

JOHANNESBURG ROADS AGENCY SOC (LTD)

Reg. No. 2000/028993/30

PERFORMANCE REPORT FOR THE PERIOD JANUARY TO MARCH 2019

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.

COMPANY INFORMATION:

Registration number:	2000/028993/30
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
Bankers:	Standard Bank of SA Limited
Auditors:	Auditor General South Africa (AGSA)

Vision

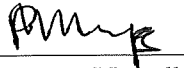
The best city roads authority that enables economic growth and sustainability.

Mission

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

Mobility Made Easy.

Approval – Q3 Report (JRA)



Princess Mundiya CA (SA)
A/Chief Financial Officer

Date: 12/04/2019



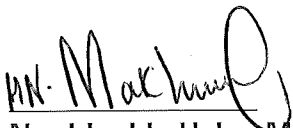
Goodwill Mbatha CA (SA)
Managing Director

Date: 2019-04-15



Sipho Tshabalala
Chairperson of the Board

Date: 18/04/2019



Nonhlanhla Helen Makhuba
MMC: Transportation

Date: 14/05/2019

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CHAPTER 1: JRA LEADERSHIP AND CORPORATE PROFILE

Section 1: Corporate profile and overview of the entity

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

Section 2: Strategic objectives

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

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

Table 1.1: Alignment of JRA strategic plans to CoJ strategy

Section 3: Performance Summary

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

- On 25 March, the JRA launched two newly built and rehabilitated roads in Ivory Park, Ward 78. The R6-million project included the installation of underground stormwater management systems and interlocking blocks on the sidewalk path of the road. The upgrades started in June 2018, along Haile Selassie and Masimbambisane streets, and entailed the resurfacing of 640 m of road, the installation of 40 m of stormwater and the cleaning of 200 m of stormwater pipes.
- The road resurfacing programme is on track. A total of 48.27 lane kilometres were resurfaced in Q3. Year-to-date 195.77 lane kilometres have been resurfaced towards an annual target of 220 lane kilometres.

- A total of 1.81km of gravel roads were upgraded to surfaced standard roads. Year-to-date 13.55km have been upgraded towards an annual target of 25km.
- The conversion of open drains programme is on track. A total of 0.129km of open drains was converted to underground stormwater system. Year-to-date 1.129 km have been converted towards an annual target of 1.5km.
- The Company exceeded its year-to-date targets for EPWP Work opportunities created (1116); M1 Motorway Capacity Expansion project with 64.5% budget expenditure; poor roads identified and rehabilitated according to the pavement management system with 11.66 km rehabilitated; and the number of SMMEs supported (84).
- The Company also achieved its traffic signal downtime targets and resolved the targeted 40% of all Auditor General Findings raised.

Challenges

- Capital budget expenditure is below target, thereby affecting performance on capital-budget expenditure-driven projects such as Soweto highway resurfacing, bridge rehabilitation, complete streets among others. The Company has put in place an expenditure plan to improve performance in quarter 4 towards the annual target.
- The JRA experienced several community work stoppages, in particular on the gravel roads upgrade projects in Region A, C and G in the period under review. Disputes experienced include selection of Community Liaison Officers (CLOs), local labourers and Local Emerging Contractors (SMMEs) for the projects. This has led to downtime on several projects further negatively impacting ability to spend Capex budget.
- Further, theft and vandalism remain a challenge for the JRA with increasing evidence of theft of manhole covers being on the rise.
- The inadequate resolution of petitions and the absence of a communications strategy.
- Asphalt plant production also performed below target.
- Labour unrest that occurred in the period under review.

Financial Performance

The Company achieved 97.89% OPEX budget expenditure and spent year-to-date 52.32% of its revised capital budget. The BBBEE expenditure is above target at 88%. The Company has put in place an expenditure plan to improve performance in quarter 4 towards the annual target.

Service Standards Performance

The Mid-year revisions amended the service charter standards and created 21 sub-targets for the seven service standards on the customer charter relevant to the JRA. In the period under review the JRA met 13 of its 21 targets (62%).

Board Matters

On the 8th of February 2019, the Board convened a session to workshop the Strategic and Operational Risks and to align them to the JRA 2022 Strategy. The Board approved, in principle the following Strategic Risks;

- Reputation damage (newly included risk);
- Fraud, theft and corruption;
- Ineffective governance structures and poor financial management;
- Inadequate human capital management;
- Infrastructure failure (relating to infrastructure challenges linked to stormwater, roads, bridges and traffic signals); and
- An inability to meet service delivery targets (i.e. Customer Charter/ capex targets).

The Board appointed Siyabonga Nodu as Head of Department for Corporate Services from 18 February 2019 further enhancing the stability of the leadership collective at the JRA.

Progress on other key projects:

- **Service Delivery Blitz** – To enhance its focus on basic service delivery, the JRA successfully held a Service Delivery Blitz on 28 February 2019 in Region E, Sandton Woodmead focusing on Ward 106 in Woodmead Drive and Waterval Crescent. The blitz brought together depot teams from all depots, to repair all damaged road infrastructure (road markings, Skoffelling, pothole repairs and patch work.
- **War against Potholes** – The JRA continued with pothole repairs particularly using the new Jetpatcher road rehabilitation solution system. The Jetpatcher carries out repairs and maintenance of roads at a quicker rate. The Jetpatcher has been used to repair 2 700 potholes so far averaging just under 200 potholes a day. The Jetpatcher has been used in Region C with tests in Region E and A yet to be undertaken. The testing ends in April 2019.
- **M2 Bridge Rehabilitation** – Informed by recommendations of the JRA, the City resolved to close the M2 motorway between Crown Interchange and Maritzburg Street on February 28, to allow for bridge rehabilitation. It is estimated that the

motorway will remain completely closed up to October 2019, as work to rehabilitate the bridges is underway.

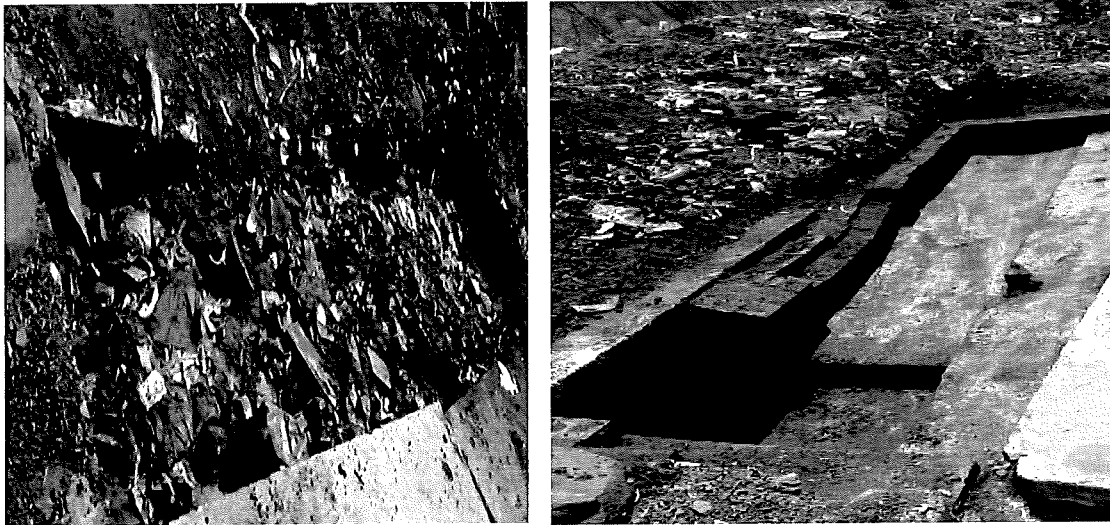


Image 1: Cleaned stormwater channel in Diepsloot

Section 4: High Level Organisational Summary

The management of the JRA is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The Managing Director, who is also the Accounting Officer is supported by eight (8) Heads of Department (HoD's). To ensure service delivery continuity acting appointments are in place until the vacant positions are filled. Core service delivery is undertaken through three (3) core departments, being Regional Operations, Mobility and Freight and Infrastructure Development.

These are supported by the departments of Planning, Corporate Services, Finance, Public Relations and Stakeholder Engagement and Performance Governance and Information Technology. Service delivery is provided through JRA Depots located in the seven (7) regions of Johannesburg. The Traffic Signals Depot and Resurfacing Depot (RSD) are stand-alone depots. Strategic assets, including the Motorways depot, Asphalt Plant, Fleet and Plant and the Laboratory, are managed under Regional Operations Department.

In 2018/19 the JRA organisational structure was as presented below;

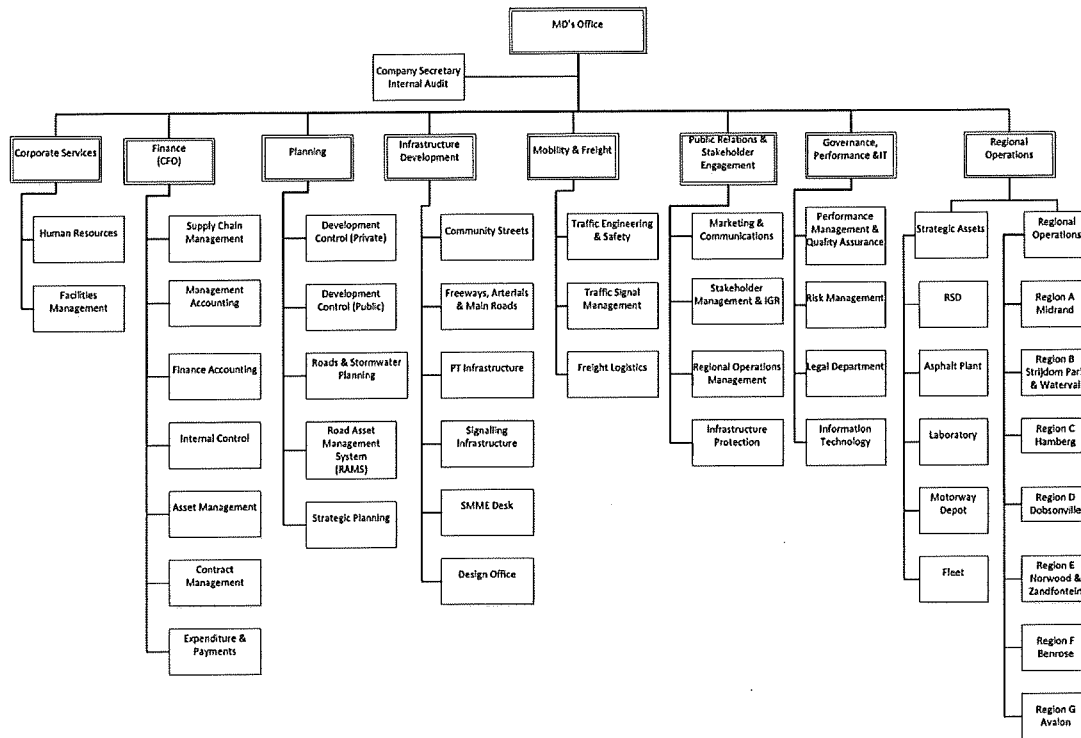


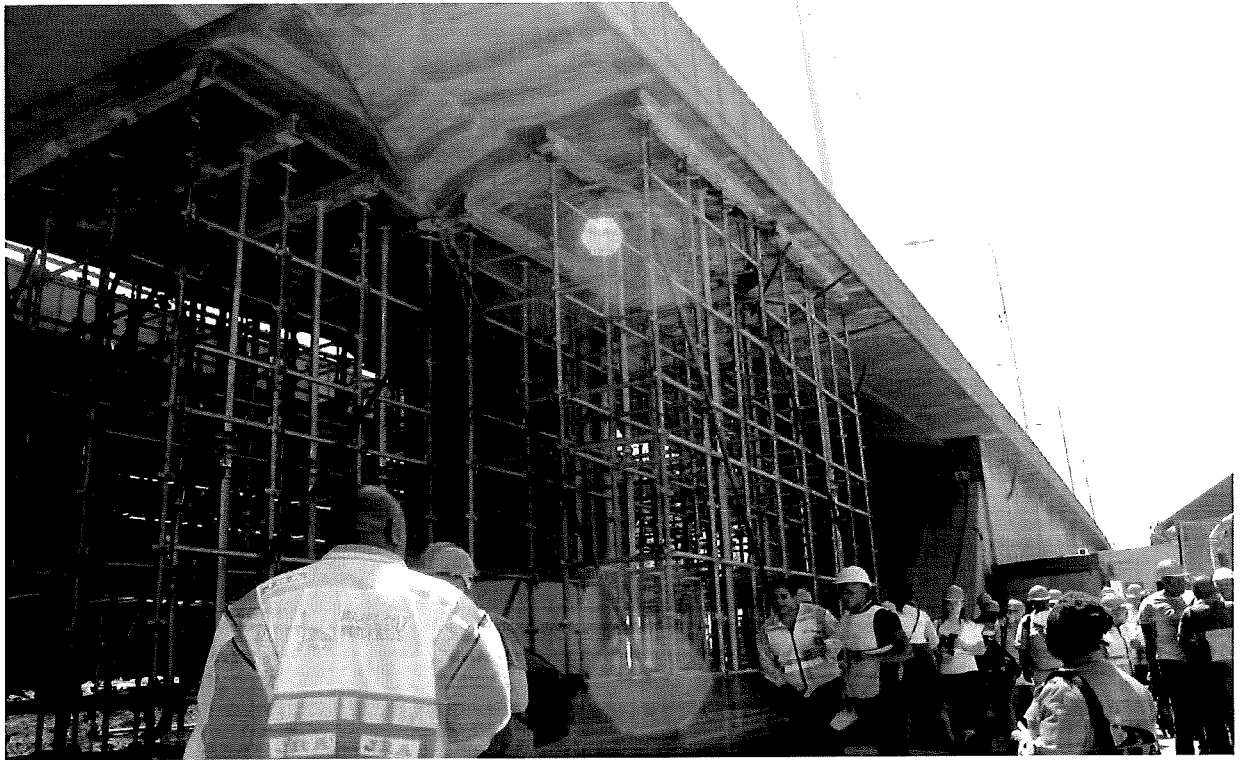
Figure 1.1: High level organisational structure

Executive Management Team (EMT)

As part of on-going attempts to fill critical positions through-out the organisation in general, the JRA Board appointed HoD: Regional Operations and conducted interviews for CFO. The company also appointed eight other employees at various levels. Twenty-one positions are at various stages of the recruitment process. The table below presents JRA's Executive Management Team between January and March 2019.

Department	Appointee
Managing Director	Goodwill Mbatha CA (SA)
Infrastructure Development	Siyabonga Genu Pr Eng.
Planning	Thomas Chongo Pr Eng.
Mobility & Freight	Sipho Nhlapo
Performance, Governance and Information Technology	Salatial Chikwema
Regional Operations	Muziwandile Nkonyane Pr Eng.
Acting Chief Financial Officer	Princess Mundiya CA (SA)
Corporate Services	Siyabonga Nodu
Acting HOD: Stakeholder Management	Siya Nodu
Acting Operations Manager: Internal Audit	Mpho Raseruthe
Operations Manager: Company Secretary	Pumla Majola

Image 2: Tour of the bridge repair works as part of the announcement of complete closure of the M2



Section 5: Managing Director's Report

This report provides the third quarter performance of the Company towards targets set-out in the 2018/19 revised business plan. The Company achieved several milestones in the period under review.

Performance Overview

- On 25 March, the JRA launched two newly built and rehabilitated roads in Ivory Park, Ward 78. The R6-million project included the installation of underground stormwater management systems and interlocking blocks on the sidewalk path of the road. The upgrades started in June 2018, along Haile Selassie and Masimbambisane streets, and entailed the resurfacing of 640 m of road, the installation of 40 m of stormwater and the cleaning of 200 m of stormwater pipes.

On the Institutional SDBIP

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Challenges

- Capital budget expenditure is below budget, thereby affecting performance on capital-budget expenditure-driven projects such as Soweto highway resurfacing, bridge rehabilitation, complete streets among others;
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- Asphalt plant production also performed below target.
- The Company experienced labour unrest in the period under review.

