

to the various Committees and the Board quarterly. The Governance Report (Chapter Two) has been reviewed by the Social and Ethics Committee.

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

Corporate Social Responsibility Report

As part of the City of Johannesburg we support and endorse the commitment to long term sustainability encompassing the need to balance the economic development and delivery of world class services encompassing both social fairness as well as environmental accountability.

The JRA undertakes a number of social programmes which contribute to the quality of life of our employees, their families, the local communities and society at large. These include, amongst others, SMME development, preferential procurement in accordance with SCM Regulations, access to partnerships through JRA intervention, skills development, internships, and training and experience opportunities in accordance with JRA Policy. One of the targeted projects for the 2016/17 FY is the further enhancement of our CSI programme and the formalisation thereof through the development and of a policy and implementation plan.

2. 10 Anticorruption and Fraud (To be read in conjunction with section 2.8 above – Corporate Ethics and Integrity)

The JRA has a Fraud Prevention Policy, Framework and Plan approved by the Audit and Finance Committee and, in line with the recommendations of the National Treasury Department. The Fraud Prevention Policy sets out the current controls in relation to fraud, theft and corruption and thereof.

As an implementation tool of the Code of Ethical Conduct, the company also has an established Management Ethics Forum as explained in section 2.8 above.

During the review period the Audit and Finance Committee resolved that the Forensic Investigations and awareness be removed from Internal Audit Function to the office of the Managing Director who in turn has delegated same to the Ethics Officer and the Management Ethics Forum. The Ethics Committee Terms of Reference set out an agreed process for the registration, investigation and closing of all reported matters. As part of the process a quarterly report must be submitted to the Audit and Finance and Social and Ethics Committees.

The following table is an illustration of the reported matters from the last three reporting periods:

Year	2013/14		2014/15		2015/16	
Total /year	7		6		19	
	Open	Closed	Open	Closed	Open	Closed

Status	0	7	3	3	10	9	
TOTAL (open)							13

Open cases categorized as follows:

NO	CATEGORY	STATISTICS
1	Theft	2
2	Bribery	1
3	Procurement / Contract irregularities	3
4	Fraud	3
5	Payroll fraud	1
6	Service irregularities	1
7	Inappropriate behaviour	2
TOTAL		13

The increase in reported matters does not necessarily indicate an increase in fraud, corruption and unethical behaviour but should rather be seen as a positive result of the enhanced fraud prevention programme and the improved perception of management's commitment to reports and take action. The on-going roll out of the awareness campaign as well as the recent high profile dismissals and arrests of transgressors is expected to result in increases in reported matters. Management is enforcing the zero tolerance approach to corruption in all forms and is strictly implementing the regulatory requirement that transgressors be reported so as to enable the enforcement of the reemployment restricts across all state owned entities and government departments.

The external audit on the fraud management controls have indicated some shortcomings which are being addressed however the following on-going challenges remain:

- Capacity to undertake investigations, complete reports and monitor implementation of corrective actions - the utilization of outsourced service providers has proven to be financially unviable and the City is also experiencing capacity issues and is thus not able to assist. Against this background a budget allocation has been made for an insourced resource. It is anticipated that this challenge will be addressed in 2016 and should alleviate the backlog of investigations.
- Delays in feedback on issues referred to the Special Investigation Unit and GRAS.
- Delays or lack of implementation of action plans by management on some of the completed investigations reported.

2. 11 ICT Governance

The JRA does not have a Chief Information Officer and the IT department is managed by the IT Manager on a day-to-day basis. The IT Manager position is currently vacant and has been since February 2016. The recruitment process is currently underway with the Assistant Manager: Enterprise Architecture, filling in as the acting manager with support from the Head of Department. The IT Department reports the HOD: Performance, Governance & IT who reports formally to the Risk and IT Committee on a quarterly basis.

During the 2014/15 period the Board approved the IT Governance Framework which takes into account the legislative framework, including King III, as well as the International Organisation for Standardisation / International Electro-Technical Commission 38500 (ISO /IEC 38500) and the Control Objectives for Information and Related Technology (COBIT) 5. This was accompanied by an implementation plan, which was subdivided into four (4) phases, the first two having been successfully implemented, and was followed with an IT maturity assessment. In 2016/17 the JRA will proceed with the implementation of the third (3) phase, being the IT governance maturity roadmap, which will have a positive impact on the institutionalisation of ICT governance as an integral part of corporate governance within the company.

The outcome of the independent IT governance maturity assessment undertaken during 2015/16 resulted in the company scoring a maturity level of zero with gaps identified with the IT unit, including the lack of a CIO and a proper IT structure. Management has established a formal IT governance maturity project and the process of implementing the IT governance maturity roadmap to achieve the target level of two will proceed in 2016/17 with the anticipated period to completion being 24 months.

The implementation of SAP has also presented a challenge during the review period with the company commencing an implementation programme which was subsequently interrupted at the insistence of the shareholder to enable a City wide alignment and approach to the new mSCOA (accounting and reporting standard) requirements. This has resulted in a delay in the project which will have the knock on effect of delaying compliance with mSCOA beyond 2017. The JRA has however been prioritised by CoJ for SAP template implementation and is actively involved in the project implementation.

2. 12 Supply Chain Management and Black Economic Empowerment

(Cross reference to section 5 Financial Performance)

The Supply Chain Management (SCM) unit is critical to the success of the JRA, is the gate keeper for all procurement and is the primary implementer of the Procurement Policy which seeks to improve financial governance, accountability and transparency in the entity's procurement processes.

During 2015/16 the Procurement Policy was revised with significant input from the Board and its various committees who have actively embraced the objectives of broad-based Black Economic Empowerment. An implementation plan was developed however this has been deferred pending a further review in the light of the new Treasury issued procurement standard in respect of infrastructure.

The entity's SCM policies and systems are in compliance with the provisions of the MFMA and the National Treasury: Municipal Supply Chain Management Regulations, 2005 and provide for the exclusion of awards to persons in the service of the state subject to the exemptions and regulations issued by National Treasury from time to time.

During the 2015/16 period the company has, directly through the SCM processes, contribution towards achieving a number of the goals of the Reconstruction and Development Program through the Jozi@Work programme as well as the established of an SMME desk. Jozi@Work targets local communities for the award of ring fenced contracts while the SMME desk will both identify suitable contractors and provide support and assistance to them through the JRA's strategic partnerships with the likes of banking institutions and other development bodies. In this way the JRA has promoted SA owned enterprises and SMMEs, has create labour intensive jobs at a local level, has promoted enterprises located in the JHB municipal area for work to be done or services to be rendered in that municipal area, has contributed to the empowerment of the work force by standardising the level of skill and knowledge of workers and has provided training and improvement of management skills and generally contributing to the improvement of communities within the City of Johannesburg.

For performance of supply chain management, the award and value of contracts during the review period please cross refer to section 5 Financial Performance.

The JRA enforces the prohibition against granting awards to state employees through the declaration of interest forms. Employees are required to declare their interests in line with the legislation and these declarations are then monitored. It should however be noted that the process is not effective given the lack of suitable software and tools to further interrogate the declarations or submissions by bidders to ensure compliance and identify possible awards to state employees. One of the mechanisms to deal with the challenge being investigated is to periodically engage the AG to cross reference the various public and JRA databases to identify transgressors. It is anticipated that this will be implemented in 2016/17.

During the year one employee was disciplined and dismissed as a result of a transgression of the disclosure requirement. This sanction precludes the ex-employee from employment by any state organ for a period of two years. If the transgression includes an element of fraud the prohibition on re-employment may extend to ten years.

Continuing challenges with the SCM process have been in existence for a protracted period and are not unique to the JRA. Historically, procurement policies and regulations only catered for normal goods and services including Information Technology. The process has seriously burdened the SCM capacity specifically given the increased Capex funding allocations to the JRA in recent years without any additional capacity to address the procurement aspects thereof. This resulted in

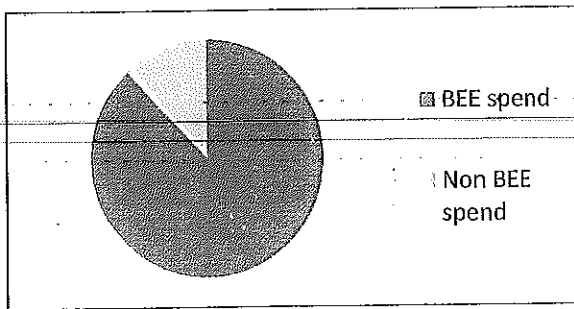
multiple procurement processes for Capex projects which also shifted focus from other procurement. In October 2015 National Treasury issued Circular 77, providing guidance to municipalities and municipal entities to establish a special supply chain management system for infrastructure delivery, which is better able to deliver value for money, while minimizing the scope for corruption. The JRA envisages implementation of Circular 77 within the 2016/17 FY which will also address some of the long standing procurement challenges.

BBBEE Expenditure

Year to date BBBEE expenditure is:

	Total	BBBEE	Percentage
Quarter 1	430 702 578,60	348 729 196,77	81%
Quarter 2	568 679 573,21	316 315 025,84	55,60%
Quarter 3	196 402 515,04	191 924 537,70	97,70%
Quarter 4	505 617 926,52	496 613 239,46	98%
Year to date	1 701 402 593,37	1 353 581 999,77	80%

For 2015.16 year to date, the total spent was R 1 701 402 593, of which R 1 353 582 000 was spent on BBBEE. This is an 80% spend against a target of 75%.



Achieved **80%** against target of 75% of total spend of R **1 701 402 593**

CHAPTER THREE

SERVICE DELIVERY PERFORMANCE

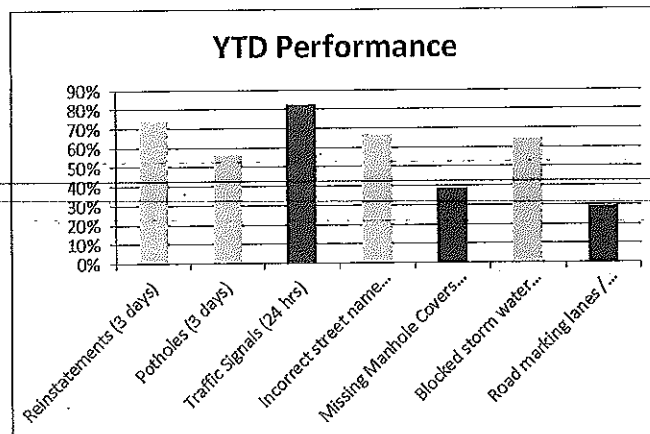
3.1 Core Business

The core of the JRA business is the design, construction and maintenance of roads and roads related infrastructure and thus delivery falls to the three core operational departments, being Regional Operations, Mobility and Freight and Infrastructure Development supported by the Planning department.

Most of the operational activities form part of the deliverables in terms of the Customer Charter, which is summarised below. Further detail is provided in the JRA Company Performance Report (Part 7 of this report).

