board that all the non-executive directors meet the definition of **independence**, in terms of the Companies Act, municipal legislation and King III.

The independent audit committee members were reappointed at the Annual General Meeting which was held on the 15<sup>th</sup> March 2016 and remain unchanged since the last report. The reconstituted Board will consider the structure of its Committees and the members to serve on the said committees.

The governance structure allows that both Board and Committee members have **unrestricted access** to management as well as all records and information of the Company. The Board has approved a formal process to enable members of both the Board and its Committees to access, at company cost, **external advice**.

A self-assessment process is undertaken at the end Board term with the purpose being to identify areas which will provide opportunities for further development for members. Membership of the Institute of Directors is offered to all members and targeted **training** took place during Quarter 2.

In accordance with the legislative requirements the members are all required to become signatories to the company's **Code of Ethical Conduct** and to make a full **disclosure** in the form of an annual declaration of interests which is updated as and when any changes in information dictate. Non - executive directors receive no benefit other than director's fees. Where a conflict does arise directors are required to excuse themselves from the meeting at which such matters are addressed. In terms of the MFMA and Supply Chain Regulation 44 Board and Committee members will potentially be in breach of the legislation should they undertake work for other municipalities. This matter was previously addressed by way of an exemption granted by the previous Minister of Finance, which exemption has expired. This issue has been addressed with the City's Group Governance department which has engaged with the Treasury Department. This remains pertinent to a number of the company's Board and Committee members who also offer their services in a personal capacity to other municipalities, excluding Johannesburg.

The Board Charter has set out the requisite skills set and responsibilities of the Board and Committees, as a collective. The Board is satisfied that it has the necessary **skills and expertise** to effectively discharge its mandate.

Directors and Officers Liability insurance cover is in place, through the City, in respect of potential liability attaching to the execution of duties as directors or officers of the company. All cover is in accordance with that available in terms of current legislation.

The detailed information relating to each Board and Committee member is as follows:

**1. Jackie Manche (Chairman)**

Qualifications : BA (Hons), Wits and UCT

: Special programme in urban and regional studies in developing countries  
and Master of City Planning (Massachusetts Institute of Technology)

: Executive development programme – University of Pennsylvania

First Appointment: 2015 February

Position: Independent Non-Executive Chairperson and member of Remunerations & HR Committee (Incorporating Social and Ethics)

Ms Manche joins the JRA as from February 2015 as the Chairperson of the Board. Her experience includes a wide number of positions within the government sector, including as a consultant, as CEO of ICASA and as a Research Analyst for a number of financial institutions in respect of public sector projects. She possesses skills in governance, fiscal management and budgeting, systems and capacity building specifically within the public sector.

**2. Harry Mashele**

Qualifications: MBA in Marketing and Industrial Engineering, B. Sc in Physics and Applied Mathematics, Senior Secondary Teachers Certificate (SSTC)

First Appointment: 2013 March

Position: Independent Non-Executive member, Chairman of the Audit & Finance Committee, and member of the Risk & IT Committee

Mr Mashele joined the JRA in March 2013. He was appointed as the Chairman of the Audit Committee as in 2013 and was reappointed for the 2014/2015 Financial Year. He served as a member of the Service Delivery Committee in 2013/2014 financial year. His skills include Transport and Logistics, Corporate Affairs and Strategy Development. He is experience in being a non-executive member of the board for varies companies, i.e. Protec, B2B Africa and Metro Trading Company (MTC).

**3. Lethabo Mashamaite**

Qualifications: MBA in Business Administration, Bachelor of Technology-Marketing, National Diploma Marketing

First Appointment: 2012 March

Position: Independent Non-Executive member, Chairman of the Remunerations & HR Committee (Incorporating Social and Ethics), and member of the Audit Committee.

Ms Mashamaite joined the JRA in 2012. From her first appointment, she was appointed Chairman of the Remunerations, HR and Social Ethics Committee. She was then reappointed for the 2014/2015 financial year. In 2013/2014 she serves as a member of the IT sub-committee. She serves as a member of the Audit & Finance Committee for 2014/2015 financial year. Her leadership skills include being a marketing and brand manager, a member of the Black Management Forum.

**4. Erick Ngomane**

Qualifications: B. Sc. Eng (Civil), GDE (Project Management)

First Appointment: 2012 March

Position: Independent Non-Executive member, Chairman of the Service Delivery Committee.

Mr Ngomane joined the JRA on March 2012. He was appointed Chairman of the Service Delivery Committee and was reappointed for the position for the 2014/2015 financial year. He further possess skills in Public Transport Planning and Studies, Traffic impact studies, Traffic calming and safety studies, Road signs planning and design. He is a member of the South African Institution of Civil Engineers – SAICE.

He has been involved in the intensive data collection projects for the preparation on Integrated Transport Plans (ITP).

**5. Albert Torres**

Qualifications: B. Com (Hons), Certificate in Theory of Accounting

First Appointment: 2014 February

Position: Independent Non-Executive member, Chairman of the Risk & IT Committee and member of the Audit & Finance Committee.

Mr Torres is the latest non-executive to join JRA in February 2014. He is a member of the Audit & Finance Committee and the Chairman of the Risk & IT Committee. He is an Accountant by profession.

**6. Nompumelelo Msezane**

Qualifications: BSc (Ed), BSC (Hons), MSc (Environmental Management), MDP

First Appointment: 2012 March

Position: Independent Non-Executive member, and member of the Service Delivery Committee

Ms Msezane joined the JRA in March 2012. She is a member of the Audit & Finance Committee and the member of the Service Delivery Committee. Her skills include Environmental Management, Water quality management, Water resource management and public participation.

**7. Poobalan Govender**

Qualifications: B.ED, H.Ed and B.Sc

First Appointment 2016

Position: Independent Non-Executive member,

Mr. Govender was appointed to the Board of the JRA at the AGM on the 15<sup>th</sup> March 2016. He has held a number of positions in education as well as a chemist for BP and Shell.

**8. Linda Nxumalo**

Qualifications: BABM (Hons), International Business Management Executive Development program

First Appointment: 2013 March

Position: Independent Non-Executive member, and member of the Service Delivery Committee and Remunerations & HR Committee (Incorporating Social and Ethics)

Ms Nxumalo joined JRA in March 2013. She is a member of the Remunerations Committee and the Service Delivery Committee. She has skills in leadership, business transformation, and change management strategy. She is a member of the Black Management Forum. A strong assertive go-getter woman who has been a non-executive director in a number of companies.

**9. James Maina**

Qualifications: BEng (Hons) (civil), MEng (civil), PhD (civil)

First Appointment: March 2012.

Position: Independent Non-Executive member and member of the Service Delivery Committee.

Prof. Maina joined the JRA on March 2012. He was overseas during 2013/14 and was reappointed to the Board in October 2014. He is a university Professor with skills in road construction materials, road pavement analysis, design, evaluation and construction practices as well as Auditing for Quality Assurance and Quality Control in road construction projects.

Attendance at meetings, both Board and Committees, is set out in detail in **Annexure N**.

Remuneration of both executive and non-executive directors and independent audit committee members is dealt with comprehensively in the Remuneration report.

## 2.2 Board Committees (Cross reference to Annexure N for attendance)

The purpose of the Board Committees is to assist the Board with the discharge of certain responsibilities.

All the Committees have defined mandates and operate under approved Terms of Reference, which have been reviewed and updated during the current year. The chairpersons of all the Committees are Board members and report to the Board quarterly. Members have unlimited access to all information, and staff members, as they deem necessary to enable them to fully discharge their duties.

All the Committees have complied with, and discharged, their duties in accordance with the approved Terms of Reference and legislation.

The composition of the various committees will be considered by the Board following the AGM of March 2016.

Body	Composition	Mandate	Other
Audit and Finance Committee	<p>The Committee is comprised of three board and three independent Audit Committee members. The inclusion of three non-board members is not in line with the Companies Act, however, the MFMA takes precedence and these appointments are in accordance with the MFMA and its directives. All members meet the qualification requirements of King III being, academic qualifications, or experience, in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management.</p> <p>Following the Annual General Meeting at which the Shareholder appoints the Audit Committee members, all members were reappointed. Mr Mashele remains as the chairman of the Committee.</p>	<p>The Committee has complied with Section 94 (7) of the Companies Act and Section 166 of the MFMA. The Committee has a specific mandate which is set out in detail in the Terms of Reference (available on the JRA website) and which is summarised as follows, with references to the MFMA:</p> <ul style="list-style-type: none"> <li>• Responsibilities relating to Internal Control [s 166 (2) (a) (i)]</li> <li>• Responsibilities relating to Internal Audit Services [s166 (2) (a) (i)]</li> <li>• Responsibilities relating to Accounting and Financial Reporting [s 166(2) (a) (iii) &amp; (iv)]</li> <li>• Responsibilities relating to Performance Management &amp; Performance Evaluation [s 166 (2) (a) (v)] and [s 166 (2) (a) (viii) respectively]</li> <li>• Responsibilities relating to Corporate Governance [s166 (2) (a) (vi)]</li> </ul>	<p>As from 2014/15, the Committee commenced with regular meetings with both management and the auditors in closed sessions. This provides an opportunity for the respective groups/ persons to make any representations they felt are necessary to the Committee. Both the external and internal auditors do have free access to the chairman of the Committee and to all information.</p>

Body	Composition	Mandate	Other
		<ul style="list-style-type: none"> <li>• Responsibilities relating to Corporate Governance</li> <li>• Responsibilities relating to the External Audit Function performed by the Auditor-General [s 166 (2) (c)]</li> <li>• Responsibilities relating to Ethics and Forensic Investigations [s 166 (2) (a) (ix) &amp; s166 (2) (d)]</li> <li>• Responsibilities relating to Reporting [s 166 (2) (a), (b), (c), s121 (3) (j) and s121 (4) (g)]</li> </ul> <p>The Committee is also mandated to:</p> <ul style="list-style-type: none"> <li>• Make submissions to the board on any matter concerning the company's accounting policies, financial control, records and reporting;</li> <li>• Performed such other oversight functions as determined by the Board.</li> </ul>	
<b>Risk and IT Committee</b>	<p>The Committee is comprised of three non- executive Board members with the Managing Director and the Chief Financial Officer also serving on this Committee. Following the Annual General Meeting the Committee will be reconstituted</p>	<p>The Committee's mandate encompasses the oversight of Risk as well as Information Technology.</p> <p>It must be noted that risk oversight is the responsibility of the Audit Committee in terms of the MFMA and thus the Committee reports through to both the Board and the Audit Committee in accordance with its terms of reference and includes the submission of the minutes of the Committee to the Board. The chairmen of the Audit and Finance and Risk and IT Committees serve on both Committees, and on the Board.</p>	
<b>Service Delivery Committee</b>	<p>The Committee is comprised of four non- executive Board members with the Managing Director also serving on this Committee. The respective operational Heads of Department are invitees to the meetings. Following the Annual General Meeting the Committee will be reconstituted.</p>	<p>This Committee oversees the main function of the JRA and is of critical importance in overseeing service delivery and the performance against the Customer Charter Standards.</p> <p>The Committee is thus mandated to exercise oversight in respect of Regional Operations (roads and stormwater maintenance), Mobility and Freight (traffic signals, road markings and freight management), Infrastructure Development (Capex projects) and Planning.</p>	<p>Following the deterioration in service delivery the Committee resolved in the 4<sup>th</sup> Quarter to increase the number of meetings it held to ensure that it meets every second calendar month. This will enable the Committee to exercise closer oversight and to monitor the implementation of corrective actions to address service delivery levels.</p>

Body	Composition	Mandate	Other
Human Resources, Remuneration and Social & Ethics Committee	<p>The Committee consists of four independent non-executive directors and the Managing Director is also a Committee member but only has a vote in respect of the social and ethics mandate of the Committee. He excuses himself from any decisions regarding remuneration and thus the Committee composition meets the practice guidelines of King III.</p> <p>The Head of Department: Corporate Services is a standing invitee to the meeting.</p> <p>Following the Annual General Meeting the Committee will be reconstituted.</p>	<p>This Committee has a dual function in so far as, in addition to overseeing remuneration and human resource issues, it fulfils the legislated social and ethics mandate.</p> <p>In terms of the Companies Act (Social and Ethics Committee) the Committee oversees sustainability and a detailed Social and Ethical Committee Report is prepared and submitted to the Committee quarterly.</p>	

### Executive Management Team (EMT)

The EMT is comprised of the Heads of Departments and the CFO as set out below. EMT operates with approved Terms of Reference and takes responsibility for the overall management of the Company.

The current EMT is made up as follows:

<p><b>Mpho Kau (45yrs)</b></p> <p>Qualifications : B. Tech Degree in Civil Engineering</p> <p>Position: <b>Acting Managing Director and Head of Department: Infrastructure development</b></p> <p>Mr Kau joined the JRA in 2009 and is the Head of the Infrastructure Development Department which deals with the Capital Expenditure Projects. As HoD: ID Mr Kau is responsible for the Capex budget. His previous appointments include Director of Technical Services at Ukhahlamba District Municipality and Office Manager and Senior Technician at BKS (now AECOM). He is a Member of the Institute of Municipal Engineers of South Africa (IMESA). He has previously worked in the consulting and construction sectors.</p>
<p><b>Goodwill Mbatha (40yrs)</b></p> <p>Qualifications : CA(SA)</p> <p>Position: <b>Chief Financial Officer/ Finance Director</b></p> <p>Mr G Mbatha joined the JRA in 2012 as CFO, and in this capacity has overall responsibility for the JRA finances. His previous appointments include Senior Manager at Deloitte and Senior Manager at the Auditor General. He is a Member of the South African Institute of Chartered Accountants. He has previously worked in the financial and auditing sectors.</p>
<p><b>Thulani Makhubela (44yrs)</b></p> <p>Qualifications : Bachelor of Laws (B.luris), Bachelor of Laws (LLB), Certificate in Advanced Labour Law and Certificate in Executive Development Programme.</p> <p>Position: <b>Head of Department: Planning</b></p> <p>Advocate Thulani Makhubela has been with the JRA since 2004 and moved to the position as Head of Planning in 2007. As HoD: Planning he is responsible for the development of business strategies, policies, procedures and performance standards of the JRA, as well as monitoring and reporting on the overall performance of the company. The Planning department is also responsible for development control, design and general co-ordination of infrastructure development. His expertise and previous appointments include working as a Labour Law Consultant for the Counsel for Workers Rights, Legal Advisor for the University of South Africa and practicing as an Advocate. He has worked in several other entities holding various executive positions. He holds various Non-Exec Directorship including, Board: Black Bond (PTY) Ltd (Chairman) and Mathew Goniwe School of Business Leadership (NED).</p>
<p><b>Darryll Howard Thomas (61yrs)</b></p>

Qualifications: MSc. Engineering (Transportation Engineering) / BSc. Civil Engineering / Datametrics Diploma / Pr. Eng

Position: **Head of Department: Mobility & Freight**

Mr Thomas joined the JRA in April 2013 as HOD: Mobility & Freight Department, and in this capacity has overall responsibility for the Johannesburg Traffic Management / Traffic Control (including traffic signals) / Intelligent Transport Systems (ITS): Traffic Engineering (including geometric / traffic signal design and traffic safety design); Freight Movement Support and Infrastructure Protection (mitigating the effects of vandalism)

He has previously only worked in the Transportation Engineering Sector including eThekweni Transport Authority (Durban); Johannesburg Roads Agency: and Private Sector as ITS and Transportation Consultant

He is a Member of the ITS SA, having served on the Board from 2001 to 2012, including 2 years as President

**Fikile Ramatseba (43yrs)**

Qualifications: B.Comm., MBL

Position: **Head of Department: Performance, Governance, Information Technology and Risk**

Mrs Ramatseba joined the JRA in February 2015 in the capacity of Head of Department: Performance Governance and IT. She is responsible for Business Performance Management and Quality Assurance; Risk Management; Legal, and Information Technology (IT). She is also responsible for seamless integration of JRA departments and coordination of the MD's Office including Internal Audit, Company Secretariat and Stakeholder Management and Inter-Governmental Relations.

She has approximately 20 years' experience in the public (SARS, Transnet) and private sector (Unilever, Sanlam, Mutual & Federal), in the areas of accounting, corporate governance, strategy, operations, public-private-partnership, supply chain management, outsourcing, IT, programme/project and people management. She is a member of the Institute of Directors. She has and continues to serve in a board and board committees of listed, public and private entities.

**Seadimo Sindane (42yrs)**

Qualifications: BTech Civil Eng/Transportation Planning; and National Diploma in Civil Engineering

Position: **Head of Department: Regional Operations**

Ms Sindane joined the JRA in March 2015 on a short term contract ending September 2015 as the Head of Regional Operations. In her capacity she has overall responsibility to provide strategic direction to the Department and oversight role for all the 7 regions of the City.

She was a Site Engineer in North West Department of Public Works responsible for construction of rural roads. From there she joined the private sector as a Transportation Engineer focusing on transport studies for public and private sector developments. She further enriched her Transportation skills when she worked for City of Johannesburg Transport Department. She received a balance of transport planning and operations when she joined the FIFA Local Organising Committee as a Transport Manager for all World Cup host Cities. She got introduced to planning for Economic Infrastructure when she joined BlueIQ Pty Ltd. Her responsibilities at BlueIQ included conducting and facilitating feasibility studies, implementation of programs and projects, development of key economic infrastructure master plans and reporting to relevant structures within the agency and government.

Permanent Invitee: **Ms Boaratwa Leshope (33yrs)**

Qualifications : BTech Internal Auditing and Certified Fraud Examiner

Position: **Chief Audit Executive** (Ops Manager Internal Audit)

Ms Leshope joined the JRA in August 2009 as an Audit Manager and was promoted to the position of the Operations Manager Internal Audit in December 2012. In this capacity she has overall responsibility for the management of the Internal Audit Function which includes fraud investigations and awareness. Her previous appointments include working as an Assistant Director and Senior Internal Auditor at the National Department of Public Works, Port Elizabeth Region. She is a Member of the Institute of Internal Auditors and Association of Certified Fraud Examiners. She has 9 years auditing experience with 7 years of experience in fraud examination.

### 2.3 Directors and Prescribed Officers Remuneration

Employee remuneration includes executive directors, management and employees who fall within the bargaining unit.

Remuneration is determined in accordance with the JRA Remuneration Policy as well as the pay scales set out by the City on an annual basis. A new Remuneration and Reward Policy was developed during the last quarter of the 2014/15 period however it has yet to be approved by the Board and implemented. The development of this policy followed an extensive job skills evaluation and benchmarking exercise. The said policy has led to the development of a new Performance Management Policy as well as a Remuneration and Reward Policy, the latter which is still in a draft form and is yet to be approved.

Employee remuneration includes executive directors, management and employees who fall within the bargaining unit.

Remuneration is determined in accordance with the JRA Remuneration Policy as well as the pay scales set out by the City on an annual basis. The Remuneration and Reward Policy has been approved by the Board during the quarter.

All managers (Assistant Managers up to the Managing Director – above level 5) enjoy a Cost to Company (CTC) reward structure as well as a performance bonus. Managers are required to complete performance management agreements with the company, which include score cards that are informed by the company scorecard. The scorecard sets out key performance areas with defined deliverables. Management is measured against their score cards and may qualify for performance bonuses of up to a maximum of 14% (as determined by the City for 2014/15) of the total annual remuneration. Bonus payments are impacted by the overall performance of the company as well as the attainment of a clean audit. No bonuses were paid in respect of the 2014/15 year.

The CTC package structure comprises a fixed guaranteed package, including retirement contributions, as well as the variable structuring applicable to elective benefits. This structuring allows for a degree of flexibility to take into account employees' personal requirements. The elective structuring options extend to choice of medical aid cover and the level of retirement fund contributions in excess of the prescribed minimum.

A separate remuneration structure is applicable to bargaining unit employees who are on level 5 and below. These employees' salaries are structured according to the outcome of negotiations with Organised Labour. The current agreement with Labour affords employees at this level a 13<sup>th</sup> cheque, regardless of performance levels. These employees do not currently fall within the ambit of the performance management process; however, the new Remuneration and Reward Policy envisages the extension of performance management to include all employees. The 2014/15 financial year was the last in the existing three year salary agreement. A new agreement has been negotiated during Q1 however due to on-going litigation the JRA awaits confirmation of the application of the agreement by the CoJ. In the interim the agreed increases for 2015/16 have been implemented. The uncertainty around the participation of the JRA in the centralised bargaining unit remains unresolved at the end of the reporting period.

Given that JRA is a public entity, we do not believe that there is scope for the establishment of any share incentive / profit share scheme. The JRA Talent Acquisition and Retention Policy does not have a provision which uses incentives to encourage retention however regular salary benchmarking is undertaken to ensure that salaries remain competitive. The Interchange Project (cross reference to Chapter 4) will include the identification of salaries which are above and below the median when measured against the construction and public sectors. While the JRA acknowledges that the

benchmark within the market is generally the 50<sup>th</sup> percentile, the target salary benchmarking level will be determined by the Board upon finalisation of the Interchange report.

Staff has a variety of retirement funding options available.

The policies applicable to executive employment remain the same as for all other staff save for the fact that they are subject to five year fixed term contracts.

The table below reflects the fees paid to the Non-Executive Directors during the Q3 2015/16.

<b>Non-executive Director</b>	<b>Fees Paid (Q3) (R)</b>
Maboa Mashukudu James	10270.00
Maina James William	11408.00
Manche Jacqueline Boitumelo	55900.00
Mashamaite Marlene Lethabo	58187.00
Mashele Harry	34227.00
Msezane Nompumelelo	14836.00
Ngomane Erick Sello	22819.00
Nxumalo Lindani	39942.00
Nyakale Suzan Mary Ann Badanil	10270.00
Ramasia Marumo Abel	17112.00
Shubane Khehla***	
Theunissen Robin Neill	
Torres Alberto	31948.00
<b>Grand Total</b>	<b>613838.00</b>

(\*\*\*Payment for 2014/15 retainer)

### **Executive Remuneration**

Remuneration received by the Managing Director and Head of Business Units for the quarter is set out as follows:-

<b>Position</b>	<b>Gross Salary</b>	<b>Quarter 3 Gross Salary</b>	<b>Months Worked</b>	<b>Total Paid</b>
	<b>(R)</b>	<b>(R)</b>		<b>(R)</b>
MD	0	0	0	0
CFO	135778.70	407336.01	3	407336.01
HOD: Corporate Services	116344.30	349032.81	3	349032.81
HOD: Mobility & Freight	118495.90	355487.57	3	355487.57

Position	Gross Salary	Quarter 3 Gross Salary	Months Worked	Total Paid
	(R)	(R)		(R)
HOD: Planning	114731.90	344195.79	3	344195.79
HOD: Regional Operations	118044.10	354132.33	3	354132.33
HOD : Infrastructure Development	137764.30	413292.84	3	413292.84
HOD: Performance Governance IT	120534.20	361602.53	3	361602.53

Directors and Officers Liability insurance cover is in place, through the City, in respect of potential liability attaching to the execution of duties as directors or officers of the company. All cover is in accordance with that available in terms of current legislation.

## 2.4 Company Secretarial Function

Ms Karen Mills is the appointed Company Secretary and she meets with the requirements of legislation and King III. Members have unlimited access to the company secretary who is responsible for the maintaining of the information systems and processes that enable the Board to fulfil its role. The Company Secretary is also responsible to the Board for ensuring that Board procedures are complied with and advising the Board on governance matters. All Directors have access to the Company Secretary for advice and services. Independent advisory services are retained by the Company Secretary at the request of the Board and in accordance with the approved processes.

Ms Mills holds B.Proc and LLB degrees and the Board has satisfied itself that she is qualified to perform her duties in accordance with the applicable legislation and is a fit and proper person for the post.

## 2.5 Risk Management

### 2.5.1 Introduction

The JRA Accounting Officer, the Managing Director, has committed the Johannesburg Roads Agency to a process of risk management that is aligned to the principles of good corporate governance and the Executive Authority, as supported by the Municipal Finance Management Act (MFMA), Act No 56 of 2003, The Committee of Sponsoring Organisation of the Treadway Commission (COSO) Enterprise Risk Management – Integrated Framework, Institute of Risk Management (IRM) Risk Appetite and Tolerance Guidance Paper and the King III Code on Corporate Governance.

Risk management is recognised as an integral part of responsible management and the JRA therefore adopts a comprehensive approach to the management of risk. The features of this approach are outlined in the JRA's Risk Management Framework and Policy. It is expected that all departments, business units and depots, operational processes and projects are subjected to the Risk Management Framework and Policy.

In order for the JRA to fulfil its mandate and to meet service delivery expectations of the citizens, effective risk management is imperative.

The realisation of the strategic plan objectives depends on the JRA being able to take calculated risks in a way that does not jeopardise the direct interests of stakeholders. Sound management of risk will enable the JRA to anticipate and respond to changes in the service delivery environment, as well as make informed decisions under conditions of uncertainty.

The JRA subscribes to the fundamental principles that all resources will be applied economically to ensure:

The highest standards of service delivery;

- A management system containing the appropriate elements aimed at minimising risks and costs in the interest of all stakeholders;
- Education and training of all staff to ensure continuous improvement in knowledge, skills and capabilities which facilitate consistent conformance to the stakeholders expectations; and
- Maintenance of an environment, that promotes the right attitude and sensitivity towards internal and external stakeholder satisfaction.

The JRA acknowledges that the adoption of a strategic and formal approach to risk management will improve decision-making, enhance service delivery, strategic outcomes and accountability.

The JRA acknowledges and is committed to:-

- Ensuring that risk management is an integral part of all decision-making processes including strategic business planning and project management processes.
- Applying a structured risk management program to minimise reasonably foreseeable disruption to operations, harm to people and damage to the environment and property.
- Identifying and taking advantage of opportunities as well as minimising adverse effects.
- Training all its employees to implement risk management effectively.
- Striving to continually improve risk management practices.
- Ensuring that the main risks that represent opportunities or hazards to meeting the JRA's objectives will be explicitly identified, assessed, controlled, monitored and reported.
- Ensuring that risks are prioritised and attention will be focused on these objectives.
- Identifying and implementing a control system to cover the risks.

An entity-wide approach to risk management will be adopted by the JRA, which means that every key risk in every part of the organisation will be included in a structured and systematic process of risk management. This is to ensure that the risk management processes will become embedded into the JRA's systems and processes, ensuring that responses to risk remain current and dynamic. All risk management efforts will be focused on supporting the JRA's objectives. Equally, they must ensure compliance with relevant legislation, and fulfil the expectations of employees, communities and other stakeholders in terms of corporate governance.

The JRA summary of the top 10 strategic risks is attached as **ANNEXURE A** to this report.

## 2.6 Internal Audit Function

Internal Audit provides assurance of governing internal controls and risk management to the organisation and the Audit and Finance Committee of the Board. The units' primary objective is to provide an assurance function by identifying and evaluating significant exposures to risk, and contributing to the improvement of risk management processes, governance and internal control systems. This is achieved through an independent and objective evaluation of the company's system of internal controls, as well as identification and reporting of the significant business risks and exposures which are brought to the attention of management and the Audit and Finance Committee. This is achieved through the presentation of comprehensive internal audit reports.

In order to meet its responsibility with respect to providing reliable financial information, the entity maintains financial and operational systems of internal controls. These controls are designed to provide reasonable assurance that transactions are concluded in accordance with management authority, that the assets are adequately protected against material loss or unauthorised acquisition, use or disposal and those transactions are properly authorised and recorded. The system includes a documented organisational structure, levels of responsibility, and established policies and procedures, including a Code of Ethics, as well as a system of careful selection, training and development of people. These are all communicated to the parent municipality.

The entity also includes the internal audit reviews of the operation of the internal control systems for adequacy and effectiveness in mitigating risks and reports its findings, and recommendations, to management and the board of directors. Corrective actions are taken to address control deficiencies as well as other opportunities for improving the systems. The Board, operating through its Audit Committee, provides oversight of the financial reporting process and internal control systems. There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. As a result only reasonable assurance as to the effectiveness of the internal control system over financial statement preparation and safeguarding of assets can be provided. A documented and tested business continuity plan is being developed to ensure the continuity of business-critical activities. Some aspects such as IT Service Continuity are already in place and have been tested successfully.

As at the end of the 3<sup>rd</sup> quarter, the Internal Audit business unit completed the following audits including observation of reasonable assurance that the JRA objectives will be achieved:

Name Audit Area	Date Completed	Opinion Expressed	Rating
Risk Management Follow-up Audit	Mar 2016	Adequate and effective	Green
Key Control Assessment Q2 Dashboard	Mar 2016	Adequate but ineffective	Yellow
Bids Observations Continuous Audit	Jan - Mar 2016	Adequate and effective	Green
Training and development	Mar 2016	Adequate with the need for improvement on the effectiveness	Yellow

LEGEND

Red	Major Progress Required
Yellow	Some Improvement Required
Green	Good Opinion with no Major issues raised

## 2.6.1 Fraud Prevention Plan

### 2015/16

During 2015/16, a total of nine (9) fraud allegations were received, with only one (1) new allegation received within quarter 3 and all other allegations are in progress of being followed up. Progress to date:

<b>Progress</b>	<b>No of matters raised</b>	<b>Comment</b>
Total number of reported matters outstanding as at 31 march 2016	9	Of the nine (9) reported cases, one (1) new matter was received within Q3
Resolved matters	2	
Matters outsourced for specialized investigation	2	Two (2) matters are currently under investigation by the service provider through the City investigation Unit since September 2015 and the investigation is nearing finalization stage
Matters referred to COJ	1	One (1) matter referred to GRAS and a preliminary investigation is in progress
Matters with Ethics Officer and Internal Audit	4	<ul style="list-style-type: none"> <li>Three (3) matters are still under preliminary investigation by the Ethics Officer including the new matter and capacity constrains remains a challenge.</li> <li>One (1) matter is in the process of being outsourced with the procurement of service providers in process.</li> </ul>

A summary of the alleged fraud cases reported during 2015/16 is attached as Annexure J to this report.

### 2014/15

A total of fourteen (14) fraud allegations were reported during 2014/15 financial year. Nine (9) were resolved and five (5) remained unresolved as at 30 June 2015. Progress to date on the five (5) unresolved allegations within quarter 3 is as follows:-

<b>Progress</b>	<b>No of matters raised</b>	<b>Comment</b>
Total number of reported matters outstanding as at 1 <sup>st</sup> July 2015	5	None
Resolved matters	0	None
Matters outsourced for specialized investigation	1	One (1) matter, the investigation commenced effective from the 21 <sup>st</sup> January from the inception meeting held with the team and is in progress.

<i>Matters outsourced for specialized investigation through COJ</i>	1	<i>One(1) matter currently under investigation by the service provider through the City investigation Unit since Sept and the investigation is nearing finalization stage</i>
<i>Matter referred to SAPS</i>	1	<i>One (1) case that was referred to SAPS Anti-corruption unit remain outstanding, with continuous follow- ups being conducted and minimal feedback received.</i>
<i>Matters with Internal Audit</i>	2	<i>Two (2) matters still under preliminary investigation by the Ethics Committee.</i>

**Fraud awareness presentations:**

No presentations were conducted to JRA employees during Quarter 3.

**Challenges:**

- Delays in finalization of the SCM processes for outsourcing of forensic services.
- Capacity constraints of the Ethics Committee to conduct preliminary investigations and lack of dedicated resources to coordinate the forensic investigation since the removal of the function from Internal Audit remains the challenge.

**Remedial actions**

The Fraud Management Portfolio has been transferred to the Company Ethics Officer, effective from February 2016.

**2.7 Corporate Ethics and Organizational Integrity**

Refer Sustainability Report (2.8)

**2.8 Sustainability Report**

2.8.1 Background

The Board has considered the best format for a Sustainability Report. Given the mandate of the Social and Ethics Committee, together with its need to report to Shareholders, it is the view of the company that the issues of sustainability, stakeholder engagement and the report from the Social and Ethics Committee to Shareholders are best incorporated into one report from the Chairperson of the Social and Ethics Committee.

The City of Johannesburg has clearly communicated its commitment to long term sustainability and the JRA fully endorses this position. Such long term sustainability is a major challenge facing not only the City and the JRA but the world at large. The need to foster development and deliver citywide services is paramount but cannot be undertaken without consideration for our environment.

The JRA is committed to supporting the position of the City in this regard through senior management leadership, inclusion of sustainability as a consideration in our strategic approach and operations and the development of transparent and accurate reporting mechanisms to ensure we are able to monitor our progress. The concept of sustainability, and what it means for the JRA, remains something which the company is still grappling with. We have identified the need for the development and implementation of a number of processes and procedures which will support and measure our performance against sustainability objectives.

We acknowledge that best practice dictates that we adopt the Global Reporting Initiative (GRI) list as the basis for our reporting template. The JRA is not yet able to report against these standards, however, in line with current MFMA reporting requirements we have reported against a number of the required indicators in terms of our performance reporting (see Chapter 3). We have completed the development of a GRI reporting format and implementation has commenced.

### 2.8.2 Oversight Structures

The Social and Ethics Committee operates in terms of approved terms of reference and has discharged its mandate in terms of both the legislation and the said terms of reference. The oversight of sustainability, and stakeholder engagement, are two of the functions delegated to the Social and Ethics Committee by the Board. The Committee reports to the Board quarterly and is required to report to Shareholders annually, and to answer questions at the annual general meeting. A quarterly Stakeholder Engagement Report is submitted to, and considered by, the Board.

Neither the JRA, nor its auditors in the form of the Auditor-General, are yet at a point where any of the items in the Sustainability Report can be externally assured. This is an aspect of sustainability reporting which will have to be developed within the public entity environment

### 2.8.3 Material Aspects of Sustainability

The primary areas of sustainability that the JRA has considered are:

Community	Customer	Employees
<ul style="list-style-type: none"> <li>• Enterprise Development (SMMEs)</li> <li>• B-BBEE</li> <li>• Environment (Green Economy)</li> <li>• Fraud and corruption</li> </ul>	<ul style="list-style-type: none"> <li>• Customer Charter Standards</li> </ul>	<ul style="list-style-type: none"> <li>• Excellent health and safety</li> <li>• Excellent employer</li> </ul>

#### 2.8.3.1: Community

The areas of **Enterprise / SMME Development** and the support of **BBBEE** (cross refer to 2.12 below) remain a primary focus of the JRA and are in line with the City's Growth and Development Strategy 2040, which is summarised in Chapter One of the report. Projects are awarded through the Supply Chain Management tender processes but are geared towards supporting entities which meet the legislated B-BBEE requirements. The company is also very aware of the need, and benefits, of identifying, developing and supporting SMMEs. As far as is possible both SMMEs and cooperative organisations (Coops) are incorporated and it is the intention of the City to empower citizens and grow partnerships through community based service delivery models.

