

2023/24



QUARTER 1 REPORT

Version 3.0

TABLED IN TERMS OF SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT,
56 OF 2003 AND SECTION 46 OF THE MUNICIPAL SYSTEMS ACT 32 OF 2000.

COMPANY INFORMATION: JOBURG MARKET (SOC) LTD

Country of Incorporation and Domicile: South Africa

Registration Number: 2000/023383/07

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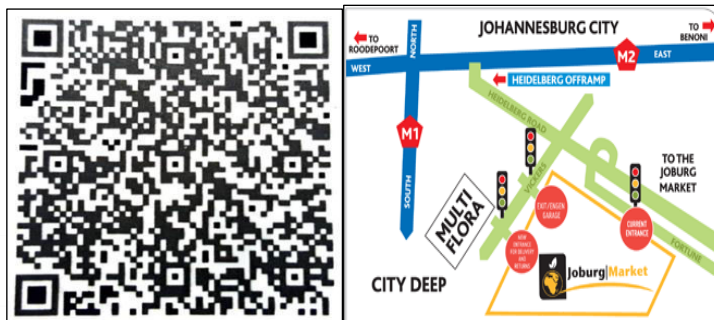
Joburg Market







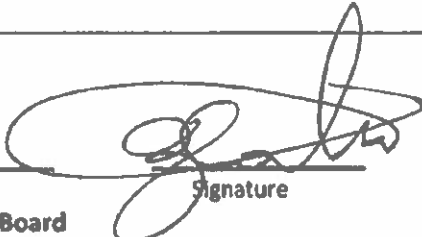

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JOBURG MARKET: FIRST QUARTER REPORT 2023/24

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<p><i>acting: Sello Moxo</i> <u>Nomoya Mnisi</u>  Signature MMC: Economic Development</p>	<p>20 OCTOBER 2023</p>

Salient Features

11 000 buyers daily

Assist in food security

Transparency

Wholesalers/Retailers/Informal traders

Adequate fresh produce availability daily at market tested prices

Trading conducted on a central trading system and trading data available to all

Around the clock operations

Ensuring that fresh produce move through distribution channels as early as possible

ESTABLISHING THE SMART MARKET

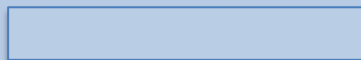


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GLOSSARY OF TERMS

ACRONYM	DETAIL
AGM	Annual General Meeting
ARC	Audit and Risk Committee
AGSA	Auditor-General of South Africa
BBBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COJ	City of Johannesburg
COBIT	Control Objectives for information Technology
CUM	Cumulatively
DED	Department of Economic Development
DOH	Department of Health
DOL	Department of Labour
DSD	Department of Social Development – City of Johannesburg
EAP	Employee Assistance Programme
EISD	Environment and Infrastructure Services Department
EPWP	Expanded Public Works Programme
GAP	Good Agricultural Practice
GDS	Growth and Development Strategy
GRAS	Group Risk and Assurance Services
HR	Human Resources
IDP	Integrated Development Plan
ITL	Information Technology Infrastructure Library
JDA	Joburg Development Agency
JM	Joburg Market
KPA	Key Performance Area
KPI	Key Performance Indicator
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act, 56 of 2003
MMC	Member of the Mayoral Committee
MSA	Municipal Systems Act
NAMC	National Agricultural Marketing Council
NDAFF	National Department of Agriculture, Forestry and Fisheries
NDP	National Development Plan
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
OPEX	Operational Expenditure
REMSEC	Remuneration & Social and Ethics Committee
RSA	Republic of South Africa
SADC	South African Development Community
SANAS	South African National Accreditation System
SCM	Supply Chain Management
SDA	Service Delivery Agreement
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small Medium and Micro Enterprise
SLA	Service Level Agreement
SPS	Sales Processing System
UIFW	Unauthorised, irregular, fruitless and wasteful expenditure
YTD	Year to date

CHAPTER ONE: LEADERSHIP AND CORPORATE PROFILE

Section 1: Chairperson's Foreword

It is with great pleasure that I present to you the achievements and financial outlook of Joburg Market (JM) as we conclude the first quarter of the 2023/24 financial year. I commend the dedication and hard work of the Board and our Executive Leadership team.

Under the guidance of the Board, JM has demonstrated remarkable resilience and success, positioning itself as a significant player in the fresh produce industry. Our financial results reflect a thriving organization with a turnover of R2.91 billion, signifying a substantial growth rate of 26.7% compared to our previous fiscal year.

Despite challenges posed by factors such as rising food inflation and supply constraints, JM has consistently exceeded expectations. We have not only generated a surplus that surpassed our projections but also witnessed substantial improvements in our financial performance. Our profit after tax reached R42.7 million, marking an impressive 60.1% growth compared to our targeted surplus of R27.3 million. This financial strength is further underscored by our ability to pay all invoices within 30 days and maintain 100% compliance with Broad-Based Black Economic Empowerment (BBB-EE) spending.

Furthermore, our liquidity ratios are well above industry norms, and our cash position has seen substantial growth, bolstered by prudent working capital management and reduced capital expenditure. We currently boast cash coverage of 619 days, ensuring the stability and sustainability of our operations.

In terms of operations, we continue to invest in essential projects while maintaining fiscal responsibility. Although our capital expenditure (Capex) spend stands at 24.3% of the budget as of September 30, 2023, we are committed to accelerating these expenditures in the coming months to meet our year-end targets.

Looking forward, we have set clear objectives for the second quarter, including the acceleration of repair and maintenance expenditures, streamlining procurement processes, and enhancing internal controls. These initiatives will ensure that JM remains a dynamic and competitive force in the industry.

The Board will continue to pursue its main focus for their duration of their tenure, which is the execution of the Smart Market project. This project holds the potential to transform JM into a cutting-edge, modern, and efficient hub for fresh produce and related products. It is a strategic initiative that will position us for sustained success in the future.

The Board envisions JM as a "one-stop-shop," offering a wide variety of products, including a meat market, bread market, and fish market. This vision aligns with our commitment to enhancing the customer experience and diversifying our offerings.



In closing, I extend my gratitude to the entire management and staff of Joburg Market for their unwavering dedication and commitment. Together, we have achieved significant milestones, and I am confident that our collective efforts will propel JM to even greater heights in the future.

Thank you for your continued support and trust in Joburg Market.

Zamikhaya Xalisa

Chairperson: JM Board of Directors

Section 2: Acting Chief Executive Officer's Report

As we conclude the first quarter, Joburg Market (JM) is proud to present robust financial results and a strengthened Market Share position. We are delighted to report a remarkable turnover of R2.91 billion, reflecting an impressive growth rate of 26.7% compared to the previous fiscal year.

Despite challenges posed by rising food inflation and various supply factors, we managed to generate a surplus that exceeded our expectations. This, coupled with other factors, has allowed JM to thrive in a competitive landscape, elevating our market share to an impressive 46.64%. This growth rate significantly outpaces our counterparts in terms of turnover.



Our financial performance also witnessed significant improvements, with a profit after tax of R42.7 million, marking a remarkable 60.1% growth compared to our targeted surplus of R27.3 million. Furthermore, we achieved revenue of R168.0 million against a budget of R158.2 million.

Notably, we take pride in our commitment to efficient financial management, exemplified by our achievement of paying all invoices within 30 days. Additionally, JM maintained a perfect 100% compliance with Broad-Based Black Economic Empowerment (BBB-EE) spending, underscoring our dedication to economic transformation and inclusivity.

In our unwavering pursuit of economic growth and job creation initiatives, JM continues to support the City of Johannesburg's (CoJ) sustainable economic development agenda. During the quarter, we actively contributed to the creation of 21 jobs through Small; Medium, and Micro Enterprises (SMMEs), recruitment for the 8 internship opportunities.

As we look forward, JM remains proactive in our quest for employment opportunities, aligning with our goal to stimulate local job growth. We will persistently seek and capitalize on opportunities to bolster CoJ's economic growth and job creation initiatives, thereby fostering prosperity for our community and region.

During this review period, Management's primary focus was on enhancing our governance and control environment, resulting in a commendable 100% resolution rate for both AG and Internal audit findings. While we successfully met our UIFWE reduction target, we are placing greater emphasis on a proactive UIFWE reduction strategy to forestall future occurrences.

The 10% vacancy rate, which includes some key positions such as the Chief Executive Officer and Chief Operations Officer, continues to challenge JM's operations. Nevertheless, we are optimistic that these appointments will be resolved early in the 2023/24 financial year.

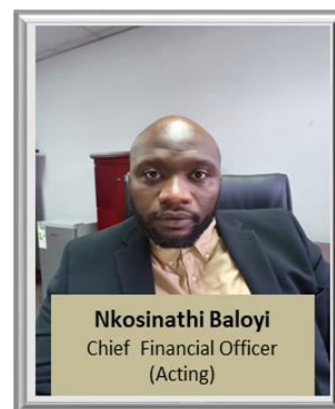
JM is actively advancing our theme for the 2023/24 financial year, centered on implementing the Smart Market. This vision is deeply embedded in the Smart Market project that we have initiated, with the invaluable support of the Johannesburg Development Agency (JDA) and the Office of the Chief Operations Office at the City.

Last but certainly not least, I extend my heartfelt appreciation to the entire management and staff of Joburg Market for their unwavering dedication and commitment. It is your collective efforts that ensure Joburg Market continues to be one of the best Markets in the country.

Lulama Ndlovu
Chief Executive Officer (Acting)

Section 3: Chief Financial Officer's Report

The JM's overall financial forecasted performance for the period ending 30 September 2023 was in main above expectation. The revenue and surplus are ahead of budget and key liquidity ratios are above the norm. Overall performance is better than the budgeted amount. The magnitude of JM's position in the fresh produce industry is illustrated by the total turnover generated by the market of R2.91 billion which is 26.7% above budget of R2.29 billion. The cash position of the company increased due to the strong growth in working capital that was not used towards investing activities namely capital expenditure including savings in expenditure. In addition, JM has cash coverage of 619 days well above the norm of >45 days. The entity has sufficient cash flow to sustain the business going forward.



3 Months Financial Position of the Company:

- The net increase of R7.5m (1.3%) in PPE is due to capitalization of projects and depreciation for the period.
- Intangible assets decreased by a total of R35k (6.7%) due to the asset amortisation for the period.
- Cash and cash equivalents decreased by R35.4m (7.5%) due to a decrease in the JM cash reserve and buyer's deposit.
- Loan to shareholder increased by R141.1m (63.9%) due to a positive inflow of funds in the first quarter.

3 Months Operating Expenditure of the Company

Total operating expenditure for Q1 is recorded at R125.6m (excluding internal charges) compared to the budget of R129.7m. This represents an under budgeted of R4.2m (3%) when compared to the budget.

- Personnel costs expenditure is over budget by R4.4m (8.7%) due to an increase in overtime account.
- Human Resources are recorded at R2.2m compare to the budget of R4.4m which amount to under budget of R2.1m (49.0%) due to the underperformance in line items such as HR replacement and PPE.
- Operations Expenditure is below budget by R6.5m (16.7%) due to expenditure due to under spending on utilities and cleansing contracts.
- Information Technology is under budget by R1.1m (35.5%) due to the Microsoft license project not implemented. The procurement of Microsoft licenses is centralized through City Group Information Technology.
- Marketing cost is over budget by R625k (77.9%) due to an increase of donation parcels and indigents projects requests.
- Finance and administration is under-budget by R 1.8m (24.5%) due to less activity in the finance and administration expenditure (i.e. financial consulting and management consulting).

Capex spend as at 30 September 2023 is recorded at R36.5m against a budget of 150.3m this present 24.3% actual expenditure against the approved budget. JM has activated all procurement processes in respect of capex projects and we do anticipate that the expenditure will be accelerated from quarter 2 to ensure we achieve 100% by the end of the financial year.

The focus for the second quarter is as follows:

- To accelerate repair and maintenance expenditure.
- To streamline the turnaround times and business processes at SCM in order fast track appointments of service providers.
- To improve internal controls.

Nkosinathi Baloyi
Chief Financial Officer

Section 4: Corporate Profile and Overview of the Entity

The company owes its origins to the establishment of the fresh produce market at the Market Square in central Johannesburg in 1887 where three thousand people congregated to trade in fresh produce. As the City grew, so did the trading of fresh produce.

This prompted the building of a new facility in Newtown in 1913. In that year alone, the Market achieved an annual turnover of R1.5 million. The premises in Newtown became increasingly too small to handle trading. By 1974, the market had relocated to its current location in City Deep, in the South of Johannesburg.



Figure 1: Picture Showing the Origins of the Joburg Market

The political transition in South Africa saw Joburg Market (JM) emerge as a private company, wholly-owned by the City of Johannesburg Metropolitan Municipality (CoJ). In 2000, the company was converted into a State-Owned Company (SOC), in line with the implementation of the Companies Act of South Africa (Act No. 71 of 2008).

The Company is required to comply with various legislative provisions that set out the statutory requirements, among them being the Companies Act, the Municipal Systems Act and the Municipal Finance Management Act 56 of 2003.

The Company is the biggest fresh produce market in Africa in terms of the volume of fresh produce traded and has a staff complement of 412 employees. JM trading facilities are provided to farmers across South Africa and beyond, whose produce is marketed and exposed daily to thousands of buyers. JM, Market Agents and Tenants operating within JM's facilities create thousands of jobs across the agricultural value chain.

JM plays a critical role of determining the price for the fresh produce industry in South Africa since it represents 46.3% market share of the National Fresh Produce Markets. The Company is the only fresh produce market with a South African National Accreditation System (SANAS TO532) accredited laboratory to ensure compliance to and maintenance of food safety standards.

Section 5: Strategic Objectives

5.1: Strategy Overview

The key elements of the JM Strategy are captured below;

Mandate

The Company is mandated to manage and operate a market facility through the provision of fresh produce market facilities and complementary services to the fresh produce industry. This will include the following;

- Provision and management of facilities and services for the distribution of fresh produce;
- Ensuring a competitive, resilient and sustainable fresh produce trading platform;
- Enabling market access, sustainable availability and affordable fresh produce;
- Enabling food security and safety and compliance to food quality standards.

Strategic intent

Our strategic intent of creating sustainable fresh produce market services for all key stakeholders remains paramount. This is underpinned by JM's vision to be people centric through a smart fresh produce hub that is globally competitive and enabling local job creation and transformation. We strive towards client-centric market management and service standards execution. It is our conviction to be a good corporate citizen and have a leading footprint in the SADC region.

Strategic thrusts

- Targeted transformation in the value chain;
- Ground-breaking ICT underpinning SMART Market;
- Innovation and automation;
- Service delivery excellence;
- Engaged and skilled staff core;
- Caring corporate citizen;
- Brand Power.

Vision

A smart fresh produce trading hub that is globally competitive.

Mission

To provide the best environment that supports competitive trade and effective distribution of fresh produce products in Southern Africa.

Values

The values of the Joburg Market are the following;

- Transparency;
- Service excellence;
- Integrity;
- Innovation;
- Accountability

The Joburg Market Value proposition

One-Stop Shop that enables a competitive, transparent, accessible trading ecosystem, immediate cash-flow improvement for our clients and fair prices for consumers.

The components of the Joburg Market winning value proposition

The offering

- Biggest Real estate and trading platform closer to the consumers:
- Largest assortment of fresh produce sold on a transparent platform to the mutual benefit of both buyer and seller.

The marketplace

- A municipal fresh produce market;
- Serving as central market place with a local and international footprint

The needs of Joburg Market clients

- Value for money services.
- Price setting mechanisms – Price barometer.
- Complimentary service.
- Hassle free buying.

Technologies / Digital Transformation.

The company will pursue a host of technologies to effectively deliver the services required by its clients which includes the following:

- Block chain;
- Internet applications;
- Cloud computing;
- Big data relating to trading and research;
- Digital marketing;
- Applications of artificial intelligence and augmented reality.

Key success drivers:

Towards the target state

In achieving the target JM will actively pursue efforts to ensure the cultural characteristics required to deliver the strategy. The latter are listed as follows:

- Being Customer Centric;
- Pursue agility;
- Operate collaboratively;
- Drive the company with commercial savvy; and,
- Be bold.

Towards being an employer of choice

It is the aim of JM to implement the following practices towards ensuring a capable workforce:

- Competency management;
- Performance management;
- Leadership management;
- Mentoring;
- Reassignment; succession planning,
- Reward and recognition;
- Vigilant recruitment.

Connecting Strategy and execution

The operating model

Joburg Market is a Municipal Owned Entity (MOE) and was established as part of the EGOLI 2000 restructuring process executed by the City of Johannesburg. Originally the JM was registered as a Section 17D company under the then Companies Act 61 of 73. JM is thus an alternative service delivery mechanism as contemplated under Municipal Systems Act 32 of 2000.

JM provides trading facilities and support services in order to facilitate the effective trading of fresh fruit and vegetables. Often described as the stock exchange for fresh produce – the specialised central trading system of the company renders the service through unique systems and processes.

Producers, buyers and other intermediaries depend on the accuracy and real time availability of trading results to enable critical decision making.

The JM operating model will link strategy and execution. The operating model will focus in 5 areas:

- Structure – These include our services and market segments;
- Accountability – JM will seamlessly align roles and responsibilities;
- Governance – It is a key principle that JM will provide fast decisions on critical issues;
- Ways of working – A culture of collaboration will be pursued;
- Capabilities – JM will ensure proper integration of people, processes and technology.

Execution at optimum levels of service delivery

JM will ensure effective and efficient execution of strategy through the following components:

- Implementation through a roadmap
- Delivery of a suitable capability-building plan;’
- Demonstration and reinforcement of important behaviours;
- Implementation of performance management and feedback loops;
- Mitigation of all risks

The Joburg Market value for market services model and suite

The Joburg Market renders a number of services in tandem to ensure a seamless and effective fresh produce market service to farmers and buyers. The core activities of JM are those indicated under the illustration below which relates to the **Facilitation of fresh produce trading through SMART management practices**. The remainder of the illustration highlights those support services required to ensure a successful JM.

Farmers in particular regard a fresh produce market when it has the reputation of being Clean, Safe and Effective in rendering its services. The integrated JM model is illustrated below:

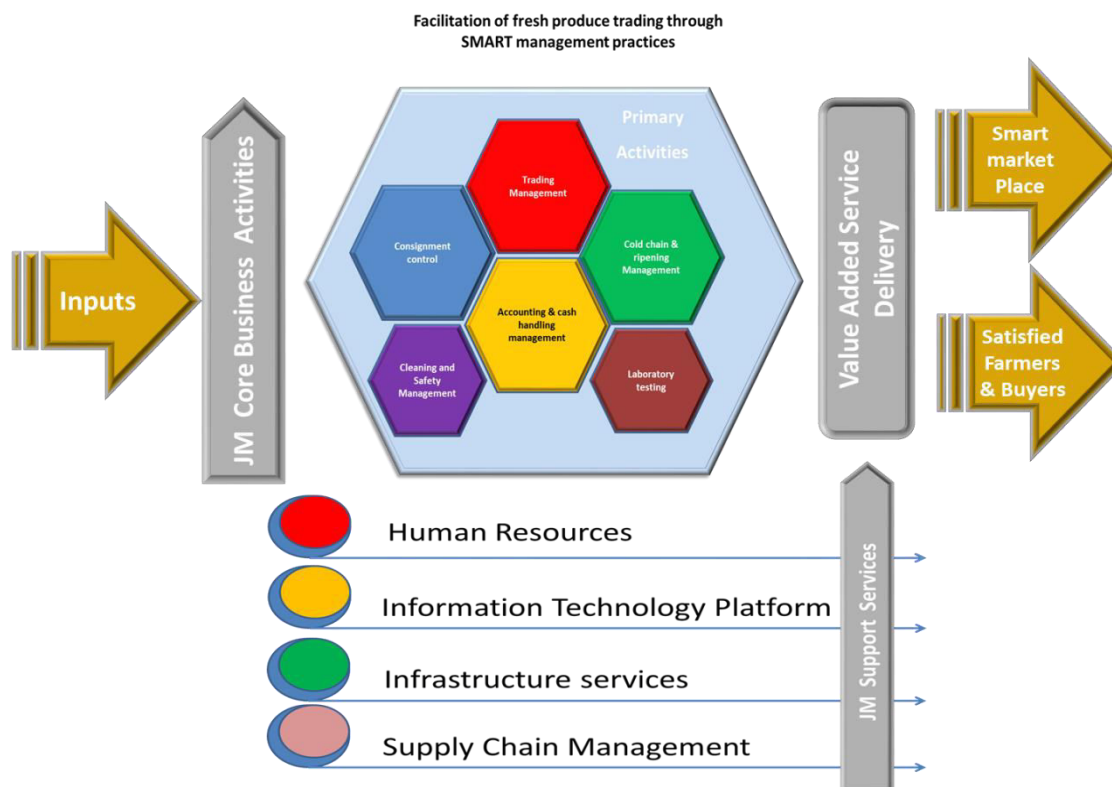


Figure 2: The Joburg Market Value For Market Services Model and Suite

To be successful JM needs to render these services in a sequence each day which will enable seamless delivery of services to its key stakeholders. In particular the trading platform must be regarded as transparent and trustworthy. Each JM function contributes to this overall objective and service failures in even the smallest service section will impede on this objective.

The JM service delivery team tagline: “Value for money market services delivered!”

Central Trading System

SPS is a sophisticated purpose designed electronic trading methodology. Every element of the consignment is captured and managed through this system and consequently is every function performed by the agent and the market authority is conducted in real time mode.

Financial Services

JM conducts a dedicated financial accounting service inclusive of a cashiering system linked to a trust account system which enables the payment of proceeds on every consignment the following working day. This is the fastest payment system in the industry and offers multiple advantages to producers.

Assurance Systems

Consignment control ensures that each and every consignment to its finest details was accurately captured and traded through the system. This enables a trustworthy trading history and return for the farmer.

Laboratory and inspection services ensure that the farmer do not suffer undue losses of stock, etc. JM has invested in the development of a SANAS accredited laboratory.

Dispute resolution is conducted and the Market Director (CEO) may order compensation of an aggrieved party.

Market Hygiene Services

Cleansing and sanitization of the market facilities ensure a safe food centre serving both the supply and demand side of market clients.

Security Services

Physical security services supported by a most modern and extended CCTV system ensures protection of the entire market facility serving farmers especially overnight when their consignments are delivered to the market.

Trade Support Services

Cold stores and ripening facilities are maintained and upgraded to ensure the availability of these vital support services to farmers and their agents.

Repairs & Maintenance Services

Cold stores and ripening facilities are maintained and upgraded to ensure the availability of these vital support services to farmers and their agents.

Marketing Services

Marketing services and agri-business support services are conducted to inform farmers and attract buyers to the market to ensure a vibrant market place to the advantage of producers.

Agri-Business Services

Farmer Development programmes which also includes the dissemination of market trading results on which South African Producers can always rely.