Customer Charter - year-to-date

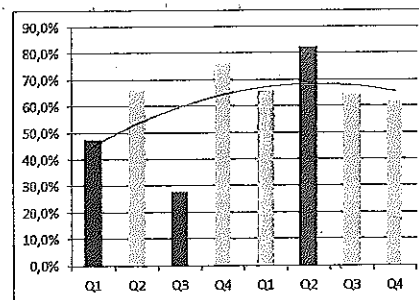
Kpi	Activity	YTD Performance
Year-to-date	Reinstatements (3 days)	43,1%
	Potholes (3 days)	56,3%
	Traffic Signals (24 hrs)	80,1%
	Incorrect street name spelling corrected (7 days)	66,7%
	Missing Manhole Covers replacement (3 days)	28,3%
	Blocked storm water drains (3 days)	64,6%
	Road marking lanes / signs repaired (3 days)	18,0%



The fluctuation in service delivery, per activity, measured quarter on quarter is summarised below:

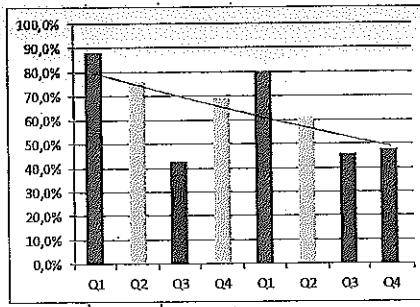
Reinstatements to be completed within 3 days:

Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Reinstatements (3 days)	Q1	90%	213	101	47,4%	42,6%
	Q2	90%	372	245	65,9%	24,1%
	Q3	90%	138	38	27,5%	62,5%
	Q4	90%	288	220	76,4%	13,6%
	Q1	100%	292	192	65,8%	34,2%
	Q2	100%	332	272	81,9%	18,1%
	Q3	100%	330	212	64,2%	35,8%
	Q4	100%	518	319	61,6%	38,4%
	Year-to-date	100%	1513	1118	73,9%	26,1%



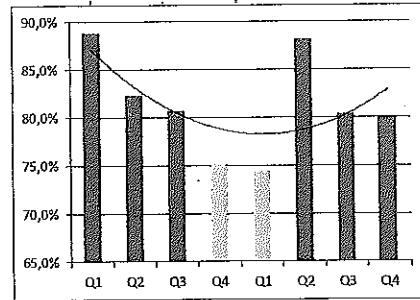
Potholes to be repaired within 3 days:

Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Potholes (3 days)	Q1	90%	2607	2471	88,0%	2,0%
	Q2	90%	4122	3130	75,9%	14,1%
	Q3	90%	5435	2314	42,6%	47,4%
	Q4	90%	2607	1784	68,8%	21,2%
	Q1	100%	1574	1259	80,0%	20,0%
	Q2	100%	2406	1472	61,2%	38,8%
	Q3	100%	4485	2046	45,6%	54,4%
	Q4	100%	5054	2404	47,6%	52,4%
Year-to-date	100%	15008	8447	56,3%	43,7%	



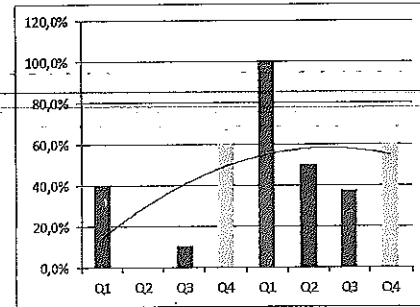
Traffic Signals to be repaired within 24 Hours:

Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Traffic Signals (24 hrs)	Q1	90%	403	353	88,8%	1,2%
	Q2	90%	1085	893	82,3%	7,7%
	Q3	90%	610	492	80,7%	9,3%
	Q4	90%	628	470	75,1%	14,9%
	Q1	100%	402	289	74,4%	25,6%
	Q2	100%	489	431	88,1%	11,9%
	Q3	100%	741	596	80,4%	19,6%
	Q4	100%	403	322	79,9%	20,1%
Year-to-date	100%	2092	1727	82,6%	17,4%	



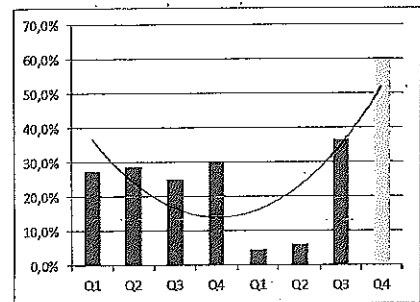
Correction of street names within 7 days:

Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Incorrect street name spelling corrected (7 days)	Q1	90%	5	2	40,0%	50,0%
	Q2	90%	3	0	0,0%	90,0%
	Q3	90%	48	5	10,4%	79,6%
	Q4	90%	5	3	60,0%	30,0%
	Q1	100%	0	0	100,0%	0,0%
	Q2	100%	2	1	50,0%	50,0%
	Q3	100%	8	3	37,5%	62,5%
	Q4	100%	5	3	60,0%	40,0%
Year-to-date	100%	12	8	66,7%	33,3%	



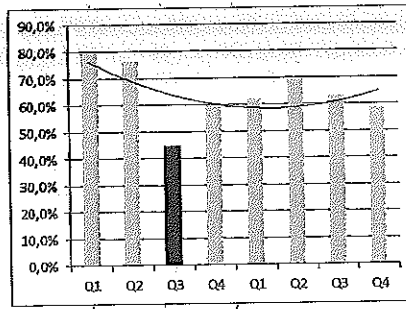
Manhole covers replaced within 3 days

Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Missing Manhole Covers replacement (3 days)	Q1	90%	11	3	27,3%	62,7%
	Q2	90%	7	2	28,6%	61,4%
	Q3	90%	52	13	25,0%	65,0%
	Q4	90%	30	9	30,0%	60,0%
	Q1	100%	46	2	4,3%	95,7%
	Q2	100%	33	2	6,1%	93,9%
	Q3	100%	74	27	36,5%	63,5%
	Q4	100%	77	46	59,7%	40,3%
Year-to-date	100%	219	84	38,4%	61,6%	



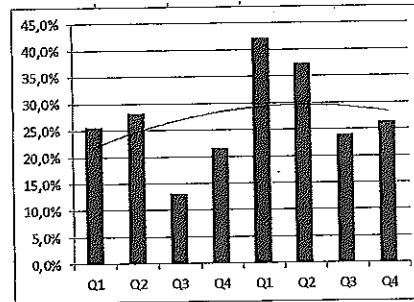
Unblock Storm Water drains within 3 days:

Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Blocked storm water drains (3 days)	Q1	90%	1143	907	79,4%	10,6%
	Q2	90%	1166	889	76,2%	13,8%
	Q3	90%	938	419	44,8%	45,2%
	Q4	90%	824	495	60,1%	29,9%
	Q1	100%	983	608	61,9%	38,1%
	Q2	100%	1053	727	69,0%	31,0%
	Q3	100%	1141	718	62,9%	37,1%
	Q4	100%	833	488	58,6%	41,4%
	Year-to-date	100%	4138	2874	64,6%	35,4%



Road markings / signs repaired within 3 days

Activity	Period	Target (%)	Requests	Attended within 3 days	% achievement	Variance (%)
Road marking lanes / signs repaired (3 days)	Q1	90%	1933	498	25,7%	64,3%
	Q2	90%	1749	493	28,2%	61,8%
	Q3	90%	1814	250	13,1%	76,9%
	Q4	90%	963	207	21,5%	68,5%
	Q1	100%	2048	882	42,1%	57,9%
	Q2	100%	2398	893	37,3%	62,7%
	Q3	100%	1890	452	23,9%	76,1%
	Q4	100%	804	159	20,3%	73,7%
	Year-to-date	100%	1239	357	28,8%	71,2%



The JRA's AOPO achievement during the period is summarised below:-

Summary	Q1	Q2	Q3	Q4	Annual
Number of KPI's	90,9%	86,9 %	74,2%	71,5%	72,12%

The full performance information is attached hereto as Annexure B

Capital Expenditure by project is contained in Annexure C

3.2 Day to Day Business

The business of the JRA is conducted through the four operational departments and three support departments.

Dept.	Units	Primary Function / Activity	Performance Summary
Corporate Services	Human Capital Management	<ul style="list-style-type: none"> • Human Capital Development • Administration/ Recruitment and Selection • SHEQ • Employee Relations • Payroll and Benefit 	<ul style="list-style-type: none"> • Cross refer section 4
	Facilities Management	<ul style="list-style-type: none"> • Security services • Administration (Hospitality, printing solutions and records management) • Electrical services • Mechanical services- General Building 	<ul style="list-style-type: none"> • Cross refer section 2.9 • The unit has continued with the depot upgrades addressing the need for ablution facilities, storage space and waste disposal facilities. • The head office building continues to be a challenge with a cost benefit analysis being undertaken to determine whether repairs and upgrades should continue. The lifts are not reliable and repair is costly. The air conditioning and ventilation continue to prove a challenge with the equipment being old and both costly and difficult to repair or replace. This resulted in the closure of the building for a short period during the review period. The lack of a fully effective disaster management plan has added to the problem. Current interventions do not guarantee a long term solution.
			<ul style="list-style-type: none"> • Security management is also controlled by the unit and is primarily outsourced. • Environmental improvements have been effected by the unit during the year, most notably the installation of light sensors.

Dept.	Units	Primary Function / Activity	Performance Summary
	Marketing and Communications	<ul style="list-style-type: none"> • Marketing • Communications • CRM 	<ul style="list-style-type: none"> • Cross refer section 2.9 • The Objective of the unit is to manage the reputation of the JRA through effective marketing, stakeholder engagement, public relations and communications (both internal and external); customer relations management (CRM Logging of client issues and follow ups on outstanding issues with depots), events and branding. • Balancing the need to make a significant impact within the limited budget remains a challenge with the current review period's budget having been supplemented to ensure information regarding major infrastructure projects has been disseminated to the public to avoid congestion, delays and reputational damage to the JRA. • To measure our reputation and evaluate how stakeholders perceive our performance in relation to their expectations, the JRA will continue to conduct a Bi-annual Customer Satisfaction Survey externally and an Internal Climate Survey internally.
Performance Governance and IT	IT	<ul style="list-style-type: none"> • Service Delivery, • Solution Delivery, and • Enterprise Architecture 	<ul style="list-style-type: none"> • Cross refer section 2.11 • The lack of a permanent IT Manager as well as the on-going discussion around the CIO position present some challenges. The City participation in the SAP implementation has resulted in the project delay. The JDE ERP system is dated and any upgrade is dependent on the decision of the COJ regarding SAP implementation and / or JDE upgrade. Obsolete and costly IT connectivity and old hardware and IT infrastructure has complicated matters however this is now being addressed through a City procurement process and contract IT bandwidth services with MTC. There is no CIO or ICT Governance Champion and it has been difficult to implement the IT governance framework.