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Image 3: Woodmead Mayoral Service Delivery Blitz

War against Potholes – The JRA continued with the pothole repairs particularly using the new Jetpatcher road rehabilitation solution system to carry out repairs and maintenance of roads at a quicker rate. The Jetpatcher has been used to repair 2 700 potholes so far averaging just under 200 potholes a day. The Jetpatcher has been used in Region C with tests in Region E and A yet to be undertaken. The testing ends in April 2019.



Image 4: The Jetpatcher in operation as part of the testing process

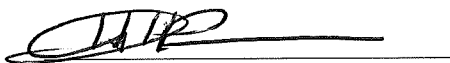
- **M2 Bridge Rehabilitation** – Informed by recommendations of the JRA, the City resolved to close the M2 motorway between Crown Interchange and Maritzburg Street February 28, to allow for bridge rehabilitation. It is estimated that the motorway will remain completely closed up to October 2019, as work to rehabilitate the bridges is underway.



Image 5: Tour of the bridge repair works as part of the announcement of full closure of the M2

Appreciation

I would like to extend my sincere appreciation to Mr Elvis Zwane for his efforts as Acting HoD: Corporate Services. I also welcome the Head of Department for Corporate Services (Siyabonga Nodu) who was appointed in February 2019. I would also like to express my appreciation to the Board of Directors for their leadership and the JRA staff for their contribution in the third quarter.



Goodwill Mbatha
Managing Director CA (SA)



Image 6: Managing Director - Mr Goodwill Mbatha

Section 6: Chief Financial Officer's Report

I would like to highlight the financial performance areas for the 3rd Quarter ending 31 March 2019. Emphasis is brought to acknowledge that the nature of our business is service delivery and it is not envisaged that Company stakeholders would necessarily be comforted by large positive ratios and balances. The JRA therefore always seek to balance the attainment of objectives relating to key liquidity and profitability ratios with the attainment of service delivery targets and objectives.

The JRA Adjustment Operating Budget for the 2018/2019 financial year is R 1, 283 billion. The interim operating expenditure and the income was R 942 060, million and R 1 011 billion respectively, representing a surplus of R 69, 858 million for the third quarter.

The Adjustment Capital Budget for the 2018/2019 financial year is R 1, 301 billion and the interim capital expenditure for the 3rd Quarter ended 31 March 2019 is R 681 126 million. This represents 52.32% of the total budget spent.

The table below analyses five key ratios for the 3rd Quarter in line with the Financial Development Plan (FDP) of the City of Johannesburg.

KEY RATIO	Target FDP	March 2019
Current ratio	1.1	1:1,72
Solvency	2.1	1:1,94
Debt to Revenue	45%	1,68%
Interest to Expenditure	7%	0%
Remuneration to Expenditure	35%	53%
<i>Road and Traffic Signal personnel costs for repairs & maintenance - Direct costs</i>		34%
<i>Administrative personnel costs - Indirect costs</i>		19%

The entity has a positive current ratio and the ratio also met the FDP target in the current year. The solvency ratio of 1.94 is slightly below the FDP target of 2. The entity however, is solvent for the 3rd Quarter ended 31 March 2019. The entity has increased revenue from Developers Contributions. The JRA is also collecting debtors' monies on a timely basis and ensuring that all debtor payments are up to date. These are the measures in place to ensure that the FDP target is met in the future.

The financial position has improved significantly over the past five years. The long-term debt borrowings and the related interest costs are well within targets following the elimination of the overdraft in 2014 which negatively affected the cash flows in the past financial years.

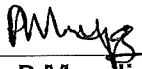
The target on employee costs remains elusive and is primarily because of the business model of the JRA which sees employee costs made up of operational departments who

generally work on road repairs and maintenance programmes. The proper allocation of these employees' costs (excluding employee costs for road and traffic signal maintenance) results in the ratio reducing to only 19% of total expenditure. The company is labour intensive and is made up of large internal teams for road and traffic signal maintenance.

The current Intercompany Sweeping balance is a positive of R 368, 500 million as compared to a positive 30 June 2018 balance of R 454, 701 million. The decreased balance on Intercompany Sweeping Bank account is due to creditors being paid. JRA has a positive balance in the Developers Contribution bank account of R 273, 869 million, thus the total cash on hand is R 642, 369 million.

The related party debtors of JRA are at R242, 059 million at the end of the third quarter as compared to R 439 million as at 30 June 2018. The balance of R 157, 048 million mainly relates to current capital claims billing to CoJ. The balance owed at 30 June 2018 was paid during the first and second quarter.

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



Ms. P Mundiya CA (SA)

Acting Chief Financial Officer

Chapter 2: CORPORATE GOVERNANCE

SECTION 1: CORPORATE GOVERNANCE STATEMENT

The JRA views corporate governance as a key pillar that sets out relationships between the company's management, its board, its shareholders and other stakeholders. Corporate governance also provides the structure through which company objectives are set and details how set objectives will be implemented, monitored and evaluated. Accordingly, the Board and management of JRA are committed to maintaining the highest standard of corporate governance in line with best practice.

As a municipal entity, the JRA complies with the City's governance framework and participates in the City's stakeholder engagement platforms i.e. Mayoral Lekgotla, Section 79 Oversight Committees, CoJ Executive Management Team and Mayoral Committee meetings.

Ethical Leadership

In ensuring compliance with Principle 13 of King IV, the Johannesburg Roads Agency has a Board-approved ethics and code of conduct policy. All new employees appointed in the period under review signed the policy. The following milestones were achieved in the third quarter:

- Communication requesting employees to sign declaration forms was issued on a monthly basis to staff. To date the JRA has 1089 signed declaration forms against the staff component of 1714. The Company continues to pursue the remaining declarations.
- Posters promoting the JRA values have been erected across the JRA building;
- Email headers were changed and posters promoting an ethical culture have been erected across the JRA buildings including depots;
- Engaged with GFIS on the status of Investigations referred to the City.

Corporate Citizenship

The Board and Management recognise that the Entity is formed under a coalition political structure. The Board ensures that the Company protects, enhances and invests in the well-being of the economy, society and natural environment. In this quarter under review the following events were held in the third (3rd) quarter:

Date	Event
22 January 2019	Educational outreach programme Region D
18 February 2019	M2 stakeholder meeting
19 February 2019	M2 media briefing
27 February 2019	M2 stakeholder meeting
28 February 2019	Official closure of M2 bridge
28 February 2019	Region E blitz (Woodmead)
06 March 2019	Mayoral A re Sebetseng Region D
16 March 2019	Region A Klopfenstein Open day
25 March 2019	Region A rehabilitated roads opening



Image 7: Stakeholder Engagement region D

Section 2: Board of Directors

The Board assumes ultimate accountability and responsibility for the performance and affairs of the Company and retains full and effective control over the Company by directing and supervising the business affairs of the Company. Corporate Governance within JRA is managed and monitored by the Board of Directors, assisted by its Board Committees as well as the Executive Management who form the Executive Committee. The Executive Committee is further supported by its internal Sub Committees. The Board meets regularly and monitors the implementation of the company's strategic programmes by executive management through a structured approach to reporting and accountability. Board members are listed as follows:

NAME & SURNAME	POSITION
Sipho Tshabalala	Non-Executive Director: Board Chairman
Albert Torres	Non-Executive Director
Albert Mokoena	Non-Executive Director
Steven Thunzi	Non-Executive Director
Thobile Nokulunga Magerman	Non-Executive Director
Thabiso Kutumela	Non-Executive Director
Lloyd Mayedwa	Non-Executive Director
Xolisa Mnyani	Non-Executive Director
Goodwill Mbatha CA (SA)	Executive Director: Managing Director
Princess Mundiya CA (SA)	Executive Director: Acting Chief Financial Officer

3.1 Board Committee's

The Board has two subcommittee that is, the Audit, Finance, Risk & IT (AFR & IT) and Remunerations & Social Ethics and Service Delivery. These committees report directly to the Board of Directors and are each run by an appointed Chairperson. The composition of members is as follows:

NAME & SURNAME	PORTFOLIO
Albert Torres	ARF & IT Chairperson
Albert Mokeona	REMSEC & SD Chairperson and AFR & IT Member
Steven Thunzi	REMSEC Member
Thabiso Kutumela	AFR & IT and REMSEC Member
Lloyd Mayedwa	AFR & IT and REMSEC Member
Xolisa Mnyani	AFR & IT and REMSEC Member
Goodwill Mbatha CA (SA)	AFR & IT and REMSEC Member
Princess Mundiya CA (SA)	AFR & IT and REMSEC Member

3.2. Board Risk Workshop

The Board held a Risk Management Workshop on the 8th of February 2019 to unpack the JRA risk universe, engage on the risk appetite and risk tolerance levels; and to consider the strategic risk register aligned to the JRA Strategy 2022. The Board approved in principle (pending a formal Board meeting), the following six strategic risks:

- Reputation damage (newly included risk);
- Fraud, theft and corruption;
- Ineffective governance structures and poor financial management;
- Inadequate human capital management;
- Infrastructure failure (relating to infrastructure challenges linked to stormwater, roads, bridges and traffic signals); and
- An inability to meet service delivery targets (i.e. Customer Charter / capex targets).

Section 4: Company Secretarial Function

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

Section 5: Risk Management

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

Section 6: Anticorruption and Fraud

The JRA is committed to promoting an ethical environment free of fraud and corruption through the implementation of a sustained awareness strategy. The whistleblowing, fraud and prevention policy is currently being reviewed by the Ethics Officer and the Ethics Management Forum to align it to that of the City. One investigation report has been received by the JRA from GFIS and continuous follow ups are being made to cases reported to GFIS.

Section 7: ICT Governance

The Company has developed its ICT Strategy containing a Digital Strategy, Governance Framework and Enterprise Architecture. This was approved by EMT and will serve at the Board Committee meeting of 11 April 2019. Implementation of elements of the Strategy guided by the implementation plan will commence after Board approval.

Section 8: Compliance with Laws and Regulations

The JRA ensures compliance with the Code of Conduct for Municipal Staff Members, (schedule 2 to the Municipal Systems Act No 32 of 2000) on declarations, CIPC and other aspects, and is assessed on a monthly basis by the City's Compliance Unit. Engagement with labour regarding declaration of interest forms is ongoing. This process has resulted in improved submission of declaration of interests summarised as follows:

Table 1: Summary of Declarations from JRA employees

JRA staff component	Total Number of signed declarations of interest forms	Total Number of unsigned declarations of interest forms	Total Number of employees who have declared interests
1736	1163	521	52

To ensure that the outstanding 521 comply, a request has been made for submissions to be made by 02 April 2019.

The company details have been updated within CIPC and the audited financial statements submitted. To ensure that the JRA compliance universe is improved, the JRA has registration with the Compliance Institute of Southern African and Institute of Directors for regulations and laws that affect the organisation. The compliance universe in the third quarter is summarised as follows:

Table 2: Summary of compliance universe:

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



Image 8: Road marking in progress

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

This Chapter provides third quarter performance of the Company towards targets set-out in the revised 2018/19 SDBIP. The Company Scorecard is informed by the business plan, Mayoral priorities that inform the City of Johannesburg's Integrated Development Plan (IDP) and its Service Delivery and Budget Implementation Plan (SDBIP).

Section 1: Summary of Performance (Highlights)

- On 25 March, the JRA launched two newly built and rehabilitated roads in Ivory Park, Ward 78. The R6-million project included the installation of underground stormwater management systems and interlocking blocks on the sidewalk path of the road. The upgrades started in June 2018, along Haile Selassie and Masimbambisane streets, and entailed the resurfacing of 640 m of road, the installation of 40 m of stormwater and the cleaning of 200 m of stormwater pipes.
- The road resurfacing programme is on track. A total of 48.27 lane kilometres were resurfaced in Q3. Year-to-date 195.77 lane kilometres have been resurfaced towards an annual target of 220 lane kilometres;
- A total of 1.81km of gravel roads were upgraded to surfaced standard roads. Year-to-date 13.55km have been upgraded towards an annual target of 25km;
- The conversion of open drains programme is on track. A total of 0.129km of open drains was converted to underground stormwater system. Year-to-date 1.129 km have been converted towards an annual target of 1.5km;
- The Company exceeded its year-to-date targets for EPWP Work opportunities created (1116); M1 Motorway Capacity Expansion project with 64.5% budget expenditure; poor roads identified and rehabilitated according to the pavement management system with 11.66 km rehabilitated; and the number of SMMEs supported (84);
- The Company also achieved its traffic signal downtime targets and resolved the targeted 40% of all Auditor General Findings raised;
- The performance of the asphalt plant, as well as spending of the increased capital budget will be prioritised to improve performance on capital projects such as bridges management, as well as resurfacing of the Soweto highway.

Financial Performance

- The Company achieved its 97.89% OPEX budget expenditure targets and spent year-to-date 52.32% of its revised Capital Budget expenditure is below target. The BBBEE expenditure is above target at 88% in relation to service delivery performance linked to institutional SDBIP. The Company has an expenditure improvement plan that will increase expenditure towards the annual target.

Section 2: Service Delivery Challenges

- The JRA experienced several community work stoppages, in particular on the gravel roads upgrade projects in Region A, C and G in the period under review. Disputes experienced include selection of Community Liaison Officers (CLOs),

local labourers and Local Emerging Contractors (SMMEs) for the projects. This has led to downtime on several projects further negatively impacting ability to spend Capex budget.

- Capital budget expenditure is below budget, thereby affecting performance on capital-budget expenditure-driven projects such as Soweto highway resurfacing, bridge rehabilitation, complete streets among others.
- Further, theft and vandalism remain a challenge for the JRA with increasing evidence of theft of manhole covers being on the rise.
- The inadequate resolution of petitions and the absence of a communications strategy.
- Asphalt plant production also performed below target and the Company experienced labour unrest in the period under review.

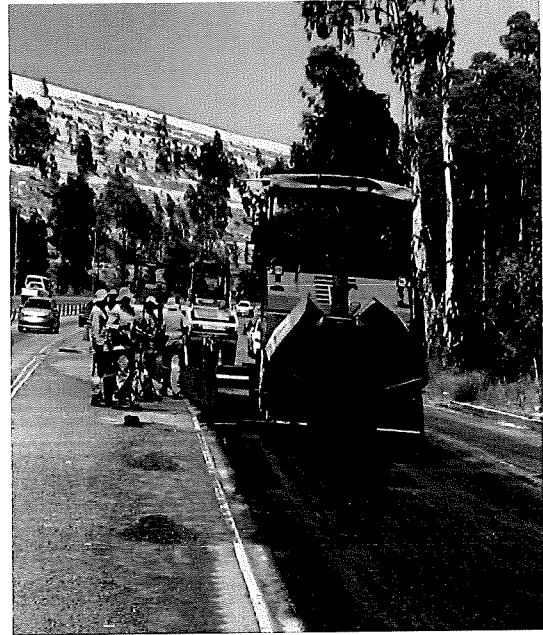
Section 3: Key Programmes Implemented

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

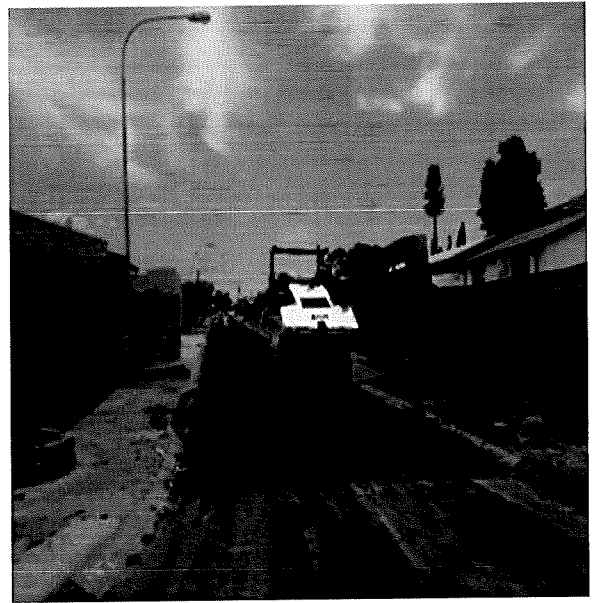
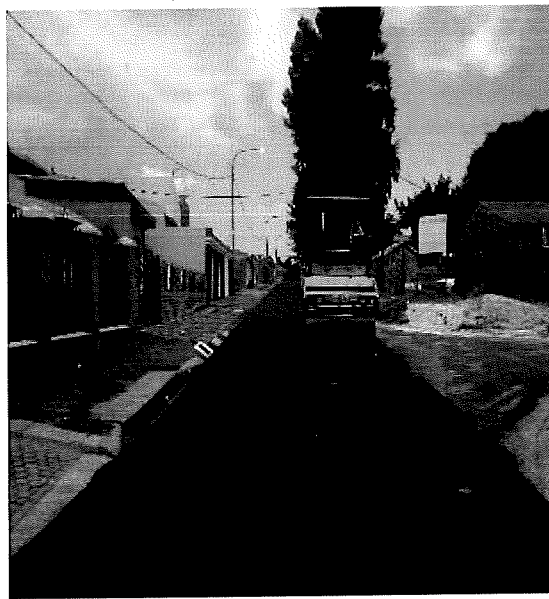
- roads resurfacing;
- gravel roads upgrading;
- bridges management;
- storm-water management;
- mobility and freight management;
- customer service charter standards; and,
- internal governance and other internal processes.

