CITY OF JOHANNESBURG

THE METROPOLITAN TECH COMPANY

2025/26

FINAL QUARTER THREE PERFORMANCE REPORT

Business Address:

25 Ameshoff Street

Libridge Building, 13th Floor West

Braamfontein

Joburg

a world class African city

COMPANY INFORMATION

Registration number	: Metropolitan Tech Company
Registration number	:1999/011422/30
Registered Address	: 1st Floor, Forum IV, Braampark, Johannesburg
Postal Address	: P.O. Box 1049, Johannesburg, South Africa, 2000
Telephone number	: (011) 032 0250
Fax number	: None
Website	: https://metrotech.co.za/
Bankers	: Standard Bank South Africa
Auditors	: Auditor-General

Our Vision

To ensure and enable a digitally connected City

Our Mission

To provide accessible and affordable digital services to stakeholders and citizens as an ICT provider. We aim to create a sustainable and harmonious environment that enhances the digital quality of life of citizens.

Our Values

Innovation

Transparency

Excellence

Customer Service

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2025/26 Q3 MTC PERFORMANCE REPORT

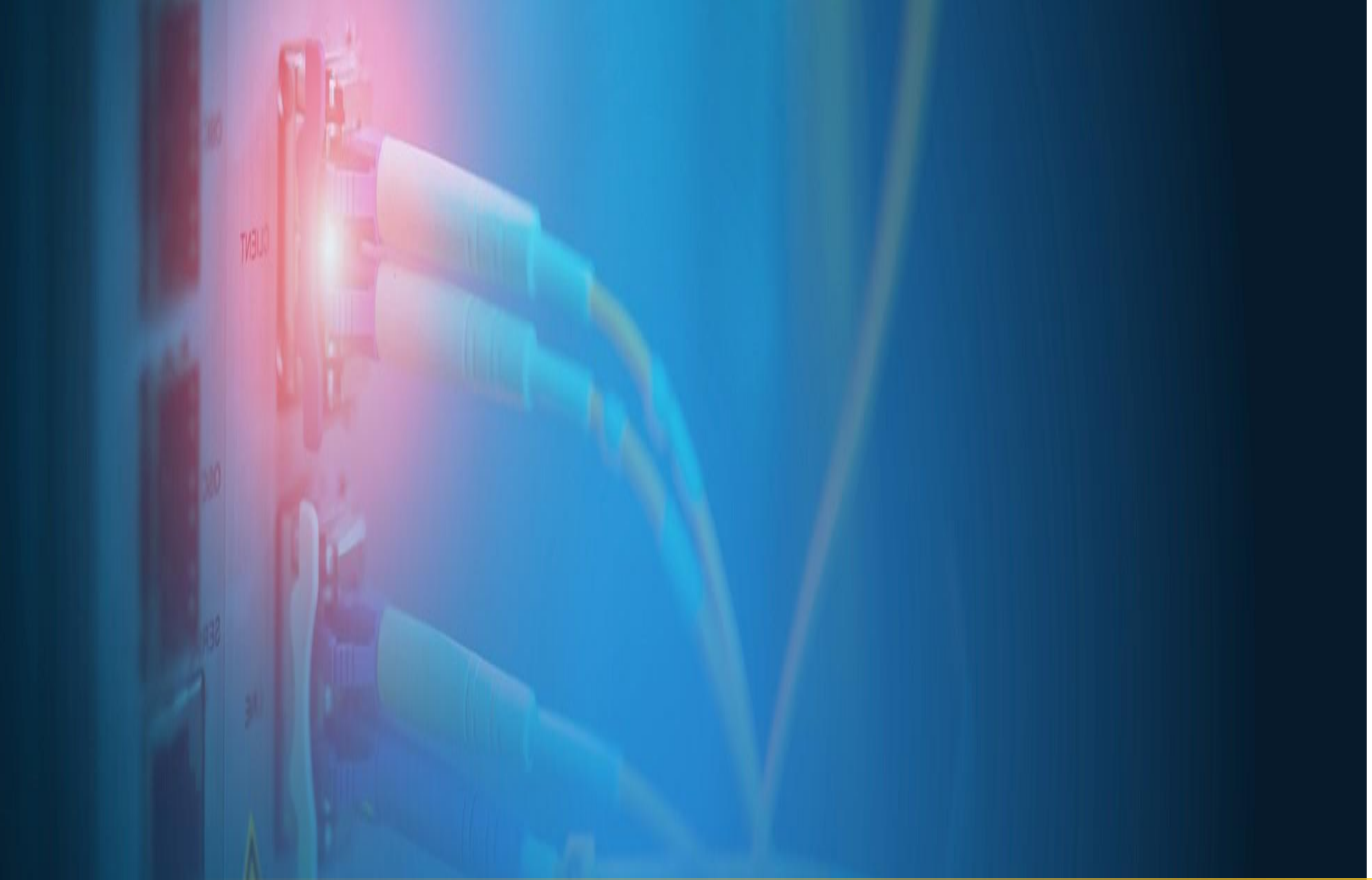
APPROVALS

Name	Designation	Signature	Date
Mr. Rajen Chetty	Chief Financial Officer		23/04/2026
Mr. Thedi Moropa	Chief Executive Officer		23/04/2026
Mr. Makhate Jonas Nqakalatsane	Chairperson of MTC Board		24/04/2026
Mr. Lutando Sithembele Maboza	Executive Director Department of Transport		23/04/2026
Mr. Kenny Kunene	Member of Mayoral Committee Transport		29./04/2026

ACRONYMS & ABBREVIATIONS

AFS	Annual Financial Statements
AG	Auditor-General
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
BBBEE	Broad-Based Black Economic Empowerment
BCM	Business Continuity Management
BIA	Business Impact Analysis
BP	Business Plan
BRT	Bus Rapid Transit
CAE	Chief Audit Executive
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CGICTPF	Corporate Governance of ICT Policy Framework
CCTV	Closed-Circuit Television
CM	City Manager
CoJ	City of Johannesburg
COO	Chief Operating Officer
CRM	Customer Relationship Management
CTO	Chief Technology Officer
DED	Department of Economic Development
DPSA	Department of Public Service and Administration
EAP	Economically Active Population
ECT	Electronic Communications and Transactions Act
EE	Employment Equity
EJHB	E-Joburg
EOL	End of Life