Dept.	Units	Primary Function / Activity	Performance Summary
Performance Governance and IT	Performance Management and Quality Assurance	<ul style="list-style-type: none"> • Business Performance Management • Quality Assurance 	<ul style="list-style-type: none"> • The unit is responsible for business performance and quality management for the JRA, as well as monitoring and reporting on the overall company performance to the Shareholder (City) in terms of legislative and stakeholder requirements. Additional to legislative and stakeholder company performance reporting, the unit manages and facilitates the Total Quality Management system within the JRA (ISO 9001). • The misalignment of the JRA and City SDBIP presents a challenge as do the City reporting deadlines and the lack of clarity on the customer charter reporting standards. The cumbersome Quarterly Reporting formats have been reviewed and an engagement with GG to agree minimum requirements and revised report is in progress.
	Legal	<ul style="list-style-type: none"> • Litigation • Contracts • Public Liability 	<ul style="list-style-type: none"> • The unit has struggle with capacitation of the department which has resulted in undue delays in the finalisation of contracts which in turn impacts on the SCM process. The unit manager also resigned during the review period. Inadequate provision of legal services will be partially relieved through the implementation of the standard template for contracts in line with Treasury circular 77. A public liability turnaround plan has been developed and the acquisition and implementation of online legal services has been implemented.
	Risk	<ul style="list-style-type: none"> • Risk identification and management 	<ul style="list-style-type: none"> • The Risk Unit is responsible for the implementation of the JRA's Enterprise-wide Risk Management Framework. The aim of the Risk Management is to embed risk management across the organisation to create a risk aware organisation. • Low organizational risk maturity has presented a challenge with improved risk management awareness at all levels being the focus and including a dedicated slot in management meetings.
	Stakeholder Engagement and IGR	<ul style="list-style-type: none"> • Public Affairs • Inter-governmental relations • Marketing and Communications • CRM 	<ul style="list-style-type: none"> • Stakeholder management has presented a challenge during the review period most significantly because of the lack of a consolidated function. As a result the unit has been removed from the department and a restructuring and consolidation together with the CRM, marketing and communications function, both centrally and at a regional level has been agreed for implementation at the commencement of 2016/17

Dept.	Units	Primary Function / Activity	Performance Summary
<ul style="list-style-type: none"> For Finance please cross refer to section 3.4 			
Finance	Corporate Finance	<ul style="list-style-type: none"> Budgeting Revenue: Internal Revenue: External Production Cost: Asphalt Plant Work costing Matching/Treasury Reporting –AFS Reporting – Man Acc 	<ul style="list-style-type: none"> Budgeting and monitoring of expenses against budget Work order / Job costing Receipting of goods and services rendered Matching of orders, GRV's, D/N's to invoices received Treasury (banking) - Cash flow Management Reporting –Financial Statements (GRAP compliant) Reporting – Management Accounting Capital expenditure Accounting/management (CoJ)
		<ul style="list-style-type: none"> Income and Assets 	<ul style="list-style-type: none"> Revenue Work orders Billing
	Financial Accounting		<ul style="list-style-type: none"> Debtors Inventory Fixed Assets Recoveries Claims Bookkeeping
		<ul style="list-style-type: none"> Expenditure 	<ul style="list-style-type: none"> Bookkeeping Expenditure Creditors Liabilities Payments

Dept.	Units	Primary Function / Activity	Performance Summary
	Supply Chain Management	<ul style="list-style-type: none"> • Procurement Processes • Procurement Committees • BBBEE Compliance • Supplier Performance Management 	<ul style="list-style-type: none"> • Procurement Processes- implementation of the supply chain implementation plan • Procurement Committees • BBBEE Compliance • Compliance • Supplier Performance Management • Database Management • Logistics Management – management of inventory (full value chain to the user departments) <ul style="list-style-type: none"> ○ Receipting, Issuing of stock, Stock control, Stock counts ○ Reporting, ordering
	Contract Management	<ul style="list-style-type: none"> • Administration • Performance • Spending 	<ul style="list-style-type: none"> • Monitoring and administration <ul style="list-style-type: none"> ○ Maintain a contracts register ○ Management and notifications of expiry ○ Management of and notifications on contract extensions
Finance	Contract Management		<ul style="list-style-type: none"> • Supplier Performance Management <ul style="list-style-type: none"> ○ Performance monitoring (administrative) ○ Evaluation forms • Spending Analysis <ul style="list-style-type: none"> ○ Spending against budget ○ Monitoring of contract value
Planning	Development Control	<ul style="list-style-type: none"> • Public developments • Private developments 	<ul style="list-style-type: none"> • Integrated transit infrastructure master planning [including Community-Based Planning (CBP), Jozi Strategic Infrastructure Platform (JSIP), etc.] • Infill roads and storm water planning • Preliminary investigations and designs on future roads • Design intent/environmental authorization • Management of external development risks (JDA, Province, Housing, etc.) • Road Assets Management and Monitoring • Development and maintenance of Road Asset Management Systems
	Roads Planning		
	Storm water planning		

Dept.	Units	Primary Function / Activity	Performance Summary
		Road Asset Management Systems	<ul style="list-style-type: none"> • Develop standards and benchmarking programmes • Information / knowledge management • Compliance to all legislative requirements applicable to roads and storm water • Business Plan and Service Delivery Budget Implementation Plan Development • Development and Monitoring of the Corporate Strategy and assist Business Unit/Departments with the development of their own Strategies. • Determine benchmarking standards • Assist Regional Operations with maintenance planning
Infrastructure Development	Community Streets & Storm water	<ul style="list-style-type: none"> • Public Transport Infrastructure • Storm water management 	Cross refer to section 3.5
	Roads, freeways and public transport infrastructure	<ul style="list-style-type: none"> • Freeways arterials and main roads • Public infrastructure 	
	Signalling Infrastructure	<ul style="list-style-type: none"> • Signals Infrastructure • Road Furniture 	
	Design Office	<ul style="list-style-type: none"> • The set up of the design office has been deferred 	
Mobility and Freight	Traffic Engineering	<ul style="list-style-type: none"> • Traffic Operations Centre • Traffic signal maintenance / Traffic Signals Depot • Freeway / Arterial Management 	<ul style="list-style-type: none"> • To attend more effectively with traffic signal faults there is a strategy to focus on the root cause of problems (eg. replacing ageing equipment and power cables) and a few of these projects have been completed and are being assessed for improvements made. Likewise, equipment has been installed at all traffic signals (known as the Remote Monitoring System) to enable automatic reporting of faulty

Dept.	Units	Primary Function / Activity	Performance Summary
	Traffic Management and Network Support	<ul style="list-style-type: none"> • Freight movement support • Infrastructure Protection support • Security surveillance • Traffic impact studies • Traffic signal design • Signal timing design • Road safety 	<p>traffic signals for more timeous repair. This will complement the fault reporting from the public via social media and COJ Call Centre.</p> <ul style="list-style-type: none"> • A tender has been advertised to establish an Advanced Traffic Management System which will integrate current fault reporting measures (as mentioned above) and ensure more effective management of traffic signal faults repairs, records and operational reports. • A traffic signal related benchmarking exercise with eThekweni and Cape Town identified that there is a shortage of traffic signal technical staff at the Traffic Signals Depot and this matter is being addressed by creating and advertising additional posts in the current financial year.
	Freight Movement and Infrastructure Protection Support		<ul style="list-style-type: none"> • The issue of performance and the failure to meet the service charter standards has been an on-going problem. During this year we investigated the root cause by conducting a diagnostic study which looked at performance of the in-house maintenance teams. The study was completed in June 2016. The study recommended a 3 year Productivity Improvement and it is envisaged that this will significantly enhance our service offering. • At a regional level we have continued with the implementation of Jozi@Work and the development of SOPs. Engagements to address morale have also taken place. • One of the remaining challenges is the constant disagreements between RO and Performance Management on targets achieved with the root cause appearing to be the different parameters used to draw results from the system.
Regional Operations	7 Regional depots (Cross reference Page 7)		
	Strategic Assets	<ul style="list-style-type: none"> • Fleet and Plant • Asphalt Plant • Laboratory • Resurfacing Depot • Motorways Depot 	<p>Regional Operations Department has struggled with the issue of asphalt and the need for a complete refurbishment of the plant. The Business case for the new asphalt plant has been approved and procurement and installation of the new plant will be in 2016/17. The Materials Laboratory has also been largely non-functional however the improvement plan was also approved in the 2015/16 period for implementation in 2016/17. The resurfacing programme continues to perform and the maintenance of the BRT system is contracted to the JRA by the dept. of Transport. The upgrade of the fleet has taken place and we have 3 eco-friendly hybrid cars in the fleet.</p>

3.3 Highlights, Challenges and Future Plans

3.3.1 Planning Department

Planning is responsible for all the Planning function within the organization. This includes Strategic Planning, Roads and Storm-water Planning, Development Control, the responsibility of maintaining the Road Asset Management Systems in the Company.

Highlights

- **Strategic Planning**
 - finalisation of 2016/17 Final Business Plan, 2016/17 SDBIP and approval.
- **Development Control**
 - Integrated Development Plan (IDP) and consolidated Infrastructure Plan (CIP) Phase iii - progress towards finalised and consolidated JSIP
 - Public
 - Successfully facilitated the construction of Braamfischerville link road on behalf of COJ Housing.
 - Met all deadlines in relation to commenting on development applications received from City Land use Management Department within prescribed timelines (28 and 60 days).
 - Private
 - Commented on 99.85 % of all town planning applications within the stipulated time frames. 4729 building plans were scrutinised and approved by the department.
 - Roll out of the unified standard details for roads and storm water to all the depots and to external stakeholders for implementation.
- **Roads and Stormwater Planning**
 - Citywide environmental management plan for maintenance across wetlands and river crossings
 - Resolution of Gauteng Department of Agricultural and Rural Develop (GDARD) applications
 - Stormwater masterplans were developed for a number of suburbs
- **Road Assets Management System**
 - Condition Assessment of Roads (PMS) Bridges (BMS), Stormwater Infrastructure (SWMS) and the sidewalks (SMS) to provide critical data for planning purposes.

Challenges

- Prioritisation of the needs of the communities versus the limited budget remains a challenge.
- As a result the planning department needs to balance engineering imperatives, community needs, political direction and budget.

2016/17

- Materplanning budget spent R6m, township planned for: Randburg Corridor, Hendrik Potgieter, Bryanston River Club Corridor
- RAMS - Updating of the Bridge management system, Development and the finalization of the sidewalk management system and the stormwater management system
- RAMS - Finalizing Road Asset management decision support system that will be implemented in 2016.
- End of the 2017 Strategy as a result we will be developing a new strategy that is aligned with the political term of Office.

3.3.2 Regional Operations (RO)

Regional operations manages the routine and reactive maintenance and repairs and the strategic assets (cross refer section 1.1) consisting of the asphalt plant, laboratory, motorways and resurfacing depots. The department is spread over a head office function as well regional and specialized depots.

Highlights

- **Routine & Reactive Maintenance and Repairs**
 - Diagnostic study completed to investigate underlying causes of failure to achieve Customer Charter Standards. Performance review of in-house maintenance teams resulting in development of 3 year Productivity Improvement Plan.
 - road resurfacing target of 587.69 lane km was achieved against a target of
- **Strategic Assets**
 - Asphalt Plant - business plan approved for implementation in 2016/17
 - Laboratory - redevelopment plan approved and implementation commenced

Challenges

- **Performance Reports:** Disagreements between RO and Performance Management on targets achieved - clarification of parameters to draw system reports, including training of depot staff on system use.
- **Way leave Management:** under capacitation at depots resulting in errors and time delays. There are also space and filing constraints - critical position list to HCM for recruitment and filing and temporary shelving to be provided by facilities and electronic filing to be supported through acquisition of A0 scanner.
- **Depot Manager report writing skills,** specifically HCM related reports . HCM provide a templates but content remains a challenge - training course to be identified .
- **Morale** - challenges include teamwork, trust, respect, adherence to timelines, amongst others - team building workshops undertaken, action plans developed with champions identified for tracking and monitoring.

