

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

GROUP FINANCE DEPARTMENT (GF)

BUSINESS PLAN

FINANCIAL YEAR 2026/2027



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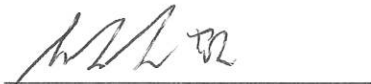
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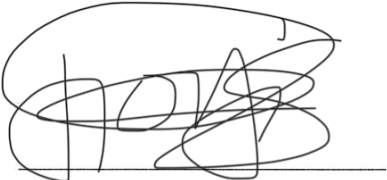
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GLOSSARY AND ACCRONYMS

Abbreviation	Definition
AGSA	Auditor General South Africa
AMR	Automatic Meter Readers
APAO	Audit of Predetermined Objectives
BBB-EE	Broad-based Black Economic Empowerment
BAC	Bid Adjudication Committee
BEC	Bid Evaluation Committee
BSC	Bid Specification Committee
CAPEX	Capital Expenditure
CEF	Capital Expenditure Framework
CPI	Consumer Price Index
COGTA	Cooperative Governance and Traditional Affairs
COJ	City of Johannesburg
CRM	Customer Relationship Management
CRMP	Compliance Risk Management Plan
ESKOM	Electricity Supply Commission
ESP	Expanded Social Package
FBE	Free Basic Electricity
FBW	Free Basic Water
GCFO	Group Chief Financial Officer
GCIO	Group Chief Information Officer
GCR	Gauteng City-Region
GDS	Growth and Development Strategy
GF	Group Finance
GSSCM	Group Strategic Supply Chain Management
IDP	Integrated Development Plan
JMPD	Johannesburg Metropolitan Police Department
JPC	Johannesburg Property Company
KPI	Key Performance Indicator
ME	Municipal Entities
MFMA	Municipal Finance Management Act 56 of 2003
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act 32 of 2000
MSCOA	Municipal Standard Chart of Accounts
MTREF	Medium Term Revenue and Expenditure Framework
MTSR	Metro Trading Service Reforms

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Abbreviation	Definition
NT	National Treasury
OPEX	Operational Expenditure
PESTEL	Political, Economic, Social, Technological, Environmental, and Legal Framework Analysis
PJWG	Presidential Johannesburg Working Group
PMS	Performance Management System
POPIA or POPI Act	Protection of Personal Information Act
RSSC	Revenue Shared Services Centre
SALGA	South African Local Government Association
SDBIP	Service Delivery and Budget Implementation Plan
UIFWe	Unauthorized, Irregular, Fruitless, and Wasteful Expenditure
YTD	Year to Date

EXECUTIVE SUMMARY

The 2026/27 financial year presents Group Finance with a decisive institutional responsibility. The draft Integrated Development Plan (IDP) identifies **Financial Sustainability** as the City's foremost strategic priority and positions it as the foundational pillar of the IDP "House" model. This is not symbolic. The City's ability to deliver infrastructure resilience, rule of law, digital economy, accelerated service delivery and broader developmental outcomes depends entirely on the strength, credibility and discipline of its financial management system.

Recent institutional assessments have highlighted urgent performance pressures that must be addressed head-on. The oversight and advisory bodies have reported that the governance cluster achieved– a significant decline year-on-year from 2024/2025 to 2025/ 2026. Revenue collection on property rates and billing, while spending on repairs and maintenance and capital expenditure fell well below target due to procurement delays, contracting inefficiencies and inter-entity dependencies. These shortfalls, together with the qualified audit opinion on the core administration, demand accelerated recovery actions across revenue enhancement and audit remediation.

In this context, Group Finance serves as the strategic custodian of the City's financial viability. The department is responsible for safeguarding liquidity, protecting revenue integrity, enforcing expenditure discipline, reducing unauthorised, irregular, fruitless and wasteful expenditure, and maintaining overall fiscal governance. When Group Finance performs effectively, institutional confidence is strengthened, budget implementation gains credibility, and sustainable service delivery becomes possible. Persistent weaknesses, by contrast, reverberate across the entire administration and its entities.

Group Finance is therefore strengthening its leadership role while actively supporting the Metro Trading Services Reform (MTSR) programme. Through the Revenue Shared Services Centre (RSSC), the department will align entity budgets and business plans with the City's consolidated budget, IDP and affordability framework to unlock substantial MTSR grant funding. At the same time, immediate corrective actions are being implemented to secure unattended personal information, accelerate digitisation of records, improve emergency communication protocols, and enhance customer-service standards at revenue centres.

The planning environment remains shaped by ongoing fiscal challenges, including a revenue collection rate below the National Treasury norm, a substantial debtors' book, liquidity pressures and the continued need for rigorous cost containment. These issues directly affect the City's solvency, its ability to honour obligations and its capacity to fund essential services and developmental commitments.

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Group Finance continues to engage actively in intergovernmental forums, including the District Development Model (DDM) and Metro Support structures, to ensure alignment across the three spheres of government and to strengthen financial oversight in line with the Municipal Finance Management Act (MFMA). The City also seeks to build on the positive legacy of hosting the G20 Summit in 2025 by translating gains in economic investment, infrastructure improvement and global knowledge exchange into tangible benefits for residents and businesses.

Against the backdrop of upcoming Local Government Elections, proactive planning ensures business continuity. This Business Plan draws on a longitudinal review of the past four years of the current mayoral term to address historical challenges, consolidate successes and provide a credible foundation for the outer years of the Medium-Term Revenue and Expenditure Framework (MTREF).

In essence, the Group Finance Business Plan 2026/27 goes beyond recording departmental activities. It articulates how the department will stabilise and strengthen the City's fiscal position through measurable outcomes, operational interventions, service standards, statutory performance measures (including IDP corporate scorecard indicators, SDBIP targets and NT Circular 88 requirements) and robust risk management. The plan is structured to move seamlessly from strategic positioning to implementation, demonstrating Group Finance's central role in renewing the People's Mandate through inclusive growth and a capable, financially sustainable developmental city.

1 STRATEGIC OVERVIEW

1.1 Vision

To be the City of Johannesburg's trusted custodian of financial sustainability, ensuring that sound revenue management, prudent expenditure control, resilient liquidity management and credible financial governance enable the City to deliver on its developmental mandate with confidence and accountability.

1.2 Mission

Group Finance exists to secure and strengthen the financial foundation of the City of Johannesburg through credible budgeting, disciplined expenditure management, effective revenue administration, sound supply chain governance, reliable financial reporting and informed fiscal decision-making across the administration and municipal entities.

In giving effect to this mission, Group Finance will prioritise the protection of cash and solvency, the strengthening of billing integrity and collection performance, the containment of avoidable expenditure, the reduction of unauthorised, irregular, fruitless and wasteful expenditure, the improvement of data quality and financial systems, and the production of reliable financial intelligence to support oversight, planning and service delivery.

This mission is reinforced by the City's reform environment. The revised governance arrangements for City Power, Johannesburg Water and Pikitup require closer alignment between business planning, performance reporting, service standards and financial sustainability, thereby increasing the importance of Group Finance's coordinating and oversight role in protecting the City's consolidated fiscal position.

1.3 Values

Group Finance is guided by the values of accountability, integrity, professionalism, collaboration, consistency and innovation. These values are not abstract principles. They are operational disciplines required for sound public financial management. Accountability and integrity require that public resources be managed lawfully, transparently and in a manner that protects institutional and stakeholder confidence. Professionalism requires technically competent and solutions-driven execution. Collaboration is essential because financial sustainability depends on coordinated implementation across departments, entities and oversight structures. Consistency is necessary for reliable governance, reporting and control. Innovation remains essential because the long-term sustainability of the City increasingly depends on improved data quality, digital revenue management, automation and evidence-based planning.

2 CORE MANDATE / PURPOSE

The core mandate of Group Finance is to protect and advance the financial sustainability of the City of Johannesburg. This entails ensuring a credible and fundable budget, optimising revenue billing and collection, enforcing lawful and disciplined expenditure, proactively identifying and managing financial risks, and providing Council and management with accurate, timely and decision-useful financial intelligence.

Institutionally, Group Finance is the department through which the City gives practical effect to the Municipal Finance Management Act (MFMA), Act 56 of 2003, and the broader financial governance framework of local government. The department is responsible for the systems, internal controls, policies, financial planning instruments and disciplines that enable the City to raise revenue efficiently, allocate resources prudently, meet its obligations, sustain service delivery and preserve confidence in its governance arrangements.

For the 2026/27 financial year, this mandate must be exercised with renewed urgency and focus on fiscal recovery. Financial sustainability is the essential precondition for institutional stability and the successful implementation of all other IDP priorities.

Group Finance discharges this mandate by giving practical effect to the five underlying principles of the MFMA, which underpin all key reforms in local government:

-  **Transparency:** ensuring openness in financial planning, budgeting and reporting.
-  **Accountability:** holding officials responsible for the management of public resources.
-  **Value for money:** optimising the use of limited resources to achieve maximum service delivery impact.
-  **Sustainability:** maintaining the City's long-term financial health and solvency; and
-  **Sound financial governance:** establishing robust systems, controls and oversight mechanisms.

These principles, as illustrated in **Figure 1: MFMA Five Guiding Principles**, are fully aligned with all other legislation governing municipalities. They are intended to create a robust, well-managed and accountable sphere of local government equipped to meet the needs of diverse communities, even under severe external pressure.

By embedding these MFMA principles into its daily operations and strategic actions, Group Finance serves as the indispensable cornerstone of the City's financial stability and the primary enabler of the 2026/27 IDP "House" model.

Figure 1: MFMA 5 (Five) Guiding Principles

Municipal Finance Management Act 5 MFMA PRINCIPLES



3 LEGISLATIVE AND POLICY ENVIRONMENT

3.1 Legislative and Policy Framework

The legislative and policy environment of Group Finance is anchored in the Constitution of the Republic of South Africa, 1996, the Municipal Finance Management Act, 2003, the Municipal Systems Act, 2000, the GDS 2040, the City's approved IDP, SDBIP, financial policies, the approved budget framework, and the wider governance and performance management architecture applicable to local government.

The MFMA remains the central enabling statute because it gives practical effect to transparency, accountability, affordability, prudent financial management and sustainability in the municipal sphere. In the context of Group Finance, the MFMA is not merely a compliance instrument; it is the legal foundation for budget credibility, funding discipline, cash management, borrowing oversight, reporting integrity and financial accountability.

The Municipal Systems Act is equally important because it links financial governance to service delivery, institutional planning and performance management. Through the Systems Act, the IDP, SDBIP, performance indicators and service standards acquire governance force and become binding instruments of accountability rather than stand-alone planning documents.

The City's draft 2026/2027 IDP provides the strategic policy framework within which this Business Plan must operate. The IDP places Financial Sustainability at the forefront of the City's priorities, links it to the wider governance and service delivery agenda and integrates performance management and risk management into the planning cycle.

The Metro Trading Services Reform programme must also be regarded as a material policy and governance influence on this Business Plan. The updated service delivery agreement and compact material confirm stronger requirements for planning alignment, financial discipline, reporting, performance accountability and service standards across the trading entities. These reforms are directly relevant to Group Finance because entity performance affects billing integrity, collections, affordability, reporting reliability and consolidated fiscal sustainability.

4 STRATEGIC IMPLICATION FOR THIS BUSINESS PLAN

The practical implication of this legal and policy framework is that the Group Finance Business Plan 2026/2027 must be structured around measurable delivery instruments rather than broad policy statements only. For this reason, the sections that follow present the IDP 5 year – 2026/2027 Corporate scorecard, Group Finance Departmental SDBIP (day to day indicators), Service Level Standards, National Treasury Circular 88 indicators and the Group Finance Strategic Risk Register. Not as separate compliance obligations, but as one integrated performance and accountability architecture through which Group Finance gives effect to its legislative and policy mandate.

4.1 Strategic objectives for this Business Plan

Figure 2: Group Finance Strategic Objectives



For that reason, the remainder of this Business Plan is organised around the instruments through which the Group Finance mandate is exercised and measured, namely the IDP Corporate Scorecard, the Departmental SDBIP, the Service Level Standards, the Circular 88 framework and the Strategic Risk Register.

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4.2 Strategic Analysis for this Business Plan

4.2.1 Service Delivery

2026/27 Business Plan signifies a final push to the end of the Mayoral Term. This means that a five-year strategic analysis is necessary to measure departmental effort in implementing programmes and projects linked to the GLU priorities. The focus for Group Finance department in achieving aspirations of the Government of Local Unity (GLU), still boards around **“Financial Sustainability”**, **“Good Governance”** **“Active and Engaged Citizenry”** and **“Smart City”** as a response to the Mayoral Priorities.

