PERFORMANCE AGREEMENT

Made and entered into by and between

THE CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

("the City")

(Represented by **Dr. Floyd Brink City Manager,** duly authorised by Municipal Council Resolution)

And

Tebogo Moraka

("the Group Chief Financial Officer")

for the financial year: 1 July 2026 to 30 June 2027

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INTRODUCTION

1.1 The City has entered into a contract of employment with the Group Chief Financial Officer in terms of Section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").

1.2 Section 57(1)(b) of the Systems Act, read with the contract of employment concluded between the parties, requires the parties to conclude an annual performance agreement.

1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Group Chief Financial Officer reporting to the City Manager, to a set of actions that will secure local government policy goals.

2. PURPOSE OF THIS AGREEMENT

2.1 The parties agree that the purpose of this Agreement is to:

2.1.1 comply with the provisions of Section 57(1)(b), 4(A), (4B) and (5) of the Systems act; and the employment contract entered into between the parties.

2.1.2 specify objectives and targets established for the Group Chief Financial Officer.

2.1.3 specify accountabilities as set out in the performance plan (scorecard) attached as Annexure 'A'.

2.1.4 monitor and measure performance against set targeted outputs.

2.1.5 use the performance agreement and scorecard as the basis for assessing whether the employee has met the performance expectations applicable to their job.

2.1.6 in the event of outstanding performance, to appropriately reward the employee in accordance with the City's performance management policy; and

2.1.7 give effect to the City's commitment to a performance-orientated relationship with the Group Chief Financial Officer in attaining equitable and improved service delivery.

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3. COMMENCEMENT AND DURATION

3.1 Notwithstanding the date of signature hereof, this Agreement will commence on the date of appointment of the Group Chief Financial Officer, and, subject to paragraph 3.3, will continue in force until a new performance agreement is concluded between the parties as contemplated in paragraph 3.2.

3.2 The parties will review the provisions of this Agreement during June each year. The parties will conclude a new performance agreement that replaces this Agreement at least once a year by not later than July each year.

3.3 This Agreement will terminate on the termination of the Group Chief Financial Officer's contract of employment regardless of the reason for such termination.

3.4 The content of this agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon.

3.5 If at any time during the validity of this agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this agreement are no longer appropriate, the contents shall be revised.

4. PERFORMANCE OBJECTIVES

4.1 The scorecard in Annexure "A" sets out:

4.1.1 the performance objectives and targets that must be met by the Group Chief Financial Officer; and

4.1.2 the time frames within which those performance objectives and targets must be met.

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4.2 The performance objectives and targets reflected in Annexure "A" (scorecard) are set by the City Manager and the Group Performance Audit Committee after consultation with the Group Chief Financial Officer and are based on the Growth and Development Strategy, Integrated Development Plan, Mayoral Priorities Service Delivery and Budget Implementation Plan (SDBIP) and Budget of the City, and include key objectives; key performance indicators; target dates and weightings.

4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

4.4 The Group Chief Financial Officer's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the City's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT POLICY

5.1 The Parties record that the City has a Performance Management Policy, which may be amended from time to time. It describes the systems and procedures of performance management in the City in which the Group Chief Financial Officer will be required to engage in performing their job.

5.2 The Group Chief Financial Officer agrees to participate in the performance management system that the City adopts or introduces.

5.3 The Group Chief Financial Officer accepts that the purpose of the performance management policy and system is to provide a comprehensive system with specific performance standards to assist the City, City Manager and Group Chief Financial Officer to perform to the standards required.

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5.4 The Group Chief Financial Officer undertakes to actively focus towards the promotion and implementation of the Key Performance Areas (KPAs) (including special projects relevant to the employee's responsibilities) within the local government framework.

5.5 The Group Chief Financial Officer's assessment will be based on their performance in terms of the outputs/outcomes (performance indicators) identified as per the performance plan which are linked to the KPAs.

6. EVALUATING PERFORMANCE

6.1 It is recorded that in terms of the City's performance management policy and system, for purposes of evaluation of the performance of the Group Chief Financial Officer, a Group Performance Audit Committee and Performance Evaluation Panel have been established to assist the City Manager and in the process of evaluating the Performance of the Group Chief Financial Officer.

6.2 The performance of the Group Chief Financial Officer in relation to their performance agreement shall be reviewed on a quarterly basis as follows:

First quarter	:	July – September
Second quarter	:	October – December
Third quarter	:	January – March
Fourth quarter	:	April - June

6.3 The Group Chief Financial Officer must avail themselves for scheduled performance reviews. Failure to do so, may result in the City Manager concluding on the Group Chief Financial Officer's review in absentia and the outcome of the review is final.