EOS	End of Support
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ESS	Employee Self Service
GAC	Group Audit Committee
GCFO	Group Chief Financial Officer
GDS 2040	Growth and Development Strategy 2040
GLU	Government of Local Unity
GM	General Manager
GRGC	Group Risk and Governance Committee
HSEC	Human Resources, Social and Ethics Committee
IA	Internal Audit
IAC	Independent Audit Committee
ICASA	Independent Communications Authority of South Africa

ICT	Information and Communication Technology
IDP	Integrated Development Plan
IIOC	Integrated Intelligence Operation Centre
InfoSec	Information Security
ISO	International Organization for Standardization
ITIL	Information Technology Infrastructure Library
ITSM	IT Service Management
JMPD	Johannesburg Metropolitan Police Department
KPI	Key Performance Indicator
ME	Municipal Entity
MFMA	Municipal Finance Management Act
MOI	Memorandum of Incorporation
MSA	Municipal Systems Act
MSCOA	Municipal Standard Chart of Accounts
MTTR	Mean Time to Repair
MTC	Metropolitan Tech Company
NARSSA	National Archives and Records Service of South Africa
NDP 2030	National Development Plan 2030
NED	Non-Executive Director
NT	National Treasury
OD	Organisational Development
OPEX	Operational Expenditure
PAIA	Promotion of Access to Information Act
PMO	Project Management Office
POPIA	Protection of Personal Information Act
QPR	Quarterly Performance Report
RFQ	Request for Quotation
SALGA	South African Local Government Association
SARS	South African Revenue Service
SCM	Supply Chain Management
SDA	Service Delivery Agreement
SDBIP	Service Delivery and Budget Implementation Plan
SDC	Service Delivery Committee
SLA	Service Level Agreement
SOC Ltd	State-Owned Company (Limited)
SMME	Small, Medium and Micro Enterprise
SOP	Standard Operating Procedure
STC	Short-Term Contract
UIF	Unemployment Insurance Fund
UIFWe	Unauthorised, Irregular, Fruitless and Wasteful Expenditure
VMS	Video Management System
Wi-Fi	Wireless Fidelity



CHAPTER 1

LEADERSHIP FOREWORD & CORPORATE PROFILE

SECTION 1: CHAIRPERSON'S FOREWORD

Mr. Makhate Jonas Nqakalatsane
Chairman of the Board

It is my privilege to present the Metropolitan Tech Company's Quarter Three Performance Report for the 2025/2026 financial year, covering the period 1 January to 31 March 2026.