I. Road Management programme (Resurfacing and Upgrading)

The road resurfacing programme, which includes asphalt overlays, re-tarring and sealing of cracks across the City of Johannesburg's road network is paramount not only in improving the life span of the City's roads but in mitigating structural damages caused mainly by water which often results in pothole development. As of the end of this quarter, the JRA resurfaced approximately 48.27 lane km. The cumulative progress, year-to-date is 195.77 lane km. The resurfacing programme has progressed faster than planned as approximately 80% of the revised budget has been fully utilized and 89% of the revised annual KPI achieved. Continued programme implementation will result in the JRA exhausting the balance of the approved budget by end of May 2019.



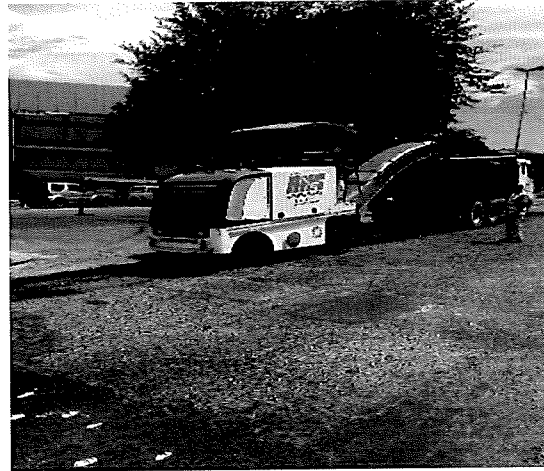
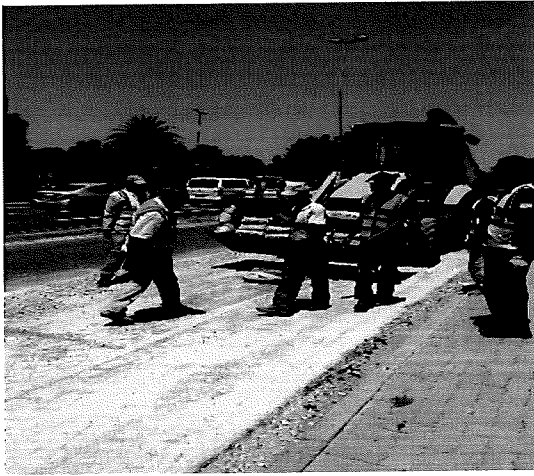
Images 9 and 10: Resurfacing of Soweto Highway.



Images 11 and 12: Resurfacing in Minga and Njambiyi Streets on Diepkloof

The JRA has embarked on several road and bridge rehabilitation initiatives which are currently at different stages of construction. Some of the road rehabilitation initiatives include the rehabilitation and upgrading of sections of Republic Road, Pendoring Road, Dukes Avenue, Bowling Drive, Vicky Road and Grayston Drive, which are all currently

at an advanced construction stage and are planned for completion during the 2018/19 financial year.



Images 13 and 14: Reconstruction and rehabilitation on Republic Road

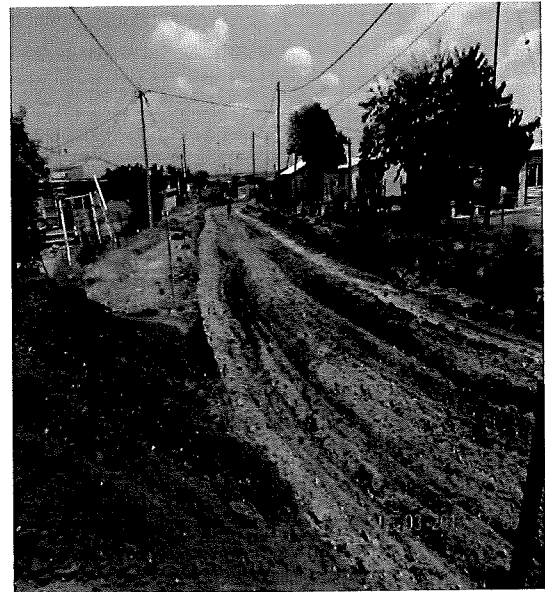
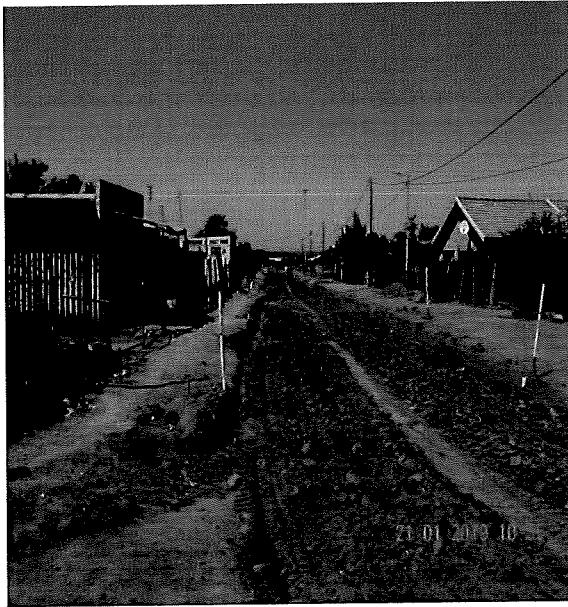


Images 15 and 16: Completed sections of Republic Road

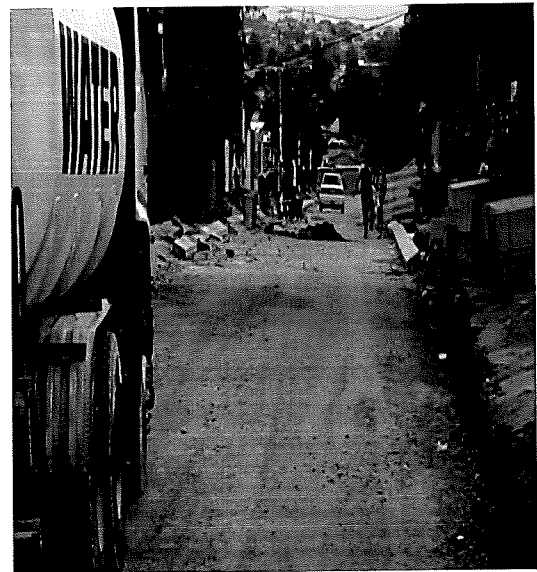
During the period under review, a total of 2.4 km of existing road was rehabilitated and these entails 1.38 km in Region B and 1.022km in Region F. The overall cumulative progress to date is 11.66 km citywide have been rehabilitated. Several detailed designs for new road upgrades, reconstruction and rehabilitation are currently underway and these include Outspan road, James Street, Spencer Road, Ballyclaire and Jam Smuts Drive.

Aligned to the City's pro-poor development focus and the capital investment work, the JRA has focused on upgrading of road infrastructure, the upgrading of gravel roads into tar / surfaced roads mostly in marginalised areas across the City's townships. These townships include Ivory Park, Diepsloot, Braamfischerville, Orange Farm, Driezek,

Tshepisong, Doornkoop/Thulani, Lawley, Slovoville and Kaalfontein. This has also allowed JRA to contribute to short-term job creation and support of emerging enterprises (SMMEs).



Images 17 and 18: Gravel Roads Upgrade in Poortjie



Images 19 and 20: Gravel Roads Upgrade in Diepsloot

Several gravel roads upgrade projects are currently underway and are at different stages. In Poortjie, a total of 1.81km was upgraded to surfaced standard roads during Quarter 3. Ivory Park, Mayibuye, Kaalfontein, Thulani / Doornkop, Slovoville, Tshepisoong, Drieziek, Bramfischerville, and Diepsloot construction progressed. For Lawley and Orange Farm, the sites were handed over to contractors and site establishment commenced. During the Q3 1.81 km of gravel roads were upgraded to surfaced roads. Year-to-date 13.55 km of gravel roads have been upgraded to surfaced roads.

Key to the implementation of these programmes is the creation of short-term job opportunities (EPWP) and employment of local Emerging Contractors (SMMEs). During Quarter 3, 165 EPWP jobs were created against the target of 300 for the quarter and 33 local SMMEs were employed against the quarterly target of 25. Cumulatively, year-to-date, 1116 EPWP jobs have been created against a target of 849 jobs and 84 local SMMEs have been employed against a planned target of 70 SMMEs.

II. Bridges Management Programme

There are several existing bridges that are scheduled for rehabilitation within this financial year and these include M1 Double Decker Bridge, Selby and Karsene Bridge, Bridge Road, Froom Street Bridge, Marshall Street Bridge, Platina Bridge, Moddersfontein Bridge, Joe Nhlanhla Bridge, Spring Road, South Road Bridge, Conrade Bridge and 3rd Road Bridge. The rehabilitation of the M1 Double Decker Bridge is at an advanced construction stage, with the installation of new joints and parapet walls currently underway and planned for completion during the April to June 2019 period.

The rehabilitation of the M2 Motorway Bridges, Selby and Karsene commenced during this quarter and is scheduled for completion in October 2019. The appointment of the contractor for the reconstruction of South Road Bridge was completed during this quarter. Significant progress has been made with the appointments of contractors for Joe Nhlanhla Bridge, Moddersfontein Bridge, Spring Road Bridge and Conrade Bridge. Detailed designs for the rest of the bridges have been completed.

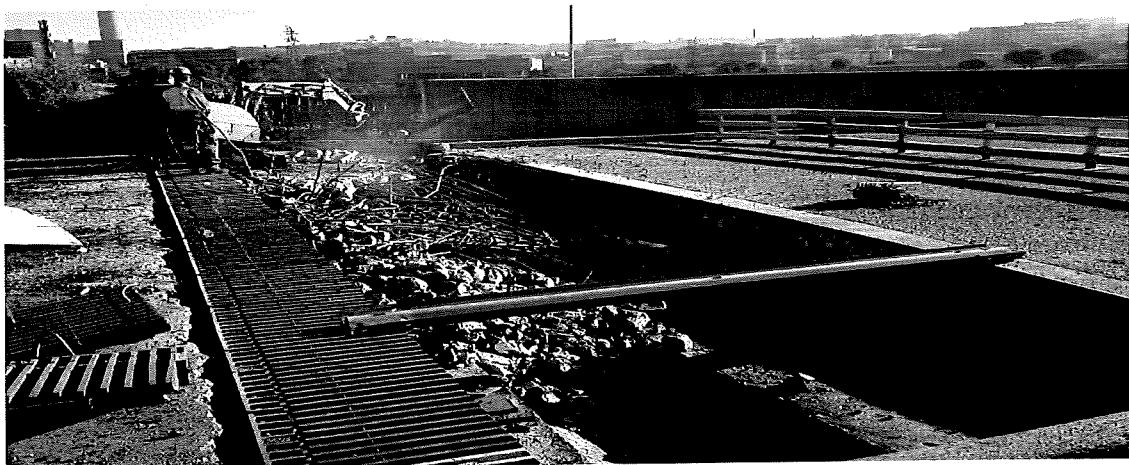
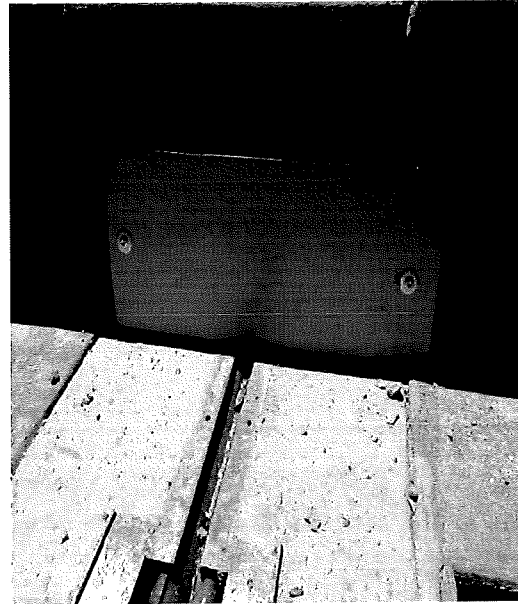
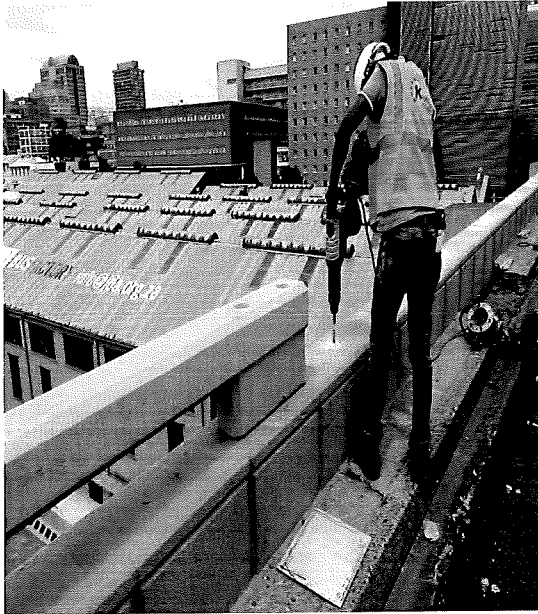


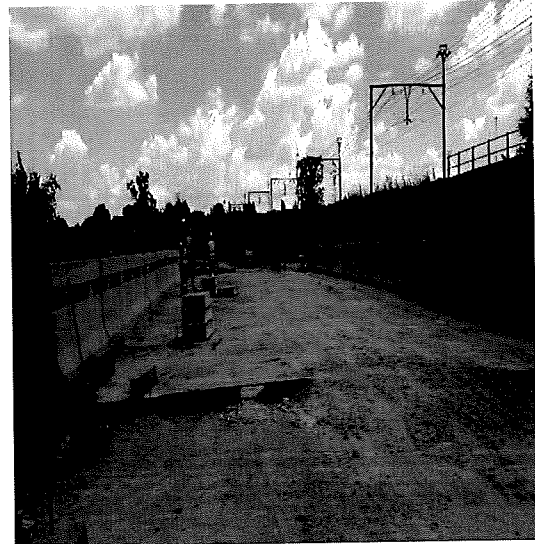
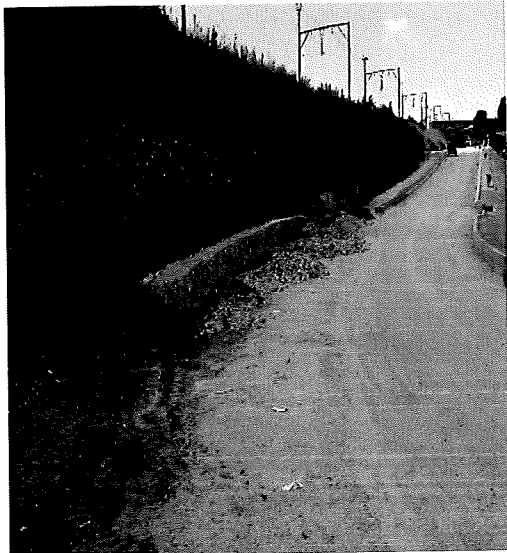
Image 21 and 22: Demolishing work at Karsene

One of the most significant projects that is currently underway is the emergency rehabilitation of the M1 Double Decker Bridge and the M2 Motorway Bridges, Selby and Karsene. The scope of work entails stormwater drainage upgrade, structural repairs and design to align the bridges to the Gauteng Freeway Improvement Programme (GFIP) Standards. The M1 Double Decker Bridge project is planned for completion in June 2019 whereas the others two are schedule for completion in October 2019.