Payment of service providers within the required 30 days of invoice as required in terms of the legislation pertaining to state entities continues to be strictly monitored and remains a priority for the company.

Jozi@Work has been implemented through existing initiatives that commenced in the previous financial year. A total of 78 SMME's were appointed and 1238 jobs created and a total amount of R31, 881 570, 86 million has been committed during this quarter.

It has been reported previously that there are challenges in meeting the Customer Charter set standards. The appointment of these companies will assist in meeting the set turnaround times as stipulated in the charter thereby improving in service delivery.

In parallel, the process of appointing a supplier for alternative products (Manhole covers) has commenced. The contract was awarded in September 2015. The challenge pertains to the manhole covers and drain covers being vandalised / stolen / sold is persisting. In as much as steel is durable and strong it has proven to be a challenge to continue using products made of steel. To mitigate this

challenge, JRA is sourcing alternative material through procurement processes that are environmentally friendly and has no resale value.

The company has subscribed to the City of Johannesburg's approach to **the environment, specifically the "Green Economy"** and in this regard the JRA has acquired equipment which will allow for the recycling of road surface material. The facilities department has also implemented a number of initiatives that will reduce the carbon footprint of the company through efficient energy utilization and recycling of paper.

On a macro level the JRA is supporting the City's integration of transportation policies to promote green mobility. This includes the development of the corridors of freedom and the prioritization of public transport, as well as bicycle and pedestrian transport, through the complete streets programme.

Stormwater management interventions through the conversion of open drains, the expansion of the capacity of the current systems, the upgrading of old infrastructure and local master planning also support the green approach to City management and development.

The JRA is not excluded from the scourge of **fraud and corruption**. The tender processes are in line with the requirements of National Treasury. The Supply Chain Management (SCM) department has been capacitated and the executive management team continues to exercise strict oversight thereof with the centralization of procurement. The contracting processes of the company are functional and the accounting officer has reserved certain authority to himself in this regard but in line with the MFMA.

During the previous financial year, the Code of Ethical Conduct policy as well as the establishment of a Management Ethics Forum and the appointment of an ethics officer was finalised. The Disciplinary Code was reviewed during the 3<sup>rd</sup> quarter of 2014-15. All municipal employees, including those of Municipal Entities, are bound by the Code of Conduct as set out in Schedule 2 of the Municipal Systems Act No 44 of 2003, and since last year a concerted effort has been made to ensure that all employees formally declare any interests they have in entities doing business with the municipality and, where such conflict exists, they must obtain written consent thereto. Employees may not accept gifts or donations nor engage in work outside that for which they employed by the JRA. Training in this regard was undertaken last year and the Code is strictly applied. The JRA has taken the approach that it has zero tolerance for any form of fraud or corruption.

#### 2.8.3.2 Customer

The **Customer Charter** is the agreement between the JRA and City and regulates delivery of services to the citizens of Johannesburg. The JRA performance against this charter is set out in detail in Chapter 3 of this report and the reader is referred to that section of the report. The attainment of the customer charter standards remains an on-going challenge for the JRA. Interventions in respect of service delivery at a regional level are on-going. The JRA is embarking on an international benchmarking study to assist with the benchmarking of such service standards. The outcomes of this study will inform future negotiations and agreements in respect of service standards.

Third party liability insurance is in place through the City of Johannesburg. A separate function exists within the Legal Department to deal with claims which are logged, investigated internally and then submitted to the insurers via the brokers. Typically claims relate to personal injury as a result of accidents predominantly suffered by pedestrians and damage to motor vehicles as a result of potholes and damage to JRA infrastructure.

#### 2.8.3.3 Employees

The JRA's human capital management approach is to attract, develop, maintain and retain a professional, competent and diverse workforce committed to transforming the JRA into the best roads authority.

In the area of Occupational Health & Safety, the business is committed to keeping the number of injuries to the minimum. A Health and Safety committee has been established and is meeting on regular basis. JRA has entered into partnership with the CoJ Emergency Medical Services with the purpose of facilitating training requirements of JRA staff at a reasonable cost. Training modules presented are (a) First Aid, (b) Health & Safety and (c) Fire Fighting. Parties have signed a Memorandum of Agreement to this effect.

Corporate service conducted the surveillance on emission at the Asphalt plant & the subsequent report was submitted to the Executive Management Team for their consideration. The report has demonstrated non-compliance on the emission levels; remedial action plan has been developed and is being implemented. The plan also addresses the risk of the operating license being revoked.

Leave management remains a matter of serious concern as it is being managed manually. This exposes the business to the risk of misstatements and financial losses. The business is however in the process of automating leave management, time management linked to the payroll through SAP and Biometric system. This should significantly enhance control measures in the business and sufficiently mitigate the current risks in this area. As an interim control measure, leave books are being checked for compliance weekly & input of leave information onto the JDE system has been centralised to the Head Office. This should significantly help to enhance financial data that is being transmitted to Finance unit.

#### 2.8.4 Stakeholder Engagement

The Board approved the Stakeholder Management and Intergovernmental Framework last financial year. The dedicated position of Manager Stakeholder Engagement and Inter-governmental Relations (IGR) continues to exist within the office of the managing director. Each region has a Regional Operations Manager (ROM) who is the interface between the community and the JRA as well as between the political heads at a community / regional level.

The JRA operates within the framework of the Municipal Systems and Structures Acts and as such reports to the City of Johannesburg quarterly. The Chairman of the Board meets with the MMC (Municipal Councillor) on a quarterly basis to address any issues of a service delivery nature. The JRA regularly receives, and replies to, questions from the Section 79 Portfolio Committee. This is a Committee of the Municipal Council established in terms of the Municipal Structures Act. The Committee is accountable to the Council and has an oversight role. It is made up of councillors from various political parties. The Committee has no decision making powers and can only make recommendations to Council.

It is the intention of the JRA to move to a point where it is able to report on a Regional, and Ward basis as regards service delivery and capital projects. Already, all departments in the JRA have been handed their accountability processes in terms of Stakeholder Management & IGR Framework, and monthly reports are developed for the purposes of tracking progress and managing risks.

IGR engagements are in place and there are significantly improved relations with other spheres of government such as the Gauteng Transport and Roads as well as the National Department of Transport. Quarterly meetings on, inter alia, Roads Construction Bodies and the related matters, are being held.

#### 2.8.5 Ethics

The terms of reference of the Social and Ethics Committee were reviewed during 2015/16.

The issue of ethical behaviour is a topical one amongst most state owned entities, with the JRA being no exception. The Social and Ethics Committee oversees the issue of ethics and the process to ensure that ethics are embedded in the corporate culture of the company is in place through an approved Code of Ethical Conduct, Management Ethics Forum and the appointment of an Ethics Officer.

The provisions of the Municipal Employees Code of Conduct are being strictly managed and enforced. The Code includes provisions relating to conflict of interests, handling of confidential information, entertainment, use of company services and property and the receiving of gifts. The JRA operates a gift register and all staff members are required to disclose gifts received. All Board and Committee meetings commence with a declarations of interests. Breaches of the Code of Ethics, as well as other matters of impropriety, may be reported through access to the Whistle Blowing hotline by all stakeholders.

The JRA is committed to working against corruption in all its forms, including nepotism, extortion and bribery. An externally managed Whistle Blowers Hotline is in place and all matters reported through the hotline are brought to the attention of the Audit and Finance Committees.

#### 2.8.6 Statutory Obligations

The Group has a formal disclosure in terms of the Promotion of Access to Information Act, 2000 in terms of which requests for information will be entertained by the company. Issues are also raised through the Office of the Public Protector.

All statutory information required to be published in terms of the legislation applicable to the Group, all requisite submissions and all requests for information, have been fully complied with, although the required information to be published on the company website still remains a work in progress. As part of the compliance process a detailed compliance report is reviewed by management monthly and is submitted to the various Committees and the Board quarterly. The Governance Report (Chapter Two) has been reviewed by the Social and Ethics Committee.

Aspects of sustainability, including, but not limited to, staff, training and employment equity issues are addressed in detail in the Human Resources Report and are not replicated in this report, and should be read in conjunction herewith.

The JRA welcomes any feedback on its sustainability practices and in this regard please contact our company secretary whose details are listed at the end of the integrated report.

### **2. 9 Anticorruption and Fraud**

Please refer to Fraud Prevention Plan (Section 2.6.1)

All the allegations received are either being investigated internally (preliminary investigations) or referred to either to GRAS or an external service provider for further investigation. Progress reports on matters are presented monthly to the Executive Management Team, quarterly to the Audit and Finance Committee. Any matters requiring the attention and oversight of the Board are highlighted through the Audit and Finance Committee report to the Board.

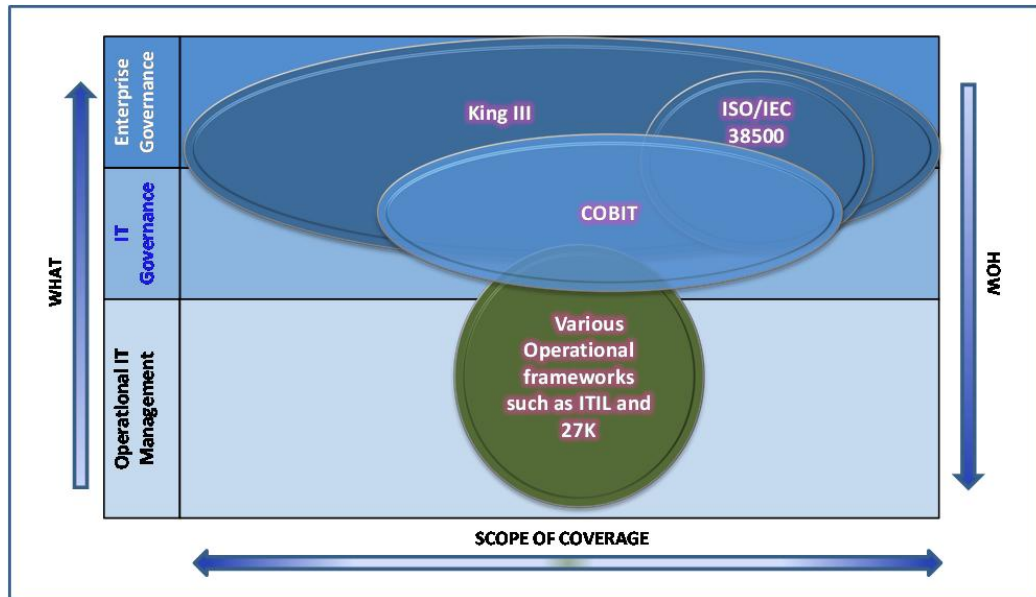
### **2. 10 ICT Governance**

The JRA does not have a Chief Information Officer and the IT department is managed by the IT Manager on a day-to-day basis. The IT Department reports the HOD: Performance, Governance & IT who reports formally to the Risk and IT Committee on a quarterly basis.

During the 2014/15 period the Board approved the IT Governance Framework which takes into account the legislative framework, including King III, as well as the International Organisation for Standardisation / International Electro-Technical Commission 38500 (ISO /IEC 38500) and the

Control Objectives for Information and Related Technology (COBIT). This has assisted towards the objective of institutionalising ICT governance as an integral part of corporate governance within the company.

#### Interrelated references of IT Governance Framework



The implementation plan in respect of the approved framework is being developed. It should be noted that further changes to the framework by the Treasury department are anticipated which will specifically be directed at Municipalities and the company will need to respond in this regard as and when the changes are finalised.

An “as is” maturity self-assessment of the organisation against COBIT had been undertaken indicating some improvements required. An external maturity assessment would be undertaken during 2015/16 with the company in the process of a five year turn around process, including the implementation of SAP. A further assessment will be undertaken after the implementation of SAP and then again at the end of 2017.

The framework envisaged that the company would be COBIT compliant and implementation would ensure a structured system of reporting.

During the quarter, various IT matters served at the JRA’s Risk and IT Committee (RITC) these being considered for approval by the Board at its next meeting. These include:

- IT Governance Maturity report;
- IT Security Policy Changes;
- IA IT General Controls
- ICT Report

An IT Governance maturity assessment was completed in July 2015 and served in the RITC in September 2015. From the findings a list of recommendations was put forward in a form of a 24 months roadmap. Currently the recommendations are being aligned to the NT guidelines and to provide budgetary requirements. Key to the findings is that IT needs to play a more strategic role in the organization, enabled by the appointment of a CIO and also a Governance Champion (project manager) to support the implementation of the roadmap.

## 2.11 Compliance with Laws & Regulations

The company has appointed a Compliance Officer and has an approved Compliance Policy which is being reviewed to ensure alignment with that of the City. In addition hereto a compliance framework and SOPs are being developed. It should be noted that as a wholly owned company of the City of Johannesburg the JRA is subject to a wide range of legislation peculiar to government entities, in addition to that applicable to companies. As such compliance remains a core focus for the company and the JRA strives to ensure that the company is able to meet compliance requirements in terms of major legislation as well as standards, codes and rules associated with our industry. A detailed monthly compliance report is considered by the Executive Management Team and submitted quarterly to the Remuneration HR and Social & Ethics Committees, which in turn reports to the Board.

As part of the Compliance Policy the JRA also measures its compliance with King III, and, for purposes of transparency, we report that there remain a number of areas of non-compliance, which include areas primarily relating to corporate citizenship, succession planning and external assurances on sustainability.

Currently the compliance process is manual and includes the actions set out below:

- a. Identifying the laws and regulatory obligations that are applicable, including the non-binding rules and standards to which the company wishes to comply through a process of continued on-going monitoring of all new legislation and standards as published in the government gazette and by selected bodies;
- b. Ensuring that the board members understand the requirements and are updated on the changes. This is accomplished by the monthly updating of the Compliance Checklist which is submitted to the Board at all its formal meetings, at least quarterly;
- c. Implementing a comprehensive compliance process and regularly monitoring compliance to the process through the governance structures and inclusion on the board agenda which may be via reporting from the Audit and Finance Committee;
- d. Managing compliance risk through the risk management process which includes the necessary tools to detect, report and manage compliance risks;
- e. Embedding compliance in the operations and processes, ethical conduct and culture of the business/organisation;
- f. Appointing a compliance officer and establishing a compliance function to assist in the management of compliance; and
- g. Disclosing how effective compliance has been achieved through a standard compliance report which is updated monthly.

It is the intention of management to investigate compliance software options during the 2015/16 financial year however the implementation of same will be subject to available budget.

During Quarter 3 the following areas were identified for further action and follow up:

Relevant Act / Section	Activity	Status
Occupational Health and Safety Act No. 85 of 1993	Ensure execution, in particular, that a safe and hygienic working environment is maintained and that the Act is displayed in the workplace.	Significant compliance envisaged by March 2016
National Archives and Records Services of South Africa Act	Ensure there is a records management system and documents are stored in the manner, and for the required time frame, as per legislation	In progress – completion March 2016
National Road Traffic Act 93 of 1996 and chapter	Transportation of dangerous goods as classified in terms of SABS code of practice (SANS	The Fleet and Plant is busy rolling out compliant trucks

Relevant Act / Section	Activity	Status
VIII of National Road Traffic Regulations of 2000	0228:2012);	
Waste Act 59 of 2008	Waste Act 59 of 2008 – Regional Depots to store waste in compliance with the Waste Act.	Development of action plan
Air Quality Act 39 of 2004,	Asphalt Plant compliance with Air Quality Act	Development of business plan to address challenges and non-compliance
Environmental Regulations in relation to Asphalt Production and Transportation; Road Maintenance and Road Construction	Asphalt Plant is non-compliant	Development of business plan to address challenges and non-compliance
S 111	SCM Policy and implementation thereof	Approved and implemented  Management did not adequately monitor action plans to address internal control deficiencies identified in the prior year. As a result a number of non-compliance issues have recurred over expenditure management, supply chain management and human resources.  Lack of adequate monitoring and review of compliance with the MFMA regulations especially relating to supply chain management.
Occupational Health and Safety Act No. 85 of 1993	Ensure execution, in particular, that a safe and hygienic working environment is maintained and that the Act is displayed in the workplace.	Significant compliance envisaged by March 2016
National Archives and Records Services of South Africa Act	Ensure there is a records management system and documents are stored in the manner, and for the required time frame, as per legislation	In progress – completion March 2016

## CHAPTER THREE

### *SERVICE DELIVERY PERFORMANCE*

#### **3.1 Highlights and Achievements**

##### **3.1.1 Performance against Company Scorecard**

The JRA 2015-16 Business Plan takes into consideration the outputs of Mayoral Lekgotla and details the company's priorities and objectives in delivering services in accordance with the City's strategic and development priorities as set out in the Growth & Development Strategy (GDS2040), the Integrated Development Plan (IDP) and also the City's 9 +1 priorities. In support of these strategies and key priorities, the JRA in taking its Strategy 2017 as well as the 3 year zero based budget process into consideration, developed its key priority programmes for 2015/16. The plan best reflects programmes and focus areas of the company.

The 2015-16 Business Plan includes both the CAPEX and OPEX Key priority Programmes. These set out the JRA's deliverables for 2015-16 in terms of the plans in the Service Delivery Budget Implementation Plan (SDBIP).

The JRA's budget allocation remains high in comparison with the 2013-14 budget allocation. Over the past 2 financial years the CAPEX budget increased significantly which has had an effect on the Company objectives and thus the Company Scorecard.

The key priority programmes as identified in the 2015 / 16 Business Plan and associated SDBIP contain a total of 146 related projects. This includes the Community Based Projects (CBP) activities (13 in all).

If all project / activities are included in the JRA 2015-16 Company Scorecard, then a total of 146 Kpi's would be incorporated in the annual scorecard for monitoring and performance reporting purposes.

Given the challenge of developing a Company Scorecard for 2015-16 that is both practical and addresses the legislative requirements, it was agreed that:

- The practice of combining Kpi's into rational groups at a high level be dispensed with due to cumbersome reporting and lack of transparency;
- Where possible, performance relating to key priority projects is incorporated into the company scorecard with the remainder being migrated to HOD level Kpi's.

The JRA has 8 core areas over which work stream programs have been divided in terms of the 2015-16 scorecard. These include:

- City Priority Programmes;
- Roads Management;
- Bridges Management;
- Stormwater Management;
- Mobility Management;
- Internal processes;
- Finance Management;
- Governance.

In order to limit the number of Kpi's on the company scorecard, it is proposed that key Kpi's be incorporated in the company scorecard with the remainder being migrated to a lower level. In order to prioritize Kpi's, activities are divided into 3 levels, these being:

<b>Level 1</b>	City Priority programs, Key Performance Objectives, High CAPEX budget allocation, 'concrete' deliverables	Company Scorecard, MD Scorecard
<b>Level 2</b>	Planning / preparation related activities, Low CAPEX budget allocation	HOD Scorecard
<b>Level 3</b>	Minor related activities, Day-to-day related activities	Ops Manager Scorecard

Following the above principles, the JRA Company Scorecard 2015-16 has been structured as follows:

	<b>Program</b>	<b>No of high level Kpi's</b>
• Program 1:	City Priority program: <ul style="list-style-type: none"> <li>• Customer Charter (7);</li> <li>• Corridors of Freedom (3)</li> <li>• Community Based Programmes (12)</li> </ul>	22
• Program 2	Roads Management program	20
• Program 3	Bridge Management program	6
• Program 4	Stormwater program	10
• Program 5	Mobility Management program	15
• Program 6	Internal processes	4
• Program 6	Finance Management	5
• Program 8	Governance program	3
<b>Total</b>		<b>85</b>

The JRA 2015-16 Company Scorecard was approved by the Board at its meeting held 30 September 2015.

Level of Performance; Key to indicators:

Target achieved (at least 75% rating)
Target partially achieved (at least 50% rating)
Target not achieved (< 50% rating)

## Company Performance: Quarter 2

The AOPO performance attained by the JRA for the 3rd quarter 2015-16 is **72.19 %**.

Q3 Performance across respective programmes is summarised below:

Program	Description	Q1	Q2	Q3
Programme 1	City Priority Programme	83,9 %	86,3 %	76.5%
Program 2	Roads Management program	94,8 %	87,6 %	67.1%
Program 3	Bridge Management program	100 %	100 %	66.7%
Program 4	Stormwater program	98,18 %	91,4 %	81%
Program 5	Mobility Management program	92,12 %	85,8 %	74,4%
Program 6	Internal Processes	82,77%	83,6 %	60.2%
Program 7	Finance Management	88.7 %	78,7 %	92,5 %
Program 8	Governance program	100%	77,9 %	66.3%

Summary	No	Q1	Q2	Q3	Q4	Annual
Number of KPI's	85	90.9 %	86.98 %	<b>74,0 %</b>		

The performance attained against predetermined objectives as at the 3<sup>rd</sup> quarter is detailed on attached **Annexure D** to this report.

### 3.1.2 Regional Operations Department

During the 3<sup>rd</sup> quarter, the department continued to implement activities related to road infrastructure repairs and maintenance, bridge maintenance and storm water repairs and maintenance. These activities continue to support the implementation of the JRA's activities as described in the Business Plan.

Additional activities completed during the 3<sup>rd</sup> quarter include the following:

- (i) During the quarter, 19596 potholes were repaired. Of the anticipated 10% reduction in the number of potholes repaired (as a result of road rehabilitation, resurfacing Programmes) during the 3<sup>rd</sup> quarter, a total of 19596 potholes were repaired against a quarterly target of 25,544 potholes. This reflects a 23.28 % reduction against a target of 10%
- (ii) During the 3<sup>rd</sup> quarter, progress on road rehabilitation activities was as follows:-
  - Deep Patching: 4334.68 m<sup>2</sup> against target of 10200 m<sup>2</sup> (42.5%);
  - Skin Patching: 3890 m<sup>2</sup> against a target of 4200 m<sup>2</sup> (92.6%);
  - Milling: 0 L/Km against a target of 3 L/km (0%);
  - Crack Sealing: 14390 Kg against a target of 13,200 kg (109.01%)

A Milling Machine is required in order to meet the Milling target. However, no budget has been made available for the purchase of such a machine this financial year. A Milling Machine is to be sourced as soon as budget is allocated for such

During the 3<sup>rd</sup> Quarter a total of 14 041.92 tons of Asphalt was produced against a target of 25 000 tons

- Internal supply : 14 001.80 tons
- External Sales : 40.12 tons

During the quarter the asphalt plant experienced 198 hours of downtime. Loss of production was impacted by:

- Plant break down (134Hrs);
- Shortage of Bitumen (140 Hrs);
- Staff matters i.e. Union meetings (40hrs);
- Inclement weather (24 hrs)

### **3.1.2 Planning Department**

#### **I. Strategic Planning**

The third quarter has mainly been about hand over of projects for implementation, finalisation of 2016/17 Final Business Plan, 2016/17 SDBIP budget and their submission.

From a strategic planning perspective, the planning meetings for the Jozi Strategic Information Platform (JSIP) submissions were held with all the internal stakeholders. These meetings culminate in the finalisation and submission of a consolidated JSIP list which is the basis of our CAPEX Programme. The final one-on-one-meeting JSIP meeting with the City was held during the quarter. The Company's SDBIP was also finalised and approved for submission to the Board.

Overall, the Department is on track to deliver on its mandate in the 2016/17 Financial Year.

#### **II. Development Control (Private and Public)**

The Company's design standards were completed during Q1. The EMT granted approval for implementation of the standards at the end of Q1. Q2 marked the commencement of the implementation and enforcement of compliance with the standards. The approval of the designs is a major milestone in the history of the JRA in that since inception our depots have been using different design and maintenance standards that they brought with from their respective MLCs. This therefore is a welcome relief to all and will assist in ensuring that henceforth our all depots and private developers follow the same standards for the designs and maintenance of road infrastructure.

##### **(a) Development Control (Private)**

- (a) In this quarter, 95.71% of all town planning applications were completed within the 60 day period.
- (b) 95.84% of all rezoning applications were completed within the 28 day period.
- (c) 13 Site Development Plan and Building Plan submission meetings were convened with private and public developers and engineers during the quarter.

##### **(b) Development Control (Public)**

During the quarter, the Development Control unit continued with assessing various Township Planning applications, land use applications, scrutinising building and site development plans as well as addressing correspondence received. These are summarised as follows:-

- In the second quarter, 100% of all town planning applications were completed within the 60 day period.
- 100% of all rezoning applications were completed within the 28 day period.

- III. 2 Site Development Plan and Building Plan submissions scrutinized. 88 meetings were convened with public developers and engineers during the quarter.

#### **IV. Roads and Storm-water Planning**

The Roads and Storm-water unit completed the planning components and handed over four projects to the JRA's Infrastructure Development department for implementation. A further six projects are still at various procurement stages.

##### **a) Storm-water Master Planning**

For the 2015-16 financial year, focus is being placed on the completion of Storm Water Master Plans (SWMP) in the following areas:

- Fine Town and Ennerdale South – SMP.
- Ebony Park – SMP.
- Weilers Farms and Sweetwaters – SMP.
- Carlswald – SMP.
- Chartwell – SMP.
- Zandspruit – SMP.
- Western Quadrant of Region D – SMP.
- Devland – SMP.

A service provider has been appointed for the development of Stormwater Master Plans and work commenced during the quarter. SMMP study in progress and on target: The following projects were handed over to ID in August 2015 to initiate their procurement processes.

- Ballyclaire: Widening of the road\_ waiting for EIA from GDARD.
- Outspan road: widening of the road\_ waiting for EIA from GDARD.
- Spencer Rd: extending the road\_ waiting for EIA from GDARD.
- James Str: extending the road\_ waiting for EIA from GDARD.
- Conrad Bridge: widening\_ waiting for EIA from GDARD.

##### **b) Corridors of Freedom:**

The stormwater master plan for all three corridors of freedom was completed during the 2014-15 financial year. During Q1, the specification preparation for the appointment of professional services for the development of Preliminary Designs, Detailed Designs Report, Water Use Licence application and EIA application commenced.

The projects have finally been transferred to the JDA for implementation.

#### **IV. Road Asset Management Systems**

After completing the planning aspects our Roads Asset Management Systems, the unit handed over various bridge rehabilitation projects to the JRA's Infrastructure Development department for implementation. Furthermore, implementation planning on the Pavement Management System (PMS) was completed and the JRA's Resurfacing and Rehabilitation schedules were handed over to the Roads Resurfacing Depot (RSD) for implementation. The unit continued with the finalisation of the GIS project which is one of our flagship projects in the organisation.

From a procurement point of view, the following contracts are still in the procurement process for appointment of service providers:

- Visual Condition Assessment of roads;

- Sidewalk Management System in order to complete the remaining regions;
- Stormwater Management System in order to complete the remaining wards;
- Detailed Inspection of the Bridge Expansion Joints.

### **Strategic Planning**

In this quarter the following activities were undertaken from a strategic planning perspective:

- 2016/17 Business Plan workshop with the Regions and other stakeholders;
- Midterm budget/targets review and adjustments for all Capex
- Final 2016/17 Business Plan
- Strategy monitoring
- Capex Programme Review & Budget
- Finalization of the 2016/17 SDBIP
- CIP Phase III Initiation (CIP Phase II Close-Out)

#### **3.1.3 Mobility & Freight**

During the 3<sup>rd</sup> quarter, the Mobility & Freight Department achieved the majority of the operational KPI's relating to Traffic Signal maintenance and Traffic Engineering.

Traffic Signal Maintenance recorded the following performance during the 3<sup>rd</sup> quarter:

- Of the reported 741 faulty traffic signals, 596 were repaired within 24 hrs. (80, 43% against a target of 100%). The average resolution time to repair reported traffic signals was 13.94 hours. Year to date 1683 faulty Traffic Signals, 1376 were repaired within 24hrs (81.76% against a target of 100%). The average resolution time to repair reported traffic signals was 15.96 hours (against a standard of 24 hours)

Traffic Engineering recorded the following performance during the 3<sup>rd</sup> quarter:

- A total of 115 safety investigations were completed against a target of 90 (>100%). These investigations are carried out in response to community requests as well as internal hotspot analysis; year to date the department has completed 351 investigations against a target of 240 (>100%)
- During the quarter, 105 Traffic Impact Studies were completed against a target of 100 (>100%); year to date the department has evaluated 304 studies against a target of 260 (>100%)
- 73 signal phasing's designs were revised during Q3 against a target of 60 (>100%); year to date, 193 revisions were completed against a target of 160 (>100%)
- No petitions were received during the 3<sup>rd</sup> quarter. Year to date 25 petitions have been investigated with no outstanding petitions.
- 17 petitions were received during the 2nd quarter and all have been attended to. Year to date 25 petitions have been investigated with no outstanding petitions.

#### **3.1.4 Infrastructure Department**

The Capex Programme comprises rehabilitation, reconstruction, new construction and upgrades of various road and storm water infrastructure projects. The implementation of work, enhanced with numerous service providers, focuses on executing work as planned. The accomplishments of the

third quarter included the appointment of various service providers for the execution of projects such as Bridges and Roads Rehabilitation. Due to December 2015 contractors break, work slowly resumed in January 2016 with most service providers opening for the new calendar year.

The budget adjustments approval with a deduction of R74 million was introduced in quarter three including a revision of annual targets where required.

### **Gravel roads**

Construction activities continued in all eight areas (Bram Fischerville, Diepsloot, Thulani / Doornkop, Ivory Park, Orange Farm, Lawley, Tshepisoong and Protea South). The professional services tenders for Mayibuye/ Commercia, Kaalfontein and Slovoville was evaluated in quarter three. The consultant was appointed for professional services in Poortjie, investigations for design commenced in January 2016.

The new bid specification for professional services tenders was approved for Bram Fischerville, Orange Farm and Diepsloot and Drieziek new construction tenders were advertised in quarter three.

The contractor's cash flow challenges negatively impacted progress in Tshepisoong and Ivory Park. It was reported that a contractor endures a business rescue, this process negatively impacted on construction progress and expenditure.

### **Bridges**

In respect of the bridges programme, the following progress can be reported for the period under review:

- The overall construction on Naledi Bridge progressed well and is 87% complete, Eskom has not commissioned the 132KV cable, and nonetheless work is safely progressing for completion in June 2016.
- In respect of the Bridge Inspections Programme, during the third quarter, nine (9) bridges were inspected, thirty (30) bridges have been inspected to date.
- Two bridges have been rehabilitated against a quarterly target of four bridges, these bridges are located at Anne and West Road in Midrand. The totals of three bridges have been fully rehabilitated to date, Eeufees Road in Florida was rehabilitated in Q2. Scumberland Avenue, East Herford and Crownwood will be rehabilitated prior to the end of the financial year.
- The piling has delayed on Nxumalo Bridge due to Eskom cables, piling and foundation construction progressed in three bridges (Zulu, Kinini and Nxumalo).
- The evaluation of construction tenders for pedestrian bridge projects in Kaalfontein, Klipspruit West, Slovo Park and Diepsloot West continued in quarter three.
- Investigations for designs of Jabulani / Molapo Bridge proceeded in quarter three, the Environmental Impact Assessment is in progress and approval has been obtained from Eskom to proceed with further assessments. JRA to obtain consent from Metrorail to determine if the project is feasible. The JDA approached JRA for the implementation of work in the area and it was decided that JRA will complete all designs prior to the handover of the project.
- Environmental Impact Assessment and Water Use License progressed for and preliminary designs of Conrad Bridge. The process of appointing a detailed design consultant through the panel of consultants proceeded. JRA applied for the approval of the state owned land for purchase, external factors affected the project and JRA had no control on timelines on lengthy processes.
- Professional services tenders for River Park and Ivory Park bridges tender closed in September 2016 and evaluations proceeded in Q3.

## **Stormwater**

Stormwater projects proceeded in Q3 with projects at various stages. Progress against these projects is reported as follows:

- The construction tender for Protea Glen closed in November 2016 and evaluated.
- The Urgent and Critical Storm Water Programme consists of projects which are at various stages of completion. Seven projects at contractor procurement stage, seven projects at construction stage, and two projects are at Design and Documentation phase, two projects have been completed.
- The Conversion of Open Channels Programme is in progress, with one project at completion stage (Bram Fishersville) with 0.8km pipes laid. The Ivory Park construction progressed and 4.2km pipes were laid. The Orange Farm construction tender closed in November 2015 and evaluated in Q3.
- Braamfontein Spruit and for professional services tenders were appointed and commenced with investigations.
- Klein Juskei Ferndale catchments consultants in July 2015, the letter of appointment has not been issued to the recommended consultant.
- The construction tenders for Fourways Dam was advertised in March 2016, Catchment Mogaseview and Robinson Canal and Klein Juskei Catchment Willows Development construction tenders will be advertised in April 2016.

## **Mobility (Roads)**

City Deep has 6 sub projects, SANRAL is implementing the projects on behalf of JRA. The contractor was appointed and construction work commenced for Rosherville Road and Bonsmara Bridge and is 47% complete. The detailed design report (DDR) for Cleveland was completed, due to construction work being executed on M1, Cleveland DDR will be revised after the completion of M1.

Complete Streets projects are being implemented in six areas (Braamfisherville, Diepsloot, Ivory Park, Alexandra/ Wyneburg, Orange Farm and Soweto). Construction work is progressing in Ivory Park, Diepsloot and Orange Farm. Bram Fischerville and Soweto construction tenders closed in Q2 and were evaluated in Q3. Alexandra/ Wynberg bid specification was compiled for advertisement.

Geometric improvement projects consist of various intersection improvements throughout the City. The construction tender for Constantia Kloof was advertised in Q3 and intersection improvements along Crownwood Road bid specification document was compiled for advertisement.

M2 Motorway at Main Reef Road Intersection construction tender closed in December 2015 and evaluated in Q3.

## **Road Surfacing**

The Roads Resurfacing Programme continued in all Regions of the City and was executed by the JRA's Road Surfacing Department augmented by appointed contractors. A total of 107.34 Lane Km against a quarterly target of 177.44 Lane Km were resurfaced during the third quarter City Wide. A total of 403.34 Lane Km against a target of 481.61 lane Km to date were resurfaced.