The period under review reflects steady progress achieved under constrained conditions. As the Board, our focus remains on providing strategic oversight, strengthening governance, and ensuring the long-term sustainability of the entity.

During the quarter, the Board convened its Strategic Session, providing an important platform to assess the operating environment, evaluate key risks, and reaffirm the organisation's strategic priorities. This engagement reinforced the need to strengthen financial resilience, enhance governance practices, and accelerate the City's digital transformation agenda.

The entity delivered a positive financial performance, supported by improved revenue generation and strong cash collection. While this is encouraging, underlying challenges persist—particularly liquidity pressures, high debtor balances, and the ongoing impact of the shareholder loan. These remain key areas of focus for the Board. Operationally, the entity continues to deliver essential services despite ongoing constraints, including ageing infrastructure and limited capital investment. These challenges pose risks to long-term service reliability and require sustained attention to infrastructure renewal and funding.

The Board recognizes the critical role that organizational capacity plays in driving performance. While progress has been made in stabilizing the structure, existing capacity constraints and critical vacancies remain a concern. This is further intensified by the recently issued moratorium on the appointment of new personnel, which places additional pressure on the organisation's ability to fully capacitate key functions. These constraints require continued and innovative management intervention to ensure sustained performance.

From a governance perspective, maintaining an unqualified audit opinion with findings reflects progress; however, recurring issues—particularly in compliance and performance information—highlight the need for strengthened accountability and consistent execution.

In closing, while challenges remain, the Board is encouraged by the progress achieved during the quarter and remains committed to strengthening governance, improving financial sustainability, and supporting enhanced service delivery.

On behalf of the Board, I extend my appreciation to management, employees, the Shareholder, and all stakeholders for their continued commitment.

SECTION 2: CEO'S REPORT

Mr. Thedi Moropa
Chief Executive Officer

I am pleased to present the Metropolitan Tech Company's Quarter Three Performance Report for the 2025/2026 financial year. The period under review reflects steady progress in both financial performance and operational delivery, achieved within a challenging environment characterised by liquidity constraints, ageing infrastructure, and ongoing service delivery pressures.

Operational Milestones and Service Delivery

During the quarter under review, management remained focused on the execution of high-impact projects designed to bridge the digital divide.

• **Public Connectivity**: We recorded a significant surge in the utilization of the City's Free Wi-Fi network, facilitating over 1.8 million connections. This trend demonstrates the critical nature of our infrastructure in providing internet access to the citizens of Johannesburg.

• **Smart City Initiatives**: The deployment of Smart Poles at Slovopark is a flagship achievement for this quarter. Beyond connectivity, these poles represent a converged infrastructure model that supports public safety and smart lighting, serving as a blueprint for future township developments.

• **Institutional Support**: Our commitment to supporting other City entities was evidenced by the successful completion of the ERP Solutions project for the Johannesburg Development Agency (JDA). By stabilizing and enhancing their enterprise systems, MTC has directly contributed to the administrative efficiency of our sister entity.

Financial Management and Revenue Optimization

From a management perspective, our primary focus has been on maximizing liquidity. I am pleased to report that we achieved a cash collection rate of 115% for the quarter.

However, we continue to manage a difficult balancing act. While we achieved a surplus of R63.8 million, our internal debtor book remains a concern, primarily due to delayed payments from the Shareholder and other City entities. Management is actively engaging with the Group Finance department to accelerate the settlement of these balances to ensure we can meet our own third-party obligations timeously.

Human Capital and Organizational Capacity

The talent within MTC is our most valuable asset, yet it remains under significant pressure. With a high vacancy rate and a moratorium on recruitment, our existing staff have had to take on increased workloads to maintain service levels. We are currently optimizing our existing workflows to mitigate the impact of these resource constraints.

Commitment to Audit Excellence

Management has taken a proactive stance in addressing the internal control weaknesses identified by the Internal Audit. Resolving 73% of the findings this quarter is a step in the right direction. Our current focus is on predetermined objectives and effective performance information management to ensure that, by the end of the financial year, reporting processes and technical operations are robust, aligned, and fit for purpose

Looking Ahead

As we move into the final quarter of the financial year, our focus will be on the finalization of the 2026/27 Business Plan and the continued rollout of the Smart City roadmap. I would like to thank the MTC staff for their resilience and the Board for their continued guidance and support.