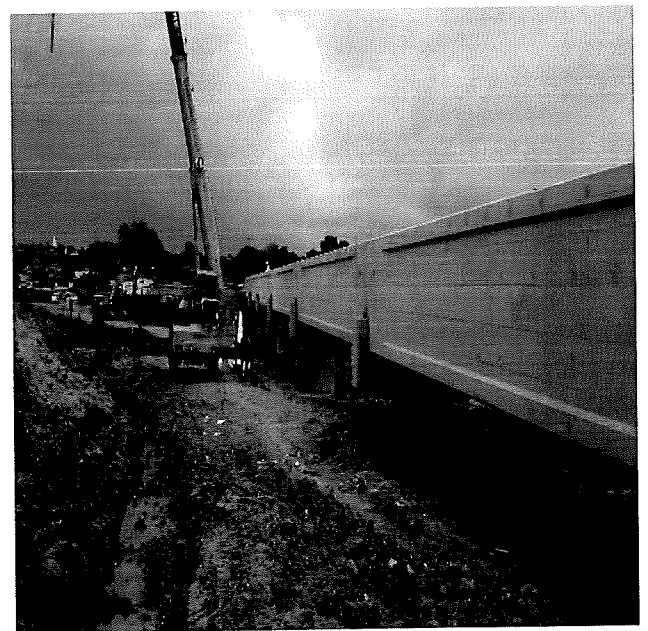
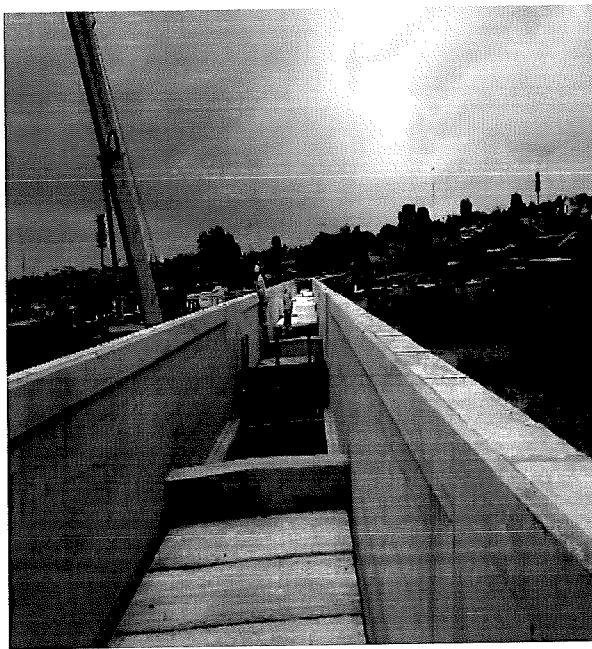
Images 23 and 24: M1 Double Decker rehabilitation

In addition to the bridge rehabilitation projects is the construction of new bridges (pedestrian and vehicular) and reconstruction of some existing bridges. These includes the Kaalfontein Pedestrian bridge, Diepsloot Pedestrian bridge, Klipspruit Pedestrian bridge, Slovoville Pedestrian bridge and Kliptown Low lying. The construction progress on the Kaalfontein, Diepsloot and Klipspruit Pedestrian bridges are currently at 72%, 85% and 66% respectively. Whereas the Slovoville Pedestrian bridge has been put on hold due to community work stoppages.



Images 25 and 26: Kliptown Low-level bridge

The construction of the Diepsloot pedestrian bridge in Diepsloot will play a significant role in the lives of residents by linking Diepsloot Extensions 1 and 2, with safe passage during times of heavy rains and flash flooding. The project is currently ahead of schedule by at least one month, and on course for completion end of April 2019 ahead of the initial estimated completion date of June 2019.



Images 27 and 28: Diepsloot Pedestrian Bridge

The Diepsloot Pedestrian Bridge project has currently employing 18 local community members with four local Emerging Contractors (SMME's) targeted for engagement in the construction process. Construction progress is illustrated in the images below;

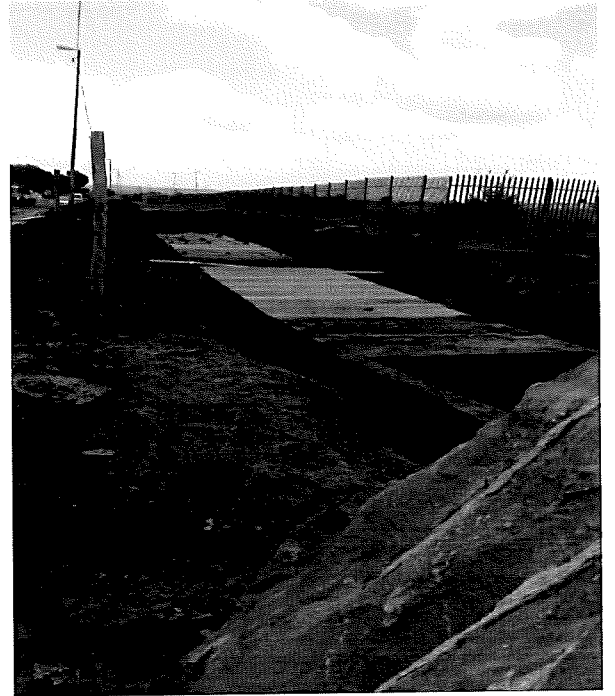
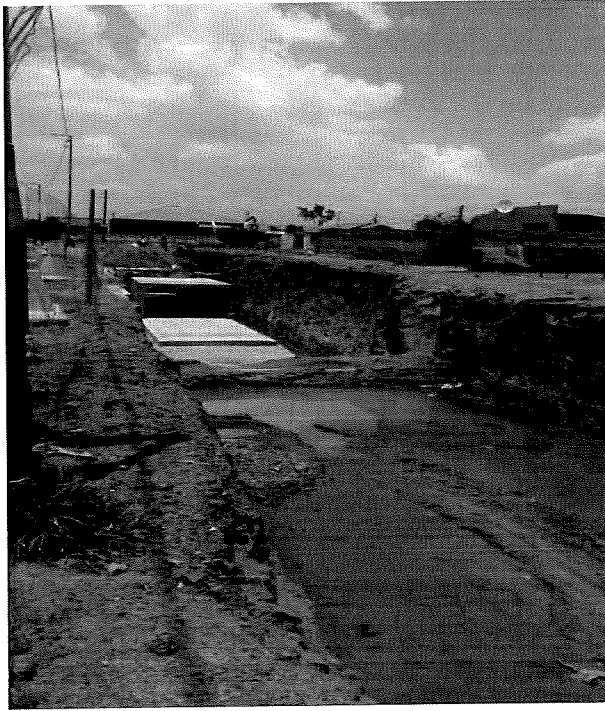
III. Implementation of the “No joint policy” and traffic signal upgrade.

The JRA has embarked on a programmed of upgrading all old traffic signal cables to eliminate cable faults that usually result in malfunctioning of traffic lights. Year to date, old cables in 167 intersections have been upgraded against a planned target of 125 intersections. Included in the programme is the upgrading of existing traffic signals in line with the SARTISM standards and year to date 23 intersections have been upgraded against a target of 30 intersections.

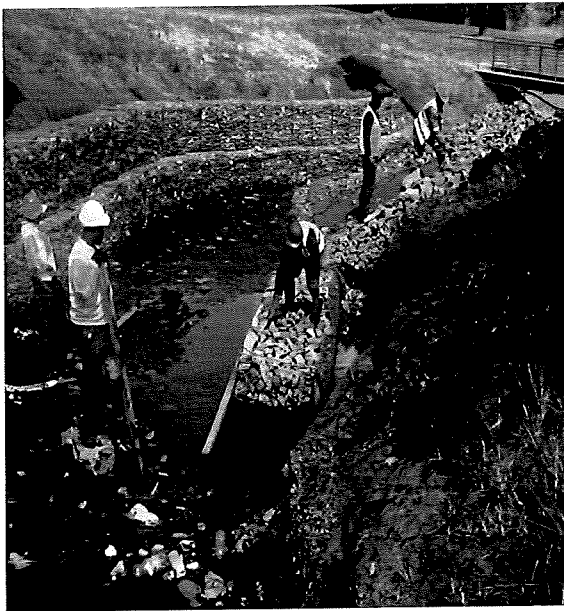
IV. Storm Water Management

Stormwater Master planning is critical in identifying inadequacies within the existing infrastructure as well as defining new stormwater infrastructure to mitigate flooding which leads to loss of life and property. In Q3, the phased implementation of the Soweto Stormwater Master Plan commenced in Orlando, Mofolo, Meadowlands and Protea Glen. In response to the state of stormwater and road infrastructure and the heavy rains experienced early this year, the JRA has been forced to design short term solutions to address a number of flooding “Hotspots in Region D” as follows;

- Ward 47- Region D: Mofolo North - Ikwezi Drive and Mmila Road;
- Ward 15- Region D: Senaone - Umvoti Street;
- Ward 15- Region D: Phiri - Mabalane Street, from Johannes Street to Manotshe Street;
- Ward 16- Region D: Mapetla - Sekoati and Malatsi Street;
- Ward 20- Region D: Naledi - Madutlwa Street;
- Ward 31- Region D: Orlando East - Rathebe Passege;
- Ward 44- Region C: Dobsonville / Bramfisherville Channel. The short-term solutions for the above areas will be implemented before the end of the current financial year.



Images 29 and 30: Conversion of Open drains into closed system in Orange Farm



Images 31 and 32: Repair of the Open channel – Jukskei – Bez Valley

V. Mobility Freight Management

During the 3rd quarter, the following key service delivery highlights and milestones were achieved.

- The department achieved 91.72% on resolving all reported traffic faults on traffic signals. The year-to-date performance is 92,41% achievement against a target of 90%.
- The department revised the traffic signal timings at 79 intersections to improve mobility and reduce congestion. The quarter 3 target of 60 designs were exceeded. YTD 222 designs have been completed against a target of 160.
- 114 Safety investigations were completed during the 3rd quarter in response to community road safety requests. The quarter 3 target of 100 investigations were exceeded. YTD 315 site investigations have been completed against a target of 250.
- 71 Petition reports received during the 3rd quarter of which locations for 4 petitions could not be verified. Of the remaining 67 petitions, 100% investigations plus reports completed. YTD: 95 Petition reports received, and 91 investigation reports completed. 4 Petitions could not be verified.
- The department is still experiencing a high number of thefts on the UPS leading to an increase in downtime of traffic signals.
- Re-cabing of intersections in quarter 3 is 70 and the year to date is 125 against the target of 167.

VI. Governance and Internal Processes Programmes

Key to this programme is the creation of short-term job opportunities (EPWP) and employment of local Emerging Contractors (SMMEs). During Quarter 3, 165 EPWP jobs were created against the target of 400 for the quarter and 33 local emerging contractors were employed against the quarterly target of 25.

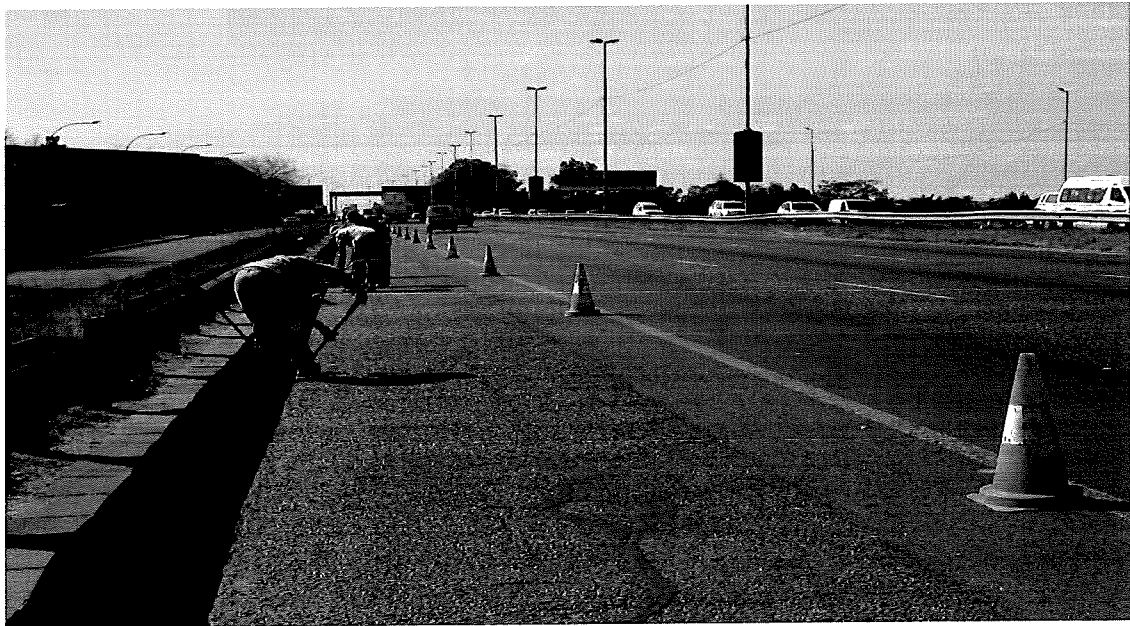
Company financial performance in Q3, the interim operating expenditure is R320,793m against the target of R320, 793m. In terms of year to date, the company spend R928, 026m against the target of R962,376m. Capex Expenditure in Q3 the interim expenditure is R186, 974m against target of R275, 261m which is 67.92%. The year to date, interim expenditure is R681,126m against the target of R796, 000m. The overall spend is 52,32% of the total CAPEX budget. BBBEE expenditure is also above target. The Company has met its targeted resolution of audit findings. While the resolution of internal audit findings is below target, there has been an improvement from the second quarter.



Image 33: Service delivery blitz in Woodmead

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

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



Q3 Company Performance Against Business Plan

KPA	KPI No	Programme	Key Performance Indicator	Q3 Target	Q3 Actual Performance	Comments
Roads - Resurfacing	1	RESUR - Resurfacing of Roads JOHANNESBURG F City Wide	Number of Lane Kilometres of roads resurfaced	N/A	Not due	The resurfacing programme is on track. A total of 48.27 lane kilometres were resurfaced. Year-to-date 195.77 lane km have been resurfaced towards an annual target of 220lane km
Roads - Gravel Roads to surfaced	2	Upgrade: Gravel Roads to surfaced programme	Number of Kilometres of gravel roads upgraded to surfaced roads.	N/A	Not due	The road upgrades programme is on track. A total of 1.81km of gravel roads were upgraded to surfaced standard roads. Year-to-date 13.55km have been upgraded towards an annual target of 25km
Conversion of Open Storm water channel	3	CONV - Conversion of Open Drains to Underground/Cover ed Drains	Kilometres of Open Drains converted to underground stormwater systems	N/A	Not due	The conversion of open drains programme is on track. A total of 0.129km of open drains was converted to underground stormwater system. Year-to-date 1.129 km have been converted towards an annual target of 1.5km
Roads - Resurfacing	4	M1 Motorway Capacity Expansion project	Budget expenditure on the M1 Motorway Capacity Expansion project	20%	Target not achieved 15.3% budget expenditure Year-to-date 64.5% budget expenditure against a target of 50%	Project is on track. Cumulative year-to-date target has been exceeded.