### **M1, M2 and Soweto Highway**

The M1, M2 and Soweto Highway projects are being implemented in partnership with SANRAL. The consultant was appointed for M1, M2 and Soweto Highway for the detailed design of rehabilitation works. The contractor was appointed by the JRA for Double Decker Bridge, the site establishment is complete and work has commenced as planned. The contractor for Oxford and Federation was appointed by SANRAL, site camps were established and construction work is progressing as planned.

### **Road Reconstruction and Rehabilitation**

Construction is in progress for Phase I of the project as implemented in Mayibuye, Region A, B, C, D, E, F and G in the 2014/15. Anticipated completion dates are as follows:

#### **Phase I:**

- Regions A & B – 31 March 2016
- Regions C & D – 29 April 2016
- Regions E & F – Complete
- Region G – Complete
- Mayibuye – 20 July 2016

#### **Phase II:**

The progress can be summarised below:

Region A, C, E - Contractors have been appointed and site establishment in progress.

Region B- The tender was recommended for cancellation.

Region D- The safety file has been approved and deviation routes construction in progress.

Region F- The contractor has been appointment, the site establishment is in progress.

Region G- The overall construction progress is at 50% and the work will be completed in June 2016.

### **Road Network Projects**

Westlake Road Extension project is being implemented in partnership with CoJ Housing Department. Construction work is complete for the current year (2015/16).

The site establishment and construction for the Le Roux Avenue Widening commenced in Q3.

From a traffic signal capital infrastructure perspective, the following was achieved during the third quarter:

- 0 Traffic Signal intersections were installed with CCTV cameras against a target of 3, new tender is in evaluation stage and is expected to be awarded soon, where after the remaining sites will be installed ;
- 53 traffic signal intersections were installed with Remote Monitoring Devices against a target of 50;
- 17 traffic signals fitted with adaptive control devices against a target of 15;
- 2 new warranted traffic signals against a target of 1;
- 14 Traffic Signal intersections were re-cabled against a target of 30, but YTD target was exceeded;
- 32 traffic signal intersections were upgraded to SARTSM requirements against a target of 20;
- 85 controllers were upgraded against a target of 50;
- Procurement of the Traffic Management Centre screen commenced and tender is in evaluation stage;

- 110 Alternative Energy Alternative Power Sources (LED) related hardware were installed against a target of 70;
- 18 UPS were installed in the quarter against a target of 50. The installations commenced in March and plans are in place to ensure annual target is reached.

### 3.2 Service Delivery Challenges

The challenges in quarter two (2) for regional operations were as follows, but not limited to:

- Availability of asphalt,
- The depletion in human resources capacity remains an ongoing challenge,
- With capacity challenges the teams require double time to address service requests therefore regions are scheduling overtime. It is expected that the implementation of Jozi@Work will provide the necessary assistance to improve performance,
- System change management (Hansen 8/JDE change),
- Inclement weather with the heat wave that is currently experienced.

Some other challenges encountered by the company include:

- Poor operational planning and labour issues,
- Late appointment of consultants (detail design),
- Poor depot performance monitoring and evaluation skills.

## CORPORATE SERVICES

### 3.3 “Game Changer” programmes

The CoJ established *The Communication Lab* to enable the City to implement activities that will improve:

- a) the awareness and appreciation by the citizens regarding the activities and services of the city; and
- b) the trust and confidence in the CoJ by its citizens based on real service delivery experiences and perceptions.

Based on the latest Quality of Life survey the main issue driving communication seemed not to really be only about service delivery although that remains an area of concern. The issue is that generally people seem to have variant but mostly low perception of the city despite improved service delivery.

The main outcome of the Lab was to enable the city to be projected as a *Caring City that is Responsive to the Needs and Future of its Citizens*. And furthermore, the Lab was intended to assist the city to close the gap between the Perceptions; Trust and Confidence people have in the city and Actual Experiences. This would be done to enhance the overall message of the city which is “**A City @ Work**”.

Communications was agreed as the most important **Game Changer** and a need for a Radical Shift in how communications is conducted within the city was identified.

In response to this requirement, the JRA identified 4 Game Changer Programmes being:

- Customer & Citizen Relations – Find & Fix
- Customer & Citizen Relations – Regional Stakeholder Engagement
- Branding & Advertising
- Improved Perceptions

Progress in relation to these programmes during the 3<sup>rd</sup> quarter is noted as follows:

Game Changer	2015/16 Target	Progress – Q3
Customer & Citizen Relations – Find& Fix	Grow registered users to 20000 and issues logged to 40 000	<p>Number of registered users 13564</p> <p>Issues logged since launch of application = 63 669. This includes duplicated service requests.</p> <p>During Q3, a total of 1812 service requests were received via the Find &amp; Fix application.</p>
Customer & Citizen Relations – Regional Stakeholder Engagement	7x exhibitions and conferences,	<p><b>Engagement:</b></p> <p><b>M1/Double Decker Bridge Rehabilitation:</b></p> <p>10 Activations conducted in February 2015:</p> <p>20 000 information flyers were disseminated to road users in order to encourage a better informed community of roads users in terms of road works that are underway. The following intersections were covered during the activations:</p> <ul style="list-style-type: none"> <li>• Grayston drive on ramp to M1, Woodmead Onramp,</li> <li>• Houghton/Glenhove on ramp M1, Houghton- West and First Ave,</li> <li>• Empire on ramp robot and Off ramp robot, Empire off ramp robot, M1 Smit street off ramp southbound, M1 Smit Street onramp, Main Reef at press ave, Baragwanath (Chris Hani Road), Columbine and Main intersection (Southgate), No.1 Rissik street, Joburg CBD, Simmons Street Robot on ramp CBD.</li> <li>• The JRA launched its communication plan on M1 bridge rehabilitation using radio, print, electronic and social media as well as electronic and road billboards and street pole adverts. The public relations campaign has successfully reinforced the communications rollout.</li> <li>• Additional coverage was negotiated via SANRAL Visual Messaging boards, GAUTRAIN and REAVAYA website.</li> </ul>

Game Changer	2015/16 Target	Progress – Q3
		<p><b>X3 Exhibitions in March 2016</b></p> <p><b>Region F Economic Development Open Day</b></p> <ul style="list-style-type: none"> <li>This activity provided an opportunity for the community of Region F to witness visible service delivery. Exhibitions were conducted to showcase departmental flagship projects as well as interaction with the stakeholders.</li> </ul> <p><b>AGM – Alexandra Stadium</b></p> <ul style="list-style-type: none"> <li>All the City's entities were encouraged to brand the venue for visibility and interaction purposes. JRA held an exhibition stand and provided information to stakeholders.</li> </ul> <p><b>Rand show 2016</b></p> <ul style="list-style-type: none"> <li>The City in collaboration with its 10 entities secured a 250m<sup>2</sup> for exhibition from the 25<sup>th</sup> of March till the 3<sup>rd</sup> of April 2016. The focus on these exhibitions will be on Service Delivery. Preparations are underway and the City will use this platform to interact with the different customers and other stakeholders.</li> </ul> <p><b>Media Briefing sessions</b></p> <ul style="list-style-type: none"> <li>2x Stakeholder/Media briefing sessions were held on 18 Feb and 17 March 2016 regarding the M1 Oxford /Federation bridges rehabilitation and Traffic Light updates.</li> </ul>
Branding & Advertising	10% increase in positive media coverage (100x balanced/positive articles per month): 4x media briefings annually	<p><b>External newsletters:</b></p> <ul style="list-style-type: none"> <li>CoJ In the Loop publication : featured 2 JRA articles on service delivery issues including community outreach programmes – (Stormwater and Plan your Journey M1 Rehabilitation programmes)</li> <li>The JRA On Road internal publication is underway (Articles have been finalized for proof reading )</li> </ul> <p><b>Media Monitoring: January 2016 :</b> The JRA featured in 130 media items (28 Print, 25 broadcast and 77 online). AVE The Advertising Value Equivalent (AVE) for print is R1,346,350 broadcast R644,255, and online R1,485,923 The total combined AVE for January was R3,476,528,</p> <p><b>Press Release:</b></p> <ul style="list-style-type: none"> <li>1x media release was issued on M1 Double Decker rehabilitation to ease traffic congestion caused by flooding.</li> </ul> <p><b>Media Monitoring: February 2016</b></p> <p>JRA featured in 609 media items (108 print, 299 broadcast 202 online). February's Advertising Value Equivalent (AVE)for print is R2,578,750, broadcast R3,769,361, and online R2,608,553 - The total combined AVE for February was R8,956,664, up on the previous month of R3,476,528.</p> <p>During the month of February JRA had 13 positive stories, 37 negative stories and 88 were balanced stories.</p>

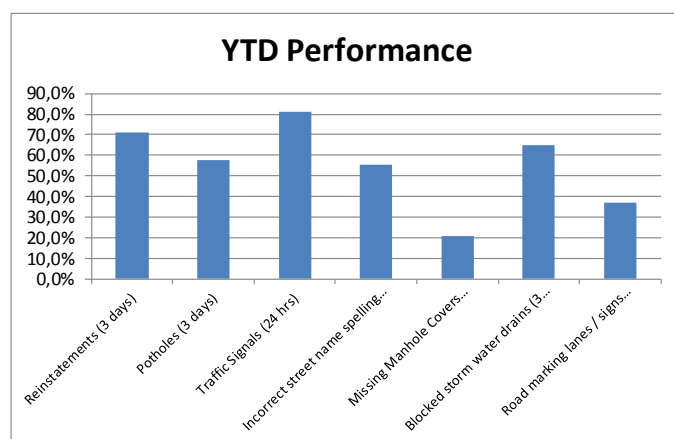
Game Changer	2015/16 Target	Progress – Q3
		<p><b>Press Release:</b></p> <ul style="list-style-type: none"> <li>Striking JRA workers halt traffic.</li> <li>M1 Rehabilitation Project.</li> </ul> <p><b>Media Monitoring : March 2016</b></p> <ul style="list-style-type: none"> <li>As at 18 March 2016, 91 print articles were fought in the media (74 were balanced, 13 positive and 0 negative). Traffic updates were done on both Lesedi and Motswedding FM on daily basis.</li> </ul> <p><b>Press Release</b></p> <ul style="list-style-type: none"> <li>M1 work on Oxford, Federation and Double Decker update</li> <li>Traffic Lights update</li> <li>Flash floods media alerts</li> <li>Traffic Lights</li> <li>New MD announcement</li> </ul> <ul style="list-style-type: none"> <li>X3 Media briefing session were conducted on the following: M1 Oxford /Federation bridges rehabilitation, Update on M1 /Double Decker Project and Traffic signal update.</li> </ul>
Improved Perceptions	<p>1x customer satisfaction survey:</p> <p>1x internal employee survey conducted annually.</p>	<p><b>1x customer satisfaction survey:</b></p> <p>The Project has been postponed due to budget cuts.</p> <ul style="list-style-type: none"> <li>1x internal employee survey conducted annually.</li> <li>Internal survey- information sharing on the 2014/15 survey finding was done through the annual road show.</li> <li>The next Internal Climate Survey will be conducted in the beginning of the 2015/2016 financial Year.</li> </ul>

### 3.4 Performance against Service Standards

The performance of the JRA in relation to the Customer Charter is summarised below. This includes progress over the 3<sup>rd</sup> quarter period as well as the year to date performance. Further detail is provided in the attached **Annexure D**, JRA Company Performance Report.

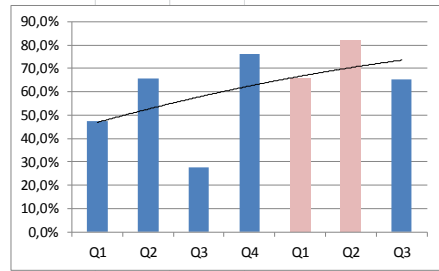
The performance of the JRA in relation to the Customer Charter is summarised below

Kpi	Activity	YTD Performance
Year-to-date	Reinstatements (3 days)	71,3%
	Potholes (3 days)	57,9%
	Traffic Signals (24 hrs)	81,3%
	Incorrect street name spelling corrected (7 days)	55,6%
	Missing Manhole Covers replacement (3 days)	20,8%
	Blocked storm water drains (3 days)	65,0%
	Road marking lanes / signs repaired (3 days)	36,7%

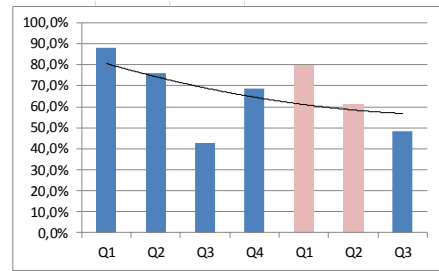


The 3rd quarter performance of the JRA in relation to the Customer Charter is summarised below

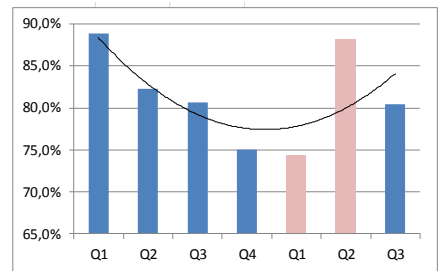
Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Reinstatements (3 days)	Q1	90%	213	101	47,4%	42,6%
	Q2	90%	372	245	65,9%	24,1%
	Q3	90%	138	38	27,5%	62,5%
	Q4	90%	288	220	76,4%	13,6%
	Q1	100%	292	192	65,8%	34,2%
	Q2	100%	332	272	81,9%	18,1%
	<b>Q3</b>	<b>100%</b>	<b>330</b>	<b>216</b>	<b>65,5%</b>	<b>34,5%</b>
Year-to-date	100%	954	680	71,3%	28,7%	



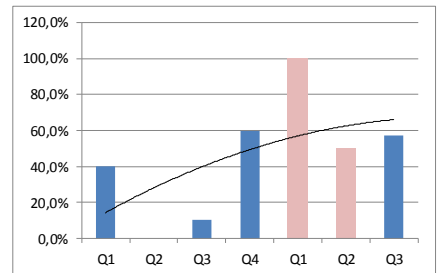
Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Potholes (3 days)	Q1	90%	2807	2471	88,0%	2,0%
	Q2	90%	4122	3130	75,9%	14,1%
	Q3	90%	5435	2314	42,6%	47,4%
	Q4	90%	2607	1794	68,8%	21,2%
	Q1	100%	1574	1259	80,0%	20,0%
	Q2	100%	2406	1472	61,2%	38,8%
	<b>Q3</b>	<b>100%</b>	<b>4417</b>	<b>2134</b>	<b>48,3%</b>	<b>51,7%</b>
Year-to-date	100%	8397	4865	57,9%	42,1%	



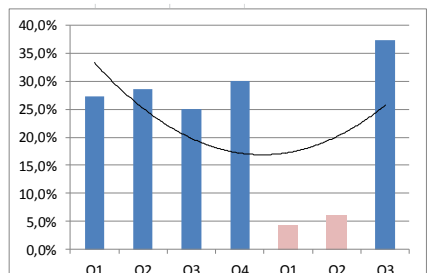
Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Traffic Signals (24 hrs)	Q1	90%	403	358	88,8%	1,2%
	Q2	90%	1085	893	82,3%	7,7%
	Q3	90%	610	492	80,7%	9,3%
	Q4	90%	626	470	75,1%	14,9%
	Q1	100%	402	299	74,4%	25,6%
	Q2	100%	489	431	88,1%	11,9%
	<b>Q3</b>	<b>100%</b>	<b>741</b>	<b>596</b>	<b>80,4%</b>	<b>19,6%</b>
Year-to-date	100%	1632	1326	81,3%	18,8%	



Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Incorrect street name spelling corrected (7 days)	Q1	90%	5	2	40,0%	50,0%
	Q2	90%	3	0	0,0%	90,0%
	Q3	90%	48	5	10,4%	79,6%
	Q4	90%	5	3	60,0%	30,0%
	Q1	100%	0	0	100,0%	0,0%
	Q2	100%	2	1	50,0%	50,0%
	<b>Q3</b>	<b>100%</b>	<b>7</b>	<b>4</b>	<b>57,1%</b>	<b>42,9%</b>
Year-to-date	100%	9	5	55,6%	44,4%	

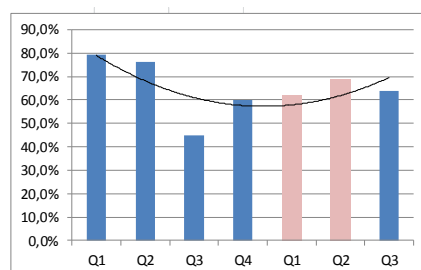


Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Missing Manhole Covers replacement (3 days)	Q1	90%	11	3	27,3%	62,7%
	Q2	90%	7	2	28,6%	61,4%
	Q3	90%	52	13	25,0%	65,0%
	Q4	90%	30	9	30,0%	60,0%
	Q1	100%	46	2	4,3%	95,7%
	Q2	100%	33	2	6,1%	93,9%
	<b>Q3</b>	<b>100%</b>	<b>75</b>	<b>28</b>	<b>37,3%</b>	<b>62,7%</b>
Year-to-date	100%	154	32	20,8%	79,2%	

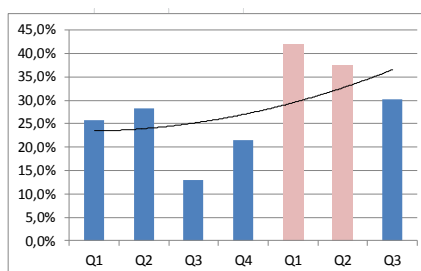


A contractual dispute between the service provider and the JRA in respect of Terms and Conditions in the contract for the provision of alternative products (Manhole Covers) reported in Q2 has been resolved. Purchase orders have been placed on the service provider for the provision of alternative products. The Contract management Unit as well as the Logistics Department are continuously monitoring the supply and delivery of products ordered.

Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Blocked storm water drains (3 days)	Q1	90%	1143	907	79,4%	10,6%
	Q2	90%	1166	889	76,2%	13,8%
	Q3	90%	936	419	44,8%	45,2%
	Q4	90%	824	495	60,1%	29,9%
	Q1	100%	983	608	61,9%	38,1%
	Q2	100%	1053	727	69,0%	31,0%
	Q3	100%	1140	728	63,9%	36,1%
	Year-to-date	100%	3176	2063	65,0%	35,0%



Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Road marking lanes / signs repaired (3 days)	Q1	90%	1933	496	25,7%	64,3%
	Q2	90%	1749	493	28,2%	61,8%
	Q3	90%	1914	250	13,1%	76,9%
	Q4	90%	963	207	21,5%	68,5%
	Q1	100%	2048	862	42,1%	57,9%
	Q2	100%	2398	895	37,3%	62,7%
	Q3	100%	1906	576	30,2%	69,8%
	Year-to-date	100%	6352	2333	36,7%	63,3%



### 3.5 Capital Projects & Expenditure

Detailed Capital project expenditure is provided as **Annexure C** to this report

#### 3.5.1 Capex Expenditure - summary

During the quarter a total of R 201, 637 million was spent on CAPEX projects against a quarterly target of R 566, 096 million. This represents a quarterly performance of 14,25 % in comparison with last year's 3rd quarter performance of 45 %.

	Q1	Q2	Q3	Q4	Total
	R'	R'	R'	R'	R'
Cash Flow projections ("burn rate")	212,286,150	566,096,400	1,132,192,800	1,273,716,900	1,415,241,000
	15%	40%	80%	90%	100%
Achieved	168,619,922	444,915,770	580,885,604		
	11,92%	31,43%	51,31%		

Note: Figures above are cumulative

**3.6 Performance against Institutional SDBIP.** The JRA progress during Q3 in relation to Institutional SDBIP programmes is provided below

Priority	IDP programme	Baseline	2014/15 annual targets	2015/16 Annual Target	Q3 Target	Q3 Actual	Key Interventions	Progress
<b>OUTCOMES 2: PROVIDE A RESILIENT, LIVEABLE, SUSTAINABLE URBAN ENVIRONMENT- UNDERPINNED BY INFRASTRUCTURE SUPPORTIVE OF A LOW-CARBON ECONOMY</b>								
<b>Priority 3: Sustainable human settlements</b>	Transit Oriented Development - Priority areas-  (To be verified)	323.51 lane km of roads resurfaced	536 lane km of roads resurfaced city-wide as per Pavement Management system (PMS)	506.96 Lane km of roads resurfaced city-wide as per Pavement Management system (PMS)	177.44 Lane Km of road resurfaced	107.34 Lane Km of road resurfaced	Resurfacing of roads city-wide to improve the visual condition index	Quarterly target was not achieved  Achieved 107.34 Lane Km of road resurfaced against a target of 177.44 Lane Km.  Due to strike action in February 2016, work was delayed.
	Sustainable Human Settlements Urbanisation Plan (SHSUP)	43.8 km of gravel roads upgraded to surfaced roads	20,92 km of gravel roads upgraded to surfaced standard	47.4 km of gravel roads upgraded to surfaced road	17.3 km of gravel roads surfaced	10.66 km of gravel roads surfaced	Upgrading of gravel roads to surfaced roads programme Bram Fischerville, Diepsloot, Doornkop/Thulani, Drieziek, Ivory Park, Lawley, Orange Farm, Protea South and Tshepisong	Quarterly target was not achieved  Achieved 10.66 Km of gravel roads surfaced against a quarterly target of 17.3 Km
		5.8 km of opens drains into underground at specified areas	4,25 km lane of open channels converted to underground system Orange farm, Alexandra , Ivory Park and Diepsloot	5.45 km of open channels converted to underground system at specified areas	0 km of Open Storm Water drains converted to Underground systems	5 km of Open Storm Water drains converted to Underground systems	Conversion of open drains to underground, Bram Fischerville, Ivory Park and Orange Farm	Quarterly target was achieved  Achieved 5 Km of Open Stormwater drains converted to underground systems against a quarterly target of 0 km

Priority	IDP programme	Baseline	2014/15 annual targets	2015/16 Annual Target	Q3 Target	Q3 Actual	Key Interventions	Progress
<b>Notes:</b>								
<p><b><u>Km of Gravel Roads upgraded to Surfaced Roads:</u></b></p> <p>Progress in relation to the upgrading of gravel roads to surfaced roads during Q3 is as follows:</p> <p><b><u>BRAM FISCHERVILLE</u></b> Construction is in progress and is 57% complete.</p> <ul style="list-style-type: none"> <li>• Length of road asphalt laid: 2.5 km</li> <li>• Length of road base completed: 5.0 km</li> <li>• Length of sub base completed: 1.4 km</li> <li>• Length of roadbed cut 0.5 km</li> <li>• Stormwater pipes laid : 5.6 km</li> </ul> <p><b><u>ORANGE FARM</u></b> Construction is in progress and is 65% complete.</p> <ul style="list-style-type: none"> <li>• Length of road asphalt laid: 3.115 km</li> <li>• Length of road base completed: 1.04 km</li> <li>• Length of sub base completed: 1.945 km</li> <li>• Length of roadbed completed: 0.5 km</li> <li>• Stormwater pipes laid: 5.28 km</li> </ul> <p><b><u>DIEPSLOOT WEST EXT.3</u></b> Construction is in progress and is 95% complete. Achieved 4.68km against a quarterly target of 2km:</p> <ul style="list-style-type: none"> <li>• Length of road asphalt laid: 5.646 km</li> <li>• Stormwater pipes laid : 2.4 km</li> </ul> <p><b><u>DOORNKOP</u></b> The contractor was appointed, construction has commenced, and the consultant was appointed.</p> <p><b><u>LAWLEY EXT.1</u></b> Phase I and II contractors are proceeding with construction. (48% completion)</p> <ul style="list-style-type: none"> <li>• Length of sub base completed: 0.54 km</li> <li>• Length of roadbed completed: 3.66 km</li> </ul>					<p><b><u>Km of opens drains converted into underground systems:</u></b></p> <p>Progress in relation to the conversion of Open Stormwater drains to Underground systems during Q3 is as follows:</p> <p><b><u>BRAM FISCHERVILLE</u></b> The project was completed ahead of schedule. Construction is 100% complete. Achieved 0.8 km against a quarterly target of 0 km. The annual target (0.8km ) has been achieved.</p> <ul style="list-style-type: none"> <li>• 28m of 3000 mm X 1500 mm portal culver in Unity Street,</li> <li>• 245m of 1800 mm X1800 mm portal culvert Unity Street,</li> <li>• 177m of 1800 mm X 1500 mm portal culvert Unity Street,</li> <li>• 55m of 825 mm pipe in Amandla Street,</li> <li>• 181m of 1500 mm pipe in Botswana Street,</li> <li>• 92m of 2400 mm X 1500 mm portal culvert in Ghana Street,</li> <li>• 22m of 1200 mm pipe in Amandla Street</li> </ul> <p><b><u>IVORY PARK EXT.7</u></b> The project was completed ahead of schedule. Construction is 100% complete. Achieved 4.2 Km against a quarterly target of 0 km. The annual target (4km) has been achieved.</p> <p>Construction is completed:</p> <ul style="list-style-type: none"> <li>• 1120m of 450mm pipes laid,</li> <li>• 1755m of 600mm pipes laid,</li> <li>• 795mm of 750mm pipes laid,</li> <li>• 930m of 900mm pipes laid,</li> <li>• 48m of 1050mm pipes laid</li> </ul> <p><b><u>ORANGE FARM</u></b> The construction tender was advertised and closed in November 2015.</p>			

Priority	IDP programme	Baseline	2014/15 annual targets	2015/16 Annual Target	Q3 Target	Q3 Actual	Key Interventions	Progress
								<ul style="list-style-type: none"> <li>Stormwater pipes laid: 5.205 km</li> </ul> <p><u>IVORY PARK EXT.9</u> Phase I and II contractors are proceeding with construction. (73% completion)</p> <ul style="list-style-type: none"> <li>Length of road asphalt laid: 1.936 km</li> <li>Length of road base completed: 2.114 km</li> <li>Length of sub base completed: 0.899 km</li> <li>Length of roadbed completed: 1.32 km</li> <li>Stormwater pipes laid : 8.035 km</li> </ul> <p><u>PROTEA SOUTH EXT 1</u> Construction is progressing well and is 28% complete with stormwater pipes installation and laying of 'imported' material from the borrow pit.</p> <ul style="list-style-type: none"> <li>Length of road base complete: 0.1 km</li> <li>Length of sub base completed: 0.125 km</li> <li>Length of roadbed completed: 2.12 km</li> <li>Stormwater pipes laid : 1.796 km</li> </ul> <p><u>TSHEPISONG</u> Phase I and II contractors are proceeding with construction. (68% completion)</p> <ul style="list-style-type: none"> <li>Length of road asphalt laid: 2 km</li> <li>Length of road base completed: 2.4 km</li> <li>Length of sub base completed: 2.4 km</li> <li>Stormwater pipes laid : 7.8 km</li> </ul>

### **3. 7 Supply Chain Management and Black Economic Empowerment**

The entity has adopted Supply Chain Management (SCM) systems in compliance with the provisions of the MFMA and the National Treasury: Municipal Supply Chain Management Regulations, 2005. A SCM unit monitors the implementation of the entity's SCM policies in line with the regulations which seeks to modernises financial governance and improve accountability and transparency in the entity's processes. The entity's SCM policies provide for the exclusion of awards to persons in the service of the state subject to the exemptions and regulations issued by National Treasury from time to time.

The entity has established an SMME desk and has issued level one tenders to the registered SMME's only. These tenders will be awarded during the 2015/2016 financial year.

#### **The procurement policy of the JRA**

The entity has adopted Supply Chain Management systems in compliance with the provisions of the MFMA and National Treasury: Municipal Supply Chain Management Regulations, 2005. This includes a detailed Procurement Policy with the SCM unit being the primary implementer thereof. The policy seeks to ensure that the JRA complies with the Treasury regulations which seek to modernise financial governance and improve accountability and transparency in the entity.

#### **Other Specific Goals**

In terms of the Regulations (Section 17(3)) the following activities may be regarded as a contributing towards achieving the goals of the Reconstruction and Development Program:

- a) The promotion of South African owned enterprises;
- b) The promotion of export oriented production to create jobs;
- c) The promotion of SMMEs;
- d) The creation of new jobs or the intensification of labour absorption (which has been interpreted, for the purposes of this guide, to include the employment of local labour);
- e) The promotion of enterprises located in a specific province for work to be done or services to be rendered in that province;
- f) The promotion of enterprises located in a specific region for work to be done or services to be rendered in that region;
- g) The promotion of enterprises located in a specific municipal area for work to be done or services to be rendered in that municipal area (the municipal area may, for the purposes of this guide, be narrowed down to smaller local areas such as suburbs or wards);
- (h) The empowerment of the work force by standardising the level of skill and knowledge of workers;
- i) Training and improvement of management skills (formal training of the work force undertaken);
- j) Training on an enterprise's own initiative, shall for the purposes of this guide, be recognized in this category); and
- k) The upliftment of communities within the City of Johannesburg

JRA has appointed Consultants in order to assist the company in shaping the SCM strategy geared to support JRA's overall objectives and priorities.

The entity has implemented the three-stage bidding process with separate Bid Specification, Bid Evaluation and Bid Adjudication committees established.

The Capital projects implemented during the review period served as a mechanism for ensuring participation by SMME's, Cooperatives and BB-BEE companies. As part of this initiative, a process was commenced to establish a register of SMME's and Cooperatives on a regional basis.

During the 3rd quarter, awards to a value of R1 224 337 408.85 were made of which almost 85,82 % of the value of the tenders was awarded to SMMEs and BEE companies.

#### **Awards to state employees**

- Legal requirements

The JRA enforces the prohibition against granting awards to state employees through the declaration of interest forms. Employees are required to declare their interests in line with the legislation and these declarations are then monitored.

- The challenges experienced by the entity

This process is not effective given the lack of suitable software and tools to further interrogate the declarations or submissions by bidders to ensure compliance and identify possible awards to state employees.

- Mechanism in place or to be put in place to deal with the challenges.

A system to address this shortcoming is being investigated and the entity will consider the procurement of software to assist in identifying state employees in contravention of the code of ethics.

Suppliers identified, that are blacklisted by National Treasury will be blocked from the JRA Supplier Database.

#### **3.8 Statement on Amounts Owed by and to Government Departments and Public Entities**

Amounts owing by other Governmental Departments and Public Entities are note as per **Annexure K**

## CHAPTER FOUR

### *HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT*

#### **4.1 Human Resources Management**

##### **4.1.1 Socio-Economic Context**

South Africa remains a dual economy with one of the highest inequality rates in the world, perpetuating inequality and exclusion. The unresolved set of complex socio-economic challenges has locked South Africa into a low-level equilibrium of low growth, persistent poverty and widespread exclusion and unemployment. Although many of the required policy actions are known to the policy-makers, implementation of these has been hampered by a lack of broad political consensus and the deficit in trust between business, labour and government.

According to Statistics South Africa, the unemployment Rate in South Africa decreased to 24.5% in the third quarter of 2016. In South Africa, the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force.

##### **4.1.2 Talent Acquisition Processes and Regulations**

The JRA prides itself as an employer which supports the principles of employment equity, and equal employment/opportunity based on competition, equity, and fairness. Employees are recruited, selected, appointed, transferred and promoted on the basis of fairness and non-discrimination in line with the Employment Equity Act, 1998 (Act 55 of 1998) and Employment Equity (EE) Policy of the COJ.

The JRA policy prohibits discrimination, directly or indirectly, against any current or prospective employees with respect (but not limited) to race, gender, age, political opinion, religion, marital status, ethnic or social origin, sexual orientation, or medical status.

The JRA recognises a need to recruit and select suitably qualified employees, as well as those with potential for development. Employees are selected not only for their ability to contribute to the achievement of the JRA mandate but also for their potential to contribute to improved service delivery to Citizens. The training and development process also aims to provide employees with an opportunity for personal and career growth. The JRA has amended the Talent Acquisition and Management Policy to create career path for internal candidates which was approved by the REMCO during October. During this quarter the JRA appointed 13 employees of which 2 were internal promotions and 11 new employees as well as 43 interns allocated to different departments within the JRA.