6.4 The City Manager shall ensure that the Group Performance Audit Committee be convened to conduct review sessions on the performance of the Group Chief Financial Officer at least twice a year.

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6.5 The City Manager shall ensure that a record is kept of the mid-year review and final review sessions.

6.6 Performance feedback shall be based on the assessment of the Group Chief Financial Officer's performance by the City Manager and Group Performance Audit Committee, as well as the Performance Evaluation Panel and may include recommendations for corrective steps to be taken to improve performance.

6.7 The City will be entitled to review and make reasonable changes to the provisions of the performance plan (scorecard) from time to time for operational reasons. The Group Chief Financial Officer will be consulted before any such change is made.

6.8 Despite the establishment of agreed intervals for evaluation, the City Manager may, in addition, review the Group Chief Financial Officer performance at any stage while the contract of employment remains in force.

6.9 Personal growth and development needs identified during any performance review discussion must be documented and, where possible, actions agreed.

6.10 The annual performance appraisal will involve assessment of the achievement of results as outlined in the performance plan and each KPA and CCR should be assessed according to the extent to which the specified standards or performance indicators have been met.

7. OBLIGATIONS OF EMPLOYER

The City must -

7.1 Create an enabling environment to facilitate effective performance by the employee;

7.2 Provide access to skills development and capacity building opportunities;

7.3 Work collaboratively with the Group Chief Financial Officer to solve problems and generate solutions to common problems that may impact on the performance of the employee;

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7.4 On the request of the Group Chief Financial Officer delegate such powers reasonably required by the Group Chief Financial Officer to enable him or her to meet the performance objectives and targets established in terms of the agreement; and

7.5 Make available to the Group Chief Financial Officer such resources as the Group Chief Financial Officer may reasonably require from time to time to assist him or her to meet the performance objectives and targets established in terms of the agreement.

8. CONSULTATION

The City Manager agrees to consult the Group Chief Financial Officer timeously in respect of decisions which will have a significant impact on the performance of the duties of the Group Chief Financial Officer.

9. MANAGEMENT OF OUTCOMES

9.1 The evaluation of the Group Chief Financial Officer's performance will form the basis for rewarding performance or correcting unacceptable performance.

9.2 A performance bonus not exceeding 14% may be paid to the Group Chief Financial Officer in recognition of outstanding performance, in accordance with the City's policy and system referred to in this agreement.

9.3 An increase may be awarded to the Group Chief Financial Officer in accordance with the City's policy and system referred to in this agreement.

9.4 Should the Group Chief Financial Officer be entitled to a performance bonus referred to in paragraph 9.2, this will be paid out after the tabling of the annual report.

9.4.1 However, should the Group Chief Financial Officer not be entitled to a performance bonus in line with the Group Chief Financial Officer's employment contract, alternative performance rewards shall be awarded as per the relevant policy.

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9.5 In the case of unacceptable performance, the City Manager shall provide systematic remedial or developmental support to assist the Group Chief Financial Officer to improve their performance.

9.6 Where the City Manager is, at any time during the Group Chief Financial Officer's employment, not satisfied with the Group Chief Financial Officer's performance with respect to any matter dealt with in this Agreement, the City Manager will give notice to the Group Chief Financial Officer to attend a meeting with the City Manager.

9.7 The Group Chief Financial Officer will have the opportunity at the meeting to satisfy the City Manager of the measures being taken to ensure that the Group Chief Financial Officer's performance becomes satisfactory and any programme, including any dates, for implementing these measures.

9.8 Where there is a dispute or difference as to the performance of the Group Chief Financial Officer under this Agreement, the parties will confer with a view to resolving the dispute or difference.

10. DISPUTES

10.1 Any dispute arising out of this Agreement, shall be submitted to and determined by arbitration in accordance with the arbitration rules of an accredited private dispute resolution agency, as amended. The arbitrator shall be mutually agreed upon, and shall be selected from a list of arbitrators supplied by an accredited private dispute resolution agency.

10.2 The parties shall, prior to the arbitration date, be required to meet with the arbitrator in order to determine the appropriate terms of reference for the arbitrator, and their powers, and to submit an agreement in writing to the arbitrator.