KPA	KPI No	Programme	Key Performance Indicator	Q3 Target	Q3 Actual Performance	Comments
Roads - resurfacing	5	M2 Motorway Capacity Expansion	Budget expenditure on the M2 Motorway Capacity Expansion project	20% Budget expenditure	<p>Target not achieved 0% Budget expenditure</p> <p>Year-to-date 25.8% budget expenditure against a target of 50%</p>	The budget was adjusted from R10m to R 40 during mid-term adjustment. Additional road tests and investigations had to be conducted to define the new scope of works to be implemented. All the tests and investigations have been completed and construction will commence in April 2019.
	6	Soweto Highway resurfacing project	% Budget expenditure on the Soweto Highway resurfacing project	20% Budget expenditure	<p>Target not achieved 0% budget expenditure</p> <p>Year-to-date 7.3% budget expenditure against a target of 50%</p>	The budget was adjusted from R5m to R15 during mid-term budget. Additional road tests and investigations had to be conducted to define the new scope of works to be implemented. All the tests and investigations have been completed and construction will commence in April 2019.
Roads Management - (Improvements/upgrades	7	REHAB - Road Rehabilitation / Reconstruction Programme. <i>(Roads in very poor condition all over the City that require urgent intervention according to PMS to improve VCI (Visual Condition Index).</i>	Km of very poor roads identified through the Pavement Management System (PMS) rehabilitated / reconstructed in terms of the defined annual project scope including any	3 Kilometres	<p>Target not achieved 2.4 km</p> <p>Year-to-date Achieved 11.66 km against a target of 7km</p>	The programme is on track. The target for this KPI was exceeded in Q2 and cumulatively the year-to-date target has been exceeded. Overall, the programme is running ahead of schedule.

KPA	KPI No	Programme	Key Performance Indicator	Q3 Target	Q3 Actual Performance	Comments
			authorized variations			
	8	Implementation of Complete Streets standards City Wide	Budget expenditure on implementation of complete street standards	30%	Target not achieved 0% Budget expenditure Year-to-date 0% Budget expenditure against a target of 30%	The budget was allocated during the mid-term budget adjustment process. Designs have been completed and construction is scheduled to commence in April 2019.
	9	Implementation of Complete Streets standards Inner City	Budget expenditure on implementation of complete street standards	30%	Target not achieved Year-to-date 0% budget expenditure against a target of 30%	This programme was only initiated through the mid-term budget adjustment process. The appointment of the consultant is in progress.
	10	Traffic Signal maintenance	% Reduction in traffic signal downtime related to technical faults	10%	Target achieved 0.19%	
	11	Implementation of Hostel access roads upgrades – City wide	Number of access roads upgrades in Hostel areas	N/A	Not due	The appointment of the consultant is in progress.
Bridge Management (Renewal/Improvements/upgrad)	12	Bridge management programme	Number of bridges rehabilitated in terms of the defined project scope	N/A	Not due	Project is in progress on the M2 (Selby and Karsene bridges). The contractor for South Road bridge was appointed. The appointment of contractors for Joe Nhlanhla, Modderfontein, Spring Road and Conrad is in progress.
	13	BRID 10 - Bridge Expansion Joints. Renewal Bridges	Number of bridge expansion joints replaced / rehabilitated	3	Target not achieved 0 bridge expansion joints replaced /	There has been delays in appointing contractors for this programme. Construction was scheduled to commence in February 2019.

KPA	KPI No	Programme	Key Performance Indicator	Q3 Target	Q3 Actual Performance	Comments
		(Pedestrian & Vehicles) City Wide			rehabilitated Year-to-date 0 bridge expansion joints replaced / rehabilitated against a target of 13	
Stormwater Management - Planning and Rehabilitation	14	MISCL - Integrated Roads and Stormwater Master planning. <i>(Determination of flood lines and all the roads and stormwater studies as part of master planning throughout the City of Johannesburg.)</i>	Number of completed Stormwater Master Plans (SWMP) for identified areas in terms of the defined annual project scope including any authorized variations	-	Not due	Progress to be reported in the 4 th quarter
	15	CATCH - Implementation of CBP Stormwater Master planning	% of construction completed of CBP Storm Water Master Planning: Soweto	-	Not due	Progress to be reported in the 4 th quarter
Internal Processes	16	EPWP Jobs created	Number of EPWP jobs created	400	Target not achieved 165 Jobs Created Year-to-date 1116 Jobs created against a target of 849	The target for this KPI was exceeded in Q2 thus the cumulatively the year-to-date target has been exceeded.

KPA	KPI No	Programme	Key Performance Indicator	Q3 Target	Q3 Actual Performance	Comments
Financial Management	17	Appointment of SMIME's	Number of SMIME's appointed	25	<p>Target achieved 33 SMIME's appointed</p> <p>Year-to-date 84 SMIMEs appointed against a target of 70</p>	Cumulatively the year-to-date target has been exceeded.
	18	Employment Equity achievement (EE)	Number of vacant positions filled in the numerical EE target	N/A	Not due	<p>Eight 8 employees designated as African were appointed in the third quarter. Labour objected to (Circular 01/2019 which sought to fill 21 other positions. Engagements to resolve the objection are underway.</p> <p>The JRA will focus on increasing plant up-time in Q4 as there has now been finalisation of aggregates material cost per ton between JRA and the Supplier as well improved turn-around time for the resolution of technical faults which, collectively contributed to plant downtime.</p>
	19	Production of asphalt in support of Rehabilitation and Renewal Roads Programmes	Tons of Asphalt produced by JRA Asphalt plant for both internal use and external sales	41 250 tons	Target not achieved = 18 016.87 tons	
	20	Financial Management (OPEX Expenditure)	% spend on JRA's operating budget against approved operating budget (<i>5% over/under variance</i>)	75% (5% over/under variance)	Target achieved 72.33%	
	21	Financial Management (CAPEX Expenditure)	% spend on JRA's capital budget against approved capital budget.	85%	Target not achieved 52, 32%	In the quarter the JRA spent R186, 974. Cumulatively, the JRA has spent R 681, 126, 046 of a revised capital budget of R

KPA	KPI No	Programme	Key Performance Indicator	Q3 Target	Q3 Actual Performance	Comments
						1, 301, 847 000 million and the interim capital expenditure as at third quarter is million.
	22	BBBEE Expenditure	% of total procurement spend on BBBEE	75%	Target Achieved 88%	
Governance	23	Audit findings	Number of issues raised by the AG that are due to be resolved in the current year expressed as a % of the total number of issues raised by the AG in the management Letter that are due in the current year	40% of all findings raised by the AG resolved	Target achieved 40%.	The JRA resolved 10 of the 25 findings raised by the AG. Some of the findings have been partially resolved and management is still busy with full control implementation. Some actions have documentation to be approved by Committee Structures before resolutions.
	24	Audit Opinion	Unqualified without material findings	Unqualified without material findings	Target not achieved Unqualified Audit opinion with material findings.	The resolution of findings relating to Misstatements and adjustments to Annual Financial Statements; Non-compliance with SCM regulations and performance related findings is underway
	25	Audit findings - internal audit	Number of audit findings raised by Internal Audit due to be resolved in the current year, as a %	80% of all findings due to be resolved in the quarter	Target not achieved 37% (18/49) resolved Year-to-date Total Findings 80	The JRA resolved 18 of the 49 (37%) audit findings raised by Internal Audit. 19 (24%) are not yet due and 43 (54%) unresolved and due for resolution. Some of the findings have been partially

KPA	KPI No	Programme	Key Performance Indicator	Q3 Target	Q3 Actual Performance	Comments
			of the total number of findings raised in the internal audit reports due to be resolved in the current year.		Resolved 18 (23%)	resolved and management is still busy with full control implementation.
	26	Risk Management	% Implementation of the Risk Management Plan (<i>% Implementation of 17 activities identified</i>)	70% Implementation of the Risk Annual Plan	Target not achieved 59%	37 were planned for the year of which 22 as at Q3. Provide Risk Management Training (JRA) will be implemented in 4th quarter.
	27	Promotion of Health and safety for employees	Number of Disabling Injuries recorded	7	Target not achieved A total of 8 incidents were reported for Q3. YTD: 45 incidents reported against a target of 32	Accidents are attributed to inadequate supervision of employees on-site as well as plant operation.
	28	Promotion of ethics and integrity within the City	% Implementation of the approved annual Ethics Events Calendar	70%	Target not achieved Achieved 67%.	The convening of the Ethics Management forum will improve the attainment of the target through a discussion of relevant policies and implementation progress.

Section 5: Capital Projects and Expenditure

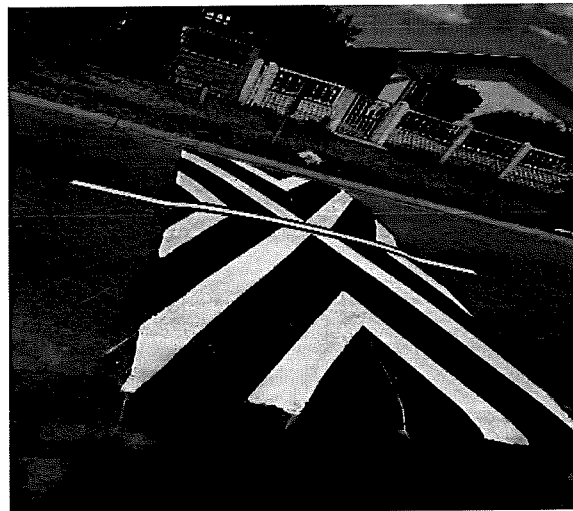
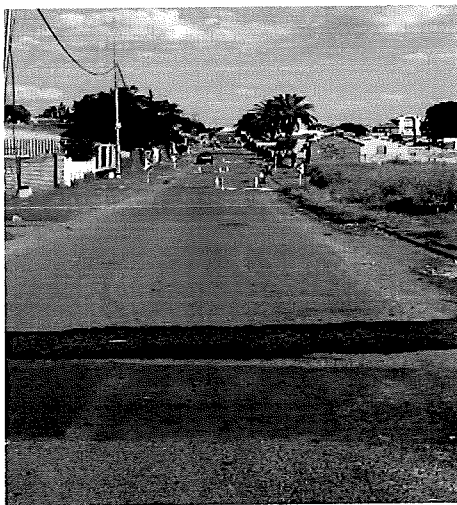
The Capital Budget for the 2018/2019 financial year is R 1, 301, 847 million and the interim capital expenditure as at third quarter is R 681, 126, 046 million.

Funding source	Quarter Actual	YTD Actual	Total Approved Adjustment Budget	YTD Spend %
EFF	119,310,899	471,874,104	887,415,000	53,17%
USDG	67,663,542	209,251,942	414,432,000	50,49%
	186,974,441	681,126,046	1,301,847,000	52,32%

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

Section 6: Performance Against Service Standard

The company focusses on the following service standards as contained in the revised Customer Service Charter; Repair of potholes; Regulatory Road Signs repaired; Traffic Signal Maintenance; Repair of damaged/missing road barriers or guardrails; Repair of damaged traffic light poles; Blocked stormwater repair and Replacement of manholes covers. For detailed performance against these services see the table below:



Traffic calming measures in Eldorado Park

KPA	KPI No	Programme	KPI	Q3 Target	Q3 Actual Performance	Comments
JRA Customer Charter Standards	1	Repair of damaged/missing road barriers or guardrails	% of damaged / missing road barriers or guardrails repaired from when a valid call is logged.	40% within 14 days.	Total calls received 14 Total repaired within 14 days 1 (7.14%)	The maintenance team prioritised the grass cutting particularly in the motorways and surface repairs in the period. In the ensuing period the Region F and Motorways Depots capacity has been augmented providing capacity to address the missing guardrails / barriers
				60% within 20 days.	Total repaired within 20 days 1 (7.14%)	
				80% within 30 days.	Total repaired within 30days 1(7.14%)	
				Year-To-Date: Total calls received 133 Total repaired within 14 days 40 (30.08%) Total repaired within 20 days 1 (30.08%) Total repaired within 30 days 59 (44.36%)		
	2	Blocked stormwater repairs	% of blocked stormwater kerb inlets (Kl's) repaired from when a valid call is logged.	40% within 10 days.	Total calls received 999 Total repaired within 10 days 529 (52.95%)	N/A
				60% within 20 days.	Total repaired within 20 days 701 (70.17%)	
				80% within 30 days.	Total repaired within 30 days 734 (73.47%)	
				Year-To-Date: Total calls received within 10 days 3314 Total repaired within 10 days 2047 (61.77%) Total repaired within 20 days 2569 (77.52%) Total repaired within 30 days 2705 (81.62%)		
	3	Replacement of manholes covers	% of missing JRA manholes covers made safe and	40% within 10 days.	Total calls received within 10 days 127 Total repaired within 10 days 18 (14.17%)	The Company is exploring alternative manhole cover technology (lockable concrete covers) which
				60% within 20 days.	Total repaired within 20 days 52 (40.94%)	
				80% within 30 days.	Total repaired within 30 days 54 (42.52%)	

KPA	KPI No	Programme	KPI	Q3 Target	Q3 Actual Performance	Comments
			replaced after a valid call is logged		Year-To-Date: Total calls received within 10 days 425 Total repaired within 10 days 79 (18.59%) Total repaired within 20 days 204 (48.00%) Total repaired within 30 days 236 (55.53%) Total calls received 311 Total repaired within 10 days 230 (73.95%) Total repaired within 20 days 238 (76.53%) Total repaired within 30 days 238 (76.53%)	will reduce vandalism and theft.
			% of reported damaged/mis sing regulatory road traffic signs replaced or repaired from the time when a valid call is logged	40% within 10 days. 60% within 20 days. 80% within 30 days.		N/A
	4	Regulatory Road Traffic Signs repaired			Year-To-Date: Total calls received 1244 Total repaired within 10 days 572 (47.59%) Total repaired within 20 days 700 (56.27%) Total repaired within 30 days 758 (59.53%)	N/A
JRA Customer Charter Standards				40% within 10 days.	Total received 2824 Total repaired within 10 days 1709 (60.52%)	N/A
				60% within 20 days.	Total repaired within 20 days 1850 (65.51%)	N/A
				80% within 30 days.	Total repaired within 30 days 1935 (68.48%)	The deployment of extra capacity will assist to improve performance. Where potholes constantly occur (recurrent potholes) recommendations for
	5	Potholes repair	% of reported potholes repaired from time of recording of a genuine pothole by the JRA from all sources. ¹		Year-To-Date: Total calls received 5736 Total repaired within 10 days 3826 (66.70%) Total repaired within 20 days 4224 (75.64%) Total repaired within 30 days 4525 (78.89%)	

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

KPA	KPI No	Programme	KPI	Q3 Target	Q3 Actual Performance	Comments
						resurfacing will be prioritised.
	6	Traffic Signal Maintenance	% of reported faulty traffic signals repaired from the time of genuine fault recorded by the JRA from all sources	40% within 24 hours.	Total calls received 374 Total completed within 24 hours 343 (91.71%)	N/A
60% within 48 hours.				Total completed within 48 hours 343 (91.7%)	N/A	
80% within 7 days.				Total completed within 7 days (91.7%)		
					Year-To-Date: Total received within 24 hours 1080 Total completed within 24 hours 998 (92.41%)	N/A
	7	Repair of damaged traffic light poles	% of reported damaged traffic signal poles repaired/ from when a valid call is logged	40% within 10 days.	Total received 15 Total completed within 10 days 14 (99.33%)	N/A
60% within 20 days.				Total completed within 20 days 14 (99.33%)	N/A	
80% within 30 days.				Total completed within 30 days 15 (100%)	N/A	
					Year-To-Date: Total calls received within the period 26 Total repaired within 10 days 23 (88%) Total repaired within 20 days 24 (92%) Total repaired within 30 days 25 (96%)	

CHAPTER 4: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT.

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

Section 1: Employee Remuneration

The table below reflects total employee costs (including Executives) for the 3rd quarter- January to March 2019.