##### **4.1.3 Total workforce by employment type, employment contract, region, broken down by gender**

## Head Office

Employment type	Work force	Region	Male	Female	Employment contract
Top management	7	Head office	5	2	7 Fixed Term contracts
Senior management	23	Head office	15	8	1 Short Term contract; 2 Fixed Term contract and 20 permanent
Professionally qualified and experienced specialists and mid-management	56	Head office	40	16	2 Fixed Term contract and 54 Permanent
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	97	Head office	57	40	2 Short Term contract; 2 Fixed Term and 93 Permanent
Semi-skilled and discretionary decision making	167	Head office	73	94	167 Permanent
Unskilled and defined decision making	61	Head office	27	34	44 Interns; and 17 Permanent

## Region A

Employment type	Work force	Region	Male	Female	Employment contract
Top management	0	Region A	0	0	0
Senior management	0	Region A	0	0	0
Professionally qualified and experienced specialists and mid-management	2	Region A	1	1	2 Permanent
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	Region A	2	1	3 Permanent
Semi-skilled and discretionary decision making	33	Region A	29	4	33 Permanent

Employment type	Work force	Region	Male	Female	Employment contract
Unskilled and defined decision making	66	Region A	60	6	66 Permanent

### Region B

Employment type	Work force	Region	Male	Female	Employment contract
Top management	0	Region B	0	0	0
Senior management	1	Region B	1	0	1 Permanent
Professionally qualified and experienced specialists and mid-management	1	Region B	0	1	1 Permanent
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	6	Region B	5	1	6 Permanent
Semi-skilled and discretionary decision making	31	Region E	23	8	31 Permanent
Unskilled and defined decision making	110	Region E	72	38	110 Permanent

### Region C

Employment type	Work force	Region	Male	Female	Employment contract
Top management	0	Region C	0	0	0
Senior management	1	Region C	1	0	1 Permanent
Professionally qualified and experienced specialists and mid-management	1	Region C	0	1	1 Permanent
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	Region C	3	0	3 Permanent
Semi-skilled and discretionary decision making	23	Region C	19	4	23 Permanent
Unskilled and defined decision making	71	Region C	56	15	71 Permanent

## Region D

Employment type	Work force	Region	Male	Female	Employment contract
Top management	0	Region D	0	0	0
Senior management	1	Region D	1	0	1 Permanent
Professionally qualified and experienced specialists and mid-management	0	Region D	0	0	0 Permanent
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	4	Region D	1	3	4 Permanent
Semi-skilled and discretionary decision making	44	Region D	35	9	44 Permanent
Unskilled and defined decision making	80	Region D	51	29	80 Permanent

## Region E

Employment type	Work force	Region	Male	Female	Employment contract
Top management	0	Region E	0	0	0
Senior management	1	Region E	1	0	1 Permanent
Professionally qualified and experienced specialists and mid-management	1	Region E	1	0	1 Permanent
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	5	Region E	4	1	5 Permanent
Semi-skilled and discretionary decision making	40	Region E	34	6	40 Permanent
Unskilled and defined decision making	105	Region E	80	25	105 Permanent

## Region F

Employment type	Work force	Region	Male	Female	Employment contract
Top management	0	Region F	0	0	0
Senior management	1	Region F	1	0	1 Permanent
Professionally qualified and experienced specialists and mid-management	2	Region F	1	1	1 Fixed Term 1 Permanent
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	2	Region F	2	0	2 Permanent
Semi-skilled and discretionary decision making	29	Region F	25	4	29 Permanent
Unskilled and defined decision making	69	Region F	49	20	69 Permanent

## Region G

Employment type	Work force	Region	Male	Female	Employment contract
Top management	0	Region G	0	0	0
Senior management	1	Region G	1	0	1 Permanent
Professionally qualified and experienced specialists and mid-management	1	Region G	1	0	1 Permanent
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	Region G	2	1	3 Permanent
Semi-skilled and discretionary decision making	32	Region G	27	5	32 Permanent
Unskilled and defined decision making	80	Region G	57	23	80 Permanent

## Strategic Assets (Depots)

Employment type	Work force	Region	Male	Female	Employment contract
Top management	0	Strategic Assets	0	0	0
Senior management	0	Strategic Assets	0	0	0 Permanent
Professionally qualified and experienced specialists and mid-management	5	Strategic Assets	4	1	5 Permanent
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	11	Strategic Assets	8	3	11 Permanent
Semi-skilled and discretionary decision making	67	Strategic Assets	53	14	67 Permanent
Unskilled and defined decision making	139	Strategic Assets	96	43	139 Permanent

## Human Resource Management

	Activity	Q1	Q2	Q3	Q4	Target / Comment
Injuries on Duty	Injuries on Duty (No of reportable cases)	18	16	10		The acceptable and recommended best practice reportable case rate value is one (1).
	Reportable Cases Rate (RCR)	0.073	0.078	0.046		Exceeding the value of one (1) becomes a clear indication of inadequate commitment to safety behaviours and principles and control measures.

### 4.2 Employee Remuneration (Total Q3 Costs)

Employment type	Q3 Total Costs R'000
Top management	2 348111
Senior management	5992251
Professionally qualified and experienced specialists and mid-management	26709622
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	28603414

Employment type	Q3 Total Costs R'000
Semi-skilled and discretionary decision making	4555245
Unskilled and defined decision making	32690954

#### 4.3 Key Vacancies

##### 4.3.1 The following are key vacancies were filled during the 3<sup>rd</sup> quarter: -

- **Manager: Employee Relations** – The employees assumed duties on February 01, 2016
- **Manager: Operations Administration** – The employee assumed duties on the February 01, 2016.

##### 4.3.2 The following vacancies are still in the process of being finalized:

- **Office Manager: Corporate Services** – Interviews held on Dec 04, 2015, recommendation report awaiting approval.
- **Depot Manager: Region D** – Interviews held on Nov 06, 2015, no suitable candidates were found. The position was re-advertised on February 20, 2016, with a closing date of February 24, 2016. The interviews took place on March 11, 2016 and the report is on route to approval.
- **Manager: Internal Audit** – Interviews held on Dec 10, 2015, the offer was made to the candidate and they are currently negotiating the offer.

Staff Turnover	Turnover (Reason)	Staff Leaving JRA				Turnover Ratio
		Q1	Q2	Q3	Q4	
	<i>Resignations</i>	14	7	5		3.25
	<i>Death</i>	3	3	0		0.75
	<i>Dismissals</i>	3	3	0		0.75
	<i>Medical Boarding</i>	1	0	1		0.25
	<i>Retirement</i>	8	17	4		3.625
	<i>Contract Termination</i>	4	40	0		5.5
	<b>Total</b>	<b>33</b>	<b>70</b>	<b>10</b>		<b>14.13</b>

#### Vacancy Ratio

Grade / Level	Authorized complement	Number of Vacancies	
		Q3	Vacancy Ratio
Executive Management + HOD's	8	1	0.11
Senior Management	26	0	0
Professionally qualified and experienced specialists and mid-management	213	34	3.77
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	491	67	7.44
Semi-skilled and discretionary decision making	295	6	0.66
Unskilled and defined decision making	1337	61	6.77
<b>Total</b>	<b>2370</b>	<b>169</b>	<b>18.77</b>

#### 4.4 Employment Equity / Staff Demographic Profile

All Municipal Owned Entities are obliged to align to the COJ Economic Active Population Programme (EAP) and as such, the JRA uses the demographics of the COJ Economic Active Population (EAP) to determine its employment equity targets. The table below indicates the applicable percentages that will be used in reporting, in relation to the set numerical goals and targets of designated groups in the JRA. The COJ statistics are utilized only as a benchmark. The EAP statistics are based on the latest information available from the Department of Statistics South Africa (SSA). In order to give effect to

structured implementation of the EE Act, the JRA has approved the Employment Equity Policy and Plan to provide a clear framework.

**Table: EAP Representatives Profiles for Males and Females as at Jan – March 2016**

Population Group	Economically Active Population %		
	Male	Female	Total
African	67.19%	25.68%	92.87%
Coloured	0.86%	0.73%	1.59%
Indian	0.55%	0.15%	0.7%
Whites	3.25%	1.59%	4.84%

OCCUPATIONAL LEVELS QUARTER 3 ( EE PLAN 2019 _2015/16 TARGET)											TOTAL TARGET 2016	ARCHIEVED TARGET 2016	OVERALL TARGET EEA 2019
Occupational Levels	DESIGNATED							NON-DESIGNATED					
	Male			Female				White Male	Foreign Nationals				
	A	C	I	A	C	I	W	Male	Female				
Top management	0	0	0	0	0	0	0	0	0	0	2	0	2
Senior management	0	0	0	0	0	0	0	0	0	0	2	0	5
Professionally qualified and experienced specialists and mid-management	10	0	0	7	0	0	0	0	0	0	16	17	36
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	3	0	0	4	0	0	0	0	0	0	15	7	54
Semi-skilled and discretionary decision making	1	0	0	0	0	0	0	0	0	0	16	1	69
Unskilled and defined decision making	19	0	0	7	0	0	0	0	0	0	39	26	280
<b>TOTAL PERMANENT</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>90</b>	<b>51</b>	<b>446</b>
Non – permanent employees (interns)	0	0	0	0	0	0	0	0	0	0	2	0	8
<b>GRAND TOTAL</b>											<b>90</b>	<b>51</b>	<b>454</b>

**Table: Employment Equity / Staff Demographic Profile as at Jan-March 2016**

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Top management	4	0	0	1	2	0	0	0	0	0	7
Senior management	13	0	0	8	5	0	0	3	0	0	29
Professionally qualified and experienced specialists and mid-management	98	6	6	24	61	4	1	6	2	0	208
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	278	5	1	11	107	6	0	14	0	0	422
Semi-skilled and discretionary decision making	61	0	0	2	28	2	0	1	0	0	94
Unskilled and defined decision making	607	3	1	5	245	0	0	1	0	0	862
TOTAL PERMANENT	1061	14	8	51	448	12	1	25	2	0	1622
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	1061	14	8	51	448	12	1	25	2	0	1622

**Table: Statistics for the equitable representation, (Section 54 EE Act) as at Jan-March 2016**

Present And Expected		Male				Female				Foreign Nationals		Total
		A	C	I	W	A	C	I	W	Male	Female	
All Employees	Current	1061	14	8	51	448	12	1	25	2	0	1622
	Proposed	1104	17	11	78	440	20	6	45	6	0	1727

## **4. 5 Skills Development and Training**

The JRA implements skills development and training within the framework of the Skills Development Act, 1998; Skills Development Act 1999 and the National Skills Development Strategy (NSDS) III. The latter makes emphasis on institutional learning linked to occupationally directed programmes with benefit of improved service delivery.

From an economic perspective, it is imperative to invest in on-going training and development to improve proficiencies in production as well as to acquire the greatest return on investment of human capital.

For these reasons, the JRA has conducted a comprehensive skills audit based on validated job profiles in order to scientifically identify skills development areas per employee. The process was also essential for the JRA for the following reasons:

- It focuses improvement interventions;
- It aids in better planning and more focused training and development initiatives;
- It assists in defining recruitment needs and the appropriate placement of the most suitable candidates;
- It aids placement decisions, as the JRA is aware of the current competence levels and gaps; and
- It informs and enables career pathing, talent management and succession planning, by providing more accurate information to the JRA.

### **Programme Highlights of the Third Quarter**

Corporate Services arranged for the implementation of several training programmes during the third quarter from January to March 2016. Below is a summary of the various training and development programmes which were implemented during the third quarter:

#### **4.5.1 Change Management Training**

Change Management is regarded as key to organisational development and to ensure that changes are managed and implemented effectively. Change Management training was provided for management and labour and the training focused on necessary required abilities and skills to manage change in an organisation

#### **4.5.2 Management Training**

This program was intended for Managers and Assistant managers. The training focused and provided Managers with the necessary guidance and knowledge to be able to effectively direct the employees they work with and improve their working environment. This training programme is aimed at assisting Managers to become more assertive and develop their analytical, diplomacy and time management skills. All these skills are important to a business's success.

#### 4.5.7 Quarter Three: 2015/16 Training Statistics for Period: 01 January to 31 March 2016

The table below indicates all the training interventions implemented during the third quarter (January to March 2016) period:

Strategic Skills Priority	Education and Training Priority	Internal Training Provider	External Training Provider	Trained
<b>Improve Efficiency</b>	Interns	44		
	Sub Ed		46	
	Degrees/Diplomas (Bursars)		17	
	Kliptown Youth Programme		10	
<b>Develop Management &amp; Supervisory skills</b>	Change Management Training		23	<b>159</b>
	Management Training		56	
	Records Management Training		80	
<b>Other</b>	Telephone Etiquette training		24	<b>476</b>
	GCC Contract Management course		2	
	JRA Board Members Training		10	
	Records Management Training		57	
	SARF		27	
	Approved Performance Management & Development Policy	244		
	Interpretation of the Inter-Change Personal Development Plans	112		
<b>Total</b>		<b>356</b>	<b>279</b>	<b>635</b>

In addition, the JRA has also facilitated the learning of 46 internal JRA employees by providing financial assistance via the Subsidised Education Scheme towards studying degrees/diplomas at Higher Educational Institutions. A total of 44 young people from the public sector were employed during January/February 2016 for a one year period as Interns. In addition, a total of 17 students were provided bursaries by the JRA to study on full-time basis at various Universities in the country.

#### 4.6 Performance Management & Succession Planning

Performance Management for the 3rd quarter can be discussed under the following two main headings, namely:-

- Implementation of the approved performance management and development policy,
- JRA Inter-Change Project: approval of proposed salary structures and extension of the project scope.

#### **4.6.1 Implementation of the approved Performance Management and Development (PMD) Policy**

HCM dedicated the 3<sup>rd</sup> quarter to facilitate training sessions to JRA managers on the approved Performance Management and Development policy. As the submission of the 2015/16 Balanced Scorecards was long overdue and delayed by the initial policy implementation processes, Heads of Departments were simultaneously implored to facilitate and ensure the immediate submission of the 2015/16 Balanced Scorecards to HCM.

#### **4.6.2 JRA Inter-Change Project: Close-out reporting and extension of the project scope**

Personal Development Plans were distributed to all employees/line managers and training sessions on the interpretation of the Personal Development Plans (PDP) were facilitated during the 3<sup>rd</sup> quarter. Line managers were requested to facilitate feedback sessions with their subordinates in order to agree on a final development plan for the next three (3) years. HCM will consolidate these development plans into the Workplace Skills Plans, which reflect the planned training for the JRA per financial year, for the coming years.

The consultative process with regards the remuneration benchmarking and salary structuring process continued during the 3<sup>rd</sup> quarter and the final proposed salary structures will be submitted to the Board for consideration during the 4<sup>th</sup> quarter.

The extension of the contract with PwC until 30 June 2016 was approved by the CFO, which allows for additional time to deliver on the extended scope for the Inter-Change project. Work will commence as soon as the proposed salary structures have been approved.

### **4.7 Disciplinary Matters and Outcomes**

#### **4.7.1 Disciplinary Cases conducted and finalized**

- Two (2) cases of theft still in hand from Q1 of which the hearings are in progress. One (1) other hearing of theft from Q2
- Three (3) Cases of **AWOL** handled. Two (2) finalized, with one (1) dismissal and one (1) awaiting sanction. One (1) case is disciplinary hearing in hand;
- Three (3) Cases of **fraud** being heard.

#### **4.7.2 Suspensions**

- Nine (9) employees currently on suspension pending investigations and disciplinary procedures.
- Six (6) suspensions from Q1 still outstanding awaiting finalization of disciplinary hearings.
- Two (2) suspensions from Q2 outstanding awaiting finalization of disciplinary hearings.
- One (1) new suspension

#### **4.7.3 Conciliations and arbitrations**

- Five (5) arbitrations conducted and concluded in favour of the JRA.

#### **4.7.4 Grievances**

Two (2) Grievances finalised, one (1) awaiting the acting Managing Director's ruling

Three (3) new grievances registered

## **4.8 Leave and Productivity Management**

### **4.8.1 Leave Management**

The entity is committed to the effective management of leave for its employees. To this end, supervisors and line managers are charged with the responsibility of leave management within their respective units. It is however acknowledged that challenges exist within the current manual leave management system. It is anticipated that this system will become fully automated during 2015/16.

The JRA has also approved the process to migrate to new SAP system which will be implemented in the 2015/16 financial year. Access to leave input on JDE has been centralised to JRA Head Office.

### **4.8.2 Productivity Management**

The roll out of the productivity programme has been put on hold by the CoJ.

## **4.9 Employee Health and Wellness Programmes**

### **4.9.1 Wellness Programme**

An Integrated Employee Health & Wellness Policy as well as the Employee Health & Wellness Plan has recently been approved to manage related issues. The purpose of the policy and the plan is to improve the quality of life of the employees through provision of quality, sustainable and life-long wellness programmes. The business is in the procurement process of a partner that will provide some of the services in line with the business hybrid approach to employee health and wellness manners.

As part of encouraging healthy lifestyle the following EHW programmes were rolled out during quarter three of 2015/16 financial year:-

- The EHW unit distributed information to all employees for awareness and to commemorate the following days:
  - Braille Day
  - Skin cancer awareness day
  - Leprosy Day
  - Oral health week
  - Condom awareness week. Condoms (male and female) were also distributed to employees.
- Five (5) employees attended individual counselling sessions

### **4. 10.1 Pension Fund Benefits**

The JRA provides pension benefits to its employees through membership in accredited funds as listed hereunder. The benefit is facilitated by the employer, and allows for the investment of employees' retirement fund contributions (inclusive of employer portion).

The contribution split ranges from 7.5% to 9.5 % employee contributions and from 15% to 22.5% employer contributions. The full contribution is borne by the TCTC employees.

NAME OF PENSION FUND	NUMBER OF EMPLOYEES
E-Joburg Retirement Fund	1169
Municipal Gratuity Fund	91
Municipal Employees Fund	35
City of Johannesburg	266
National Fund for Municipal Workers	1
<b>TOTAL</b>	<b>1562</b>

#### 4.10.2 Medical Aid

Participation in a medical aid scheme is compulsory for all employees; however employees are afforded the freedom to select their preferred medical aid provider from the list of contracted providers as indicated below.

Contributions are made by both the employer and employee, with employer and employee contributions at 60% at 40% respectively. Employees participating in the Total Cost to Company (TCTC) scheme are not covered by this arrangement as their packages are inclusive.

NAME OF MEDICAL AID FUND	NUMBER OF EMPLOYEES
BONITAS	306
HOSMED	69
KEYHEALTH	72
LA HEALTH	185
SAMWUMED	313
<b>TOTAL</b>	<b>945</b>

#### 4.10.3 Other Benefits

NAME OF BENEFIT	QUALIFICATION	CONDITION	RELATED AMOUNT/RANGES
Housing Subsidy	Only permanent employees qualify. The benefit is also limited to basic salaried as employees on TCTC already have this benefit incorporated into their packages.	Employees should submit their Mortgage bond documents to Human Capital Management (HCM)	R700
Hostel allowance	Only permanent employees qualify. The benefit is also limited to basic salaried employee s employees on TCTC already have this benefit incorporated into their packages	Employees should submit a signed copy of their lease agreement to either JOSCHO or the City Housing Department.	R632.00

NAME OF BENEFIT	QUALIFICATION	CONDITION	RELATED AMOUNT/RANGES
Travelling (locomotion allowance)	Only permanent employees qualify. The benefit is also limited to basic salaried employee as employees on TCTC already have this benefit incorporated into their packages	Depends on the position and occupational level. Employees are required to submit their car registration papers, and the car in question must be registered in their name.	The benefit amounts to R3500.00 currently. Employees are required to submit their log sheets at six months intervals to enable HCM to consider additional loco adjustment
Cell phone allowance	Only permanent employees qualify.	Depends on the position and occupational level.	Depends on the employee occupational level, allowance ranges from R440 to R 805.00

#### 4.11. SAFETY, HEALTH AND ENVIRONMENT (SHE)

During the third quarter, the following activities were carried out throughout all Regions:-

##### Occupational Health Occupational Health

###### Medical Surveillance Programme

Medical Surveillance Examination is a programme that is carried out annually to monitor the exposure of employees to health hazards. There is also a pre-employment examination that is conducted for all newly appointed employees, to determine and monitor the status of their health, to prevent them from acquiring work related illnesses. The medicals surveillance programme was attended by sixty two (62) employees. Three employees refused to attend exit medicals and were furnished indemnity forms to complete based on their refusal for record purposes (Avalon, Midrand and Strydom Park).

REGIONAL DEPOTS	TYPES OF MEDICAL SURVEILLANCE		
	Periodic	Pre -Employment	Exit
Traffic Signals	62	0	0
Midrand	0	0	1
Waternal	0	0	1
Strydom Park	0	0	1
Zandfontein	0	0	2
Norwood	0	0	1
Total	62	0	6

## **Occupational Safety:**

### Safety, Health and Environmental Committee

Occupational Health and Safety Committee structures in every Region has over the years proved to be a powerful tool to assist managers and employees alike to be able to address health and safety issues which arises in the workplace. However, very few meetings took place during this quarter. Health and safety meetings held in Quarter 1 are twenty three (23), Q2 twenty (20) and Q3 (22) - these took place during January, February and March 2016. Regional depots failing to carryout health and safety meetings were issued with non-conformance notices.

**REGIONAL DEPOTS : SHE COMMITTEE MEETING COMPLIANCE**

JULY'15	AUGUST'15	SEPTEMBER'15	OCTOBER'15	NOVEMBER'15	DECEMBER'15	JANUARY '16	FEBRUARY'16	MARCH'16
Asphalt Plant	Asphalt Plant	Asphalt Plant	Norwood	Asphalt plant	Asphalt plant		Asphalt Plant	Asphalt
Head office	Avalon	Motorways	Strijdom Park	Motorways	Motorways	Motorways	Motorways	Motorway
Waterval	RSD	RSD	Waterval	Waterval			Waterval	Waterval
Norwood	Norwood	Strydom Park	Benrose	Hamburg			Dobsonville	Avalon
Midrand	Benrose	Benrose	Norwood	Midrand	Benrose		Midrand	Traffic Signals
Fleet and Plant	Fleet and Plant	Fleet and Plant	Fleet & Plant	Fleet and plant		Fleet and Plant	Fleet and Plant	RSD
Traffic Signals	Waterval	Traffic Signals	Traffic Signal	Dobsonville	Traffic Signal		Traffic Signals	Strydompark
Zandfontein	Zandfontein			Avalon			Strydompark	Norwood and Zandfontein
				Benrose			Norwood	Head Office
							Dobsonville	

### **SHE Awareness and Workshops**

Health and safety awareness and related workshop were carried out. The emphasis of the safety, health and environmental program seeks commitment and participation of JRA employees and contractors to implement and improve safety practices. The following awareness was carried out:

- SHE Depot Awareness (5) were held with emphasis on two (2) issues of concern i.e. lightning safety (Dos and don'ts), five elements of safety.
- CAPEX PROJECTS Consulting Engineers – Duties of the appointed OHS agent on behalf of JRA
- Facilities Management Unit : Workshop on Emergency Drill and workplace safety awareness
- SHE Depot & Head Office Awareness (14) were held with emphasis on emergency evacuation drill, use of PPE and Housekeeping.

### **Approved Standard Operation Procedures**

- Incident Investigation
- Safety File evaluation
- Injury on Duty
- Toolbox talks
- Emergency Drill
- Health and safety Induction

### **JRA Contracts Monitoring**

Contractor monitoring occurs in line with the implementation of the new Construction Regulations. The regulation has put pressure on the JRA to ensure that appointed contractors comply with the minimum requirements of the health and safety legislation.

The following contractors submitted safety files for inspection and approval as well as periodic site inspections were carried out.

<b>Evaluated contractor safety files</b>	
Superway Construction	Not Approved
Tranakon Civils	Not Approved
W.A Roads Construction	Approved
Boitshoko Roads	Not Approved
WhiteHazy	Approved
Arees Holding	Approved
Actophambili	Not Approved
W.A Roads Construction B	Approved
W.A Roads Construction A	Not Approved
Bophelong Construction	Approved
C & M Consulting	Approved
BMK Engineering	Not Approved
Wild Stallion	Approved
SR Construction	Approved

### **SHE Non-Conforming issued Notices**

Nonconformance notifications are issued based on severity of audit findings highlighting noncompliance on site. Corrective action of the deficiency and due date are agreed upon with contractor/ depot manager, verification of corrective action is monitored, recorded and closed out.

<b>Regional Depots:</b>	<b>CAPEX Contractors:</b>
Benrose – SHE Committee meeting not held.	Lettam Civils – Poor OHS implementation
Traffic Signal: – SHE Committee meeting not held.	Elect Assure – No medical certificates for employees
Benrose Stores – Shortage of PPE	WA Road – Poor Barricading and Poor site establishment
Traffic marking Stores – Shortage of PPE	Distance Star Trading – No PPE Worn
Traffic Signals – Shortage of PPE	Super way Civils – guardroom used as bedroom
Traffic Signals – No SHE Committee meeting held	Super way Civils – dangerous excavations
Benrose – No SHE Committee meeting held	Xuma Technologies – work without safety file approved
Motorways – Failure to use PPE	WA Road – No site Manager ( CR 8.1) appointed on site
RSD- No SHE Committee meeting held and Failure to do Tool box talks	Superway Construction- Failure to implement OHS plan requirements

### **Management of Injuries on Duty**

The JRA injury incidents are reported according to Reportable Cases Rate values (RCR).

The acceptable and recommended best practice reportable case rate value is one (1).

Exceeding the value of one (1) becomes a clear indication of inadequate commitment to safety behaviours and principles and control measures.

It is important to manage injury incidents to levels below the value of 1 (one). In the third quarter ten (10) reportable cases were reported. The depots are demonstrating slight improvement in terms of the efficiency of our control measures, safe behaviour and management commitment to enforce compliance.

Table 1 (RCR) shows the first and second quarter recordable case rate value at (0.07), however the third quarter recording dropped to 0,04 falling below the acceptable limit with a value of 1.

**Table 1: REPORTABLE CASE RATE (RCR)**

**Table 1:** The March month demonstrated high incidents rate of minor injuries due to vehicle and machinery accidents.

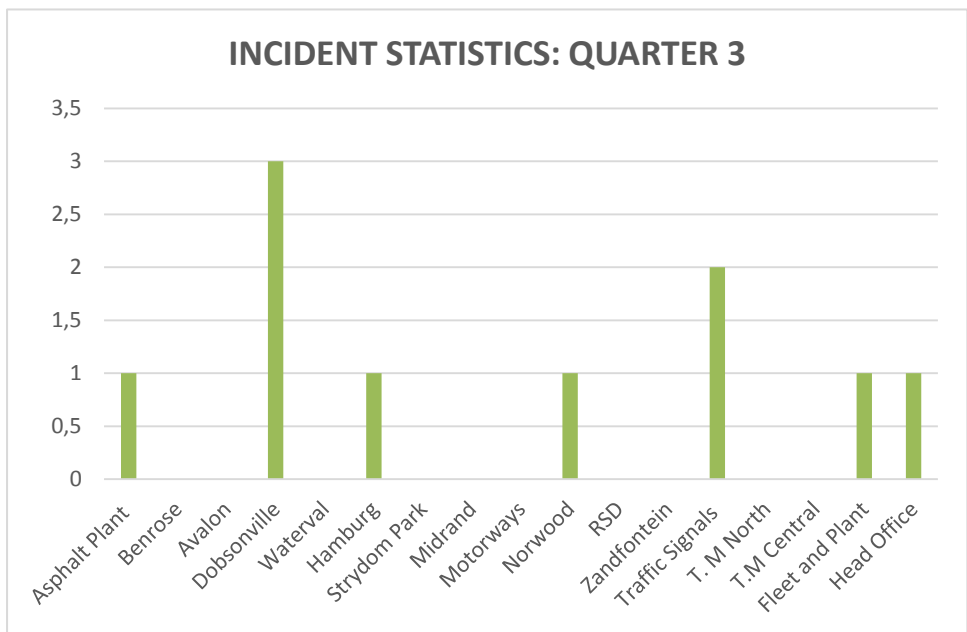
2015/ 16 Financial year							
Month	No of employees	No of hrs	Hrs in month	Hrs in yr	No of Reportable Cases	Reportable Case Rate	
<b>FIRST QUARTER 2015</b>							
15-Jul	1666	184	306544	56404096	7	0,024820892	
15-Aug	1660	160	265600	42496000	2	0,009412651	
15-Sep	1647	168	<b>276696</b>	46484928	9	0,038722228	
<b>Q1- Total</b>						<b>0,072955771</b>	
<b>SECOND QUARTER 2015</b>							
15-Oct	1640	176	<b>288640</b>	50800640	7	0,027558708	
15-Nov	1635	168	<b>274680</b>	46146240	4	0,01733619	
15-Dec	1628	136	<b>221408</b>	30111488	5	0,033209916	
<b>Q2 - Total</b>						<b>0,078104815</b>	
<b>THIRD QUARTER 2016</b>							
16-Jan	1624	160	<b>259840</b>	41574400	1	0,004810653	
16-Feb	1625	168	<b>273000</b>	45864000	3	0,013082156	
16-Mar	1622	160	<b>259520</b>	41523200	6	0,028899507	
<b>Q3- Total</b>						<b>0,046792315</b>	

**Table 2: Recorded Incidents at Regional depots**

DEPOTS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	Total
Asphalt Plant	0	1	1		2
Benrose	2	1	0		3
Avalon	1	4	0		5
Dobsonville	6	4	3		13
Waterval	0	1	0		1
Hamburg	2	1	1		4
Strydom Park	0	2	0		2
Midrand	0	0	0		0
Motorways	4	0	0		4
Norwood	1	0	1		2
RSD	2	0	0		2
Zandfontein	0	1	0		1

DEPOTS	QUARTER 1	QUARTER 2	QUARTER 3	QUARTER 4	Total
Traffic Signals	0	1	2		3
T. M North	0	0	0		0
T.M Central	0	0	0		0
Fleet and Plant	0	0	1		1
Head Office	0	0	1		1
<b>Total</b>	<b>18</b>	<b>16</b>	<b>10</b>		<b>44</b>

**Table 3: Incident Statistics Graph: Quarter 3**



The graph above demonstrates a high number of injuries in the third quarter (10). However Dobsonville is a cause of concern as they accounted for thirteen incidents from quarter one to three. Avalon Depot accounted for five incidents. The increase in injury incidents may be attributed to possible poor judgement and disregard of standard operating procedures in the course of duty.

### **Environmental Management Compliance**

#### **1.1 Waste Management Training/Workshop**

The SHE unit conducted a Waste Management Training/Workshop for Environmental Management Representatives on the 28 January 2016. The training was attended by eleven (11) Environmental Representative. The purpose of the training was to capacitate the Environmental Management Representatives in order execute environmental responsibilities as expected.

## 1.2 Air Quality Emission Management

Air quality consultants (C & M Consulting Engineers) were appointed in March to carry out air quality assessments to comply with Air Quality Act requirements, as well as the Air Emission Licence (AEL) requirements to maintain the current provisional licence to operate the Asphalt Plant whilst awaiting the purchasing of the new plant.

## 1.3 Earth Hour Awareness

The unit also made awareness on the Earth Hour initiative to address the reality of global warming and employees of the Johannesburg Roads Agency can make a difference.

## 1.4 Compilation of GHG emission inventory

The unit has also been involved in collating data for the compilation of the Green House Gas emission inventory, which is a COJ project, to monitor and evaluate energy reduction contributing towards decreasing global warming.

## **CHAPTER FIVE**

### **FINANCIAL PERFORMANCE**

#### **5.1 Statement of Financial Position and high level notes**

- The cash on hand at the end of 3rd quarter was R 461, 939 million as compared to R 425, 739 million at the 30 June 2015
- There is an accumulated surplus of R 229, 085 million at the end of the third quarter as compared to an accumulated surplus of R 166, 802 million at 30 June 2015.

#### **5.2 Statement of Financial Performance and high level notes**

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- The net operating loss for the quarter is R 17, 275 million
- For the third quarter the operating expenditure was R 195, 891 million
- The current ratio at the end of the 3rd quarter is 1.65:1, compared to 1, 24:1 at the 30 June 2015.

#### **5.3 Cash Flow Statement**

Refer Annexure I

#### **5.4 Ratio Analysis**

Refer Annexure D

#### **5.5 Report on Irregular, Fruitless and wasteful Expenditure and due Process**

##### **5.5.1 Irregular Expenditure**

There was no irregular expenditure identified during the 3rd quarter.

##### **5.5.2 Fruitless and Wasteful expenditure**

There was no Fruitless and Wasteful expenditure incurred during the 3rd quarter period.

### 5.5.3 Deviations

During the 3<sup>rd</sup> quarter, the deviations reported amounted to R 2 344 468.78 these were emergency appointments as noted in the schedule below

Dept.	Appointment Date	Contract No / Order No	Supplier	Value (Exclusive)	Nature of Deviation	Service/ Goods delivered
Risk Management	18/12/2015		Best Enough Trading and Projects, trading as Talent Inc Staffing Group Talent	R 193 778.30	Emergency	The payment of placement fee for Manager: Risk Management: The position of Manager: Risk Management became vacant and the interviews for the position were held. No suitable candidate was found in line with the JRA Talent and Acquisition Management Policy. The recruitment unit of the JRA procured the services of Best Enough Trading and Projects, trading as Talent Inc Staffing Group Talent for placement of candidates for the above position without a prior approval from the Supply Chain Management. Talent Inc Staffing Group Talent rendered the placement services for the JRA recruitment unit per the attached invoice dated 06 October 2015
ID	23//02/2015	JRA/16/06	SNA Civil Structural Engineering (Pty) Ltd	R 1 195 500.00	Emergency	<p>Appointment on an emergency basis to carry out investigation into the collapse of the bridge support structure onto M1 Motorway at Grayston Drive on Wednesday the 14 October 2015: On Wednesday 14 October 2015 the bridge support structure for the new pedestrian bridge over the M1 Motorway at Grayston Drive collapsed causing the closure of the M1 Motorway in both directions resulting in two fatalities in the incident and more people were injured.</p> <p>The bridge was being constructed by Murray and Roberts under contract to the Johannesburg Development Agency.</p> <p>The JRA was requested by the City of Johannesburg to conduct an independent investigation on the matter by a professional engineering firm</p>

Dept.	Appointment Date	Contract No / Order No	Supplier	Value (Exclusive)	Nature of Deviation	Service/ Goods delivered
						<p>experienced in bridge design and to report on the causes of this collapse.</p> <p>SNA Civil Structural Engineers (Pty) Ltd are presently employed by the JRA for professional services for the construction of urgent repair work on the M1 Double Decker Bridge. Their experience with bridge design and the good work they have performed on the Double Decker project made them the most appropriate firm to carry out the required investigations on the collapse.</p>
Legal	18/02/2016		Bowman Gilfillan	R 382 366.20	Emergency	The settlement of Bowman Gilfillan Attorneys account: In 2014 the JRA was served with summons being sued for loss of profit by ZD Investment claiming they were not awarded a bid to supply plant Equipment amounting to R 22 million. JRA had 20 days to respond to the summons and legal unit had to procure the service of attorney in this case to avoid an application for default judgment against JRA.
Facilities	11/03/2016	JRA/16/14	Manoti Building Construction cc	R 427 230.00	Emergency	Appointment of a service provider for the removal of cracked glass, sealing and installation of glass façade at the Johannesburg Roads Agency Head Office building: The glass pyramid of the roof at the 13 <sup>th</sup> floor has been damaged and is leaking down the reception area of the JRA head office building. The main leaks are experienced from the 13 <sup>th</sup> floor south as this is where the glass façade is positioned. Due to heavy rains still prevalent in Johannesburg, this creates a risk of infrastructure and damaged furniture and thus the glass needs to be repaired.
Legal	25/01/2016		Van Velden Duffey Incorporated	R 38 412.14	Emergency	Approval to settle attorney's account: In 2014 the JRA was served with summons being sued for loss of profit by ZD Investment claiming they were not awarded a bid to supply plant Equipment amounting

Dept.	Appointment Date	Contract No / Order No	Supplier	Value (Exclusive)	Nature of Deviation	Service/ Goods delivered
						to R 22 million. JRA had 20 days to respond to the summons and legal unit had to procure the service of attorney in this case to avoid an application for default judgment against JRA.
Human Resources	12/10/2015		Game Shopping Centre	R 107 000.00	Emergency	Process to issue long service awards vouchers: JRA new condition of services was approved in 13 October 2014. Chapter 12 of the conditions of service provides the criteria in which employees will qualify for long service awards for different years. The chapter did not provide the process as how the vouchers will be issued to employees

## 5.6 Pending Litigation and possible Liabilities

Pending and / or possible litigation against the JRA are noted hereunder:

	CASE NUMBER	COMMENCEMENT DATE	AMOUNT CLAIMED	CAUSE OF ACTION	PROGRESS
1.	39968/12 South Gauteng High Court	October 2012	R2, 5 million	DEFAMATION	The matter was set-down for trial for December 2016.
2.	39967/12 South Gauteng High Court	October 2012	R2,5 million	DEFAMATION	Same as above
3.	39969/12 South Gauteng High Court	October 2015	R3 million	DEFAMATION	Same as above
4.	23340/2012 South Gauteng High Court	November, 2013	Not quantifiable	SPECIFIC PERFORMANCE	The JRA is currently rendering performance as per the Court Order
5.	Court processes yet to be issued	December, 2013	N/A	SPECIFIC PERFORMANCE	Site visit requested by the Plaintiff's Attorneys
6.	10/40944 South Gauteng High Court	January, 2011	R 316 926.27	UNDUE ENRICHMENT	Matter awaiting set-down
7.	79033/2014 Magistrate Court for the District of Johannesburg	October, 2014	R 159 373. 28	CIVIL DEBT	Awaiting Pre-Trial date
8.	71102/14 North Gauteng High Court	July, 2013	R1 305, 362. 44	CIVIL DEBT	Notice to compel issued against the Plaintiff

9.	34240/10 South Gauteng High Court	July, 2010	N/A	SPECIFIC PERFORMANCE	The withdrawal notice by the JRA was served on the respondent's attorneys and filed in Court in January, 2016.
10.	26703/11 North Gauteng High Court	July, 2011	R 158,181.42	CIVIL DEBT	The matter has been postponed sine-die
11.	26704/2011 North Gauteng High Court	July, 2011	R 3 870.169.09	CIVIL DEBT	The matter was postponed sine-die
12.	45031/13 North Gauteng High Court	October, 2014	R 955 892. 04	CIVIL DEBT	An application to compel has been served on the Plaintiff
13.	JR 2836/12 Labour Court Johannesburg	November, 2012	N/A	RE-INSTATEMENT	Application for dismissal served on the Applicant
14.	33871/2014 South Gauteng High Court	November, 2014	Not quantifiable	INTERDICT	The applicant has not prosecuted the case to date
15.	26702/2011 North Gauteng High Court	July, 2011	R1 , 277,649.41	CIVIL DEBT	The matter was postponed sine-die
16.	3766/15 South Gauteng High Court	11 February, 2015	R7 339. 628.00	SPECIFIC PERFORMANCE	The <i>Locus Standi</i> of the Applicant have been raised
17.	6107/2014 Magistrates Court for the District of Johannesburg	February, 2014	R24 999.09	DAMAGES	Trial date allocated
18.	16392/2013 South Gauteng High Court	29 July, 2015	R41,609.75	CIVIL DEBT	Awaiting taxation of the bill of costs.
19.	47339/15 Magistrates Court for the District of Johannesburg	November, 2015	R77 844.00	REINSTATEMENT	The Applicant has requested that JRA grant Condonation for non-compliance with an institution of Legal Proceedings against Organs Of State.