4.2.2 Smart City

The Smart City objectives for the Group Finance Department remain:

- ✚ Functional E-Procurement system for procurement management processes.
- ✚ Established E-Joburg Electronic Bill Presentment and Payment Portal

4.3 Strategic SWOT Analysis for this Business Plan

Group Finance undertook a comprehensive SWOT analysis during its 2026/27 strategic planning process. This assessment identifies the department's key internal strengths and weaknesses, as well as the external opportunities and threats that will shape its ability to drive financial sustainability and support the successful implementation of the IDP “House” model.

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Figure 3: Strategic SWOT Analysis

GROUP FINANCE SWOT MATRIX			
STRENGTHS		WEAKNESSES	
1	Strong strategic positioning as custodian of financial sustainability	1	Persistent revenue collection shortfalls (83% vs 87.8% target in Q3)
2	Central role in RSSC and Metro Trading Services Reform (MTSR)	2	Underspending on repairs & maintenance and CAPEX due to procurement and inter-entity delays
3	Established intergovernmental engagement platforms (DDM, Metro Support)	3	Inadequate document management exposing personal information (POPIA risk)
4	Proven ability to coordinate entity budgets and unlock grant funding	4	High vacancy rates and skills gaps in core accounting
OPPORTUNITIES		THREATS	
1	Metro Trading Services Reform (MTSR) and associated World Bank / NT grant funding	1	Sharp decline in GLU priority performance (only 43% achieved in Q3 2026)
2	LGFIDPM framework and Johannesburg Infrastructure Plan directives	2	Qualified audit opinion on the core administration with material findings
3	Debt Relief Programme and payment culture campaign	3	Facilities safety risks highlighted by the 10 April 2026 Thuso House evacuation incident
4	Digital transformation opportunities through e-Procurement and e-Joburg	4	Exposure of personal information and POPIA non-compliance identified during Section 79 oversight visits
		5	Upcoming Local Government Elections increasing scrutiny on financial and service delivery performance

4.4 PESTEL Analysis for this Business Plan

Similarly, business planning requires deployment of a variation of techniques. Whilst the SWOT analysis focuses on threats, opportunities, weaknesses, and strengths, the PESTEL model allows for an in-depth understanding given the volatility, unpredictability, and uncertainty in the environment. It calculates the risk of doing business owing to political instability, environmental risks, and social implications. Legal considerations, economic climate, and applicable technological considerations. Set out below is the application of the model to the Group Finance environment.

Group Finance as an environment consists of a set of external conditions and forces that have the potential to influence the organization. Hence the increased pressure to maintain a good credit record to attract foreign and direct investment through monitoring financial ratios. In addition, this also assists in acquiring loans from both commercial and development banks. Social trends are also important because those are our target market as a constitutional obligation.

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Of course, the political environment defines, in the main, the strategic objectives of the city over a five-year period. It is measured through Mayoral priorities which set the tone over the mayoral term. Set out below are some of the attributes that define all facets, conditions, and forces contained in the PESTEL model.

Figure 4: PESTEL Model Analysis

PESTEL ANALYSIS: GROUP FINANCE STRATEGIC ENVIRONMENT		
Factor	Key Issues	Group Finance
Political	Upcoming Local Government Elections; GLU priorities; Section 79 oversight scrutiny.	Heightened demand for visible, credible financial recovery and governance improvements.
Economic	Revenue collection at 83% against an 87.8% target; liquidity pressures; substantial debtors' book.	Requires aggressive revenue enhancement and cost-containment measures to protect solvency.
Social	Public frustration with service delivery, including long queues, centre closures and unfair disconnections.	Need for improved customer-service standards and communication at revenue centres, including Thuso House and Midrand CSC.
Technological	Slow digitisation of records; manual processes; opportunities in e-Procurement and e-Joburg.	Acceleration of document digitisation and automation is critical for POPIA compliance and efficiency.
Environmental	Generator exhaust leak causing CO evacuation incident; inefficient building systems.	Urgent integration of real-time CO monitoring and preventive maintenance into the facilities strategy.
Legal	Qualified audit opinion; POPIA exposure; LGFIDPM / MFMA Circular 106 compliance; MTSR requirements.	Immediate focus on audit remediation, document security and institutionalisation of new infrastructure governance frameworks.

5 FINANCIAL OVERVIEW

Financial management and budget planning are an integral part of business strategy. The planning function is an inextricable dimension of financial management and the foundation to support accurate financial information to provide sound and robust financial advice to support key financial decisions as a group function. As such it is an important discipline within Group Finance as it enables attainment of target in all activities with financial requirements. As a guiding framework by National Treasury, 2026/27 fiscal outlook emphasises strict cost containment, revenue collection improvements and strict ring-fencing of utility revenues to strengthen financial sustainability.

As part of strategic consideration, Group Finance is cautioned to the realities of integrating liquidity realism into capital planning. Undesirable consequences of applying implementation disruptions linked to payment delays despite approved budget allocation, as an observed strategy by some departments has an undesirable effect on service providers. The inherent risk of liquidation, cash flow, use of overdrafts and increasing borrowing costs is felt by, in particular, small, medium enterprises and businesses in general and adverse service delivery backlog in the event they hold back due to non-payment. As a result, a need for closer alignment between capital commitments and realistic cash flow availability is necessary for MTREF 2026/27.

Similarly, applicable to the departmental environment is strengthening alignment between tender awards and secured multi-year funding. Observations highlighted recurring instances where procurement proceeds ahead of confirmed multi-year funding within the MTREF. Risk exposures identified where projects become contractually committed while outer year allocations are subsequently reduced due to affordability constraints. For the MTREF 2026/27, strengthening the principle that projects proceed to tender only once sufficient multi-year funding is secured will be important. Where projects are already underway, allocations should be aligned with demonstrated expenditure performance in the current financial year.

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5.1 Financial impact

5.1.1 Budget and Source of Funding

Table 1: Budget and Sources of Funding

Description	Approved Budget 2025/26 (R'000s)	Change (R'000s)	Revised (Adjusted) Budget 2025/26 (R'000s)	Draft Budget 2026/27 (R'000s)	% Incr.	Draft Budget 2027/28 (R'000s)	% Incr.	Draft Budget 2028/29 (R'000s)
Total Direct Revenue	(31,571,833)	-	(31,571,833)	(32,819,337)	4%	(33,908,372)	3%	(34,593,494)
Internal Revenue	(2,340,061)	35,450	(2,304,611)	(2,315,483)	0%	(2,404,253)	4%	(2,492,447)
Total Revenue	(33,911,894)	35,450	(33,876,444)	(35,134,820)	4%	(36,312,625)	3%	(37,085,941)
Direct Expenditure	6,041,811	19,265	6,061,076	6,256,336	3%	6,413,001	3%	6,471,214
Interest - Inter-Co	8,191,286	508,709	8,699,995	9,029,896	4%	9,684,817	7%	10,024,759
Total Expenditure (excl. taxation)	14,233,097	527,974	14,761,071	15,286,232	4%	16,097,818	5%	16,495,973
Capital Budget	8,040	-	8,040	3,600	-55%	3,600	0%	3,600

Notes:

- Summary of budget table includes direct revenue and expenditure together with internal transfers incorporated in the Group Finance's Statement of Financial Performance.
- Included in the internal revenue is interest earned on sweeping accounts.
- Included in the internal expenditure is operational grants and subsidies payable to ME's

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5.1.2 Grant performance analysis

Table 2: Grant performance analysis

2021/22 67%	2022/23 59%	2023/24 92%	2024/25 83%	2025/26 61%
PTNG grant expenditure was low, however, infrastructure grant and job creation performed better.	PTNG grant expenditure was low including USGD grant	There has been some significant improvement in terms of spending in grant allocations. Best year comparatively	PTNG grant spending was still low, however, the city maintained a good performance in spending allocated grants	At mid-year, the city's USDG grants second payment was stopped due to slow spending patterns demonstrated in the first quarter

5.1.3 Capital Expenditure

Table 3: Capital Budget Expenditure

Capital Budget: Source of Finance CRR	Approved Budget 2025/26 (R'000s)	Change (R'000s)	Revised (Adjusted) Budget 2025/26 (R'000s)	Draft Budget 2026/27 (R'000s)	% Weigh- ting	% Incr.	Draft 2027/28 (R'000s)	% Incr.	Draft 2028/29 (R'000s)
Smart city: CRR	-	-	-	-	0%	0%	-	0%	-
Smart city: External Loan	-	-	-						
Day-to-day programme: Fund from External Loan, 2027/28 onwards fund is CRR	8,040	-	8,040	3,600	100%	-55%	3,600	0%	3,600
Total Operating Expenditure	8,040	-	8,040	3,600	100%	-55%	3,600	0%	3,600

Notes

- Capex funding is mainly for day-to-day operations of the department as it is mainly used for tools of trade.
- Outer year's budget request is mainly linked to the ongoing projects operational day-to-day requirements for Business continuity and customer service.

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5.1.4 Operational Expenditure

Table 4: Operating Expenditure

Description	Approved Budget 2025/26 (R'000s)	Change (R'000s)	Revised (Adjusted) Budget 2025/26 (R'000s)	Draft Budget 2026/27 (R'000s)	% Incr .	Draft Budget 2027/28 (R'000s)	% Incr .	Draft Budget 2028/29 (R'000s)	% Incr .
Good governance	-	-	-	-	-	-	-	-	-
Financial sustainability	3 867 654	- 65 353	3 802 301	3 869 353	2%	3 982 687	3%	4 120 616	3%
Energy mix	-	-	-	-	-	-	-	-	-
Sustainable service delivery	124 042	78	124 120	129 413	4%	134 643	4%	140 084	4%
Infrastructure development and refurbishment	-	-	-	-	-	-	-	-	-
Job opportunity and creation	-	-	-	-	-	-	-	-	-
Safer city	-	-	-	-	-	-	-	-	-
Active and engaged citizenry	320	-	320	331	3%	342	3%	353	3%
Sustained economic growth	-	-	-	-	-	-	-	-	-
Green economy	-	-	-	-	-	-	-	-	-
Smart city	87 979	8 016	95 995	99 259	3%	102 435	3%	105 713	3%
Day-to-day programme	1 961 816	76 524	2 038 340	2 157 980	6%	2 192 894	2%	2 104 448	-4%
Total Direct Operating Expenditure	6 041 811	19 265	6 061 076	6 256 336	3%	6 413 001	3%	6 471 214	1%

Notes:

- Figures are still preliminary, budget submission where there is additional request for financial year 2025/26 has been motivated for.
- Summary of budget above comprises direct operational budget expenditure per key programme and day to day.
- In the eleven (11) key priorities of the City, Group Finance mainly contributes and aligns its operations to the achievement of the Financial Sustainability objective of the City
- Outer year's budget requirements are within parameters in most areas.

5.2 Group Finance Cost Drivers

The total Group Finance direct expenditure budget for the 2026/27 FY increased by 3.2% as compared to the adjusted budget 2025/26. This is 0.02% below the CPI increase of 3.4%.

✦ **Salaries:**

The increases as compared to last year budget is 5.7%. This is due to PFA paid in September 2025. While when compared to adjusted budget it is only 2,4%. The estimated increase is expected to be 4.75%.

✦ **Debt Impairment:**

The debtor's book in June 2025 was R 65,4 billion and as of February 2026 it was at R 74,2 billion. This indicates an increase of about % due to nonpayment by customers. The increase in debtors' books results in the increase of impairment by 3.3% as compared to adjusted budget.

✦ **Contracted Services and Operational Cost:**

This category is showing a minimal increase of 0.5% against 2025/26 adjusted budget, which is below CPI.

✦ **Depreciation and Amortisation:**

The is only 3.3%. Most of the assets have been depreciated and in the next financial year finance was allocated only R 3,6 million for new computers.

✦ **Interest:**

There was only an increased by 4.3% and is above the CPI by 0.9%. The City is planning to borrow additional funds due to decrease in collections.