Grade / Level	Amount (R)
Executive Management	4 012 716.29
Senior Management	8 411 345.18
Professionally qualified and experienced specialists and mid-management	16 928 741.09
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	24 487 737.02
Semi-skilled and discretionary decision making	51 800 222.85
Unskilled and defined decision making	48 981 613.95
Total	154 619 376.38

Table 4.1: Total employee costs

Section 2: Key Vacancies

During the 3rd quarter, one key vacancy was filled, the position of Head: Corporate Services.

Progress in relation to the filling of vacant key posts

Vacant Post	Progress
HOD: Corporate Services	The Head of Department: Corporate Services position has been filled with effect from 18 February 2019.
HOD: Finance- CFO	The Chief Financial Officer's position has become vacant on the 01 st November 2018. The position has been advertised on the Sunday Times and City Press on the 09 th December 2018 and the advert closed on the 24 th December 2018. A total of 21 candidates

	were shortlisted for interviews. The interviews took place on the 19 th , 26 th and 27 th March 2019.
HOD: Mobility & Freight	HCM embarked with head hunting process to fill this vacancy. Head hunting were assigned through JRA Supply Chain Management process to head hunt suitable candidates. HCM has received seven CV's from the head-hunting agencies. It is envisaged that recruitment process will resume in April 2019.
HOD: Public Relations & Stakeholder Engagement	The position has been frozen as part of COJ moratorium.

Table 4.2: Progress with filling of vacancies

Vacancy Ratio

The JRA has a total of 2645 positions on the approved organogram. Of these, a total of 1723 funded positions were filled, and 930 positions are vacant, of which 61 positions are funded and 829 positions un-funded.

Grade / Level	Authorised Complement	Number of funded Vacancies	
		Q3	% Vacancies
Executive Management + HOD's	9	3	33%
Senior Management	29	8	27.5%
Professionally qualified and experienced specialists and mid-management	104	10	9.6%
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	211	11	5.2%
Semi-skilled and discretionary decision making	867	10	1.1%
Unskilled and defined decision making	1425	19	1.3%
Total	2645	61	2.3%

Table 4.3: Vacancy ratio

Staff Turnover

The total percentage of staff turnover versus the Authorized staff complement for 3rd quarter is 0.4% as illustrated in the table below;

Turnover (Reason)	Staff Leaving JRA				Total
	Q1	Q2	Q3	Q4	
Resignation	4	3	5	0	12
Death	1	1	0	0	2
Dismissal	1	1	0	0	2
Medical Boarding	0	1	0	0	1
Retirement	10	4	2	0	16
Contract Termination	0	1	0	0	1
Total	16	11	7	0	34

Table 4.3: Staff Turnover

Section 3: Employment Equity

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

Provincial requirements

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

Current JRA status as at 28 February 2019

	MALES			FEMALES				NON-DESIGNATED MALES	FOREIGN NATIONALS		
	A	C	I	A	C	I	W	W	MALES	FEMALES	TOTAL
Province Population %	42,80	5,30	1,80	35,10	4,50	1,00	4,20		5,30		100
Current number of employees	1095	11	6	548	12	2	21		41		1736
Required	730	100	41	599	77	27	72		90		1736
Required %	42,1%	5,8%	2,4%	34,5%	4,4%	1,6%	4,1%		5,2%		
Difference Under/over represented	365	-89	-35	-51	-65	-25	-51		-49		0
Current%	68,08%	0,63%	0,35%	31,57%	0,69%	0,12%	1,21%		2,36%		100%
% Gap	-21,03%	5,13%	2,02%	2,94%	3,74%	1,44%	2,94%		2,92%		0%

Table 4.4: Employment equity at JRA

Section 4: Skills Development and Training

Training Statistics for 3rd Quarter

Skills development and training is a critical component of JRA's human capital management ensuring that the entity has access to a variety of skills set. The table below indicates all the training interventions implemented during the 3rd Quarter (January to March 2019).

Strategic Skills	Education and Training Priority	Internal Training Provider	External Training provider	Total Number of Training
Improve Efficiency	Interns	29	-	29
	Degrees/Diplomas/Certificates (Employees)		48	48
Develop Technical / Core Functional Skills	Construction Roadworks	-	25	25
	Road Safety & Barricading	-	87	87
	MFMA	-	70	70
	Internal Customised Specialised Internal Audit	-	13	13
Total				272

Table 4.6: Status of skills development at JRA

Section 5: Performance Management

Progress on the Revised Performance Management and Development Policy

The consultation process with Labour on the revised Performance Management and Development policy is still in progress. Despite this process of finalisation of the revised PMD policy, the performance management process is being managed internally according to best practice. The payment of performance bonuses for the 2017/18 financial year was implemented during December 2018. HCD is currently drafting guidelines on how to prepare a POE in order to ensure that POE's are verifiable for the 2018/19 financial year in line with Internal audit Recommendations.

Section 6: Disciplinary Matters and Outcome

Disciplinary Cases conducted and finalised

The following disciplinary cases were conducted and some finalised in 3rd quarter:

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

Disciplinary Case	Number	Outcome
Irregular expenditure	2	Hearing in progress, employer presenting case
Assault	1	Hearing in progress, employer presenting case
Nepotism	1	Finalized. Written warning
Misuse of JRA equipment	2	Hearing in progress, employer presenting case
Insolent behaviour	1	Hearing in progress, employer presenting case
Inappropriate behaviour	1	Hearing in progress, employer presenting case

Table 4.7: Disciplinary cases conducted and finalised

Suspensions

There are currently fifteen (17) employees on suspension under the reporting period.

Position Description / Designation	Category of Violations	Date of Suspension	Details of Disciplinary Action taken or Status of Case
Depot Manager: Level 4	Alleged fraud and use of vulgar language	2016.10.10	Investigation underway by COJ appointed investigators
Manager Recruitment & Selection: Level 4	Alleged corruption relating to recruitment process	2017.02.17	Investigation underway by COJ appointed investigators
Acting Supervisor: Level 8	Alleged theft of asphalt	2017.03.22	Investigation underway by COJ appointed investigators
Assistant Manager: Level 5	Alleged sexual harassment	2017.05.22	Disciplinary case finalised, awaiting sanction
Depot Manager: Benrose Level 4	Assault of colleague and irregular expenditure	2018.06.05	Employer presenting case
Accountant: Level 5	Offensive behaviour and insubordination	2018.07.06	Employer presenting case
Accountant: Level 5	Offensive behaviour and insubordination	2018.07.06	Employer presenting case
Ops Manager: SCM Level 3	Insubordination, SCM Irregularities	2018.08.01	Employer presenting case
Manager IT: Level 4	Nepotism	2018.08.06	Suspension uplifted on 18.03.2019 Written warning
Supervisor: Level 9	Theft	2018.10.19	Investigation underway
Foreman: Level 7	Theft	2018.10.19	Investigation underway
General Worker: Level 9	Theft	2018.10.19	Investigation underway
General Worker: Level 9	Recruitment fraud	2018.11.12	Investigation underway
General worker: Level 9	Misuse of JRA equipment	2019.02.06	Investigation underway
HCD officer: Level 6	Inappropriate behaviour	2019.02.13	Hearing underway
Manager Legal Services: Level 4	Gross negligence	2019.02.27	Investigation underway
HOD: Level 2	Corruption	2019.03.22	Investigation underway

Table 4.8: Suspensions at JRA

Conciliations, arbitrations and grievances

Three (3) arbitrations and two (2) conciliations were conducted during the 3rd quarter. One (1) finalized in favour of the JRA, one (1) case has been heard in part. One (1) matter is to be referred for arbitration.

Nature of dispute	Status	Outcome
1 Unfair dismissal	1 Finalized	Award in favour of JRA.
1 Unfair dismissal	Part heard	Arbitration to proceed
1 Unfair labour practice	Part heard	Arbitration to proceed
2 Unfair labour practice	Conciliations finalized	May be referred to arbitration

Table 4.9: Grievances

Leave & Productivity Management

A summary of the leave provisions during the 3rd quarter is noted below:

Category	Number of leave days
Annual leave	2424
Sick leave	870
Family Responsibility leave	64
Study leave	107

Category	Number of leave days
Long leave	15
Extended sick leave	0
Unpaid leave	120
Leave encashment	980

Table 4.10: Leave and productivity management

Note:

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

Employee Wellness

The following are Health and Wellness programmes that were embarked on during the 3rd quarter.

Program	Action
HIV & TB awareness	Posters placed on notice boards
Blood drive	One blood donation drive was held at Head Office and some depots, in partnership with the South African National Blood Service.
Money Management assistance	Assisting clients in debt management

Program	Action
Wellness partner	BEC meeting for appointment of Wellness partner
Substance addiction	Nyaope addiction write-up
Wellness planning meeting	1 meeting held with staff to plan activities
IOD	Meeting with SHEQ unit to discuss handling of IOD's
Healthy Lifestyle	Male and female condoms distributed
ASSUPOL	Meeting with ASSUPOL to explore cooperation
Healthy lifestyle	Meeting with sports coordinators
HPV awareness	Information of HPV vaccinations distributed
SOP	Review of Wellness SOP
Healthy lifestyle	Health screenings at all depots

Table 4.5: Employee wellness

Counselling Sessions

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

Table 4.12 Counselling Sessions

Employee Benefits

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

Pension Fund Benefits

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

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

FUND	NAME OF FUND	NO OF EMPLOYEES
MEDICAL AID	Bonitas	370
	KeyHealth	79

FUND	NAME OF FUND	NO OF EMPLOYEES
	Hosmed	69
	LA Health	173
	SAMWU Med	220
	Total	911
PENSION FUNDS	eJoburg	1274
	City of Johannesburg Pension Fund	334
	Municipality Gratuity & Pension Fund	107
	National Fund for Municipal Workers	1
	TOTAL	1716

Table 4.13: Pensions and medical aid funds

Occupational Health & Safety programmes

The JRA injury incidents are reported according to Disabling Injury Frequency Rate values (DIFR). DIFR is defined as the number of disabling injuries per 200 000 employees' hours worked over a 12-month period (an accident resulting in the loss of one or more shifts). The acceptable and recommended best practice Disabling Injury Frequency Rate value is one (1). It is important to manage injury incidents to levels below the value of one. In the third quarter eight (8) disabling injury cases were reported. There are some depots that made a concerted effort to reduce and /or eliminate occupational accidents.

	Activity	Q1		Q2		Q3		Q4		Annual		Target / Comment
		17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	17/18	18/19	
Injuries on Duty	Injuries on Duty (No of reportable cases)	11	16	15	17	5	8	15		48		The acceptable and recommended best practice Disabling Injury Frequency Rate value is one.
	Reportable Cases Rate (DIFR)	1.53	1.45	3.27	3.17	3.52	3.52	5.201		5.201		
	KPIs		9		13							

Table 4.14: Injuries on duty

Note

The table denotes that the DIFR is above one and currently standing at 3.52. This means that lower number of employees within the organisation experiencing high number of accidents will result in DIFR above one (1) and higher. A DIFR of 3.52 for the third quarter demonstrates that concerted effort by management and employee's commitment and zero accident culture is necessary to reduce occupational accidents to be able to reach the acceptable level of DIFR one (1) and below.

Current implemented mitigating measures

- Attend Health and Safety Committee meetings to discuss all safety related issues especially those that pose a hazard as well as preventative measures for incidents that may have occurred.
- In February 2019 SHE Unit conducted "Back to work induction sessions "to all Regional depots to promote safe practices and awareness of hazard exposures of the JRA activities to be mitigated through toolbox talks sessions, wearing and usage of personal protective equipment on site.
- Monthly SHE Awareness are carried by SHE Unit based on site inspection findings and prevalent reported accidents to improve safe working behaviour.
- Communicate injury statistics to JRA employees through intranet, creating awareness to reduce the number of injuries at the workplace.
- Site specific toolbox talks by depot to improve effectiveness of safe practices.

A comprehensive summary of injury incidents (January – March 2019) is provided as Annexure G.

CHAPTER 5 FINANCIAL PERFORMANCE

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

Q3 (End of March 2019)

	2018-19
Operating surplus	R 69, 858 m
Cash on hand (Developers account and loan to COJ)	R 642, 369 m
Accumulative Surplus	R 328, 261 m

(Refer to **Annexure D**).

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

Q3

Component	Adjustment Budget	Actual	Variance	Comment
Income	320, 792 m	400, 581 m	R 79, 788 m	Developers Contribution and Interest Income are over collected Budget
Expenditure	(320, 792 m)	(334, 789 m)	R 13, 996 m	Leased contracted services are overbudget
Surplus/ (Deficit)	Nil	65, 792 m	R 65, 792 m	

(Refer to **Annexure E**).

Notes to Finance position / performance (Q3):

The major contributing factor for the surplus in the quarter is due to the Developers Contribution of R 71, 6 million, the overcollection on interest from bank of R 3, 2 million and Intercompanies of R 3, 7 million, and this also contributed to the surplus of the JRA.

Management fees was under collected however, this is directly linked to the Capital Spend for the quarter, which was less than the targeted amount. Developers Contributions is over budget by R 59 million as the COJ Planning Department has paid over to JRA R 71, 6 million for the quarter. The operating expenditure for the quarter is over the Adjustment budget due to leased contracted services costs which was over by R 7 million.

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

Interim Under/Over spending:

- **Contractors:** This expense relates to external contractors that the JRA uses for some of the maintenance work. Due to a slow start to the financial year by Level 1 and 2 appointments, the 3rd Quarter has an over expenditure of R 7 million.

- **Repairs and maintenance:** These are related to the repairs and maintenance of the JRA buildings. The expenditure was curtailed due to pending JRA Head Office move to new building the quarter spend is within the budget amount. A chiller was installed at the Head Office, but this was a Capital item expense.
- **Municipal Service charges:** These charges are based on actual usage by JRA and the Adjustment budget is based on history. There was an overspend of R 2, 4 million in the current quarter. This can be attributed to the tariff increases which come into effect from the 1st of July 2018. There is also a query on a Sewer charge dating back to 2009, of some R 30 million under dispute with the COJ Revenue Department, which is said not to have been billed for ten years.
- **Material costs:** This is expenditure related to materials issued internally for maintenance as well as level 1 and 2 maintenance contractors. The material is under budget by R 532 000 for the quarter. This is mainly because the Asphalt plant has started producing for the internal teams and the JRA is not making as much use of external purchases for the asphalt.
- **Consulting fees:** This is expenses related to the use of external consultants. The expense is R 474 000 under budget. This is due to the reduced use of consultants within the JRA. In addition, the JRA has been filling in vacant positions to minimize the reliance on consultants.
- **Leased Charges:** This is expenditure related to leased equipment and motor vehicles. During the 3rd Quarter, there was an underspend by R 2,1 million.

Section 3: Cash Flow Statement

Refer to **Annexure B**

- **Capital Projects & Expenditure**
CAPEX expenditure

		Q1	Q2 Cumulative	Q3 Cumulative	Q4 Cumulative
2016-17 (R 1 472 946 000)	Expenditure	R 213,644 850	R 519 285 867	R 702, 044, 000	R 1, 288, 026, 000
	%	14,84 %	36,06%	47,7%	87,4%
2017-18 (R 1 121 086 000)	Expenditure	R 140 052 822	R 458 622 627	R 640 007 000	1,092,688,501
	%	11.5%	37,8%	57,1%	97, 4%
2018-19 (R 1 301 847 000)	Expenditure	R 162 494 005	494,151,605	681,126,046	
	%	13.5%	40,96%	52,32%	

Refer attached **Annexure C** for detail.