## 5.7 Insurance Claims against / to MOE / Department

### 5.7.1 Insurance against JRA

Claims made against the JRA is provided in detail as **Annexure M** to this report

In summary, the following claims have been received during the 3<sup>rd</sup> Quarter:

	Letter of Demand	Normal Claims	Summons	Total	Total amount claimed
January 2016	01	11	05	17	R1 357 491.67
February 2016	11	17	07	35	R4 043 077.66
March 2016	10	11	04	25	R2 684 236.22

**Insurance Claims (JRA claims against 3<sup>rd</sup> party)**

Claims issued by JRA against 3<sup>rd</sup> parties during the 3<sup>rd</sup> Quarter are as listed in the table below:

All claims			Theft / Vandalism				Accident				
Month	Amount claimed ('R)	Total 15/16	Month	No of incidents	Amount claimed (R)	Total 15/16	Month	No of incidents	Amount claimed (R)	Total 15/16	
Jan 16	R 1 118 474,23	R 8 590 756,79	Jan 16	40	R 258 165,84	R 3 800 104,67	Jan 16	135	R 860 308,39	R 4 790 652,12	
Feb 16	R 476 675,57		Feb 16	12	R 186 706,77		Feb 16	50	R 289 968,80		
Mar 16	R 697 108,70		Mar 16	21	R 205 005,86		Mar 16	77	R 492 102,84		
				73					262		

**CHAPTER SIX**  
**AUDITOR-GENERAL AND INTERNAL AUDIT FINDINGS**

**6.1 State of internal controls**

Progress on the status of internal controls based on the audits completed within Quarter 3 (January 2016 - March 2016) is that controls are adequate but ineffective to provide reasonable assurance that JRA objectives will be achieved:

Name Audit Area	Opinion Expressed	Rating
Risk Management Follow-up Audit	Adequate and effective	Green
Key Control Assessment Q2 Dashboard	Adequate with the need for improvement on the effectiveness	Yellow
Bids Observations Continuous Audit	Adequate and effective	Green
Training and development	Adequate with the need for improvement on the effectiveness	Yellow

**6.2 Progress on the resolution of internal audit findings**

Of the 106 Internal Audit findings open as at 3<sup>rd</sup> quarter, four (04) findings are not yet due for implementation by JRA Management as at the end of the quarter 3, resulting in a total number of one hundred and two (102) findings that were due for the JRA to resolve during quarter 3. Progress against these findings is as follows:

Findings	Q3 Target	Resolved in Q3	Unresolved Q3
102	82	37	65
	80%	36%	64 %

Summary of resolution of Internal Audit Findings for Quarter 3

Description	Total Findings	Total resolved Q3	Not yet due	Total Unresolved
Opening balance as at 1 January 2016	106	0	12	94
<b>Totals findings as at 31 March 2016</b>	<b>106</b>	<b>37</b>	<b>4</b>	<b>65</b>

**Detailed Status of unresolved findings with management actions and progress as at Quarter 3:**

Description	Management action Plans and Progress	Responsible Person	Timelines
65 unresolved findings	<ul style="list-style-type: none"> <li>• The Committee Chairman held one-one sessions with the Heads of Departments and their teams on 07 March 2016, to review progress on resolution of findings and to get commitment from Management on the resolution of findings. The outcome of the sessions was to be reported to the MMC.</li> <li>• Schedule of internal audit findings implemented and communicated by Internal Audit to all HODs for tracking of implementation of action plans to resolve audit findings.</li> <li>• Management to provide assurance on the implementation of action plans as and when they are due, as per the approved agreed management action policy. Evidence to be provided to IA as and when.</li> <li>• Internal Audit to conduct follow up audit as per the approved audit plan.</li> <li>• Progress on the status of resolution of Audit findings to be tabled at EMT and reported quarterly to Audit Committee and COJ.</li> </ul>	All HOD's and Internal Audit.	Continuously and quarterly.
4 findings not yet due		All HOD's and Internal Audit	Continuously and quarterly.

**6.3 Progress on the resolutions of audit findings by the Auditor General**

**Management Letter issues (AG)**

**6.3.1. 2014/15 Audit.**

Out of thirty- three (33) findings raised, progress to date is as follows:

- Eleven (11) findings were reported as resolved by Management, with seven (7) findings verified to be satisfactory resolved by Internal Audit, translating to: 21% (7/33) and four (4) findings still in progress of being verified by Internal Audit.
- Twenty-two (22) findings are unresolved as at end of Q3, translating to 67 % (22/33).

**1.3. 2. 2013/14 Audit**

One (1) finding, out of a total of 36 findings raised in 2013/14 remains unresolved to date as at the end of Q3, with the due date for implementation of the management action plan being the 31<sup>st</sup> March 2016.

### **6.3.3. Commitment by the Audit Committee to resolving audit findings**

The Audit and Finance Committee remains committed to resolving audit findings and receives quarterly reports on progress made by management in this regard.

The Committee Chairman held one-one sessions with the Heads of Departments and their teams on 07 March 2016, to review progress on resolution of findings and to get commitment on the resolution of findings. The outcome of the sessions was to be reported to the MMC.

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## ACRONYMS

Acronym	Detail	Acronym	Detail
AFS	Annual Financial Statements	LLB	Bachelor of Laws
B Proc	B Proc – <i>Baccalaureus Procuratoris</i>	MFMA	Municipal Financial Management Act
BEE	Black Economic Empowerment	NSDS	National Skills Development Strategy
B-BBEE	Broad Based Economic Empowerment	OHASA	Occupational Health and Safety Act
CAPEX	Capital Expenditure	OPEX	Operational Expenditure
COBIT	Control objectives for information technology	PAYE	Pay as you earn
CoJ	City of Johannesburg	PDR	Preliminary Design Report
DDR	Detailed Design Report	RITC	Risk and IT Committee
EAP	Economic Active Population	RFQ	Request for Quotation
EE Act	Employment Equity	SCM	Supply Chain Management
EFF	External Finance Fund	SDBIP	Service Delivery Budget Implementation Plan
EFT	Electronic Financial Transfer	SMMEs	Small Medium Micro Enterprises
EMT	Executive Management Team	UPS	Uninterrupted Power Supply
GRAS	Group Assurance Services	USDG	Urban Settlement Development Grant
JDE	JDE Accounting System	VAT	Value Added Tax
JSIP	Jozi Strategic Information Platform		

Table: Summary of JRA Risks

Item	Risk	Key Actions/Controls	M&F Rating	Trend In Q2	Trend In Q3
1	Reduced confidence in JRA's ability to effectively implement CAPEX projects and adherence to the Customer Charter	<ul style="list-style-type: none"> <li>✓ Development and approval of the SCM Strategy, Policy &amp; SOP. Update: Awaiting Board Approval</li> <li>✓ Develop a specification for appointment of panels for consultants and contractors. Update: Awaiting Board Approval</li> <li>✓ Implementation of project management system (PMS) Mid-term budget allocation to projects with a high propensity for expenditure and engagements with City of Johannesburg to obtain approval for allocation of funding for tenders not awarded due to budgetary constraints. Update: Complete</li> <li>✓ Revise tender documentation to comply with new construction regulation. Update: In progress</li> <li>• Contractor services for level 2 maintenance and cooperatives for level 1. Update: to be completed in November</li> </ul>	H(22.5)	→	→
2	Ineffective Business Continuity Management	<ul style="list-style-type: none"> <li>• The City is in the process of contracting with external provider that will be responsible for the successful roll out of BCM initiatives across of entities. JRA has formally requested to be part of the pilot project. [Due Date: To be confirmed by the City]</li> </ul>	H(18)	→	→
3	Potential closure of the Asphalt ("not fit for purpose") Plant and inadequate production of asphalt may result in inadequate supply of asphalt to the JRA depots	<ul style="list-style-type: none"> <li>✓ Implement Board decision on acquisition of a new plant. Implementation to be determined once budget allocation has been completed for 2016/2017 financial year.</li> <li>✓ Asphalt Plant management conduct weekly checks to ensure any issues are picked and managed accordingly.</li> </ul>	H(18)	→	→
4	Failure to implement the ICT Governance	<ul style="list-style-type: none"> <li>✓ Development, approval and implementation maturity roadmap with timelines Update: Maturity roadmap has been approved, implementation date is 1 March 2018.</li> <li>✓ Appoint a CIO and Governance Champion</li> <li>✓ Alignment to PDSA and NT regulatory Framework</li> </ul>	H(14.4)	→	→

Item	Risk	Key Actions/Controls	M&F Rating	Trend In Q2	Trend In Q3
5	Inability to support the JRA to achieve objectives due to ineffective SCM function	<ul style="list-style-type: none"> <li>✓ Development and approval of the SCM Strategy, Policy &amp; SOP Update: Awaiting Board Approval</li> <li>✓ Implementation of the approved SCM Strategy and benefit tracking Update: Dependant on SCM strategy approval.</li> <li>✓ Procurement of an automated monitoring system for tender administration Update: Dependant on CoJ processes.</li> </ul>	H(14.4)	→	→
6	Non-compliant information security governance and management	<ul style="list-style-type: none"> <li>✓ Approval of information security governance framework and policy</li> <li>✓ Implement and embed information security risk management</li> </ul> <p>Update: Actions above are dependent on procuring a service provider through s32 with CoJ. The implementation dates for the above actions will need to be revised.</p>	H(12.5)	→	→
7	Theft and vandalism of the City roads infrastructure and furniture	<ul style="list-style-type: none"> <li>✓ Install 9 cameras in 2015/16 financial year. Update: 5 cameras have been installed remaining cameras to be installed by the end of the 4th quarter.</li> <li>✓ Secondment of ten (10) JMPD officers to the Freight &amp; Infrastructure Protection Division Update: Complete. Launch of the IPU unit in April 2016</li> <li>✓ Mobilise communities to own and protect the infrastructure as per the Development Service Delivery Model (DSDM). Update: Additional campaign to be done after the launch of the IPU</li> </ul>	H(12.5)	→	→
8	Inconsistent application of project governance framework and systems	<ul style="list-style-type: none"> <li>✓ Implement business-wide the project management framework, policy and procedures</li> <li>✓ Establish (or extension of scope the existing) executive oversight forum for monitoring of key programmes and projects</li> <li>✓ Alignment to City Governance and regulatory frameworks</li> <li>✓ Procurement of document storage facility project management filing</li> <li>✓ Update: The CoJ has established a strategic program of which the aim is to ensure that all ME comply with project governance requirements. JRA has been included in this process. The actions above will be covered as part of this CoJ process.</li> </ul>	M(10.8)	→	→

Item	Risk	Key Actions/Controls	M&F Rating	Trend In Q2	Trend In Q3
9	Fraud and corruption	<ul style="list-style-type: none"> <li>✓ Restructuring of the tender process to strengthen enforcement. Update: Awaiting Board decision on the SCM strategy.</li> <li>✓ Conduct security vetting for critical position Finalisation of the Whistle-Blowing Policy. Update: Seeking legal advice on which levels are to be vetted.</li> </ul> <p>Migration to SAP ERP which has stricter authorisation and approval controls. Update: Awaiting SAP implementation by the CoJ</p>	M(10)	→	→
10	Labour unrest due to unsatisfactory labour relations	<ul style="list-style-type: none"> <li>✓ Enforce the Organisational Rights Agreement. Update: Demarcation dispute has been referred to the labour court for review.</li> <li>✓ Prioritize LLF to proactively discuss issues to ensure that strikes are prevented. Update: LLF are held on a monthly basis.</li> <li>✓ Note: Risk rating has been increase of the recent labour actions.</li> </ul>	H(14.4)	→	↗

**Supply Chain Management: Progress of capital projects in relation to tender processes**

Project Description	Tender Number	BSC	BEC	BAC	Letter of Award issued
Brid 05- Le Roux Road Widening, Halfway House , Region A	051/2014	Approved	Approved	Approved	
Brid 05 - Naledi/Protea Bridge (between wards 20 and 14) New Bridges (pedestrian and vehicle) Naledi D Regional	092/2013	Approved	Approved	Approved	13/03/2014
Brid 10 - Bridge expansion joints, renewal bridges (pedestrian and vehicles)Johannesburg F City wide	070/2013	Approved	Approved	Approved	31/10/2013
Brid 11 -Bridge rehabilitation, renewal bridges (pedestrian and vehicles) Johannesburg F City wide	070/2013	Approved	Approved	Approved	31/10/2013
Brid 11 - Bridges, visual and detailed (Principal) inspections. New bridges (pedestrian and vehicles) Johannesburg F City wide	072/2013	Approved	Approved	Approved	31/10/2013
Brid 12 - Motorway Gantries. Renewal Roads: Rehabilitation Johannesburg F City Wide	082/2014	Approved	Approved	Approved	15/12/2014
Brid 20 - Bridges, overtopping (flooding). Renewal bridges (pedestrian and vehicles) Johannesburg F City wide	103/2014 104/2014 105/2014 106/2014	Approved	Approved	Approved	02/03/2015
Brid 20 - Conrad Drive Bridge, Blairgowrie. Renewal bridges (pedestrian and vehicles) Craighall B Ward	101/2014	Approved	Approved	Approved	11/03/2015
Brid 30 - Jabulani/Molapo Bridge. New bridges (pedestrian and vehicles) Jabulani D Ward	108/2014	Approved	Approved	Pending	N/A
MISCL - Pedestrian Bridge in Kaalfontein: New Bridges (pedestrian and vehicles) Kaalfontein Ext 2, A Ward	080/2014	Approved	Approved	Approved	02/12/2014
MISCL -Pedestrian Bridge in Klipspruit West. New Bridges (pedestrian and vehicle) Klipspruit West D Ward	080/2014	Approved	Approved	Approved	02/12/2014
MISCL -Pedestrian Bridge in Slovo Park (also Ashanti). New Bridges (pedestrian and vehicle) Coronationville B Ward	080/2014	Approved	Approved	Approved	02/12/2014
MISCL -Pedestrian Bridge in Diepsloot. New Bridges (pedestrian	080/2014	Approved	Approved	Approved	02/12/2014

Project Description	Tender Number	BSC	BEC	BAC	Letter of Award issued
and vehicle) Diepsloot Wes A Ward					
Catch 10 - Emergency stormwater improvement (multiyear): Protea Glen Ext 1 -4 (Phase 1 - 5. new stormwater catchments Protea Glen D Ward	092/2014	Approved	Approved	Pending	
Catch 200 - Braamfontein Spruit Catchment: Erosion Protection, East of George Lea Park to Marie Street (173 m length). New stormwater catchments Braamfontein Werf Ext 1, E Ward	N/A	Approved	Pending		
Catch 200 - Braamfontein Spruit Catchment: Erosion Protection: Conrad Drive to Rustenburg Road new stormwater catchments Braamfontein Werf B Ward	N/A		Pending		
Catch 200 -Braamfontein Spruit catchment: upgrade to culvert Milpark renewal roads. Construction and upgrades Braamfontein Werf Ext 1, B Ward	N/A		Pending		
Catch 205 -Robinson Canal catchment structural improvement Robinson Canal Sub 4 renewal stormwater catchments Robin Acres F Ward	109/2014	Approved	Approved	Approved	04/03/2015
Catch 205 -Robinson Canal catchment structural improvement Robinson Canal Sub 10 renewal stormwater catchments Robindale F Ward	110/2014	Approved	Pending		
Catch 205- Robinson Canal catchment: structural improvement Robinson Canal Sub 3, Sub 6 and Sub 7 renewal stormwater catchments Robindale F Ward	109/2014	Approved	Approved	Approved	04/03/2015
Catch 210 - Bosmont catchment: stormwater drainage : central areas new stormwater catchments Bosmont F Ward	162/2014	Approved	Pending		
Catch 210 - Klein Juskei catchment(CBP) stormwater control: Willows development: Windsor new stormwater catchments:Jukskei Park B Ward	166/2014	Approved	Pending		
Catch 210 - Klein Juskei catchment: Bond Stream Relief System, Ferndale, new stormwater catchments Ferndale B Ward	128/2014	Approved	Pending		
Catch 212 - Bez Valley catchment: Recon Sub 6, Rehab Main, Sub 1 & 4. Renewal stormwater catchments Bezuidenhout Valley F Ward	124/2014	Approved	Pending		

Project Description	Tender Number	BSC	BEC	BAC	Letter of Award issued
Catch 215 - Kliptown stormwater upgrade (Phase 10): Low level Bridge, renewal stormwater management projects Klipspruit West Ext 1, D Ward	033/2014	Approved	Approved	Approved	21/07/2014
Catch 220 - Juskei catchment: Fourways Mall Dam and Downstream Works. New stormwater catchments Fourways Ext 16, A Ward	059/2014	Pending			
Catch 240 - Klipriver catchment: Upgrading of stormwater drainage system in Mogaseview renewal stormwater catchment Klipspruit D Ward	133/2014	Approved	Approved	Approved	25/05/2015
Conv - Conversion of Open Drains to underground /covered drains in Braamfisherville. Renewal stormwater management projects Braamfisherville C Ward	084/2013	Approved	Approved	Approved	30/06/2014
Conv- Conversion of Open Drains to underground/covered drains in Ivory Park. Renewal stormwater management projects Ivory Park Ext 7, A Ward	116/2014	Approved	Approved	Approved	30/03/2015
Conv - Conversion of Open Drains to underground/covered drains in Orange Farm. Renewal stormwater management projects Orange Farm G Ward	114/2014	Approved	Approved	Approved	18/08/2017
MISCL - Emergency stormwater interventions. Renewal stormwater management projects Johannesburg F City Wide	165/2014	Approved	Pending		
MISC L - Emergency, critical and urgent depot stormwater improvements. New stormwater management projects Johannesburg F City Wide	111/2014	Approved	Approved	Approved	29/06/2015
REHAB- Rehabilitation of Open Channels City Wide. Renewal Stormwater Management Projects Johannesburg F City Wide	126/2014	Approved	Pending		
CS - Capital equipment. New plant and equipment Johannesburg F City Wide	118/2014	Approved	Pending	Approved	20/08/2015
CS - Construction of Archiving facility. New operational Capex Johannesburg F City Wide	137/2014	Approved	Approved	Approved	
CS - Depot upgrading and standardisation. Renewal Operational Capex Johannesburg F City Wide	035/2015	Approved	Approved	Approved	
CS - IT Security. New computer software Johannesburg F City Wide	N/A	N/A	N/A		

Project Description	Tender Number	BSC	BEC	BAC	Letter of Award issued
CS - Operational Capex. Renewal Operational Capex Johannesburg F City Wide	143/2014	Approved	Pending		
CS - Upgrade of Head Office Facilities. Renewal Building alterations Johannesburg F City Wide	035/2015	Approved	Approved	Approved	
IT - ERP Migration. New computer software Johannesburg F City Wide	N/A	N/A	N/A		
MISCL - Integrated Roads and Stormwater Master planning. New stormwater management projects Johannesburg F City Wide	052/2013	Approved	Approved	Approved	31/10/2013
MISCL - Investigate and Design Future Schemes. New Operational Capex Johannesburg F City Wide	N/A	N/A	N/A		
MISCL - Environmental compliance. New Operational Capex Johannesburg F City Wide	080/2013	Approved	Approved	Approved	06/08/2014
RAMS - Stormwater Asset Monitoring. New Computer Software Johannesburg F City Wide	074/2013	Approved	Approved	Approved	04/09/2014
RAMS - GIS Improvement. New Computer Software Johannesburg F City Wide	071/2013	Approved	Approved	Approved	18/12/2013
MISCL - Dam Safety Rehabilitation. Renewal stormwater management projects Johannesburg F City Wide	115/2015	Approved	Pending	Approved	N/A
MISCL - Gravel Roads: Agricultural Holdings. Renewal Gravel Road Johannesburg F Regional	100/2013	Approved	Approved	Approved	12/06/2014
MISCL - Gravel Roads: Braamfisherville. New Roads: Construction and upgrades Braamfisherville D Ward	066/2014	Approved	Approved	Approved	27/10/2014
MISCL - Gravel Roads: Diepsloot. New Roads: Construction and upgrades Diepsloot West Ext3, A Ward	067/2014	Approved	Approved	Approved	27/10/2014
MISCL - Gravel Roads: Doornkop/Thulani. New Roads: Construction and upgrades Doornkop D Ward	022/2015	Approved	Approved	Approved	03/06/2015
MISCL - Gravel Roads: Drieziek. New roads: Construction and upgrades Drieziek G Ward	135/2015	Approved			
MISCL - Gravel Roads: Ivory Park. New Gravel Road Ivory Park Ext9, Award	068/2014	Approved	Approved	Approved	27/10/2014

Project Description	Tender Number	BSC	BEC	BAC	Letter of Award issued
MISCL -Gravel Roads: Lawley. New roads: Construction and upgrades Lawley Ext1, G Ward	058/2014	Approved	Approved	Pending	28/01/2015
MISCL - Gravel Roads: Orange Farm. New roads: Construction and upgrades Orange Farm G Ward	069/2014	Approved	Approved	Approved	27/10/2014
MISCL - Gravel Roads: Protea South. New Roads: Construction and upgrades Protea South Ext1, G Ward	157/2014 017/2014	Approved	Approved	Pending	16/07/2014
MISCL - Gravel Roads: Tshepisoong. New roads: Construction and upgrades Tshepisoong C Ward	070/2014	Approved	Approved	Approved	27/10/2014
MISCL - Inner City Improvement: Renewal roads: Construction and upgrades Johannesburg F Regional	075/2014	Approved	Approved	Approved	02/12/2014
REHAB- Road Rehabilitation and Reconstruction Programme. Construction and upgrades Johannesburg F City Wide	147/2014 148/2014 164/2014 163/2014	Approved	Approved	Approved	16/04/2015
RESUF-Resurfacing of M1 Motorway, Melrose F City Wide	Sanral	Approved	Approved	Approved	N/A
RESUF-Resurfacing of M2 Motorway, Joburg F City Wide	Sanral	Approved	Approved	Approved	
RESURF - Resurfacing of Roads. Renewal Roads: Rehabilitation Johannesburg F City Wide	001/2014	Approved	Approved	Approved	21/08/2014
RESUF-Resurfacing of Soweto Highway, Orlando D	Sanral	Approved	Approved	Approved	N/A
RNP003 - Westlake Road Extension New Roads: Construction and upgrades Rand Leases Ext1, C Regional					
RNP004 - James Street Extension. New Roads: Construction and upgrades Ennerdale, G Regional	100/2014	Approved	Approved	Approved	11/03/2015
RNP005 - Spencer Road New Link New Roads: Construction and upgrades Fleurhof C Regional	099/2014	Approved	Approved	Approved	11/03/2015
RNP017 - Ballyclare Drive Widening Renewal Roads: Construction and upgrades River Club Ext 2, E Regional	097/2014	Approved	Approved	Approved	11/03/2015
RNP021 - Outspan Road Upgrading Renewal Roads: Construction	098/2014	Approved	Approved	Approved	11/03/2015

Project Description	Tender Number	BSC	BEC	BAC	Letter of Award issued
and upgrades Littlefillan E Ward					
Turffontein Corridor (JRA) Renewal Corridors of Freedom Intervention Turffontein F Regional	052/2013	Approved	Approved	Approved	31/10/2013
MOB -Alternative Energy: Alternative Power Sources (LED). New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide	004/2013	Approved	Approved	Approved	01/08/2013
MOB -Alternative Energy: Alternative Power Sources (UPS). New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide	095/2014	Approved	Approved	Approved	03/06/2015
MOB - CCTV Cameras. New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide	072/2014	Approved	Approved	Approved	14/05/2014
MOB- City Deep Freight hud, Renewable Roads construction	Sanral	Approved	Approved	Approved	N/A
MOB - Complete Streets (Streets Alive). New Roads: Construction and upgrades Johannesburg F City Wide	036/2014	Approved	Approved	Approved	20/10/2014
MOB - Geometric Improvements. Renewal Mobility: Intelligent Transportation & System Networks Johannesburg F City Wide	102/2014	Approved	Approved	Approved	02/03/2015
MOB - Guardrails. Renewal Roads: Construction and upgrades Johannesburg F Regional	062/2014	Approved	Approved	Approved	20/10/2014
MOB - Installation of New Warranted Traffic Signals in All Wards City Wide. New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide	006/2014	Approved	Approved	Approved	02/07/2014
MOB - Intelligent Transport Systems (ITS) projects. New Mobility: Intelligent Transportation Systems & Networks Johannesburg F City Wide	Sanral	Approved	Approved	Approved	N/A
MOB - M2 Motorway at Main Reef Road Intersection. New Roads: Construction and upgrades Crown Ext2, E Regional	084/2014	Approved	Approved	Approved	18/12/2014
MOB – Re-cabling of Old Redundant Cables at Signalised Traffic Intersections. Renewal Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide	006/2014	Approved	Approved	Approved	02/07/2014
MOB - Remote Monitoring. Urban Traffic Control (UTC). New Mobility: Intelligent Transportation System & Networks	035/2014	Approved	Approved	Approved	21/07/2014

Project Description	Tender Number	BSC	BEC	BAC	Letter of Award issued
Johannesburg F City Wide					
MOB- SARTSM: Upgrade of Existing Signalised Intersections. Renewal Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide	006/2014	Approved	Approved	Approved	02/07/2014
MOB - Traffic Management Centre. Renewal Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide	011/2014	Approved	Approved	Approved	28/05/2014
MOB - Traffic Signal Adaptive Control. New Mobility: Intelligent Transportation System & Networks Johannesburg F City Wide	006/2014	Approved	Approved	Approved	02/07/2014
MOB - Upgrading Controllers and Phasing. Renewal Mobility: Intelligent Transportation System & Networks Johannesburg F Regional	101/2013	Approved	Approved	Approved	02/04/2014

<b>Annexure C</b> <b>CAPEX Expenditure</b>
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**JRA CAPEX Expenditure Report Summary: as at 31 March 2016**

**(Based on the Mid-Year Adjustment Budget – approved by Council on 23 February 2016)**

	Description	Revised Budget	Actual Expenditure	Commitments	Exp inc Commitments	Budget Variance
60162016	Le Roux Widening	8 000 000			0	8 000 000
60182016	Bridge Rehabilitation - BMS	25 000 000	12 071 198		12 071 198	12 928 802
60192016	Bridges Visual Inspection	7 000 000	4 826 425		4 826 425	2 173 575
60202016	Motorway Gantries	5 000 000	5 570 869		5 570 869	-570 869
60212016	Bridges Overtopping	80 000 000	43 157 665		43 157 665	36 842 335
60222016	Conrad Drive Bridge	500 000	54 285		54 285	445 715
60282016	Pedestrian Bridge Diepsloot	500 000	11 288		11 288	488 713
60302016	Braam Spruit Morningside	1 000 000			0	1 000 000
60312016	Braam Spruit George Lea Park	1 000 000			0	1 000 000
60332016	Robinson Canal Sub 4	1 200 000	1 065 297		1 065 297	134 703
60372016	Willows Development	1 000 000			0	1 000 000
60382016	Bond Street Ferndale	1 000 000			0	1 000 000
60392016	Bez Valley Catchment	1 000 000	402 890		402 890	597 110
60402016	Kliptown Low Level Bridge	2 000 000	415 000		415 000	1 585 000
60462016	New Plant & Equipment	5 000 000	4 637 274	1 323 377	5 960 651	362 726
60472016	Asphalt Plant Upgrade	6 000 000	2 080 050		2 080 050	3 919 950
60482016	Archiving Facility	5 000 000	3 888 302	9 792	3 898 094	1 111 698
60492016	Depot Upgrading	10 000 000	1 743 617	5 865 182	7 608 798	8 256 383
60512016	Operational Capex	10 000 000	4 434 343	1 085 936	5 520 279	5 565 657
60522016	Upgrading Head Office	10 000 000	3 075 466	251 242	3 326 708	6 924 534
60532016	ERP Migration New Computer Sof	20 000 000	12 460 477	22 770 495	35 230 972	7 539 523
60542016	Dam safety Rehabilitation	21 000 000	13 160 014	664 984	13 824 998	7 839 986
60552016	Emergency SW Intervention	5 000 000	5 050 860		5 050 860	-50 860
60562016	Environmental Compliance	1 500 000	1 339 382		1 339 382	160 618
60572016	Stormwater Masterplanning	15 000 000	7 150 442		7 150 442	7 849 558

	Description	Revised Budget	Actual Expenditure	Commitments	Exp inc Commitments	Budget Variance
60582016	Design Future Schemes	10 000 000	3 804 150		3 804 150	6 195 850
60592016	Emergency Critical Urgent SW	30 000 000	12 108 039		12 108 039	17 891 961
60602016	City Deep Freight Hub (Renewal)	30 000 000	21 891 447		21 891 447	8 108 553
60612016	Complete Streets	25 000 000	3 944 501		3 944 501	21 055 499
60622016	M2 Motorw Main Reef Intersection	1 000 000			0	1 000 000
60632016	Geometric Improvements	10 000 000	445 765	105 879	551 644	9 554 235
60642016	Guardrails	4 000 000	7 681		7 681	3 992 319
60652016	Alternative Power LED	5 000 000	2 636 510	806 303	3 442 813	2 363 490
60662016	Alternative power UPS	13 000 000	2 793 519	1 804 543	4 598 062	10 206 481
60672016	CCTV Cameras	2 500 000	1 032 095		1 032 095	1 467 905
60682016	New warranted Traffic Signals	5 000 000	2 004 393	765 699	2 770 092	2 995 607
60692016	Intelligent Transport System	19 441 000	27 663	11 649 756	11 677 419	19 413 338
60702016	ITS - CRR	2 559 000	1 106 500	9 813 535	10 920 035	1 452 500
60712016	Recabling Intersections	15 000 000	9 349 133	2 088 938	11 438 072	5 650 867
60722016	Remote Monitoring	3 000 000	1 206 448	231 403	1 437 851	1 793 552
60732016	SARTSM	2 000 000	2 283 174	156 854	2 440 028	-283 174
60742016	Traffic management Centre	2 300 000			0	2 300 000
60752016	Traffic Signal Adaptive Control	5 000 000	3 807 389	79 759	3 887 148	1 192 611
60762016	Upgrade Controllers & Phasing	5 000 000	1 586 720	131 263	1 717 984	3 413 280
60772016	GIS Improvement	20 000 000	2 479 475		2 479 475	17 520 525
60792016	SW Asset Monitoring	2 000 000			0	2 000 000
60802016	Rehab Open Drains City Wide	5 000 000	221 058		221 058	4 778 943
60812016	Road Rehab & Reconstruction	110 000 000	28 489 085		28 489 085	81 510 915
60822016	Resurfacing M1 Motorway	101 756 000	1 638 941		1 638 941	100 117 059
60832016	Resurfacing M2 Motorway	10 000 000			0	10 000 000
60842016	Resurfacing Soweto Highway	5 000 000			0	5 000 000
60852016	Resurfacing of Roads	221 941 000	163 282 518	6 061 371	169 343 889	58 658 482
60862016	Louis Botha Corridor	2 000 000			0	2 000 000
60872016	Perth Empire Corridor	2 000 000			0	2 000 000