Figure 3: The Suite of Market Services

1.2. Strategic Objectives

Joburg Market seeks to be the best fresh produce market operating in the space of the facilitation of fresh produce trading. We fully understand our business model and the Industry in which we are embedded and will strive to be successful in our endeavours by pursuing the JM strategic objectives in alignment with the four long term strategic outcomes of the CoJ. The latter outcomes are linked to the JM objectives and are tabled below.

GDS 2040 OUTCOMES	JM STRATEGIC OBJECTIVES
1. Provide a resilient, liveable and sustainable urban environment - underpinned by smart infrastructure supportive of a low-carbon economy	1. To Provide a Resilient and Premier Trading Facility by June 2027;
2. Improved quality of life and development-driven resilience for all.	1. To practice focused stakeholder engagements.
3. An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.	1. To Support CoJ Indigent Programmes; 2. To Provide Market Access to Farmers and Buyers for the Distribution of Fresh Produce; 3. To Expand Opportunities to Historically Disadvantaged Groups;
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	1. To Ensure Compliance with Regulatory Framework; 2. To ensure adherence to Good Governance Practices 3. Introduction of Innovative Solutions and Technologies to Improve Efficiencies

Table 1: JM Strategic Objectives Aligned To the GDS

1.6.4 Strategic Programmes and projects

In the short to medium term, the Joburg Market is pursuing the implementation of the following strategic programmes and Projects;

- Market Recapitalisation
- Market Repairs and Maintenance
- Business Continuity
- Integrated Waste Management
- Surveillance and Enforcement
- Food Safety Measures
- Food Support
- Stakeholder Support
- SMME Support
- EPWP
- Learnerships
- Systems and Procedures

- Revenue Enhancement
- Legal and Legislation Compliance
- Digital Transformation
- Systems and Procedures
- Green Economy initiatives

The envisaged restoration of the business growth of JM is now in year 2

JM is intending to restore its business turnover growth rate to 12% per annum. The latter represents the high road scenario and represents the required interventions to restore JM as a growing market.

The low road scenario will imply continuous decline and the eventual non-viable of JM as a business.

The middle road scenario is also representative of a static growth situation and the interventions will not be able to sustain JM as a leading market in the fresh produce industry.

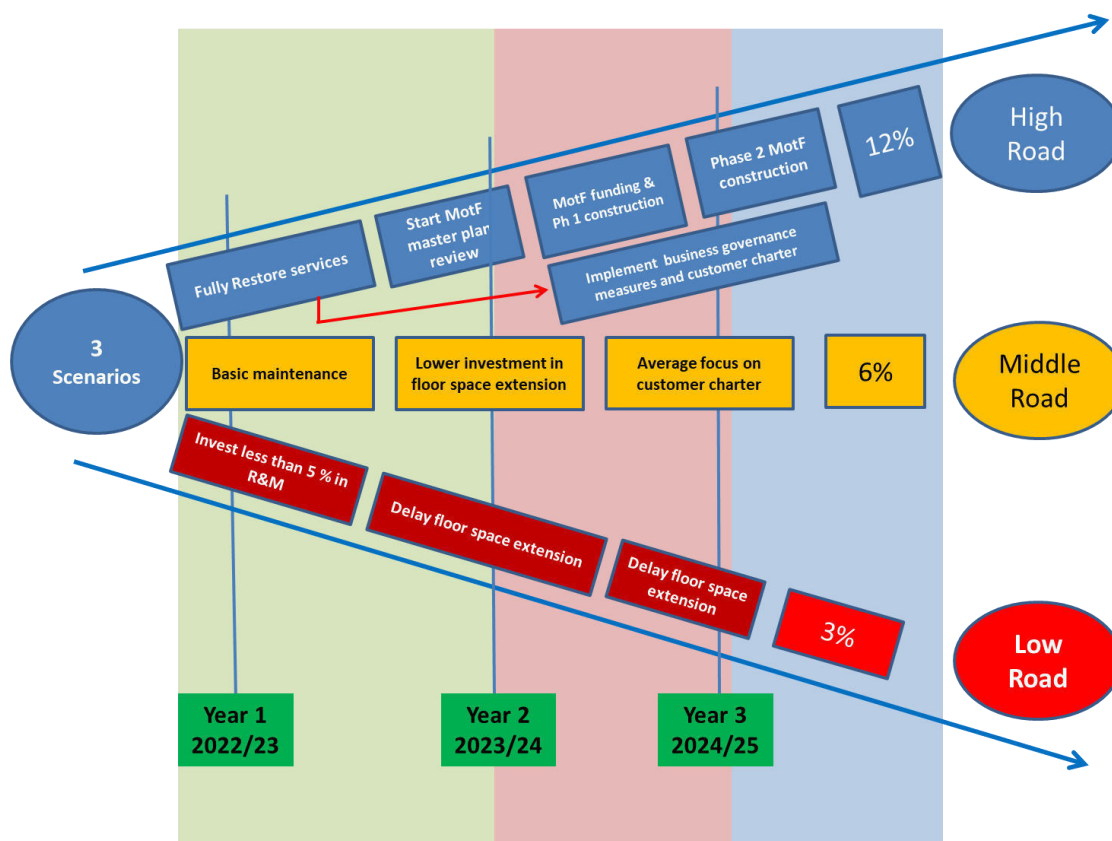


Figure 4: High Road Scenario and Represents the Required Interventions to Restore JM as a Growing Market

Implementation of the Smart Market of the Future as the basis for 12% and higher growth in business turnover.

Following the approval of a grant allocation by the shareholder JM was able to *inter alia* conduct a masterplan review and costing model. During this planning cycle JM was also able to appoint a transaction advisor to assist in the funding model of the MotF. The objective is to renew and extend the 3 trading halls as well as the refurbishment of the cold storage with new technologies.

The implementation of the Market of the Future holds a number of benefits for JM. Such benefits will include the following:

Current Market	Market of the Future
Need to expand Food Safety measures in place	New measures for quality assurance and inspection to also ensure traceability.
Cold Chain Management not fully developed and no HACCP or related accreditation	Adherence to Cold Chain Management practices, ensure best practice compliance and meet local and international standards and HACCP accreditation.
Large retail buyers are moving away due to aging infrastructure and lack of downstream beneficiation capabilities.	Fully integrated value chain that will attract large retail buyers back to the Market, with fully developed agro-processing capabilities.
Platforms too small, no dedicated areas	State of the art platform loading/offloading areas
Challenges with different truck designs as a result of old design and aging infrastructure	Dedicated off-loading area for both rear and side loaders (dock Levellers)
Receiving and dispatch to be controlled	Dispatch of produce from dedicated bays
Operational and safety challenges around forklifts and people	Automated and integrated systems that supports public safety and occupational health compliance
Increase BEE Agents and emerging farmers	Increase Floor Space by 30% to 40% and introduce new BEE agent targets.
Current Market standalone within the City Deep Area	MotF will be integrated into the largest inland port area development within City Deep

Table 2: Market of the Future Benefits for JM.

The Smart Market of the Future concept design is illustrated below:

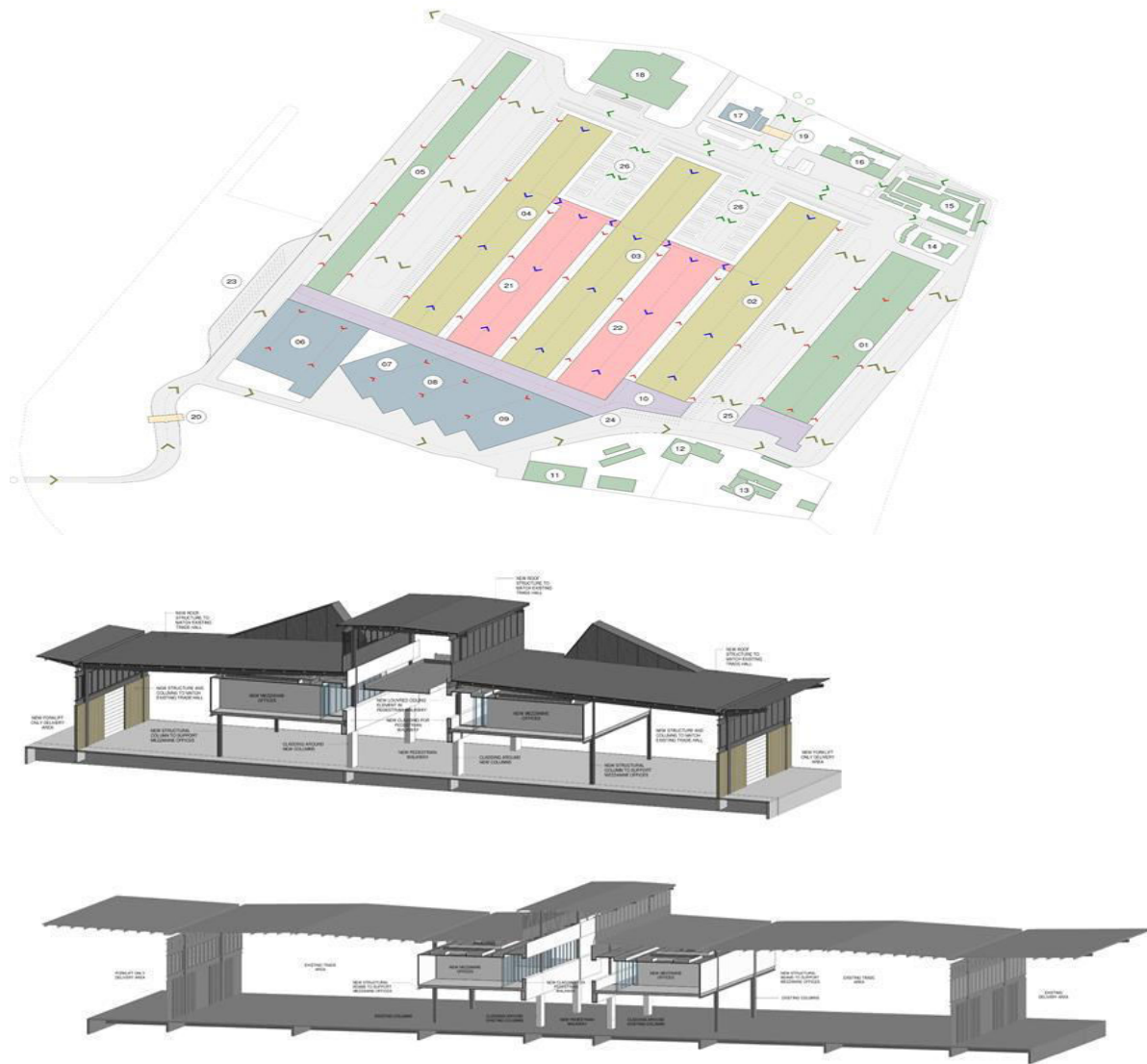


Figure 5: Smart Market of the Future Concept Design

The timeline below indicate the critical deliverables of the Smart Market Project:

ROAD MAP					
DEPARTMENT: CORE OPS		JULY – 2023	YEAR 1	YEAR 2	YEAR 3
NO	ACTION ITEM	INITIATION	2023/24	2024/25	2025/26
1	Study and concept design	Approval of concept and legislative formalities	-Final design -Specification -Consultation with stakeholders -Funding options -Board and Council approval -Funding institution due diligence -Phase 1 works: Cold stores -Phase 2 works site preparations	Phase 2: Construction works	Phase 3: Construction works

Table 3: Smart Market of the Future Roadmap

CHAPTER TWO: GOVERNANCE

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

1.1: Board of Directors

The JM Board of Directors consists of executive and non-executive directors. The Board provides quarterly, bi-annual and annual reports on its performance and service delivery to the CoJ as prescribed in the SDA, the MFMA and the MSA.

The Board remains accountable to the CoJ Metropolitan Municipality as the entity's sole shareholder.

An SDA concluded in accordance with provisions of the Municipal Systems Act, governs the shareholder relationship between the parties. The roles of Chairperson and Chief Executive Officer are separate and the Chairperson of the Board has no executive functions. Board members have unfettered access to information relating to the Company through the Company Secretary, who is responsible for providing advisory services to the Board and its Committees on statutory, compliance, regulatory and other related matters.

The Board or any of its members may, in appropriate circumstances and at the expense of the company, obtain the advice of independent professionals. The term of office of the non-executive directors is subject to review at the Annual General Meeting (AGM) and/or any Special General Meeting called by the Shareholder.

1.2: Company Directors

List of non-executive directors and independent audit committee members appointed and/or reappointed per the resolutions of the CoJ annual general meeting held on 1 March 2023 in the prior financial year (FY 2023/24). There have been no changes to the Board of Directors in the current financial year (FY 2023/24).

NO	MEMBERS	RE/APPOINTMENT DATE
1.	Mr. Zamikhaya Wauthas Xalisa (Chairperson)	1 March 2023
2.	Ms. Vuyiswa Gumede	1 March 2023
3.	Mr. Odirile Ronnie Bolokang	1 March 2023
4.	Mr. Ratshibvumo Timothy Ramabulana	1 March 2023
5.	Mr. Godfrey Coffee Tsotetsi	1 March 2023
6.	Ms. Nomveliso Mpongo	1 March 2023
7.	Ms. Manini Amelia Vilakazi	1 March 2023
8.	Mr. Fuzile Chris Vondo	1 March 2023
9.	Ms. Noxolo Siviwe Sicam	1 March 2023
10.	Ms. Mantombi Nkosi	1 March 2023
11.	Mr. Musa Shibambu	1 March 2023
12.	Mr. Grant Son (IAC)	1 March 2023
13.	Mr. Motsamai Israel Karedi (IAC)	1 March 2023

NO	MEMBERS	RE/APPOINTMENT DATE
14.	Mr. Gift Netshidzati (IAC)	1 March 2023
15.	Mr. Thulani Ngcobo (IAC) *	1 March 2023

Table 4: Board of Directors for (FY 2023/24).

Section 2: Corporate Governance

2.1 Governance Report

The Company Secretary has certified in terms of Section 88(2) (e) of the Companies Act no. 71 of 2008 that all statutory returns have been submitted to the Registrar of Companies.

The attendance at the Board Meetings and Committee Meetings for the 2023/24 financial year is recorded as follows:

Members		Board Meeting		Audit and Risk Committee		Strategy & Operations Committee		Remuneration, Social Ethics & Transformation Committee	
		A	B	A	B	A	B	A	B
Board Members	Mr. Xalisa Z (Chairperson)	2	2	-	-	1	1	-	-
	Ms. Gumede V	2	2	-	-	-	-	1	1
	Mr. Bolokang O \$	2	2	-	-	-	1	-	-
	Mr. Ramabulana R \$	2	2	-	-	-	-	-	1
	Mr. Tsotetsi G	2	2	-	-	1	1	-	-
	Ms. Mpongo N	2	2	-	-	-	-	1	1
	Ms. Vilakazi M	2	2	-	-	-	-	1	1
	Mr. Vondo C	2	2	2	2	1	1	-	-
	Ms. Sicam N	2	2	-	-	1	1	-	-
	Ms. Nkosi M	2	2	2	2	-	-	-	-
	Mr. Shibambu M	2	2	-	-	-	-	1	1
	Mr. Son G (IAC)	-	-	1	2	-	-	-	-
	Mr. Karede M (IAC)	-	-	2	2	-	-	-	-
	Mr. Netshidzati G (IAC)	-	-	2	2	-	-	-	-
Mr. Ngcobo T (IAC) *	-	-	-	-	-	-	-	-	
Executives	Ms. Williams L (Chief Executive Officer)**	-	-	-	-	-	-	-	-

Members		Board Meeting		Audit and Risk Committee		Strategy & Operations Committee		Remuneration, Social Ethics & Transformation Committee	
		A	B	A	B	A	B	A	B
	Ms. Ndlovu L (Acting Chief Executive Officer from 01 July 2023)	2	2	1	2	1	1	-	1
	Mr. Baloyi N (Chief Financial Officer)	2	2	2	2	1	1	1	1

Table 5: Cumulative Schedule of Committee & Board Meetings for the Financial Year as at 30 September 2023

Key:

Meetings attended by the Board and its Committees

A = Meetings attended

B = Number of meetings scheduled

IAC = Independent Audit Committee Member

\$ = Employees of state - therefore do not qualify for standard remuneration, however may claim reimbursement for travel expenses upon submission.

* = Resigned

** = Special Leave

*** = Removed

= Retired

2.2 Board Committees

The Joburg Market has the following board committees which were approved by the Shareholder:

- Audit and Risk Committee (ARC);
- Remuneration, Social, Ethics and Transformation Committee (REMSET); and
- Strategy and Operations Committee (SOC).

2.3: Remuneration Policy

Directors and officers are remunerated in accordance with the company's remuneration policy which is informed by directives issued by the Shareholder. The policy is executed in full compliance with legislative imperatives regulating remuneration in the local government environment. Remuneration of non-executive directors and independent audit committee members is determined in terms of the CoJ Group Remuneration Policy.

2.3.1 Remuneration of Non-Executive Directors

Member			Q1	YTD
1	Mr. Z. Xalisa	Chairperson	60 000,00	60 000,00
2	Ms. V. Gumede	Member	70 000,00	70 000,00
3	Mr. O. Bolokang \$	Member	-	-
4	Mr. R. Ramabulana \$	Member	-	-
5	Mr. G. Tsotetsi	Member	44 000,00	44 000,00

Member			Q1	YTD
6	Ms. N. Mpongo	Member	44 000,00	44 000,00
7	Ms. M. Vilakazi	Member	44 000,00	44 000,00
8	Mr. C. Vondo	Member	62 000,00	62 000,00
9	Ms. N. Sicam	Member	44 000,00	44 000,00
10	Ms. M. Nkosi	Member	114 000,00	114 000,00
11	Mr. M. Shibambu	Member	44 000,00	44 000,00
TOTAL			526 000,00	526 000,00

Table 6: Schedule of the Remuneration of Non-Executive Directors as at 30 September 2023.

Non-Executive Director Remuneration is inclusive of all Board and Board Committee meeting attendances (ordinary, special, recruitment panel and meetings called by the Shareholder).

2.3.2. Remuneration of Independent Audit Committee Members

Member			Q1	YTD
1	Mr. G. Son	IAC	8 000,00	8 000,00
2	Mr. M. Karedi	IAC	16 000,00	16 000,00
3	Mr. G. Netshidzati	IAC	16 000,00	16 000,00
4	Mr. T. Ngcobo *	IAC	-	-
TOTAL			40 000,00	40 000,00

Table 7: Schedule of the Remuneration of Independent Audit Committee Members as at 30 September 2023

2.4. King IV™ Application Register

King IV advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of four governance outcomes. The desired governance outcomes are listed below, together with the practices implemented and progress made towards achieving the 16 principles in meeting those outcomes. It is done on an “apply and explain” basis, as recommended by King IV™.

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
Governance Outcome One: Ethical Culture		
<p>Principle 1: Leadership. The governing body should lead ethically and effectively.</p>	<p>Joburg Market’s board of directors is its governing body. The director’s hold one another accountable for decision-making and behave ethically, as characterised in King IV.</p>	<p>An employee code of conduct policy is in force throughout the Entity. All directors and employees are obligated under the code to act with honesty and integrity and to maintain the highest ethical standards.</p> <p>Declarations of interest are managed in line with the Companies Act 71 of 2008 and directors are required to disclose their shareholdings and additional directorships on an annual basis.</p>
<p>Principle 2: Organisational Ethics. The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The board has a fiduciary duty to act in good faith, with due care and diligence and in the best interests of the Entity and its stakeholders. It is the primary body responsible for the corporate governance values of the Entity.</p>	<p>The employee code of conduct sets the minimum standards expected of all employees of the Joburg Market. Furthermore, the market by-laws set the minimum standards expected of the market agents and suppliers of the Joburg Market.</p>
<p>Principle 3: Responsible Corporate Citizenship. The governing body should ensure that the organisation is seen to be a responsible corporate citizen.</p>	<p>The board approves the strategy and priorities of the business as set out in its annual integrated report. Through stakeholder engagement and collaboration, Joburg Market is committed to finding lasting solutions to sustainability challenges.</p> <p>The board, with the support of the Social, Ethics and Transformation Committee oversees and monitors how the Entity’s activities affect its status as a responsible corporate citizen and reports annually on the Entity’s sustainability and transformation activities.</p>	<p>Integrated Annual Report.</p>
Governance Outcome Two: Performance and Value Operation		

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
<p>Principle 4: Strategy and performance. The governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	<p>The board informs and approves Joburg Market’s strategy, which is aligned with the mandate of the Shareholder and the value drivers of Joburg Market’s business.</p> <p>The board oversees and monitors management’s implementation of the strategy and business plan on a quarterly basis.</p>	<p>Integrated Annual Report.</p>
<p>Principle 5: Reporting. The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation’s performance and its short, medium and long term prospects.</p>	<p>The board, through the Audit Committee, ensures that the necessary controls are in place to ensure and safeguard the integrity of all financial information and reporting documentation. The Entity ensures its financial statements are prepared in accordance with applicable accounting standards and legislative requirements.</p>	<p>Integrated Annual Report. Audited Financial Statements.</p>
Governance Outcome Three: Adequate and Effective Control		
<p>Principle 6: Primary role and responsibilities of the governing body. The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p>	<p>The board meets once a quarter. Should an important matter arise between scheduled meetings, additional meetings are convened once permission is granted by the respective Portfolio MMC.</p>	<p>The board has an approved charter, which it reviews annually. The charter sets out its governance responsibilities, including its role, responsibilities, membership requirements and procedural conduct.</p> <p>Group Shareholder Policy.</p>
<p>Principle 7: Composition of the governing body. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively.</p>	<p>The shareholder assesses the adequacy of the board’s composition annually to ensure that it is still fit for purpose, has the right balance of skills, experience, diversity, independence and knowledge.</p>	<p>Board Assessments.</p>
<p>Principle 8: Committees of the governing body. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties.</p>	<p>Committees are to be established to assist the board in discharging its responsibilities.</p> <p>The committees of the board comprise the Audit and Risk Committee and the Remuneration Committee as well as the Social, Ethics and Transformation Committee</p>	<p>Shareholder Compact.</p> <p>Committee Terms of Reference.</p>

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
<p>Principle 9: Evaluations of the performance of the governing body. The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</p>	<p>The effectiveness of the performance of the board, its committees, individual Non-Executive directors and the Chairperson is assessed annually by the Shareholder.</p>	<p>Board Assessments.</p>
<p>Principle 10: Appointment and delegation of management. The governing body should ensure that the appointment of, and delegation to, management, role clarity and effective exercise of authority and responsibility.</p>	<p>The board plays a role in the appointment and recommendation of the CEO to the Shareholder.</p>	<p>Group Shareholder Policy.</p>
<p>Principle 11: Risk Governance. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>The ARC committee assists the board with the governance of risk. Joburg Market’s enterprise risk management and combined assurance framework, together with other Group policies and procedures inform its risk management culture.</p>	<p>Integrated Annual Report.</p>
<p>Principle 12: Technology and Information Governance. The governing body should govern technology and information in a way that supports the organisation setting and achieving its strategic objectives.</p>	<p>Information management is an important part of Joburg Market’s business and is essential to the strategy, performance and sustainability of the Group.</p>	<p>ICT Policies. Integrated Annual Report.</p>
<p>Principle 13: Compliance Governance. The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	<p>Joburg Market is committed to conducting its business in compliance with all applicable laws and regulations. Safety, health and environmental laws are all identified as key legal compliance areas and therefore receive the necessary attention on an on-going basis.</p>	<p>Group Policies and Procedures.</p>
<p>Principle 14: Remuneration Governance. The governing body should ensure that the</p>	<p>Independent approval and overseeing of the overall remuneration structure is delegated by the board to the</p>	<p>Committee Terms of Reference.</p>