2016/17

- Procurement, installation and operation of the new Asphalt Plant.
- Material Laboratory Upgrade
- Commence with the implementation of the 3 year Productivity Improvement Plan.
- Budget spend of 100%
- Jozi@Work Implementation
- BRT Maintenance through contractors and 100% budget spent
- Development, implementation and monitoring of "cross departmental" SOPs
- Clarification of grey areas: allocation of road reserve activities to MOEs / review of SDA, budget allocations, etc.

3.3.3 Mobility & Freight (M&F)

Mobility and Freight is responsible for managing the mobility on our road infrastructure. This includes networks intelligence management of traffic signals, networks engineering, overload control and infrastructure performance management.

- Highlights
- **Infrastructure Protection** - launch of dedicated team to address vandalism and theft
 - **Traffic Signals**
 - Strategic projects to focus on the root cause problem analysis - completed and implemented eg. replacing ageing equipment and power cables
 - Remote Monitoring System equipment installed to enable automatic reporting of faulty traffic signals for more timeous repair
 - **Traffic Engineering**

- Challenges
- **Capacity** : A traffic signal related benchmarking exercise with eThekweni and Cape Town identified that there is a shortage of traffic signal technical staff at the Traffic Signals Depot - addressed by creating and advertising additional posts in the 2016/17
 - **Vandalism and Theft**: Ongoing vandalism and theft of infrastructure - infrastructure protection unit

- 2016/17
- **Establishment of an Advanced Traffic Management System** which will integrate current fault reporting measures ensuring the more effective management of traffic signal faults repairs, records and operational reports.
 - **Introduction of a shift system** at Traffic Management Centre to extend operational hours from 10 to 16

3.3.4 Infrastructure Development (Capital Projects)

Infrastructure Development is responsible for all capital expenditure which includes the rehabilitation, reconstruction, new construction and upgrades of various road, bridge and storm water infrastructure. This development involves the entire process through the design stage, construction, project management up to project handover.

CAPEX Budget

Year		2013/14	2014/15	2015/16
Total Budget		R 737 700 000	R 1 297 210 000	R 13 340 000 000
Projects awarded		-	R 1 213 525 113	R 1 468 312 952.26
Budget spent	Amount	R 524 168 405	R 919 457 805	R 1 122 000 000
	%	71%	71,5 %	84%

The detailed list of capital projects can be viewed on line at (LINK: www.jra.org.za Capex Projects) and is attached as Annexure C hereto.

Highlights

- **CAPEX - Capex budget allocation above R1 billion with a 84% spend setting a record expenditure level in the history of the JRA. Whilst the target of 95% was not achieved it was a 13% year on year improvement**
- **Gravel roads upgrade programme in 8 townships with a combined total of 25.58km of gravel roads upgraded for the year**
- **Road Resurfacing programme - 533.54 lane km of roads resurfaced**
- **Rehabilitation and reconstruction programme - 15.72km of roads completed**
- **Bridge repairs, upgrades and rehabilitation**
 - completion of the iconic Naledi/ Protea North bridge
 - Upgrading of 3 bridges in Soweto between Mofolo Central and Dube
 - Commencement of the rehabilitation of the Double Decker, Oxford and Federation bridges on the M1 freeway
- **Marketing and communication strategy developed and successfully implemented to manage road users and the public that have been impacted by the rehabilitation work on the M1.**

Challenges

- **Inability to spend full Capex budget** (Increased budget allocation from R290million in 2012/13 to R1.340billion in 2015/16) : One year Capex budget allocations by the City have been replaced with 3-year Capex allocations and awarding of multi-year contracts has reduced the increased load on SCM.
- **Contractor performance**: SMME Development Desk has been established to provide support to appointed contractors and partners are being procured to provide technical, financial and business management skills and support for successful implementation of projects and sustainability of the enterprises beyond the project life. The facility with the City's bankers is also being utilised to assist with cash-flow management of appointed contractors and thereby reducing non-payment of labour and suppliers and therefore work stoppages.
- **Stakeholder management / community disruption of projects**: Stakeholder Management Unit has been restructured and capacitated to facilitate engagement with stakeholders from early stages of the project right through implementation until completion.
- **Community participation demand** - demand to participate in the economic opportunities created by capital projects implemented in their neighbourhood: Up scaling of the Jozi@Work programme to create more opportunities in the maintenance and construction areas for increased participation of local SMMEs and labour.
- **Programme management**: A programme management system has been implemented and external capacity sourced to supplement existing internal programme management capacity, to effectively and efficiently management the Capex programme. The continuous improvement in Capex expenditure levels over the past two financial years is indicative of progress being made and will continue into the future years.

2016/17

- **Increased Capex Expenditure**
- **Capex allocation of R1.439billion to the JRA for 2016/17 financial year with MTEF allocated Capex budget of R3.596billion.**
- **Ongoing implementation of multi-year contracts as from 2014/15 financial year. (2016/17 FY R745million (52%) has already been committed).**
- **An implementation plan has been developed to ensure the balance of the budget is committed by 31 December 2016.**
- **Planning for capex projects done at least a year in advance to get projects ready for implementation at the appropriate time.**

3.4 Financial Performance Year to Date (12 months) period:-

Summary of Financial Position – refer to financial statements section 5

Figures rounded to nearest million

Year	Cash on Hand	Operating Expenditure	Income	Net surplus
2014/15	R 426 M	R 783M	R 965 M (Over budget by R27 M)	R 182 M
2015/16	R 309 M	R 935, 5 M (99.1%)	R 954,6 M (Over budget by R35 M)	R 19,0 M

- Cash and cash equivalents**
 The cash and cash equivalents at year end amounted to R309 million compared to a target of R50 million. The target was surpassed due to amounts received from developers contribution, collection of outstanding receivables as well as the Interest earned from a positive cash balance (2016: R32,365 million). This has enhanced the balance sheet mainly the current assets and accumulative surplus line. The JRA has sufficient cash resources to pay short term creditors and manage its net working capital.
- Revenue management**
 Subsidy constitutes 78,6% of the JRA revenue, no variance was note on this revenue stream as the full amount was billed and collected from COJ. The remaining 21,4% revenue is from JRA own operations and has exceeded the adjustment budget by R31, 3 million due to more interest received from the bank as well as more jobbing's request that anticipated. Other revenue streams such as developers' contributions and management fees earned on capital projects did not meet expectations as these are dependent on third parties as well as capital expenditure. Cumulatively the revenue target was attained, although exceptions were noted in certain areas.
- Expenditure management**
 Overall, the JRA spent R953, 084 million compared to the Adjusted operating budget of R919, 2 million translating into 103,69% spending. The pre-set tolerable variance is 5% over or under budget and therefore the actual results are well within acceptable pre-set levels.
 Reasonable steps were taken to ensure that payments to creditors are made within 30 days in line with the MFMA. Throughout the 2015/16 financial year, above 90% of all invoices were paid within 30 days due to the rigorous control on payments implemented by management during the year. More controls are being implemented to achieve 100% compliance with payments within 30 days.

Irregular expenditure continued to decrease year on year and only R347, 6 thousand was incurred in the current financial year as compared to R756,7 thousand in the previous financial year. Stringent financial controls have been put in place to prevent and detect irregularities.

- Supply chain management
The procurement plan which details a list of all planned projects aligned to the Service Delivery Budget Implementation Plan (SDBIP) was implemented in full by 30 June 2016, thus committing 100% of the capital budget. This is a significant improvement as compared to prior year. The improvement plan has been developed to progress other areas affecting Supply Chain Management.
- Portfolio management – Infrastructure capital projects
The JRA manages and implements roads infrastructure capital projects on behalf of the City of Johannesburg and the Adjustment budget for 2015/16 was R1 340, 5 million. The actual expenditure for the year amounted to R1 141, 369 million, translating into 85,1 % capital spend.

The Capital Adjustment budget was decreased by R 75 million from the original 2015/16 budget and the operating adjustment budget was decreased by R 24 million when compared to the original 2015/16 operating budget. The COJ Subsidy payable to JRA was also adjusted down by R 64 million and the JRA own income budget was adjusted up by R 40 million for 2015/16.

2016/17

- In light of the new developments such as the Municipal Standard Chart of Accounts, Standard for Infrastructure Procurement and Delivery Management and the proposed changes to Preferential Procurement Policy Framework Act, the JRA will embark on the following plans and initiatives:
 - Implement new SAP systems aligned to the City of Johannesburg.
 - Adopt and Implement the new SCM policy for infrastructure procurement
 - Implement Supply Chain Improvement Plan
 - Improve budget management through monthly reviews by departments

Challenges

- **Insufficient funding for operations** - The JRA has insufficient funds to fill all vacancies as the ratio of salaries to total expenditure is 51%. This exceeds the target set by the City of Johannesburg of 35% based on norms. The JRA is labour intensive and the 35% norm is not applicable as the bulk of JRA salaries relate to cost of road maintenance. The salary cost that is relating to road maintenance has been disclosed separately in the annual final statements. The City of Johannesburg is currently in the process of reviewing JRA's set salary ratio. The current ratio set does not reflect the substance over form of the employee cost composition.
- **Capital budget management** - reliability of budget projections:
 - Estimated budgets differ significantly in comparison to actual contract amounts based on tenders
 - Capital expenditure projections are not properly adjusted during the mid-year budget process
 - Scope of work not clearly defined in line with the contract amount
- **Supply Chain Management** - Supply chain challenges relating to time taken to procure goods and services, logistics and other inventory related matters require attention. To this end, an SCM improvement plan was developed and is being implemented.

Contract Management

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

Performance evaluation forms are submitted monthly by the contract owners and from the ones received poor performance is estimated to be around 15% when looking at the contracts register.

Performance scoring of the service providers is conducted on a monthly basis but feedback is still at a very slow pace. There are approximately 294 active contracts on the contracts register and all were done in accordance with the National Treasury Regulation Circular 62.

3.5 Capital Projects

During the review period the JRA delivered a number of capital projects and was able to attain a Capex spend of R1.122billion from a budget allocation of R1.340billion amounting to an 84% spend.) Whilst the target of 95% Capex expenditure was not achieved, this represents a 13% improvement from last year's 71%. This improvement is as a result of the Medium Term Expenditure Framework for Capex that the City introduced about 2 years ago and starting to yield the envisaged results. The capital projects were completed within scope and budget.

The capital programme comprised:

- Gravel roads upgrade programme in 8 townships namely; Bramfischerville, Diepsloot, Thulani/ Doornkop, Ivory Park, Orange Farm, Lawley, Tshepiso and Protea South with a combined total of 25.58km of gravel roads upgraded for the year;
- 533.54 lane km of roads resurfaced;
- 15.72km of roads rehabilitated and reconstructed;
- Storm water repairs and upgrades; bridge repairs, upgrades and rehabilitation. The latter included the completion of the iconic Naledi/ Protea North bridge, upgrading of 3 bridges in Soweto between Mofolo Central and Dube; and the commencement of the rehabilitation of the Double Decker, Oxford and Federation bridges on the M1 freeway. A comprehensive marketing and communication strategy was developed and successfully implemented to manage road users and the public that have been impacted by the rehabilitation work on the M1.