SECTION 3: CFO'S REPORT

Rajen Chetty
Chief Financial Officer

For the third quarter, MTC realised a surplus before taxation of R63.8m. Total revenue including the subsidy from COJ as of 31 March 2026 is R329m, which represents an increase of 31% from the comparative period. Revenue from the rendering of services is higher than budget due to the entity implementing higher-value projects on behalf of CoJ and Municipal Entities during the quarter. Revenue comprises of subsidy of R55,9m and sales of services of R272m. Net Interest income was recorded at Rnil due to cash balances held with Treasury being a negative R866m.
The main contributors towards expenditure are interest on the Shareholder Loan and Other expenditures, which include the cost of sales in relation to projects carried out.

Financial Performance and Overview

The Finance department is responsible for two of the entity's KPI's, which are the amount of revenue generated and the cash collection rate. In the third quarter, MTC achieved a cash collection rate of 115% against a target of 85%. The entity achieved a cumulative revenue of R728m against a target of R303m (cumulative indicator). It is important to note that from a trend perspective, the collection rates are quite high (> 100%) during the first two quarters of the financial year and taper off during the third and fourth quarters. This is as a result of the method of calculation, as prescribed by the City, as well as the fact that billing for services starts off slowly at the beginning of the financial year and increases during the financial year, creating a higher outstanding debtors' balance at year-end. The entity endeavors to fast-track projects and ensure that a significant portion of billing is done by the end of the third quarter to enable the entity to collect the outstanding amounts by the end of the fourth quarter.

The cash balances held with the Treasury have decreased to a negative R866m as compared to a negative balance of R757m in the comparative period. The collection of debtors from other CoJ entities remains a challenge. This process remains a priority for MTC by ensuring there is continuous engagement with the various entities. MTC achieved a collection rate of 115% for the quarter. The entity has paid 65% of supplier invoices within the prescribed period. The cash flow challenges experienced by the City have resulted in 43 invoices being paid later than 30 days. The non-payment of supplier invoices within the prescribed period has also led to threats by service providers to down tools, which in turn affects service delivery.
The solvency ratio (0.85) is below the norm of 2 as a result of the Long-term Shareholder Loan increasing whilst the value of Property, Plant, and Equipment is decreasing due to depreciation.
The Entity has been allocated a capital expenditure budget of R26,7m for the financial year, which will be used for WIFI commercialization and office upgrades. As of 31 March 2026, these projects are in progress and are expected to be completed in the fourth quarter.

The resolution of the Shareholder's Loan is still in progress, and an advanced tax ruling is being sought from SARS in respect of the conversion of the loan into equity. MTC has not made any payments during the quarter towards the loan balance.

Annual Audit

The annual audit concluded on 30 November 2025. In prior year the entity achieved an Unqualified audit with findings. There was an overall improvement in the audit outcome due to fewer audit findings as well as improvements in some areas noted by the Auditor General. The entity is aiming for an improved audit outcome for the 2026/27 financial year.

Resolution of UIFWe (Unauthorised, Irregular, Fruitless and Wasteful Expenditure)

The Board has approved the write-off of certain UIFW expenditures for the 2023/24 and 2024/25 financial years. Management was requested by the Board to obtain a legal opinion on these expenditures and after considering the opinion, certain UIFW expenditures were written off. Management is improving controls to reduce the amount of UIFWe that the entity incurs.

Future Outlook

The sale of the network assets was cancelled on 31 December 2024 which necessitated a change in the organisation’s strategic direction.
The other key focus areas will be a more targeted approach toward the collection of outstanding internal debtors to improve the working capital of the entity and the resolution of the shareholder’s loan.

SECTION 4: CORPORATE PROFILE AND OVERVIEW OF THE ENTITY

NETWORK MODELS ACROSS THE CITY OF JOHANNESBURG

The physical network of MTC across the CoJ, indicating core nodes, is depicted in the diagrams below as per Images 1 and 2.