	Description	Revised Budget	Actual Expenditure	Commitments	Exp inc Commitments	Budget Variance
60882016	Westlake Road extension	20 000 000	19 000 000		19 000 000	1 000 000
60892016	James Street Extension	500 000			0	500 000
60902016	Spencer Road New Link	500 000			0	500 000
60912016	Jan Smuts Dualling	1 000 000			0	1 000 000
60922016	Ballyclare Drive Widening	500 000			0	500 000
60932016	Outspan Road Upgrading	500 000			0	500 000
60942016	Turffontein Corridor	2 000 000			0	2 000 000
60962016	Crownwood Road Upgrade	2 000 000			0	2 000 000
60972016	Katherine Road Upgrade	2 000 000			0	2 000 000
61072016	Bridge Expansion Joints	2 000 000			0	2 000 000
60012016	Gravel Rds Bramfischer	33 000 000	27 064 441		27 064 441	5 935 559
60022016	Gravel Rds Diepsloot	34 000 000	19 069 499		19 069 499	14 930 501
60032016	Gravel Rds Thulani-Doornkop	23 000 000	2 517 200		2 517 200	20 482 800
60042016	Gravel Roads Drieziek	5 000 000	1 912 394		1 912 394	3 087 606
60052016	Gravel Roads Ivory Park	42 000 000	21 646 955		21 646 955	20 353 045
60062016	Gravel Roads Lawley	53 000 000	19 667 607		19 667 607	33 332 393
60072016	Gravel Roads mayibuye	10 000 000			0	10 000 000
60082016	Gravel Roads Orange Farm	44 000 000	24 520 042		24 520 042	19 479 958
60092016	Gravel Roads Protea South	30 000 000	9 192 764		9 192 764	20 807 236
60102016	Gravel Roads Tshepisong	32 000 000	8 990 628		8 990 628	23 009 372
60112016	Gravel Roads Kaalfontein	1 000 000			0	1 000 000
60122016	Gravel Roads poortje	2 000 000			0	2 000 000
60132016	Gravel Roads Slovvoville	1 000 000			0	1 000 000
60172016	Naledi-Protea Bridge	22 150 000	12 362 592		12 362 592	9 787 408
60242016	Jabulan / Molapo Bridge	2 200 000			0	2 200 000
60252016	Pedestrian Bridge Kaalfontein	1 000 000	226 672		226 672	773 328
60262016	Pedestrian Bridge Klipspruit	6 000 000	226 672		226 672	5 773 328
60272016	Pedestrian Bridge Slovo Park	5 000 000	226 672		226 672	4 773 328
60292016	Emergency SW Protea Glen	5 000 000	581 780		581 780	4 418 220

	Description	Revised Budget	Actual Expenditure	Commitments	Exp inc Commitments	Budget Variance
60432016	Conver Open Drains Bramfischer	9 000 000	7 911 599		7 911 599	1 088 401
60442016	Conver Open Drains Ivory Park	17 000 000	12 438 315		12 438 315	4 561 685
60452016	Conver Open Drains Orange Farm	20 000 000	588 425		588 425	19 411 575
		<b><u>1 340 547 000</u></b>	<b><u>580 885 604</u></b>	<b><u>65 666 310</u></b>	<b><u>646 551 914</u></b>	<b><u>759 661 396</u></b>

**% Spend and Committed**

**48,23%**

**JRA – Q3 Company Performance – 2015-16**

**Programme 1: City Priority Programmes**

**(A) Customer Charter**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
1	Reinstatements	% of Reinstatement of reported road excavations / trenches completed by stakeholders and reinstated within 3 days	OPEX	100% of reported Reinstatement Service Requests completed and resolved within 3 days	% of reported Service Requests completed and resolved	100%		<p>Q3                      The quarterly target was not achieved                      Of the reported 330 reinstatements, 218 were completed within 3 days (66,06 % against the target of 100%)</p> <p>Region A (50.0%) : 7/14                      Region B (0%) : 0/5                      Region C (83.33%): 35/42                      Region D (0%) : 0/12                      Region E (8.5%) : 7/82                      Region F (94.44%): 153/162                      Region G (83.33%): 10/12</p>	<p>The shortage of operational staff at Regional levels remains a challenge for depots. This shortage is specific to General Workers and the consequence is teams that are not fully capacitated to carry out activities.</p> <p>During the quarter, the JRA experienced a 198 Hours of loss of production at the Asphalt Plant (breakdowns and strike). Although alternative sources of Asphalt has been put in place, the plant stoppage does impact on the 3 day turn around standard during this period.</p> <p>The JRA experienced a general strike during the quarter resulting in a loss of production. This negatively affected all activities at the depots</p>	<p>The current vacant posts to be filled as soon as possible. This however, is budget dependant</p>

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
2	Pothole repairs	% of Potholes repaired within 3-days	OPEX	100% of reported Potholes Service Requests completed and resolved within 3 days	% of reported Service Requests completed and resolved	100%		<p>Q3 Target not achieved Of the reported 4417 Potholes, 2134 were completed within 3 days (48,31 % against the target of 100%)</p> <p>Region A (39,6%): 120/303  Region B (51.0%): 397/778  Region C (45,8%): 513/1120  Region D (22,9%): 149/650  Region E (47.68%): 342/1040  Region F (84,82%): 218/257  Region G (92,33%): 301/326</p>	<p>The shortage of operational staff at Regional levels remains a challenge for depots. This shortage is specific to General Workers and the consequence is teams that are not fully capacitated to carry out activities.</p> <p>During the quarter, the JRA experienced a 198 Hours of loss of production at the Asphalt Plant (breakdowns and strike). Although alternative sources of Asphalt has been put in place, the plant stoppage does impact on the 3 day turn around standard during this period.</p> <p>The JRA experienced a general strike during which started on the 19th of February until the 26th of February adversely affecting production.</p>	<p>There are engagements taking place between HCM and Regional Operations to fast track the filling of current vacant post in depots. This will increase the capacity for the Regions to address this KPI.</p>

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
3	Traffic Signal maintenance	% Traffic Signals repaired within 24 hrs	OPEX	100% of reported faulty Traffic Signals Service Requests completed and resolved within 24 hrs	% of reported Service Requests completed and resolved	100%		<p>Q3: The quarterly target was not achieved. Of the reported 741 faulty Traffic Signals, 596 were repaired within 24 hrs (80,43%) against a target of 100%.</p> <p>The average resolution time to repair reported traffic signals was 13.94 hrs (against a standard of 24 hours)</p>	<p>Staff resource constraints continue to hamper the effective operation of the department. 100% compliance with Service Standard cannot be achieved with current staff levels. The appointment of additional staff is subject to additional funding (salaries) being approved by the City.</p>	<p>1. The implementation of the 24 hr. SMS facility (linking logged calls to standby cell phone) has assisted with the marked improvement in signal repair performance over the last quarter.</p> <p>2. A professional ethos plan has been implemented across the Mobility &amp; Freight department as a foundation for improving performance. This includes:</p> <ul style="list-style-type: none"> <li>a. Doing things right first time</li> <li>b. Pay attention to details</li> <li>c. Understanding that problems require solutions</li> </ul>
4	Incorrect Street Name spelling	% of incorrect street name spelling corrected within 7 days	OPEX	100% of reported incorrect spelling of street names Service Requests completed and resolved within 7 days	% of reported Service Requests completed and resolved	100%		<p>Q3 The quarterly target was not achieved Of the 7 reported incorrect spelling of Street Names, 4 were resolved within 7 days (57,14 %)</p> <p>Region C (50%): 3/6 Region E (0%): 0/1 Region G (0%): 0/1</p>	<p>The human capacity is the biggest challenge and accordingly Regions have not option but to re-arrange teams in order to try to deal with the Hotspots List and backlogs. While the SCM process for the new the contract to start, there is a need to extend the expired contracts. SCM to use other means to mitigate a lack of contracts.</p>	<p>HCM for stabilise the shortage of human capacity in general and the new contract to be in place as soon as possible for the provision of Street Name Plates.</p>

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
5	Missing Manhole Covers replacement	% of missing Manhole covers replaced in 3 days	OPEX	100% of reported missing manhole covers Service Requests completed and resolved within 3 days	% of reported Service Requests completed and resolved	100%		<p>Q3 The quarterly target was not achieved Of the reported 75 Missing Manhole Covers, 28 were completed within 3 days (37,33 % against the target of 100%)</p> <p>Region A (0%): 0/1 Region B (71.4%): 15/21 Region C (54.55%): 6/11 Region D (100%): 1/1 Region E (28.5%):2/7 Region F (6.25%) : 2/32 Region G (0 reported)</p>	<p>Due to the large demand for the provision of Manhole Covers, the recently appointed contractor for the supply of alternative Manhole Covers is struggling to keep up with the delivery to meet the JRA demands. Differing sizes of Manhole Covers in certain areas is causing a further delay.</p> <p>There has been an improvement in performance since the contract has been put in place. Performance has improved from 6.25 % in Q2 to 36.49 % in Q3.</p>	SCM's Logistics Manager is resolving the low delivery rate . The CMU unit is monitoring the supplier in conjunction with the Regions.
6	Clearing of blocked storm water drains	% reported blocked storm water drains (Ki's) cleared within 3 days from time of logged call	OPEX	100% of reported blocked kerb inlets (Ki's) Service Requests completed and resolved within 3 days	% of reported Service Requests completed and resolved	100%		<p>Q3 The quarterly target was not achieved. Of the reported 1140 Blocked kerb Inlets (Ki's) , 728 were completed within 3 days (63,86 % against the target of 100%)</p> <p>Region A (29,17%): 7/24 Region B (58.7%): 54/92 Region C (46,58 %): 68\146 Region E (24.88%): 53/213 Region F (94.27 %): 214/227 Region G (92.0 %): 46/50</p>	<p>The backlog was a bit high though the team made a good effort in trying to meet the target . No additional machinery was solicited yet however there has been an improvement on the planning and the usage of the resources.</p>	Teams to improve their production rate and planning.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
7	Road marking lanes / signs repaired	% reported road marking lanes / signs repaired within 3 days from time of logged call;	OPEX	100% of reported road marking lanes / signs Service Requests completed and resolved within 3 days	% of reported Service Requests completed and resolved	100%		Q3 Target not achieved Of the reported 1906 faded road marking / damaged signs, 576 were completed within 3 days (30,22 % against the target of 100%)	The increased demand for service requests linked to this activity is placing a strain on the depot resource capacity which is already under capacitated. Depots are struggling to keep up with the demand , being both service requests logged as well as backlogs	Regional Operations across all Regions are currently training staff members to perform road marking and signs activities. RFQ's process is used to acquire paint and other street furniture in the absence of a fixed contract. The paint contract is awarded, and work will be scheduled and attended to. This includes clearing of backlogs.

**(B) Corridors of Freedom**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
8	CATCH - Louis Botha Corridor Stormwater Masterplan and Upgrading Renewal CORRIDORS OF FREEDOM	% implementation of identified stormwater upgrades undertaken (as identified in the annual project plan) (Multi-year project)  > Preliminary Design Report (PDR); > Detailed Design Report (DDR); > EIA application submission; > WUL submission; > Construction (upgrade) initiation	CAPEX	% Stormwater upgrade projects completed (as identified in the annual project plan)  Preliminary Design Report (PDR); > Detailed Design Report (DDR); > EIA application submission; > WUL submission; > Construction (upgrade) initiation (3.2 km SW upgrade as determined in annual project plan)	% implementation of SW upgrades annual project plan	0%	PDR, DDR, EIA submission	Q3: The quarterly target was met. Achieved 0 against a target of 0. The project has been transferred to JDA for implementation.  The SLA between JDA and the JRA are currently being finalised.		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
9	CATCH - Empire Perth Corridor Stormwater Masterplan and Upgrading Renewal CORRIDORS OF FREEDOM	<p>% implementation of identified stormwater upgrades undertaken (as identified in annual project plan) (Multi-year project)</p> <p>&gt; Preliminary Design Report (PDR);            &gt; Detailed Design Report (DDR);            &gt; EIA application submission;            &gt; WUL submission;            &gt; Construction (upgrade) initiation</p>	CAPEX	<p>% Stormwater upgrade projects completed (as identified in annual project plan)</p> <p>Preliminary Design Report (PDR);            &gt; Detailed Design Report (DDR);            &gt; EIA application submission;            &gt; WUL submission;            &gt; Construction (upgrade) initiation (1.3 km SW upgrade as determined in annual project plan)</p>	% implementation of SW upgrades annual project plan	0%	PDR, DDR, EIA submission	<p>Q3: The quarterly target was met. Achieved 0 against a target of 0. The project has been transferred to JDA for implementation.</p> <p>The SLA between JDA and the JRA are currently being finalised.</p>		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
10	CATCH - Turffontein Corridor Stormwater Masterplan and Upgrading Renewal CORRIDORS OF FREEDOM	<p>% implementation of identified stormwater upgrades undertaken (as identified in annual project plan) (Multi-year project)</p> <p>&gt; Preliminary Design Report (PDR);            &gt; Detailed Design Report (DDR);            &gt; EIA application submission;            &gt; WUL submission;            &gt; Construction (upgrade) initiation</p>	CAPEX	<p>% Stormwater upgrade projects completed (as identified in annual project plan)</p> <p>Preliminary Design Report (PDR);            &gt; Detailed Design Report (DDR);            &gt; EIA application submission;            &gt; WUL submission;            &gt; Construction (upgrade) initiation (1.3 km SW upgrade as determined in annual project plan)</p>	% implementation of SW upgrades annual project plan	0%	PDR, DDR, EIA submission	<p>Q3: The quarterly target was met. Achieved 0 against a target of 0. The project has been transferred to JDA for implementation.</p> <p>The SLA between JDA and the JRA are currently being finalised.</p>		

### (C) Community Based Projects (CBP)

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
11	CBP - Gravel Roads rehabilitation + stabilization (Region A)	Km of identified gravel roads resurface and stabilise (gravel roads – Gravelling) Sedibeng Street, Kagiso Street in Rabie Ridge Ext.5 and Katanang Street in Rabie Ridge Ext.4	City - CAPEX	1.080 Km of identified gravel roads rehabilitated (e.g.. resurface and stabilise)  Sedibeng Street (0.340 km), Kagiso Street (0.320 km) in Ext.5 and Katanang Street (0.420 km) in Ext.4	Km of gravel road upgraded / stabilised	0 km	Consultant Appointed	Q3: The quarterly target was achieved. 0 km achieved against a target of 0 km.  During the quarter, the consultant was appointed and a motivation for the appointment of the Contractor completed		
12	CBP - Resurfacing (Region A)	Km of road Resurfacing (Nanyuki Rd from Sunninghill Hospital to Malindi Rd)	City - CAPEX	1.5 Km of road Resurfaced	Km of road Resurfaced	0 km		Q2: The quarterly target was achieved The project was completed in Q2 ahead of schedule. A total of 1.5 km of road was Resurfaced (Nanyuki Rd from Sunninghill Hospital to Malindi Rd)		
13	CBP - Resurfacing (Region A)	Km of Resurfacing of Bulelwa Makomane str, tarring of Phakwe and Xinimbela streets	City - CAPEX	0 Km of road Resurfaced	Km of Resurfacing	0 km	Road recommended for reconstruction	Q3: The target was achieved. 0 km achieved against a target of 0 km. Xinimbela Road was recommended for reconstruction in the current contract.		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
14	CBP - Road Safety (Region A)	% Implementation of Street calming measures identified adjacent to Ebony Park Primary Speed humps, in Kaalfontein	City - CAPEX	100% Implementation of identified Street calming measures as per annual project plan	% implementation of identified Street calming measures	0%	Contractor appointment	Q3: The quarterly target was achieved. Street calming measures (speed humps) were installed in front of the Ebony Primary School. The project was completed ahead of schedule.		
15	CBP - New Traffic Signals (Region D)	Traffic Signal installed in Protea Glen on the Major Impala intersection	City - CAPEX	1 x Traffic Signals installed	Number of Traffic Signals installed	1 x Traffic Signal installed		Q3: The target was met. 1 x Traffic Signal was installed in Adcock Street (R558) and Luthereng / Flower Road, Protea Glen (Traffic Signal # R 2332) Project complete		
16	CBP - New Traffic Signals (Region D)	Traffic Signal installed in Glen Ridge Ext 16 on Randfontein Road Intersection	City - CAPEX	1 x Traffic Signals installed	Number of Traffic Signals installed	1 x Traffic Signal installed		Q3: The target was met. 1 x Traffic Signal was installed in R 559 and Sunrise Ave, Zuurbekom 297-IQ (Traffic Signal # R2333) Project complete		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
17	CBP - Road Rehabilitation and upgrading (Region E)	Km Gravel Road Upgrading to surfaced road; remaining portion of Blandford Rd between Hyperion and Witkoppen Rd as per annual project plan (Multi year project)  Box Cutting; Layer works.	City - CAPEX	0.8 Km gravel road upgraded (Box Cutting, Layer works)	Km of gravel road upgraded to surface (part)	0 Km	Site establishment and construction commencement	Q3: The quarterly target was met. Achieved 0 km against a target of 0 km. The Tender for the appointment of a contractor closed in December 2015 and the BID is currently at Tender Evaluation stage	The procurement process in respect of the appointment of the contractor was delayed. The project will not be completed by June 2016. It is anticipated that the target will be completed by September 2016	Fast track the contractor's appointment for work to commence in Q4.
19	CBP - Pedestrian Foot Bridge (Region E)	Planning preparation for the Re-construction of foot bridge' between River Park and Lombardy East  Scoping; Preliminary Design Report (PDR)	City - CAPEX	Preliminary Design Report for reconstruction of Foot Bridge	Preliminary Design Report (PDR)	0	Consultant appointment	Q3: The target was met. Achieved 0 against a target of 0. The consultant's tender has been compiled for advertisement.	The consultant's tender has been compiled for advertisement.	The consultant will be appointed and work will be implemented as planned during Q4.
20	CBP - Stormwater management (Region E)	Planning and design for installation of Gabions (Ward 115, Klein Jukskei erosion protection), Corlett Drive.  Scoping; Preliminary Design Report (PDR); EIA application submission; WUL submission	City - CAPEX	Preliminary Design Report (PDR); EIA application submission; WUL submission	Preliminary Design Report (PDR); EIA application submission; WUL submission	0	Consultant appointment	Q3: The target was met. Achieved 0 against a target of 0. The tender has been compiled for advertisement.	The procurement process in respect of the appointment of the consultant was delayed. The tender has been compiled for advertisement.  The project will not be completed by June 2016. It is anticipated that the target will be completed by September 2016	The consultant will be appointed and work will commence during Q4.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
21	CBP - Pedestrian Foot Bridge (Region F)	Planning preparation for the construction of a small bridge over Denver Canal (adjacent to Denver Hostel)  Scoping; Preliminary Design Report (PDR)	City - CAPEX	Preliminary Design Report for reconstruction of Foot Bridge	Preliminary Design Report (PDR)	0	Consultant appointment	Q3: The quarterly target was met. Achieved 0 against a target of 0. The tender has been compiled for advertisement.	The procurement process in respect of the appointment of the consultant was delayed. The tender has been compiled for advertisement.  The project will be completed by June 2016.	The consultant will be appointed and work will commence during Q4.
22	CBP - Road Rehabilitation and upgrading (Region G)	% Roads Maintenance Implementation in Region G as per annual project plan	City - CAPEX	100% implementation of roads maintenance plan	% implementation of Road Maintenance plan	20% implementation (YTD 100%)		Q3: The target was not met. 0% of the project was implemented against a quarterly target of 20%.	The CBP manager for CoJ has identified additional work to be executed. There are sufficient funds to execute additional work. The work entails the re-gravelling of identified roads in Region E as agreed.	All work will be completed in Q4
23	CBP - Road Rehabilitation and upgrading (Region G)	% Dzadza Projects Road Maintenance implementation as per annual plan	City - CAPEX	100% implementation of Dzadza Projects Road Maintenance plan	% implementation of Road Maintenance plan	20% implementation (YTD 100%)		Q3: The target was not met. 0% of the project was implemented against a target of 20%.	The CBP manager for CoJ has identified additional work to be executed. There are sufficient funds to execute the additional work. The work entails the re-gravelling of identified roads in Region E as agreed.	All work will be completed in Q4

**Programme 2 – Roads Management**

**(A) Roads - Renewal (Improvements / Upgrades)**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
24	MOB - Guardrails. Renewal Roads: Construction and Upgrades JOHANNESBURG F Regional  (Installation/replacement of guardrails along main roads.)	Km of Guardrail installed /replaced along main roads	CAPEX	16 km of Guardrail installed /replaced along main roads	Km of Guardrail installed /replaced along main roads	7 km of Guardrail installed /replaced		Q3: The quarterly target was not met. 0km achieved against the target of 7km.	The late advertisement of the tender delayed the project. The tender was advertised and closed in March 2016.	The contractor will be appointed in Q4 and work will be completed prior to the end of the current financial year. The budget has been reduced from R 10 million to R 4 million during the Mid-Year Budget Adjustment. The annual target has been reduced to 6km of Guardrail to be installed by June 2016
25	BRID 05 - Le Roux Avenue Widening. New Roads: Construction and Upgrades HALFWAY HOUSE ESTATE A Regional  (Widening of Le Roux Ave between Bekker/Janadel Street and Old Pretoria Main as a result of the doubling of Le Roux Ave Bridge and traffic congestion.)	% implementation of preparation for road construction (Le Roux Ave widening) as per annual project plan	CAPEX	100% implementation of annual project plan	% implementation of annual project plan	10% implementation (YTD 20%)	Site establishment	Q3: The quarterly target was met. Achieved 20% implementation against a YTD target of 20% The contractor was appointed and site establishment is complete.		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
26	<p>MOB - City Deep Freight Hub. Renewal Roads: Construction and Upgrades CITY DEEP F City Wide</p> <p>(Road and traffic management interventions in the City Deep/Kaserne area to solve mobility issues in this major freight traffic hub.)</p>	<p>% of road network upgraded as per annual project plan:-</p> <p>(1 ) Rosherville Bridge and Road (DDR);</p> <p>(2) Bonsmara Road / Rosherville Rd (Construction implementation);</p> <p>(3) Cleveland Bridge (DDR) ;</p>	CAPEX	<p>100% implementation of annual project plan (Multi-year project)</p> <p>&gt; DDR: Rosherville Bridge and Road;</p> <p>&gt; DDR: Cleveland Bridge</p> <p>&gt; Partial construction implementation of Bosmara Rd (20% of multiyear project)</p>	% implementation of annual project plan	20% implementation	<p>DDR Rosherville Bridge (5%);</p> <p>DDR Cleveland Bridge (5%),</p> <p>Contractor on site (10%)</p>	<p>Q3: The quarterly target was partially achieved. Achieved 15% against a target of 20% .</p> <p>The contractor has established on site and construction is 47% complete for Rosherville and Bonsmara.</p> <p>DDR in Rosherville was completed. DDR for Cleveland Bridge is on hold due to work executed on M1, the DDR will be revised accordingly.</p>	<p>The detailed design report (DDR) for Cleveland was completed. Due to construction work being executed on M1, the Cleveland DDR must be revised after the completion of M1</p>	

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
27	MOB - Complete Streets (Streets Alive). New Roads: Construction and Upgrades JOHANNESBURG F City Wide	Km road retrofit projects completed as per annual project plan in Soweto, Diepsloot, Ivory Park, Orange Farm, Bram Fischerville, Alexandra and Doornkop (multiyear project)	CAPEX	0.67 Km of road retrofit projects completed as per annual project plan  0.67 km Cycle Lanes; 0.67 Km Walkways	Km road retrofitted (Cycle Lanes; Walkways)	0 km	Site establishment, construction commencement	Q3: The target was met. Achieved 0km against a target of 0km  Orange Farm: The contractor has established on site in construction has not commenced. Ivory Park: The contractor has established on site and construction in progress. Diepsloot: Minor stormwater work is complete, walkways in progress.	(Cont) Soweto: The construction tender is at evaluation stage. Bram Fischerville:- The construction tender closed in December and at evaluation. Alexander/ Wyneberg:- The construction tender has been compiled for approval.	

**(B) Roads - Reconstruction / Rehabilitation**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
28	<p>REHAB - Road Rehabilitation and Reconstruction Programme. Renewal Roads: Construction and Upgrades JOHANNESBURG F City Wide</p> <p>(Roads in very poor condition all over the City that require urgent intervention according to PMS to improve VCI (Visual Condition Index). )</p>	Km of roads rehabilitated as identified in Pavement Management System (PMS)	CAPEX	16.3 km of roads rehabilitated	Km of road rehabilitated	4.3 km of road rehabilitated (YTD 7.5 Km)		<p>Q3: The quarterly target was achieved. Achieved 6 km against a target of 4.3 km.</p> <p>Region G: 3.8 km Region E&amp;F: 2.2 km</p>	<p>The project has been delayed by SCM processes. Various contracts served at BAC in December 2016. The new appointments were obtained in January 2016.</p> <p>Phase 1 Construction progress:</p> <ul style="list-style-type: none"> <li>o Region A and B- Construction in progress at 85%, due to strike action, the RSD team was not on site for resurfacing.</li> <li>o Region C and D- Construction in progress at 27%.</li> <li>o Region E,F and G- Construction is complete.</li> </ul> <p>Phase II: Progress Region A, C and E- Contractors have been appointment. Region B- The tender was recommended for cancellation.</p>	<p>(Cont) Region D- The contractor was appointed and safety file has been approved Region F- The contractor has been appointment, the site establishment is in progress. Region G- The overall construction progress 50%, the work will be completed in June 2016.</p> <p><u>Actions:</u> Appointed contractors to fast track.</p> <p>The budget was adjusted from R 140 million to R110 million during the Mid-year Budget process.</p>

**(C) Roads – Resurfacing**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
29	RESUR - Resurfacing of Roads - City Wide. Renewal of Roads: Rehabilitation JOHANNESBURG City Wide	Lane Km of roads resurfaced (CAPEX) city-wide to improve the visual condition index as identified in Pavement Management System (PMS)	CAPEX	506.96 Lane Km of road resurfaced	Lane Km of road resurfaced	177.44 Lane Km of road resurfaced  (YTD 481.61 Lane Km)		Q3: The target was not achieved. Achieved 107.34 Lane Km of road resurfaced against a target of 177.44 Lane Km.	Due to strike action in February 2016, work was delayed.  Although alternative sources of Asphalt have been put in place, the plant stoppage did impact negatively on performance.	The annual target of 506.96 Lane km will be met as planned.
30	Resurfacing, Drainage and miscellaneous Bridge upgrade (M1 Double Decker Bridge)	% of roads resurfaced (M1 Motorway) resurfacing of roads city-wide to improve the visual condition index according to annual project plan  a) Upgrade of M1 to GFIP (Gauteng Freeway Improvement Project) standards (10%)	CAPEX	100% implementation of annual project plan	% implementation of annual project plan	10%  (YTD 20%)	Double Decker, Oxford & Federation: Site establishment, construction commencement  GFIP Initiate PDR	Q3: The quarterly target was not met. 5% implementation was achieved against a target of 10%.  The work is implemented in partnership with SANRAL. Consultants have been appointed SANRAL has commenced with the inception report.		
31		(b) Repairs of Double Decker Bridge (50%)						Q3: The quarterly target was achieved. Achieved 10% was achieved against a target of 0%  The project is on track and overall is 20% completed.	The site establishment is complete and construction has commenced for the Double Decker bridge.	

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
32		(c.) Repairs of Oxford Rd & Federation Bridges (40%)						<p>Q3: The quarterly target was achieved. Achieved 10% was achieved against a target of 0%</p> <p>The project is on track and overall is 20% completed.</p>	Site establishment is complete and site establishment has commenced.	

**(D) Roads – Routine Maintenance**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
33	According to PMS light road rehabilitation work is urgently required to prolong the life of roads in poor condition between 5 to 6 years depending on type of surface treatment. It includes all regions plus access to motorways.	Implementation of Light roads rehabilitation (as per VCA/VCI) as per Implementation Plan :- Deep Patching (m2); Skin Patching (m2); Milling (L/Km): Crack Sealing (Kg)	OPEX	Implementation of Light roads rehabilitation as per Implementation Plan:-  Deep Patching 34000 m2; Skin Patching 22000 m2; Milling 10 L/Km: Crack Sealing 52800 Kg	Deep Patching (m2); Skin Patching (m2); Milling (L/Km): Crack Sealing (Kg)	Deep Patching 10200 m2; Skin Patching 4200 m2; Milling 3 L/Km: Crack Sealing 13200 Kg		Q3: The quarterly target partially achieved  Deep Patching: 4334.68 m2 against target of 10200 m2 (42.5%); Skin Patching: 3890 m2 against a target of 4200 m2 (92.6%); Milling: 0 L/Km against a target of 3 L/km (0%); Crack Sealing: 14390 Kg against a target of 13,200 kg (109.01%)	During the quarter, the JRA experienced a 198 Hours of loss of production at the Asphalt Plant (breakdowns and strike). Although alternative sources of Asphalt has been put in place, the plant stoppage did impact negatively on performance.  The Asphalt Plant also experienced a 'sit -in' of 40 hours, this also impacted the performance.  A Milling Machine is required in order to meet the Milling target. However, no budget has been made available for the purchase of such a machine this financial year.	A Milling Machine is to be sourced as soon as budget is allocated for such

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
34	Repair Footways, Kerbs , Gutters, Patching, Guardrails, Vegetation Control	% implementation of Asset Preservation programme as per Regional Operations Implementation Plan (Repair Footways, Kerbs , Gutters, Patching, Guardrails, Vegetation Control )	OPEX	90% implementation of Regional Operations Implementation Plan	% implementation of Regional Operations Implementation Plan	90% of quarterly target implemented		Q3 Target was not achieved During the quarter, the JRA achieved 48.2 % of the implementation plan (Act 2.34) against a target of 90% (53.55%)	100% not achieved due to Industrial Action happening within the workforce starting from the 19th of February until the 26th of February 2016. The heat wave experienced in January / February also slowed down activities due to the risk of heat fatigue thus hampering productivity .	Higher production rates will be enforced . The appointment of Level 1 Contractors (due end of April 2016) will also improve performance.

**(E) Gravel Roads – Routine Maintenance**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q2)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
35	Gravel Road Maintenance	Lane Km of gravel road maintained (blading, re-graveling, rip and re-shaping)	OPEX	2000 Lane Km of gravel road maintained	Lane Km of gravel road maintained	400 Lane Km of gravel road maintained  (YTD = 1400 Lane Km)		Q3: Target was not achieved During the quarter, 344 Lane km of gravel road was maintained against a target of 400 Lane Km	The planning of this activity has improved resulting in improved performance compared with that of Q2 (292 Lane Km)	Depots will work to improve their planning on this activity. This will enable depots to recover on lost times in order to achieve Implementation plan targets.

**(F) Gravel Roads – Gravel Roads to Surfaced Roads**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
36	Upgrade: Gravel Roads to surfaced : BRAM FISCHERVILLE	Km of gravel roads surfaced : BRAM FISCHERVILLE	CAPEX	7.1 Km of gravel roads surfaced	km of gravel roads surfaced	3 km of gravel roads surfaced		Q3: The quarterly target was achieved. During the quarter, 3 km of gravel road was surfaced against a target of 3 km.  The project is on schedule and will be completed as planned		Construction work is accelerating as planned. The annual target will be achieved.
37	Upgrade: Gravel Roads to surfaced : ORANGE FARM	Km of gravel roads surfaced : ORANGE FARM	CAPEX	8 km of gravel roads surfaced	km of gravel roads surfaced	4 Km of gravel roads surfaced		Q3: The quarterly target was not achieved. During the quarter 3.7 km of gravel road was surfaced against a target of 4km	Due to work stoppages of SMME disagreements. The delays incurred were more than two months	JRA insisted on the rates offered and work proceeded. The extension of time has been considered for the outstanding work. The annual target will be achieved.
38	Upgrade: Gravel Roads to surfaced : DIEPSLOOT WEST EXT.3	Km of gravel roads surfaced: DIEPSLOOT WEST EXT.3	CAPEX	5.3 km of gravel roads surfaced	km of gravel roads surfaced	3.3 km of gravel roads surfaced  (YTD 5.3km)		Q3: The quarterly target was not achieved. 0 km was achieved against a target of 3.3 km  Year to date, a total of 4.68km was achieved against a YTD target of 5.3km	Due to delays with Phase 1 contractor, 0.62 was not achieved in Q3	Phase I construction will be complete in Q4 and the annual target will be met.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
39	Upgrade: Gravel Roads to surfaced : Doornkop/Thulani; DOORNKOP It also includes required interventions in Protea (R5m).	Km of gravel roads surfaced ; DOORNKOP	CAPEX	3 km of gravel roads surfaced	km of gravel roads surfaced	0 km	Construction commencement	Q3: The quarterly target was met. 0 km was achieved against a target of 0 km  The site establishment is complete and Wayleaves have been approved. The delivery of stormwater pipes is in progress and exposing of underground services has commenced.		
40	Upgrade: Gravel Roads to surfaced : LAWLEY EXT.1	Km of gravel roads surfaced : LAWLEY EXT.1	CAPEX	6.8 Km of gravel roads surfaced	km of gravel roads surfaced	3 km of gravel roads surfaced		Q3: The quarterly target was not met. 0 km was achieved against a target of 3 km	Due to the poor performance of the appointed contractor (Phase I), construction (Phase I) completion date was extended to December 2015. The contract is anticipated to be terminated (Phase I)  Phase II Construction is progressing well, the overall percentage complete is 57%.	