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	Remuneration Committee.	
<p>Principle 15: Assurance. The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the external reports</p>	The board, supported by the ARC committee, ensures an effective control environment, which supports the integrity of information.	<p>Committee Terms of Reference.</p> <p>Audited Financial Statements.</p> <p>Integrated Annual Report.</p>
Governance Outcome Four: Trust, Good Reputation and Legitimacy		
<p>Principle 16: Stakeholders. In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time.</p>	Joburg Market has identified its stakeholder group and actively balances their legitimate and reasonable needs, interests and expectations.	<p>Group Shareholder Policy.</p> <p>Service Delivery Agreement.</p> <p>Shareholder Compact.</p> <p>Union Agreements.</p>
<p>Principle 17: Institutional Investors. The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote good governance and the creation of value by the companies in which it invests.</p>	The Joburg Market is a Municipal State Owned Entity and does not have any institutional investors; as such this principle does not apply.	Not Applicable

Table 8: King VI Application Register

Section 3: High-level Organisational Structure

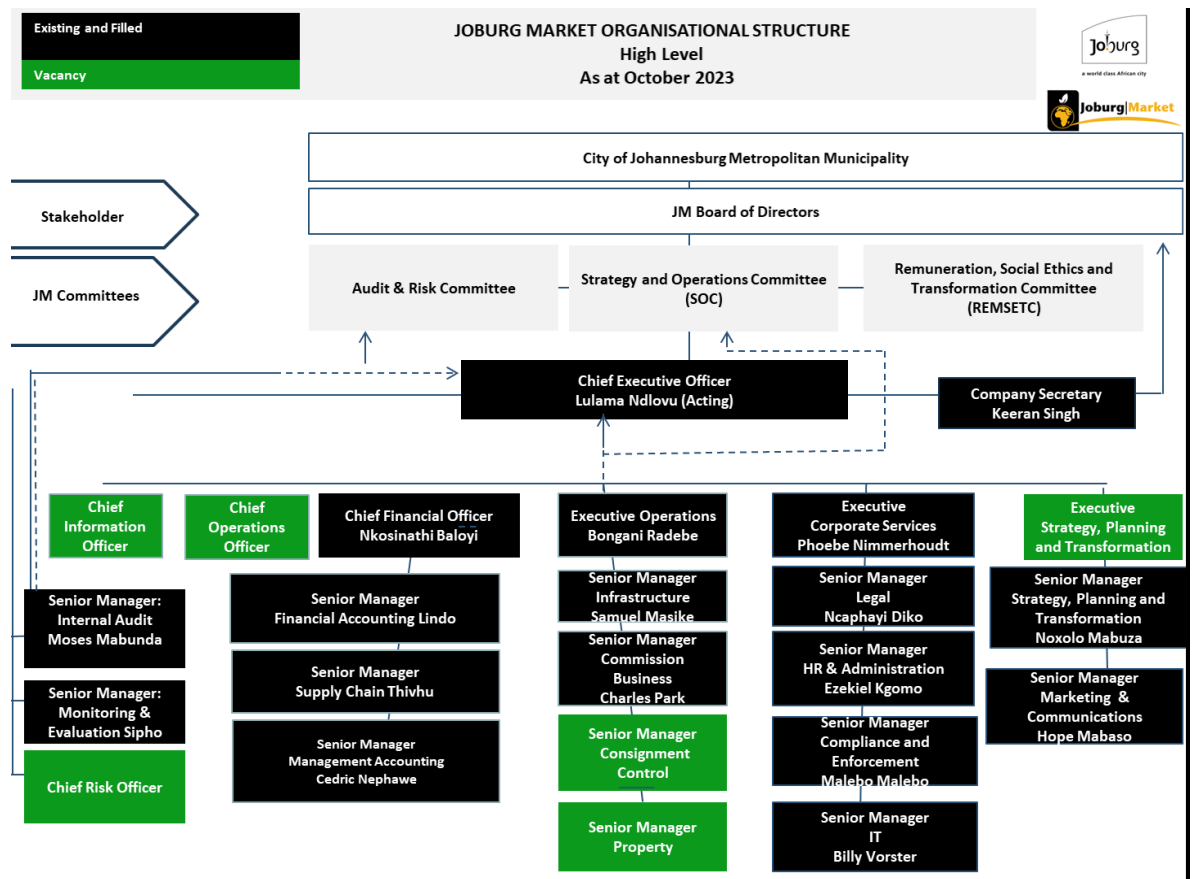


Figure 6: The JM High-Level Organisational Structure.

Section 4: Risk Management

The Risk Management Committee of Joburg Market has adopted an integrated approach to risk management and has therefore adopted the CoJ Group Risk Management Framework and Group Risk Management Policy as approved by Council.

- Joburg Market has developed a draft risk management policy which has been aligned to the CoJ Group Framework will be submitted to Exco and Board for approval;
- Similarly, the Municipal Entity’s Compliance Framework has been aligned to the CoJ Group Compliance.
- A Board and Exco risk evaluation session was held and a strategic risk register was formulated for the 2023/24 financial year. The latter register is attached as annexure 1 to this report.

4.1. Risk Management Policy and Risk Register

Joburg Market has established and maintains a risk management system in accordance with the provisions of the Municipal Finance Management Act, COSO Framework, ISO 31000 and the King IV™ report on Corporate Governance and risk management standards as applicable. JM compliance to the King IV™ principals is tabulated under section 2.6 above.

There is oversight governance and management at Joburg Market which is carried out by the Audit & Risk Management Committee, a sub-committee of the Board of Directors. The Audit & Risk Management Committee (ARC) operates in accordance with approved terms of reference in the Audit and Risk Committee Charter, Framework, and was previously approved by the Audit and Risk Management Committee and Board of Directors.

#	Risk Name	Impact Rating	Likelihood	Inherent Risk	Control Effectiveness	Residual Risk Exposure
1	Inadequate Trading Space	Critical	Almost certain	Very High (25)	Partially Effective	Moderate (10)
2	Failure to keep abreast with technological advancements and trends	Critical	Almost certain	Very High (25)	Partially Effective	Moderate (10)
3	Business Failure	Major	Almost certain	High (20)	Partially Effective	Moderate (8)
4	Fraud and Corruption	Major	Almost certain	High (20)	Partially effective	Moderate (8)
5	Inadequate Stakeholder Engagement	Major	Almost certain	High (20)	Partially effective	Moderate (8)
6	Ineffective HR Governance and Systems	Major	Almost certain	High (20)	Partial effective	Moderate (8)
7	Ineffective Transformation Programmes	Moderate	Almost certain	High (15)	Partially effective	Moderate (8)
8	Governance: Ineffective Leadership in implementing controls	Moderate	Almost certain	High (15)	Effective	Low (3)

Table 9: Extract from 2023/24 JM Strategic Risk Register

JM Risk Appetite & Tolerance Levels

#	Risk Categories	Risk Appetite	Risk Tolerance
1	Fraud and Corruption	Zero	Zero Tolerance
2.	Non Compliance with Supply Chain Management Regulations:	Zero	Low Tolerance
3.	Regulatory Non-compliance	Zero	Low Tolerance
4	Financial Governance/Management risks	Low	Low Tolerance
5.	Financial under performance (% aligned to SDIP annual target)	Approved annual target	Low Tolerance
6	Service delivery and Operational Risks: (organisational performance indicators)	Approved annual Target	Low Tolerance
7	Organisational & governance risks (accountability)	Low	Low Tolerance
8	Information and Communication Technology (ICT) Governance and Delivery	Low	Moderate
9	Financial reporting -Adverse & Disclaimer audit outcome:	Zero	Zero Tolerance
10	Financial reporting –Unqualified audit (with matters of emphasis):	Low	Moderate
11	Non-Financial Reporting (AoPO/ Organisational Performance): Adverse & disclaimer audit outcome	Zero	Zero tolerance
12	Non-Financial Reporting (AoPO/ Organisational Performance): Unqualified audit outcome (with matters of emphasis)	Low	Moderate

Table 10: Risk Tolerance Levels

A detailed Risk Register Q1 performance is attached to the report as Annexure A

Section 5: Anti-Corruption and Fraud Investigations

The Anti-Fraud and Corruption Policy was approved and communicated to all staff in the organisation. The Policy includes procedures on reporting fraud and how to access the tip-off hotline. The Hotline is a 24-hour service centrally managed by CoJ with monthly incident reports sent to the Senior Manager: Internal Audit for follow up.

The fraud hotline is a very useful tool in the fight against theft, bribery, misuse of property/company assets and other unlawful acts. The Hotline facility is available telephonically on 0800 00 25 87. No tip-offs were received from the facility during the period under review.

5.1: Fraud Risk Management / Fraud Prevention

JM's fraud prevention plan is embedded in the entity's approved business plan.

In order to actively mitigate fraud, corruption and theft, the following activities are performed at JM:

- Suspected fraudulent activities are audited by Management, internal audit, Group Forensic Investigation Services (GFIS) and other external service providers.
- Where applicable, cases are subjected to disciplinary and criminal processes. A number of cases are currently at various stages of auditing, investigation and disciplinary processes.
- A Fraud hotline is available and widely publicized in Joburg Market's facilities including the website.
- A Fraud awareness campaign is planned for November annually in order to encourage whistle blowing.
- The entity's exposure to the risk of fraud, corruption, and /or theft is currently medium to low, however the above measures will be kept in place to reduce the risk even further.

Section 6: Compliance with Laws & Regulations

The Board oversees the entity's compliance with applicable laws, rules, codes and standards and this remains an important consideration in all its decision-making processes. Reported incidents of non-compliance with laws and regulations are addressed in accordance with relevant governance prescripts. JM has aligned itself to the CoJ; Group Compliance framework and is submitting its quarter compliance report to the Shareholder as prescribed.

The complete JM King IV™ checklist is published on the JM website, www.joburgmarket.co.za

JM operates within its Delegations of Authority, which is continuously reviewed in line with business and legislative requirements.

ITEM OF NON-COMPLIANCE	NATURE	REMEDIAL ACTION
UIFW	-UIFW incurred from transversal account between MTC, Group Fleet	JM Finance to mitigate the risk with relevant 3 rd party entities and Group
POPIA	-Noncompliance to the Section 13 (2): Public Records and routinely inspected by records management staff	-Develop Records management plan and document management policy with HR and appointed Information Officers
SHE	-No evidence attached to demonstrate compliance to safer and hygiene working environment	-JM to provide quarterly reports on safe and hygiene environment
Labour Relations Act	-Corporate services failed to review Corporate Policies	-Corporate Service to review all policies and table them to the Board for approval

Table 11: Summary of Instances of Non-Compliance and Remedial Actions

7.4. ICT Risk Governance & ICT Risk Management

In terms of governance, the JM IT department is audited internally at least annually by Internal Audit. The department's governance is included in the AGSA audit of the entity annually. IT has an operational risk register and the risks are continuously monitored and mitigated. Internally governance is provided by Exco with the operational accountability of governance matters residing with the Senior Manager of the department.

The ITC risks in the entity are mainly centered on the availability of critical systems to the core business of the Joburg Market. JM has in terms of cyber security all required measures in place. The SPS system is a closed system and as such the system cannot be accessed by external parties.

7.5. Critical Systems are:

- The Sales Processing System (SPS): This controls all sales, stock and cash handling transactions. This system is seen as mission critical to the Joburg Market;
- The Financial System (JD Edwards): all financial transactions from the trading floor are interfaced to this system to enable daily payments to Producers. This system is also regarded as critical to the Joburg Market.

The Company has implemented internal service standards, incorporated into internal KPAs and is measured monthly and quarterly. In addition to the latter all IT policies were duly reviewed and approved.

During the quarter under review, the department in collaboration with the CoJ has started a programme to upgrade the Microsoft environment within the entity. The Microsoft environment is controlled centrally by the CoJ, and the programme could only start after the conclusion of an agreement between the CoJ and Microsoft Corporation.

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

Section 1: Highlights and Achievements

1.1 Trading Halls and Business Performance Overview

Synopsis

- Improved turnover achieved by recording R2.911Bn against a targeted R2.29Bn
- Improved surplus generation and positive financial ratios;
- The Payment days of invoices was achieved at 100%;
- JM recovered 10 of the 19 faulty ripening chambers which improved revenue from this function;
- Targeted Procurement - The Company achieved 100% in its BEE procurement drive for all SCM.
- JM implemented a Memorandum of Understanding with Industry partners which will enhance the JM transformation objectives;

In the period under review, the overall financial performance of Commercial Services is above par with an increase in turnover and the market average price compared to the corresponding period in the previous financial year. Volumes decreased mainly due to extreme weather conditions (heavy rain falls, hail damages, frost and snow) in some production areas which had a negative impact on the quality of produce and volumes received. Another contributing factor to the decline in volumes is that the export market has stabilized since the Ukraine/Russia war began in February 2022 as less fruit are diverted to local markets.

Over and above the unfavourable weather condition, farmers are becoming increasingly under pressure with high input cost of doing business. The cost of fuel, packaging, fertilizers, labor etc. and the perpetual power interruption at production areas resulted in unfortunate business disruptions as farmer could not irrigate, sort or do any packing of produce during load shedding.

The greater part of South Africa received snow in the quarter under review. Some of the challenges experienced due to the snow was access to roads, delay in planting schedule for farmers, delay in harvesting and crop damage to mention a few in some production regions.



Figure 7: images of Snow experienced in some part of the Country

Joburg Market achieved a turnover of R2 911 billion, which represents a positive growth of 24.17% compared to the same period in the last financial year. This represents a significant increase of R567 million. Joburg Market also realized a new record for the Month of September of R995million. The increase in turnover can be attributed to the positive performance of Potatoes (80.55%), Onions (17.53%), Bananas (12.28%), Apples (32.48%), Carrots (14.20%) and other fruit and vegetables lines in the first quarter. This may be good for JM's performance and the farmer on the one hand as fresh produce is generally higher; however on the other hand, consumers are feeling the pressure as nonessential spending may be on the decrease, while the cost of essential goods such as fruit and vegetables is increasing in price.

Table 14: The table below indicates the first quarter performance per Trading Hall.

Hall	Turnover (R,000)			Mass (,000 Tons)			Avg. p/kg		
	2023/24	2022/23	%	2023/24	2022/23	%	2023/24	2022/23	%
Q1	2 911 475	2 344 712	24.17	346 359	374 991	(7.64)	8.41	6.25	34.44
YTD	2 911 475	2 344 712	24.17	346 359	374 991	(7.64)	8.41	6.25	34.44
Pots	1 223 350	788 074	55.23	151 243	166 379	(9.10)	8.09	4.74	70.77
Fruit	772 194	670 959	15.09	78 555	97 529	(19.45)	9.83	6.88	42.89
Veg	915 930	885 677	3.42	116 560	111 082	4.93	7.86	7.97	(1.44)

Table 12: First Quarter Performance per Trading Hall

Key:

JM is divided into 3 trading halls

Pots = Potato Hall

Fruit = Fruit Hall

Veg = Vegetable Hall

The overall tonnage sold was below par by (-7.64%) as compared to the previous corresponding period for reasons indicated above, there were fewer volumes sold in potatoes, onions, bananas, apples, oranges, green peppers and other fruit and vegetables due to unfavorable weather conditions during planting and harvesting. The average price increased by 34.44% due to the increased demand in some key value commodities sold and low volumes received. The general quality of the produce was good which also enhanced the prices achieved.

The graph below shows the Market average price performance as from July 2023 to September 2023. The average price was higher than the previous financial year by 34.44%. Products such as potatoes, bananas, citrus and apples reflects growth in average price of 107%, 74%, 51% and 42% respectively. This can be attributed to fewer volumes received and good demand on good quality products.

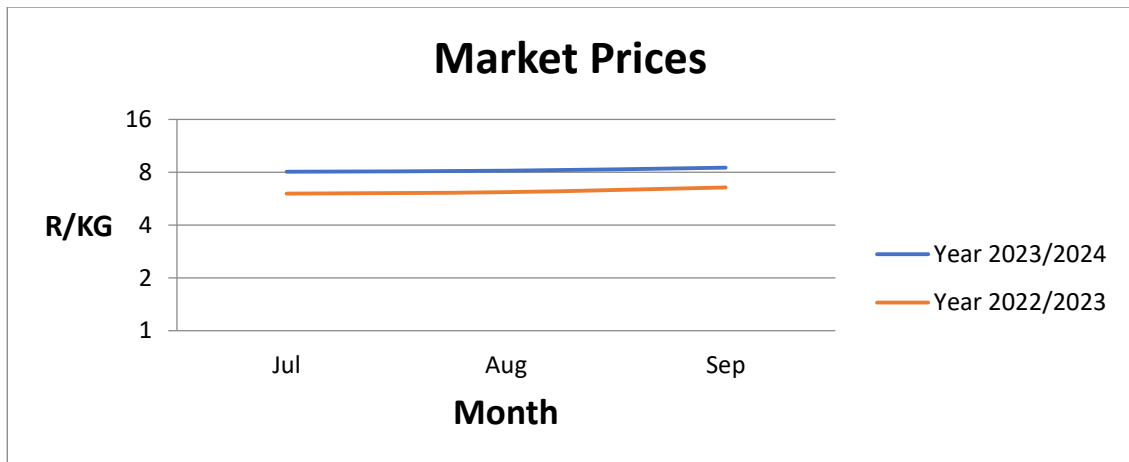


Figure 8: First Quarter Market Prices

- In the **Potato Hall**, turnover and average price increased by 55.23% and 70.58% respectively, while the mass decreased by (-9.10%). The increase in turnover and avg.p/kg was as a result of lower volumes available for sale and good quality produce realizing higher prices as compared to the corresponding period in the previous financial year. Farmers planted less hectares due to high input costs resulting in lower yields realised. Some farmers harvesting season finishing early due the reduction in planting which contributed to the lower volumes. On the other hand, farmers are negatively affected by the continuous load shedding which impedes/interrupts production as they are unable to irrigate pack, sort and grade produce. The Graph below depicts the average price performance in the Potato Hall as from July 2023 to September 2023. The average price increased by 70.77% compared to the corresponding period in the previous financial year. Potatoes price increased by 107% and onions by 17%.

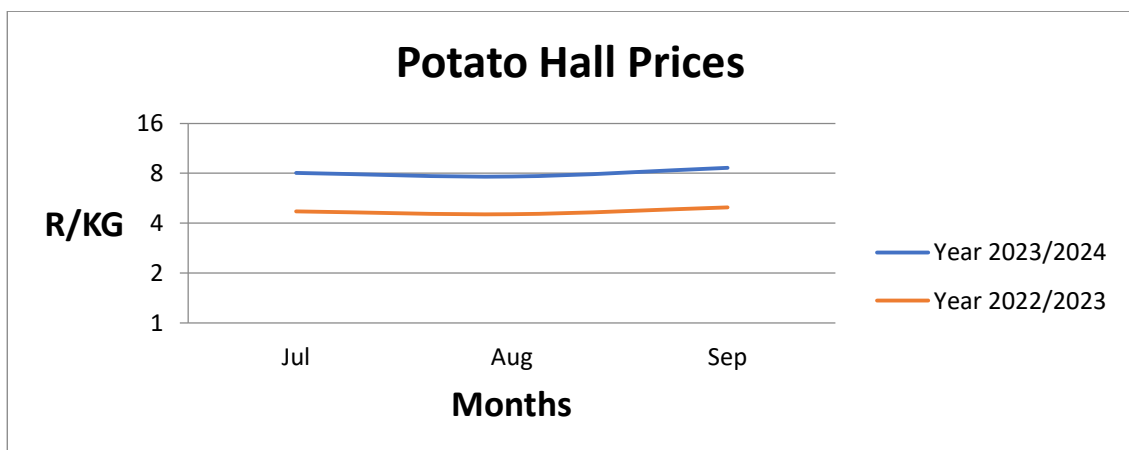


Figure 9: First Quarter Potato Prices

- In the **Fruit Hall**, turnover and average price increased by 15.09% and 42.89% respectively while the mass declined by (-19.45%). The increase in turnover was due to higher demand on good quality products and low yields received in the local markets. Mass decreased due to negative effects of weather (storm/hail in the month of February this year) experienced, which damaged flowers and fruit trees resulting in lower volumes harvested which was more prominent on bananas in Mozambique. Another contributing factor is that the export market has stabilized

since the Ukraine/Russia war began in February 2022 as less fruit are diverted to local markets. The average price increased due to higher demand on good quality products with fewer volumes. The Graph below depicts the average price performance in the Fruit Hall as from July 2023 to September 2023. The average price increased by 42.89% compared to the corresponding period in the previous financial year. This increase in price can be attributed to bananas up by 74%, naartjies up by 32% and apples increased by 42% in the first quarter.

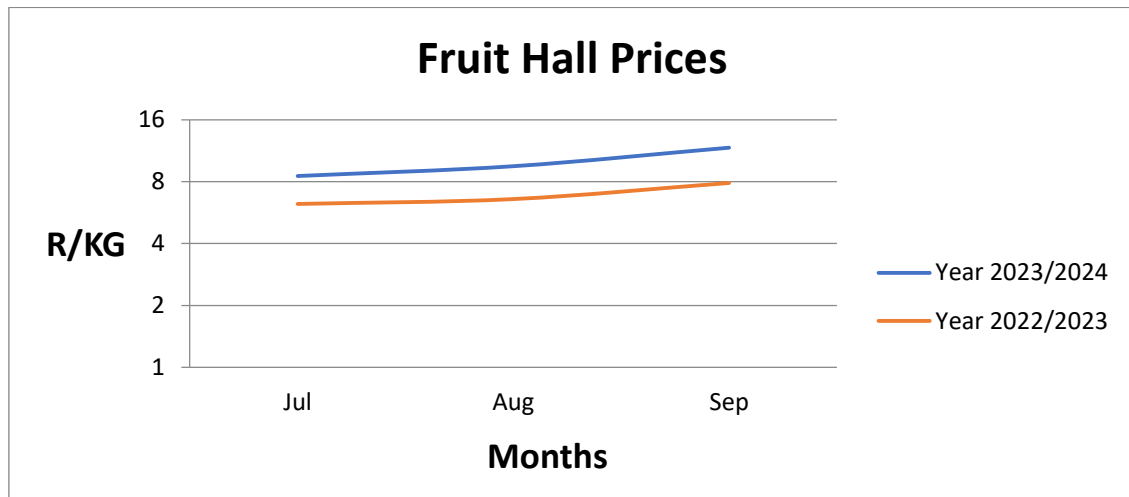


Figure 10: First Quarter Fruit Hall Prices

- In the **Vegetable Hall**, turnover and mass sold increased by 3.42% and 4.93% respectively, while average price decreased by (-1.44%). Excessive cold weather conditions with frost and snow in some production regions were hampering supply levels and quality. Tomato farmers planted more hectares to compensate for the winter damages, however the overall winter was not as severe as anticipated in the tomato production areas. A good demand for good quality had a positive effect on turnover and mass sold. Producers are faced with load shedding challenges and extremely high input costs. Excessively cold weather in some producing regions such as in Polokwane is hampering supply levels. Peppers are generally warm climate crops, sensitive to harsh cold, and other extreme events such as frost. The demand for the peppers is much higher than the supply at the moment, so that has pushed the prices upwards. The graph below shows the Vegetable Hall average price from July 2023 to September 2023. The average price was relatively on par for 90% of the reporting quarter as compared to the previous financial year due to lower volumes of produce being available for sale and poor quality on some veggie lines.