10.3 Should the parties fail to agree on the identity of the arbitrator within a period of 14 days after the date of the submission of the dispute to the City Manager, either of the parties shall be entitled to request a private dispute resolution agency, to appoint the arbitrator. The accredited private dispute resolution agency, in making the appointment, shall have regard to

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the nature of the dispute, and shall have regard to the parties' requirement of speedy arbitration in the selection of arbitrators. If the appointment is to be made in this manner, preference shall be given to the attorneys or advocates on the Panel of arbitrators of the accredited private dispute resolution agency.

10.4 The arbitrator shall be entitled further to determine the procedure to be followed in the arbitration, but to ensure that each party has the right to be heard, lead appropriate witnesses, submit documentation, and to argue in respect of the appropriate outcome and remedy. The arbitrator shall, in determining the procedures to be followed, be guided by the parties intention to have the dispute finally adjudicated upon within as short as possible a period from the date of the dismissal, or of the dispute, arising.

10.5 The parties shall be entitled to be represented by a representative of choice at the arbitration, and the outcome of the arbitration shall be final and binding. The Group Chief Financial Officer shall be bound to the dispute resolution procedures contained herein.

10.6 The fact that any dispute has been referred to, or is the subject of an arbitration, as well as any information submitted or furnished to the arbitrator, or in any other matter forming part of the record of any arbitration proceeding, shall be kept confidential by the parties to such proceeding.

11. GENERAL

11.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure "A" (scorecard) will not be confidential and may be made available to the public by the City, where appropriate.

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11.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Group Chief Financial Officer in terms of their contact or employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

SIGNED at Braamfontein on this the 31st day of July 2026

For: **THE CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY**

Dr. Floyd Brink
City Manager

Witness: ____________________

Witness: ____________________

SIGNED at Braamfontein on this the 31st day of July 2026

T.R.

Tebogo Moraka
Group Chief Financial Officer

Witness: ____________________

Witness: ____________________

ANNEXURE A

PERFORMANCE SCORECARD – SECTION 57	
Employee:	Tebogo Moraka: Group Chief Financial Officer
Manager:	Dr Floyd Brink: City Manager
Department:	Group Chief Financial Officer
Position Purpose	Premised on the Municipal Finance Management Act (MFMA), No 56 of 2003, the primary purpose of the position is to enhance financial sustainability by improving and strengthening the City's financial position through prudent financial management practices through the development of financial policies and financial plan, thereby contributing to the financial sustainability of the City of Johannesburg.
The period of this Performance Plan is from 1 July 2026 to 30 June 2027	

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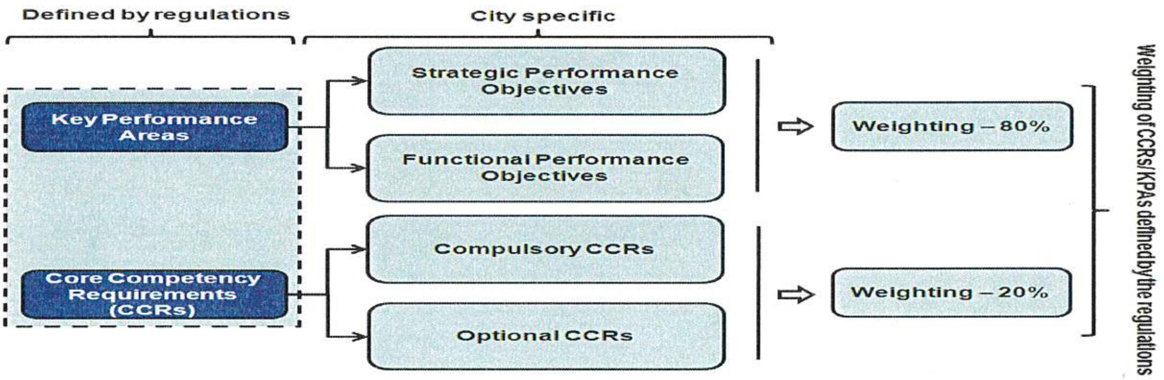
The individual performance scorecards shall be made up of Key Performance Areas (KPA) divided into Functional Performance Objectives (FPO) and Strategic Performance Objectives (SPO) and Core Competency Requirements (CCR) which shall have a relative weighting of 50%: to 30% to 20% respectively. Therefore, the scorecard is separated into three sections, namely, Functional Performance Objectives, Strategic Performance Objectives and Core Competency requirements.