6 CUSTOMER COMMUNICATIONS AND STAKEHOLDER MANAGEMENT

The City has a responsibility to engage its stakeholders as detailed by the Municipal Systems Act 32 of 2000 through the introduction of the Integrated Development Plan (IDP). The IDP is conceptualized through the engagement of the communities who are the critical stakeholders of the city. The Group Finance department also has a responsibility to engage the stakeholders in the services and processes that affect the stakeholders. This is done to comply with legislation and improve the relationship with the stakeholders. These stakeholders are divided into two categories, which are, Internal Stakeholders and External Stakeholders

Internally, these include City Departments, Municipal entities, Governance Cluster Committee, Section 79 Oversight Committee, Mayoral Committee and Council. These categorized stakeholders are engaged as and when necessary and some have standing meetings that are held to accelerate performance. The Group Chief Financial Officer's office convenes monthly CFO forums with CFOs of departments and entities which are aimed at improving financial management throughout the City.

Externally, The Department interacts with National Treasury; customers who include both residential consumption and commercial consumption; COGTA; Utility Institutions (Eskom, Rand Water), and Investors to mention a few. Below is a Stakeholder Analysis for Group Finance.

To further enhance revenue collection performance, the department will be allocating active accounts to management in the regions to collect within their regions. A Customer Education Campaign will be used to help customers know how to read and interpret the bills presented to them.

6.1 Communications Management Plan

Central to the performance of the city is the IDP document, which is developed through extensive consultation, establishing a social contract that allows the community to hold the political leadership and administrative officials to account. Through this process Group Finance engages the communities about the budget allocation, reviews policies relating to the rates and taxes for each financial year, and the general valuation roll.

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Table 5: Communications Management Plan

COMMUNICATIONS MANAGEMENT PLAN				
ID	Stakeholder	Information	Method	Timing/Frequency
(1)	Group Strategy, Policy Coordination and Relations	Business Plan SDBIP Quarterlies IR & IGR	Electronic submissions Virtual & in contact meetings	Annual Quarterly Periodically
(2)	Group Risk & Assurance Services	CRMP Plan Quarterly Compliance Reports	Electronic submissions	Annual Quarterly
(3)	Group Corporate & Shared Services	PMS Moderation Report Quarterly Monitoring Report	Electronic submission	Annual Quarterly
(4)	National Treasury	Section 71 Report Financial Management C88 TWG	Electronic submission Virtual meeting	Quarterly
(5)	Auditor General SA	Annual Financial Statements	Electronic submission	Annual
(6)	Citizen engagements (incl. employees)	Tariff Policy Credit management Policy Open days	Virtual meetings for engagement and consultation	Annual Periodically
(7)	Core dept/MES	Budget Planning, Review & Adjustment	Electronic submission and virtual meetings	Periodically
(8)	Governance Technical Cluster Committee	Cluster convention and custodian	Virtual meetings	Periodically

6.2 Stakeholder Matrix

Figure 5: Stakeholder Matrix



6.3 Stakeholder Outreach

Active and engaged citizenry. This is a philosophy espoused by the ability of the city to keep its citizenry empowered and educated at all levels. This will result in closing on the trust deficit between the city and its communities.

Virtual Outreach Programme. The intervention is the first of its kind in Joburg. The department engages customers through an Online Platform (Microsoft Teams). The Virtual Outreach Programme forms part of the City's ongoing attempts to improve customer service by attending to queries logged at respective customer service centers and Call Centre.

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Social Media Platform. The department is currently utilizing one Platform which is Joburg Connect and regional E-mails. Social media will give customers more options to interact with COJ and improve customer experience and enhance revenue collection efforts. This additional platform will allow customers to interact with COJ staff through Facebook, WhatsApp, and Twitter.

YouTube Videos. The department registers almost 5,000 property owners every month and most of them are young owners. YouTube Videos will educate ratepayers and residents on understanding COJ billing processes.

Project Lokisa: The revenue enhancement project aimed at fixing billing and revenue gaps. Since inception there has been reported progress in terms call resolution. Its impact accounts for 90% revenue collection in the first of 2025/26 Financial Year.

SMS, Call back and Chat box Functionality. The intervention will enable use of an SMS facility and provide customers with regular updates on the status of their query resolution. This will reduce the number of follow-ups from customers via Call Centre, Walk-in Centers, and email. The Call back and Chat box Functionality will allow customers on the Call Centre waiting list to request a call back from COJ agents.

To further enhance revenue collection performance, the department will be allocating active accounts to management in the regions to collect within their regions. A Customer Education Campaign will be used to help customers know how to read and interpret the bills presented to them.

6.4 Quality of Life Survey Issues

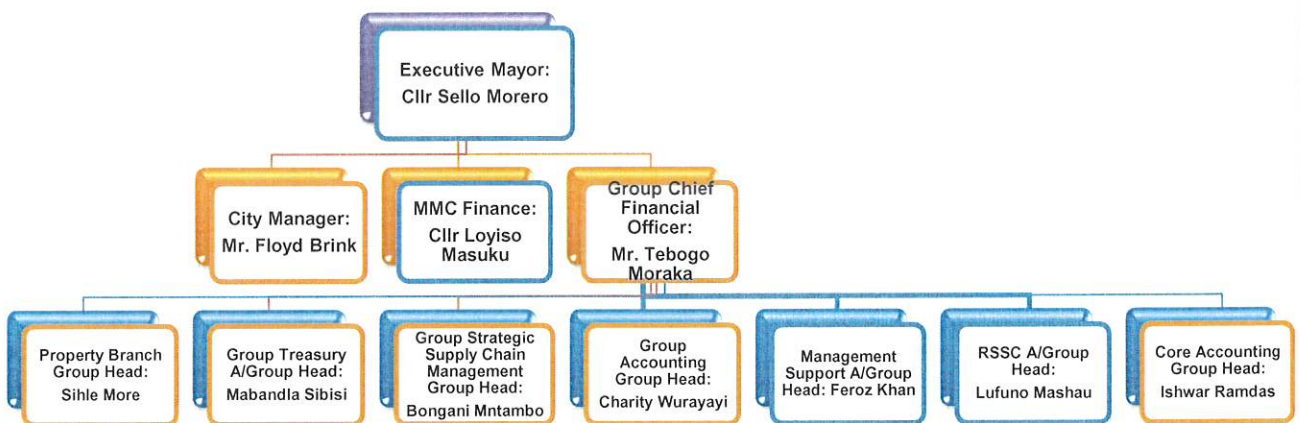
The Gauteng City-Region Observatory (GCRO) released results for all Metros in Gauteng on the Quality-of-Life Survey (QoL). It addresses the impact of service delivery on the residents of Johannesburg for the institutionalization of the results throughout the entire City for necessary interventions of identified areas of dissatisfaction.

7 MANAGEMENT AND ORGANISATIONAL STRUCTURE

7.1 Organizational Structure

The Group Chief Financial Officer GCFO, who reports directly to the City Manager in accordance with Section 56 of Local Government Municipal Systems Act (MFMA) heads the department. There are five business units within Group Finance charged with the functions reflected as: Core Accounting, Group Accounting, Treasury, Property, Revenue Shared Services Centre, Supply Chain Management and Strategic Management Services. Set out below is the structure depicting graphically all business units within the department.

Figure 6: Group Finance Organisational Structure



7.2 Capacity Analysis

The Group Finance operational structure is in line with the MFMA and the delegation of functions by the Municipal Manager. The functions to be discharged by the Group Chief Financial Officer include providing good governance, effective oversight, and addressing operational matters that constitute sound financial management within the City. The rest of the top leadership is appointed by the GCFO in line with Section 81 of the MFMA to focus on specific issues as detailed by the Service Delivery and Budget Implementation Plan.

The finance department has appointed senior managers, in acting capacity, who will strengthen the department and create stability within the respective business units: Revenue Shared Services (RSSC), Management Support, and Treasury. Permanent Senior Managers are appointed in these functional areas, Group and Core Accounting, Property Branch, and Group Strategic Supply Chain Management.

Overall, Group Finance will continue to identify and fill critical positions that will enable the acceleration of the mandate given by the city. This will be done in line with the austerity measures and cost-cutting imperatives that were introduced by the Executive Mayor in the previous financial year.

7.3 Employment Equity

In compliance with the Employment Equity Act 55 of 1998, Chapter III, and Section 20(1) “*A designated employer must prepare and implement an Employment Equity Plan which will achieve reasonable progress towards employment equity in the employer’s workforce*”. - The Group Finance is deemed to be a designated employer.

Group Finance will strive to implement employment equity as well as affirmative action in all occupation levels and categories of its work force. Further they will attempt to meet on a regular basis and fulfil a consultative and monitoring role concerning employment equity implementation. To ensure alignment with the city’s numerical targets, department EE Plan is synchronized to the COJ EE Plan and will be sent to the EE and Transformation Office for quality assurance before signing off by the head of department and authorization by the City Manager’s appointed EE Manager.

Employment Equity awareness campaigns were presented by the Employment Equity and Transformation Office in preparation for the development of this Plan. The affirmative action measure section of the EE Plan reflects inputs consolidated in a session held with the consulted DEEF focus group.

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Table 6: EE Target Distribution

Gender	Population Group					
	African	Coloured	Indian	White	Asian	Total
Male	39.05%	1.51%	1.32%	1.32%	0.6%	43.28%
Female	50.22%	2.7%	0.76%	2.97%	0.06%	56.72%
Total	89.27%	4.21%	2.08%	4.29%	0.12%	100%

Table 7: Nationality Distribution

Distribution	Gender				
	Female	Female Total	Male	Male Total	Grand Total
Nationality	African		African		
Group Finance					
Snr Management	1	1	1	1	2
Profess & Mid Management	4	4			4
Skilled & Jnr Management					
Semi-skilled					
Grand Total	5	5	1	1	6

7.4 Numerical Goals

Numerical goals must include the entire workforce profile, and not the difference that is projected to be achieved by the end of this EE Plan, numerical goals include people with disabilities.

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Table 8: Group Finance Numerical Goals

Occupational Levels	Male				Female				Foreign Nationals		Total
	A	C	I	W	A	C	I	W	Male	Female	
Top management	1	0	0	0	0	0	0	0	0	0	1
Senior management (3-4)	27	1	7	2	19	0	0	3	0	2	59
Professionally qualified and experienced specialists and mid-management (5 – 6)	73	2	3	6	63	3	1	7	1	3	162
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents (7)	307	11	7	11	427	27	7	25	0	0	822
Semi-skilled and discretionary decision making (8)	207	9	5	2	277	13	5	11	0	0	529
Unskilled and defined decision making (9-11)	3	1	0	0	6	0	0	0	0	0	10
TOTAL PERMANENT	618	24	22	21	792	43	13	46	1	5	1585
Internship employees	13	1	1	0	35	2	0	0	0	0	52
Medical Boarding (Pensioner)	0	0	0	0	1	0	0	0	0	0	1
GRAND TOTAL	631	25	23	22	828	45	13	46	1	5	1639

8 DEPARTMENTAL OBJECTIVES

The strategic objectives of the department are foregrounded by the Joburg 2040 outcomes. In line with the departmental mandate, Group Finance is associated with outcome 4: a high performing, smart metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng city region. It does so in compliance with the City of Johannesburg vision of a World Class African City of the Future which is characterized by:

- ✚ A vibrant, equitable African city, strengthened through its diversity; a smart city that provides real quality of life.
- ✚ A city that provides sustainability for all its citizens; and
- ✚ A resilient and adaptive society.

Set out below are broad statements of intent and objectives to which Group Finance can support Mayoral Priorities and departmental strategic plans. A symbiotic relationship aimed at supporting the financial service delivery efforts in a sustainable way through a Financial Development Plan and being a main contributor in enabling/growing emerging small and micro enterprises by providing opportunities through procurement.

The objectives below are statements of commitment to the realization of Municipal Systems Act (MFMA) capturing all facets to which the department seeks to exist. In the 2026/27 financial year, the Group Finance department remains resolute about achieving these objectives and will concentrate efforts, resources, and capabilities to achieve them.

**9 GROUP FINANCE DEPARTMENT DRAFT CORPORATE SCORECARD
INDICATORS 2026/2027**

9.1 Financial Sustainability

The City received a qualified audit opinion on the core administration, with material findings in several areas. In response, Group Finance will implement a comprehensive audit remediation roadmap during 2026/27, targeting 100% upload of Standard Operating Procedures (SOPs), 100% submission of verification memos signed by HODs, and full alignment of reported performance with supporting evidence. This will directly support the City's objective of achieving an unqualified audit opinion with no material findings by the end of the current term. Special emphasis will be placed on improving AOPO compliance, revenue collection accuracy and facilities-related controls, drawing on lessons from the recent Section 79 oversight visits and the Thuso House evacuation incident.