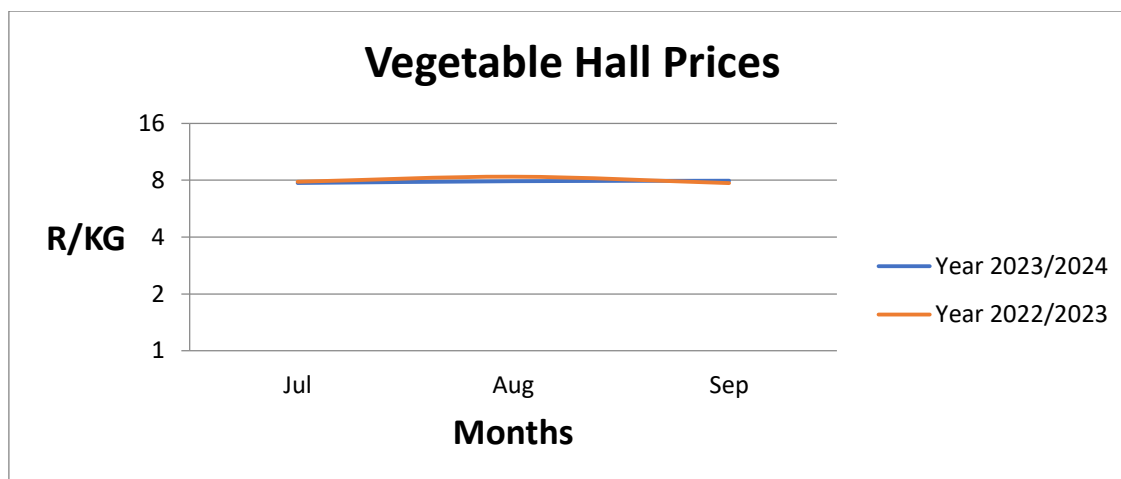


Figure 11: First Quarter Vegetable Hall Prices

1.2. Food Inspection and Testing Services

Food Quality Assurance (FQA) Department undertakes food quality inspections for the purposes of quality control compliance, laboratory testing for compliance monitoring and food safety risk evaluation. JM food handling and storage facilities are inspected to ensure hygiene compliance and prevention of food contamination.

1.2.1 Food Inspection and Testing Activities

For quarter 1, a total of 359,020 tons of produce were received, of which 151,825 tons were inspected by both Prokon and JM Food QA. A total of 13 tons of produce were rejected and/or condemned for sale and a total of 1289 tons of produce were downgraded at the time of receiving. These were mainly due to quality defects of potatoes.

A total of 979 tons of produce were destroyed (i.e. discarded) due to being unfit for human consumption at the time. The percentage of produce discarded was 0.3 % of the volume received for the quarter. The relatively low volume of produce discarded can be attributed to cooler temperatures and low rainfall in production regions during harvest period, however warmer temperatures are expected during quarter 2. Rain during harvest reduces shelf-life of fresh produce as chemicals sprayed to control fungal growth are washed away and free moisture enhances mould development.

Produce weight investigation: Following a customer complaint, certain vegetable products were weighed to determine discrepancies in the marking and capturing of product weights. The products undergoing weight verifications are bagged cabbage, boxed peppers and boxed spring onions. It was found that market agents and salesmen are using incorrect product combination codes when capturing deliveries against goods received notes (GRNs). In addition, the IT Department created additional weights on SPS for cabbages (i.e. 20kg and 25 kg) as salesmen were using 30kg when capturing GRNs.

Laboratory testing activities:

Product samples are taken from the trading floor for laboratory testing to evaluate food safety risk and raise awareness with farmers where a food safety risk is considered. The aim of testing is to monitor producer compliance in terms of on-farm Good Agricultural Practices used and to bring about improvements where food safety risk is identified.

The selection of samples for lab testing is based on a food safety risk assessment whereby produce deemed at a higher food safety risk (i.e. chemical and microbiological hazards) are sampled more frequently.

It is impractical to test each and every product received from each and every producer in view of the large volume of produce received at JM from a vast number of producers. Therefore a risk-based sampling approach has been adopted in terms of industry standard operating procedures.

Based on the food safety risk assessment, samples are taken of produce that are mainly consumed raw or uncooked, consumed fresh with the skin (unpeeled) and produce that is not washed at the packing house – these are mainly vegetable products used in salads (tomato, onion, lettuce, cucumber, peppers, etc.) and fruit that are eaten with the skin (apples, pears, all types of berry fruit, peach, nectarine, etc.)

For quarter 1, a total of 39 samples of produce were analysed for microbial contamination. Test results of the selected vegetable samples showed the absence of pathogenic bacteria (namely E.coli, Salmonella and Listeria species of bacteria). There was no food safety risk identified.

No pesticide testing was performed at JM Laboratory due to the main test instrument awaiting maintenance service and lack of reliable UPS at JM Lab. Power disruptions on the market in general have led to malfunction of lab testing instruments, therefore the laboratory is unable to run tests without a reliable UPS.

1.2.2 Pest and Hygiene Monitoring Activities

Pest Control: Replenishment of rodent baiting took place on a monthly basis and reports of rodent activity in trading halls were attended to by the appointed pest control service provider to minimise damage and contamination of food products. Rodent activity is closely monitored and the appointed service provider is regularly engaged to ensure efficacy of the control measures instituted.

Hygiene inspections were performed at the main trading Halls (namely Vegetable, Fruit & Potato Halls), Market Cold Stores & Ripening and Food Support Centre in an effort to improve the level of hygiene. Inspection reports with photos were issued to the relevant Managers for action and improvement.

Cleaning performance and market hygiene assessments were performed on a monthly basis at all open / common areas on the market, including public ablutions. Reports were forwarded to the respective managers with recommendations for improvement and action to be taken against certain traders / groups of market users that flout the market by-laws.

1.3. Infrastructure

Repairs and Maintenance Program: The JM Repairs and Maintenance Budget for the 2023/24 financial year is R 61 436 000. The expenditure for first quarter is R **17 698 236** which represents 28, 81% of expenditure.

Daily R&M (Emergency) Works: For the period ending in Quarter 1, 279 work orders were reported and 254 were resolved, the unresolved work orders were due to a shortage of material and the appointment of service providers. The works performed include but not limited to:

Civil and Building: Fixing cupboards and doors, door lockers, painting office, replacing broken window, fixing glass door at 6th floor, fixing roller doors at trading halls and Food Services Centre, etc. Replacing and repairing cupboards doors, hinges and door lockers at Vegetable Hall, repairs of doors at Main Gate, Fourth Floor and Second Floor, roller doors repairs at the trading halls, painting and waterproofing of Security Offices

Mechanical: fixing air cons, repairs on loading bays, manual adjustment of the valves for temperature control at the cold rooms.

Electrical: fixing faulty lights, plugs, resetting main switch, replacing non-working lights, restoring power on faulty lines around the Market, installation of gate motor at executive parking, installation of change over switch at Hall 3 & 8, mounting the battery charger and power installations at Cold Stores, fixing of high mast lights (in progress), fixing faulty lights, plugs, resetting main switch, replacing non-working lights and replacing burnt wall sockets.

Plumbing Daily Maintenance: Fixing and cleaning of blocked drains (Wellness, Ablution 4&5, 2&3, 8&9 Door 604, fixing leaking pipes, fixing flush master at 2nd floor toilet, leaking fire hydrant, replacing leaking flexi pipe etc. Restoration of water lines after repairs of valves and faulty supply lines around the Market, fixing and cleaning of blocked drains (4&5, mama's kitchen, unity market, King Fresh 2nd floor ladies toilet, Watermelon Section 2&3 North, Mandela & Cold Stores). Fixing burst pipes at Door 227, Platform 4, and Hall 7&8 and Banana Ripening.

R&M (Planned) Works:

Road repairs: Completion of the works on resurfacing and potholes repairs at Consignment and between Hall 1 & 2 through the appointed service provider.

Road Marking around the Market: The project is 50% completed internal roads between the Trading Halls still needs to be done; project is expected to be completed in the second quarter.

Repairs for the Consignment: The project is for repairs of the office cubicles, kitchen of the consignment personnel in order to comply with relevant statutory requirements. The project will be completed by November.

Chiller Plant Facility Repairs: The project is at 70% complete, the outstanding work involves the installation of the third chiller. The installation will be completed by end of November 2023.

Repairs at Complementary Services (Ammonia Project): The service provider is busy replacing pipes and replacing valve stations. The old pipes have been decommissioned and the project is expected to be completed by the second quarter.

Q1 Breakdown of Repairs & Maintenance

Please note: This is a cumulative expenditure for Quarter 1, provided by Finance Department.

PROJET NUMBER	REPAIRS AND MAINTENCE BREAKDOWN	BUDGET
65111	Consumables	1 272 887
65115	Consumables - electrical	0
65120	Consumables - stores & materials	3 162 236
65141	Consumables - Security	0
75630	Repairs & Maintenance	10 870
65131	R & M - Buildings	6 426 219
65132	R & M - Furniture	2 191
65133	R & M - Gardens & surrounds	2 404
65134	R & M - Machinery & tools	5 648 923
65138	R & M - Electrical	753 178
65139,001	R & M - Air Conditioners	0
65139,002	R & M - PABX	0
65139,003	R & M - Plumbing	419 328
		17 698 236

Table 13:Q1 Breakdown of Repairs & Maintenance

1.4. Capex Project Report

CAPEX 1st quarter 30 September 2023 report (projection report)

The budget for 2023/2024 financial year allocated for JM was R150 328 000, 00. The total expenditure to date is R36 496 011 representing 24.28% expenditure.

Below is a table indicating the project expenditure and project status:

PROJECT NUMBER	PROJECT NAME	PROJECT STATUS	COMMENTS	AWARD AMOUNT EXCL VAT	TOTAL PROJECT EXPENDITURE	2023/2024 EXPENDITURE	2023/2024 BUDGET
2598	Upgrades to the main building (Mandela, Cold rooms, Office & Food Courtyard) • Mandela Project by JPC	<ul style="list-style-type: none"> • Project is at 97% complete • Main structure is completed • Cold room to be started once the tenants are moved to main structure 	Project completion date is dependent to the movement of tenants to the newly constructed trading facility.	R143 915 340.00	R127 067 000.00 Project Expenditure percentages: 88,29%	R1 359 512.32 Project Expenditure for 2023/2024 percentages: 7.25%	R18 753 000.00
3331	Installation of sprinkler system (Fire suspension system OHSA) by MM industries	<ul style="list-style-type: none"> • The project is at 75% • Tanks are at 100% • Pump house is at 100% • Piping and installation of pups is at 81% • The project is estimated to be complete on the 30 September 2023 	The installation of the tanks is completed and they are currently installing pipes to the fire hydrant and joining of portable water tanks. They are also filling the tanks with water	R22 724 306.87	R19 533 526.18 Project Expenditure percentages: 85.96%	R5 670 300.00 Project Expenditure for 2023/2024 percentages: 70.22%	R8 075 000.00
4039	Operational Capital: Joburg market - Technical equipment renewal by Manxiwa group	<ul style="list-style-type: none"> • It is a multi-year project • The project is at 99% • The service provider tested the generators no-load on the 29 	<ul style="list-style-type: none"> • The service Servi Service provider is currently with snag listing. 	R28 108 768.04	R27 363 168.33 Project Expenditure percentages: 97.35%	R0 Project Expenditure for 2023/2024 percentages: 0%	R0

PROJECT NUMBER	PROJECT NAME	PROJECT STATUS	COMMENTS	AWARD AMOUNT EXCL VAT	TOTAL PROJECT EXPENDITURE	2023/2024 EXPENDITURE	2023/2024 BUDGET
		<p>September 2023. The test was successful and they are concluding on snag listing that was discovered during testing.</p> <ul style="list-style-type: none"> The test was conducted for an hour and the generators were running below 70% capacity. 					
22547	Alternative energy systems	<ul style="list-style-type: none"> JM appointed City Power to implement the PV Solar system City Power appointed a service provider to implement the project 	<ul style="list-style-type: none"> Appointed service provider is on designing the system that will be installed at Cold stores The project is at 10% (amount paid is for materials onsite) City Power to present construction design to JM on the 06 September 2023 		R0	<p>R19 500 000.00</p> <p>Project Expenditure for 2023/2024 percentages: 48.75%</p>	R40 000 000.00
22489	Upgrading Banana Ripening and Cold rooms	<ul style="list-style-type: none"> Exco/ board to take resolution on the remaining balance 			R3 485 200.00	<p>R3 485 200.00</p> <p>Project Expenditure for 2023/2024 percentages: 17.43%</p>	R20 000 000.00

PROJECT NUMBER	PROJECT NAME	PROJECT STATUS	COMMENTS	AWARD AMOUNT EXCL VAT	TOTAL PROJECT EXPENDITURE	2023/2024 EXPENDITURE	2023/2024 BUDGET
24064	Rocker Bin	<ul style="list-style-type: none"> The project is at initiation stage The memo is circulating for signatures SCM process to be initiated on the 15 September 2023 					R2 000 000.00
24065	Ring Feed	<ul style="list-style-type: none"> The project is at initiation stage JM engaged with City Power regarding the implementation SLA drafted awaiting signatures 					R26 000 000.00
23093	Installation of Smart meters by Bash electrical	<ul style="list-style-type: none"> The project is in the implementation stage The project is at 80% The project is estimated to be completed by end of March 2024 	<ul style="list-style-type: none"> The protective structures are at 80% The meter installation is at 80% 70% of meters are already connected and functional 	R38 485 486.55	R36 157 394.55 Project Expenditure percentages: 93.95%	R6 480 999.00 Project Expenditure for 2023/2024 percentages: 54.01%	R12 000 000.00
31060	Cashless Project						R20 000 000.00
31063	Soweto Market						R2 000 000.00
22541	Smart Market Project						R1 500 000.00

Table 14: Project Expenditure and Project Status

Section 2: Service Delivery Challenges

In pursuing its deliverables over the reporting period the entity had to content with a number of challenges which are summarised below:

1. Power failures and cable theft

Power cuts caused by the above incidents have exposed the Company in particular to claims from users of the JM cold storage and ripening facilities.

JM also experienced a fire incident in a substation located at its fruit trading hall on 19 March 2022.

[Resolution: Urgent construction of a power supply line to JM by City Power to enable ring feed power to JM during prolonged breakdowns in power supply as a result of cable theft;

JM has also engaged with City Power on an urgent basis and is seeking relief from load shedding which application is currently being considered by City Power]

2. Inadequate Trading Space

Sufficient trading space remains a major challenge, as market agents continued to periodically store fresh produce on the platforms of some of the trading halls.

[Resolution: JM has obtained grant funding to commence with the extension of the floor space programme. JDA is the implementing agent and has concluded formalities for the appointment of a professional team for the project].

3. Contractor failures & litigation

SMME failure to deliver on time

[Resolution: Introduce refined project management arrangements with the view to pre-empt the challenges – i.e. closer monitoring of the quantity surveying planning relevant planning done by the SMME].

Quality of works

[Resolution: Project Steering committee protocols are to be implemented to detect emerging quality problems at earlier stages].

Cold stores/Ripening contractor dispute arose during implementation

[Resolution: JM has replaced the failing contractor and introduced a short term intervention to restore rooms that can be recovered as quick wins. New contractors are currently successful in overcoming challenges with plant and equipment at the two installations; it is anticipated that JM will shortly reintroduce 10 of the 19 faulty ripening chambers which will alleviate the shortfall in ripening capacity].

Section 3: Performance against Predetermined Objectives

The JM's progress towards achieving its KPIs is assessed using the performance scorecard, which measures performance in terms of both the JM's service delivery mandate and financial and other resource management processes. The scorecard targets, which are set and agreed on by JM management, the Board, and the Shareholder, aim to improve the JM's performance and efficiency, and achieve longer-term goals for Smart Market of the Future. The 2023/24 Business Plan has 13 approved Company KPIs and 6 approved Service Level Standard KPIs.

The table below presents a summary of JM's performance against the first quarterly results of the 2023/24 targets.

ITEM	Q1 OF 2022/23	Q1 OF 2023/24
Total no. of KPIs on scorecard	13	13
No. of KPIs due	11	11
Number achieved	7	7
Number not achieved	4	4
Percentage achievement	63,6%	63,6%

Table 15: Q1 Performance Overview

The following KPI was not measured for the first quarter being EPWP as the target for the first quarter was zero; recruitment of EPWP is earmarked to take place from Q2:

- 1.3. % of spent on repairs and maintenance to property, plant and equipment.
- 2.1: EPWP appointments

Recovery Plan for Non-Achieved KPI'S

Only 4 KPI's were not achieved and are discussed below:

KPI NOT ACHIEVED	REASON FOR NON-ACHIEVEMENT	PROPOSED MITIGATION
% spent on operating budget against approved operating budget	Total operating expenditure for Q1 30 September 2023 is recorded at R125m compared to the budget of R129.7m. the shortfall can be attributed to the under expenditure from Personnel costs, Human Resources and Operations	- Acceleration of the filling of vacant position -Monitor the HR process to expedite expenditure
% spent on capital budget against approved capital budget	Capex spend as at 30 September 2023 is recorded at R29.6m against a total budget of R150.3m. This represents 19.7% spend against total budget. The majority of the projects are at initiation phase (service providers appointments)	-Project expenditure will be acceleration from Q2
% Percentage implementation of the strategic risk	-Most Risk mitigation measures are dependent on the SMART Market project - interdepend risks, i.e MTC to assist with IT	-Concept designs have been designed for the Smart Market, OCOO assisting in getting services of a Transactional Advisor to come


<p>management action plan findings resolved</p>	<p>related projects - delays in SCM Projects to appoint panel of service providers -Budget constraints</p>	<p>up with a funding model - fast track the procurement process in the appointment of the 5 discipline panel of service providers - request for additional budget during the adjustment budget process to complete projects</p>
<p>% achievement of service standards</p>	<p>Joburg Market has successfully met 5 out of 6 of its service standards.</p>	<p>We are actively addressing the technical breakdowns affecting 19 Ripening Rooms by appointing a service provider to service and repair these rooms, ensuring they maintain the required produce storage temperatures.</p>

Table 16: Non Achieved KPIs for Quarter 1

Strategic interventions	PRIORITY: SUSTAINED ECONOMIC GROWTH																Means of verification	Leader	Support	Cluster
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD				
								CAPE X R/M	OPE X R/M	Q1	Q2	Q3	Q4	Target	Actual					
<ul style="list-style-type: none"> GDS outcome: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens JM Strategic Objective: To Provide a Resilient and Premier Trading Facility by June 2027 																				
1.1.	% Targeted market share held by JM in relation to other FPMs	45.67% Targeted market share held by JM in relation to other FPMs	45.7% Targeted market share held by JM in relation to other FPMs	45.8% Targeted market share held by JM in relation to other FPMs	45.8% Targeted market share held by JM in relation to other FPMs	45.9% Targeted market share held by JM in relation to other FPMs	45.5% Targeted market share held by JM in relation to other FPMs	0	R9.09 Bn	43.5% Targeted market share held by JM in relation to other FPMs	43.6% Targeted market share held by JM in relation to other FPMs	43.7% Targeted market share held by JM in relation to other FPMs	45,8% Targeted market share held by JM in relation to other FPMs	43.5% Targeted market share held by JM in relation to other FPMs	46.46% Targeted market share held by JM in relation to other FPMs	46.46% Targeted market share held by JM in relation to other FPMs	National market share report indicating JM in relation to other FPMs as measured by NDAF	Strategy	JM: IT	Economic Development
Budgeted turnover (cum)								R0	R9.09 Bn	R2.27 Bn	4.54 Bn	6.8Bn	9.09Bn	R2.27 Bn	2 911 475	2 911 475				
FPMs: National Fresh Produce Markets in South Africa Unit of Measure: % (cum) SAUFM: South African Union of Food Markets YTD: Year to Date																				

Strategic interventions	PRIORITY: FINANCIAL SUSTAINABILITY																				
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster	
								CAPE X R/M	OPEX R/M	Q1	Q2	Q3	Q1	Target	Actual						
<ul style="list-style-type: none"> GDS outcome: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens JM Strategic Objective: JM Strategic Objective: To Provide a Resilient and Premier Trading Facility by June 2027 																					
1.2.	Rbn turnover achieved	R8.76Bn Turnover achieved	R9.55Bn Turnover achieved	R9.57Bn Turnover achieved	R10.03Bn Turnover achieved	R10.43Bn Turnover achieved	R10.85Bn Turnover achieved	0	R9.09 Bn	R2.27 Bn	R4.54 Bn	R6.81 Bn	R9.09 Bn	R2.27 Bn	2 911 475 Bn	2 911 475 Bn	JM financial accounts	Strategy	JM: IT	Economic Development	
		Budgeted turnover (cum)							R0	R9.09 Bn	R2.27 Bn	4.54 Bn	6.8Bn	9.09Bn	R2.27 Bn	2 911 475					2 911 475
		FPMs: National Fresh Produce Markets in South Africa																			
		Unit of Measure: RBn (cum)																			
		YTD: Year to Date																			

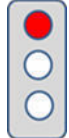
Strategic interventions	PRIORITY: INFRASTRUCTURE DEVELOPMENT AND REFURBISHMENT																				
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster	
								CAPE X R/M	OPE X R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS outcome: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy JM Strategic Objective: To ensure adherence to Good Governance Practices. 																					
1.3.	% of spent on repairs and maintenance to property, plant and equipment.	93%	8% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	R0	R48.9m	0% of spent on repairs and maintenance to property, plant and equipment	5.1% of spent on repairs and maintenance to property, plant and equipment	6.4% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	0% of spent on repairs and maintenance to property, plant and equipment	5.0% of spent on repairs and maintenance to property, plant and equipment	5.0% of spent on repairs and maintenance to property, plant and equipment	JM financial accounts	Strategy	JM: IT	Economic Development	
		Budgeted R&M spent (cum)								R48.9m	R0	R9m	R20 m	R48.9m	R0	R17.698 m	R17.698 m				
		R&M: Repairs and Maintenance																			
Unit of Measure: % (cum)																					
YTD: Year to Date																					