Strategic Performance Objectives (SPOs) are those KPAs which are derived from key citywide and cluster-based objectives and strategies. Of the total 80% KPA weighting, the relative weighting for SPOs should not be less than 50%. The SPOs are developed to reflect the City's strategic priorities within the individual employee scorecard. Functional Performance Objectives (FPOs) relate to the employee's functional areas, objectives and responsibilities. Of the total 80% KPA weighting, the relative weighting for FPOs should not exceed 30%.

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
STRATEGIC PERFORMANCE OBJECTIVES (TOTAL WEIGHT = 50%)						
1.	Service Level Standards	1.1	% Compliance to Service Level Standards	New Indicator	1 < 75% compliance 2 < 85% compliance 3 = 85% compliance 4 > 85% compliance 5 > 95% compliance	• GF Quarterly Departmental Performance report (DPR) (Signed) • GF Quarterly Service Standards Charter report • GG assessment report tabled at GPAC
2	Financial sustainability	2.1	Percentage Collection of revenue on property rates and billed services[1]	86.7%	1 = < **83%** and less collected 2 = 83 - **86%** collected 3 = **90%** collected 4 = **91%** collected 5 = ≥ **92 %** collected	• Audited Annual Financial Statements • Monthly Section 71 reports • GF Quarterly Departmental Performance report (DPR)
3.	Good Governance	3.1	Audit outcome[2]	Unqualified Audit with material findings	1= Adverse Audit report[3] 2= Qualified Audit Report[4] 3= Unqualified without material findings 4= Unqualified report with audit findings classified as other matters and administrative matters 5= Unqualified audit report with no findings (clean audit)	AG Management Letter

[1] The Ratio indicates the collection rate; *i.e.* level of payments. It measures increases or decreases in Debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written off is taken into consideration.
[2] Aligns to the SOCA Turnaround plan KPI to Resolve 100% of audit findings and sustain clean audit status.
[3] This is where AGSA is unable to and does not express an audit opinion due to uncertainty.
[4] This is where there is a disagreement between AGSA and COJ on fair presentation & disclosure.

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
		3.2	% Resolution of internal audit findings[5]	46%	1 = 65%- 70% resolution 2 = 71% - 84% resolution 3 = 85% resolution 4 = 86% -95% resolution 5 =96%-100% resolution (including no findings)	• GRAS report on Audit Findings approved by GAC & GPAC
		3.3	% Resolution of external (AGSA) audit findings[6]	31%	1 = 65%- 70% Resolution 2 = 71% - 84% Resolution 3 = 85% Resolution 4 = 86% -95% Resolution 5= 95%- 100% Resolution (Including no findings)	• GRAS report on Audit Findings approved by GAC & GPAC
4	Financial ratios	4.1	Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants)[7]	15 days / 0 months	1 = Cash / Cost Coverage ratio is positioned at **< 20 days** 2 = Cash / Cost Coverage ratio is positioned at **25 days** 3 = Cash / Cost Coverage ratio is positioned at **30 days** 4 = Cash / Cost Coverage ratio is positioned at **35 days** 5 = Cash / Cost Coverage ratio is positioned at **40 days**	• GF Section 71 Month-to-month report • GF Quarterly Departmental Performance report (Signed) • Audited Annual Financial statements
		4.2	Current Ratio[8]	0.73:1	1 = Current ratio is: **< than 1.1:1** 2 = Current ratio is: **1.1:1**	• Section 71 Month-to-month report

[5] These are findings by internal audit only that are picked up on an ongoing basis.
[6] This is for only findings classified as matters affecting audit opinion and others important matters.
[7] The Ratio indicates the Municipality's or Municipal Entity's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month. The Ratio is adjusted for Unspent Conditional Grants as the cash is not available for normal Municipal day-to-day operational expenditure but rather reserved for Grant related expenditure. If a municipality has a ratio below the norm it would be vulnerable and at a higher risk in the event of financial "shocks/setbacks" and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The NT norm range between 1 month to 3 months.
[8] The Ratio is used to assess the Municipality's or Municipal Entity's ability to pay back its Short-term Liabilities (Debt and Payables) with its Short-term Assets (Cash, Inventory, Receivables). The higher the current Ratio, the more capable the Municipality or Municipal Entity will be to pay its current or short-term obligations and provide for a risk cover to enable it to continue operations at desired levels. The NT norm range between 1.5 - 2.1