Period	Capital Expenditure		% Progress against respective quarterly target	Annual progress (Cumulative)
	Per Quarter	Target		
Quarter 1	R 168 619 922	R 201 082 050	83,9%%	13% of the annual budget
Quarter 2	R 444 915 770	R 536 218 800	82,9 %	33% of the annual budget.
Quarter 3	R 580 885 000	R 1 072 437 600	54,16 %	41,1% of the annual budget
Quarter 4	R 1 096 682 832	R 1 273 519 650	86,11 %	83 % of the annual budget.

In order to fully spend the allocated budget the JRA embarked on multi-year contracts as from 2014/15 financial year. As a result, for the 2016/17 financial year an amount of R745million (52%) has already been committed as at 01

July 2016, setting a good foundation for a better Capex expenditure in the new financial year. Most of the committed projects are in construction phase, a situation that augers well for future years. An implementation plan has been developed to ensure the balance of the budget is committed by 31 December 2016. Planning for Capex projects is also being done at least a year in advance to get projects ready for implementation at the appropriate time.

The detailed JRA CAPEX Expenditure Report Summary (as at June 2015) is available on LINK: www.jra.org.za.

3.6 Performance against IDP and City Scorecard

As a wholly owned entity of the City of Johannesburg the JRA is required to align itself with the strategy and objectives of the City, which are set out in the Joburg 2040 (GDS)¹. (Please cross refer to section 1.2 Strategic Objectives).

The JRA's business plan as approved by the Mayoral Committee takes into consideration both the City and the Company's priorities and objectives. Using the JRA Strategy 2017, the approved business plan and the 3 year zero based budget process; the key priority programmes for 2015/16 were developed by the company which summarise the JRA's deliverables for 2015/16.

~~The JRA's combined Opex and Capex budget allocation has increased by 39% compared to the previous year. This increase impacts the annual company score card as more funding enables the JRA to commit to more deliverables, specifically with regards to Capex projects.~~

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

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

The JRA Company Scorecard 2015/16 has been structured as follows:

	Program	No of high level Kpi's (level 1)
• Program 1:	City Priority program:	22

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

A summary of the annual performance against the programs is set out below:

Program	Description	Q1	Q2	Q3	Q4	ANNUAL	Reason for decline / improvement
Target achieved (at least 75% rating)							
Program 3	Bridge Management	100%	100%	66.7%	83.3%	83.33%	Late award of tenders,
Program 5	Mobility Management	92.12 %	85.8%	72.5%	84.5 %	89.12 %	Implementation of fault notification via sms direct to standby phone
Program 6	Internal Processes	82.77 %	83.6%	60.2%	58.2 %	82.21 %	Asphalt Plant (Breakdowns, Industrial Action)
Program 7	Finance Management	88.7%	78.7%	81.8%	90%	91.69%	BBBEE, CAPEX expenditure
Program 8	Governance	100	77.9	66.3%	72.3 %	80.50 %	Audit findings resolved; Delays in implementing action plans;
Target partially achieved (at least 50% rating)							
Program 1	City Priority programs	83.9%	86.3%	75.1%	65.0 %	50.5 %	Resource capacity and capability; poor planning; materials planning; SCM processes delayed

Program 2	Road Management	94,8%	87,6%	66,6%	69,5%	70,68 %	Resource capacity, poor planning, Late award of tenders; SCM processes delayed; contractor performance; contractor labour disputes
Program 4	Stormwater Management	98,2%	91,4 %	79,0%	61,1%	73,6%	SCM processes delayed; Impact of weather;
Target not achieved (< 50% rating)							
None							

The JRA's AOPO achievement during the period is summarised below:-

Summary	Q1	Q2	Q3	Q4	Annual
Number of KPI's	90,9%	86,9 %	74,2%	71,5%	72,07%

3.7 Assessment of Arrears on Municipal Taxes and Service Charges

Amounts owed by entity for services charges

As at the end of the 2015/16 FY the entity was in credit with its municipal accounts i.e. JHB Water and City Power.

Assessment of Directors' and Senior Managers' Municipal Accounts

Name	Designation	Name of Municipality	Municipal Account Number / Name	Account Status as at June 2016	Comments
K E Mills	Company Secretary	City of Ekurhuleni	3301202078 W T Mills	Current	Current
SD Phillips	Managing Director	City of JHB	553064486 S Phillips	Current	Current
S Mkhize / Ramatseba	HoD	City of JHB	403457047 Ramatseba	Current	Current

M Kau					
G Mbatha	Chief Financial Officer	City of JHB	900954553. G Mbatha	Current	Current
S Sindane	Contract ended				
D Thomas					
T Makhubela					
B. Leshope	Chief Audit Executive	City of JHB	553563372 B Leshope	Current	Current
A Torres	Non-executive Director	City of JHB	302490376 A Torres	Current	Current
J Manche	Non-executive Director	City of JHB	206680430 J Manche	Current	Current
MJ Maboja	Audit Member	City Of Tshwane	5012059157 M Maboja	Current	Current
R Theunissen	Audit Member	City Of JHB	550041709 R Theunissen	Current	Current
H. Mashele	Non-Executive Director	City Of JHB	3318472527 H&T Mashele	Current	Current
H. Mashele	Non-Executive Director	City Of JHB	50011965456	Current	Account is currently under review by City of Tshwane for meter reading.

E Ngomane					
L Mashamaite	Non-Executive Director	City of JHB	550602471 L Mashamaite	Current	Current
L Nxumalo					
N Msezane	Non-Executive Director	City of Tshwane	3319027462 N Msezane	Current	Current
J Maina	Resigned				
P Govender	Non-Executive Director	City of Johannesburg	504055344 Govender U	Current	Current
D Nyakale	Audit Member	City Of Tshwane	2010366428 S Nyakale	Current	Current

3.8 Statement on Amounts Owed by Government Departments and Public Entities

Description	Open Amount
Dept. Public Transport Roads	777 469,15
Eskom	276 378,82
Gauteng Provincial Government	789 280,00
Department of Roads and Transport	4 424 055,00
Ekurhuleni Metropolitan Municipality	1 459 573,81
ILGMSA	30 217,27
Telkom	1 866,75

3.9 Recommendations and Plans for the next financial year

The Strategy 2017 will end in the 2016/17 FY and thus during that period the strategy will be revisited and a close out report prepared indicating the areas where the goals were achieved and where the entity fell short. This exercise will include a review of the JRA's position which coincidentally will take place in line with not only the appointment of a new managing director but also with the commencement of the new political term.

The 2016/17 business plan has been completed and is available on LINK: www.jrs.org.za. The high level salient points of the business plan are summarised as follows:

- Based on the outcomes of City of Johannesburg (CoJ)'s Growth and Development Strategy 2040, Spatial Framework, Integrated Development Plan (IDP) and Ten Priorities and Integration of a Compact City (Corridors of Freedom).
- There will be concentrated emphasis on recapitalization of our strategic assets, namely Fleet & Plant, Asphalt Plant and Laboratory, Resurfacing Depot. Over time there has been an under investment on these asset. In order to meet our obligations, the JRA has reviewed and developed new strategies i.e. JRA Strategy 2017, Asphalt Plant Management Strategy, Fleet & Plant Acquisition Plan, JRA Strategy 2017 and 5 year plans for prioritized strategic assets.
- The increased levels of capital infrastructure funding has increased the level of commitment in the improvement of lives of communities, and also challenged our employees to push performance to greater heights. The capital and operational programmes identified in the Business Plan are aimed at ensuring that the following key deliverables are achieved:
 - Deliver the CoJ's key priorities
 - Corridors of Freedom
 - Economic Development Nodes and Corridors including improvement of freight
 - Spatial restructuring and integration of a compact city
 - Public and non-motorised transport infrastructure
 - Deliver a sustainable and customer-focused communication
 - Customer & Citizen Relationship Management (Find & Fix Project)
 - Regional Stakeholder Engagement Programme
 - Branding & Advertising Programme
 - Customer Surveys (Perceptions Assessments)
 - Support local economies and development of SMME's
 - Implement Jozi@Work
 - Develop and Support local SMME's
 - Use labour absorbing methodologies
 - Invest in roads that promote socio-economic growth, while reducing congestion
 - Implement and extent the gravel roads upgrading programme (including new areas)
 - Implement M1 and M2 Capacity Expansion Programme
 - Implement the City Deep Freight intervention
 - Implement the Crown Interchange/Main Reef Road Upgrading
 - Promote sustainable Green/Blue Economy

- Create sustainable job opportunities through implementation of green/blue economy
- Create a sustainable economy
- Implement Smart City programme:- Intelligent Transport System (ITS), Remote Monitoring (UTC), CCTV Cameras-Mobility and Alternative Power Sources (UPS)
- Implement our Core Mandate
 - Improve performance and productivity (back to basics)
 - Implement Priority Implementation Plan (PIP's)
 - Implement Resurfacing Programme (instead of focusing on potholes)
 - Implement Rehabilitation & Reconstruction Programme (reduce poor/very poor roads)
 - Implement Gravel Roads Maintenance Programme
 - Implement the Storm water Upgrading Programme (Master Planning, Conversions, Rehabilitation, etc.)
 - Implement the Bridge Repair & Rehabilitation Programme (Assessments, Joints Repairs)

From an operational perspective each department has indicated the following focus areas for 2016/17:

Department	2016/17 Plans
Regional Operations	<ul style="list-style-type: none"> • Procurement, installation and operation of the new Asphalt Plant. • Material Laboratory Upgrade • Commence with the implementation of the 3 year Productivity Improvement Plan. • Budget spend of 100% • Jozi@Work Implementation • BRT Maintenance through contractors and 100% budget spent • Development, implementation and monitoring of "cross departmental" SOPs • Clarification of grey areas: allocation of road reserve activities to MOEs / review of SDA, budget allocations, etc.
Mobility and Freight	<ul style="list-style-type: none"> • Establishment of an Advanced Traffic Management System which will integrate current fault reporting measures ensuring the more effective management of traffic signal faults repairs, records and operational reports. • Introduction of a shift system at Traffic Management Centre to extend operational hours from 10 to 16
Planning	<ul style="list-style-type: none"> • Review of Strategy 2017
Infrastructure Development	<p>Increased Capex Expenditure</p> <ul style="list-style-type: none"> • Capex allocation of R1.439billion to the JRA for 2016/17 financial year with MTEF allocated Capex budget of R3.596billion. • Ongoing implementation of multi-year contracts as from 2014/15 financial year.(2016/17 FY R745million (52%) has already been committed). • An implementation plan has been developed to ensure the balance of the budget is committed by 31 December 2016. • Planning for capex projects done at least a year in advance to get projects ready for implementation at the appropriate time.