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
41	Upgrade: Gravel Roads to surfaced : IVORY PARK EXT.9	Km of gravel roads surfaced : IVORY PARK EXT.9	CAPEX	9 km of gravel roads surfaced	km of gravel roads surfaced	3 km of gravel roads surfaced		Q3: The quarterly target was not met. During the quarter, 1.96 km of gravel road was surfaced against a target of 3 km	The contractor (Phase II) has entered into business rescue, this process negatively impacted on construction progress and expenditure.	The contractor entering business rescue is currently delaying work on site. There is no construction activity at present. JRA Contract Management Unit is intervening in the matter. A conclusion has not been reached as yet. Should the contractor improve on progress in Q4, the target can be met. If the decision leads to contract termination, the annual target will not be met.
42	Upgrade: Gravel Roads to surfaced : Protea South Ext 1	Km of gravel roads surfaced : PROTEA SOUTH EXT 1	CAPEX	2 km of gravel roads surfaced	km of gravel roads surfaced	1 km of gravel roads surfaced		Q3: The quarterly target was not met. 0 km was achieved against a target of 1 km	Due to the change in contractor's management structure, there was a two months delay on the project.	The new leadership was appointed to re-constructed work due poor quality. Work is accelerated as planned. The annual target will be achieved.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
43	Upgrade: Gravel Roads to surfaced : TSHEPISONG	Km of gravel roads surfaced : TSHEPISONG	CAPEX	6.2 Km of gravel roads surfaced	km of gravel roads surfaced	0 km	Construction commencement	Q3: The quarterly target was achieved. During the quarter 2 km of gravel road was surfaced against a target of 0 km	The contractor (Phase II) has entered into business rescue, this process negatively impacted on construction progress and expenditure.	The contractor entering business rescue is currently delaying work on site. There is no construction activity at present. JRA Contract Management is intervening in the matter. A conclusion has not been reached as yet. Should the contractor improve on progress in Q4, the target can be met. If the decision leads to contract termination, the annual target will not be met.

**Programme 3 – Bridge Management**

**(A) Bridges – Planning**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
44	BRID 20 - Conrad Drive Bridge; Blairgowrie. Renewal Bridges (Pedestrian and Vehicles) CRAIGHALL B WARD	Reconstruction of Conrad Drive Bridge over Braamfontein Spruit for road widening and increase in stormwater capacity.	CAPEX	1 Bridge reconstructed	Number of bridges reconstructed	0	ROD; Project hand over to ID	<p>Q3: The quarterly target was met. Achieved 0 against a target of 0. During the quarter, the PDR was completed. The Record of Decision (ROD) was submitted to GDARD. EIA has been submitted to GDARD. Awaiting approval</p> <p>The project has been handed over to the JRA Infrastructure Department. The project will be implemented in future years (budget dependant)</p>		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
45	BRID 20 - Bridges: Overtopping (Flooding). Renewal Bridges (Pedestrian and Vehicles) JOHANNESBURG F City Wide  (Ten major bridges (and 10 minor structures also) that overtop in large storms because of their low capacity need to be upsized. Investigate reasons for overtopping and safety problems and provide solutions. Bridges also need upgrade and rehabilitation.	Partial construction of 3 bridges (Overtopping) as per annual project plan Bridges: Overtopping (Flooding), City Wide  (Pillars, Piers, Reinforced earth fill, Beams)	CAPEX	Partial construction of 3 bridges (Overtopping): Pillars, Piers, Reinforced earth fill, Beams	Pillars, Piers, Reinforced earth fill, Beams	Construction in progress	Construction of Pillars, Piers, Reinforced earth fill, Beams	Q3: The quarterly target was achieved. Construction of pillars, piers, reinforced earth fill and beams has been completed for Nxumalo bridge. Zulu and Kinini preparation of pile caps in progress.	Construction of pillars, piers, reinforced earth fill and beams has been completed for Nxumalo bridge. Zulu and Kinini preparation of pile caps in progress.	

**(B) Bridges – Construction (New)**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
46	BRID 30 - Jabulani - Molapo Bridge. New Bridges (Pedestrian and Vehicles) JABULANI D Ward  (New bridge over the railway to provide access to development zone. Requires investigation and preliminary work. )	Planning and preparation for Bridge construction as per annual project plan : Jabulani - Molapo Bridge: New Bridges (Pedestrian and Vehicles) as per annual project plan  Preliminary Design Report (PDR); EIA application submission;	CAPEX	Preliminary Design Report (PDR); EIA application submission;	Preliminary Design Report (PDR); EIA application submission;	0	PDR, EIA submission	Q3: The quarterly target was met. Achieved 0 against a target of 0. During the quarter, the PDR was completed, the EIA was submitted to GDARD, and an application submitted to PRASA for approval in principle.		
47	BRID 05 - Naledi/Protea Bridge (Between Wards 20 and 14). New Bridges (Pedestrian and Vehicles) NALEDI D Regional  (Construction of a linkage across the railway line to provide safety for pedestrians and eventually shorten the vehicular movement in the area. )	Bridge construction as per annual project plan - Naledi/Protea Bridge - New Bridges (Pedestrian and Vehicles)	CAPEX	1 Bridge constructed	Number of bridges reconstructed	0	Construction in progress	Q3: The target was achieved. Achieved 0 against a target of 0.  Foundation for the barriers construction is progress. The overall progress is 90%.		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
48	MISCL - Pedestrian Bridge in Klipspruit West. New Bridges (Pedestrian and Vehicles) KLIPSPRUIT WEST D Ward  (Pedestrian railway crossing at Fuscia Road in Ward 11 (eventually vehicular) to safely connect Klipspruit West and Chiawelo at Fuscia and Foxglove Rd.)	% Implementation - construction of Bridge as per annual project plan - Pedestrian Bridge in Klipspruit West - New Bridges (Pedestrian and Vehicles)	CAPEX	100% implementation of bridge construction as per annual project plan	% implementation of bridge construction	10% implementation of bridge construction	Construction commencement	Q3 The quarterly target was not achieved. During the quarter, no progress (0%) was made against a target of 10%.  The project has been delayed due the delay in appointing a contractor.	A delay in the appointment of the contactor has resulted in the delayed implementation of the project. The Bid was responsive and the contractor will be appointed during April 2016.	The JRA has requested a Kpi amendment as a result of the delay. During the current year, a DDR for the bridge will be completed.
49	MISCL - Pedestrian Bridge in Slovo Park New Bridges (Pedestrian) SLOVO PARK	% Implementation - construction of Bridge constructed as per annual project plan	CAPEX	100% Implementation - construction of Bridge constructed as per annual project plan	% implementation of bridge construction	10% implementation of bridge construction	Construction commencement	Q3 The quarterly target was not achieved. During the quarter, no progress (0%) was made against a target of 10%.  The project has been delayed due the delay in appointing a contractor.	A delay in the appointment of the contactor has resulted in the delayed implementation of the project. The Bid was non responsive, however SCM will use Section 32 appointment and the contractor will be appointed during April 2016	The JRA has requested a Kpi amendment as a result of the delay. During the current year, a DDR for the bridge will be completed.

**Programme 4 – Stormwater Management**

**(A) Stormwater – Planning**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
50	RAMS - Stormwater Asset Monitoring System. New Computer Software JOHANNESBURG City Wide	Number of Wards completed in respect of Stormwater Asset condition audit (Visual Condition assessments)	CAPEX	64 Wards completed in respect of Stormwater Asset condition audit (Visual Condition assessments)	Number of Wards completed in respect of Stormwater Asset condition audit	21 Wards completed in respect of Stormwater Asset condition audit (YTD 42 Wards)		Q3 The quarterly target was not achieved No (0) Stormwater Asset Condition Audits were completed during the quarter against a target of 21 Wards. The Q3 was not met due to the delays in appointment of the consultant	A delay in the appointment of the Consultant has resulted in the delayed implementation of the project.	The annual target can be met provided that the appointment of the consultant is done in April 2016. The action plan will be developed to implement this project speedily.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
51	MISCL - Integrated Roads and Stormwater Master planning. New Stormwater Management Projects JOHANNESBURG F City Wide  (Determination of floodlines and all the roads and stormwater studies as part of master planning throughout the City of Johannesburg.)	Identified Stormwater Master Planning completed as per areas identified in the annual project plan.	CAPEX	Stormwater Master Planning completed:  1.Ivory park Ext 7, 6, 5,2 2. Zandspruit 3. Carlsworld 4. Finetown/Ennerdale south 5. Weilers farm/ Sweetwater 6. Midrand (Development Node). 7. 3rd Road (Development Node). 8. Chartswell Sub catchments (Development Node) 9. Carlswald Sub catchment (Development Node)	Stormwater Master Planning (SWMP)	0	SWMP in progress	Q3: The target has been met. Achieved 0 against a target of 0.  SWMP study in progress for identified Areas. Progress of SWMP as follows: 1. Fine Town and Ennerdale South. 35% Completed 2. Ebony Park. 35% Completed 3. Weilers Farm and Sweetwater's. 35% Completed 4. Carlswald. 35% Completed 5. Chartwell. 35% Completed 6. Zandspruit. 35% Completed 7. Western Quadrant of Region D. 35% Completed 8. Devland. 35% Completed Instructions have been issued, and execution plan has been initiated.		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
52	SW Asset Monitoring	Number of Wards assessed - SW Asset Monitoring as per annual project plan	CAPEX	64 Wards assessed - SW Asset Monitoring	Number of Wards assessed (SW Asset Monitoring)	32 Wards assessed (SW Asset Monitoring)		Q3 The quarterly target was not achieved. No (0) SW Assets were assessed during the quarter against a target of 32.	A delay in the appointment of the consultant has resulted in the delayed implementation of the project.	The action plan will be developed to implement this project speedily. The annual target can be met provided that the appointment of the consultant is done in April 2016

**(B) Stormwater - Network development and Upgrading (Formal stormwater network in all currently un-serviced previously disadvantaged areas)**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
53	CATCH 10 - Emergency Stormwater Improvement (Multi year): Protea Glen Ext 1-4 (Phase 1-5). New Stormwater Catchments PROTEA GLEN D Ward  (Upgrading of stormwater drainage network to eliminate ponding of the area.)	Implementation of Emergency Stormwater Improvements - Protea Glen Ext 1-4 (Phase 1-5) projects as per annual project plan (Multi-year): SW pipes installed (m); Manholes installed (number); Kerb Inlets (number).	CAPEX	Implementation of Emergency Stormwater Improvements: 1200 diameter = 75 m 1050 diameter = 535 m 900 diameter = 890 m 750 diameter = 540 m 600 diameter = 106 m 450 diameter = 144 m Number of manholes = 46 Number of kerb inlets = 44	Metres SW pipes installed;  Number of Manholes installed;  Number of Kerb Inlets installed	0	Construction commencement	Q3: The quarterly target was met. Achieved 0 against a target of 0.	Due to the delay in the appointment of the contractor. The construction tender closed in November 2015 and devaluated in Q3. The milestone was not reached due to procurement process in progress. The budget was reduced to R5 million.	The construction tender evaluation will be finalised for the contractor's appointment in Q4. The tender served at Bid Evaluation Committee in Q3 and must urgently serve at Bid Adjudication Committee to fast track the process.  The allocated budget has been reduced from R 15 million to R 5 million during the Mid-Year Budget adjustment process. As a result, only 75m of 1200mm Stormwater pipe in respect of Emergency Stormwater Improvements : Protea Glen Ext 1-4 (Phase 1-5) will be installed

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
54	REHAB - Rehabilitation of Open Channels City Wide. Renewal Stormwater Management Projects JOHANNESBURG F City Wide  (This project is exclusive of the Conversion of Open Drains programme; and entails the rehabilitation of stormwater open channels City Wide in former old stormwater structures.)	% Rehabilitation of Open Channels City Wide Project completed as per annual project plan	CAPEX	100% Rehabilitation of Open Channels City Wide as per annual plan	% Rehabilitation of Open Channels City Wide	10% Rehabilitation of Open Channels (YTD 20%)	Site establishment	Q3 The quarterly target was met. During the quarter, 36% of the rehabilitation of the Open Channels was completed against a target of 10%.  The project is ahead of schedule. The current YTD progress is 46% complete against an anticipated 20%		

**(C) Stormwater - Network development and upgrading (Conversion of open SW channels to underground systems)**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
55	CONV - Conversion of Open Drains to Underground/Covered Drains in Bram Fischerville. Renewal Stormwater Management Projects BRAM FISCHERVILLE C Ward	Km of Open Drains converted to Underground/Covered Drains in Bram Fischerville Project completed as per annual project plan	CAPEX	0.8 km of open SW drains converted to underground SW systems	Km of open SW drains converted	0 km	Construction in progress	Q3: The quarterly target was met. The project was completed ahead of schedule in Q2. 0.8 km of Open SW Channel was converted to underground systems against a target of 0.8 km.		
56	CONV - Conversion of Open Drains to Underground/Covered Drains in Ivory Park and surrounding areas. Renewal Stormwater Management Projects IVORY PARK EXT.7 A Ward	Km of Open Drains converted to Underground/Covered Drains in Ivory Park Project completed as per annual project plan	CAPEX	4 km of open SW drains converted to underground SW systems	Km of open SW drains converted	0 km	Construction in progress	Q3: The quarterly target was met. The project was completed in Q2. 4.2 km of Open SW Channel was converted to underground systems against a target of 4 km.		Additional budget was allocated to this project during the Mid-Term budget adjustment process. The budgeted R 10 million was increased to R 17 million.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
57	CONV - Conversion of Open Drains to Underground/Covered Drains in Ivory Park and surrounding areas. Renewal Stormwater Management Projects ORANGE FARM A Ward	Km of Open Drains converted to Underground/Covered Drains in Orange Farm Project completed as per annual project plan	CAPEX	0.65 km of open SW drains converted to underground SW systems	Km of open SW drains converted	0 km	Contractor appointed	Q3: The quarterly target was met. Achieved 0 km against a target of 0km.  The construction tender evaluation will be finalised for the contractor's appointment in Q4. The tender served at Bid Evaluation and Adjudication Committee in Q3 .	Due the delay in procurement process, the milestone was not achieved. The construction tender closed in November 2015 and the BID is at evaluation stage.	

**(D) Stormwater – Rehabilitation and Maintenance**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
58	MISCL - Dam Safety Rehabilitation Renewal Stormwater Management Projects JOHANNESBURG F City Wide  (Updating of inspections and urgent rehabilitation work to comply with statutory legislation and ensure public safety. Dams are moving to EISD; )	Construction implementation of Emmarentia Dam Wall rehabilitation as per annual project plan:  > Refurbishment of upstream Dam Wall; > Rehabilitation of Dam outlet channels from slipway	CAPEX	Refurbishment of upstream Dam Wall; Rehabilitation of Dam outlet channels from slipway	Refurbished Dam Wall; Rehabilitated Dam outlet channels	0	Construction in progress	Q3: The target was met. Achieved 0 against a target of 0 .  Construction progressed well and the project is 90% complete.		

**(E) Stormwater – Routine Maintenance**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
59	Repair and Clearing of Stormwater Systems (Ki's)	Number of Stormwater (SW) drains / Kerb Inlets (Ki's) cleaned	OPEX	55000 Stormwater (SW) drains / Kerb Inlets (Ki's) cleaned	Number of SW drains / Kerb Inlets (Ki's) cleaned	11000 SW drains / Kerb Inlets (Ki's) cleaned (YTD = 38500)		Q3: The quarterly target was not achieved A total of 8576 Kerb Inlets (Ki's) were cleaned against a target of 11 000	Under capacitation of staff resources in some depots remains a challenge. This impacts on service delivery therefore making it difficult for the teams to deal with all activities	HCM must swiftly conclude all the recruitment processes for all funded vacancies. Furthermore, some of the work is allocated to Jozi@Work programme.

**Programme 5 – Mobility Management**

**(A) Mobility – Network Development**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
60	MOB - Alternative Energy: Alternative Power Sources (LED). New Mobility: Intelligent Transportation System & Networks JOHANNESBURG F City Wide	Number of Energy efficiency: Light Emitting Diodes(LED) installed at traffic signals (overheads only).	CAPEX	225 Energy efficiency: Light Emitting Diodes(LED) installed	Number of Traffic Signal Intersections fitted with Energy efficiency: Light Emitting Diodes(LED)	70 Intersections fitted with Light Emitting Diodes(LED)  (YTD 165)		Q3: The quarterly target achieved A total of 110 traffic signal intersections were fitted with hardware related to Light Emitting Diodes (LED ) against a target of 70. Project is ahead of schedule (completed 205 LED installations against an anticipated YTD of 165)		
61	MOB - Alternative Energy: Alternative Power Sources (UPS). New Mobility: Intelligent Transportation System & Networks JOHANNESBURG F City Wide	Number of Uninterruptible Power Supply (UPS) units installed at critical identified intersections.	CAPEX	125 Uninterruptible Power Supply (UPS) units installed	Number of Uninterruptible Power Supply (UPS) units installed	50 UPS Installed  (YTD 90)		Q3: The quarterly target was not achieved During the quarter, 18 UPS's were installed against a target of 50.  The project is behind schedule (18 UPS's installed against an anticipated YTD of 90.	The start date of the installations was delayed, but installations commenced in March 2016.	UPS's were now delivered and installation commenced in March. Installation time is relatively short and the annual target will be met.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
62	MOB - CCTV Cameras. New Mobility: Intelligent Transportation System & Networks JOHANNESBURG F City Wide	Number of intersections fitted with CCTV cameras to monitor intersections and roads.	CAPEX	9 intersections fitted with CCTV cameras	Number of intersections fitted with CCTV cameras	3 intersections fitted with CCTV cameras (YTD 6)		<p>Q3: The quarterly target was not achieved 2 Traffic Signal intersections to be installed with CCTV's during Q3 were installed ahead of schedule in Q2. As such, a total of 2 traffic signal intersections were fitted with CCTV equipment against a quarterly Q3 target of 3.</p> <p>In total of 5 traffic signal intersections have been fitted with CCTV equipment against an anticipated YTD of 6.</p>	The new tender is in evaluation stage and is expected to be awarded early in Q4, where after the remaining CCTV cameras will be installed.	Installation time is relatively short and the annual target will be met .

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
63	MOB - Remote Monitoring: Urban Traffic Control (UTC). New Mobility: Intelligent Transportation System & Networks JOHANNESBURG F City Wide	Number of traffic signal intersections fitted with Remote Monitoring Units (RMU's) as per annual project plan	CAPEX	150 traffic signal intersections fitted with Remote Monitoring Units (RMU's)	Number of intersections fitted with Remote Monitoring Units (RMU's)	50 traffic signal intersections fitted with RMU's (YTD = 110)		Q3: The quarterly target was achieved A total of 53 Remote Monitoring Units (RMU's) were installed at traffic signals intersections against a target of 50.  The project is ahead of schedule ( 128 Remote Monitoring Units (RMU's) were installed at traffic signals intersections against an anticipated YTD of 110.		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
64	MOB - Traffic Signal Adaptive Control (TSAC). New Mobility: Intelligent Transportation System & Networks JOHANNESBURG F City Wide	Number of traffic signal intersections fitted with Adaptive Control detection devices as per annual project plan	CAPEX	45 traffic signal intersections fitted with Adaptive Control detection devices	Number of traffic signal intersections fitted with Adaptive Control detection devices	15 traffic signal intersections fitted with Adaptive Control detection devices  (YTD 40)		Q3: The quarterly target was achieved A total of 17 traffic signal intersections were fitted with adaptive control detection devices against a target of 15.  The project is ahead of schedule (A total of 51 traffic signal intersections were fitted with adaptive control detection devices against an anticipated YTD of 40).		

**(B) Mobility – Construction**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
65	MOB - Installation of New Warranted Traffic Signals in All Wards City Wide. New Mobility: Intelligent Transportation System & Networks JOHANNESBURG F City Wide	Number of New Warranted Traffic Signals installed as per annual project plan	CAPEX	2 New Traffic Signals installed at Warranted intersections	Number of new Traffic Signals installed	1 new Traffic Signal installed		<p>Q3: The quarterly target was met. During the quarter, 2 new Traffic Signals were installed at Warranted intersections.</p> <p>The project is ahead of schedule and is completed. (The annual target of 2new Traffic Signals installed has been achieved.)</p>		

**(C) Mobility – Renewal**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
66	MOB – Re-cabling of Old Redundant Cables at Signalized Traffic Intersections. Renewal Mobility: Intelligent Transportation System & Networks JOHANNESBURG F City Wide	Number of Traffic Signal intersections re-cabled (replacement of Old Redundant Cables at Signalized Traffic Intersections)	CAPEX	90 Traffic Signal intersections re-cabled	Number of Traffic Signal intersections re-cabled	30 Traffic Signal intersections re-cabled (YTD = 60)		Q3: The quarterly target was not achieved. During the quarter, a total of 14 Traffic Signals were re-cabled against a target of 30. However, the project is ahead of schedule as the Q2 targets were exceeded.  The project is ahead of schedule (a total of 71 Traffic Signals were re-cabled against an anticipated YTD of 60).		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
67	MOB - SARTSM: Upgrade of Existing Signalised Intersections. Renewal Mobility: Intelligent Transportation System & Networks JOHANNESBURG F City Wide	Number of traffic signal intersections upgraded to SARTSM requirements as per annual project plan	CAPEX	50 traffic signal intersections upgraded	Number of traffic signal intersections upgraded to SARTSM	20 traffic signal intersections upgraded to SARTSM (YTD = 40)		Q3: Target was achieved A total of 32 traffic signal intersections were upgraded to SARTSM standards against a target of 20.  The Project is ahead of schedule (A total of 70 traffic signal intersections were upgraded to SARTSM standards against an anticipated YTD of 40).		
68	MOB - Upgrading Controllers . Renewal Mobility: Intelligent Transportation System & Networks JOHANNESBURG F Regional	Number of controllers hardware upgraded at Traffic Signal intersections as per annual project plan	CAPEX	200 controllers hardware upgraded at Traffic Signal intersections	Number of controllers hardware upgraded at Traffic Signal intersections	50 controllers hardware upgraded (YTD = 150)		Q3: The quarterly target was achieved A total of 85 traffic signal controller hardware were upgraded against a target of 50.  The project is ahead of schedule (a total of 186 traffic signal controller hardware were upgraded against an anticipated YTD of 150).		

### (D) Mobility - Planning

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
69	MOB - Intelligent Transport Systems (ITS) Projects. New Mobility: Intelligent Transportation System & Networks JOHANNESBURG F City Wide	% Implementation of Intelligent Transport Systems (ITS) Project as per annual project plan:-  Design, purchase and deployment of ITS	CAPEX	95% implementation of Intelligent Transport Systems (ITS) Project as per annual project plan	% % implementation of Intelligent Transport Systems (ITS) Project	45% implementation of Intelligent Transport Systems (YTD 65%)	(Deployment of ITS)	Q3: The quarterly target was not achieved  During the quarter, 20 % of the implementation plan was completed against a target of 45%	Implementation of the ITS DBOM project has commenced with installation of on-street equipment (such as CCTV cameras, electronic signage etc.) on the M1 & M2 freeways.	This Freeway Management Project will be completed in June 2017. The related Arterial Management project (on the key arterials) will commence in 2016/17.

### (E) Mobility – Maintenance

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
70	Traffic signs maintained. (Maintain route markers, tourism signs, directional signs and regulatory/ warning signs)	Number of Traffic Signs Maintained	OPEX	2500 Traffic signs maintained	Number of Traffic Signs Maintained	875 Traffic signs maintained (YTD 1750)		Q3: The quarterly target was not achieved A total of 729 of street signs were upgraded / maintained against a target of 875.		Depot to continue to monitor the vandalism and theft of traffic signs.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
71	Upgrade: - upgrading of street names: kerbs with street names re-painted:	Number of street names (kerbs) painted	OPEX	40 000 street names (kerbs) painted	Number of street names (kerbs) painted	14000 street names (kerbs) painted (YTD 28000)		Q3: The quarterly target was not achieved A total of 11 303 of street names were painted against a target of 14 000 .	Under capacitation of staff resources in some depots remains a challenge. This impacts on service delivery therefore making it difficult for the teams to deal with all activities	HCM must swiftly conclude all the recruitment processes for all funded vacancies. Furthermore, some of the work is allocated to Jozi@Work programme.
72	Upgrading and maintaining faded Road Markings	Total Lane km of faded road marking upgraded	OPEX	1 500 Lane km of faded road marking upgraded	Lane km of faded road marking upgraded	525 Lane km of faded road marking upgraded (YTD 1050)		Q3 The quarterly target was not achieved During the quarter, a total of 326.66 Lane Km of faded road marking was upgraded against va target of 525 Lane Km	The target was not achieved due to staff resource capacity challenges in Regions .	Additional staff members are currently being trained to perform road marking and signs activities. In order to address materials issues, RFQ's process is being used to acquire paint and other street furniture as an interim measure. Once the paint contract is awarded, the work scheduled will be attended to and backlogs cleared.
73	Upgrading and maintaining street names (pole mounted street names)	Number of Street name (Poles mounted) upgraded	OPEX	3000 Street name (Poles mounted) upgraded	Number of Street name (Poles mounted) upgraded	1050 Street name (Poles mounted) upgraded (YTD 2100)		There is a total of 5 of street pole mounted (erected).that have been completed within Q3 .	The target was not achieved due to staff resource capacity challenges in Regions .	The depots will improve its planning to ensure that this area is not adversely affected.

**(F) Mobility – Road Safety**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
74	Investigations of Road Safety requests from petitions	% of investigations completed as a result of petitions received	OPEX	100% of received petitions investigated	% of received petitions investigated	100% of received petitions during the quarter investigated		<p>Q3: The quarterly target was achieved. No petitions were received during the 3rd quarter</p> <p>Year to date, 25 investigations received during the period and all were investigated with reports. (100%)</p>		

**Programme 6: Internal Processes**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
75	Asset Preservation  Production of asphalt in support of Rehabilitation and Renewal Roads programmes	Tons of Asphalt produced  Includes external sales	OPEX	120 000 Tons of Asphalt produced	Tons of Asphalt produced (Includes external sales)	25 000 Tons of Asphalt produced  (YTD 85 000 tons)		Q3: Target was not achieved. During the quarter a total of 14 041.92 tons of Asphalt was produced against a target of 25,000 tons - Internal = 14 001.80 tons - External = 40.12 tons - Downtime = 198 hrs	Loss of production was impacted by: - Plant break down (134Hrs); - Shortage of Bitumen (140 Hrs); - Staff matters i.e. Union meetings (40hrs); - Inclement weather (24 hrs)	JRA Board of Directors has approved the acquisition of New Asphalt Plant The New Asphalt Plant to be procured and installed in 2016/17 financial year; The issue of JRA appointed contractors purchasing Asphalt from the plant needs to be fast tracked ( Credit Facility Document to be signed beofre June 2016) . These could have potentially added another +/- 5000 Tons of Asphalt production.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
76	CS - Capital Equipment. New Plant and Equipment JOHANNESBURG City Wide	% of Capital Equipment (New Plant and Equipment) Budget procured	CAPEX	95% implementation of Capital Equipment (New Plant and Equipment) Budget	% Budget implementation	45% Budget implemented (YTD 100%)		Q3 No additional Operational CAPEX was spent on equipment during the quarter. R 4.6 million of the allocation was spent up to the end of Q2. As at Q3, 90% of the budget allocation remains unspent (against a target of 100%)  The remaining budget will be spent on trailers and Petrol bowsers this will be complete in the last quarter		Management will engage Finance regarding funding for the Milling Machine for 2016/16 financial year.  The remaining budget will be spent on trailers and Petrol bowsers this will be complete in the last quarter

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
77	IT - ERP Migration. New Computer Software JOHANNESBURG City Wide	% of Initiatives implemented as per annual project plan – SAP Migration	CAPEX	100% implementation of ERP migration	% implementation of SAP project	21% implementation of SAP project (YTD 79%)	Final preparation	<p>Q3 The quarterly target was not achieved. No progress (0%) was made during the quarter against a target of 21%. However, the City has placed a moratorium on all SAP projects.</p> <p>Year to date 71 % of the implementation plan was achieved against a target of 79 % when the project was stopped by the City</p>	<p>The SAP project is on hold.</p> <p>COJ issued a moratorium on all SAP implementation / upgrades across the City, and have issued a tender for single SAP contract Citywide. The projects plan, including the Go-Live date will be determined after the tender is issued.</p>	HOD:PG&IT engaged with Group IT and Group Finance

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
78	EPWP Jobs created	Number of Jobs Created (EPWP Job Creation)	OPEX	2200 Jobs created (EPWP)	Number of Jobs Created	500 EPWP jobs created (YTD 1646)		<p>Q3: The quarterly target was not met. During the quarter, a total of 31 jobs were created against a target of 500.</p> <p>Year to date, a total of 1238 jobs were created against an anticipated YTD of 1646 jobs.</p>	<p>The reasons for non-conformance are summarised below:</p> <ol style="list-style-type: none"> <li>1. Due to late appointment of contractors, jobs were not created in Q3 as planned.</li> <li>2. The late appointment of the Community Liaison Officer (CLO) for M1 Double Decker and Oxford Federation, jobs were not created in Q3 as planned.</li> <li>3. Due to lack of standardization of EPWP labour rate, the employment of local is delayed.</li> </ol>	<p>Actions taken to improve:</p> <ol style="list-style-type: none"> <li>1. Facilitation of introductions of projects is underway, this will result in ore job opportunities to be created in Q4.</li> <li>2. The CLO for M1 Double Decker and Oxford Federation were appointed on the last week of March 2016.</li> <li>3. The report was compiled and awaiting the City of Johannesburg to address the issues of EPWP stipend.</li> </ol>

## Programme 7: Finance Management

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
79	Financial Management (OPEX Expenditure)	% spend on JRA's operating budget against approved operating budget (within 5 % variance)	OPEX	100 % spend on JRA's operating budget (within 5 % variance)	% spend on JRA's operating budget against approved operating budget (within 5% variance)	25% spend on JRA's operating budget (YTD 73%)		Q3 The quarterly target was achieved. During the quarter, the operating expenditure was R 195, 891 million against a target of R 235,798 million. This represents 21% budget spends against a target of 25%. This is within the 5% deviation variance of 5%	The income for the quarter was R 146, 616 million, representing a loss of R 49, 275 million for the quarter and this is as a result of the original COJ Subsidy for 2015/16 of R 810, 409 m being reduced to R 759, 409 million in the 2015/16 Adjustment Budget, and the reduced adjustment for the nine months (July 15 to March 16) was made in third quarter financials, but will be balanced by 30 June 2016.	

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
80	Financial Management (CAPEX Expenditure)	% spend on JRA's capital budget against approved capital budget	CAPEX	95% spend on JRA's capital budget	% spend on JRA's capital budget	40% spend on JRA's capital budget  (YTD 80%)		<p>Q3 The quarterly target was not achieved During the quarter a total of R 201, 637 million was spent on CAPEX projects against a quarterly target of R 566, 096 million. This represents a quarterly performance of 35,62 % in comparison with last year's 3rd quarter performance of 45 %.</p> <p>The Year-to-date CAPEX expenditure is R 580,885 Million against a Year-to-date target of R1 132,192 Million. This represents a Year – to-date performance of 51,3 %</p>	<ol style="list-style-type: none"> <li>1. Lengthy procurement process led to late appointment of service providers;</li> <li>2. Community disruptions (community resisting projects, disputes with EPWP labour rates approach;</li> <li>3. The contractor's cash flow challenges negatively impacted mainly gravel roads upgrade projects in certain areas. A contractor that was awarded with two contracts has entered into business rescue, this process negatively impacted on construction progress and expenditure;</li> <li>4. Due to JRA strike action, the RSD team was unavailable implement work as planned;</li> <li>5. The Small Micro-Medium Enterprise (SMME) appointment and late payment by main contractors delayed construction in certain areas;</li> <li>6. Too many projects awarded to one contractor</li> </ol>	<ol style="list-style-type: none"> <li>1. Award multi-year contracts, continuous engagement with Supply Chain improved the award, a number of contractors were appointed in January 2016;</li> <li>2. Continuous engagement with the community, EPWP requirement communicated to contractors and other stakeholders. The report was compiled and awaiting the City of Johannesburg to address the issues of EPWP stipend;</li> <li>3. The matter has been taken up with Contracts Management and Legal to resolve the issue. It is anticipated that contracts may be terminated for three gravel roads projects;</li> <li>4. The work was accelerated by the RSD team after the strike action;</li> <li>5. The SMME compliance manager has engaged with affected contractors, CLO's and project managers to</li> </ol>

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
81	Supply Management (BBBEE Expenditure)	75% of total procurement spend on BBBEEE	N/a	75% of total procurement spend on BBBEE	% of total procurement spend on BBBEEE	75% of total quarterly procurement spend on BBBEE		Q3 The quarterly target was achieved Total payments made in the 3rd quarter amount to R 196 402 515, 04 of which R 191 924 537, 70 was spent on BBBEE suppliers. (97, 72% against a target of 75%)		

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
82	Finance Management: - Management of financial records of the entity in accordance with any prescribed norms and standards, and are effective ,efficient and transparent	% of service providers paid within 30 days.	N/a	95% compliance in respect of payment of all service providers within 30 days	% compliance in respect of payment of all service providers	95% compliance in respect of payment of all service providers within 30 days		Q3 The quarterly target was not achieved During the quarter, 91% of suppliers were paid within 30 days against a target of 95%	Target of 95% missed due to staff and suppliers unavailability to support documentation over the festive season. In addition signatories were not fully available due to leave and other challenges. Technical glitches delayed loading and processing of documents . Capex documents in particular were submitted last minute. Payments were seriously affected by the Standard Bank technical issues.	Escalation made to management on the challenges around signatories. A report was submitted for approval of additional signatory. Meetings held with some signatories to support improved payments. Communication on payment deadlines over the holiday period was sent to business to encourage timeous submission. Continuous education of stakeholders on payment processes and procedures. Daily tracking of AP movement continuous to address 30 days risks.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
83	Achievement of selected profitability and liquidity ratios	% Achievement of selected profitability and liquidity ratios (Current; Solvency; Remuneration to Expenditure; Maintenance to Expenditure.)	N/a	100% <ul style="list-style-type: none"> <li>• Current ratio: 1:1</li> <li>• Solvency ratio: 2.2:1</li> <li>• Remuneration to Expenditure: below 48%</li> <li>• Maintenance to Expenditure: 5.3%</li> </ul>	% Achievement of selected profitability and liquidity ratios	100% <ul style="list-style-type: none"> <li>• Current ratio: 1:1</li> <li>• Solvency ratio: 2.2:1</li> <li>• Remuneration to Expenditure: below 48%</li> <li>• Maintenance to Expenditure: 5.3%</li> </ul>		Q3 The quarterly targets were partially achieved  Current Ratio: 1.65:1 against a target of 1:1 (achieved)  Solvency Ratio 1,05:1 against target of 2,2:1 (achieved)  Remuneration to Expenditure is 54,8% against a City target of below 35% (not achieved)  Maintenance to Expenditure 1,7% against a target of 5,3% (not achieved)	0	0

**Programme 8: Governance**

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
84	Audit findings- external and internal audit	Number of issues raised by the AG resolved expressed as a % of total number of issues raised by the AG in the Management Letter	N/a	100% of all findings raised by AG resolved	% resolution rate of AG findings (2014-15 Audit)	40% of all findings raised by AG resolved		<p>Q3 The quarterly target was not achieved Out of thirty- three (33) findings raised, eleven (11) findings were reported as resolved by Management . Twenty-two (22) findings remained unresolved.</p> <p>Following an audit verification process, only seven (7) findings were found by Internal Audit to have been satisfactorily resolved (21 % ) against a target of 40%. Four (4) findings still to be verified by Internal Audit.</p> <p>A total of 26 Findings remain unresolved or Un-verified.</p>	<p>Reasons for non-achievement is due to slow progress in resolution of findings by Management, insufficient evidence to support resolved findings.</p>	<p>Four (4) findings are still to be verified by Internal Audit due to insufficient information and some are year-end process, 12%(4/33).</p> <p>OPCAR process is fully functional as at the end of the quarter and there is continuous follow up and verification of resolved findings by IA.</p> <p>One on one intervention sessions were held with the Audit Chair with respective departments to ensure improved performance in relation to resolving findings</p>

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
85		Number of audit findings raised by Internal Audit resolved on set implementation dates, as % of total number of findings raised in the internal audit reports.	N/a	80% of all findings raised by Internal Audit resolved	% resolution rate of Internal Audit Reports findings (Audit Plan)	80% of all findings raised by Internal Audit resolved within the reported timeframes		<p>Q3: Of the one hundred and two (102) findings due for resolution by the JRA Management as at Q3, thirty-seven (37) findings were resolved within the quarter (36 %) against a target of 80%.</p> <p>Sixty-five (65) findings remain unresolved (64 %)</p>	<p>As at 1 January 2016 ,there were one hundred and six (106) findings to be resolved by JRA Management and included is four (4) findings which were not yet due for implementation by JRA as at end of Q3 . Based on the above, a total of one hundred and two (102) findings were due for resolution by JRA Management as at Q3.</p> <p>Year to date progress: Of the 167 Internal Audit Findings raised todate, 98 findings were resolved (58%) and 69 remain unresolved.</p>	The Committee Chairman held one-one sessions with the Departments Heads of Departments and their respective teams on 07 March 2016 to review progress on resolution of findings and to get commitments from Management on the resolution of findings. The outcome of the sessions was to be reported to the MMC.