Section 4: Ratio Analysis

- Finance Ratios as at 2018-19

Ratio	Actual	Target (FDP)	Performance Against Target (RAG Status)
Current ratio		1	1.72
Acid test ratio		0.9	1.63
Solvency ratio		2	1.94
Accumulated Surplus		R50m	R 328,261 m
Cash on hand (overdraft)		R50m	R 642,369 m
Salaries ratio		35%	53%
Repairs & Maintenance ratio		7%	,81%
Notes			
The JRA is a labour-intensive company and most of the maintenance work is done internally. Salaries paid to Regional Operations and Mobility & Freight departments personnel are recorded under direct road maintenance costs. This explains the reasons for not meeting the target set of 35%. If the Regional Operations and Mobility & Freight department salaries are excluded from the remuneration ratio, it comes down to 19%			
Overall, the rounded off ratios are positive, and the company is financially sound.			
The current ratio is 1, 66 compared to 1, 46 at 30 June 2018. The acid test ratio is 1,58 in the current year compared to 1, 39 in June 2018.			
The Repairs and Maintenance ratio only depicts the maintenance on JRA owned movable assets, but if the Operations and Traffic Signal Departments who do repairs and maintenance to roads and traffic signals, where the assets are capitalised by the City, are considered, this percentage is 60% for Repairs and Maintenance for the 3rd quarter. The JRA is a labour-intensive Entity.			

Table 5.1: Financial ratios

- **Cost coverage:**

The cost coverage ratio for JRA is 6,6 months. This is calculated based on Cash on Hand (sweeping and Developers contribution) divided by average monthly operating expenditure

Section 5: Supply Chain Management and BBBEE

BBBEE Expenditure

	Amount	%	RAG Status
Total payments made (excluding payroll amounts)	R 302,908,709.29	88% against a target of 75%	
B-BBEE suppliers	R 265,637,147.75		
Non-B-BBEE	R 37,271,561.54		

Table 5.2: BBBEE Expenditure

The new Preferential Procure Policy Framework Activity came into effect on the 1st April 2017. The B-BBEE point allocations have changed which impact future reporting. JRA reported B-BBEE spend of 88% against a scorecard target of 75%. (CAPEX 55.4% and OPEX 32.3%). Total payments made (excluding payroll) amounted to R 302 909m of which R 265 637m was made out to B-BBEE suppliers.

Payment of suppliers within 30 days –

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

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

Irregular expenditure

There was 5 305 494.91 irregular expenditure identified during the 3rd quarter. The year to date irregular expenditure thus amounts to R 9 763 806.50. This figure excluded March 2019 invoices that were still to be submitted by the suppliers.

Fruitless and Wasteful expenditure

There was R 289.55 Fruitless and Wasteful expenditure identified during the 3rd quarter. Year to date amounted to R 561.57. The amount relates to interest charged by Eskom. Management is instituting consequence management in all instances of irregular, fruitless and wasteful expenditure incurred by the entity.

Deviations

During the 3rd quarter, two deviations were reported that are appointed based on rates. The year to date amounts to R3 656 720.36. This includes service provider for parking space at the Newgate Building, emergency procurement of a Chiller at JRA head office building, procurement of repairs and maintenance of traffic counting machines and emergency trauma debriefing intervention of a JRA employee.

Due processes

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

Section 7: Q3 Pending Litigations and possible Liabilities

Litigation Area	Total number of cases
Contractual Disputes	3
Delict (damages)	1
Labour (review applications)	0

Motion proceedings (Interdicts & Applications)	2
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Claims against JRA

In summary, the following claims have been received during the 3rd Quarter 2018/2019

Month	Letter of Demand	Normal Claims	Summons	Total	Total amount claimed
JAN 2019	18	16	00	34	R 2 378 848.44
FEB 2019	22	21	01	44	R 5 398 112.62
MARCH 2019	35	44	01	80	R 4 888 827.52

Total amount for 3rd Quarter R12 665 788.58

CHAPTER 6: INTERNAL AUDIT FINDINGS – INTERNAL AUDIT

Section 1: Progress on Audit Plan

Results of the overall audits completed within the 3rd quarter.

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	Rating (Only applicable to follow up audits)
Marketing and Communication	30 January 2019	Adequate but ineffective	Yellow	N/A
Performance information Audit – Q1 SDBIP	19 February 2019	Adequate but ineffective	Yellow	N/A
Expanded public works programme (EPWP)	5 February 2019	Adequate but ineffective	Yellow	N/A
Stakeholder engagements	20 March 2019	Inadequate and ineffective	red	N/A
Environmental Management control self-assessment	March 2019	Inadequate and ineffective	Red	N/A
Training and development	March 2019	Inadequate and ineffective	Red	N/A
CAPEX Physical verification Q1	March 2019	Adequate but ineffective	Yellow	N/A
Corporate Governance and compliance audit	March 2019	Adequate but ineffective	Yellow	N/A
Recruitment Retention and Termination Audit	March 2019	Adequate but ineffective	Yellow	N/A
Performance information Audit– Q2 SDBIP	March 2019	Adequate but ineffective	Yellow	N/A
SMME	March 2019	Need for improvement	Green	N/A
Below is the Follow up on internal audit findings				
Disaster recovery	February 2019	Inadequate and ineffective	Red	yellow
IT hardware and software management audit	February 2019	Inadequate and ineffective	Red	Yellow
IT application Controls review	February 2019	Adequate but ineffective	Yellow	Yellow

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	Rating (Only applicable to follow up audits)
Roads infrastructure planning	February 2019	Adequate and effective	Green	Green (2 findings out of 2 findings were resolved)
Occupational health and safety audit.	February 2019	Inadequate and ineffective	Red	Green (1 findings out of 1 finding was resolved)

Table 6.1: Progress with audit plan

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

Adhoc Audits completed within the 3rd quarter:

- Exit Payments reviews (3 reviews).
- Performance Bonus reviews MD and HODs.

Section 2: Progress on the resolution of Internal Audit findings

A total of 61 Internal Audit Findings were due to be resolved by management based on set implementation plans and dates by end of 3rd quarter against the quarterly target of 80%, translating to 49 findings. Of these, 36.73% (18/49) of the findings were resolved by end of the 3rd quarter. Some of the findings are partially resolved. Certain actions have documentation on route for approval by Committee/Board prior to resolution of the findings.

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

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

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

2017/18 AG Audit

In total 25 Auditor General Findings were raised to be resolved by management based on set implementation plans and dates by end of 3rd quarter. 40% of the 25 findings that were due to be resolved by end of quarter 3 as per the target, translating to 10 findings, of these 100% (10/10) of the findings were resolved by the end of the 3rd quarter.

Section 4: State of internal controls

The overall conclusion of the state of internal controls based on the following audits completed from the 1st of July 2018 to the 31st of March 2019 is that controls are adequate but ineffective to provide reasonable assurance that JRA objectives will be achieved:

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	*Rating
Expenditure Management and Accounts payable audit	Quarter 1	Adequate but ineffective	Yellow	N/A
Budget Management Audit	Quarter 1	Adequate and effective	Green	N/A
Wayleave Management Audit	Quarter 1	Adequate but ineffective	Yellow	N/A
Performance Information Audit (Annual and Q1)	Quarter 1 and 2	Adequate but ineffective	Yellow	N/A
Annual Financial Statement review	Quarter 1	Adequate and effective	Green	N/A
Employee Physical verification	Quarter 1 and 2	Adequate but ineffective	Yellow	N/A
Bids and RFQ opening observation	Quarter 1	Adequate but ineffective	Yellow	N/A
Key Control	Quarter 1			
Contract Management and development Audit	Quarter 2	Adequate but ineffective	Yellow	N/A
Risk Management	Quarter 2	Adequate but ineffective	Yellow	N/A
Bids Management Audits	Quarter 2	Adequate but ineffective	Yellow	N/A
Capex review and Physical verification	Quarter 2	Adequate and effective	Green	N/A
Bids and request for quotations observation	Quarter 2	Adequate and effective	Green	N/A
Freight Management	Quarter 2	Inadequate and Ineffective	Red	N/A
Performance Bonus calculations verification 2017/18	Quarter 2	N/A	N/A	N/A
Key Control Assessment Dashboard	Quarter 2	Adequate but ineffective	Yellow	NA

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	*Rating
Marketing and Communication	Quarter 3	Adequate but ineffective	Yellow	N/A
Performance information Audit – Q1 SDBIP	Quarter 3	Adequate but ineffective	Yellow	N/A
Expanded public works programme (EPWP)	Quarter 3	Adequate but ineffective	Yellow	N/A
Stakeholder engagements	Quarter 3	inadequate and ineffective	Red	N/A
Environmental Management control self-assessment	Quarter 3	inadequate and ineffective	Red	N/A
Training and development	Quarter 3	inadequate and ineffective	Red	N/A
CAPEX Physical verification Q1	Quarter 3	Adequate but ineffective	Yellow	N/A
Corporate Governance and compliance audit	Quarter 3	Adequate but ineffective	Yellow	N/A
Recruitment Retention and Termination Audit	Quarter 3	Adequate but ineffective	Yellow	N/A
Performance information Audit– Q2 SDBIP	March 2019	Adequate but ineffective	Yellow	N/A
SMME	March 2019	Need for improvement	Green	N/A

Below is the Follow up on internal audit findings

Disaster recovery	February 2019	inadequate and ineffective	Red	Yellow
IT hardware and software management audit	February 2019	inadequate and ineffective	Red	Yellow
IT application Controls review	February 2019	Adequate but ineffective	Yellow	Yellow
Roads infrastructure planning	February 2019	Adequate and effective	Green	Green (2 findings out of 2 findings were resolved)

Name Audit Area	Date Completed	Opinion Expressed	Original Rating	*Rating
Occupational health and safety audit.	February 2019	inadequate and ineffective	Red	Green (1 finding out of 1 finding was resolved)

ANNEXURES

Annexure A: JRA Board and Committees Attendance Register Third Quarter Meeting of 2018-19 Financial Year

The members of the respective Committees, as well as their attendance at meetings held during the Third Quarter meeting of 2018/19 Financial Year, are set out in the table below:

	BOARD			REMSEC & Service Delivery		Audit, Finance, Risk & IT	RISK WORKSHOP	
	7 February	18 March	25 March	10 January	25 January			
Board member/ IAC								
Sipho Tshabalala	U	U	U	N/A	N/A	11 January N/A	8 February 2019 U	
Albert Torres	U	U	X	N/A	N/A	U	U	
Albert Mokoena	U	U	U	U	U	U	U	
Steven Thunzi	U	U	U	U	U	N/A	U	
Thabiso Kutumela	U	U	U	X	U	U	U	
Lulama Mayedwa	U	U	U	U	U	U	U	
Xolisa Mnyani	U	U	U	U	U	U	U	
Thobile Magerman	U	X	X	X	U	N/A	U	
Goodwill Mbatsha	U	U	U	U	U	U	U	
Princess Mundiya	U	U	U	U	U	U	U	
	INDEPENDENT AUDIT MEMBER							
Rob Theunissen	N/A	N/A	N/A	N/A	N/A	U	U	
Badanile Nyakale	N/A	N/A	N/A	N/A	N/A	X		

Legend

- U: denotes attendance
- X: denotes absent

Annexure B: Cash Flow Statement for the Period ended March 2019

		2019	2018
		March	June
		R'000	R'000
	Note		
Cash Flows from Operating Activities			
Cash used in operations	13	45,967	123,573
Interest income		(15,533)	
Finance Costs		-	-
Net Cash from operating activities		30,434	123,573
Cash flows from investing activities			
Purchase of property, plant and equipment		8,954	(36,079)
Proceeds from sale of property, plant and equipment		-	
Increase in Developers contribution		86,201	
Decrease in Loan to shareholder		-	
Net Cash from investing activities		77,246	(36,079)
Cash Flow from Financing Activities			
Decrease in shareholder's loan		-	32,145
Repayment of finance lease obligations-non-current		-	(9,582)
Net Cash From financing activities		-	22,563
Total Cash Movement for the period		107,680	110,057
Cash at the beginning of the period		167,252	57,195
Total cash at the end of the period		274,932	167,252

Annexure C: JRA CAPEX Expenditure Report Summary

Project Number	Project Description	Revised Budget	YTD Expenditure	Accruals	Period spend	Total Expenditure	Budget Available
90002019	Gravel Roads Bramfischerville	38,000,000	20,214,678		3,238,422	20,214,678	17,785,322
90012019	Gravel Roads Diepsloot	25,000,000	8,515,932	4,924,177	1,345,510	13,440,108	11,559,892
90022019	Gravel Roads Doornkop / Thulani	15,000,000	6,766,139		959,436	6,766,139	8,233,861
90032019	Gravel Roads Drieziek	26,273,000	9,307,080	632,851		9,939,931	16,333,069
90042019	Gravel Roads Ivory Park	25,000,000	12,749,768		470,305	12,749,768	12,250,232
90052019	Gravel Roads Lawley	10,000,000	751,945			751,945	9,248,055
90062019	Gravel Roads Mayibuye	20,000,000	4,250,570		1,305,421	4,250,570	15,749,430
90072019	Gravel Roads Orange Farm	9,341,000				-	9,341,000
90072019	Gravel Roads Orange Farm	30,659,000	10,014,130		7,225	10,014,130	20,644,870
90092019	Gravel Roads Tshepisoong	9,850,000	498,508		65,363	498,508	9,351,492
90092019	Gravel Roads Tshepisoong	10,150,000	22,607,034		5,528,792	22,607,034	12,457,034
90102019	Gravel Roads Kaalfontein	28,000,000	5,008,675		143,651	5,008,675	22,991,325
90112019	Gravel Roads Poortje	15,000,000	18,712,023	4,431,377	4,085,574	23,143,399	8,143,399
90122019	Gravel Roads Slovoville	20,000,000	8,910,141		303,940	8,910,141	11,089,859

Project Number	Project Description	Revised Budget	YTD Expenditure	Accruals	Period spend	Total Expenditure	Budget Available
90142019	Bridge Expansion Joints	15,000,000	934,832		180,400	934,832	14,065,168
90152019	Bridge Rehabilitation (BMS)	80,000,000	13,879,418	20,664,691	13,016,756	34,544,109	45,455,891
90162019	Bridges - Visual & Detailed I	11,833,000	7,235,408		584,841	7,235,408	4,597,592
90172019	Bridges - Overtopping (Flooding)	11,000,000	10,475,839		1,400,045	10,475,839	524,161
90182019	Conrad Drive Bridge Blairgowrie	6,000,000					6,000,000
90192019	Pedestrian Bridge Kaalfontein	15,100,000	8,000,465		621,934	8,000,465	7,099,535
90202019	Pedestrian Bridge Klipspruit W	20,000,000	7,475,189	2,581,611		10,056,800	9,943,200
90212019	Pedestrian Bridge Slovo Park	5,000,000	514,191			514,191	4,485,809
90222019	Pedestrian Bridge Diepsloot We	21,000,000	12,557,651		763,542	12,557,651	8,442,349
90232019	Stormwater Masterplanning Soweto	9,650,000					9,650,000
90232019	Stormwater Masterplanning Soweto	10,350,000	2,850,790	5,840,908	2,850,790	8,691,698	1,658,302
90242019	Emergency Stormwater improvement	20,000,000	10,032,859		4,934,549	10,032,859	9,967,141
90272019	Braamfontein Spruit Erosion Pr	6,000,000	700,177			700,177	5,299,823
90302019	Klein Jukskei Bond Stream Fern	5,000,000					5,000,000
90312019	Kliptown Low Level Bridge	39,000,000	12,574,370	1,997,794	4,495,082	14,572,163	24,427,837

Project Number	Project Description	Revised Budget	YTD Expenditure	Accruals	Period spend	Total Expenditure	Budget Available
90332019	Conversion of Open Drains Bram	10,000,000	2,352,472			2,352,472	7,647,528
90342019	Conversion of Open Drains Ivor	10,000,000	2,284,636			2,284,636	7,715,364
90352019	Conversion of Open Drains Oran	20,000,000	15,119,525		1,500,529	15,119,525	4,880,475
90362019	New Plant and Equipment	5,000,000	1,378,615			1,378,615	3,621,385
90372019	Depot Upgrading Operational Ca	5,000,000	1,518,383		1,310,383	1,518,383	3,481,617
90382019	IT - New Computer Software	1,000,000				-	1,000,000
90392019	Operational Capex	10,000,000	5,685,333			5,685,333	4,314,667
90402019	Upgrading of Head Office	5,000,000	1,802,090			1,802,090	3,197,910
90422019	Dam Safety Rehabilitation	3,000,000				-	3,000,000
90432019	Emergency Stormwater Intervent	5,000,000	247,229			247,229	4,752,771
90442019	Environmental Compliance	900,000				-	900,000
90452019	Integrated Roads & Stormwater	9,000,000	47,577		47,577	47,577	8,952,423
90462019	Investigate and Design Future	6,000,000	808,400		539,475	808,400	5,191,600
90472019	Emergency, Critical & Urgent S	60,000,000	20,060,745	331,896	896,375	20,392,641	39,607,359
90492019	Complete Streets	17,741,000				-	17,741,000

