

Anti-Corruption and Fraud

JPC subscribes to the letter and spirit of the Prevention and Combating of Corrupt Activities Act and as such has adopted a zero tolerance approach to fraud and anti-corruption. JPC has established a Fraud and Corruption Committee (FRACC) comprising six members tasked with advising on and launching investigations into allegations of breaches of the Anti-Fraud, Corruption and Associated Irregularities Policy (Fraud Policy), principles of ethics, laws and regulations and all relevant policies, which have been reported to JPC, either through the City's Group Fraud Hotline or other means. Reports are received from the City's Fraud Hotline service provider on a regular basis. Incidents of fraud are investigated by FRACC feedback is constantly provided to the Audit and Risk Committee and the Board. All fraud cases are further disclosed to the City as one of the Company's key stakeholders.

ICT Governance

King III and ISO 38500 recommend that ICT should be governed and managed at a political leadership and executive management level. This ensures that the delivery of ICT services are aligned with the Company's strategic goals.

ISO 38500 is an international standard for the corporate governance of ICT, which provides a framework of principles for the executive authority and Management to govern and manage ICT.

The corporate governance of ICT is a continuous function that is embedded in all operations of the JPC, from executive authority and management level to business and ICT service delivery. JPC's executive authority and Management need to extend corporate governance to ICT, providing the necessary strategies, architectures, plans, frameworks, policies, structures, procedures, processes, mechanisms, controls and ethical culture.

A comprehensive CoJ ICT Governance Maturity Assessment was conducted and results indicated serious paucities in relation to compliance with the following leading ICT frameworks, standards and guidelines:

- Control Objectives for Information and related Technology (COBIT);
- Information Technology Infrastructure Library (ITIL); and
- King III.

JPC acknowledges ICT as a strategic asset, which forms an integral part of the delivery of its strategic business objectives. JPC's commitment to sound ICT governance is supported by ongoing efforts and activities to embed the King III Code of Governance Principles and recommendations. The focus in ICT governance is the establishment of various responsibilities, processes and supporting governance structures. The Company appointed an experienced IT professional to lead the IT business unit. The Company endeavours to align its ICT resources and structures with performance and sustainability objectives. Following JPC's merger with the FMM and MTC the Company needs to focus on developing a sound ICT Governance Framework for the integrated Company to ensure its overall vision and strategy is attainable. It is essential that the framework is comprehensive, providing and addressing both demand and supply of the ICT Governance imperatives. The main objective of this framework is to ensure that ICT goals and investments are aligned to the JPC's business objectives and also supports the City's business objectives as outlined in the GDS 2040 and its overall transformation agenda.

JPC's ICT Governance approach is founded on the following set of principles:

- Establish clearly understood responsibilities for ICT;
- Plan ICT to best support the needs of the Company;
- Acquire ICT validly. Ensure that ICT acquisitions are made for the right reasons in the right way, on the basis of appropriate and ongoing analysis;
- Ensure ICT performs well whenever required;
- Ensure ICT conforms to all external regulations and complies with all external regulations and internal policies and practices; and

- Ensure ICT use recognises and respects human factors. ICT must meet the current and evolving needs of all of the people in the process. In addition, the City Management acknowledges that to become a high performing Local Government Entity, JPC needs to enforce rigorous ICT Governance to:
 - Ensure that the business and ICT stakeholders are driving towards the same strategic objectives of the City;
 - Establish reliable financial and performance processes and metrics enabled by relevant IT systems and applications that support business decision making;
 - Actively manage the ICT Portfolio against business benefits and ensuring that the ICT budgets are a collaborative exercise between the business and ICT stakeholders;
 - Optimise the City's existing ICT functions in order to obtain "true" value from ICT investments;
 - Seek continuous improvement around the use of ICT in the JPC; and
 - Ensure compliance with the ICT Regulatory Frameworks and Legislation. Oversight of the entity's ICT function was delegated to the ARC and the Committee kept this item as a standing Agenda item in the year under review. The Board will monitor and evaluate the entity's IT investments and expenditure taking into account the best interest of the entity.

Supply Chain Management and Black Economic Empowerment

The Supply Chain Management Policy for goods and services for JPC was approved by the Board. It is aligned with the City's Group Supply Chain Management Policy as well as the Municipal Finance Management Act and its Regulations, and the National Treasury Guidelines and Practice Notices. Supply Chain Management Committees such as Bid Specification and Evaluation and Adjudication Committees are fully functional and operate within the framework of the Supply Chain Management Policy, Municipal Finance Management Act and Regulations. In the year under review Supply Chain Management has accelerated transformation. In addition contracts were awarded to co-operatives who comprise communities and women.

In the 2014/2015 financial year the Company recorded the following expenditures:

B-BBEE Spent as a percentage of the CoJ Portfolio 2014/2015 financial year

	Q1	Q2	Q3	Q4
Total BEE spend	69%	76%	73%	86%