Strategic interventions	PRIORITY: SUSTAINABLE SERVICE DELIVERY																						
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster			
								CAPEX R/M	OPEX R/M	Q1	Q2	Q3	Q4	Target	Actual								
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive Gcr JM Strategic Objective: To Provide a Resilient and Premier Trading Facility by June 2027 																							
1.4.	% spent on operating budget against approved operating budget	New	100% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	R0	R468.7m	25% spent on operating budget against approved operating budget	50% spent on operating budget against approved operating budget	75% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	25% spent on operating budget against approved operating budget	24.2% spent on operating budget against approved operating budget	24.2% spent on operating budget against approved operating budget	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development			
Budgeted CAPEX spent (cum)								R0	R468.7m	R117m	R234.4m	R351.5m	R468.7m	R129.7m	R125.6m	R125.6m							
Unit of Measure: % (cum)																							
YTD: Year to Date																							

Strategic interventions	PRIORITY: FINANCIAL SUSTAINABILITY																				
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster	
								CAP EX R/M	OP EX R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome: A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To adhere to good governance practises 																					
1.5.	% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	New	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	RO	RO	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	30% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	10% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	10% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development	
Budgeted									RO	-	-	-	-	-	-	-					
Unit of Measure: % (Non-Cumulative)																					
YTD: Year to Date																					
Strategic	PRIORITY: SUSTAINABLE SERVICE DELIVERY																				

Interventions	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster	
								CAP EX R/M	OP EX R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To ensure compliance to the regulatory framework 																					
1.6.	% Percentage of valid invoices paid within 30 days of invoice date	New	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	R0	R0	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	100% Percentage of valid invoices paid within 30 days of invoice date	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development	
Budgeted spent (Non-cumulative)									-	-	-	-	-	-	-	-					
Unit of Measure: %																					
YTD: Year to Date																					



Strategic interventions	PRIORITY: SUSTAINABLE SERVICE DELIVERY																			
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster
								CAPEX R/M	OPEX R/M	Q1	Q2	Q3	Q4	Target	Actual					
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Provide a Resilient and Premier Trading Facility by June 2027 																				
1.7.	% spent on capital budget against approved capital budget	86.2 % spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	R150.3 M	0	25% spent on capital budget against approved capital budget	50% spent on capital budget against approved capital budget	75% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	25% spent on capital budget against approved capital budget	24.3% spent on capital budget against approved capital budget	24.3% spent on capital budget against approved capital budget	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development
Budgeted CAPEX spent (Cum)								R150.3 M	0	R37,6M	R75.2	R112.7	R150.3 M	R37,6M	R36.5M	R36.5M				
Unit of Measure: %																				
YTD: Year to Date																				

Strategic interventions	PRIORITY: JOB OPPORTUNITY AND CREATION																				
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster	
								CAP EX R/M	OP EX R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome; An Inclusive, Job-Intensive, Resilient, Competitive And Smart Economy JM Strategic Objective: To Expand Opportunities to Historically Disadvantaged Groups 																					
2.1	Number EPWP job opportunities created	118 EPWP job opportunities created	70 EPWP job opportunities created	75 EPWP job opportunities created	80 EPWP job opportunities created	85 EPWP job opportunities created	90 EPWP job opportunities created	0	R5.2m	0 EPWP job opportunities created	10 EPWP job opportunities created	20 EPWP job opportunities created	40 EPWP job opportunities created	0 EPWP job opportunities created	0 EPWP job opportunities created	0 EPWP job opportunities created	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development	
Budgeted spent on Job creation									R5.2m	R0	R0.74m	R1.5m	R5.2m	R0	R0	R0					
Unit of Measure: % (cum)																					
YTD: Year to Date																					
NT MFMA Circular 88 Imperative: CoJ SDBIP																					

Strategic interventions	PRIORITY: SUSTAINED ECONOMIC GROWTH																				
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster	
								CAPEX R/M	OPEX R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome; An Inclusive, Job-Intensive, Resilient, Competitive And Smart Economy JM Strategic Objective: To Expand Opportunities to Historically Disadvantaged Groups 																					
2.2.	(2.1) Number of SMME's supported	New	75 SMME's supported	85 SMME's supported	95 SMME's supported	110 SMME's supported	115 SMME's supported	R0	R0	10 SMME's supported	25 SMME's supported	45 SMME's supported	75 SMME's supported	10 SMME's supported	21 SMME's supported	21 SMME's supported	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development	
		Budgeted spent on Job creation							-	-	-	-	-	-		-					
		Unit of Measure: % (cum)																			
		YTD: Year to Date																			
		NT MFMA Circular 88 Imperative: CoJ SDBIP																			

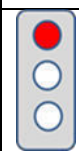
Strategic interventions	PRIORITY: GOOD GOVERNANCE																			
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster
								CAPE X R/M	OPE X R/M	Q1	Q2	Q3	Q4	Target	Actual					
<ul style="list-style-type: none"> GDS Outcome: A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Ensure Compliance with Regulatory Framework 																				
3.1	% Percentage resolution of AG findings	98% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	0	0	80% resolution of AG findings	100% resolution of AG findings	50% resolution of AG findings	100% resolution of AG findings	80% resolution of AG findings	0% ¹ resolution of AG findings	0% resolution of AG findings	AGSA audit letter	Internal Audit	JM: M&E & Strategy	Economic Development
Budgeted spent									-	-	-	-	-	-	-					
Unit of Measure: % (Cumulative)																				
YTD: Year to Date																				

¹ All external audit findings for the 2021/22 financial year were resolved. A new summary of audit findings for the 2023 FY will be drafted for the findings issued by the AGSA by 31/11/2023 and will be followed up for the remainder of the 2023/24 financial year.

Strategic interventions	PRIORITY: GOOD GOVERNANCE																				
	KPI	Baseline (Audited 2020/21)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster	
								CAPE X R/M	OPE X R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Ensure Compliance with Regulatory Framework 																					
3.2.	% resolution of Internal Audit findings	85% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings	RO	RO	10% resolution of Internal Audit findings	30% resolution of Internal Audit findings	70% resolution of Internal Audit findings	100% resolution of Internal Audit findings	10% resolution of Internal Audit findings	0% ² resolution of Internal Audit findings	0% resolution of Internal Audit findings	JM audit reports	Internal Audit	JM: M&E & Strategy	Economic Development	
Budgeted spent on internal auditing									-	-	-	-	-	-	-	-					
Unit of Measure: % (Cum)																					
YTD: Year to Date																					

² All Internal audit findings for the 2021/22 financial year were resolved. A new summary of Internal Audit findings for the 2023 FY is currently being drafted and will be followed up for the remainder of the 2023/24 financial year.

Strategic interventions	PRIORITY: GOOD GOVERNANCE																				
	KPI	Baseline (Audited 2020/21)	Target 2023/24	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster	
								CA PEX R/M	OP EX R/M	Q1	Q2	Q3	Q1	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome: A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Ensure Compliance with Regulatory Framework 																					
3.3	% Percentage implementation of the strategic risk management action plan findings resolved	New	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	0	0	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	57% implementation of the strategic risk management action plan findings resolved	57% implementation of the strategic risk management action plan findings resolved	JM audit reports	Internal Audit	JM: M&E & Strategy	Economic Development	
Budgeted spent on internal auditing																					
Unit of Measure: % (Cum)																					
YTD: Year to Date																					



Strategic interventions	PRIORITY: GOOD GOVERNANCE																			
	KPI	Baseline (Audited 2020/21)	Target 2023/24	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster
								CAP EX R/M	OP EX R/M	Q1	Q2	Q3	Q1	Target	Actual					
<ul style="list-style-type: none"> GDS Outcome: A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Ensure Compliance with Regulatory Framework 																				
3.4.	% achievement of service standards	New	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	0	0	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	83%	83%	JM audit reports	Internal Audit	JM: M&E & Strategy	Economic Development
Budgeted spent on internal auditing																				
Unit of Measure: % (Non-Cumulative)																				
YTD: Year to Date																				
STDS: Standards																				

Table 17: Performance against Predetermined Objectives

Section 4: Performance against Service Standards

Joburg Market achieved 83% of its Services Level Standards for Quarter 1 2023/24 performance. Five (5) of the seven (6) measured SLS KPIs were achieved.

The achieved KPIs are:

- Opening a new buyer account
- Electronic Sales Processing System disruptions
- Time to resolve cashiering queries when clients are depositing money.
- Repairs of infrastructure facilities
- Cold Room facilities

The unachieved KPIs are

- Repairs to ripening facilities

Joburg Market's Service Level Standard summary performance for the Quarter 1 2023/24:

JOBURG MARKET SERVICE LEVEL STANDARD PERFORMANCE REPORTING CYCLE: QUARTER 1 SEPTEMBER 2023						
PERFORMANCE STATUS	ASSESSMENT	JULY	AUGUST	SEPTEMBER	QUARTER 1	YEAR TO DATE
Target Achieved		5	5	5	5	5
Target not achieved		1	1	1	1	1
Total number of KPIs		6	6	6	6	6
Total number of KPIs measured		6	6	6	6	6

Table 18: Joburg Water SLS Performance

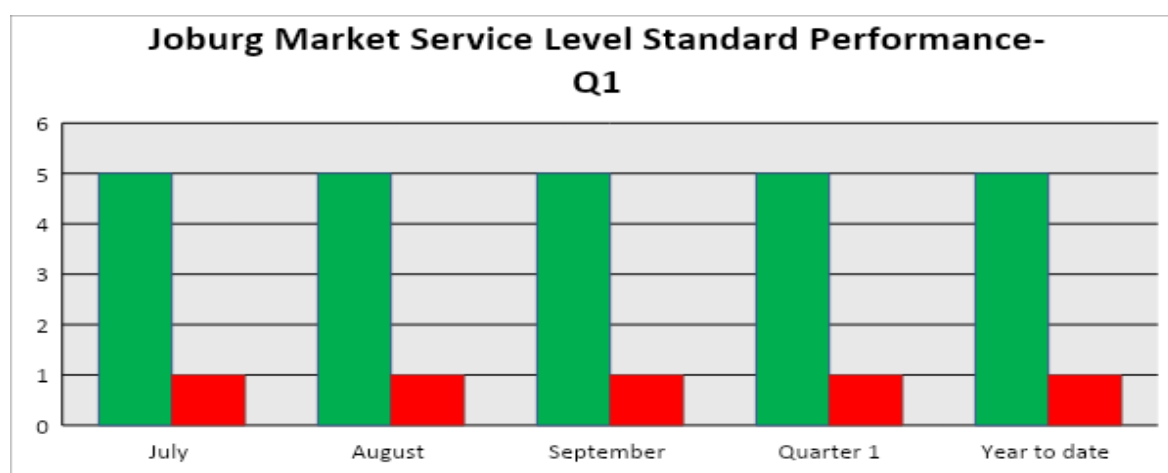


Figure 12: Joburg Market SLS Performance

NO	CORE SERVICE	SERVICE LEVEL STANDARD TARGET	JULY 2023	AUGUST 2023	SEPTEMBER 2023	QUARTER 1
1	Opening a new buyer account	20 minutes	1.66 minutes average	1.78 minutes average	2.22 minutes average	1.88 minutes average
2	Electronic Sales Processing System disruptions	Mirror/back-up 12w system to go live: within 55 minutes	No-downtime recorded in July 2023	No-downtime recorded in August 2023	No downtime recorded July to August 2023	No downtime recorded for Quarter 1
3	Time to resolve cashiering queries when clients are depositing money.	Resolution of depositing queries within 30 minutes.	14.44 minutes average	1.63 minutes (average)	1.63 minutes (average)	5.9 minutes
4	Repairs of infrastructure facilities	Commencement with repairs process on reported infrastructure breakdown within 24 hours	100%	100%	100%	100%
5	Repairs to ripening facilities	90% Availability	67%	67%	67%	67%
6	Cold Room facilities	Average temperature variance not greater than 2°C of agreed customer requirements	2.61°C	2.78°C	3.48°C	2.95°C

Table 19: Monthly SLS Performance

Summary of the overall performance for the first quarter under review achieved at 83%







NO	CORE SERVICE	SERVICE LEVEL STANDARD TARGET	ACTUAL	EVIDENCE	VERIFIED ACTUAL*	VARIANCE	VARIANCE EXPLANATION	MITIGATIONS / COMMENTS	REFERENCE TO EVIDENCE
1	Opening a new buyer account	20 minutes	1.88 minutes average	SPS Report	No	18.12 minutes favourable		The Service Level Target was successfully met.	Account Creation Report
2	Electronic Sales Processing System disruptions	Mirror/back-up 12w system to go live: within 55 minutes	No downtime recorded for Quarter 1	Data base Report	No	0 favourable		The Service Level Target was successfully met	Oracle Data Report
3	Time to resolve cashiering queries when clients are depositing money.	Resolution of depositing queries within 30 minutes.	5.9 minutes	SPS Report	No	24.1 favourable		The Service Level Target was successfully met.	Cashier Turn-around Time Report
4	Repairs of infrastructure facilities	Commencement with repairs process on reported infrastructure breakdown within 24 hours	100%	Work Order Sheet	No	0 favourable		Work orders were attended to as soon as they were reported for repairs.	Core Operations Summary Report
5	Repairs to ripening facilities	90% Availability	67%	Daily Monitoring summary report	No	23%	** 	The Service Level Target was not met.	Core Operations Summary Report
6	Cold Room facilities	Average temperature variance not greater than 2°C of agreed customer requirements	2.95°C	Average Set Daily Temperature Reading	No	0.95°C		There is constant monitoring of temperature variation.	Core Operations Summary Report

Table 20: Summary of the overall performance for the First quarter

** Mitigation: JM is in a process of appointing service provider to service and repair 19 rooms in order to achieve the required produce storage temperatures

Section 5: Stakeholder Engagements and Marketing Activities

STAKEHOLDER	ENGAGEMENT ACTIVITY	OUTCOME / RESULTS
<p>International Fresh Produce Association August 2023</p>	<p>IFPA Annual Conference 2023: Joburg Market attended the International Fresh Produce Association conference, in Cape Town, and had an exhibition stand, meeting JM's key stakeholders, particularly the industry CEOs, as well as farmers such as Knaapdaar Farm, next to Ceres, in the Western Cape</p>	
<p>Gauteng Growth and Development Agency (GGDA) and the COJ Department of Economic Development (DED). September 2023</p>	<p>A delegation from Chad was for a market tour. This event was organized in collaboration with the Gauteng Growth and Development Agency (GGDA) and the COJ Department of Economic Development (DED)</p>	
<p>MMC Mnisi's Snake-Park Gardening Project</p>	<p>Marketing team joined other entities and Regional officials to plan for media coverage of the event and the staging of the day's activities, including the issuing out of vegetable parcels which were to be distributed later in the programme</p>	

STAKEHOLDER	ENGAGEMENT ACTIVITY	OUTCOME / RESULTS
<p>Farm visit – Knaapdaar Farm</p>	<p>A farm-visit was arranged to visit Knaapdaar Farms in Ceres – about 300kms away from Cape Town.</p>	
<p>Alex Women’s Day event</p>	<p>The Marketing and Communications department was requested to do branding and operate an exhibition stand at a Women SMME celebration at Altech Cricket stadium in Alexandra, north Johannesburg.</p>	
<p>Alexandra Gardening project</p>	<p>The Marketing & Communication department provided branding and exhibit at Alexandra wherein MMC for Economic Development, Cllr Nomoya Mnisi was reviving a food gardening project, as well as visiting Ithlokomeleng Old Age Home, making vegetable-parcel donations, and Bombani Shelter for Abused Women and children, which were also provided with vegetable-parcel donations.</p>	
<p>South African Youth Economic Council (SAYEC)</p>	<p>The Marketing & Communication department in a partnership with the South African Youth Economic Council (SAYEC) in order to implement a Gala Dinner, inviting Economic Development stakeholders, with a programme that was to be presided by the Deputy President of the Republic of South Africa, H.E. Deputy President Paul Mashatile, on the 26th September 2023.</p>	

Section 6: Response to Strategic Direction

This section should provide how the Joburg Market responded to the strategic objectives for the quarter under review and strategic alignment to the Mayoral Priorities.

GDS 2040 OUTCOMES	GDS OUTPUT	MAYORAL PRIORITIES	JM STRATEGIC OBJECTIVES	Q1 PROGRESS REPORT
1. Provide a resilient, liveable and sustainable urban environment - underpinned by smart infrastructure supportive of a low-carbon economy	<ol style="list-style-type: none"> 1. Sustainable and integrated delivery of water 2. Sustainable and integrated delivery of sanitation 3. Sustainable and integrated delivery of energy 4. Sustainable and integrated delivery of waste 5. Improved eco-mobility 6. Sustainable human settlements 7. Climate change resilience and environmental protection 	<ul style="list-style-type: none"> • Green economy • Infrastructure development 	<ul style="list-style-type: none"> • Energy Generation through organic waste conversion • Public trust in JM as food source • Transformation in fresh produce market operating practices • JM becoming a fresh produce market leader in innovation relevant to fresh produce 	<p>- JM was able to grow its market share to 46.12% which represents a substantially better growth rate than its counterpart markets in turnover.</p> <p>The capex budget for 2023/2024 financial year allocated for JM was R150 328 000, 00. The total expenditure to date is R29 581 083.4 representing 19.68% expenditure.</p>
2. Improved quality of life and development-driven resilience for all.	<ol style="list-style-type: none"> 1. Reduce poverty and increase productivity 2. Food security that is both improved and safeguarded 3. Access to knowledge and lifelong learning 4. A society characterised by healthy living for all 5. A safe and secure city 6. A city characterised by social inclusivity and enhanced social cohesion 	<ul style="list-style-type: none"> • Safer city 	<ul style="list-style-type: none"> • Clean air and safe food • Food safety assurance • Enhanced JM market site safety on Covid-19 controls • Safe marketplace • JM achieve compliant market facilities and services • 	<p>- Product samples are taken from the trading floor for laboratory testing to evaluate food safety risk and raise awareness with farmers where a food safety risk is considered.</p>

GDS 2040 OUTCOMES	GDS OUTPUT	MAYORAL PRIORITIES	JM STRATEGIC OBJECTIVES	Q1 PROGRESS REPORT
3. An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.	<ol style="list-style-type: none"> 1. Job-intensive economic growth 2. Promotion and support to informal and micro businesses 3. Increased competitiveness of the economy 4. A „Smart“ City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross cutting output) 	<ul style="list-style-type: none"> • Smart city • Sustainable economic development • Job opportunity and creation 	<ul style="list-style-type: none"> • Job creation through improved economic development opportunities at Joburg Market environment • Continued produce supply and smart trading ensuring uninterrupted food supply to the community • Johannesburg Market a Smart Market with enhanced service efficiencies and productivity • Smart and effective service delivery maintained as the norm 	<p>- JM successfully contributed to the creation of 21 jobs through Small, Medium, and Micro Enterprises (SMMEs), and 8 internship opportunities.</p> <p>- The organization maintained a 100% compliance with Broad-Based Black Economic Empowerment (BBB-EE) spending, exemplifying its dedication to promoting economic transformation and inclusivity.</p>
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive	<ol style="list-style-type: none"> 1. Partnerships, intergovernmental & international relations 2. A responsive, accountable, efficient and productive metropolitan government 3. Financially sustainable and resilient city 4. Meaningful citizen participation and empowerment 5. Guaranteed customer and citizen care and service 	<ul style="list-style-type: none"> • Good governance • Financial sustainability • Active and Engaged 	<ul style="list-style-type: none"> • Meaningful state-society engagement • Well informed and confident users of the JM and its services • Efficient market systems and services maximizing user satisfaction and trust 	<p>- There has been improvement in the resolution of audit findings with an 100% achievement for both AG and Internal audit findings</p> <p>- The magnitude of JM’s position in the fresh produce industry is illustrated by the total turnover generated by the market of R2.81 billion which is 22.5% above the budget of R2.29 billion</p> <p>-The company achieved improved financial</p>

GDS 2040 OUTCOMES	GDS OUTPUT	MAYORAL PRIORITIES	JM STRATEGIC OBJECTIVES	Q1 PROGRESS REPORT
Gauteng City Region				performance with an R37.9 million profit after tax delivering a 39.2% growth against a targeted surplus of R27.3 million. Revenue of R163.0 million was produced against a budget of R158.1 million

Table 21: Joburg Market responded to the strategic objectives for quarter 1

CHAPTER FOUR: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

Section 1: Employee Remuneration

Personnel costs are recorded at R56.m compared to the budget of R51.5m which amount to over budget of R4.5m (8.7%) due to HR in the process of filling vacant posts.

ELEMENT	Q1 ACTUAL	YEAR TO DATE
Employee cost	R56 037 243	R56 037 243
Budget	R51 564 250	R51 564 250
Employee cost of the % of the budget	44.6%	44.6%

Table 22: Employee Costs for Quarter one

Staff cost versus Opex

Based on the Employee Cost and Total Operating Expenditure budgets for 2023/24, the total employee cost as a percentage of total Operating Expenditure is 44.6%. The overall percentage for Quarter 1 and YTD against the quarterly budget is as per the table below:

ELEMENTS	QUARTER 1	YTD
Employee Cost	R56 037 243	R56 037 243
Total Opex	R125 584 144	R125 584 144
% of employee cost to Opex	44.6%	44.6%
Variance	8.7%	8.7%

Table 23: Employee Costs versus Total Opex

Section 2: Key Variables

2.1: Turn over

2.1.1. Quarterly Turnover rates for FY 2023/24

Quarterly	Total Appointments per Quarter	Terminations per Quarter	Turnover rate per Quarter
	No.	No.	%
Q1	50	7	14
Total	50	7	14

Table 24: Quarterly Turnover rates for F2023/24

2.1.2. Annual Staff Movements for 2023/24:

STAFF MOVEMENTS	AFRICAN		COLOURED		INDIAN		WHITE		TOTAL
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
Appointments	14	32	2	1			1		50
Internal Appointments (upward mobility)	0	0	0	0	0	0	0	0	0
Dismissals	0	0	0	0	0	0	0	0	0
Retirements	0	0	0	0	0	0	1	0	1
Contract Expired	0	0	0	0	0	0	1	0	1
Resigned	1	0	1	0	0	0	0	0	2
Deceased	1	1							2
Medical Board	0	0	0	0	0	0	0	1	1
Transfers	0	0	0	0	0	0	0	0	0
TOTAL	16	33	3	1	0	0	3	1	57

Table 25: Annual Staff Movements for 2023/24

Section 3: Employment Equity

3.1. Employment Equity Demographics Status for Period under Review as at 23/09/2023

The table above reflects the Employment Equity Demographics status which includes the 69 insourced cleaners on the payroll of the CoJ.