The 5 – Year IDP Corporate Scorecard provides more than a high-level indicator set. It is the City's financial sustainability dashboard and the primary basis upon which Group Finance's strategic contribution to fiscal recovery will be assessed. **"Annexure B"**.

9.1.1 Financial Sustainability Profitability Ratios (Key Performance Indicators)

The seven financial ratios assigned to Group Finance constitute the City's principal measures of financial sustainability and provide the clearest quantitative view of whether the municipality remains fiscally resilient, affordable and capable of sustaining service delivery. In the IDP corporate scorecard 2026/27, these indicators are all led by Group Finance under the strategic priority of Financial Sustainability. They comprise the Percentage of Debt (Total Borrowings/Revenue), Cash/Cost Coverage Ratio, Current Ratio, Net Operating Surplus Margin, Remuneration as a Percentage of Total Operating Expenditure, Interest Expense to Total Operating Expenditure Ratio, Percentage Collection of Revenue on Property and Billed Services, and the Solvency Ratio.

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Taken together, these ratios measure three interdependent dimensions of the City's fiscal health. The first is liquidity and balance-sheet strength, assessed through the cash coverage ratio, current ratio and solvency ratio. The second is operating sustainability and expenditure discipline, assessed through the net operating surplus margin, remuneration ratio and interest expense ratio. The third is revenue affordability and realisation, assessed through the debt-to-revenue ratio and the percentage collection of revenue on property and billed services.

- ✚ **Percentage of Debt (Total Borrowings/Revenue)** ratio measures the extent to which the City's short- and long-term debt remains affordable relative to operating revenue;
- ✚ **Cash/Cost Coverage Ratio** measures the City's ability to meet fixed operating commitments. From cash and short-term investments and is therefore one of the clearest indicators of immediate liquidity resilience;
- ✚ **Current Ratio** measures whether current assets remain sufficient to meet current liabilities and therefore reflects working-capital strength and short-term financial stability;
- ✚ **Net Operating Surplus Margin** indicates whether the City's operating revenue base is generating a sustainable operating result;
- ✚ **Remuneration as a Percentage of Total Operating Expenditure ratio** measures the extent to which the operating budget is consumed by employee-related costs;
- ✚ **Interest Expense to Total Operating Expenditure Ratio** measures the pressure that borrowing costs place on the operating environment;
- ✚ **Solvency Ratio**, in turn, measures the City's ability to meet its long-term obligations with its assets and therefore provides assurance regarding structural financial soundness over time

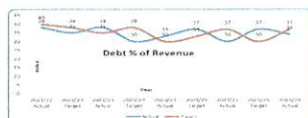
Together, these ratios reflect whether the City's expenditure structure is sustainable and whether enough fiscal space remains available for service delivery, maintenance and institutional priorities.

BUSINESS PLAN 2026/2027 FINANCIAL YEAR (FY)

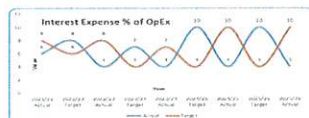
Graphic illustration 1: On the Financial Sustainability Profitability ratio/s performance trend across the 5 (Five) financial years: 2021/2022 – 2025/2026, is set out below.

FINANCIAL SUSTAINABILITY

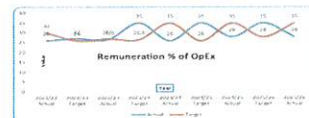
GROUP FINANCE 5 YEAR PERFORMANCE TREND ANALYSIS

**33.4%****DEBT TO REVENUE RATIO**

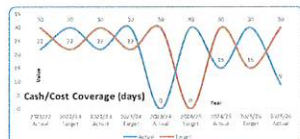
Within the NT norm ($\leq 45\%$) but above the IDP 2026/27 target (30%), indicating borrowing pressure still needs moderation to meet the medium term target.

**4.4%****INTEREST EXPENSE % OF OPEX**

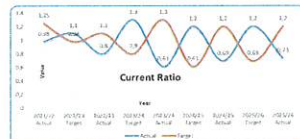
Below the 6–8% NT norm band (favourable lower debt-service burden) and well within the <10% target, though continued prudence is advised to avoid underinvestment.

**26.9%****REMUNERATION % OF OPEX**

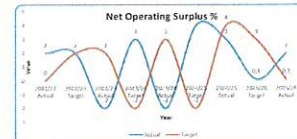
Comfortably within NT norm (25%–40%) and close to the 27% IDP target, indicating personnel costs are broadly in line with policy.

**13.6 Days****CASH/COST COVERAGE**

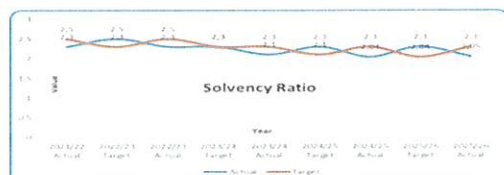
Well below NT norm (30–90 days) and below the 50-day IDP target, signalling tight liquidity and the need to bolster cash balances.

**0.76:1****CURRENT RATIO**

Persistently below NT norm (1.5–2.1:1) and below the 1.2–1.3 target range, reflecting constrained working capital headroom.

**0.6%****NET OPERATING SURPLUS MARGIN**

Slightly positive ($\geq 0\%$ norm) but below the 4% IDP target, suggesting operating performance is improving but not yet at a sustainable surplus level.

**2.16:1****SOLVENCY RATIO**

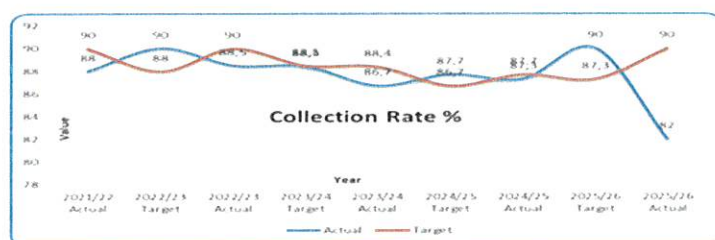
Meets NT norm (2:1) but the 2.8:1 IDP target, implying an adequate but thinner than desired buffer to absorb shocks

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9.1.2 Percentage Collection of Revenue on Property and Billed Services (Key Performance Indicator #7)

These ratios must be read against the current operating environment. Collection underperformance, significant debtor exposure, and continuing liquidity pressure all point to the need for a far more disciplined focus on revenue realisation, budget credibility, cost containment and cash preservation. This makes the indicator a city-wide test of the effectiveness of the broader revenue value chain rather than a narrow debtor-management measure.

Graphic illustration 2: Percentage Collection of Revenue on Property and Billed Services is particularly significant because it reflects the extent to which billed revenue is converted into cash.



86.5%

REVENUE COLLECTION RATE

Below the 95% NT norm/IDP target, highlighting cash-flow risk and the need to intensify credit control, billing accuracy, and customer collections.

Credible financial reporting is not merely an accounting exercise – it is a cornerstone of sound resource management and a critical safeguard against financial mismanagement. Financial reporting extends beyond the annual preparation of financial statements. It is a continuous process that underpins effective monitoring, oversight and decision-making throughout the financial year.

Key drivers of financial loss include:

- ✚ Weak project management.
- ✚ Uncompetitive and uneconomical procurement.
- ✚ Poor payment practices.
- ✚ Limited or no value derived from expenditure; and
- ✚ Fraud committed by officials.

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The municipality's audit outcomes have regressed, resulting in unqualified audit opinion with material findings on performance information and compliance with laws and regulations. The quality of financial statements remains a significant concern, as material misstatements were identified during the audit, some of which could not be corrected by management in the 2024/2025 financial year, due to substantial internal control deficiencies. As a direct output of the audit outcome, and the engagement with the AGSA the City and Entities will produce interim financial statements during the financial year.

Group Finance, as the custodian of MFMA is determined to comply with the good governance imperatives. As such, remains committed to timeously resolve the 87 repeat audit findings raised against the department by the AGSA. The Audit Results per outcome area are reflected in “**Annexure A**”. In fostering accountability and transparency, the department will prioritise and respond to the findings in the 2024/2025 management letter, within the stipulated turn-around times to curb any finance related risk, such as SCM, MSCOA, IT System effectiveness and revenue collection to mention but a few.

Moreover, the resolution of findings is framed against the predetermined objective (performance audits), financial statements, compliance to applicable legislative framework and internal audits. Upon approval of the audit plan by GPAC and GAC, the department would take heed on key critical areas highlighted in the scope for the financial year. Of course, this will be done in line with professional standards to ensure effectiveness, efficiency and legitimacy.

Table 9: Audit Outcomes

FINDINGS	2021/22	2022/23	2023/24	2024/25
Audit outcome	Unqualified with findings	Unqualified with findings	Unqualified with findings	Qualified with findings
Financial Statements	Unqualified with findings	Unqualified with findings	Unqualified with findings	Qualified with findings
Reported Performance	Material Findings	Material Findings	Material Findings	Material Findings
Compliance with key legislation	Material non-compliance	Material non-compliance	Material non-compliance	Material non-compliance

¹ Annual financial statements, procurement and contract management, expenditure management and consequence management

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The AGSA raised key findings; whilst management did not agree with some AGSA conclusions, the underlying balance issues persist and require remediation. Audit teams will now populate the findings into the tracking system to provide a holistic picture of the status quo.

In developing the action plan, key components of the action plans will include:

- ✚ **Root Cause Analysis:** Identifying the underlying causes of each finding to prevent recurrence.
- ✚ **Corrective Actions:** Implementing specific measures to address the findings, such as process improvements, staff training, and system enhancements.
- ✚ **Timelines:** Setting clear deadlines for resolving each finding, with priority given to high-risk issues.
- ✚ **Accountability:** Assigning responsibility for implementing corrective actions to specific individuals or teams within the department.

9.2 Monitoring and Reporting on Audit Outcome

The resolution of audit findings will be closely monitored through the following mechanisms:

- ✚ **Quarterly Reviews:** Regular progress reviews will be conducted to track the implementation of action plans and ensure timely resolution of findings.
- ✚ **Performance Metrics:** Key performance indicators (KPIs) will be established to measure progress, including the percentage of findings resolved, and the time taken to address each finding.
- ✚ **Reporting:** Progress on the resolution of audit findings will be reported to the Group Chief Financial Officer (GCFO) and included in.

**10 GROUP FINANCE DEPARTMENTAL SDBIP INDICATORS (DAY TO DAY)
2026/2027**

The Group Finance Departmental SDBIP gives operational effect to the City's financial sustainability agenda by translating the high-level IDP commitments into measurable departmental deliverables for the 2026/27 financial year. In accordance with the MFMA, the SDBIP functions as the implementation contract through which management is held accountable for service delivery and budget execution. **"Annexure C"**.

Whereas the Corporate Scorecard focuses on top-level outcomes, the Departmental SDBIP focuses on the specific operational levers through which Group Finance must influence those outcomes. The current departmental scorecard confirms that Group Finance has ten departmental indicators aligned to the mayoral priorities of Good Governance, Financial Sustainability, Active and Engaged Citizenry and Smart City. These indicators are important because they move beyond ratio reporting and focus on the actual interventions required to improve the underlying drivers of financial performance.

Read strategically, the ten indicators can be understood across four broad implementation themes. The first is governance, audit and compliance discipline. This includes the closure of audit findings, the strengthening of control environments, and the reduction of governance weaknesses that expose the City to financial and reputational risk.

The second is revenue integrity and data quality. Financial sustainability depends on improvements in property information, revenue administration, billing credibility and system integrity. Indicators in this cluster are strategically important because inaccurate valuation data, billing data, customer data and system data undermine the City's ability to defend the integrity of its revenue base.

The third is financial reputation and fiscal confidence. Departmental indicators that support these outcomes are directly connected to the City's ability to participate in capital markets, maintain lender and supplier confidence, and present itself as a credible financial institution. The fourth is institutional modernisation and service improvement. These indicators reflect Group Finance's role in system improvement, improved responsiveness, better service support and the digitisation of finance-related processes.

The Departmental SDBIP is therefore the implementation bridge between strategy and results. It identifies the operational commitments required to strengthen the City's revenue base, improve audit and governance performance, protect fiscal confidence, improve data credibility and support a more disciplined and modernised financial administration.