Finance	<p>In light of the new developments such as the Municipal Standard Chart of Accounts, Standard for Infrastructure Procurement and Delivery Management and the proposed changes to Preferential Procurement Policy Framework Act, the JRA will embark on the following plans and initiatives:</p> <ul style="list-style-type: none"> • Implement new SAP systems aligned to the City of Johannesburg. • Adopt and implement the new SCM policy for infrastructure procurement • Implement Supply Chain Improvement Plan • Improve budget management through monthly reviews by departments
Corporate Services	<ul style="list-style-type: none"> • SHE Software to assist to capture accurate information • Conduct Occupational Hygiene Survey for the JRA Employees in order to assess the effectiveness of the medical examination and the control measure currently implemented. • Conduct informal training to foremen and inspectors to improve enforcement and implement the requirements of the Occupational health and Safety Act Pre and Post monitoring documentation of all contractors. Promote Safety awareness at the regional depots • Plans are underway to train employees, especially managers, to investigate, present and preside in disciplinary hearings. This will lead to the speedier finalization of cases. In the interim, external chairpersons will be used for more serious cases. • The Wellness unit plans to establish a Cycling and Running club for the JRA to encourage employees to live a healthier lifestyle. • HCM and IT are in the process of implementing SAP system which will cater for JRA leave management on the system. This will only be finalized once the COJ has finalized its implementation programme. • A number of shortcomings of the PMD policy were identified during the implementation process and the immediate plan for the future is to address same in the policy. The outcomes of the COJ Parity exercise will also be incorporated in the revised policy document. • Training programmes to be offered including Bridge and Culvert Inspector's visual Assessments Training, Cementations Stabilisation of Road Materials training, Gravel Roads Design training, Practical Road Pavement Management training, Road Markings training, Routine Road Maintenance training, Urban Storm water Management training
Performance Governance and IT	<ul style="list-style-type: none"> • Review ERP system offering in order to provide reliable, secure and sustainable IT systems • Improve IT connectivity through a single and contracted network service provider • Continue to implement the IT Maturity Roadmap and alignment with COJ initiative • Enhancement of the risk management plan and systems • Implement combined assurance model in line with framework and policy • Improve risk management awareness and maturity assessment results • Standardize organizational legal contracts in line with National Treasury guidelines • Provide an effective, stable and value-add legal services management • Develop and implement public liability claims turnaround plan • Ensure an effective and efficient monitoring and evaluation system • Achieve successful ISO 9001:2008 phased certification • Improve awareness of quality management standards and protocols • Acquisition, development and retention of talent staff/succession planning • Ensure successful implementation of the culture transformation programme • On-going stakeholder engagements with CoJ key stakeholders • Define department's services portfolio and measures service satisfaction • Ensure effective management of information, assets and databases • Develop and implement risk appetite and tolerance levels • Review the ISO 9001: 2008 - 2015 certification transition roadmap

CHAPTER FOUR

HUMAN CAPITAL AND ORGANISATIONAL MANAGEMENT

4.1 Human Capital Management (HCM)

HCM falls under the Corporate Services department and provides a sound working environment which promotes harmonious employer/employee relations, whilst monitoring the organizational climate to ensure that it remains conducive to improved productivity.

Workforce expenditure is managed through an insourced **payroll** process. We acknowledge that this remains an area of concern for the business. The audit of the internal systems of control was not conducted in the review period however a tender process is underway to secure the services of an external auditor to undertake the task early in 2016/17. It is also common for the late submission of reports for acting, overtime etc. which impacts the integrity of the payroll data.

The unit has as a prime responsibility the management of **employee benefits** and to make sure that employees are paid accurately and on time on monthly basis. For the review all employees were paid on time and all third party and statutory deductions were paid within the prescribed due dates.

Please cross refer to the Remuneration Report section 2.4

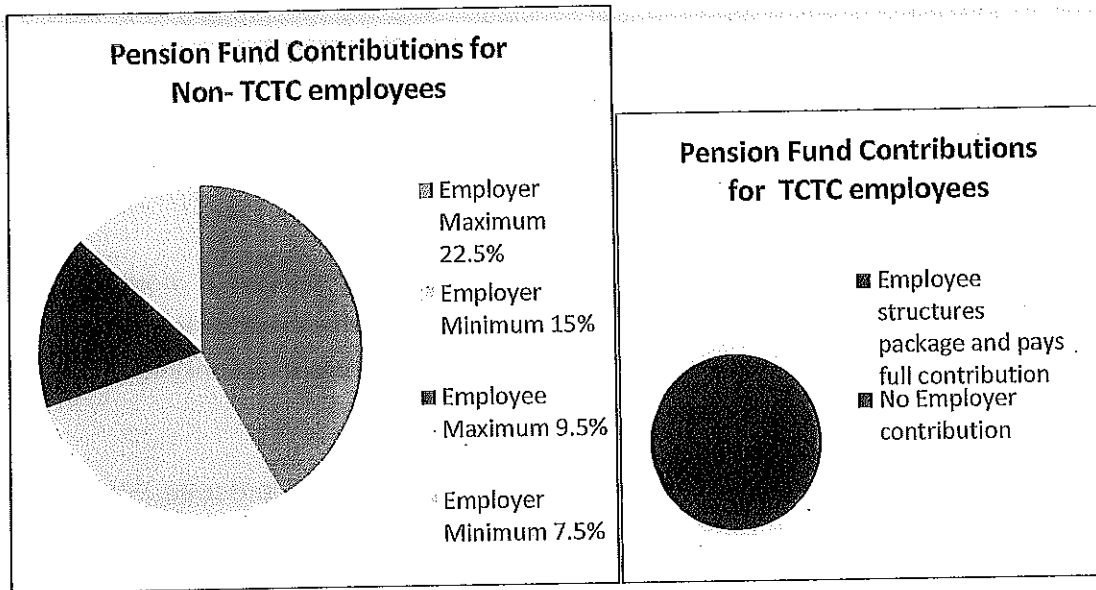
Expenditure for 2015/16 financial year, per business unit:

Business Unit	Amount	%
Infrastructure development	12 977 651,84	3%
Corporate services	35 470 501,73	8%
Mobility & freight	59 417 485,90	14%
Regional operations	210 753 718,64	53%
Finance	59 072 972,12	11%
Planning	21 052 161,68	5%
Internal audit	5 132 700,23	1%
Performance governance and IT	21 992 991,47	5%
	425 870 183,61	

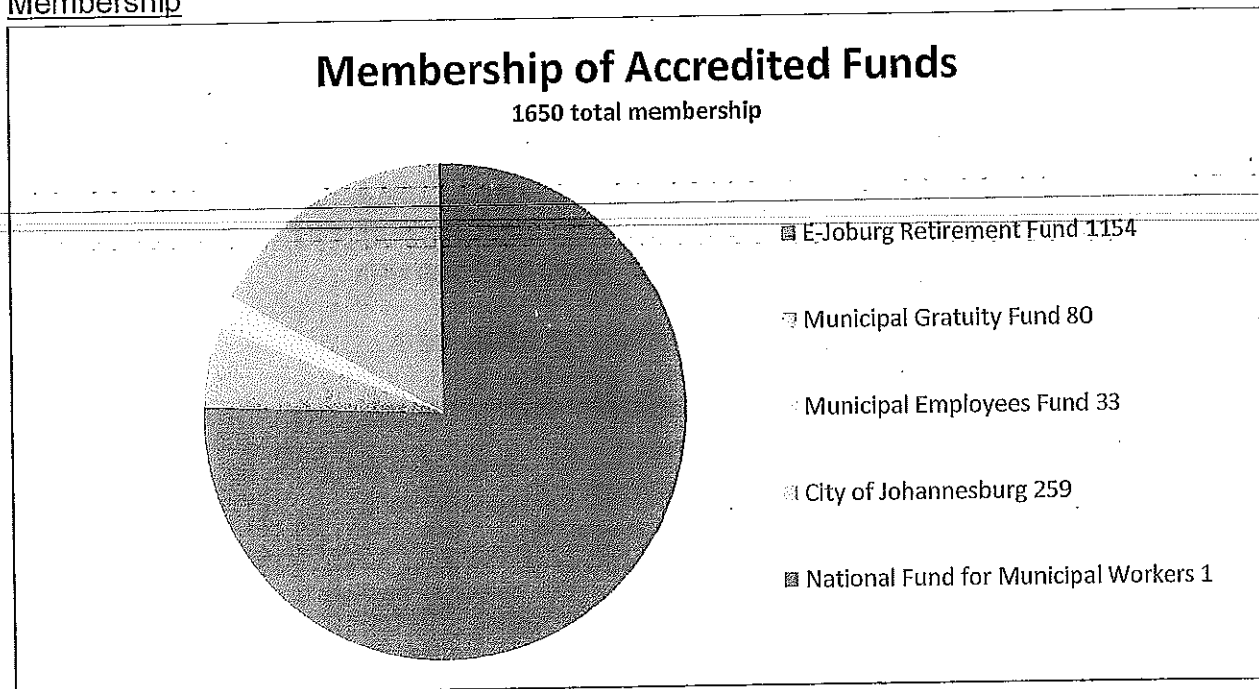
The JRA provides employment benefits to its employees as prescribed in the Basic Conditions of Employment Act (BCEA) and in line with collective agreements.

i. Pension Fund Benefits

Contributions



Membership

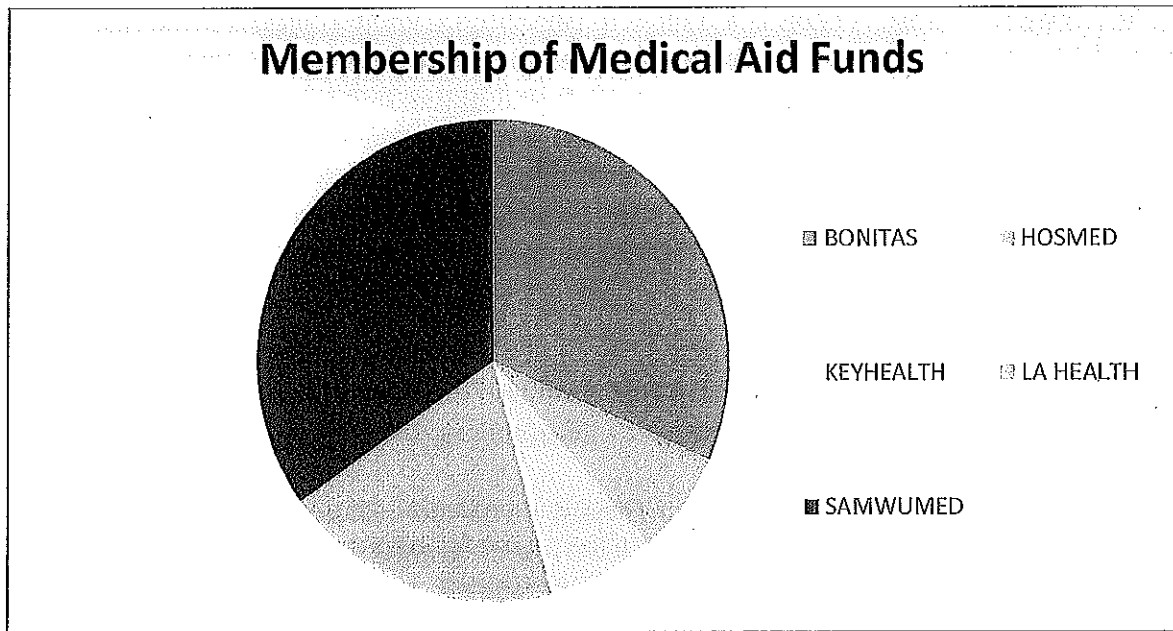


ii. Medical Aid

Contributions (Non-TCTC Employees)

Employer	60%	Employee	40%
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Employees are offered membership of the approved schemes as listed below. Employees participating in the Total Cost to Company (TCTC) scheme may select schemes outside of the approved list provided proof of membership is provided to the company.



iii. Other Benefits

NAME OF BENEFIT	QUALIFICATION	RELATED AMOUNT/RANGES
Housing Subsidy	Permanent non-TCTC employees	R648.00
Hostel allowance	Permanent non-TCTC employees	R632.00
Travelling (locomotion allowance)	Permanent non-TCTC employees - Employees are required to submit their log sheets at six months intervals	R3500.00
Cell phone allowance	Permanent employees	Allowance ranges from R440 to R 800.00

Leave Management remains a challenge and has been identified as a risk in terms of the financial leave provision. The leave management system is manual and is managed on a spread sheet which leaves the process open to manipulation. HCM undertakes an annual leave audit from July (2015) to June (2016) as a remedial control action whereafter the leave management process will be decentralized to the regional HCM official as a temporary control. In addition, SOPs for leave management have been finalized.