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	1	0	0	0	0	1
Senior Management	2	0	0	0	0	1	0	0	0	0	3
Professionally qualified and experienced specialists and mid-management	10	2	1	4	7	0	0	2	0	0	26
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	47	1	1	2	47	3	1	7	0	0	109

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Semi-skilled and discretionary decision making	67	2	1	3	76	5	0	4	0	0	158
Unskilled and defined decision making	81	3	0	0	82	1	0	0	0	0	167
TOTAL PERMANENT	207	8	3	9	212	11	1	13	0	0	464
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	207	8	3	9	212	11	1	13	0	0	464

Table 26: Employment Equity Demographics status

Definition of occupational levels is aligned to job grade in terms of the EEA9 from the Dept. of Labour:

Top Management = Grade F (CEO); Senior Management = Grade E (Executive Managers); professionally qualified and mid-management = Grade D (Managers below Executives); Skilled technical and academically qualified workers = Grade C (Specialist workers); Semi-skilled and discretionary decision making= Grade B; And Unskilled and defined decision making = Grade A.

3.2. EE Targets vs Actuals:

OCCUPATIONAL LEVELS	TARGET TO BE ACHIEVED BY JUNE 2027 (THIS TARGET IS SET IN THE 5 YEAR EE PLAN 2022-2027)									STATUS AS @ SEPTEMBER 2023								
	MALE				FEMALE				TOTAL	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W		A	C	I	W	A	C	I	W	
Top Management	0	0	0	0	0	1	0	0	1	0	0	0	0	0	1	0	0	1
Senior Manager	2	0	0	0	1	1	1	0	5	2	0	0	0	0	1	0	0	3
Mid Manager / Professional	12	2	1	5	16	0	1	2	39	10	2	1	4	7	0	0	2	26
Skilled Tech / Junior Manager	55	1	1	8	57	3	1	9	135	47	1	1	2	47	3	1	7	109
Semi-Skilled	70	2	1	6	74	4	1	5	163	67	2	1	3	76	5	0	4	158
Unskilled	78	4	1	9	77	4	1	0	174	81	3	0	0	82	1	0	0	167
TOTAL	217	9	4	28	225	13	5	16	517	207	8	3	9	212	11	1	13	464

Table 27: EE targets as at Q1 2023/24 The EE status includes 69 insourced cleaners who are on CoJ payroll

Section 4: Local Labour Forum

The EE forum meeting was held in the quarter under review. Critical subject for discussion was the implementation of the Politically Facilitated Agreement.

Section 5: Staff Establishment

DESCRIPTION	2023/24			
	APPROVED NO. OF POSTS	NO. OF EMPLOYEES	NO. OF VACANCIES	% OF VACANCIES
Top management	1	1	0	0
Executive management	5	3	2	40
Middle management	39	26	13	33
Skilled technical/junior management	135	109	26	19
Semi-skilled	163	158	5	3
Unskilled housekeepers/cleaners	174	167	7	4
Total	517	464	53	10

Table 28: Staff Establishment. The numbers in this table excludes the 69 insourced cleaners on CoJ payroll. These employees are not on JM organisational structure even though permanently placed at JM.

Filing of the vacant Senior Positions:

- The recruitment process and selection process for the Chief Risk Officer position was concluded and the successful candidate will start working on the 1st November 2023.
- The recruitment process for the Executive Manager: Strategy, Planning and Transformation has been brought to a halt due to the poor quality of applications received. The position will be re-advertised.
- The recruitment and placement of fifteen (15) Graduates for an eighteen (18) month Internship programme has been concluded in quarter 1.
- The recruitment and selection process for eight (8) Interns has also been completed and the new recruits will commence work in quarter 2.

Section 6: Skills Development and Training

The report on learning and development interventions covers the following:

OCCUPATIONAL LEVEL	MALES				FEMALES				TRAINING INTERVENTION	AMOUNT (R)
	A	I	C	W	A	I	C	W		
Top Management	0	0	0	0	0	0	0	0		0
Senior Management	0	0	0	0	0	0	0	0		0
Middle management	0	0	0	0	0	0	0	0		0
Skilled Technical	0	0	0	0	1	0	0	0	Medical Dispensing Training	4 200
Semi-Skilled	2	0	0	0	1	0	0	1	Records and Information Management	55 996
Semi-Skilled	2	0	0	0	1	0	0	0	Forklift Training	16 181
Unskilled	2	0	0	0	1	0	0	0	Clean and Maintain Work Area	13 500
Unskilled	0	0	0	0	1	0	0	0	First Aid Level 3	2 310
Total Beneficiaries	6	0	0	0	5	0	0	1	12	92 187

Table 29: skills development and training for Q1

Conferences:

OCCUPATIONAL LEVEL	MALES				FEMALES				TRAINING INTERVENTIONS	AMOUNT (R)
	A	I	C	W	A	I	C	W		
Top Management	0	0	0	0	0	0	0	0		0
Senior Management	1	0	0	0	0	0	0	0	3 rd Annual Employee Mental Health	10 499
Senior Management	1	0	0	0	0	0	0	0	SAIA Hybrid Conference	14 950
Middle Management	0	0	0	0	1	0	0	0	3 rd Annual Employee Mental Health	8 499
Middle Management	0	0	0	0	0	0	0	0		0
Skilled Technical	1	0	0	0	2	0	0	0	SAIA Hybrid Conference	44 850
Skilled Technical	1	0	0	0	1	0	0	0	3 rd Annual Employee Mental Health	10 998
Semi-Skilled	0	0	0	0	3	0	1	2	PA, Secretary Administrator Seminar	89 994
Semi-Skilled	1	0	0	0	0	0	0	0	3 rd Annual Employee Mental Health	10 499
Unskilled	0	0	0	0	0	0	0	0		0
TOTAL BENEFICIARIES	5	0	0	0	7	0	1	2	15	190 289

Table 30: Conference attendance for Q1

Subsidised Study Assistance:

OCCUPATIONAL LEVEL	MALES				FEMALES				TRAINING INTERVENTION	AMOUNT (R)
	A	I	C	W	A	I	C	W		
Top Management	0	0	0	0	0	0	0	0		0
Senior Management	0	0	0	0	0	0	0	0		0
Middle management	1	0	0	0	0	0	0	0	PGD: General Management	49 322
Middle management	0	0	0	0	1	0	0	0	Professional Competency Programme	13 984
Skilled Technical	1	0	0	0	0	0	0	0	HC: Business Management	14 100
Semi-Skilled	1	0	0	0	2	0	1	0	Bachelor of Public Administration	105 307
Semi-Skilled	0	0	0	1	0	0	0	0	HC: Business Management	25 200
Semi-Skilled	0	0	0	0	1	0	0	0	BCom: Accounting	25 900
Semi-Skilled	1	0	0	0	0	0	0	0	Cert: Digital Marketing	16 790
Semi-Skilled	0	0	0	0	1	0	0	0	HC: Marketing Management	10 450
Semi-Skilled	0	0	0	0	1	0	0	0	ND: Local Government Management	16 653
Semi-Skilled	0	0	0	0	1	0	0	0	PGD: Business Administration	39 877
Unskilled	0	0	0	0	0	0	0	0		0
TOTAL BENEFICIARIES	4	0	0	1	7	0	1	0	13	317 583

Table 31: Sub-Ed Assistance for Q1

Section 7: Training and Development Projects to be implemented in F2023/24

- The Skills Audit was concluded in the previous quarter and the management at JM is currently planning for the implementation plan of the recommendations.
- There is an Artisan Apprentice Learnership programme scheduled to be rolled out for Artisan, this intervention targets 10 permanent employees for upskilling.
- The JM Youth Desk was honoured to have its Chairperson nominated to attend the 'United Nations Best Diplomats Simulation Conference' which hosted in Malaysia from 13 to 16 July 2023. Sandile Ngwenya, employed at the Market within the Consignment business

unit, represented South Africa and scooped the Award for showcasing outstanding Negotiations and Leadership skills.

Section 8: Performance Management and HR Projects

- The performance assessments for 2022/23 are underway and are in the process of being completed.
- The 2023/24 FY performance agreements are being finalised.
- The company is in the process of appointing a service provider to conduct the Organisational Design (Work Study) aimed at reviewing the Organisational structure and Job profiles for the entire staff
- The Joburg Market has applied and been accepted in the Top Employers' certification programme. The Top Employers' programme is aimed at measuring/benchmarking the organisational employee practices against the global HR best practices through the audited survey. The participating employer stands to be certified Top Employer or Employer of Choice if it scores 60% and above in terms of meeting the HR best practices.
- Nelson Mandela Day- On this day, Joburg Market Youth chose to dedicate their 67 minutes of service by spending time with the children at St Mary's Home in Rosettenville; each child was given a fleece blanket and also donated enough toiletries, sanitary wear and snacks.

Section 9: Disciplinary Matters and Outcomes

a. Internal Disciplinary Cases

Three disciplinary cases were concluded during this period:

PENDING INTERNAL DISCIPLINARY CASES IN Q1	THE MATTER/TRANSGRESSION	PROGRESS/OUTCOMES
1. Senior Financial Controller	<ul style="list-style-type: none"> • The employee was charged for gross negligence and contravention of JM policy. 	<ul style="list-style-type: none"> • All parties have submitted/presented their evidence. The closing statements will be submitted on 4th August 2023. • We await an outcome from the chairperson for the matter to be closed.
2. Procurement Officer	<ul style="list-style-type: none"> • The employee was charged for contravening the Supply Chain Management 	<ul style="list-style-type: none"> • The employee filed a recusal application (point <i>in limine</i>) in the matter, for the recusal of the chairperson. The Chairperson has recused himself. JM is in the process

PENDING INTERNAL DISCIPLINARY CASES IN Q1	THE MATTER/TRANSGRESSION	PROGRESS/OUTCOMES
	process.	of appointing another chairperson.
3. Senior Manager: SCM	<ul style="list-style-type: none"> The employee was charged for contravening the Supply Chain Management process. 	<ul style="list-style-type: none"> The employee was placed on suspension on 30 June 2020. Suspension lifted and the employee reported for duty on the 2nd May 2023. We are still awaiting the final GFIS investigation report to commence with the disciplinary enquiry.
4. Chief Executive Officer	<ul style="list-style-type: none"> The employee was charged for contravening the Supply Chain Management process. 	<ul style="list-style-type: none"> Employee was placed on suspension on 6 May 2021. The case was referred to GFIS for investigation. The employee was charged with contravening the Supply Chain Management processes. The disciplinary enquiry was held on the 15th June 2023. <i>Status: The matter could not finish and is continuing.</i>

Table 32: disciplinary cases concluded in Q1

b. Bargaining Council Cases:

There was one labour case at the Bargaining Council. The case has been settled. There are currently no cases at Bargaining Council

c. Labour Court Cases

JM currently has three (3) labour cases before the Labour Court.

- **Property Administrator:** The employee was dismissed for dishonesty. The employee referred the case for unfair dismissal to SALGBC. The employee lost the arbitration on 4 February 2019. Subsequently, the employee served JM with the Labour Court review papers in February 2021. Due to the employee's late review application, the employee filed for a condonation application, which was opposed by JM on 29 April 2021. **Status: the case is set down for the 10th October 2023.**
- **Executive Strategy and Transformation:** The employee resigned from JM on 18 January 2018 and referred a case of Constructive Dismissal to the SALGBC. The employee lost the contractive dismissal case on 9 May 2019. Furthermore, the employee served JM with a Labour Court review

application. JM opposed the application on 25 February 2021. **Status: No new movement is recorded for this case**

- **Security Officer:** The employee referred an Unfair Discrimination case that related to Equal Pay for Work of Equal Value to CCMA for Arbitration. The CCMA ruled in favour of JM in September 2016. The employee subsequently filed a review application with the Labour Court challenging the CCMA award. The employee has been changing attorneys and this has significantly delayed the finalisation of this matter. **Status: No new movement is recorded for this case.**

Section 10: Leave & Productivity Management

10.1: Leave Analysis – Quarter 1 (FY23/24):

TYPE OF LEAVE	JUL-23	AUG-23	SEP-23	TOTAL
Annual Leave	907.32	378.39	284	1569.71
Sick Leave	202.07	199.44	137	538.51
Family Responsibility Leave/Parental	13.06	29.08	24	66.14
Study Leave/ Exam	19	5	17	41
Leave Sold	65	226	59	350
Long Service	55	18	40	113
Maternity	0	0	0	0
Special	0	0	0	0
Unpaid	4	0	0	4
IOD	1	1	0	2
TOTAL	1266.45	855.91	561	2684.36

Table 33: Leave Analysis. The table above indicates the number of leave days either taken or sold captured in the payroll system. The reason for decimals in the number of days is a result of the annual leave system design in the payday system.

Section 11: Employee Wellness

a) Employee Health management and administration

- The Clinic has seen a total number of 814 patients in this quarter with a total of 867 conditions attended to.
- The number one cause of clinic consultations is people with respiratory problems , followed by musculo-skeletal problems and the third place is gastro-intestinal conditions,

- The patients with chronic conditions add to the total conditions attended as they present with multiple organ symptoms.
- The employees who came for Family planning has dramatically increased to 96 and received their contraceptives both oral and intramuscular injections. The EPWP beneficiaries are the biggest contributor to this increase as most of them are of child bearing years.
- The number of injuries has decreased to 1 IOD which was a first aid case treated in the Clinic.
- The medical surveillance programme has attended to 76 employees for the quarter.
- There were no Covid-19 tests were conducted or reported for this quarter

b) Employee Wellness Assistant

- **Retirees:** JM has seven (7) employees retiring. Of the seven, one (1) is retiring on the 30th September 2023 whereas the other six are retiring on the 31st December 2023. In terms of JM culture, as a courtesy to show appreciation to retiring employees, the company arranges a mini farewell function in the next quarter before the actual departure.
- There were two bereavements that befell JM in this quarter. **The company provided much needed support to the two families.**
- In support of the physical fitness of the employees, JM held the sporting games on the 16th September 2023. The company hosted Wildeklaawer, one of the biggest JM farmers, the producer and supplier of Onions. The tournament consisted of different sport activities and the floating trophies were awarded to the winners.
- On the 27th September 2023 there was a blood drive with JM patrons and employees donating blood.
- A Wellness Day will be held from 10th October to 13th October 2023 with different service providers. These service providers will provide free screening and chargeable services where treatment is required. As part of the package offering the following specialists will also be on-site: Podiatrist, Optometrist, Dentist, Dietician, Physiotherapist, and Orthoptist.
- JM is partnering with Old Mutual in running Financial Management Sessions with a focus on:
 - how to manage your money,
 - how to budget/invest, and
 - understanding the types of marriage contracts,

Section 12: Employee Benefits

12.1 Retirement Funds

JM's policy requires that all its employees are members of the retirement fund; and. JM currently has two retirement funds - City of Johannesburg Pension Fund and E-Joburg Retirement Fund with the following number of members:

PENSION/RETIREMENT FUND	MEMBERS
City of Johannesburg Pension Fund	7
E-Joburg Retirement Funds	392 plus 68 insured

Table 34: Pension Fund

12.2. Medical Aid Schemes:

There are three medical aid schemes on offer to JM employees, with a breakdown below on the number of employees on each scheme:

MEDICAL AID SCHEMES	MEMBERS
1. Bonitas	297
2. Discovery Health	33
3. LA Health	11

Table 35: Medical Aid Schemes

12.3. Housing Allowances:

The following are the housing allowances in operation within JM:

- Housing: 93 beneficiaries
- *Gap: 13 beneficiaries

*GAP Market employees are defined as employees whose income is regarded as too low to access bank funded housing finance (mortgage finance), but too high to qualify for the national government's free-basic housing subsidy scheme. This is regulated in terms of the SALGBC collective agreement reached from time to time at the Bargaining Council.

Section 13: Occupational Health & Safety Programmes

This section should provide the quarterly status and programmes relating to Occupational Health and Safety.

10.1 SHE Highlights

- Medicals done for all 45 New General Workers
- Fire Fighting Equipment service provider appointed and project kicked off.
- Service provider for creating a specification for replacing and repairing Fire Fighting Equipment appointed.
- Deep Cleaning done at Unity Market
- Monitoring of identified findings of HIRA is in progress
- 2nd Phase of PPE presented at BAC
- Fumigation and Decontamination ongoing and done by JM Staff
- Scrubbing of common areas ongoing
- Seven SHE Files assessed and approved for Q1
- Consultations for Duty Roster for Cleaners started

10.2. SHE Opex and Capex for Quarter 1

NAME OF SERVICE PROVIDER	TYPE OF PROJECT	BUDGET AMOUNT CAPEX	BUDGET AMOUNT OPEX	SPEND TO DATE	PROJECT MILESTONE
Panel of Service Providers	PPE project		R5 000 000.00	R1 081 923.75	Below PPE for Phase 1 was distributed <ul style="list-style-type: none"> • Freezer Suits • Conti Suits • Safety Boots • Gumboots Phase 2 was presented at BAC.

NAME OF SERVICE PROVIDER	TYPE OF PROJECT	BUDGET AMOUNT CAPEX	BUDGET AMOUNT OPEX	SPEND TO DATE	PROJECT MILESTONE
Panel of Service Providers	Health PPE		R1 820 349.00	R1 331 503.00	An appointed panel of service contractors still running contract will expire 28 February 2024.
Botsengkwala Hygiene Services	Hygiene services	R3 000 000.00		R1 644 392.56	Project still on-going
Service Provider	Evacuation Services		R200 000.00	Project has not kick-off as yet	RFQ to be re-advertised
Bidvest Steiner	<ul style="list-style-type: none"> Rodent Control 		<ul style="list-style-type: none"> R673 723.69 	<ul style="list-style-type: none"> R70 196.76 	<ul style="list-style-type: none"> Monthly service ongoing.
Royal Pest Management	<ul style="list-style-type: none"> Insect & Weed 		<ul style="list-style-type: none"> R1 049 281.81 	<ul style="list-style-type: none"> R81 995.00 	<ul style="list-style-type: none"> Monthly service ongoing.
Bizzy Fire Control (PTY) LTD	Servicing Fire Fighting Equipment		R200 000.00	Project kicked off during September 2023	Areas Serviced Main Building
Bizzy Fire Control (PTY) LTD	Creating specification for replacing and repairing Fire Fighting Equipment		R200 000.00	Service provider appointed	Service provider appointed
Total		R3 000 000.00	R9 143 354.00	R4 210 011.07	

Table 36: SHE Opex and Capex for Quarter 1

10.3. Physical Inspection Findings

IUM conducted a fire inspection survey in July 2023; the following findings are being addressed in a phase approach.

NO.	RISK/HAZARD CATEGORY	RISK DESCRIPTION	STATUS
1	Fire	During the time of the survey, it was noted that some fire equipment was damaged. It needs to be ensured that the client have an accredited technician inspect and repair damaged fire extinguishers as per SANS 1475-1	Service Provider appointed to create specification to replace or repair Fire Fighting Equipment.

2		During the time of the survey, fire extinguishers were noted to be removed from the designated areas. It needs to be ensured that all fire extinguishers are wall-mounted in the designated areas as per SANS 10105-1:2005	Service Provider appointed to create specification to replace or repair Fire Fighting Equipment.
3		During the time of the survey, it was indicated on some of the fire hose reels within the fresh produce platforms, “no water” on the fire hose reels. It needs to be ensured that the client informs the fire equipment service provider to check the water flow and pressure in the fire hose reels as per SANS 10105	Service Provider appointed to create specification to replace or repair Fire Fighting Equipment.
No.	Risk/Hazard Category	Risk Description	Status
1		During the time of the survey it was noted that the sprinkler system installed at roof level was not extended through the mezzanine levels. It must be ensured that the sprinkler systems are extended through the mezzanine levels, to prevent the possibility of the sprinkler system being overwhelmed in the event of a fire.	<ul style="list-style-type: none"> • The project is at 70% • Tanks are at 100% • Pump house is at 100% • Piping and installation of pumps is at 81% The phase of the project is estimated to be complete in Q1
No.	Risk/Hazard Category	Risk Description	Status
1		Damaged thermal insulated panelling was noted within the inspected risk. It needs to be ensured that all damaged thermal insulated panelling are replaced by an approved installer as per SANS 10400T 4.41	Works on the ISO-panelling by the service provider is currently at 40%
No.	Risk/Hazard Category	Risk Description	Status
1	Electrical Risks	Several of the distribution boards within the inspected risk were open and had no cover-plate. This exposes the circuits and switches to dust build-up and is a fire and dust explosion risk. It needs to be ensured that all cover plates are installed onto all distribution boards as per SANS 60670-1:2015	Project expected to start in Q2.

Table 37: Physical Inspection Findings

10.4. SHE Lowlights

- There is insufficient Emergency lighting during load shedding or power outages

- JM has not been able to allocate change rooms for insourced and EPWP Staff
- Awaiting approval for the appointment of the two SHE officers
- Demarcation on the platform still a challenge
- Appointed Safety Committee members awaiting training
- Re-claimer between Hall 8 – 9 removed and relocated to designated area
- Most of the manhole drain covers are missing throughout Joburg Market
- Air Conditioners in offices still an issue

CHAPTER FIVE: FINANCE PERFORMANCE RELATED ACTIVITIES

Section 1: Statement of Financial Position and high-level notes

1.1. Short Term Financial Strategy

JM appreciates the fact that its short-term financial goals should be achievable and adaptable to emerging circumstances in the fresh produce industry. As indicated under section 2.1 below 86.5% of JM income is derived from commission. This income source is constantly facing the risk of erosion practises within the value chain and hence JM will in the short term refine its central trading governance and systems to protect its -collection of revenue from this stream. The statement of JM's financial position is tabulated below.

STATEMENT OF FINANCIAL POSITION for the period ended 30 September 2023

	R'000	R'000
	Actual	Actual
	2023 Sept	2023 June
ASSETS		
Non-current assets	621 673	614 664
Property, plant and equipment	584 233	576 707
Investment property	26 703	27 185
Intangible assets	485	520
Deferred tax	10 252	10 252
Current assets	963 254	851 317
Trade and other receivables	103 966	97 667
Loans to shareholders	361 614	220 547
Statutory Receivable	59 250	59 250
Cash and cash equivalents	438 424	473 853
Total assets	1 584 927	1 465 981
NET ASSETS AND LIABILITIES		
Net Assets and Liabilities	1 133 715	1 066 969
Contribution from owner	20 000	20 000
Accumulated funds	1 113 715	1 046 969
Non-current liabilities	13 486	13 486
Employee benefit obligations	2 530	2 530
Deferred tax	10 956	10 956
Current liabilities	437 726	385 526
Trade and other payables	433 103	381 660
Provisions	4 623	3 866
Total equity and liabilities	1 584 927	1 465 981

Table 38: Statement of financial position for the period ended 30 September 2023

1.2: Statement of Financial Position Variance Analysis

- The net increase of R7.5m (1.3%) in PPE is due to capitalization of projects and depreciation for the period.
- Intangible assets decreased by a total of R35k (6.7%) due to the asset amortisation for the period.
- Cash and cash equivalents decreased by R35.4m (7.5%) due to a decrease in the JM cash reserve and buyer's deposit.
- Loan to shareholder increased by R141.1m (63.9%) due to a positive inflow of funds in the first quarter.