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Table 10: 5 Year Trend Analysis on Group finance departmental SDBIP indicators

**5-YEAR TREND ANALYSIS:
DEPARTMENTAL SDBIP INDICATORS**

DEPARTMENTAL SDBIP INDICATORS	2021/22		2022/23		2023/24		2024/25	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
Maintain the current City's National Scale Credit Rating of A1.za as rated by Moody's	A1.za	A1.za	A1.za	A1.za	A1.za	A1.za	A1.za	A1.za
Percentage reconciliation of total area of registered properties vs the total area	90%	88%	99.92%	99.93%	99.80%	99.89%	99.80%	99.93%
Percentage resolution of financial management audit findings within Group Finance	100%	100%	100%	90%	100%	100%	100%	100%
Percentage reduction in cumulative existing unauthorised, irregular, fruitless and wasteful (UIFW) expenditure (Rand Value and Transactions) by the department	50%	100%	93.33%	93.33%	100%	97%	100%	100%
Percentage valid invoices paid within 30 days of receiving the relevant invoice	95%	89.86%	95.20%	89.43%	93.02%	82.64%	86.78%	79.06%
Percentage management of contracted supplier contract within the department [1]	Indicator not measured in this financial year		100%	100%	100%	100%	Indicator not measured in this financial year	
Percentage compliance with Acquisition of Goods and Services as per approved demand plan	Indicator not measured in this financial year		Indicator not measured in this financial year	100%	100%	100%	85.78%	

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DEPARTMENTAL SDBIP INDICATORS	2021/22		2022/23		2023/24		2024/25	
	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL	TARGET	ACTUAL
% Achievement in turnaround times for valuation of NULLS (Newly Registered Properties). Park contributions newly registered properties and occupational certificates to unlock revenue generation.	Indicator not measured in this financial year		76%	84.73%	93.11%	85.27%	100%	90%
Monthly audit and verification of the implementation of reviews and appeals decisions by the Valuations Appeals Board (VAB)	Indicator not measured in this financial year		386 records for quarter 4	5,551 records achieved	2213 records for the fourth quarter within 2 days	Records completed within 6.16 days	Verification within 20 days from the date of receipt of file	Verification of records completed within 9 days

11 GROUP FINANCE DRAFT SERVICE LEVEL STANDARD INDICATORS 2026/2027

The Group Finance Service Level Standards translate the department's financial governance mandate into measurable service commitments to internal and external stakeholders. Whereas the Corporate Scorecard measures the City's financial sustainability outcomes, and the Departmental SDBIP measures the operational interventions required to support those outcomes, the Service Level Standards measure the quality, timeliness and reliability of the services through which Group Finance interacts with departments, entities, residents and other stakeholders.

For Group Finance, the Service Level Standards are integral to financial sustainability because the credibility of the City's financial system depends not only on sound planning and control, but also on the consistency, responsiveness and predictability of finance-related services. Delayed responses to billing and valuation matters, slow turnaround times on internal finance processes, unresolved queries, and inconsistent service quality all weaken confidence in the City's financial system and create avoidable pressure on the broader revenue and governance environment.

The strategic value of the Service Level Standards lies in four areas. The first is customer and stakeholder responsiveness. The second is billing and revenue support. The third is internal institutional efficiency. The fourth is professionalism and accountability. By placing measurable service commitments in the body of the report, Group Finance demonstrates that it is prepared to be assessed not only on financial outcomes, but also on the quality and timeliness of the services through which those outcomes are supported.

In the case of Group Finance, the Service Level Standards must be read as the service-delivery expression of financial governance. They complement the Corporate Scorecard and SDBIP by defining the practical standards of performance through which confidence in the City's finance environment is maintained.

The Group Finance department has four (4) Service Level Standards “**Annexure D**” applicable to its environment and prioritised for this financial year. These Service Level Standards facilitates the delivery of essential services for Joburg residents and is vital for socio-economic welfare and development. Efficiency at a municipal level is underscored by excellence in service delivery provision given proximity to the residents. For 2026/27 financial year, improvement of Service Standard in line with the Charter to reach economies of scale with the growing population numbers on the following indicators:

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- ✚ Percentage of clearance figures processed within 30 days of application being received.
- ✚ Percentage of clearance Certificates issued within 24 hours of payment being received.
- ✚ Turnaround time for issuing refunds, 98% within 30 days.
- ✚ Call Centre Average Waiting Time per minute, 80% within 60 seconds.

The recent oversight visits to Thuso House and Midrand Customer Service Centre highlighted customer service challenges including long waiting times, poor directional signage and inadequate communication during centre closures. To address these issues, Group Finance will implement enhanced service level standards in 2026/27, including the installation of privacy screens, updating of information displays, and the immediate rollout of standardised bulk SMS and email protocols for all centre closures or changes in operating hours. These measures will improve the customer experience.

**12 NATIONAL TREASURY DRAFT TECHNICAL INDICATOR DESCRIPTIONS
(TID'S) 2026/2027**

The Circular 88 Technical Indicator Descriptions “**Annexure E**” provide the methodological foundation for the Group Finance performance framework and serve as the assurance mechanism through which the department’s indicators are standardised, interpreted and defended. Their value lies in the fact that they define the technical meaning, purpose, source data, calculation method, data limitations, reporting cycle and indicator responsibility attached to each measure.

Within the context of this Business Plan, these Technical Indicator Descriptions are essential because Group Finance is responsible for the City's most material financial sustainability indicators. These include measures of debt affordability, cash coverage, liquidity, operating performance, revenue collection and solvency, all of which must be reported on a consistent and auditable basis.

Their importance is heightened by the fact that several indicators depend on complex source data drawn from management accounts, annual financial statements, billing systems and broader revenue information. In some cases, the technical descriptions expressly recognise data limitations or dependencies that are not fully within the direct control of Group Finance alone, even though the department remains accountable for reporting.

The Technical Indicator Descriptions therefore perform a critical governance function. They reduce ambiguity, strengthen audit defensibility, improve in-year monitoring discipline and create a standardised performance language across management, internal audit, oversight structures and external audit. In this way, they serve as the technical bridge between the strategic narrative of the Business Plan and the statutory financial indicators annexed to it.

13 NATIONAL TREASURY C88 DRAFT INDICATORS 2026/2027

The Circular 88 Indicators “**Annexure F**” constitute the statutory financial performance framework through which Group Finance demonstrates the City’s compliance with National Treasury’s prescribed in-year and annual financial management measures. These indicators are important because they provide the formal external performance lens through which the City’s financial sustainability, liquidity, affordability and revenue management effectiveness are assessed.

For Group Finance, the Circular 88 framework is significant because it covers the same core fiscal dimensions reflected in the Corporate Scorecard and Departmental SDBIP, namely debt affordability, cost coverage, current liquidity, collection performance, solvency, operating performance and expenditure structure. The Circular 88 indicators therefore reinforce and validate the department’s internal performance architecture through a nationally recognised financial management framework.

This section is particularly relevant in the current environment of fiscal pressure. Collection weakness, debtor exposure, liquidity constraints and expenditure pressures all make it necessary that internal strategic commitments be tested against external measures of fiscal health. In this regard, the Circular 88 indicators provide a formal discipline by measuring whether the City’s financial management system is responding effectively to these pressures.

The inclusion of these indicators also strengthens governance and assurance. Because they are prescribed within a national reporting framework, they enable comparative assessment, improve reporting consistency, and support oversight by Council, Provincial Treasury, National Treasury, internal audit and external audit.

14 GROUP FINANCE DRAFT STRATEGIC RISK REGISTER 2026/2027

The Group Finance Strategic Risk Register “**Annexure G**” gives effect to the principle that financial sustainability cannot be achieved through performance planning alone, but must be supported by the systematic identification, assessment and management of risks that may impair delivery. It is the mechanism through which the department identifies the principal threats to its mandate, assesses their potential impact on the City’s financial position, and defines the controls and mitigation actions required to preserve institutional stability and service continuity.

For Group Finance, strategic risk management is especially significant because the department’s mandate is city-wide in effect. Risks in the finance environment do not remain confined to internal administration. Where they materialise, they affect the City’s liquidity, reporting credibility, revenue collection capability, budget implementation, audit outcomes, supplier confidence and overall ability to sustain service delivery.

The risk environment facing Group Finance must be read against the City’s current fiscal realities. Collection underperformance, data integrity weaknesses, governance and compliance failures, system limitations, delayed corrective action on audit matters, and pressures in the wider revenue value chain all have the potential to undermine the achievement of the City’s financial sustainability indicators.

The Strategic Risk Register is therefore the final layer of the Group Finance performance architecture. After setting out the strategic mandate, performance commitments, service standards and statutory indicators, the Risk Register identifies the threats that may prevent those commitments from being realised. It provides assurance that the department is not only planning for performance but is also managing the conditions necessary for performance to be achieved.

Key Strategic Risk Areas for 2026/27

Key risk areas for the department remain the following:

- ⚠ Completion of GV 27;
- ⚠ Liquidity Constraints;
- ⚠ Adverse audit outcomes;
- ⚠ Deteriorating financial position;
- ⚠ A budget based on unrealistic performance targets and revenue projections; and
- ⚠ Ineffective and non-compliant procurement processes

15 GROUP FINANCE DRAFT COMPLIANCE RISK MANAGEMENT PLAN (CRMP) - 2026/2027

15.1 LEGISLATIVE PRESCRIPT APPLICABLE TO GF ENVIRONMENT

In the ever-evolving landscape of regulatory compliance, Group finance is committed to improving its functional areas to align seamlessly with the latest regulatory requirements.

This overview highlights a nuanced perspective on the functional domains critical to compliance, presented in a prescribed CRMP format by Group Compliance. The emphasis is on staying abreast of the dynamic regulatory environment to strengthen Group Finances' ethical business practices and controls that enable the management of Compliance risks within our environment.

A Group Finance overview on compliance functional areas typically involves understanding and managing various aspects related to regulatory compliance within the financial domain. Compliance is crucial to ensure that the department adheres to laws, regulations, and industry standards, thereby mitigating risks and maintaining the integrity of financial operations.

In 2026/27, the department will be measured on the capacity to monitor compliance risk using CRMP as a system. Compliance monitoring is a crucial aspect of Governance, Risk Management, and Compliance (GRC) within organizations. It involves systematic and ongoing review of activities, processes, and procedures to ensure that they align with relevant laws, regulations, industry standards, and internal policies. The goal is to identify and address any non-compliance issues promptly, reducing the risk of legal, financial, and reputational consequences. This is where Group Finance regularly monitors activities to ensure ongoing compliance. A robust monitoring system to track compliance with established controls with CRMP and Regularly review and update compliance metrics and key performance indicators (KPIs).

15.2 Regulatory Landscape Analysis

An ongoing examination of Municipal Property Rates Act (MPRA), Municipal Finance Management Act (MFMA), Municipal Systems Act (MSA), Treasury practice notes and/or treasury circulars, and other local government prescriptions from COGTA, SALGA, Provincial and National regulations impacting Group Finance. The above assists Group Finance in continuously monitoring and identification of emerging compliance trends.

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The legislative and regulatory requirements are extracted from Municipal Property Rates Act, Municipal Finance Management Act, Municipal Systems Act, Treasury Circulars, Treasury practice notes, and POPI Act.

Group Compliance have prescribed and prioritized three regulatory requirements for Group Finance to regularly monitor and put in controls through policies and procedures to manage the inherent and residual risks associated with regulatory requirements.

The prescribed requirements as per Group Compliance priorities remain the same on the 30 days payments to suppliers, Declaration of Interest and reduction in UIFWe, and the POPI Act has not been finalized officially.

Each Group within Group Finance has its own regulations, legislations, and circulars for them not to operate in a vacuum. On a monthly, quarterly, and annual basis, an assessment to check whether any Amendments on the said legislation and regulation is exercised.

The fundamental objective of the plan is to outline the key compliance priorities for 2026/27 financial for Group Finance. It is not the intention of GF: CRMP to detail all critical compliance activities outlines in the draft GF Compliance Universe, but to undertake those critical areas agreed upon with Group Compliance. The selection criteria for all three (3) activities were determined by monitoring compliance levels for the following categories:

15.2.1 Section 32 UIFWe The section prohibits UIFWe and mandates accountability, requiring municipalities to recover such funds.