These interventions are only a short term partial solution to the leave management challenge and it is anticipated that the implementation of the SAP system (leave management module) will alleviate the problem.

Some challenges continue with the **recruitment and selection** processes which fall within the scope of HCM. There are still a number of vacant positions and the process to fill them is lengthy and fraught with challenges which include instances of fraud and corruption within the unit as well as the fact that the JRA is not always able to attract and retain the best staff. The situation is further exacerbated by the submission of poor quality reports from the Business Units especially Regional Operations i.e. incorrect templates and format. Business Units also authorize acting appointments without the knowledge of HCM compromising HCM processes by not complying with policies and procedures.

Some of the root causes of the recruitment and selection challenges include:

- No electronic recruitment solution – Recruitment done manually for all positions.
- Non adherence to the 40 days recruitment process – Specifically delays in getting shortlisting and interview dates from Line Managers.
- Backlog of positions due to closing of RFQ process.
- Delays with background checks as quotations have to be obtained from service providers or receipt of only one quotation which delays the process.
- Appointment of the 8 recruitment agencies is a challenge for the recruitment services as one must request quotations from all.

Interventions to address the recruitment challenges include the following:

- The procurement of the online recruitment system.
- Line Managers to accommodate HCM on their schedules more especially if a position is advertised. HCM has developed an implementation plan with activities of when should a recruitment event take place after the closing dates, when communication is done with Line Managers it is not adhered to.
- HCM has developed a draft recruitment plan which will have estimates of when the recruitment process should be completed.
- HCM is liaising with SCM to arrange rotation of 8 service providers, thereby ensuring that the recruitment process is expedited.

As a result of the various interventions the unit cleared the backlog of positions with 53 positions having been filled during the 2015/16 financial year.

While **attracting and retaining skilled personnel** remains a challenge, specifically in the areas of scarce skills such as specialized engineering, the JRA recognises a need to recruit and select suitably qualified employees, as well as those with potential for development. Employees are selected not only for their ability to contribute to the achievement of the JRA mandate but also for their potential to contribute to improved service delivery to Citizens. The training and development process also aims to provide employees with an opportunity for personal and career growth.

The JRA supports the principles of employment equity and equal employment/opportunity based on competition, equity, and fairness. Employees are

recruited, selected, appointed, transferred and promoted on the basis of fairness and non-discrimination in line with the Employment Equity Act, 1998 (Act 55 of 1998) and Employment Equity (EE) Policy of the COJ. The JRA policy prohibits discrimination, directly or indirectly, against any current or prospective employees with respect (but not limited) to race, gender, age, political opinion, religion, marital status, ethnic or social origin, sexual orientation, or medical status.

Employee Retention and Acquisition

2014/15							
Resigned	Retired	Dismissed	Deceased	Medical boarding	Contract expired	new	Total
55	79	3	1	1	3	190	332
2015/16							
Resigned	Retired	Dismissed	Deceased	Medical boarding	Contract expired	new	Total
37	50	6	9	1	45	89	237

In order for the JRA to mitigate the risks of losing highly skilled, competent and knowledgeable employees, the organization has implemented the following actions:

- Develop a flexible remuneration and reward strategy to create a sound basis for decision making and to remain competitive;
- Conduct regular salary benchmarking surveys to remain competitive;
- Conduct regular surveys to determine employee attitudes and satisfaction;
- Recognize good performance;
- Provide development opportunities;
- Allow voluntary job rotation to afford employees opportunities to learn new jobs and activities

The statistics for the **employee relations** unit for the 2015/16 are as follows:

Conciliations and Arbitrations	Suspensions	Grievances	Disciplinary cases
Twelve (12) conciliations conducted of which nine (9) were referred to arbitration. Nine (9) arbitrations were concluded and all in favour of the JRA.	Eleven (11) employees suspended, of which nine (9) are still on suspension. The misconduct for the suspensions includes theft, fraud, insubordination, intimidation and serious	Eleven (11) grievances registered for the financial year. Eight (8) were finalized and three (3) are still pending finalisation.	Twenty four (24) cases handled, of which eight (8) were finalized. Five of the finalized cases lead to the dismissal of the employees. There are currently 16 cases pending.

	negligence.		
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One of the biggest challenges experienced by the unit is the failure by managers do adhere to timeframes when handling grievances. Plans are underway to train employees, especially managers, to investigate, present and preside in disciplinary hearings. This will lead to the speedier finalization of cases. In the interim, external chairpersons will be used for more serious cases.

Misconduct, especially absenteeism, is reported very late and there is a lack of consequence management. This can result in the loss of the relevant information and further training and awareness updates are being undertaken to sensitize managers to the problem.

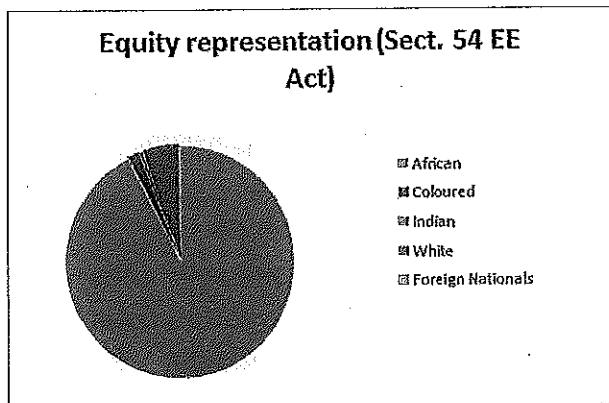
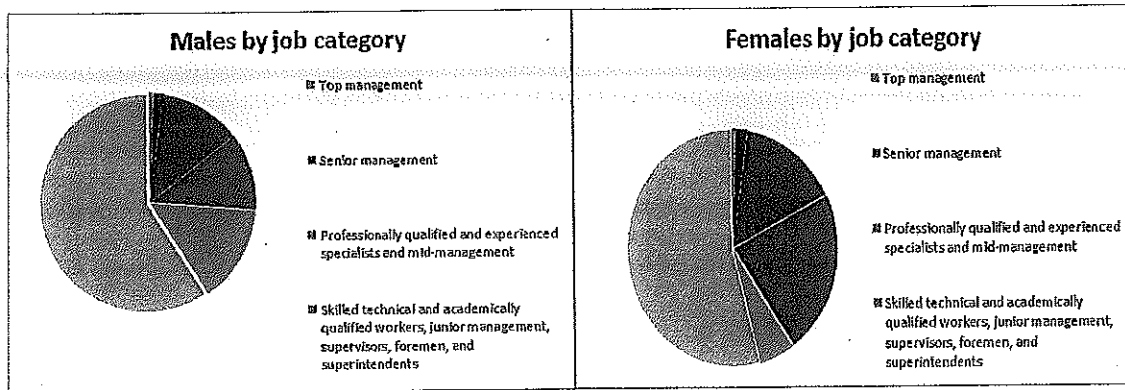
4.2 Employment Equity / Staff Demographic Profile

All Municipal Owned Entities are obliged to align to the COJ Economic Active Population Programme (EAP) and as such, the JRA uses the demographics of the COJ Economic Active Population (EAP) to determine its 'relevant labour market'. The total workforce is broken down by employment type, employment contract, region and gender is set out in full on our website LINK. www.jra.org.za.

The JRA has staff on short term, fixed term (generally 5 years) and permanent contracts. Staff are categorized as follows:

Level 1	Top management	
Level 2	senior management	
Level 3	professionally qualified and experienced specialists	
Level 4	mid-management	Skilled technical and academically qualified workers
Level 5	junior management	
Level 6	supervisors, foremen, and superintendents	
Level 7		
Level 8	Semi-skilled and discretionary decision making	
Level 9	Unskilled and defined decision making employees.	

The JRA has a significant majority of previously disadvantage employees but Indians, Coloureds and females are underrepresented. The JRA has three foreign nationals all of whom are male and in the category of professionally qualified and experienced specialists.



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

Employment Equity / Staff Demographic Profile as at 20 June 2016

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	M	F	
Top management	5	0	0	1	2	0	0	0	0	0	8
Senior management	13	0	0	7	5	0	0	4	0	0	29
Professionally qualified and experienced specialists and mid-management	108	4	5	30	53	7	1	6	3	0	217
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	120	5	1	11	82	5	0	13	0	0	237
Semi-skilled and discretionary decision making	169	1	0	3	21	1	0	2	0	0	197
Unskilled and defined decision making	689	3	1	7	235	2	0	2	0	0	939
TOTAL PERMANENT	1104	13	7	59	398	15	1	27	3	0	1627
Temporary employees	3	0	0	0	11	0	0	0	0	0	14
GRAND TOTAL	1107	13	7	59	409	15	1	27	0	0	1641

Present Expected	And	Male				Female				Foreign Nationals		Total
		A	C	I	W	A	C	I	W	Male	Female	
All Employees	Current	1107	13	7	59	409	15	1	27	3	0	1641
	Proposed	1104	17	11	78	440	20	6	45	6	0	1727

4.3 Skills Development and Training

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

As per the skills development legislation, the annual Workplace Skills Plan (WSP) for the 2015/16 Skills year was developed and finalized during the last quarter of 2014/15. The Annual Training Report was submitted to the Construction Education and Training Authority (CETA). The WSP forms the basis of all training programmes and activities undertaken within the organisation. Priorities were determined through personal development plans derived from the Performance Management and Development Policy.

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

A limited training budget prevents HCM to address all the training requirements as per the Personal Development Plans. Mandatory training, i.e. MFMA, Health and Safety etc. core technical training and maintenance of professional registration for engineers, technologists etc. are prioritised. The JRA is also in the fortunate position to have internal capacity to continue with technical training of General Workers.

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

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

Highlights for 2015/16 Financial year period:

- 11 employees have been trained on MFMA Training
- Technical training (Kerb Laying and Footways Construction) has been conducted for 50 General Workers.
- JRA has recruited a total of 44 Interns during 2016, for the duration of 12 months.
- JRA is providing financial assistance to 15 bursary students for various under/post graduate qualifications.
- JRA is providing financial assistance through Subsidized Education Scheme to 63 employees for various qualifications.

Future Plans for engineering training

The following training programmes are planned to be delivered for the engineering category:

- Bridge and Culvert Inspector's visual Assessments Training
- Cementitious Stabilisation of Road Materials training
- Gravel Roads Design training
- Practical Road Pavement Management training
- Road Markings training
- Routine Road Maintenance training
- Urban Storm water Management training

4.4 Performance Management

One of the outcomes of the Interchange Project was the development of the Performance Management and Development (PMD) policy which was approved at the end of 2014/15. The first 6 months of the 2015/16 year were devoted to the finalization and approval of related templates, the alignment of the policy requirements with the JRA Competency Framework and the standardization of Performance Deliverables across management levels on standard Key Performance Areas.