Kpi No	Project	Key Performance Indicators	Budget Stream	Annual Target	Measurement unit	Target (Q3)	Milestone	Progress (Q3)	Comments (Reasons for non-conformance) Progress re Milestones (Q3)	Measures taken to improve performance Action Plans (where performance is behind schedule) (Q3)
86	Detailed risk management implementation plan	% Implementation of the Risk Management Plan (% Implementation of 17 activities identified)	N/a	100% Implementation of the Risk Annual Plan	% Implementation of the Risk Annual Plan	0% (YTD 71%)		<p>Q3 The quarterly target was achieved Achieved 5.8 % against a target of 0%.</p> <p>During the quarter, 1 activity scheduled for the 4th quarter ( Follow up audit on Risk Management) was completed in the 3rd quarter .</p> <p>The Risk Maturity activity was deferred for completion in the 4 th quarter. This activity is currently in progress but will be approved by the RITC in the 4th quarter.</p> <p>Of the annual 17 activities, 11 have been completed to date which is a 65% of total targets achieved. The remaining 6 activities will be completed by the end of the 4th quarter.</p>		

**Annexure E**  
**Injuries on duty**

**SCHEDULE FOR INJURIES ON DUTY (JULY 2015 – March 2016)**

DEPOT	DATE OF THE ACCIDENT	GENDER		NO OF DAYS LOST	REMARKS	PROPOSED CORRECTIVE ACTION TO PREVENT REOCCURENCE BY SHE UNIT	
		MALE	FEMALE				
JULY -2015							
1.	HAMBERG	22.07.2015		x		Employee tripped and fell while walking out of the office and injured left ankle.	Employee should avoid moving fast on uneven ground.
2.	AVALON	16.07.2015	x		4	Employee got injured on her right arm as she was getting off a truck.	Employee should always to take time to close the door of the truck when getting off.
3.	RSD	23.06.2015		x	0	Employee was approaching the truck and twisted her ankle.	Employee to be observant of the surroundings especially when the ground is uneven.
4.	DOBSONVILLE	03.07.2015		x		Employee injured left ankle and foot	Employees to carry out a two minutes observation to identify any hazards before start an activity. Also always wear protective equipment provided to do the work.
5.	DOBSONVILLE	22.07.2015		x		Employee got injured when offloading tools from the truck and injured his back and head.	Employees to carry out a two minutes observation exercise to identify any hazards before start an activity and training on principle of manual handling.
6.	DOBSONVILLE	27.05.2015		x		Employee injured her back	Train employees on principle of manual handling.
7.	DOBSONVILLE	27.05.2015		x		Employee injured his right shoulder and his back	Train employees on principle of manual handling.
AUGUST-2015							
8.	HAMBERG	05.08.2015		x	3	Employee injured right finger	Employee to wear hand gloves as protective equipment at all times.
9.	NORWOOD	26.08.2015		x		Employee injured right middle finger by a truck door	Employee always to take time to close the door of the truck when getting off
SEPTEMBER-2015							
10.	RSD	17.07.2015		x		Employee was hit by a spoil on the forehead	Train employees on principle of manual handling.

DEPOT		DATE OF THE ACCIDENT	GENDER		NO OF DAYS LOST	REMARKS	PROPOSED CORRECTIVE ACTION TO PREVENT REOCCURENCE BY SHE UNIT
			MALE	FEMALE			
							Effective communication between employees working on the same site and closer to each other.
11.	DOBSONVILLE	27.08.2015		x		Employee injured his chest	Train employees on principle of manual handling.
12.	MOTORWAYS	23.08.2015		x		Employee injured the left hand and foot by a hand rail when it slipped and hurt him	Employee to wear hand gloves as protective equipment at all times.
13.	MOTORWAYS	09.08.2015	x		4	Employee got injured on the leg while removing guardrails	Train employees on principles of manual handling.
14.	MOTORWAYS	12.09.2015		x		Employee injured left finger while lifting the left KI top	Employee to wear hand gloves as protective equipment at all times
15.	MOTORWAYS	12.09.2015		x		Employee injured by a guardrail while offloading from the truck on the left hand	Train employees on principle of manual handling
16.	BENROSE	13.08.2015		x		Employee got injured while offloading manhole middle finger got injured	Employee to wear hand gloves as protective equipment at all times and follow offloading SOP's as well as training on principle of manual handling.
17.	BENROSE	15.09.2015	x			Employee got electric shock and got unconscious	Employees to carry out a two minutes observation to identify any hazards before start an activity.
18.	DOBSONVILLE	15.09.2015		x	1	Employee injured left hand and hip; and fell at the back of the truck when driver applied s brakes suddenly.	The driver needs to be reprimanded with regard to speeding.
QUARTER 2 : SCHEDULE FOR INJURIES ON DUTY ( OCT – DECEMBER 2015)							
OCTOBER 2015							
1.	HUMBERG	01.10.2015	x		0	Employee slipped, fell and injured lower left leg as they were compacting tar with a worker machine.	Train employees on principle of manual handling.
2.	ZANDFONTEIN	30.09.2015	x			Employee injured by a manhole cover on his finger.	Employee to wear hand gloves as protective equipment at all times and Train employees on principle of manual handling.

DEPOT	DATE OF THE ACCIDENT	GENDER		NO OF DAYS LOST	REMARKS	PROPOSED CORRECTIVE ACTION TO PREVENT REOCCURENCE BY SHE UNIT	
		MALE	FEMALE				
3.	TRAFFIC SIGNALS	01.10.2015	x			Employee was hit by a vehicle at the depot yard and injured left hip and right leg.	The driver needs to be reprimanded with regard to speeding.
4.	AVALON	06.10.2015	x		1	Employee was involved in a car accident both legs were injured.	Speed is attributed to most accidents and
5.	AVALON	07.10.2015	x		2	Employee was involved in a car accident and got injured on the ribs and knee.	Monitor and enforce speed limits
6.	AVALON	06.10.2015	x			Employee was injured in car accident got injured head and neck.	Teach, promote and offer assertive driving lessons; and incentivize employees driving within and below speed limit resulting in zero accidents
7.	AVALON	07.10.2015	x		1	Employee was involved in a car accident and got injured on the shoulder.	Teach, promote and offer assertive driving lessons and incentivize employees driving within and below speed limit resulting in zero accidents.
NOVEMBER 2015							
1.	BENROSE	18.11.2015	x			Employee fell down from the truck got injured on his right leg.	Employees to carry out a two minutes observation exercise to identify any hazards before starting an activity.
2.	ASPHALT PLANT	21.10.2015	x			Employee inhaled bitumen and fell down.	Employees to carry out a two minutes observation to identify any hazards before start an activity and wear protective respirator.
3.	WATERVAL	28.10.2015	x			Employee hurt his hand with a bomag equipment.	Train employees on principle of manual handling.
4.	DOBSONVILLE	02.11.2015		x		Employee got injured by KI on the right hand thumb.	Train employees on principle of manual handling. Wear and use issued protective gloves as well as SOP to be developed.
DECEMBER 2015							
1.	DOBSONVILLE	02.12.2015	x			Employee was involved in car accident and hit with his left foot.	Teach, promote and offer assertive driving lessons and incentivize employees driving within and below speed limit resulting in zero accidents.
2.	DOBSONVILLE	02.12.2015	x			Employee was involved in a car accident. He hit the back	Teach, promote and offer assertive driving lessons and incentivize employees driving within and below speed

DEPOT	DATE OF THE ACCIDENT	GENDER		NO OF DAYS LOST	REMARKS	PROPOSED CORRECTIVE ACTION TO PREVENT REOCCURENCE BY SHE UNIT
		MALE	FEMALE			
					seat with right knee	limit resulting in zero accidents
3.	DOBSONVILLE	02.12.2015	x		Employee was involved in a car accident and hurt his back.	Teach, promote and offer assertive driving lessons and incentivize employees driving within and below speed limit resulting in zero accidents.
4.	STRYJDOM PARK	02.12.2015	x		Employee was offloading spoil and slab fell on her right ankle.	Train employees on principle of manual handling.
5.	STRYJDOM PARK	02.12.2015	x		Employee was cutting the tree and a piece of foreign object got into his eyes.	Employees to carry out a two minutes observation to identify any hazards before start an activity and wear protective goggles
QUARTER 3 : SCHEDULE FOR INJURIES ON DUTY ( JAN –MARCH 2016)						
JANUARY 2016						
1.	Traffic Signals	17.01.2016	x		Employee was stung by a bee. He fell down from a ladder and fell on his back.	Employees to carry out a two minutes observation exercise to identify any hazards before start an activity
FEBRUARY 2016						
1.	Head Office	02.12.2015	x	3	Employee machine crushed right hand ring finger while offloading from the truck.	Employees to be educated on equipment handling method.
2.	Norwood	17.02.2016			Employee slipped on a wet floor while holding a glass and got cut on the right hand.	Sign to be place on floor to warn employees. Employees to report unsafe / wet floors to cleaning supervisor.
3.	Dobsonville	17.02.2016	x		Employee right index finger was trapped in a truck door and got injured the right hand.	Employees to be alert and ensure fingers are free from being pinched by truck flaps.
MARCH 2016						
2.	ASPHALT	03.03.2016	x		Employee got injured and chain blog fell on his left hand while fixing roller drum.	Safe Operating Procedure to be developed for maintenance work.
3.	HAMBERG	29.02.2016	x	0	Employee injured right arm and elbow hurt by a breaker.	Safe job observation to be done to determine employees are applying what they have been trained on.

DEPOT		DATE OF THE ACCIDENT	GENDER		NO OF DAYS LOST	REMARKS	PROPOSED CORRECTIVE ACTION TO PREVENT REOCCURENCE BY SHE UNIT
			MALE	FEMALE			
4.	FLEET & PLANT	04.03.2016		x		Employee tripped over wires on the floor in the office and injured knee.	All wires/cables to be wrapped and be relocated against the wall. No wire/cable allowed to cross a walkway.
5.	DOBSONVILLE	15.01.2016	x			Employee involved in car accident and hurt his left foot.	Teach, promote and offer assertive driving lessons and incentivize employees driving within and below speed limit resulting in zero accidents.
6.	DOBSONVILLE	01.03.2016		x	5	Employee was offloading the rubble and hurt her left finger.	Employee(s) to be trained on taking correct posture when offloading – This should form part of depot tool box talk.
7.	TRAFFIC SIGNAL	17.01.2016	x			Employee was in his working station and another motorist knocked it got injured his left thumb.	The use of barricading equipment as well as using a truck to serve as a barrier to be enforced

**Annexure F**  
**Income Statement**

**Detail Income Statement by Company**

Detail Income Statement By Company									
For the Quarter ending: March 2016 (R'000)									
Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
<b>REVENUE</b>									
Rent Received	909	909	0	0,00%	2 728	2 728	0	0,00%	3 637
Gautrans Maintenance	2 293	1 965	328	16,70%	5 253	5 894	-641	-10,88%	7 858
COJ Maintenance	138 602	186 602	-48 000	-25,72%	559 807	559 807	-	0,00%	746 409
<b>TOTAL REVENUE</b>	<b>141 804</b>	<b>189 476</b>	<b>-47 672</b>		<b>567 787</b>	<b>568 428</b>	<b>-641</b>		<b>757 904</b>
<b>DIRECT COSTS</b>									
Material Cost	12 698	12 320	-378	-3,07%	44 215	36 960	-7 254	-19,63%	49 281
Jozi@Work	922	4 400	3 478	79,05%	922	13 199	12 277	93,02%	17 598
Stock Adjustment	111	-	-111	100,00%	-1 552	-	1 552	100,00%	-
<b>TOTAL DIRECT COST</b>	<b>13 731</b>	<b>16 720</b>	<b>2 988</b>		<b>43 584</b>	<b>50 159</b>	<b>6 575</b>		<b>66 879</b>
<b>GROSS PROFIT</b>	<b>128 073</b>	<b>172 756</b>	<b>-44 684</b>		<b>524 203</b>	<b>518 269</b>	<b>5 934</b>		<b>691 026</b>
<b>OTHER INCOME</b>									
Recoveries Telephone Calls	94	-	94	100,00%	134	-	134	100,00%	-
Asphalt Sales	-772	185	-957	-517,43%	484	555	-71	-12,77%	740
Jobbings	7 073	8 079	-1 006	-12,45%	22 905	24 237	-1 331	-5,49%	32 315
Reinstatements	5 844	5 968	-124	-2,08%	15 006	17 905	-2 899	-16,19%	23 873
Developers Income	3 591	11 445	-7 854	-68,62%	25 951	34 335	-8 384	-24,42%	45 780
DCP Testing	55	-	55	100,00%	62	-	62	100,00%	-
Interest from Intercompanies	9 156	3 250	5 906	181,72%	21 380	9 750	11 630	119,28%	13 000
Insurance Claims	1 399	3 208	-1 808	-56,38%	8 743	9 623	-879	-9,14%	12 830
Other Sales	153	288	-134	-46,70%	2 217	863	1 354	156,81%	1 151
Management Fees	3 626	6 696	-3 070	-45,85%	14 210	20 088	-5 878	-29,26%	26 784
Sundry Income	6 592	1 204	5 388	447,72%	6 621	3 611	3 010	83,37%	4 814
Training Income	-	-	-	0,00%	-	-	-	0,00%	-
<b>TOTAL OTHER INCOME</b>	<b>36 812</b>	<b>40 322</b>	<b>-3 510</b>		<b>117 715</b>	<b>120 966</b>	<b>-3 251</b>		<b>161 288</b>

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
<b>INDIRECT COSTS</b>									
Advertising	1 174	412	-761	-184,64%	1 506	1 237	-269	-21,73%	1 649
Auditors Remuneration Fees	98	650	552	84,88%	2 179	1 950	-229	-11,73%	2 600
Bank Charges	15	23	8	34,79%	49	68	18	26,72%	90
Consulting Fees	6 784	16 983	10 199	60,05%	29 300	50 948	21 649	42,49%	67 931
Contractors JRA	6 028	10 790	4 762	44,13%	16 379	32 369	15 990	49,40%	43 159
Contractors Outsourced	1 540	1 258	-282	-22,44%	3 572	3 773	201	5,34%	5 031
Consumables	889	1 662	773	46,48%	3 248	4 986	1 738	34,85%	6 648
Depreciation	9 152	8 500	-652	-7,67%	26 250	25 500	-750	-2,94%	34 000
Directors Emoluments	7	311	304	97,78%	935	934	-1	-0,12%	1 246
Entertainment	385	241	-145	-60,15%	547	722	175	24,21%	963
Corporate Promotions	16	749	733	97,87%	1 554	2 248	694	30,87%	2 998
Insurance	2 806	2 806	-	0,00%	8 417	8 417	-	0,00%	11 223
Intercompany Charges	1 677	497	-1 180	-237,44%	2 860	1 491	-1 368	-91,75%	1 988
Leased Contract Services	16 779	28 124	11 345	40,34%	79 827	84 373	4 546	5,39%	112 497
Offices(Parking)	105	395	290	73,38%	649	1 185	535	45,18%	1 579
Office Equipment	-22	190	212	111,79%	160	570	410	71,86%	760
Legal Expenses	379	370	-8	-2,25%	640	1 111	471	42,40%	1 481
Licenses	4 056	1 583	-2 472	-156,15%	4 474	4 750	276	5,81%	6 334
Magazines Books and Periodicals	0	154	154	100,00%	67	462	394	85,45%	615
Municipal Services Charges	9 066	6 042	-3 023	-50,03%	23 441	18 127	-5 313	-29,31%	24 170
Stationary	514	785	271	34,53%	1 696	2 354	657	27,92%	3 138
Printing	192	871	679	77,96%	1 171	2 614	1 443	55,21%	3 485
Repairs & Maintenance	3 244	4 306	1 062	24,66%	7 284	12 919	5 634	43,61%	17 225
Strategic Planning	-	241	241	100,00%	424	723	299	41,39%	964
Employee & Related Costs	107 307	114 824	7 517	6,55%	333 026	344 473	11 446	3,32%	459 297
Employee Wellness	93	143	50	35,03%	494	429	-65	-15,27%	571
Security	4 963	4 528	-435	-9,61%	13 488	13 583	95	0,70%	18 111
Software Expenses	-	-	-	0,00%	3	-	-3	-100,00%	-

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Social Responsibility	-	53	53	100,00%	-	158	158	100,00%	211
Telephone & Fax	88	1 015	928	91,34%	2 545	3 046	501	16,45%	4 062
Training	1 465	2 150	685	31,85%	4 900	6 451	1 552	24,05%	8 602
Travel Expenses	68	413	344	83,45%	218	1 238	1 019	82,38%	1 650
Data Services	2 915	1 959	-956	-48,79%	7 849	5 877	-1 972	-33,55%	7 836
Write-Offs	378	-	-378	0,00%	378	-	-378	-100,00%	-
Realised Gains/Losses	-	50	50	100,00%	104	150	46	30,96%	200
<b>TOTAL INDIRECT COST</b>	<b>182 160</b>	<b>213 078</b>	<b>30 918</b>		<b>579 635</b>	<b>639 235</b>	<b>59 600</b>		<b>852 313</b>
<b>NET INCOME AFTER TAX</b>	<b>-17 275</b>	<b>-</b>	<b>-17 275</b>		<b>62 283</b>	<b>-</b>	<b>62 283</b>		<b>-</b>

**Notes to Financial Statement**

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD MARCH 2016					
			2016 March R'000		2015 June R'000
<b>1. Property, plant and equipment</b>		<b>Accumulated Depreciation</b>	<b>Carrying Value</b>		
	<b>Cost</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
Buildings	65 852	12 551	53 301		51 530
Land	17 294	-	17 294		17 293
IT Equipment	32 612	15 432	17 181		8 544
Furniture and Fittings	16 207	9 485	6 722		6 578
Office Equipment	8 040	3 899	4 141		4 834
Motor Vehicles	22 005	9 252	12 753		15 305
Tools and Loose Gear	525	486	39		51
Assets (WIP)	16 764		16 764		1 592
Plant and Machinery	116 239	72 752	43 487		53 845
<b>Total</b>	<b>295 539</b>	<b>123 858</b>	<b>171 681</b>		<b>159 572</b>
<b>2. Intangible Assets</b>		<b>Accumulated Depreciation</b>	<b>Carrying Value</b>		
	<b>Cost</b>	<b>R'000</b>	<b>R'000</b>	<b>R'000</b>	
Computer Software	14 308	12 928	1 379		17 294
<b>Total</b>	<b>14 308</b>	<b>12 928</b>	<b>1 379</b>		<b>17 294</b>
<b>3. Employee benefit investment</b>					
Post-retirement Gratuity			32 404		32 884
Post-retirement Housing Subsidy			-		-
Post-retirement Medical Aid			25 621		25 620
			<b>58 024</b>		<b>58 504</b>
<b>4. Trade and other receivables</b>					
Trade Debtors			4 393		31 120
Related party Receivables			212 971		336 651
Prepayments			19 495		43 440
Provision for bad debts			(4 948)		4 947
Electricity Deposit			150		300
STD Bank Trust Account'			-		
CoJ - Capital expenditure			(73 630)		26 295
			<b>158 432</b>		<b>442 753</b>

	<b>2016</b>		<b>2015</b>
	<b>March</b>		<b>June</b>
	<b>R'000</b>		<b>R'000</b>
<b>5. Inventories</b>			
Raw Materials	39 562		18 772
Consumables	-		3 784
Disclosure of Consumables	3 784		
Impairments	(2 664)		(2 664)
	<b>40 682</b>		<b>19 892</b>
<b>6. Bank Balances and Cash</b>			
Petty Cash	-		2
JPC Portfolio (Bank)	-		
Inter-company account	461 939		425 737
Absa Bank Accounts	-		
Standard Bank Accounts			
Developers contribution			
	<b>461 939</b>		<b>425 739</b>
<b>7. Contribution from Owner</b>			
Share Capital	1		1
Shareholders Loan	206 341		123 014
	<b>206 342</b>		<b>123 015</b>
<b>8. Employee Benefit Obligation</b>			
Gratuity Liabilities	34 817		34 817
Post-retirement medical aid	8 115		8 115
Post-retirement housing subsidy	2 955		2 955
	<b>45 888</b>		<b>45 887</b>
<b>9. Finance Lease Obligation</b>			
Current lease portion	10 520		10 519
	<b>10 520</b>		<b>10 519</b>

	<b>2016</b>		<b>2015</b>
	<b>March</b>		<b>June</b>
	<b>R'000</b>		<b>R'000</b>
<b>10. Trade and other payables</b>			
Trade Payables	174 912		442 456
Capital Accruals			-
Gratuity Provision	-		-
Leave Pay Provision	24 585		25 345
Retention	97 272		66 103
Related Party Creditors	6 600		25 979
Payroll Accruals	822		4 120
Fair Value of Creditors	(196)		(195)
Prepayments	42 563		100 444
Bonus Provision: 13th Cheque	6 553		9 767
	<b>353 112</b>		<b>674 019</b>
<b>11. Finance Lease Obligation</b>			
Long term portion of finance lease	9 855		15 986
	<b>9 855</b>		<b>15 986</b>

		<b>2016</b>		<b>2015</b>
		<b>March</b>		<b>June</b>
		<b>R'000</b>		<b>R'000</b>
<b>12. Provision</b>				
Legal Claim Provision		29 100		29 350
Bonus Provision: Performance		8 236		10 130
		<b>37 336</b>		<b>39 480</b>
<b>13. Cash Utilised in Operations</b>				
Surplus / (Deficit) before taxation		110 283		120 434
<b>Adjusted for:</b>				
Depreciation and amortisation		26 250		23 805
Interest Earned				1 859
Gain on sales of property, plant and equipment		-		25
Finance Costs		-		
Decrease in loan to shareholder		-		
Other non cash movements				289
Movement in provisions				31 450
Movement in shareholders loan				33 703
Assets purchased through finance lease				26 298
Movement in retirement benefit obligation		481		5 254
<b>Changes in Working Capital</b>				
Inventories		(20 790)		(8 660)
Trade and other receivables		284 321		(268 413)
Trade and other payables		(320 908)		250 346
		<b>79 636</b>		<b>216 391</b>

**Balance Sheet : March 2016**

Statement of Financial Position as at March 2016			
		<b>2016</b>	<b>2015</b>
		<b>March</b>	<b>June</b>
		<b>R'000</b>	<b>R'000</b>
<b>Assets</b>	Notes		
<b>Non Current assets</b>		<b>231 084</b>	<b>235 374</b>
Property plant and equipment	1	171 681	159 575
Intangible Assets	2	1 379	17 294
Employee benefits investment	3	58 024	58 505
<b>Current assets</b>		<b>661 053</b>	<b>888 385</b>
Inventories	5	40 682	19 892
Trade and other receivables	4	158 432	442 753
Cash and Cash Equivalents	6	461 939	425 740
<b>Total Assets</b>		<b>892 137</b>	<b>1 123 759</b>
<b>Equity &amp; Liability</b>			
<b>Equity</b>		<b>435 427</b>	<b>348 247</b>
Contribution from owner	7	206 342	181 445
Accumulated Surplus		229 085	166 802
<b>Non Current Liabilities</b>		<b>55 743</b>	<b>61 874</b>
Employee benefit obligations	8	45 888	45 888
Finance lease obligations	11	9 855	15 986
<b>Current Liabilities</b>		<b>400 967</b>	<b>713 638</b>
Trade and other payables	10	353 112	674 020
Finance lease obligations	9	10 520	10 519
Provisions	12	37 336	29 099
<b>Total Liabilities</b>		<b>892 137</b>	<b>1 123 759</b>

## Cash Flow

Cash Flow Statement for the period ended March 2016			
		2016	2015
		March	June
		R'000	R'000
	Note		
<b>Cash Flows from Operating Activities</b>			
Cash used in operations	13	79 636	377 653
Interest income		-	20 649
Finance Costs		-	
<b>Net Cash from operating activities</b>		<b>79 636</b>	<b>398 302</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-22 439	(58 428)
Proceeds from sale of property, plant and equipment		-	-
Increase in Developers contribution		-	-
Decrease in Loan to shareholder		8 237	-
<b>Net Cash from investing activities</b>		<b>(14 203)</b>	<b>(58 428)</b>
<b>Cash Flow From Financing Activities</b>			
Decrease in shareholder's loan		24 897	
Repayment of finance lease obligations-non current		(6 130)	(10 739)
<b>Net Cash From financing activities</b>		<b>18 767</b>	<b>(10 739)</b>
<b>Total Cash Movement for the period</b>		<b>84 200</b>	<b>329 135</b>
Cash at the beginning of the period		425 740	96 606
<b>Total cash at the end of the period</b>		<b>509 940</b>	<b>425 741</b>

**Annexure J**

**Fraud Allegations Register 2015/16**

No.	Description	Date reported to IA.	Affect ed Unit/(s )	Source	Category	Action Plan	Investigating Team	Date issued to investigation/	Status	Investigation Cost 'R	Financial Loss 'R	Progress
1.	Theft of JRA Laptop	01-Jul-15	MF	Whistle-blower	Theft of Assets	Implemented by COJ Investigating team	COJ investigation team	01-Jul-15	closed	R0	Unknown( Laptop sold to cash crusaders at R 500)	The investigation has been completed and the report issued to Management in November 2015.Awaiting management action
2	Allegation of Contract procurement irregularities	15-Jul-15	CS	Whistle-blower	Contract procurement irregularities	Referred to the COG Investigating Unit	Nexus Forensics	20-Aug-15	Open	Unknown	Unknown	The investigation is still in progress since September 2015 and almost at final stages with the draft report issued to COJ
3	Allegation of Contract procurement irregularities	20-Jul-15	CS	Whistle-blower	Contract procurement irregularities	Referred to the COG Investigating Unit	Nexus Forensics	20-Aug-15	Open	Unknown	Unknown	Same as above
4	Allegation of payroll Fraud	28-Aug-15	CS	Whistle-blower	Payroll Fraud	Referred to the COG Investigating Unit	None	N/A	Open	Unknown	Unknown	The technical evaluation will commence in the 4 <sup>th</sup> quarter
5	Allegation of Illegal digging of the road	01-Aug-15	RO	Whistle-blower	Illegal Road Marking	Referred to the COG Investigating Unit	COJ Investigation Team	March 2016	Open	Unknown	Unknown	The matter was referred to the City for assistance with implementation and an inception meeting was held with management on the 09 <sup>th</sup> March 2016, with the preliminary investigation in progress.

6	General Workers Recruitment Irregularities	05-Nov-15	CS	Whistle-blower	Recruitment Irregularities	The investigation appointed from other MOE	Unknown	N/A	Open	Unknown	Unknown	Appointment letter of the investigator from one of the COJ entities has been signed by the Managing Director and the investigation to commence in the 3rd quarter.
7	Alleged Specification Fraud and sole provider product requirement.	01-Dec-15	ID	Whistle-blower	Contract procurement irregularities	Preliminary review by IA in process	None	N/A	Open	Unknown	Unknown	Preliminary review by IA in progress to gather information on the allegation
8	Recruitment Irregularities for Office Manager	23-Dec-15	CS	Whistle-blower	Recruitment Irregularities	Investigation completed	Unknown	N/A	closed	Unknown	Unknown	The appointment for the position was stopped. The enquiry was completed and the alleged offender suspended. The position will be re-advertised
9	Purchase of material irregularity	01-Jan-16	Finance	Whistle-blower	Material irregularity	Investigation completed	Unknown	N/A	closed	Unknown	Unknown	The matter was referred to the Ethics Officer (Co Secretary) for investigation and completed.
	<b>TOTAL AMOUNTS</b>									-	-	

**Amounts owing by Government Entities and others**

As at March 2016, an amount of R 339,316 is owing to JRA by Government Entities.

Amounts owed by other is included in the table below

Description	Open Amount
Related Parties	42 114 256.78
Other Govt entities	4 872 375.15
Third Parties	16 647 871.95
	63 634 503.88

## Contracts awarded (Q3)

CONTRACT NUMBER	CONTRACT DESCRIPTION	BU	SERVICE PROVIDER (S)	START DATE	END DATE	CONTRACT AMOUNT (VAT INCLUSIVE)	TYPE OF CONTRACT
<b>January</b>							
<b>February</b>							
060/2015	Appointment of consultant for professional services for the upgrade of gravel roads to surface standards inclusive of associated stormwater in Mayibuye and Kaalfontein region a of the City of Johannesburg for three financial years	ID	GHM Tswelelo Consulting Engineering cc	29/02/2016	28/02/2019	R 6 430 427.40	Fixed Term
059/2015	Appointment of consultant for professional services for the upgrade of gravel roads to surface standards inclusive of associated stormwater in Slovoville in Region D of the City of Johannesburg for three financial years	ID	GHM Tswelelo Consulting Engineering cc	29/02/2016	28/02/2019	R3 386 427.00	Fixed Term
JRA/16/03	Rehabilitation of stormwater Channel between Sophia and Lake Street in Booyens in Johannesburg	ID	Nyoni Projects (Pty) Ltd	10/20/2016	Project Based	R 8 929 002.01	Fixed term

CONTRACT NUMBER	CONTRACT DESCRIPTION	BU	SERVICE PROVIDER (S)	START DATE	END DATE	CONTRACT AMOUNT (VAT INCLUSIVE)	TYPE OF CONTRACT
<b>March</b>							
095/2015	Supply, delivery and offloading of weed killer and disposal of empty weed killer containers as and when required for a period of three years	Logistics	Blue Star Group	23/03/2016	22/03/2019	Rates	Fixed term

Claims against JRA: 3<sup>rd</sup> Quarter 2015-16

Month	Potholes	Manhole	Open Drainage	Other (speed humps, trenches etc.)	Total
January 2016	09	02	04	02	17
February 2016	22	05	02	06	35
March 2016	15	06	0	04	25
<b>Total amount claimed</b>	<b>R601 635.00</b>	<b>R5 096 912.22</b>	<b>R1 251 467.37</b>	<b>R1 134 790.96</b>	<b>77</b>

JRA Board and Committees Attendance Register: 3<sup>rd</sup> Quarter 2015-16

Annexure N

Name	Designation	1 March (S - address strike demands)	BOARD		AUDIT		RISK & IT	SDC		REMCO		
			Q3 10 March (AFC workshop)	29-Mar	Q3 27 Jan (W)	25-Feb	Q3 09-Feb	Q3 28-Jan	04-Mar	Q2 06-Nov	Q3 17-Feb	
J Manche	Non- executive Director / Chairman	✓	x	✓				☐	☐	✓	✓	
MI Msezane	Non- executive Director	x	✓	✓				✓	✓			
L Mashamaite	Non- executive Director Chair - Remco	✓	✓	✓	✓	✓				✓	✓	
E Ngomane	Non-executive Director / Chair SDC	✓	x	✓	☐	☐		✓	✓	☐	☐	
H Mashele	Non- executive Director Chair Audit	✓	✓	✓	✓	✓	✓			☐	☐	
L Nxumalo	Non- executive Director	✓	✓	✓				✓	X	x	✓	
A Torres	Non- executive Director Chair Risk & IT	✓	✓	✓	?	x	✓					
J Maina	Non- executive Director	x	x	✓			✓	X	X			
B Ramasia	Non- executive Director	✓	✓	☐			X			x	✓	
P Govender	Non- executive Director	☐	☐	✓			☐					
G Mbatha	Chief Financial Officer	✓	✓	✓	✓	✓	✓					
M Kau	Acting Managing Director	✓	x	✓	✓	✓	✓	☐	☐	✓	✓	
R Theunissen	Indep. AC		✓		x	x						
J Maboja	Indep. AC		x		✓	✓						
D Nyalunga	Indep. AC		✓		✓	✓						
	<b>CRM workshop with Linda Nxumalo</b> 7 August 2015 8th October 2015 29th October 2015		<b>Other</b> 9 November - meeting with AG - L Mashamaite and H Mashele Albert Torres - Group Risk and IT									