By definition UIFWe as an acronym depicts the following meaning:

-  **Unauthorised Expenditure:** Overspending on a budget vote or using funds for purposes not approved in the budget.
-  **Irregular Expenditure:** Spending incurred in violation of, or not in accordance with, a requirement of the MFMA, the Municipal Systems Act, or Supply Chain Management (SCM) policies
-  **Fruitless and Wasteful Expenditure:** Expenditure made in vain that could have been avoided had reasonable care been exercised (e.g., penalties, interest on late payments)

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UIFW Expenditure includes but is not limited to the following instances:

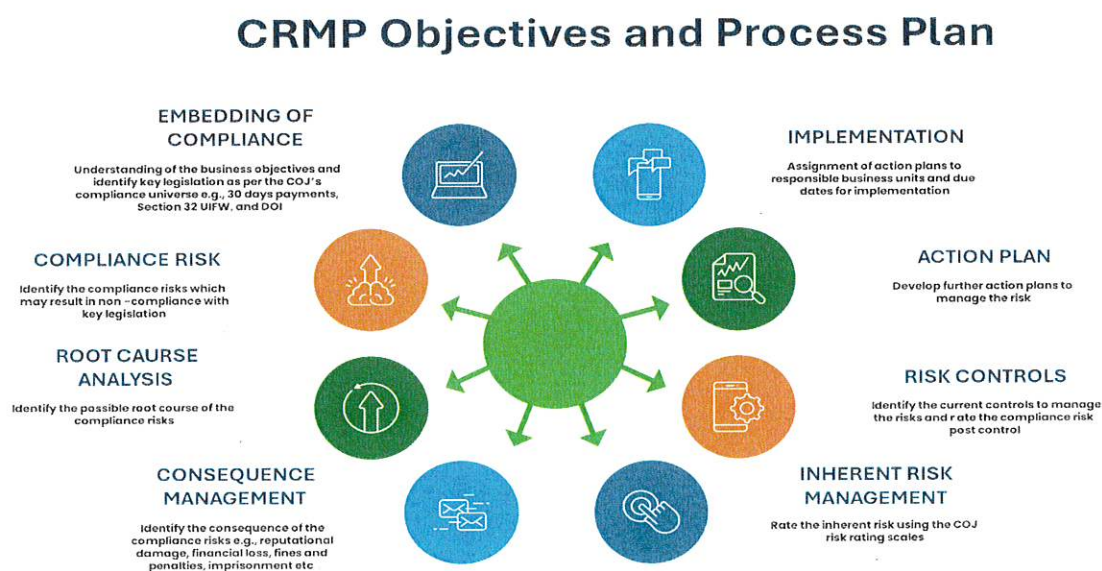
- ✚ **Interest/Penalties:** Paying interest to suppliers due to late payment of invoices.
- ✚ **Non-compliance:** Procuring goods without following competitive bidding processes.
- ✚ **Budget Overrun:** Exceeding the approved total budget of the municipality.
- ✚ **In-vain Purchases:** Paying for services or goods that were not delivered or were useless.
- ✚ **Contractual Failures:** Tender invitations sent out after the closing date

15.2.2 According to National Treasury Regulation 8.2.3 (issued under the Public Finance Management Act - PFMA), all government departments must settle valid supplier invoices within 30 days of receipt. This mandatory requirement ensures payment for goods or services rendered, unless a different period is specifically contracted

15.2.3 Declaration of Interest is a mandatory disclosure mechanism designed to ensure transparency, accountability, and impartiality in the procurement process.

The plan is intended to increase the capability of ensuring compliance with all aforementioned compliance activities. The diagram below depicts the entire value chain from planning to implementation of activities aimed at compliance.

Figure 7: CRMP Objectives & Process Plan



16 CONCLUSION

The 2026/27 Group Finance Business Plan is anchored in the principle that financial sustainability is the precondition for credible governance, sustainable service delivery and institutional resilience in the City of Johannesburg. The City's fiscal context, marked by collection underperformance, significant debtor exposure, liquidity pressure and the need for stronger expenditure discipline, requires a business plan that is both strategically grounded and operationally exacting.

This submission accordingly presents Group Finance's mandate through a coherent and integrated performance architecture. The IDP Corporate Scorecard establishes the outcome measures of fiscal sustainability. The Departmental SDBIP identifies the operational interventions through which those outcomes must be driven. The Service Level Standards define the quality and responsiveness of the finance services that support institutional confidence and revenue integrity. The Circular 88 framework provides the statutory basis for external financial performance assessment, while the Strategic Risk Register ensures that the threats to delivery are formally identified and managed.

Taken together, these instruments provide a single accountability framework through which Group Finance's contribution to fiscal recovery, institutional credibility and sustainable service delivery can be monitored and assessed. The purpose of this Business Plan is therefore not merely to record departmental activity. It is to set out the financial governance and performance framework through which Group Finance will protect the City's balance sheet, strengthen revenue and expenditure discipline, restore confidence in the municipal finance environment and preserve the fiscal capacity required to deliver on the priorities of the 2026/27 IDP.

ANNEXURES

ANNEXURE A: AUDIT RESULTS PER OUTCOME AREA

Outcome area	Movement	2024-25	2023-24	2022-23
Financial statements				
Annual performance report				
• Strategic priority: Sustainable service delivery				
• Strategic Priority: Infrastructure development and refurbishment				
Compliance with legislation				
• Annual financial statements, performance reports and annual reports				
• Strategic planning and performance management				
• Revenue management				
• Utilisation of conditional grants				
• Expenditure management				
• Assets management				
• Human resource management				
• Governance and oversight	N/A			
• Consequence management				
• Procurement and contract management				
• Environmental management				

Unqualified/No material findings	Qualified	Adverse/Pervasive material findings	Disclaimed/Pervasive material limitation	Material findings	Not audited
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	Improvement		Regression		Unchanged
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ANNEXURE B: GROUP FINANCE DRAFT CORPORATE SCORECARD 2026/2027

NATIONAL OUTCOME: GDS Outcome 4:	Responsive, accountable, efficient, and effective local government system	A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region
	Financial Sustainability	

KPI No	Key Performance Indicator	Intervention	2024/25 Baseline	2025/26 Target	2026/27 Target	2026/27 Quarterly Targets				2026/27 Budget				2026/27 Quarterly Budget			
						Q1	Q2	Q3	Q4	CAPEX (R'000)	OPEX (R'000)	Q1	Q2	Q3	Q4		
1.	Percentage of Debt (Total Borrowings/ Revenue)	Core Departments and Entities must manage ratio requirements	33%	< 37%	< 37 %	<37%	<37%	<37%	<37%	-	-	R1 m	R1.68m	R1.38m	R2.7m		

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KPI No	Key Performance Indicator	Intervention	2024/25 Baseline	2025/26 Target	2026/27 Target	2026/27 Quarterly Targets				2026/27 Budget				2026/27 Quarterly Budget			
						Q1	Q2	Q3	Q4	CAPEX (R'000)	OPEX (R'000)	Q1	Q2	Q3	Q4		
2.	Cash/Cost coverage ratio (Excluding Unspent Conditional Grants) – In Months. ²	Core Departments and Entities must manage ratio requirements	15 days	30 days	30 days	30 days	30 days	30 days	30 days	-	-	-	-	-	-	-	
3.	Current ratio	Core Departments and Entities must manage ratio requirements	0.69:1	1.2:1	1.2:1	1.2:1	1.2:1	1.2:1	1.2:1	-	-	-	-	-	-	-	
4.	Net Operating Surplus Margin	Core Departments and Entities must manage ratio requirements	3%	> 0%	1 %	1%	1%	1%	1%	-	-	-	-	-	-	-	

² As part of the C71 definition from NT, CoJ must include the words "Unspent Conditional Grants" however actions to address this are already covered in Infrastructure Spend KPI

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KPI No	Key Performance Indicator	Intervention	2024/25 Baseline	2025/26 Target	2026/27 Target	2026/27 Quarterly Targets				2026/27 Budget				2026/27 Quarterly Budget			
						Q1	Q2	Q3	Q4	CAPEX (R'000)	OPEX (R'000)	Q1	Q2	Q3	Q4		
5.	Remuneration as a Percentage of Total Operating Expenditure	Core Departments and Entities must manage ratio requirements	28%	< 35%	39%	39%	39%	39%	39%	-	-	-	-	-	-	-	
6.	Interest expense to Total operating expenditure ratio	Core Departments and Entities must manage ratio requirements	4%	<10%	8 %	8 %	8 %	8 %	8 %	-	-	-	-	-	-	-	

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KPI No	Key Performance Indicator	Intervention	2024/25 Baseline	2025/26 Target	2026/27 Target	2026/27 Quarterly Targets				2026/27 Budget				2026/27 Quarterly Budget			
						Q1	Q2	Q3	Q4	CAPEX (R'000)	OPEX (R'000)	Q1	Q2	Q3	Q4		
7.	Percentage collection of revenue on property rates and billed services	Implement Revenue management strategy to improve collections, customer incentives and all billable properties on LIS, Stand-by-stand audit	86.7%	90%	90% ³	90%	90%	90%	90%	-							

³ The collection rate target is underpinned by the following revenue collection interventions: centralised system-driven disconnections and reconnections (monthly); disconnection and reconnection audits (monthly, ongoing); monitoring of estimations beyond by-law threshold, [Three (3) months for actual electricity readings and six (6) months for actual water meter readings} (monthly, ongoing); implementation of a full-proof meter-to-cash billing process to eliminate human intervention in metering and billing (monthly, ongoing); implementation of an external debt collection contract through the National Treasury transversal contract (completed; three-year contract expiring 1 April 2029); data-driven debt collection analytics through collaboration with state institutions, including SARS, as part of a know-your-customer campaign (monthly, ongoing); an aggressive media campaign to boost collection performance in collaboration with Group Communications and JPC, including outdoor advertising (monthly, ongoing); and aggressive campaigns to promote online payment platforms (monthly, ongoing).

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KPI No	Key Performance Indicator	Intervention	2024/25 Baseline	2025/26 Target	2026/27 Target	2026/27 Quarterly Targets				2026/27 Budget				2026/27 Quarterly Budget			
						Q1	Q2	Q3	Q4	CAPEX (R'000)	OPEX (R'000)	Q1	Q2	Q3	Q4		
8.	Solvency ratio	Core Departments and Entities must manage ratio requirements	2.04:1	2.3:1	2.1:1 ⁴	2.1:1	2.1:1	2.1:1	2.1:1	-	-	-	-	-	-	-	
26.	Audit Outcome	Implementation of the audit remedial plan in response to the AGSA Management letter	Unqualified audit with material findings	Un-qualified audit without material findings	Un-qualified audit	Reporting on progress	Reporting on progress	Unqualified audit	Reporting on progress								

⁴ The target in the 2025/2026 FY was 2.3:1. The CoJ did not achieve this target in the previous FY. To be noted, 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. This allows for the "carrot / stick" effect in our processes, where most the expenditure occurs in quarter four.

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ANNEXURE C: GROUP FINANCE DRAFT SDBIP (Day to Day Indicators) - 2026/2027

NATIONAL OUTCOME: OUTCOME 9:	Responsive, accountable, efficient, and effective local government system	A highly performing, smart metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive GCR
MAYORAL PRIORITIES:	Good Governance, Financial Sustainability, Active and Engaged Citizenry and Smart City	

The Departmental SDBIP for the financial year 2026/2027 has ensured the alignment of the Departmental objectives to the City’s new mayoral priorities and the department subscribes to Good Governance, Financial Sustainability, Active and Engaged Citizenry and Smart City Mayoral Priority. The annual and quarterly performance targets and indicators as contained in the SDBIP are compliant with the Municipal Performance Management Framework and the outcome-based approach. Group Finance uses six (6) indicators to measure departmental progress against its desired outcomes.