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
					3 = Current ratio is: **1.2:1** 4 = Current ratio is: ≥ **1.3:1** 5 = Current ratio is: ≥ **1.4:1**	• GF Quarterly Departmental Performance report (DPR) Audited Annual Financial statements
		4.3	Debt (Total Borrowings)/ Total Operating Revenue[9]	32%	1 = **38 %** of Debt 2 = < **38 %** of Debt 3 = < **37 %** of Debt 4 = < **36 %** of Debt 5 = < **35%** of Debt	• Section 71 Month-to-month report • GF Quarterly Departmental Performance report (DPR) Audited Annual Financial statements
		4.4	Net Operating Surplus Margin[10]	1%	1 = Net Operating Surplus Margin is: **< 0%** 2 = Net Operating Surplus Margin is: **0% to < 1%** 3 = Net Operating Surplus Margin is: **1%** 4 = Net Operating Surplus Margin is: **2%** 5 = Net Operating Surplus Margin is: **> 2 % but < than 5%**	• Section 71 Month-to-month report • GF Quarterly Departmental Performance report (DPR) • Audited Annual Financial statements
		4.5	Remuneration as a Percentage of Total Operating Expenditure[11]	26%	1 = Remuneration as % of Total Operating Expenditure is: **> 40%** 2 = Remuneration as % of Total Operating Expenditure is: **40 %** 3 = Remuneration as % of Total Operating Expenditure is: **39 %**	• Section 71 Month-to-month report • GF Quarterly Departmental Performance report (DPR) • Audited Annual Financial statements

[9] The Ratio indicates the extent of Total Borrowings in relation to Total Operating Revenue. It indicates short- and long-term debt financing relative to operating revenue of the municipality. If the result of the Ratio analysis indicates less than 45% then the Municipality still has capacity to take Increase funding from borrowings, however, this should be considered within the cash flow requirements of the Municipality or Municipal Entity. The NT The norm is 45%.

[10] The Ratio assesses the extent to which the Municipality generates Operating Surpluses. Municipalities should at least recover operational costs for the services being delivered. In addition, a ratio which is greater than 0% will enable the municipality to generate a surplus which will assist to contribute towards its capital funding requirements. The norm The norm is equal to or greater than 0%.

[11] The ratio measures the extent of Remuneration to Total Operating Expenditure. The norm range between 25% and 40%.

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
					4= Remuneration as % of Total Operating Expenditure is: **38 – 35%** 5 = Remuneration as % of Total Operating Expenditure is: **< 35%**	
		4.6	Interest expense as a % of Total Operating Expenditure[12]	4%	1 = Interest Expense to Total Operating Expenditure ratio is: **> 10 %** 2 = Interest Expense to Total Operating Expenditure ratio is: **9 % - 10 %** 3 = Interest Expense to Total Operating Expenditure ratio is: **8%** 4 = Interest Expense to Total Operating Expenditure ratio is: **7%** 5 = Interest Expense to Total Operating Expenditure ratio is: **6%**	• Section 71 Month-to-month report • GF Quarterly Departmental Performance report (DPR) • Audited Annual Financial statements
		4.7	Solvency ratio	0.97:1	1 = Solvency ratio is: **< 2.04:1** 2 = Solvency ratio is: **2. 08:1** 3 = Solvency ratio is: **2.1:1**[13] 4 = Solvency ratio is: **2.3:1** 5 = Solvency ratio is: **> 2.4:1**	• Section 71 Month-to-month report • GF Quarterly Departmental Performance report (DPR) • Audited Annual Financial statements
5	Circular 88 Indicators	5.1	Number of the Circular 88 Indicators achieved (as per table below, excluding ratio's above)		1= 18 indicators 2= 19 – 25 indictors 3= 26 indicators 4= 27 – 33 indicators 5= 34 indicators	• Circular 88 Assessment Report by COGTA

[12] The Ratio indicates the cost required to service the borrowing. It assesses the Borrowing or Payment obligation expressed as a percentage of Total Operating Expenditure. This is an indication that the Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects

[13] The target in the 2025/2026 FY was 2.3:1. The NT norm for this ratio is 2.1.:1. The baseline for the 2026/2027 FY is 2.1:1.. At 2.1:1, the CoJ is not at any risk. At this point our asset base is not under threat in the medium term. It is envisaged that this will improve as the presidential interventions are implemented. This will allow the CoJ to exceed the above target. in quarter four to reach a solvency ratio of ≥2.1:1 This allows for the "carrot / stick" effect in our processes, where most the expenditure occurs in quarter four.