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

	Period ended 30 September 2023						
	Actual R '000	Budgeted R '000	Last Year R'000	Variance			
				Actual vs Budget R'000	Actual vs Last Yr R'000	Actual vs Budget %	Actual vs Last Yr %
Turnover	2 911 476	2 297 982	2 344 721	613 494	566 755	26,7%	24,2%
Tonnage	342	358	375	(16)	(33)	-4,6%	-8,8%
Rand/Ton	R 8 510,7	R 6 410,8	R 6 252,7	2 099,8	2 257,9	32,8%	36,1%
Revenue	168 223	158 121	137 983	10 102	30 240	6,4%	21,9%
Expenses	(125 584)	(129 769)	(108 250)	4 185	(17 334)	-3,2%	16,0%
Surplus before interest & tax	42 639	28 352	29 733	14 287	12 906	50,4%	43,4%
Net interest (paid)/earned	15 939	8 236	8 979	7 703	6 960	93,5%	77,5%
Internal Charges	-	-	-				
Surplus before tax	58 578	36 588	38 712	21 990	19 866	60,1%	51,3%
Taxation	-15 816	-9 879	-11 621	(5 937)	(4 195)	60,1%	36,1%
Surplus	42 762	26 709	27 091	16 053	15 671	60,1%	57,8%

Table 39: JM high level performance of the entity

Joburg Market's Q1 financial performance as at 30 September 2023 recorded a surplus of R42.7m against a budgeted surplus of R26.7m. Surplus after tax is above the budget by R16.1m which has resulted in a variance of 60.1%. The entity's Revenue has increased by R30.2m (21.9%) compared to the prior year's performance, however, total expenditure also increased by R17.3m (16.0%) compared to the prior year's due to increased spending on Marketing (Donations) and Repair and Maintenance expenditure.

2.1 Turnover and Revenue Analysis for quarter 1

Turnover & Revenue							
Period ended 30 September 2023							
				Variance			
	Actual	Budget	Last Year	Actual vs Budget	Actual vs Last Yr	Actual vs Budget	Actual vs Last Yr
	R '000	R '000	R'000	R'000	R'000	%	%
Turnover	2 911 476	2 297 982	2 344 721	613 494	566 755	26,7%	24,2%
Tonnage	342	358	375	(16)	(33)	(4,6%)	(8,8%)
Rand/Ton	R 8 510,67	R 6 410,82	R 6 252,74	2 100	2 258	32,8%	36,1%
REVENUE	168 223	158 121	137 983	10 102	30 240	6,4%	21,9%
Cold storage facilities	-693	966	940	(1 660)	(1 634)	(171,8%)	(173,7%)
Ripening facilities	-269	387	1 030	(655)	(1 299)	(169,6%)	(126,1%)
Commission 5%	145 574	123 465	117 236	22 109	28 338	17,9%	24,2%
Direct Delivery Comm	2 811	967	2 026	1 844	785	190,7%	38,8%
Pallets	311	377	303	(67)	7	(17,7%)	2,4%
Prepaid Electricity	-	-	-	-	-	0,0%	0,0%
Cash Handling fee	1 820	1 580	1 489	240	330	15,2%	22,2%
Gourmet Fresh - Transport Revenue	-	-	-	-	-	0,0%	0,0%
Trolley Rental Deposit	23	26	27	(3)	(4)	(12,6%)	(14,6%)
Electricity recovery	7 993	12 640	4 746	(4 647)	3 247	(36,8%)	68,4%
Water recovery	2 534	7 692	2 410	(5 158)	124	(67,1%)	5,1%
Rental Income	7 640	6 672	6 679	968	962	14,5%	14,4%
Floor storage fees	287	929	722	(642)	(435)	(69,1%)	(60,3%)
Sundry revenue - other	192	2 421	373	(2 229)	(181)	(92,1%)	(48,5%)

Table 40: JM revenue as 30 September 2023

The revenue streams have contributed to revenue as follows:

- Commission income = 86.5%
- Rental income (including both water and electricity recoveries) = 10.7%
- All other Sundry revenue = 2.8%

2.2: Revenue Variance Analysis

Total revenue for Q1 30 September 2023 is recorded at 168.2m compared to the budget of R158.1m. This represents a positive variance of R10.1m (6.4%) when compared to the budget.

- **Storage Facilities** :Cold Storage is recorded at R-693k compared to the budget of R966k which amounts to a negative variance of R1.6m (171.8%) and Banana Ripening is recorded R-269k compared to the budget R387k amount to a negative variance of R655k (169.6%) due to insufficient revenues to cover the electricity costs of running facilities.
- **Commission revenue and Direct Deliveries commission**: Commission income is recorded at R145.6m compared to the budget of R123.5m which amounts to a positive variance of R22.1m (17.9%) as a result of higher price (demand vs supply).

- Direct Deliveries is recorded at R2.8m compared to the budget of R967k which amounts to a positive variance of R1.8m (190.7%) due to an increase in direct consignment received.
- Rental Income is over the budget by 968k (14.5%) due to the positive collection. Electricity recovery is under the budget by 4.6m (36.8%) due to smart meter project not yet being fully operational and water recovery is under budget by R5.1m (67.1%).

2.3: Operational Expenditure Analysis for quarter 1

	Period ended 30 September 2023							
					Variance			
	Actual	Budget	Last Year	Actual as % of Total	Actual vs. Budget	Actual vs. Last Yr	Actual vs. Budget	Actual vs. Last Yr.
	R '000	R '000	R'000	Expense	R'000	R'000	%	%
Expenses	125 584	129 769	108 250	100%	-4 185	17 334	-3%	6,25
Personnel costs	56 037	51 564	49 472	45%	4 473	6 565	8,7%	13,3%
Human Resources	2 267	4 448	3 671	2%	-2 181	-1 404	-49,0%	-38,2%
Marketing	1 427	802	558	1%	625	869	77,9%	155,7%
Repairs and Maintenance	17 698	15 359	15 557	14%	2 339	2 141	15,2%	13,8%
Operations	32 755	39 330	25 171	26%	-6 575	7 584	-16,7%	30,1%
Information Technology	2 153	3 288	2 951	2%	-1 135	-797	-34,5%	-27,0%
Finance and administrative	5 556	7 357	3 938,52	4%	-1 800	1 618	-24,5%	41,1%
Depreciation	7 691	7 621	6 932	6%	70	759	0,9%	10,9%

Table 41: Operational Expenditure Analysis for the quarter ended 30 September 2023

Total operating expenditure for Q1 is recorded at R125.6m (excluding internal charges) compared to the budget of R129.7m. This represents an under budgeted of R4.2m (3%) when compared to the budget.

- Personnel costs expenditure is over budget by R4.4m (8.7%) due to an increase in overtime account.
- Human Resources are recorded at R2.2m compare to the budget of R4.4m which amount to under budget of R2.1m (49.0%) due to the underperformance in line items such as HR replacement and PPE.
- Operations Expenditure is below budget by R6.5m (16.7%) due to expenditure due to under spending on utilities and cleansing contracts.
- Information Technology is under budget by R1.1m (35.5%) due to the Microsoft license project not implemented. The procurement of Microsoft licenses is centralized through City Group Information Technology.
- Marketing cost is over budget by R625k (77.9%) due to an increase of donation parcels and indigents projects requests.
- Finance and administration is under-budget by R 1.8m (24.5%) due to less activity in the finance and administration expenditure (i.e. financial consulting and management consulting).

2.4: Stakeholder Engagements

During the period under review a number of tenants' engagements were held including engagements on collections and signing of lease agreements.

JM also continued to sustain a cordial relationship with CoJ Group Finance and municipal entities providing services to JM. The latter include amongst others project management engagements with JPC on the project management of the Mandela Market as well as Joburg Water on accounting of water consumption charges to JM. The Company wishes to express its appreciation for the cooperation and support enjoyed during these engagements.

Section 3: Cash Flow Statement.

	30-Sep-23	30-Jun-22
Cash flows from operating activities		
Receipts		
Sale of goods and services	198 246	633 596
Interest income	15 897	24 052
Other receipts	0	5 140
	214 143	662 788
Payments		
Employee costs	-56 945	-187 429
Cash paid to supplier	-40 508	-307 237
Tax paid	-	-38 446
Finance costs	-	-428
	-97 453	-533 540
Net cash flows from operating activities	116 690	129 248
Cash flows from investing activities		
Purchase of property, plant and equipment	-11 052,67	-115 215
Loan to shareholder - Sweeping account	-141 067	-19 916
Net cash flows from investing activities	-152 120	-135 131
Cash flows from financing activities		
Repayment of shareholders' loan	-	-4 206
Post Retirement Liabilities	-	-456
Net cash flows from financing activities	-	-4 662
Net increase in cash and cash equivalents	-35 430	-10 546
Cash and cash equivalents at the beginning of the year	473 853	208 342
Cash and cash equivalents at the end of the year	438 424	197 796

Table 42: Cash flow statement for the 1st quarter 30 September 2023

Section 4: Capital Projects & Expenditure

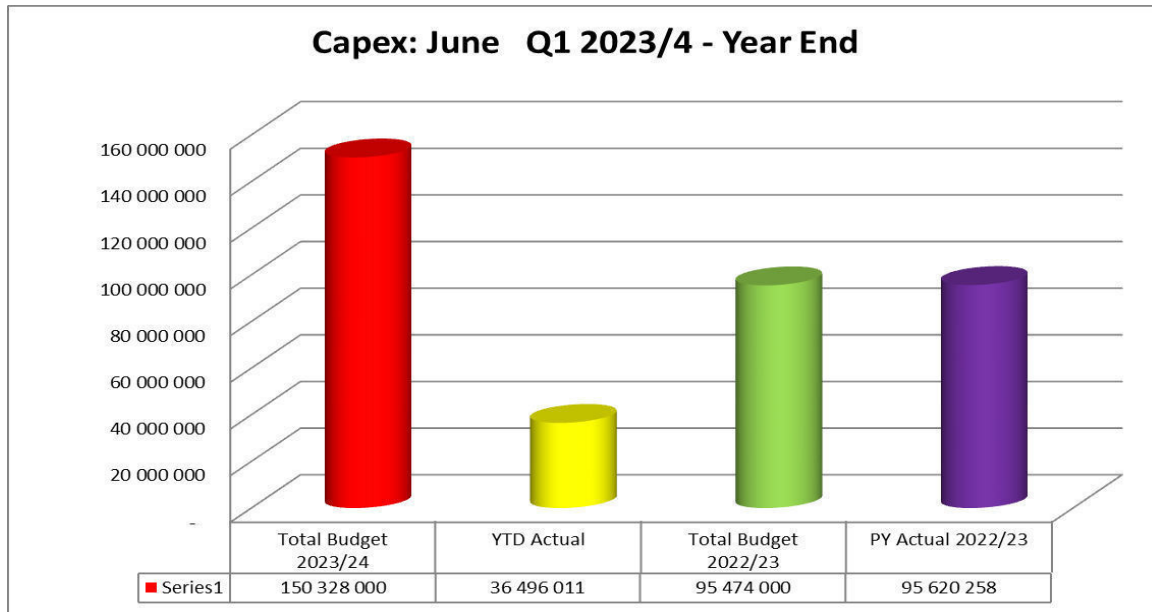


Figure 13: Capital Expenditure Analysis for the quarter 1st ended 30 September 2023

Capex spend as at 30 September 2023 is recorded at R36.5m against a total budget of R150.3m. This represents 24.3% spend against total budget.

4.1: Capital Projects

The Entity's approved Capital Expenditure Budget for the 2023/24 financial year amounts to R150.3 million compared to the adjusted budget of R95.5 million. The increase of R54.8 million in the new financial year is to cater for the ageing infrastructure.

JFPM	JFPM	JFPM	JFPM	% Actual against budget
CAPEX	Project	Approved Budget	Actual Spent	
JSIP Number	Description	R	R	
2598	Upgrades to the main building (Mandela market, cold rooms offices & food courtyard)	18 753 000	1 359 512	7,25%
3331	Installation of Sprinkler System(Fire Suppression System OHSA)	8 075 000	5 670 300	70,22%
22489	Upgrade of Banana Ripening and Cold Rooms	20 000 000	3 485 200	17,43%
22541	Smart market project	1 500 000	-	0,00%
22547	Alternative Energy Systems	40 000 000	19 500 000	48,75%
23093	Installation of smart meters - revenue protection	12 000 000	6 480 999	54,01%
24064	Rocker bins	2 000 000	-	0,00%
24065	Ring feed	26 000 000	-	0,00%
31060	Cashless project	20 000 000	-	0,00%
31063	Soweto market	2 000 000	-	0,00%
Total		150 328 000	36 496 011	24,3%

Table 43: Capital expenditure project for the quarter

Section 5: Ratio Analysis (minimum: liquidity, solvency, cost coverage)

5.1 Key financial ratios for quarter 1

Financial ratios	Norm	Q1
Liquidity (CA/CL)	1.5:1	2.2:1
Solvency (Total Assets/Total Liabilities)	2.0:1	3.5:1
Debtor's days (average collection period)	30	57
Cash Cover (days)	30 - 90 Days	622
Remuneration to expenditure ratio (Incl EPWP)	25-40%	44,8%
Remuneration to expenditure ratio (Excl EPWP)	25-40%	44,0%

Table 44: Analysis of Key Ratios for the quarter

The Joburg Market remuneration to expenditure ratio is higher than the norm as a result of the continuous nature of its operations which includes 24 hours functions, night shift arrangements and certain operations on public holidays. JM has a healthy Balance Sheet in terms of both liquidity and solvency; this indicates that the company has sufficient assets to cover its operations in the short term.

It is worth noting that it takes 57 days for debtors to pay amounts owing to Joburg Market against the required norm of 30 days.

5.2 Analysis of Debtors Collections for the quarter 1

An amount of R14.7m has been collected during the reporting period compared against a billing figure of R19.6m. The collection rate achieved year to date is 75% against a target of 95%.

Billing and collections rate Quarter YTD 2023/24				
Billing				
Descriptions	Jul-23	Aug-23	Sep-23	YTD
Total of Rental & Utilities	5 041 777	5 231 282	6 573 933	16 846 993
Total of Cold Storage & Ripening	917 926	986 138	935 263	2 839 326
Total Billing	5 959 703	6 217 420	7 509 196	19 686 319
Collections				
Total of Rental & Utilities	3 711 755	4 405 062	2 612 491	10 729 308
Total of Cold Storage & Ripening	1 261 497	1 242 980	1 545 162	4 049 639
Total Collection	4 973 253	5 648 043	4 157 652	14 778 947
Rental & Utilities Rate	74%	84%	40%	64%
Cold stores & Ripening	137%	126%	165%	143%
Total Average collection	83%	91%	55%	75%

Table 45: Billing and Collections rate as at 30 September 2023

5.3 Bad Debts

Provision for bad debts amounted to R36.5m. There has been no increase in provisions in the current financial year as adjustments are done at the end of the financial year.

5.4. Analysis of Cash Collections 1st quarter ended 30 September 2023

Buyers Deposit

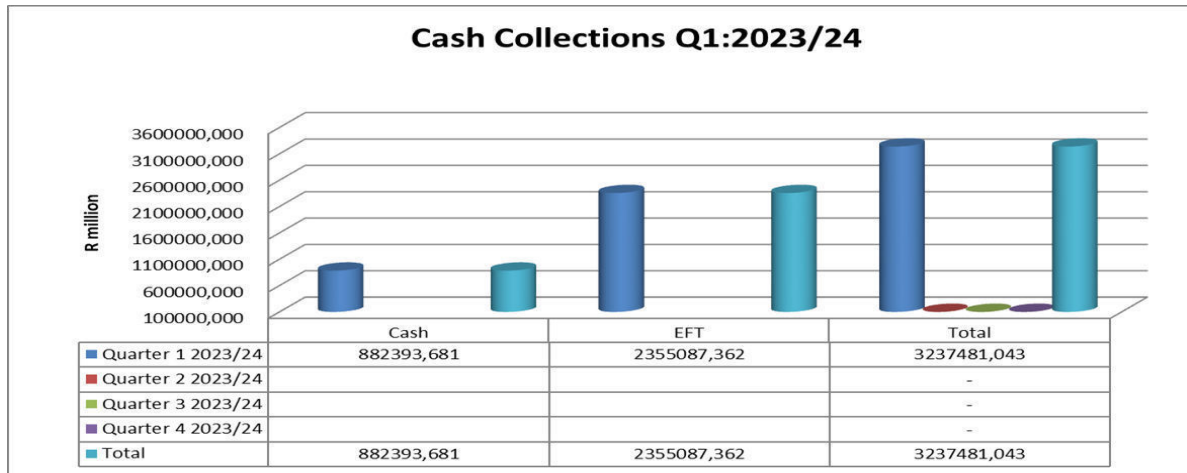


Figure 14: Cash collections for 1st quarter 30 September 2023

A total collection of R 3.2 billion was collected during the first quarter.

5.4.1 Cashiering Shortages & Recoveries

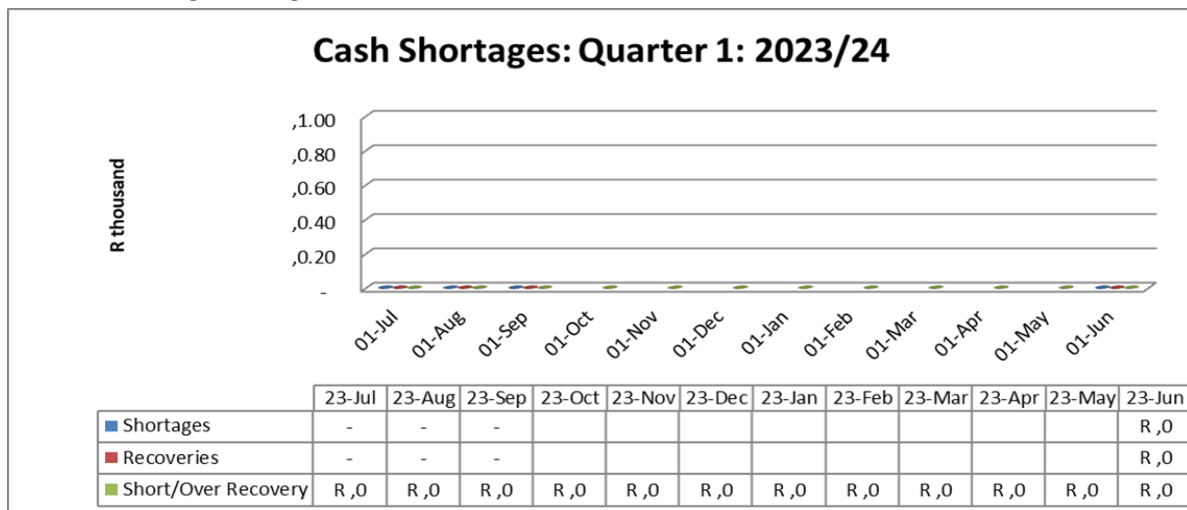


Figure 15: Cashiering shortages & recoveries 1st quarter ended 30 September 2023

- A total collection of 1 Billion was collected during the month of Sept. 2023/2024 compared to R820 million collected in the month of Sept 2022/2023. There is a notable increase of about 99.9%. Compare to September 2023/2024 Q1 September 2022/2023. The total collection for Q1 amounts to 3.2 Billion

- The total shortages for September 2023/2024 are R0 against recoveries the closing balance of R2, 529.20. (Due to Unallocated receipts of R2, 529.20). The department closing shortage for the month of September 2023 amounts to R0.00 balance. There is Decrease of (R13,917.22) compare to Q1 2022/2023 The department closing shortages balance was R16,446.42

Section 6: Analysis of Supply Chain Management (SCM)

6.1 Deviation

The accounting officer followed due processes in considering the need for deviations. The entity incurred the following deviations which are illustrated in the table below:

Name of Supplier	Type of Deviation	Reasons for the Deviation	Approved Amounts
Kya Gaurds (Pty) Ltd	Emergency (MFMA section 36 (a) (i))	Additional security and equipment for the period of three (4) months. Security to patrol outside the Joburg Market precinct in order to prevent crime.	R 635 452,46
Waterbless(Pty)Ltd	Emergency (MFMA section 36 (a) (i))	Emergency supply of generator diesel.	R 1 040 000,00
Serve Isizwe Holdings (Pty) Ltd	Emergency (MFMA section 36 (a) (i))	Emergency repairs, re-program and re-calibrate the banana ripening ABB control system.	R 377 482,90
Total			R 2 052 935,36

Table 46: Deviation for Q1

6.2 Irregular Expenditure

The entity incurred the following irregular expenditure which is illustrated in the table below:

Name of Supplier	UIFW	Reasons for the Deviation	Amounts
Morubisi Technologies	Irregular	COJ Promised to do insource and they did not materialize. The service provider appointed on Capex components. JM appointed MTC to tender CCTV services but to date they have not been able to render such services, however for the sake of business continuity Morubisi has been kept on board as the services they render are critical for JM. The amount spent on Morubisi is already more than 15%	R2 028 241,20
Total			R2 028 241,20

Table 47a: Irregular expenditure incurred during the review period

Prior year the irregular expenditure for actual expenditure exceeding the budget vote has no relation to supply chain processes # all instances of irregular expenditure incurred in the current year relates to contracts identified as irregular in the preceding periods.

6.3 Fruitless and Wasteful Expenditure

The company incurred the following fruitless and wasteful expenses as outlined in the table below:

No.	Service Provider	Reasons	R
-	None	N/A	0
TOTAL			0

Table 48b: Fruitless and Wasteful expenditure incurred in the current financial year

6.4 BBB-EE Expenditure for the Period

Expenditure	YTD -Actual JM Spend	Spent on related parties	Available Amount	YTD spent on BBB-EE	YTD % spent on BBB-EE
	(R)	(R)	(R)	(R)	EE
OPEX	61 856 118	-21 095 191	40 760 927	40 760 927	100%
CAPEX	36 496 011	-20 859 512	15 636 499	15 636 499	100%

Table 49: Joburg Market BEE Procurement Spending During the Acquisition of Goods and Services as At 30 September 2023

6.4.1: OPEX Expenditure: The total amount spent for OPEX is R61 856 118 Included in there is an amount of R21 095 191, 10 which does not form part of the total actual expenditure on BBB-EE as it was spent on CoJ entities namely; JPC, MTC, City Power JWater and Pikitup.

6.4.2: CAPEX Expenditure: The total amount for CAPEX is R36 496 011 Included in that total is an amount of R20 859 512 which has been deducted from the total CAPEX expenditure as it was spent on projects that were carried out by CoJ related entities namely; JPC.

6.5 Payments within 30 days

Payments of Creditors Within 30 Days	Jul-23	Aug-23	Sep-23	YTD
Total Payments	75	95	96	266
Paid Within 30 Days	75	95	96	266
Percentage Achieved	100%	100%	100%	100%

Table 50: Payment of suppliers within 30 days

The payment of suppliers within 30 days is recorded at 100% compared to the target of 100% required by the JM KPI.