A number of challenges were identified during implementation which unfortunately resulted in the policy not being fully implemented in the review period. A number of shortcomings of the PMD policy were identified during the implementation process and the immediate plan for the future is to address same in the policy. The outcomes of the COJ Parity exercise will also be incorporated in the revised policy document.

The balance of the Interchange Project outcomes included the skills audit which management is using as a tool to inform future training requirements as explained above. The job evaluation and finalisation of job description was also completed

allowing for effective benchmarking of job content. The issue of salary benchmarking was however overtaken by the City driven Parity exercise which will see the City benchmark and standardise salaries across all entities. It is anticipated that this exercise will be completed in 2016/17.

4.5 Employee Wellness (including health and safety)

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

As part of encouraging a healthy lifestyle, 60 JRA employees participated in the SAIMSA games held in Maseru, Lesotho.

To encourage responsible citizenship, JRA in partnership with the South African National Blood Services (SANBS), have engaged in a quarterly blood donation drive.

Forty (40) HIV/AIDS Peer Educators were nominated and underwent training. The approach adopted by the JRA seeks to ensure a consistent and equitable approach to the prevention of HIV/AIDS infections amongst its employees and management of the impact that it would have in the workplace. The HIV/AIDS Policy was developed jointly between the employer and organised labour.

The EHW unit distributed information to all employees for awareness and to commemorate braille, skin cancer awareness, leprosy, oral health, asthma and no tobacco days. During condom awareness week condoms (male and female) were distributed to employees. Flu vaccines were offered to the workforce and about 700 employees were vaccinated.

During 2016/17 the Wellness unit plans to establish a Cycling and Running club for the JRA to encourage employees to live a healthier lifestyle.

Environmental Health and Safety

Waste Awareness

During the year under review the SHE unit conducted an in-house waste management Training/Workshop for the Environmental Management Representatives which was attended by eleven (11) Environmental Representative and five (5) Facilities Management officials. The purpose of the training was to capacitate the Environmental Management Representatives and the COJ (Waste Information Management System representatives) were invited to participate. This was a critical exercise for the facilities management officials to learn how to implementing the waste management compliance guidelines specifically to ensure that all waste plan requirements are adhered to.

Following on from this training, a Waste Awareness exercise was conducted across the JRA Regional depots to create awareness. A total of 613 employees attended and waste management pamphlets were issued.

The EMT has approved R2, 1 million to fund the development of temporary waste storage facilities at Regional depots with implementation in 2016/17.

Air Quality Emission Management

Air quality consultants were appointed in March 2016 to carry out an air quality assessment. This was to determine compliance with the Air Quality Act requirements as well as the Air Emission License (AEL) requirements necessary to maintain the current provisional License to operate the Asphalt Plant whilst waiting the purchase of the new plant.

A request was granted by the Gauteng Department of Agriculture, Rural and Development (GDARD) following the submission for the extension to use the current Provisional Atmospheric Emission Licence until the completion of the construction of the new plant.

The JRA Asphalt plant was registered with National Air Emissions Inventory System (NAEIS) in March 2016. The NAEIS is an online national reporting platform that will hold both air pollutants and greenhouse emissions inventories for the country. The system offers ways to report emissions as required by the National Environmental Management Air Quality Act (No. 39 of 2004).

Safety and Health (SHE)

The Safety Unit's objective is primarily to manage the occupational health and safety needs of the employees and contractors by ensuring compliance with all the Health, Safety and Environmental Legislations. In this regard the unit experiences challenges with both contractors and depots that do not complying with the terms of the Occupational Health and Safety legislation. This results in a high number of injuries which are unacceptable to the JRA.

To mitigate against this problem non-conformance notifications are issued in writing based on significance or audit findings. Corrective action recommendations are also made and agreed with contractors and depots. These actions are monitored and once completed are verified and closed out. In cases of recurring non-conformance an escalation report is submitted to the EMT.

It is anticipated that SHE Software to assist to capture accurate information will be procured in the forthcoming FY. In addition, an Occupational Hygiene Survey will be conducted in order to assess the effectiveness of the medical examinations and the control measure currently implemented. Training for foremen and inspectors to improve enforcement and implementation of the requirements of the Occupational Health and Safety Act will be undertaken. Pre and Post monitoring of the relevant documentation of all contractors will be done and there will be on-going safety awareness exercises at the regional depots.

The following Standard Operating Procedures have been approved:

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

Health and Safety Awareness exercises were carried out to highlight the obligations of both management and employees in respect of staff wellbeing and a safe working environment. The awareness also emphasized the increase in injuries as well as measures in place to prevent future reoccurrence.


The awareness Campaign took place as follows:

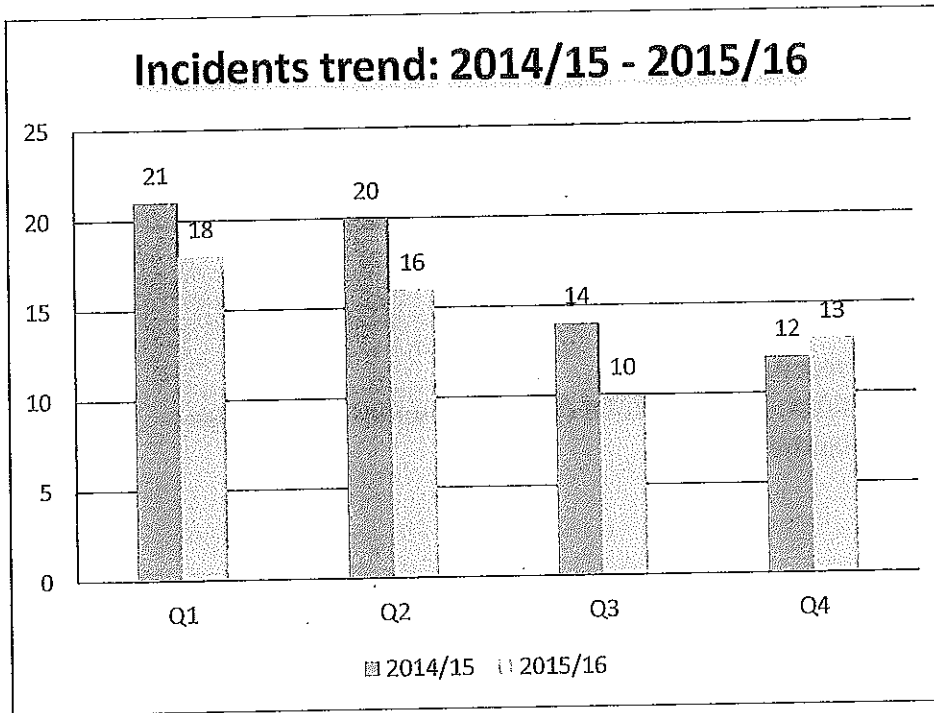
Regional Depots	Dates	Regional Depots	Dates
Traffic Signals	14 Apr 2016	RSD	05 Apr 2016
Avalon	15 Apr 2016	Lab and Asphalt	06 April 2016
Hamberg	19 Apr 2016	Motorways	07 Apr 2016
Dobsonville	20 Apr 2016	Fleet and Plant	08 April 2016
Midrand	21 Apr 2016	Traffic Counts	12Apr 2016
Norwood and Zandfontein	22 Apr 2016	Benrose	13 Apr 2016
Waterval and Strydompark	17 May 2016	Head office	20 May 2016

The Jozi@work Programme was supported by providing Construction Health, Safety and Environment induction training to ensure that cooperatives operate within the requirements as stipulated in the Occupational Health and Safety Act and Construction Regulations.

Dates	Regions	No. of Cooperative Teams trained
20 & 30 May 2016	Region F (Benrose)	94
01 June 2016	Region A (Midrand)	120
10 June 2016	Region E (Norwood)	92
13 June 2016	Region G (Avalon)	10
14 June 2016	Region C (Hamberg)	24
17 June 2016	Region D (Dobsonville)	17

The JRA continues to strive towards zero work related accidents and injuries. The depots are demonstrating an improvement in terms of the efficiency of their control measures including safe behaviour and management commitment to enforcement, supervision and implementation of health and safety compliance requirements.

Incidents: 2013/14	Incidents: 2014/15		Incidents: 2015/16
57	67		57



The graph above illustrates incident trend where there is a slight decrease of incidents in the 15/16 financial year compared to the previous financial year. However there is evidence of increasing incidents from Quarter (3) three (10) to Quarter four (13). The nature of the incidents are being categorised to indicate specific areas of the business which require interventions. Incidents are generally of a more minor nature and relate to cuts, sprains and bruising which are being addressed by the reinforcing of the need to use protective clothing (e.g. gloves) and to exercise caution when lifting equipment and alighting from vehicles.

CHAPTER FIVE

FINANCIAL PERFORMANCE and FINANCIAL STATEMENTS

- 5.1 Statement of Financial Position and Notes**
- 5.2 Statement of Financial Performance and Notes**
- 5.3 Spending against Capital Budget**
- 5.4 Cash Flow Statement**
- 5.5 Statement of Changes in Net Assets**
- 5.6 Report on Irregular, Fruitless and Wasteful Expenditure and legal process**
- 5.7 Directors' Responsibility and approval**



a world class African city



Johannesburg Roads Agency
(Registration number 2000/028993/07)
Annual Financial Statements
for the year ended 30 June, 2016

Johannesburg Roads Agency

(Registration number 2000/028993/07)

Annual Financial Statements for the year ended 30 June, 2016

General Information

COUNTRY OF INCORPORATION AND DOMICILE	South Africa
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Construction and maintenance of roads, traffic signals and stormwater infrastructure
DIRECTORS	J Manche - Chairperson Dr. S Phillips - Managing Director (appointed 1 May 2016) GP Mbatha CA(SA) - Chief Financial Officer (CFO) L Nxumalo H Mashele E Ngomane L Mashamaite A Torres N Msezane J Maina (resigned 29 June 2016) M Ramasia (resigned 15 March 2016) P Govender (appointed 15 March 2016)
REGISTERED OFFICE	66 Pixley Ka Isaka Seme Street Corner Rahima Moosa Street Johannesburg Gauteng 2001
BUSINESS ADDRESS	66 Pixley Ka Isaka Seme Street Corner Rahima Moosa Street Johannesburg Gauteng 2001
POSTAL ADDRESS	Private Bag X70 Braamfontein Johannesburg 2017
SHAREHOLDER	The City of Johannesburg Metropolitan Municipality
BANKERS	Standard Bank Limited
AUDITORS	The Auditor-General of South Africa
SECRETARY	Karen Mills
COMPANY REGISTRATION NUMBER	2000/028993/07

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Johannesburg Roads Agency

(Registration number 2000/028993/07)

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ABBREVIATIONS

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
JRA	Johannesburg Roads Agency
GRAP	Generally Recognised Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
EFF	External Finance Fund
ME's	Municipal Entities
MMC	Member of the Mayoral Committee
MFMA	Municipal Finance Management Act
USDG	Urban Settlement Development Grant
SOC	State Owned Company (SOC)
CoJ	City of Johannesburg
City	City of Johannesburg