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
5	Stakeholder Management	5.1	Number of citizens participating in departmental events and engagements[14]	New indicator	1 = 8 000 2= 9 000 3= 10 000 4= 11 000 5= 12 000	• Signed Database reflecting Physical and Virtual engagements, notices, registers singed off by Legislature • Submission of monthly evidence as stipulated in the Stakeholder Engagement Tool
6	Ombudsman customer complaints	6.1	% Resolution of customer complaints received from the Ombudsman within the stipulated turnaround times[15]	79.43%	1 = Less than 50% resolution within 90 days or more 2 = 50-99% resolution within 90 days or more 3 = 100% resolution within 90 days 4 = 100% resolution within 60 days 5 = 100% resolution within 30 days or less	• Quarterly report on Ombudsman findings/corrective/remedial action tabled at OCOL
SECTION 2: FUNCTIONAL PERFORMANCE OBJECTIVES (FPO) (TOTAL WEIGHTING = 30%)						
1	Procurement and Contract Management	1.1	% Compliance to acquisition of goods and services as per the approved demand plan	100%	1 = 70% compliance 2 = 80% compliance 3 = 90% compliance 4 = 100% compliance 5=100% compliance and no SCM deviations reported	• Approved Acquisition plan • Departmental Quarterly Acquisition Status Reports • SCM Assessment reports Audited Financial statements

[14] This KPI measures the number of citizens who actively participate and engage in city led events and initiatives. These engagements include meaningful two-way interactions aimed at fostering mutual understanding and building stronger relations between the city and its residents.

15 Includes Ombudsman, Resolution of basic customer service (first line support queries logged with the Ombudsman), Property Rates and Taxes query resolution and basic service delivery petitions raised at the office of the Ombudsman. A new baseline will determine reduction to be measured in the next financial year. The turnaround times will be derived as stipulated in the Ombudsman SOPs and/or Departmental SLS and/or SOPs.

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
2	Financial Turnaround Strategy	2.1	% Implementation of the Financial turnaround plan[16]	New indicator	1= 75% and less of the plan implemented 2= 80% of the plan implemented 3= 85% of the plan implemented 4= 90% of the plan implemented 5= 95% and above of the plan implemented	• Signed progress reports Proof of submission
3	Revised UIFW Strategy	3.1	Percentage reduction in historical **Unauthorised** expenditure reported 30 June 2026	No expenditure	1=<65% 2=65% -74% 3=85% reduction 4=86%-96% 5=97% and above (including non-incurrence in June 2027 report)	• GRAS UIFWe report tabled at GAC and GPAC • Audited Financial Statements
		3.2	Percentage reduction in historical **Irregular** expenditure reported 30	100% reduction	1=<65% 2=65% -74% 3=85% reduction	• GRAS UIFWe report tabled at GAC and GPAC • Audited Financial

16

WS Project Team	Issue	Action Item or task	Responsibility
WS1: Governance & Finance	Funding gap for Joburg Water and City Power	Continue work to close the funding gaps in the approved business and investment plans and identify where PJWG intervention could complement existing National Treasury engagements.	**1. Group Chief Financial Officer** (with MD Joburg Water & City Power) **2. City Manager**
	Flows and balances reporting	Prepare and submit the required flows and balances statement showing financial flows between the City, and Joburg Water and City Power.	**1. Group Chief Financial Officer** (with MD Joburg Water & City Power) **2. City Manager** **3. Group ICT**
	Joburg Water ringfencing	Finalise the detailed operating modalities for ring-fencing, including revenue transfers, grant flows, creditor obligations and the treatment of the balance outstanding at 30 June 2026	**1. Group Chief Financial Officer** (with Joburg Water) **2. City Manager** **3. Group ICT**
	Joburg Water revenue transfers	Resolve the operational and system challenges preventing daily revenue collected by the City from being transferred to Joburg Water in accordance with the SLA	**1. Group Finance** (with MD Joburg Water) **2. City Manager** **3. Group ICT**