Project Number	Project Description	Revised Budget	YTD Expenditure	Accruals	Period spend	Total Expenditure	Budget Available
90512019	Geometric Improvements	5,000,000	202,802		2,749	202,802	4,797,198
90522019	Guardrails	5,000,000	4,003,215		11,041	4,003,215	996,785
90532019	Alternative Power Sources (LED)	2,000,000	1,904,386		442,229	1,904,386	95,614
90542019	Alternative Power Sources (UPS)	5,000,000	2,841,397			2,841,397	2,158,603
90552019	CCTV Cameras	2,000,000				-	2,000,000
90562019	Installation New Warranted Tra	5,000,000	1,355,559		250,966	1,355,559	3,644,441
90572019	Intelligent Transport System	5,000,000	1,636,718		1,207,531	1,636,718	3,363,282
90582019	Recabling of Signalised Inters	40,000,000	39,282,364		4,321,359	39,282,364	717,636
90592019	Remote Monitoring	3,500,000	781,299		116,613	781,299	2,718,701
90602019	SARTSM	3,000,000	1,995,686		248,055	1,995,686	1,004,314
90612019	Traffic Management Centre	6,000,000	829,440			829,440	5,170,560
90622019	Traffic Adaptive Control	5,000,000	1,747,221		681,626	1,747,221	3,252,780
90632019	Upgrading Controllers and Phase	3,000,000	2,053,566		27,239	2,053,566	946,434
90642019	GIS Improvement	3,000,000				-	3,000,000
90652019	Stormwater Asset Monitoring Sy	10,000,000				-	10,000,000

Project Number	Project Description	Revised Budget	YTD Expenditure	Accruals	Period spend	Total Expenditure	Budget Available
90662019	Rehabilitation of Open Drains	10,000,000	1,012,928		505,483	1,012,928	8,987,072
90672019	Road Rehabilitation and Recons	120,000,000	106,952,926	4,040,190	7,638,303	110,993,116	9,006,884
90682019	Resurfacing of M1 Motorway	90,000,000	58,035,320	5,520,773	4,766,295	63,556,093	26,443,907
90692019	Resurfacing of M2 Motorway	40,000,000	9,855,624		160,310	9,855,624	30,144,376
90702019	Resurfacing of Soweto Highway	15,000,000	26,887	1,075,461		1,102,348	13,897,652
90712019	Resurfacing	120,000,000	94,785,879		1,440,721	94,785,879	25,214,121
90742019	James Street Extension Ennerdale	3,000,000	206,205		206,205	206,205	2,793,795
90752019	Spencer Road New Link	3,000,000	7,933		7,933	7,933	2,992,067
90762019	Jan Smuts Dualling	3,000,000	3,267,197		317,310	3,267,197	267,197
90782019	Outspan Road Upgrading	3,000,000					3,000,000
90792019	Crownwood Road Upgrade	500,000	245,817			245,817	254,183
90812019	Richards Drive Upgrade	3,000,000					3,000,000
90822019	Stormwater Development Sandown	3,000,000					3,000,000
90842019	Traffic Calming measures	20,000,000	14,400,534	1,759,728	562,527	16,160,261	3,839,739
90862019	Tarring of Zandspruit Access R	5,000,000	921,740			921,740	4,078,260

Project Number	Project Description	Revised Budget	YTD Expenditure	Accruals	Period spend	Total Expenditure	Budget Available
90882019	Bez Valley Upgrade	8,000,000	7,260,813	562,799	1,179,638	7,823,612	176,388
90892019	Vorna Valley	6,000,000				-	6,000,000
90912019	Klein Jukskei Willows Developm	2,000,000	337,343		337,343	337,343	1,662,657
90962019	Pedestrian Crossing Paterson P	5,000,000				-	5,000,000
90972019	Tarring Gravel Roads: Citywide	15,000,000	3,968,177			3,968,177	11,031,823
		1,301,847,000	626,761,791	54,364,256	56,950,698	681,126,047	620,720,953
	% Spend	52.32%					

Annexure D: The JRA Balance Sheet - as at March 2019

		2019 March R'000	2018 June R'000
Assets	Note s		
Non-Current assets		250,997	273,534
Property plant and equipment	1	171,495	194,455
Intangible Assets	2	23,214	23,352
Employee benefits investment	3	56,288	55,727
Current assets		1,095,654	1,154,195
Inventories	5	54,178	52,775
Loan to Shareholders - Sweeping		368,500	454,701
Trade and other receivables	4	399,107	479,472
Cash and Cash Equivalents	6	273,869	167,247
Total Assets		1,346,651	1,427,729
Equity & Liability			
Equity		650,921	571,988
Contribution from owner	7	322,660	313,586
Accumulated Surplus		328,261	258,402
Non-Current Liabilities		57,598	63,315
Employee benefit obligations	8	49,406	49,406
Finance lease obligations	11	8,192	13,909

Current Liabilities		638,132	792,426
Trade and other payables	10	593,485	740,555
Finance lease obligations	9	8,382	8,323
Loan from Shareholders -			
Overdraft	15	-	
Taxation	14	-	
Provisions	12	36,266	43,548
Total Liabilities		1,346,651	1,427,729

Annexure E: Detailed Income Statement for the quarter ending March 2019

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
JRA									
REVENUE									
Rent Received	1,004	1,020	-16	-1.59%	3,011	3,060	-49	-1.59%	4,080
Gautrans Maintenance	3,316	2,915	401	13.76%	6,536	8,744	2,208	-25.25%	11,659
COJ Maintenance	295,454	275,793	19,661	7.13%	827,378	827,378	-	0.00%	1,103,170
TOTAL REVENUE	299,773	279,727	20,046		836,925	839,182	2,257		1,118,909
DIRECT COSTS									
Material Cost	20,683	19,477	-1,206	-6.19%	55,427	58,432	3,005	5.14%	77,909
Extra Items	-788	-	788	0.00%	1,967	-	1,967	100.00%	-
Stock Adjustment	-664	-	664	100.00%	-249	-	249	100.00%	-
TOTAL DIRECT COST	19,232	19,477	246		53,211	58,432	5,220		77,909
GROSS PROFIT	280,542	260,250	20,292		783,714	780,750	2,964		1,041,000
OTHER INCOME									
Recoveries Telephone Calls, Faxes	70	-	70	100.00%	268	-	268	100.00%	-
Asphalt Sales	-	47	-47	-100.00%	-	142	142	-100.00%	190
Jobbings	4,629	8,939	-4,310	-100.00%	7,737	26,817	19,081	-71.15%	35,756
Developers Income	71,622	12,563	59,060	470.13%	78,335	37,688	40,648	107.85%	50,250

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
Reinstatements	9,215	6,179	3,036	49.13%	23,650	18,538	5,112	27.57%	24,718
Road Closures	71	-	71	100.00%	103	-	103	100.00%	-
DCP Testing	7	-	7	100.00%	76	-	76	100.00%	-
Insurance Claims	1,696	860	836	97.22%	1,696	2,579	884	-34.26%	3,439
Interest from Intercompanies	5,527	-	5,527	100.00%	13,838	-	13,838	100.00%	-
Interest Received from Bank	3,202	-	3,202	100.00%	8,021	-	8,021	100.00%	-
Other Sales	172	200	-28	-13.99%	498	599	102	-16.94%	799
Management Fees	7,416	9,377	-1,961	-20.91%	19,212	28,132	8,920	-31.71%	37,510
Sundry Income	-3,775	2,900	-6,675	-230.20%	20,604	8,699	11,905	136.85%	11,599
Training Income	956	-	956	100.00%	956	-	956	100.00%	-
TOTAL OTHER INCOME	100,807	41,065	59,742		174,994	123,196	51,798		164,261
INDIRECT COSTS									
Advertising	1,096	872	-224	-25.73%	3,304	2,615	689	-26.35%	3,486
Auditors Remuneration Fees	-103	810	913	112.67%	3,138	2,430	707	-29.11%	3,240
Bank Charges	17	18	1	2.93%	52	54	2	3.55%	72
Finance Charges	1,481	250	-1,231	-100.00%	1,481	750	731	-97.53%	1,000
Consulting Fees	10,202	13,175	2,974	22.57%	34,375	39,525	5,150	13.03%	52,700
Contractors JRA	29,553	26,290	-3,263	-12.41%	71,832	78,870	7,038	8.92%	105,160
Contractors Outsourced	2,753	1,596	-1,157	-72.49%	3,468	4,789	1,320	27.57%	6,385

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
Consumables	1,694	1,931	237	12.28%	3,961	5,793	1,831	31.62%	7,723
Depreciation	11,150	11,333	183	1.61%	33,111	33,998	887	2.61%	45,330
Directors Emoluments	455	559	104	18.61%	1,417	1,676	260	15.49%	2,235
Entertainment	244	82	-163	-199.06%	298	245	-53	-21.57%	327
Corporate Promotions	89	170	81	47.45%	333	510	177	34.68%	680
Insurance	5,400	4,166	-1,235	-29.64%	16,200	12,497	3,704	-29.64%	16,662
Intercompany Charges Leased Contract Services	-	-	-	0.00%	134	-	134	-100.00%	-
Offices (Parking)	39	548	509	92.90%	990	1,643	653	39.76%	2,190
Office Building (Rental) Office Building (Relocation)	-	1,002	1,002	100.00%	-	3,005	3,005	100.00%	4,007
Office Equipment	1,892	555	-1,337	-241.16%	2,639	1,664	975	-58.61%	2,218
Licenses Magazines, Books and Periodicals	1,908	1,290	-618	-47.94%	4,770	3,869	901	-23.28%	5,159
Municipal Services Charges	232	442	210	47.54%	1,044	1,325	281	21.21%	1,767
Stationary	825	902	77	8.51%	2,015	2,706	691	25.53%	3,608
Printing	787	617	-171	-27.69%	1,223	1,850	628	33.92%	2,467
Repairs & Maintenance	507	3,486	2,979	85.47%	6,510	10,457	3,947	37.74%	13,943
Strategic Planning	-	272	272	100.00%	82	815	733	89.97%	1,086

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
Employee & Related Costs	167,328	167,582	253	0.15%	496,185	502,745	6,560	1.30%	670,327
Employee Wellness	6	75	69	92.24%	54	225	171	75.94%	300
Security	9,475	6,597	-2,877	-43.62%	16,738	19,792	3,054	15.43%	26,389
Social Responsibility	-	38	38	100.00%	-	114	114	100.00%	152
Telephone & Fax	1,136	1,333	198	14.85%	5,239	4,000	1,238	-30.96%	5,334
Training	1,296	1,926	630	32.72%	3,274	5,779	2,506	43.35%	7,706
Travel Expenses	-12	265	277	104.58%	153	795	642	80.78%	1,060
Data Services	3,653	2,730	-923	-33.83%	7,366	8,190	824	10.06%	10,920
Write-Offs	-	-	-	100.00%	-	-	-	0.00%	-
Realised Gains/Losses	25	7	-19	-283.30%	367	20	347	1752.80%	26
TOTAL INDIRECT COST	298,705	289,044	-9,661		862,014	867,131	5,118		1,156,175
OPERATING PROFIT	82,644	12,271	70,373		96,694	36,814	59,879		49,086
INTERNAL TRANSFERS									
Interest (Sweeping Account)	-	-	-	0.00%	-	-	-	0.00%	-
Interest on Shareholders Loans	-	-	-	0.00%	-	-	-	0.00%	-
Interest on Mirror Conduit Loans	-	-	-	0.00%	-	-	-	0.00%	-
Internal Charges (ME's)	-	-	-	0.00%	-	-	-	0.00%	-
Advertising	2,000	950	-1,050	-110.53%	2,000	2,850	850	29.82%	3,800

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Current Year Total Approved Budget
Contractors: JRA	4,000	1,375	-2,625	-190.91%	4,000	4,125	125	3.03%	5,500
Consulting Fees	2,000	558	-1,442	-258.42%	2,000	1,674	326	-19.47%	2,232
Consumables	-	89	89	100.00%	-	268	268	100.00%	357
Employee & Related Costs	437	3,121	2,683	85.98%	5,607	9,362	3,755	40.11%	12,483
Employee Wellness	-	535	535	100.00%	-	1,605	1,605	100.00%	2,140
Intercompany Charges	2,398	1,565	-833	-53.24%	3,193	4,694	1,501	31.98%	6,258
Leased Contract Services	3,000	1,648	-1,353	-82.09%	3,600	4,943	1,343	27.16%	6,590
Legal Expenses	1,017	1,262	245	19.41%	3,400	3,785	385	10.18%	5,047
Printing	-	19	19	100.00%	-	56	56	100.00%	74
Security	0	-	-0	-100.00%	991	-	991	-100.00%	-
Training	-	38	38	100.00%	45	114	69	60.53%	152
Telecommunications	2,000	1,113	-887	-79.65%	2,000	3,340	1,340	40.12%	4,453
Internal Charges (Core)	-	-	-	0.00%	-	-	-	0.00%	-
Internal CoJ Billing (Utilities)	-	-	-	0.00%	-	-	-	0.00%	-
Operating Grants (Subsidies to ME's)	-	-	-	0.00%	-	-	-	0.00%	-
TOTAL INTERNAL TRANSFERS	16,852	12,272	-4,581		26,835	36,815	9,979		49,086
NET INCOME BEFORE TAX	65,792	-0	65,792		69,858	-0	69,858		-0
NET INCOME AFTER TAX	65,792	-0	65,792		69,858	-0	69,858		-0

Annexure F: Amounts Owing

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

As at 28 March 2019, an amount of R242 058 528.27 was owed to JRA as per the above table.

Annexure G: Summary of injury incidents: January - March 2019

REPORTED OCCUPATIONAL ACCIDENT SCHEDULE: JANUARY – MARCH 2019 (QUARTER 3)

# Injuries	Cause	Injuries	Mitigation
March 2019			
1.	Employee tripped over a bollard and fell injuring his right hand (Midrand).	Right hand	SHE Unit: Ensure that mitigation actions implemented by depot managers are monitored and evidence records are in place
2.	Employee fell injuring his right rib cage when the platform he was standing on collapsed while cutting the bolt (Motorway).	Right rib cage	SHE Unit: Ensure that mitigation actions implemented by depot managers are monitored and evidence records are in place
3.	The driver of a truck ferrying employees lost control of the vehicle which hit the depot gate injuring employee's back and left hand (Midrand)	Back and left hand	SHE Unit: Ensure that mitigation actions implemented by depot managers are monitored and evidence records are in place
February 2019			
1.	Employee was hit by truck tail gate while loading tools injuring his right thumb (Benrose).	Right thumb	SHE Unit: Ensure that mitigation actions implemented by depot managers are monitored and evidence records are in place
2.	Employee was working on a traffic signal controller box contaminated with sewerage which caused rash (Traffic Signals)	Arms	SHE Unit: Ensure that mitigation actions implemented by depot managers are monitored and evidence records are in place
3.	Employee was involved in a motor vehicle accident (Dobsonville)	Neck	SHE Unit: Ensure that mitigation actions implemented by depot managers are monitored and evidence records are in place

4.	Employee 's left ring finger was caught between lifting chain hook and KI top (Avalon).	Left ring finger	SHE Unit: Ensure that mitigation actions implemented by managers are monitored and evidence records are in place
January 2019			
1.	Employee was hit by a loose hanging chain sling of crane truck on the forehead (Waterval).	forehead	SHE Unit: Ensure that mitigation actions implemented by depot managers are monitored and evidence records are in place