Section 7: Pending Litigations and Possible Liabilities

DETAILS OF MATTER	AMOUNT (R/M)
Dispute with a company regarding professional fees in respect of road rehabilitation	1 080 017
Total	1 080 017

Table 51: The table above depicts contingent liabilities of the entity as at 30 September 2023

Section 8: Insurance Claims

The Insurance claims were R3.9 52Million for produce damaged at cold and banana ripening rooms. Claims have been submitted to the Broker, African Dawn for payment.

Section 9: Statement on Amounts Owed By and To Government Departments and Public Entities

The entity wishes to disclose the following monies receivable from organs of government:

Amounts owed by related parties		
Name of Department/Entity	30-Sep-23	30-Jun-22
The City Of Johannesburg Metropolitan Municipality	377 595 058	231 878 245
The Johannesburg City Parks/Zoo	396 145	370 298
Total	377 991 202	232 248 543
Amounts owed to related parties		
Name of Department/Entity	30-Sep-23	30-Jun-22
The City Of Johannesburg Metropolitan Municipality	183 851 958	166 666 165
Johannesburg Metro Trading Company	5 502 374	5 482 224
Johannesburg Property Company	60 082 852	58 519 412
The Johannesburg City Parks/Zoo	-	590 974
Total	249 437 184	231 258 774

Table 52: Amounts owing by government departments and public entities

Section 10: Austerity Measures Implemented

In order to achieve savings JM has continued with the limitation of the following measures:

- Cost Containment processes;
- Limitation of official travelling

CHAPTER SIX: INTERNAL & EXTERNAL AUDIT FINDINGS

Section 1: Progress on approved Internal Audit Plan

Internal Audit performs its duties in accordance with the S165 of the MFMA and other relevant legislation and frameworks.

The scope of Internal Audit work is to provide reasonable assurance on whether the organisation's network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure that, amongst others:

- There is effectiveness and efficiency of operations.
- There is adequate compliance to laws and regulations and significant legislative or regulatory issues impacting the organisation are recognised and adhered to.
- Safeguarding of assets.
- Risks are appropriately identified and managed.
- Significant financial, operating and performance information is accurate, reliable and timely.

The following is a summary of progress on the approved internal audit plan for 2022/23 as of 30 September 2023. The audit plan for the 2023/24 financial year is in the final stage of approval and will be implemented from 01 October 2023.

DESCRIPTION	PROGRESS STATUS ON THE PLAN – Q1				
	Project Allocation	Not started	Planning & Execution	Reporting	Completed
Planned audits for the year	21	0	2	0	19
Percentage	100%	0%	10%	0%	90%

Table 53: approved internal audit plan for 2022/23 as of 30 September 2023

The two audits still at the execution phase will be completed by 31 December 2023 before the start of the AGSA external audit.

Section 2: Progress on Resolution of Internal Audit Findings

Internal audit conducts follow-up audits to ensure that the agreed action plans are implemented within agreed timeframes; root causes are identified and repeat findings are prevented. Efforts are focused on ensuring that findings classified as "high risk" receive adequate management attention.

The following is a summary of movements in the 2022 Internal Audit findings up to 30/09/2023.

INTERNAL AUDIT	TOTAL FINDING	Q2	Q3	Q4	TOTAL RESOLVED	% RESOLVED	CLOSING FINDINGS
Internal Audit –21&22 FY	94	65	22	7	94	100%	0
Total	94	65	22	7	94	100%	0

Table 54: summary of movements in the 2022 Internal Audit findings up to 30/09/2023

A new summary of Internal Audit findings for the 2023 FY is currently being drafted and will be followed up for the remainder of the 2023/24 financial year.

Section 3: Progress on Resolution of External Audit Findings (AGSA)

The following is a summary of movements in the AGSA Audit findings during Q1 up to 30/09/2023.

EXTERNAL AUDIT	TOTAL FINDINGS	Q2	Q4	TOTAL RESOLVED	% RESOLVED	CLOSING FINDINGS
AGSA- 2022 FY	17	15	2	17	100%	0
Total	17	15	2	17	100%	0

Table 55: AGSA Audit findings during Q1 up to 30/09/2023

A new summary of audit findings for the 2023 FY will be drafted for the findings issued by the AGSA by 31/11/2023 and will be followed up for the remainder of the 2023/24 financial year.

Section 4: UIFW Expenditure written-off during the year

The following table indicates investigated amounts that were recommended for write-off. The consequence management and other actions that emanated from the investigations are dealt with separately.

	IRREGULAR	FRUITLESS & WASTEFUL	TOTAL
Opening balance	245 496 538	50 944 644	296 441 182
Amount approved for write off - Aug 2022	(56 358 207)	(16 003 050)	(72 361 257)
New UIFWe - 30 Jun 2023	10 541 264		10 541 264
Amount approved for write off - Jun 2023	(172 587 807)		(172 587 807)
Total write-offs	(228 946 014)	(16 003 050)	(244 949 064)
Balance - 30 Jun 2023	27 091 788	34 941 594	62 033 382

Table 56: UIFW write off for 2022/23

No investigations were performed during Q1 ended 30 September 2023. Additional investigations will be conducted during the remainder of the financial year ending 30 June 2024.

Section 5: Effectiveness of Internal Controls for Q1 ending 30 September 2023

The overall assessment within JM is that the effectiveness of internal controls improved during the first Quarter ending 30 September 2023. The internal controls are thus evaluated as adequately designed and partially effective, i.e. “require improvement” during the financial year. Below are some of the reasons for this assessment.

The evaluation of internal controls is critical in ensuring that JM has adequate and effective systems, processes, policies and procedures that support the achievement of organisational objectives. Internal controls are designed and implemented by management in the execution of day-to-day operations. Internal audit makes an assessment of the effectiveness of internal controls based on the results of audits conducted in various areas and other interactions within the entity.

Internal audit noted continuing improvement in the effectiveness of the internal controls during the first quarter ending 30 September 2023.

Internal Audit noted that Management continues providing measures to strengthen the capacity of crucial departments that have vacancies in key positions. Staff members that were on precautionary leave have been brought back and this serves to improve the capacity of the entity and the effectiveness of internal controls.

JM currently has adequate capacity to deal with CAPEX and Repairs and maintenance because most of the panels of service providers have been in place since the 2021 financial year. A combination of noted improved staff capacity and the various Panels on various disciplines further improves the control environment and effectiveness of operations of JM.

The internal controls are thus evaluated as adequate and partially effective, i.e. “require improvement” during the quarter ended 30 September 2023.

Annexure A – KPI Definitions

TECHNICAL INDICATOR DEFINITIONS FOR JM KPIs

KPI NO	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION AND METHOD OF VERIFICATION (MOV)	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
1.1	% Targeted market share held by JM in relation to other FPMs	This KPI aims at Joburg Market achieving a set quarterly target market percentage share rating in relation to the 18 fresh produce markets of which the national statistics are published monthly by the SAUFM. * SAUFM– South African Union of Food	This information comes from Monthly National Statistical Reports generated by the South African Union of Food Markets	The indicator is calculated by dividing the volumes of produce sold at JM by the total produce sold in 18 national fresh produce markets, multiplied by 100 to get	JM is wholly dependent on statistical information received from SAUFM. <u>MOV</u> : For the 17 member markets use monthly markets return to populate JM	The indicator is measuring outcomes	The reported performance is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Snr. Manager Strategic planning

KPI NO	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION AND METHOD OF VERIFICATION (MOV)	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
		<p>Markets for member markets.</p> <p>*NDAFF – National Department of Agriculture, Forestry and Fisheries for Cape Town Market.</p>		the percentage market share	<p>control sheet</p> <p>For Cape Town Market use the Monthly official NDAFF report to populate the JM control sheet.</p> <p>The JM control sheet produces the exact calculation of JM market share.</p>						
1.2	Rbn turnover	The KPI measures the value of produce sold	The KPI is intended to	The information	Monthly and Quarterly	No limitation	The reported indicator is	The indicator is reported	The indicator continues	Performance that is higher is	Executive: Operations &

KPI NO	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION AND METHOD OF VERIFICATION (MOV)	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
	achieved	on the JM through its SPS system.	indicate progressive growth in turnover	is derived from SPS	Sales figures are aggregated to produce a cumulative figure <u>MOV:</u> Generate the monthly report for turnover on JM from the SPS central trading system	identified	cumulative	quarterly	without change from previous year	desirable	CFO

TECHNICAL INDICATOR DEFINITIONS FOR GATEKEEPER KPI'S

KPI NO.	KPI	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE
1.4	Percentage operating budget spent against approved budget	Operational costs spent by the organization against the allocated budget the organization against the allocated budget. The objective is to improve, stabilize and sustain a positive financial position	JM financial accounts	Actual costs /Allocated budget *100	None	Cumulative	Monthly	No	95%
1.7	Percentage capital budget spent against approved capital budget	The Capex spent on projects against the approved budget. The objective is to improve, stabilize and sustain a positive financial position	JM financial accounts	Total Capex spend divide by the budget Capex spend* 100	None identified	Cumulative	Monthly	No	95 %
1.3	Percentage of spent on repairs and maintenance to property, plant and equipment.	It measures the level of Repairs & Maintenance to prevent breakdowns and interruptions to service delivery.	JM financial accounts	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	None identified	Cumulative	Monthly	Yes	8%
1.5	Percentage reduction in unauthorized, irregular,	Percentage reduction on UIFWE compared to the previous financial year AG finding.	JM financial accounts	The UIFW Expenditure closing balance of the current financial year against (will be compared	None	Non-Cumulative	Quarterly/ Annually	No	50%

KPI NO.	KPI	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE
	fruitless and wasteful (UIFW) expenditure incurred citywide			with) the closing balance of the previous financial year.					
1.6	Percentage of valid invoices paid within 30 days of invoice date	It measures the percentage of valid invoices paid within 30 days. The objective is to increase the number paid within 30 days	JM financial accounts	Total number of invoices processed for the month/Number of invoices paid within 30 days *100	None identified	Non-cumulative	Monthly	No	100%
3.2	Percentage resolution of Internal Audit findings	It measures the number of audit findings resolved against the total number of audit findings issued by the internal audit	Internal Audit Reports	Total number of internal audit findings resolved/total number of internal audit findings (excluding findings that are less than 60 days)*100	None identified	Cumulative	Annually	Yes	95%
3.1	Percentage resolution of AG findings	It measures the number of audit findings resolved against the total number of audit findings issued by the AGSA	Internal Audit Reports	Total number of Auditor General findings resolved/total number of Auditor General findings (excluding findings that are less than 60 days)*100	None identified	Cumulative	Annually	Yes	95%
3.3	Percentage implementation of the strategic	The percentage of strategic risk action plans implemented compared to the total number	Governance Report; Strategic Risk	Number of implemented strategic risk action plans divided by total number of	None identified	Cumulative	Monthly	Yes	85%

KPI NO.	KPI	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE
	risk management action plan findings resolved	of strategic risk action plans.	Plan; Strategic Risk Register and Audit Report	strategic risk action plans multiplied by 100					
3.4	Percentage achievement of Service Level Standards (SLS)	The percentage of Service Level Standards achieved of the total approved number of Service Level Standards	JM service level reports	The number of KPIs achieved in the Service Level Standards Agreement against total no of Service Level Standards achieved multiply by 100	None identified	Non-cumulative	Monthly	No	85%
2.2	Number of SMME's supported	The number of SMMEs participating in City Power available job opportunities.	JM SCM report	Total number of SMME's doing business with City Power	None identified	Cumulative	Annual	No	*
2.1	EPWP job opportunities created	Beneficiaries of job opportunities through EPWP	JM Payroll	Number of jobs created per annum	None identified	Cumulative	Annually	No	*

ANNEXURE B: JOBURG MARKET STRATEGIC AND OPERATIONAL RISK REGISTERS QUARTER 1

Section 1: Joburg Market Strategic Risk Register for 2023/24 Financial Year

JOBURG MARKET STRATEGIC RISK REGISTER FOR 30 September 2023 FINANCIAL YEAR (2023/24)							
Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Interventions for Quarter 1
		Q1	Q2	Q3	Q4		
1. Inadequate Trading space	1. Lack of adequate funding to expand the trading space					Partially ineffective	1. The Re-Capitalisation Programmes project (SMART MARKET) which includes the extension of the trading Hall. The project development phase is currently on stage 2 (Concept and feasibility).
2. Failure to keep abreast with technological advancements and trends	2. Delay in implementation of the SMART Market project					Partially ineffective	2.1. Stakeholder portal software development to be completed Q2. Awaiting deployment by MTC where after security measures have to be put in place. Portal development dependent on trading system developments. 2.2. IT Strategy to be developed in concurrence with Smart Market strategy designs that affect IT infrastructure.
3. Business Failure	3.1 Ageing infrastructure					Partially ineffective	3.1.1. The Recapitalisation programme project (SMART MARKET) development phase is currently on stage 2 (Concept and feasibility). 3.1.2. Maintenance Plan is currently implemented through projects and programmes encompassing all 5 disciplines. This includes the electrical wiring, water reticulation, plumbing and Complementary Service. 3.1.3 The SCM process to appoint service providers per the five (5) engineering disciplines approved on the 27 September 2023. 3.1.4 The Technical assessments for five (5) engineering disciplines will be carried out in Q2 by the appointed service providers.

JOBURG MARKET STRATEGIC RISK REGISTER FOR 30 September 2023 FINANCIAL YEAR (2023/24)

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Interventions for Quarter 1
		Q1	Q2	Q3	Q4		
	3.2 Power interruption						3.2.1. Gen Farm generators project is at 99% completion. Synchronisation and programming of the generators have been completed. Test load to run the entire JM precinct was conducted on the 29 September 2023 for an hour without any interruption. Gen farm waiting commissioning. 3.2.2. JM has appointed service provider to implement the solar panel project. The service provider has completed the designs. The installation of the panels to start on the 25 September 2023. 3.2.3. Ring feed project from Moffat View to be Implemented.
4. Fraud and Corruption	Non Compliance with Laws and Regulations					Partially ineffective	4.In line with the Board resolution, taken on the 19 May at a Board Strategic Risk Workshop. Internal Audit is in the process of handing over Fraud Management to the Risk Management Department. In quarter 2 the following will be achieved: <ul style="list-style-type: none"> • The fraud policy will be reviewed • A fraud plan will be developed with the assistance of GRAS GFIS in order to align to City of Johannesburg • IA will hand over the fraud hotline to the appointed Chief Risk Officer The UIFWe report is updated on a quarterly basis and signed off by the CFO and submitted to GRAS Compliance Department.
5. Inadequate Stakeholder Engagement	Fragmented Stakeholder Engagement					Partially ineffective	5.1The integrated marketing, Communication and Stakeholder Strategy has been drafted, currently aligned to the 2023-24 JM Business Plan, will be added with SMART Market Strategy and thereafter will be submitted to EXCO.

JOBURG MARKET STRATEGIC RISK REGISTER FOR 30 September 2023 FINANCIAL YEAR (2023/24)

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Interventions for Quarter 1
		Q1	Q2	Q3	Q4		
	Inadequate Brand Positioning and Marketing						5.2 Ongoing engagements, JM attended the International Fresh Produce Association (IFPA) conference with producers/farmers in Cape town to discuss agricultural developments. JM also conducted farm visits to Krapdaar farm in CERES, Western Cape that supply JM with potatoes and onions.
6. Ineffective HR Governance and Systems	1. Ineffective workforce Planning and Management					Partially ineffective	6.1.1 The appointment of a service provider to conduct the work study and organisational design review is in the SCM process, awaiting the award for the contract. 6.1.2. Skills Audit project was completed in Quarter 1. 6.2.1 Planned workshop for EXCO on the implementation plan in Quarter 2. 6.2.2 Talent and leadership pipeline will be developed in Quarter 2. 6.2. HR Policies and Procedures scheduled for review were identified and all relevant stakeholders will be work-shopped in Quarter 2.
	2. Discrepancies in HR policies and procedures in relation to external legislative requirements						
7. Ineffective Transformation programmes	Lack of adequate resources					Partially ineffective	7.1 The activity was not undertaken due to insufficient floor space. Exco to deliberate on the possible future expansion of space. 7.2 Appointment of a service provider is undergoing procurement process for the assessment of work done on the old Pack House. 7.3 Designs for new pack house are concluded and waiting for budget allocation for constructing the facility.

Section 2: Joburg Market Operational Risk Register for 2023/24 Financial Year

JOBURG MARKET OPERATIONAL RISK REGISTER AS AT 30 September 2023 – QUARTER 1								
	Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Q1 Implementation plan
			Q1	Q2	Q3	Q4		
1	Business Failure	<p>1. Inadequate trading space</p> <p>2. Ageing infrastructure (cold-rooms and banana ripening rooms)</p> <p>3. Temperature fluctuation (cold rooms)</p> <p>4. Power interruptions</p>					No, the risk is critical and exposure is high	<p>1. Optimise the precinct plan as recommended by JDA (to have procured the virtual view of the plan - R620m.</p> <p>2. Appoint four (4) service providers, in each of the five (5) disciplines to conduct emergency repair works.</p> <p>3. Appoint the service provider to conduct technical assessments, in order to upgrade the facility to industry standards requirements.</p> <p>1.4.1 Conduct regular service of the standby generators.</p> <p>1.4.2 Procure three (3) additional generators to carry the required power load.</p> <p>1.4.3. New solar panel project in partnership with City Power as and implementing agent.</p>
2	Poor Asset Management	<p>1. Lack of Asset management process.</p> <p>2. Lack of Asset verification reports.</p> <p>3. Assets moved without the fixed asset departments knowledge or completion of movement forms.</p>					No, the risk is critical and exposure is high	<p>1. Verify Assets annually.</p> <p>2. Appoint Fixed Asset Controller to oversee the deliverables of the asset unit.</p> <p>3. Joburg Market to depose long-term assets from accounting records.</p>

JOBURG MARKET OPERATIONAL RISK REGISTER AS AT 30 September 2023 – QUARTER 1

	Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Q1 Implementation plan
			Q1	Q2	Q3	Q4		
3	JM Lab has aged lab equipment that affects the pesticide testing programme for farmers	1. No reliable UPS 2. Old and outdated test instrument (GCMS) and facilities (cold room not working) 3. JM Lab has challenges with procurement of consumables and services for equipment relating to sole providers. 4. Reduced testing due to challenges that affects productivity and expansion of scope of analysis					No, the risk is critical and exposure is high	1. Obtain UPS (reliance on JM Maintenance Dept.) 2. Ensure R & M and optimal functioning of current lab instruments 3. Motivate for upgrade of old instruments (budget dependent) 4. Improve working relations with SCM and ensure contracts for critical consumables and essential lab services are in place. 5. JM to Implement Lab business case recommendations where viable. 6. Ensure lab technical staff capacity.
4	Inadequate maintenance of infrastructure	1. Ageing infrastructure (structural building, roof, walls, doors, plumbing, flooring) road surface damaged by water and spillages 2. Lack of skilled and qualified maintenance workers to plan and implement appropriate					No, the risk is critical and exposure is high	4.1a. Adherence to standard operating procedure. 4.1b. Appoint service providers in all five disciplines. 4.2a. training for further development and up skilling (CPD) 4.2b. Recruitment of qualified skilled personnel.

JOBURG MARKET OPERATIONAL RISK REGISTER AS AT 30 September 2023 – QUARTER 1								
	Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Q1 Implementation plan
			Q1	Q2	Q3	Q4		
		maintenance programmes						
5	Exclusion of fire and explosion	1. No sprinkler system installed in the buildings (main building and other parts of the trading Halls) 2. Faulty equipment that can overheat and cause sparks 3. Combustible materials such as paper, wood and cardboard 4. Low water pressure				No, the risk is critical and exposure is high	1. Acquired a service provider for installation of sprinkler system. 2. Service Provider appointed to create specification to replace or repair Fire Fighting Equipment.	

Table 57: Joburg Market Strategic Risk Register for 2023/24 Financial Year

Section 3: Physical Risk Assessment conducted by Insurer (IUM) - FY2023/24

Priority	Description	Action – Responsible Departments	Mitigation Measures and Time Frames
Risk Category: Fire Protection			
High	There is only partial sprinkler system installed within the platform buildings	PMO	<ul style="list-style-type: none"> The project is at 70% Tanks are at 100% Pump house is at 100% Piping and installation of pumps is at 81% The phase of the project is estimated to be complete in Q1
High	There is inadequate smoke detection systems installed within the platform buildings.	SHE	The smoke detection systems are part of the sprinkler system project that will be done in Phase 2 of the project.
High	There is firefighting equipment missing and obstructed	SHE	A service provider has been appointed to conduct specification for fixing and replacement of the firefighting equipment
High	There are no valid block plans for the sprinkler systems installed	PMO	The block plans are part of the sprinkler system project which will be done in Phase 2 of the project
High	There were no heat collection plates underneath the mezzanine level within platform one	Maintenance	The heat collection plates are part of the sprinkler system project which will be done in Phase 2 of the project
High	If Rational designed, are plans available	PMO	Designed plans for the sprinkler system project are in place.
Risk Category: Exposures			
Critical	There was a chemical odour within the ammonia plant room	Maintenance/SHE	The matter with the chemical odour was addressed in Q1 and continuing to monitor

			any leakage.
High	There are damaged ISO-panelling with polystyrene exposed	Maintenance	Works on the ISO-panelling by the service provider is currently at 40% Q3
High	The bunding for the diesel tank was inadequate with no non-return valve installed	PMO	Shut-down valve will be installed be for the end of Q3
Risk Category: Housekeeping			
High	There are sections where stock is being stored higher than 3m	Property	Poor Housekeeping and Fire Protection Regulation notices are issued to non-compliant tenants. The processes of inspections are done on monthly basis.
Medium	The extraction system within the kitchen appeared not to be maintained	Property	Poor Housekeeping and Fire Protection Regulation notices are issued to non-compliant tenants. The processes of inspections are done on monthly basis.
Risk Category: Structural			
Medium	There are building concerns in terms of cracks, missing bricks, etc.	Maintenance	Cracks to be addressed upon the appointment of 5 disciplines (Q4)
Risk Category: Electrical Risks			
High	There are cable penetrations with no fire stopping	Maintenance	Services provider to be appointed upon the appointment of 5 disciplines (Q4)
High	There are combustible materials stored close to electrical distribution boards	Maintenance/SHE	Poor Housekeeping and Fire Protection Regulation notices are issued to non-compliant tenants. The processes of inspections are done on monthly basis.

Table 58: Physical Risk Assessment conducted by Insurer (IUM) - FY2023/24

Section 4: Risk Management Department Highlights and Lowlights

- Following the Board resolution, Fraud risk has moved to the Risk Department and a fraud risk plan will be developed and the policy reviewed.
- Ethics management has also been moved to the Risk Department. Currently reviewing the Ethics policy and the Ethics register

Risk management department lowlights

- Delay in Property Valuation at BSC stage
- **Delay in the appointment of the Chief Risk Officer and Compliance Specialist**
- Challenges in the finalisation of the Fire claim
- Challenges in the payment of Insurance claims by Insurers
- **Misalignment of risk management job titles with job descriptions and qualifications**