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
			June 2026		4=86%-96% 5=97% and above (including non-incurrence in June 2027 report)	Statements
		2.3	Percentage reduction in historical **Fruitless and Wasteful** expenditure reported 30 June 2026	Increase in Fruitless & Wasteful expenditure	1=<65% 2=65% -74% 3=85% reduction 4=86%-96% 5=97% and above (including non-incurrence in June 2027 report)	• GRAS UIFWe report tabled at GAC and GPAC Audited Financial Statements
3	Risk Management	3.1	% Implementation of the action plans to mitigate the risks	64%	1 = 60% of action plans implemented 2 = 70% of action plans implemented 3 = 80% implemented 4 = 90% of action plans implemented 5 = 100% of action plans implemented	• Signed quarterly departmental performance reports • GRGC Risk analysis reports and Minutes
4	Departmental performance monitoring and reporting	4.1	% Achievement of departmental SDBIP	62.5%	1 < 75% achieved. 2 = 75% - 84% achieved 3 = 85% - 89% achieved 4 = 90% - 94% achieved 5 = 95% - 100% achieved	• Signed quarterly departmental performance reports • GSPCR assessment reports
5	Policy Management	5.1	Percentage approved policies in departmental policy register	Approved policies in the register	1=<85% policies reviewed and approved. 2= 85% - 90% policies reviewed and approved 3= 91%-100% policies reviewed and approved 4 = 100% policies reviewed and approved within 6 months after the date of review 5=100% policies reviewed and approved	• Progress report to GSPCR Policy Office • Approved COJ policies report tabled at EMT and GPAC

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
					3 months after approval	
SECTION 3: CORE COMPETENCY REQUIREMENTS (TOTAL WEIGHTING = 20%)						
Financial Competence (Compulsory)						
1	Expenditure Management	1.1	% Spent of allocated departmental Opex budget	96%	1 = 80% Opex spent 2 = 90% Opex spent 3 = 95 Opex spent 4 = 97% Opex spent 5 = 99% Opex spent	• SAP Report • Signed quarterly departmental performance reports
		1.2	Percentage of valid departmental invoices paid within 30 days of submission to Group Finance for payment[17]	83.68%	1 = 75% of valid invoices 2 = 80% of valid invoices 3 = 85% of valid invoices 4 = 90% of valid invoices 5 = 100% of valid invoices	Mid-year and Annual Merchants reports
People Management and Empowerment (Compulsory)						
2	Performance and People Management	2.1	% Of departmental staff receiving performance coaching and review as per the LG Municipal Staff Regulation of 2021 on performance management	42.23%	1 = <65% 2 = 65% - 84% 3 = 85% - 100% 4 = 100% compliance, up to 50% of employees achieved 3.1 or more on their set targets 5 = 100% compliance, more than 50% of employees achieved 3.1 or more on their set targets	• Quarterly Performance Management compliance reports • Approved assessment report by GCSS • Signed departmental NFR report for 2026/27 performance rewards
		2.2	Percentage of disciplinary cases	0%	1 < 60% 2 = 60 – 69%	• Approved departmental quarterly performance

[17] By paying service provider within required 30 days, there will be a reduction or elimination of unnecessary auditing findings which will lead to improved control environment within SCM and City as a whole. Each department must ensure that submission of invoices to Group Finance are not delayed. The Finance Manager must ensure that the invoice meets all requirements, and all relevant attachments are submitted with the invoice to avoid it being rejected by the Merchants thereby causing a delay in the payment. The department is liable for this compliance.

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
			resolved within 120 days[18]		3 = 70 - 79% 4 = 80 - 89% 5 = 90 - 99%	reports • GCSS LR report Annual report 2026/27
Change Management (Optional)						
3.	Institutionalisation of GEYODI and EE in the City	3.1	Number of Geyodi programmes implemented as per the approved action plans.	New indicator	1 ≤ 2 or less[19] 2= 3 3= 4 4= 5 5= 6	• Approved GEYODI action plans signed off by Departmental Executive Directors and Municipal Entities Accounting Officers. • Nomination Letters of Geyodi Focal Persons to champion GEYODI. Quarterly Compliance Reports
		3.2	% EE, Gender and Disability mainstreaming[20]	New indicator	1 ≤ 40%[21] 2= 41% - 59%[22] 3= 60% - 79%[23] 4= 80% - 99%[24] 5= 100%[25]	• Minutes of EE forums • Attendance register/s • Concept documents.
4	Employee Safety	4.1	Percentage of Health and Safety corrective measures implemented	45%	1< 85% corrective measures implemented 2= 85% corrective measures implemented 3= 100% corrective measures	• Implementation plan with targeted corrective measures • Signed departmental quarterly progress reports

[18] The counting begins with the charge (charge sheet date) laid on the employee up to the day of approval by the Chairperson and committee, of the recommended disciplinary action to be implemented.
[19] Geyodi programmes implemented as per the approved action plans
[20] The KPI include both the internal focused initiatives on Employment Equity, inclusive of Gender Disabilities and Diversity Management initiatives and interventions.
[21] Attendance of consultative sessions scheduled i.e. directorate, departmental and/or citywide; depending on the level of representation in line with the approved Terms of Reference (TOR). This includes recruitment and selection processes which the representative has attended within the reporting period.
[22] Provide feedback to staff or the constituency in ways agreed to by the forum. This includes, emails, staff meetings or relevant structure/forum etc.
[23] Participate in the development of the Action Plan and monitor implementation.
[24] Input into or submission of relevant reports to various structures or relevant authorities.
[25] Facilitate the employee participation in citywide events planned for the City's employees, include workshops, training or EE, Gender and Disability events.