No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2026/27				2026/27				Lead Dept/ME	Supporting Dept	Cluster			
						Quarterly Performance Targets				Budget Per Projects R 000									
						Q1	Q2	Q3	Q4	Cape x	Ope x	Q1	Q2				Q3	Q4	
1.	Level of Long-term national scale credit rating achieved as measure by Rating agencies	A1.za	A1.za	A1.za	A1.za	N/A	N/A	N/A	A1.za	N/A	N/A	N/A	N/A	N/A	N/A	Governance Cluster			
																All Core/Entities			
																Group Treasury			

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No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2026/27 Quarterly Performance Targets				2026/27 Budget Per Projects R 000						Lead Dept/ME	Supporting Dept	Cluster
						Q1	Q2	Q3	Q4	Cape x	Ope x	Q1	Q2	Q3	Q4			
2.	Percentage reconciliation of square kilometers of the registered properties in LIS to the 1 644 km squared (Total of CoJ).	96%	96%	96%	96%	96%	96%	96%	96%	-	-	-	-	-	-	Group Finance	Property Branch	Governance Cluster
3.	Percentage resolution of financial management audit findings within Group Finance.	100%	100% Resolution of financial management audit findings within Group Finance.	100% Resolution of financial management audit findings within Group Finance.	100% Resolution of financial management audit findings within Group Finance.	Progress report on resolution of financial management audit findings within Group Finance.	Progress report on resolution of financial management audit findings within Group Finance.	Progress report on resolution of financial management audit findings within Group Finance.	Annual Target	-	-	-	-	-	-	Core Accounting	All Core Depts/Entities	All Cluster

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No	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2026/27				2026/27				Lead Dept/ME	Supporting Dept	Cluster		
						Quarterly Performance Targets				Budget Per Projects R 000								
						Q1	Q2	Q3	Q4	Cape x	Opex	Q1	Q2				Q3	Q4
4.	Percentage reduction in cumulative existing unauthorized, irregular, fruitless and Wasteful (UIFW) expenditure (rand value and transactions) by the department	97%	85% Percentage reduction in cumulative existing unauthorized, irregular, fruitless and Wasteful (UIFW) expenditure (rand value and transactions) by the department	85% Percentage reduction in cumulative existing unauthorized, irregular, fruitless and Wasteful (UIFW) expenditure (rand value and transactions) by the department	85% Percentage reduction in cumulative existing unauthorized, irregular, fruitless and Wasteful (UIFW) expenditure (rand value and transactions) by the department	Progress report on reduction in cumulative existing unauthorized, irregular, fruitless and Wasteful (UIFW) expenditure (rand value and transactions) by the department	Progress report on reduction in cumulative existing unauthorized, irregular, fruitless and Wasteful (UIFW) expenditure (rand value and transactions) by the department	Progress report on reduction in cumulative existing unauthorized, irregular, fruitless and Wasteful (UIFW) expenditure (rand value and transactions) by the department	Progress report on reduction in cumulative existing unauthorized, irregular, fruitless and Wasteful (UIFW) expenditure (rand value and transactions) by the department	85% Percentage reduction in cumulative existing unauthorized, irregular, fruitless and Wasteful (UIFW) expenditure (rand value and transactions) by the department	-	-	-	-	-	Core Accounting	All Core Depts/Entities	All Cluster
5	Percentage valid invoices paid within 30 days of receiving the relevant invoice.	83.68 %	100% of valid invoices are paid within 30 days of receiving the relevant invoice.	100% of valid invoices paid within 30 days of receiving the relevant invoice.	100% of valid invoices paid within 30 days of receiving the relevant invoice.	100% of valid invoices paid within 30 days of receiving the relevant invoice.	100% of valid invoices paid within 30 days of receiving the relevant invoice.	100% of valid invoices paid within 30 days of receiving the relevant invoice.	100% of valid invoices paid within 30 days of receiving the relevant invoice.	100% of valid invoices paid within 30 days of receiving the relevant invoice.	-	-	-	-	-	Core Accounting	All Core Depts/Entities	All Cluster

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No.	Key Performance Indicator	Baseline 2024/25	2025/26 Target	2026/27 Target	2027/28 Target	2026/27 Quarterly Performance Targets				2026/27 Budget Per Projects R 000					Lead Dept/ME	Supporting Dept	All Core Depts/Entities	All Cluster
						Q1	Q2	Q3	Q4	Cape x	Ope x	Q1	Q2	Q3				
6	Percentage compliance to acquisition of goods and services as per the approved demand plan.	63.32 %	100% Compliance with the targeted delivery dates.	90 % Compliance with the targeted delivery dates.	90 % Compliance with the targeted delivery dates.	15% Compliance with the targeted delivery dates.	45 % Compliance with the targeted delivery dates.	75 % Compliance with the targeted delivery dates.	90 % Compliance with the targeted delivery dates.	-	-	-	-	-	-	Strategic Supply Chain Management		
																All Core Depts/Entities		
																All Cluster		

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ANNEXURE D: GROUP FINANCE DRAFT SERVICE LEVEL STANDARDS 2026/2027

Service Standards Charter

This section of the Business Plan sets out service standard as a public commitment to a measurable level of performance that residents can expect under normal circumstances. The city of Joburg core departments and its entities have set service standards for the timely and accurate delivery of services under normal circumstances. Service standards are established for service delivery objectives so that residents and employees know what to expect from the performance measured and reported. The implementation of service standards seeks to monitor the performance of department and to ensure residents/customers get excellent service.

Key Performance Indicator	Baseline 2024/25	2026/27 Target	Quarterly Performance targets				2026/27 budget per projects R000						Lead department
			Q1	Q2	Q3	Q4	Total budget		Quarterly Budget target				
							Capex	Opex	Q1	Q2	Q3	Q4	
1. Percentage of clearance figures processed within 30 days of application being received	99%	98% of clearance Figures processed within 30 days of the application being received.	98% Percentage of clearance figures processed within 30 days of application being received	98% of clearance Figures processed within 30 days of the application being received.	98% of clearance Figures processed within 30 days of the application being received.	98% of clearance Figures processed within 30 days of the application being received.	-	-	-	-	-	-	GF RSSC
2. Percentage of clearance Certificates issued within 24 hours of payment being received.	100%	98% of clearance Certificates issued within 24 hours of payment being received.	98% of clearance Certificates issued within 24 hours of payment being received.	98% of clearance Certificates issued within 24 hours of payment being received.	98% of clearance Certificates issued within 24 hours of payment being received.	98% of clearance Certificates issued within 24 hours of payment being received.	-	-	-	-	-	-	GF RSSC

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Key Performance Indicator	Baseline 2024/25	2026/27 Target	Quarterly Performance targets				2026/27 budget per projects R000				Lead department	
			Q1	Q2	Q3	Q4	Total budget		Quarterly Budget target			
							Opex	Capex	Q1	Q2		Q3
3. Turnaround time for issuing refunds.	100%	98% of refunds issued within 30 days.	98% of refunds issued within 30 days	98% of refunds issued within 30 days	98% of refunds issued within 30 days	98% of refunds issued within 30 days	-	-	-	-	-	GF RSSC
5. Call Centre Average Waiting Time per minute.	89.10%	80% within 60 seconds	80% within 60 seconds	80% within 60 seconds	80% within 60 seconds	80% within 60 seconds	-	-	-	-	-	GF RSSC

No.	Core Service	Service Level Standard
1	Percentage of clearance figures processed within 30 days of application.	98% of clearance figures processed within 30 days of application being received.
2	Percentage of clearance certificates issued within 24 hours of payment being received.	98% of clearance certificates issued within 24 hours of payment being received.
3	Turnaround time for issuing refunds.	98% of refunds issued within 30 days.
4	Call Centre average waiting time per minute.	80% within 60 seconds.

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ANNEXURE E: NATIONAL TREASURY DRAFT CIRCULAR 88 TECHICAL INDICATOR DESCRIPTION/S (TID'S) 2026/2027

KPI NO	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION	REPORTING CYCLE	NEW INDICATOR	DESIRED	INDICATOR
1.	Debt (Total Borrowings) / Revenue	The ratio indicates short-term and long-term debt financing relative to operating revenue of the municipality	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. The purpose of the Ratio is to provide assurance that sufficient Revenue will be generated to repay Liabilities. Alternatively stated, the Ratio indicates the affordability of the Total Borrowings.	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	(Overdraft + Current Finance Lease Obligation + Non-current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Treasury department does not have control over the committed expenditure but other monitoring	Cumulative	Quarterly and annually	Continuous	< 37%	Group Finance
2.	Cash/ Cost Coverage Ratio (Excluding Unspent Conditional Grants) - months	The cost coverage ratio indicates the Municipality's ability to pay monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that month.	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.	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets).	Treasury department does not have control over the committed expenditure but monitoring	Cumulative	Quarterly and annually	Continuous	1, Month (30 days)	Group Finance

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KPI NO	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION	REPORTING CYCLE	NEW INDICATOR	DESIRED	INDICATOR
3.	Current ratio	The current ratio indicates the Municipality's ability to meet its current liabilities using current assets.	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).	Statement of Financial Position, Budget, IDP and AR	Current Assets / Current Liabilities	Treasury department does not have control over the committed expenditure but monitoring	Cumulative	Quarterly and	Continuous	1 :2:1	Group Finance
4.	Net Operating Surplus Margin	The Ratio assesses the extent to which the Municipality generates Operating Surpluses	The Ratio assesses the extent to which the Municipality generates Operating Surpluses	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Treasury department does not have control over the committed expenditure but monitoring	Cumulative	Quarterly and	Continuous	1 %	Group Finance
5.	Remuneration as % of Total Operating Expenditure	The ratio measures the extent of Remuneration to Total Operating Expenditure	The ratio measures the extent of Remuneration to Total Operating Expenditure.	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	Remuneration (Employee Related Costs and Councillors' Remuneration) /Total Operating Expenditure x100	Treasury department does not have control over the committed expenditure but monitoring	Cumulative	Quarterly	Continuous	39 %	Group
6.	Interest expense as a % of Total Operating Expenditure	Municipality has the capacity to take on additional financing from borrowing to invest in infrastructure projects or it could relate to cash flow problems where it is unable to access borrowed funds, or the funding decisions of the municipality impacts of these levels.	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.	The information is based on Management Accounts for in year reporting and Annual Financial Statements	Interest Expense / Total Operating Expenditure x 100	Treasury department does not have control over the committed expenditure but monitoring	Cumulative	Quarterly and annually	Continuous	8 %	Group Finance

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KPI NO	INDICATOR TITLE	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION	REPORTING CYCLE	NEW INDICATOR	DESIRED	INDICATOR
7.	Collection Rate	Assessing the Collection Ratio will provide an indication of the performance against a number of areas, for example: Quality of Credit Control - ensuring that what is billed is collected; and Quality of Revenue Management - the ability to set affordable tariffs and bill correctly.	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.	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	Gross Debtors Opening Balance + Billed Revenue – Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	Treasury department does not have control over the committed expenditure but monitoring	Cumulative	Quarterly and annually	Continuous	90 %	Group Finance
8.	Solvency ratio	The ratio measures the ability to meet its long-term financial obligation with its assets	The ratio measures the ability to meet its long-term financial obligation with its assets	The information is based on Management Accounts for in year reporting and Annual Financial Statements	Total Assets/Total Liabilities	Treasury department does not have control over the committed expenditure but monitoring.	Cumulative	Quarterly and annually	Continuous	2.1:1	Group Finance

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ANNEXURE F: GROUP FINANCE DRAFT C88 INDICATORS 2026/2027

Circular 88 Outcome Indicators	No	IDP Performance Indicator (Outcomes)	Ref No.	Baseline (estimated Annual Performance 2024/25)	Target for (MTREF) (3 years)	Target for 2031/32 (End of Term)	Lead Department and Entities
FM1. Enhanced municipal budgeting and budget implementation	11	FM1.1 percentage of expenditure against total budget	FM1.1	100.80%	598%	98%	Group Finance: Group Accounting
	10	Percentage of total operating revenue to finance total debt	FM2.1	33.10%	38%	38%	Group Finance: Group Accounting
FM2. Improved financial sustainability and liability management	11	⁶ Percentage change in cash backed reserves reconciliation	FM2.2	0%	TBD	TBD	Group Finance: Treasury & Financial Strategy
	12	Percentage change in cash and cash equivalent (short term)	FM3.1	79.30%	TBD	TBD	Group Finance: Treasury & Financial Strategy
FM3. Improved liquidity management	13	Percentage of total operating expenditure on remuneration	FM4.2	27.40%	TBD	TBD	Group Finance: Treasury & Financial Strategy
	14	⁷ Percentage of total operating expenditure on contracted services	FM4.3	7.60%	≥5%	≥5%	Group Finance: Group Accounting

⁵ This is in line with the Net Operating Surplus ratio of 2%, which is a desired positive surplus

⁶ Addendum 6 changed the formula from ((1) Cash Backed Reserves (Previous Year) – (2) Cash Backed Reserves (Current Year)) ÷ ((1) Cash Backed Reserves (Previous Year) to ((1) Cash backed reserves (current year) – (2) Cash backed reserves (previous year)) ÷ ((1) Cash backed reserves (previous year))

⁷ The City's financial statements are in line with GRAP principles which require that expenditure be disclosed in terms of its nature hence on the face of the statement of financial performance there is no contracted services as a separate line item. Currently, the City's reporting system, which is not yet MSCOA compliant, is unable to collect accurate information in the format required for the KPI. Therefore, a request is made for exemption on this KPI to allow the City an opportunity to conclude the process of MSCOA compliance that will separate contracted services expenditure from each expenditure line item without compromising compliance with the requirements of GRAP standards".