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KPA No	Key Performance Area	KPI No.	Key Performance Indicators (KPIs)	Baseline 2024/2025	Target	Means of Verification
					implemented 4= 100% corrective measures implemented, and no injuries sustained 5= 100% corrective measures implemented and no injuries and fatalities	• Consolidated GSHE biannual assessment reports indicating corrective measures implemented and the level of compliance according to the audits conducted
Customer Orientation and Customer Focus (Compulsory)						
5	Customer satisfaction	5.1	% Increase in customer satisfaction index[26]	60%	1 <60% 2 = 60%. 3 = 61%27 4 = 62% 5 = >62%	Annual Customer satisfaction survey report

By signing this performance scorecard, the manager and employee hereby indicate their full understanding of, and agreement with the contents of the scorecard. The manager and the employee both acknowledge that this is in full compliance with the City's Performance Management Policy.

Tebogo Moraka Group Chief Financial Officer	**Signature:**	**Dr. Floyd Brink City Manager**	**Signature:**	**Date: 31 July 2026**

CIRCULAR 88 INDICATORS AS PER KPI 5.1 OF THE SPOs

OUCOME INDICATORS

NO.	REF NO	IDP PERFORMANCE INDICATOR
10.	FM1.1	Percentage of expenditure against total budget
11	FM2.1	Percentage of total operating revenue to finance total debt
12.	FM2.2	Percentage change in cash backed reserves reconciliation
13.	FM3.1	Percentage change in cash and cash equivalent (short term)
14.	FM4.2	Percentage of total operating expenditure on remuneration

[26] The Customer Satisfaction Survey will focus on initiatives from the War Room, regional accelerated service delivery and all service delivery areas that require turnaround i.e water, energy, waste, roads, safety and measure improvements in these areas, etc.
[27] Per GPAC guidance, an aspirational target to counter declining satisfaction trends

15.	FM4.3	Percentage of total operating expenditure on contracted services
16.	FM5.1	Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure
19.	FM7.1	Percentage change in Gross Consumer Debtors' (Current and Noncurrent)
20.	FM7.2	Percentage of Revenue Growth excluding capital grants
21.	FM7.3	Percentage of net operating surplus margin
36.	HS2.2	Percentage of residential properties in the subsidy market
41.	LED2.1	Rates revenue as a percentage of the total revenue of the municipality
42.	LED2.2	Rateable value of commercial and industrial property per capita

OUTPUT INDICATORS

NO.	REF NO	NATIONAL TREASURY PROPOSED INDICATORS
20.	FM1.11	Total Capital Expenditure as a percentage of Total Capital Budget
21.	FM1.12	Total Operating Expenditure as a percentage of Total Operating Expenditure Budget
22.	FM1.13	Total Operating Revenue as a percentage of Total Operating Revenue Budget
23.	FM1.14	Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget
24.	FM2.21	Cash backed reserves reconciliation at year end
27.	FM3. 13	Trade payables to cash ratio
28.	FM3. 14	Liquidity ratio
29.	FM4.31	Creditors payment period
30.	FM5.11	Percentage of total capital expenditure funded from own funding (Internally generated funds + Borrowings)
31.	FM5.12	Percentage of total capital expenditure funded from capital conditional grants
35.	FM6.12	Percentage of awarded tenders [over R200k], published on the municipality's website
36.	FM6.13	Percentage of tender cancellations
37.	FM7.11	Debtors payment period
38.	FM7.12	Collection rate ratio
60.	LED1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area
63.	LED2.11	Percentage of budgeted rates revenue collected
64.	LED2.12	Percentage of the municipality's operating budget spent on indigent relief for free basic services[28]
68.	LED3.21	Percentage of revenue clearance certificates issued within 10 working days from the time of completed application received[29]
69.	LED3.31	Average number of days from the point of advertising to the letter of award per 80/20 procurement process
70.	LED3.32	Percentage of municipal payments made, within 30 days to service providers who submitted valid invoices

[28] Social development to provide the database of Indigent account holders.
[29] Excludes clearances applications with queries and / or where all 5 services are not billed

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