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Circular 88 Outcome Indicators	No	IDP Performance Indicator (Outcomes)	Ref No.	Baseline (estimated Annual Performance 2024/25)	Target for (MTREF) (3 years)	Target for 2031/32 (End of Term)	Lead Department and Entities
FM5. Improved asset management	15	Percentage change of own funding (Internally generated funds + Borrowings) to fund capital expenditure	FM5.1	-22.90%	TBD	TBD	Group Finance: Treasury & Financial Strategy
	18	Percentage change in Gross Consumer Debtors' (Current and Non-current)	FM7.1	-16.40%	TBD	TBD	Group Finance: RSSC
FM7. Improved revenue and debtors' management	19	Percentage of Revenue Growth excluding capital grants	FM7.2	7.20	TBD	TBD	Group Finance: RSSC
	20	Percentage of net operating surplus margin	FM7.3	1.00%	TBD	TBD	Group Finance: Treasury & Financial Strategy
GG3. Improved municipal administration	30	Audit Opinion	GG 3.1	Qualified with material finding	Unqualified without material finding	Unqualified without material finding	Group Finance: Core Accounting

^a In the context of the City of Johannesburg, it is inevitable to have less reliance on contracted services particularly on infrastructure development and maintenance, hence of 5% is targeted and being within the NT Circular 71 norm of 2 – 5%.

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Circular 88 Outcome Indicators	No	IDP Performance Indicator (Outcomes)	Ref No.	Baseline (estimated Annual Performance 2024/25	Target for (MTREF) (3 years)	Target for 2025/26 (End of Term)	Lead Department and Entities
LED.2 Improved levels of economic activity in municipal economic spaces	40	Rates revenue as a percentage of the total revenue of the municipality	LED 2.1	20%	20%	21%	Group Finance: Group Accounting
	41	Rateables value of commercial and industrial property per capita	LED 2.2	72 364	74 057	74 057	Group Finance: Property Branch

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No	National Treasury Proposed Indicators	Ref No	2024/25 Baseline	2026/27 Targets	Quarterly Targets				Total Budget R 000		Quarterly budget R 000No				Lead Department
					Q1	Q2	Q3	Q4	Opex	Capex	Q1	Q2	Q3	Q4	
60	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	LED1.11	66.71%	66.71%	66.7%	66.71%	66.71%	66.71%	-	-	-	-	-	-	Group Finance: Group SCM
63	Percentage of budgeted revenue collected	LED2.11	102.8%	90.3%	90.3%	90.3%	90.3%	90.3%	-	-	-	-	-	-	Group Finance: Group Accounting
68	Percentage of revenue clearance certificates issued within 10 working days from the time of completed applications received	LED3.21	2 working days	10 working days	10 working days	10 working days	10 working days	10 working days	-	-	-	-	-	-	Group Finance: RSSC
69	Average number of days from the point of advertising to the letter of award per 80/20	LED3.31	188 days	90 days	90 days	90 days	90 days	90 days	-	-	-	-	-	-	Group Finance: Group SCM

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GROUP FINANCE

BUSINESS PLAN 2026/2027 FINANCIAL YEAR (FY)

No	National Treasury Proposed Indicators	Ref No	2024/25 Baseline	2026/27 Targets	Quarterly Targets				Total Budget R 000		Quarterly budget R 000No				Lead Department
					Q1	Q2	Q3	Q4	Opex	Capex	Q1	Q2	Q3	Q4	
70	Percentage of municipal payments made to service providers who submitted complete forms within 30 working days of invoice submission	LED3.32	89.43% within 30 working days	100%	100%	100%	100%	100%	-	-	-	-	-	-	Group Finance: Core Accounting

No	National Treasury Proposed Indicators	Ref No	2024/25 Baseline	2026/27 Targets	Quarterly Targets				Total Budget R 000		Quarterly budget R 000				Lead Department/Entity
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3	Q4	
21	Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	FM1.12	101.2%	100%	28.1%	52.4%	76.4%	100%	-	-	-	-	-	-	Group Finance: Group Accounting
22	Total Operating Revenue as a percentage of Total Operating Revenue Budget	FM1.13	83%	94%	23.5%	23.5%	23.5%	23.5%	-	-	-	-	-	-	Group Finance: Group Accounting
23	Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget	FM1.14	91.07%	94.56%	23.7%	23.7%	23.7%	23.7%	-	-	-	-	-	-	Group Finance: Group Accounting

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GROUP FINANCE

BUSINESS PLAN 2026/2027 FINANCIAL YEAR (FY)

No	National Treasury Proposed Indicators	Ref No	2024/25 Baseline	2026/27 Targets	Quarterly Targets				Total Budget R 000		Quarterly budget R 000				Lead Department/Entity
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3	Q4	
24	Cash backed reserves reconciliation at year end	FM2.21	0	0	0	0	0	0	-	-	-	-	-	-	Group Finance: Treasury & Financial Strategy
25	Cash/Cost coverage ratio	FM3.11	22 days	30 days	30 days	30 days	30 days	30 days	-	-	-	-	-	-	Group Finance: Treasury & Financial Strategy
26	Current ratio (current assets/current liabilities)	FM3.12	0.8: 1	1.2: 1	1.2: 1	1.2: 1	1.2: 1	1.2: 1	-	-	-	-	-	-	Group Finance: Treasury & Financial Strategy
27	⁹ Trade payables to cash ratio	FM3.13	35%	25%	25%	25%	25%	25%	-	-	-	-	-	-	Group Finance: Treasury & Financial Strategy
28	Liquidity ratio	FM3.14	19%	20%	20%	20%	20%	-	-	-	-	-	-	-	Group Finance: Treasury & Financial Strategy
29	Creditors' payment period	FM4.31	30 days	30 days	30 days	30 days	30 days	30 days	-	-	-	-	-	-	Group Finance: Core Accounting
30	Percentage of total capital expenditure funded from own funding (Internally generated funds + Borrowings)	FM5.11	57.1%	57%	57%	57%	57%	57%	-	-	-	-	-	-	Group Finance: Group Accounting
31	Percentage of total capital expenditure funded from capital conditional grants	FM5.12	35%	40%	Annual target.	Annual target.	Annual target.	Annual target.	-	-	-	-	-	-	Group Finance: Group Accounting

⁹ NT Addendum 6 amended the formula amended from (1) Cash and Cash Equivalents + (2) Trade Payables to (1) Trade Payables + (2) Cash and Cash Equivalents x 100.

CITY OF JOHANNESBURG METROPOLITAN MUNICIPALITY

GROUP FINANCE

BUSINESS PLAN 2026/2027 FINANCIAL YEAR (FY)

No	National Treasury Proposed Indicators	Ref No	2024/25 Baseline	2026/27 Targets	Quarterly Targets				Total Budget R 000		Quarterly budget R 000				Lead Department/Entity
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3	Q4	
28	Percentage of awarded tenders [over R200k], published on the municipality's website	FM6.12	100%	≥80%	≥80%	≥80%	≥80%	≥80%	-	-	-	-	-	-	Group Finance: Group SCM
29	Percentage of tender cancellations	FM6.13	22.2%	≤1%	≤1%	≤1%	≤1%	≤1%	-	-	-	-	-	-	Group Finance" Group SCM
30	Debtors' payment period	FM7.11	30 Days	30 Days	30 Days	30 Days	30 Days	30 Days	-	-	-	-	-	-	Group Finance: RSSC
31	Collection rate ratio	FM7.12	86%	87.2%	87.2%	87.2%	87.2%	87.2%	0	-	-	-	-	-	Group Finance: Treasury & Financial Strategy

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GROUP FINANCE

BUSINESS PLAN 2026/2027 FINANCIAL YEAR (FY)

ANNEXURE G: GROUP FINANCE DRAFT STRATEGIC RISK REGISTER 2026- 27

#	Mayoral Priority	Risk Name	Root Causes	Inherent Risks	Residential Risk Rating	Mitigation Measures in place
1	Financial Sustainability	Completion of GV27	1. Properties reported with Missing Ownership Information from Development Planning 2. Data Inaccuracies 3. Property Market Volatility (Rapid or significant changes in property values, interest rates or markets). 4. GV27 Project Plan not approved	25	10	1.1 Maintain the current control 1.2 Sales review underway and compilation of market report 1.3 To submit the GV27 Project Plan to Council for approval
2	Financial Sustainability	Liquidity Constraints	1. Under collection and / or decline in collection of revenue 2. Ineffective credit control enforcements 3. Undesirable Debt Ratios	25	15	1.1 Revise Revenue Collection Turnaround Strategy 1.2 Debt Collection drive 1.3 Implement Revenue Collection Turnaround Plan 2.1 Review of 2022 Credit Control & Debt Collection Policy 2.2 Review of 2004 Credit Control & Debt Collection By-Law 3.1 Cost containment measures are in place 3.2 Monitoring of grant allocation and spend

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#	Mayoral Priority	Risk Name	Root Causes	Inherent Risks	Residential Risk Rating	Mitigation Measures in place
2	Financial Sustainability	(Cont.)	4. Underspending of capital budget 5. Illegal consumption of revenue generating services (water & electricity) 6. Poor planning leading to high cash outflow at financial year end 7. Contingent liabilities emanating from litigation matters 8. Adverse credit rating by rating agency 9. Poor project management 10. Non-monitoring of revenue generating projects			4.1 Ensuring meeting of set targets on CAPEX expenditure 4.2 Full implementation of Supply Chain Management Turn Around Strategy 5.1 Stand by stand audit 5.2 Review and implement revenue protection and loss control process in conjunction with Municipal Entities 6.1 Implementation of Supply Chain Management Turnaround Strategy (OPEX) 6.2 Monitor and report on grant allocation and grant spend 7.1 Litigation Management Policy to be developed 7.2 Litigation Strategy to be formulated 8.1 Operation clean Audit (OPCA) is in place 9.1 Project Management Plan has been developed 10. War Room has been setup to monitor and report on revenue generating projects

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#	Mayoral Priority	Risk Name	Root Causes	Inherent Risks	Residential Risk Rating	Mitigation Measures in place
3	Financial Sustainability	Adverse audit outcomes	1. Non-implementation of consequence management 2. Non-adherence to financial policies, regulations and procedures 3. Inadequacy of financial controls 4. Inadequate finance systems and lack of automated processes	25	15	1.1 Refer matters of financial misconduct to the Disciplinary Board 2.1 Implementation of GRAP compliant systems 2.1.1 Automation of business processes 2.2 Compliance checks on whether Group Instructions were adhered to 3.1 Review of Standard Operating Procedures (SoP's) on AOPO's to tighten internal controls 4.1 Development of automated systems with MTC
4	Financial Sustainability	Deteriorating financial position	1. Planning assumptions challenged by economic outlook 2. Cross-subsidisation within the City	25	15	1.1 Financial Development Plan to be enhanced, with a view to achieve a balanced positive working capital 2.1 Adhere to reforms prescribed by National Treasury with regard to the Trading Reforms of the Entities in line with SPOMA (Single Point of Management Accountability)
5	Financial Sustainability	A budget based on unrealistic performance targets and	1. Previous year end under performance to the next MTB (Mid-Term Budget) cycle 2. Reduced capability to secure funding and financing instruments for the next MTB	25	7.5	1.1 Maintain the current control 2.1 Pursuing alternative funding options and private / public partnerships

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GROUP FINANCE

BUSINESS PLAN 2026/2027 FINANCIAL YEAR (FY)

#	Mayoral Priority	Risk Name	Root Causes	Inherent Risks	Residual Risk Rating	Mitigation Measures in place
6	Financial Sustainability	revenue projections	3. Competing priorities not aligned to available funding	20	7	3.1 Strengthening prioritisation processes to ensure optimum budget allocation
			4. Unfunded budget due to cash projections not materialising due to revenue collection under-performance			4.1 Implement consequence management
			5. Unfunded budget due to NT withdrawing grant funding			5.1 Implement consequence management
			1. inadequate understanding of procurement processes			1.1 Maintain the current controls
			2. Fluctuating market changes and low economic growth			2.1 Source procurement intelligent tools to assist in terms of data available in the market (Price fluctuations, structures of variance on goods and services as well as market trends in general, geopolitical and other).
			3. Fraud and corruption			3.1 GSSCM automation
			4. Supplier poor or non-performance			4.1 Full implementation of E-Procurement (Contract Management Module)
						4.2 Blacklisting of non-performing suppliers on the National Treasury data base