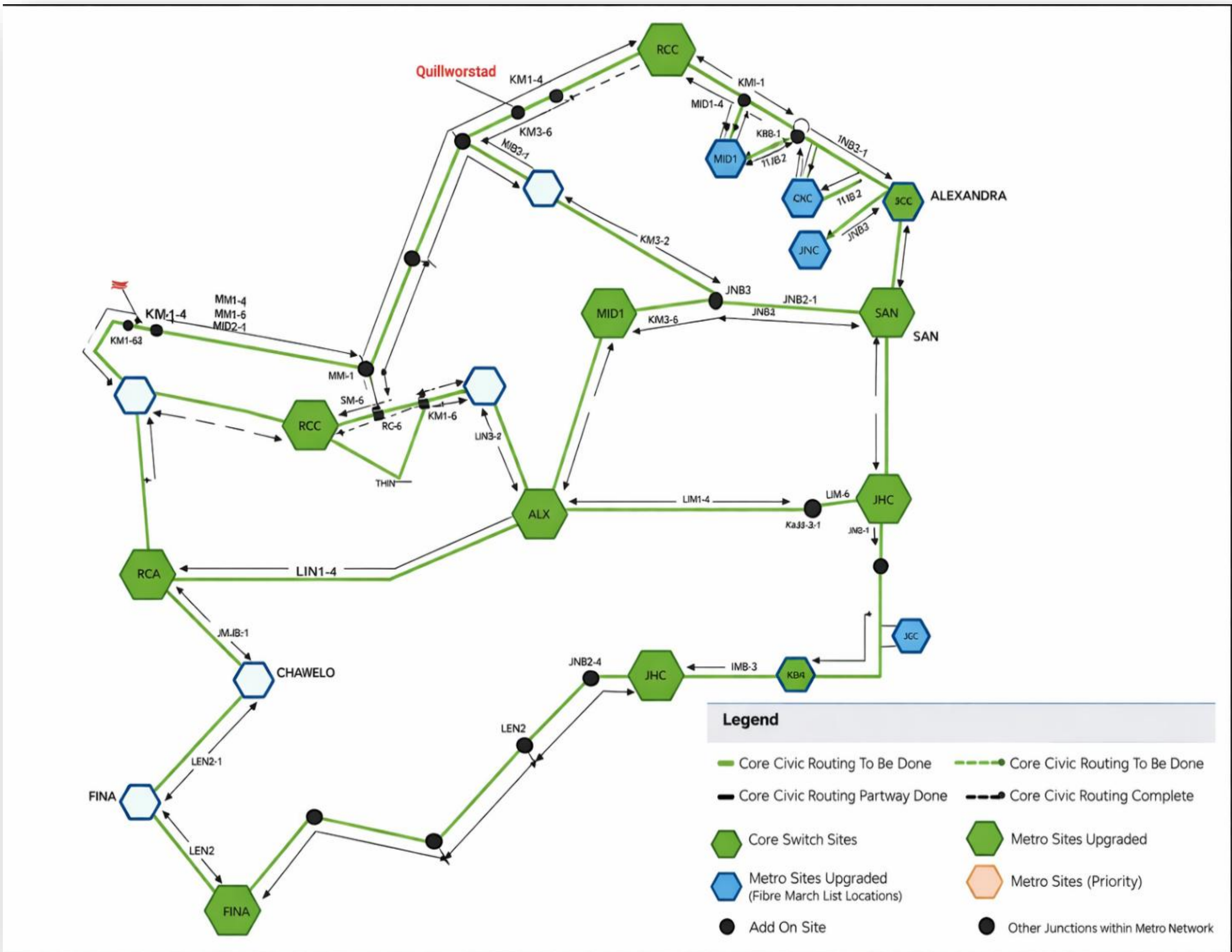


Figure 1: Core Nodes

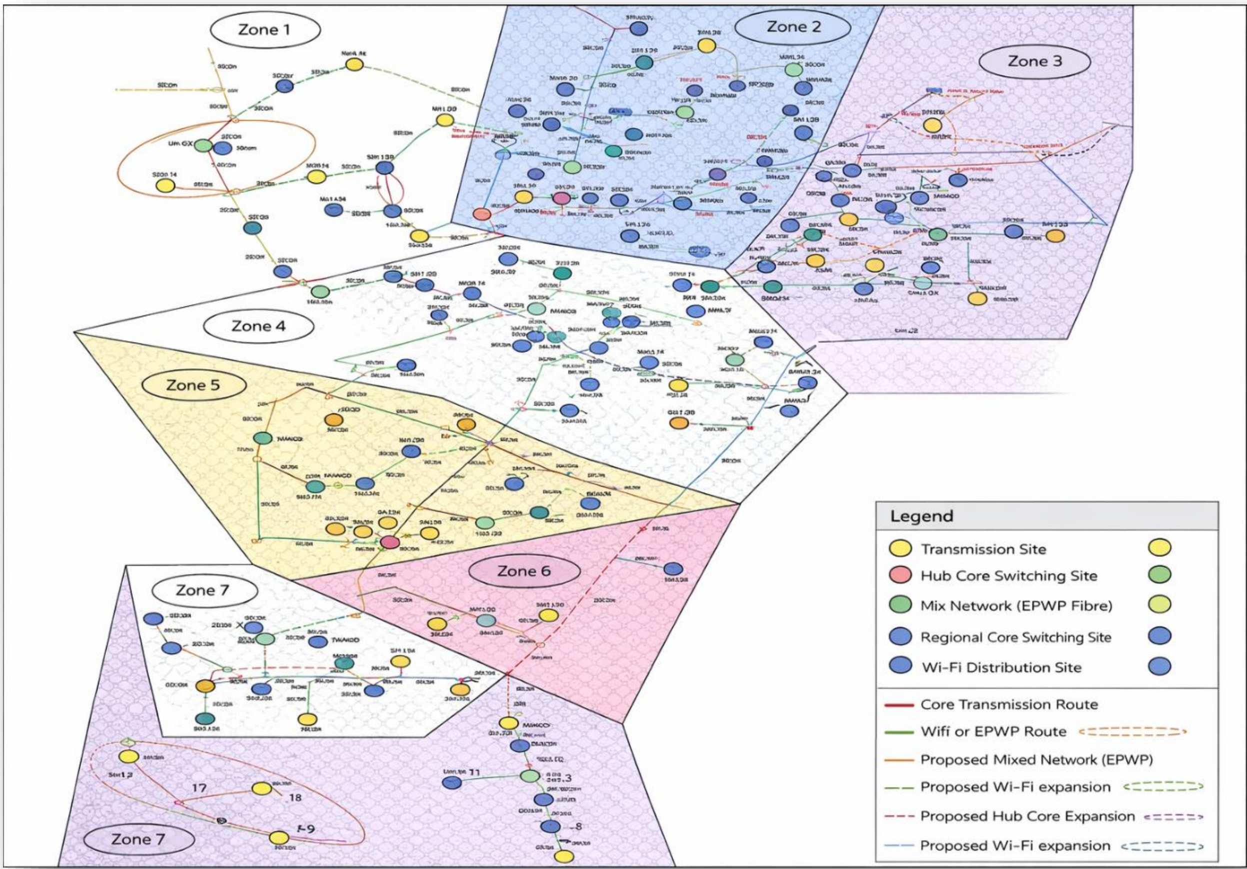


Figure 2: Zones Within the Regions

MTC Scope of Operation:

The demand for MTC services and the vision to grow the network will result in the increase of the core nodes and the concentration of point of presence to accommodate the business requirements of MTC resulting in the fulfillment of the mandate to advance the Smart City initiatives and community digitalization.

SECTION 5: STRATEGIC OBJECTIVES

NATIONAL OUTCOME:

Responsive, Accountable, Effective, and Efficient Local Government

GDS OUTCOME 4:

A High Performing Metropolitan Government that Proactively Contributes to and Builds a Sustainable, Socially Inclusive, Locally Integrated and Globally Competitive Gauteng City Region.

STRATEGIC PRIORITIES:

All these are depicted below:

<table>
<tr><th>NDP 2030</th><th>GGT 2030</th><th>JOBURG 2040</th></tr>
<tr><td>- Building an inclusive economy that creates jobs and reduces inequality
- Investing in infrastructure to support economic growth and social development</td><td>Priority 1: Economy, Jobs and Infrastructure

Priority 2: Safety, Social Cohesion</td><td rowspan="2">Outcome 1: Improved quality of life and development driven resilience for all.

Outcome 3: An inclusive, job intensive resilient, competitive and spart economy that harnesses the potential of citizens.</td></tr>
<tr><td>MTC STRATEGIC GOALs</td><td>STRATEGIC PRIORITIES:</td></tr>
<tr><td rowspan="2">▪ Financial sustainability
▪ Smart city
▪ Safer city
▪ Good governance
▪ Sustainable service delivery
▪ Sustained economic growth
▪ Active and engaged citizenry</td><td colspan="2">1. Financial Sustainability
2. Energy Mix
3. Sustainable Service Delivery
4. Job Opportunity and Creation
5. Good Governance
6. Infrastructure Development
7. Safer City
8. Active and Engaged Citizenry
9. Sustained Economic Growth
10. Green Economy
11. Smart City</td></tr>
<tr><td colspan="2">PRIORITY PROGRAMMES:
1. Financial Sustainability
2. Good Governance
3. A Safe City
4. A Smart City</td></tr>
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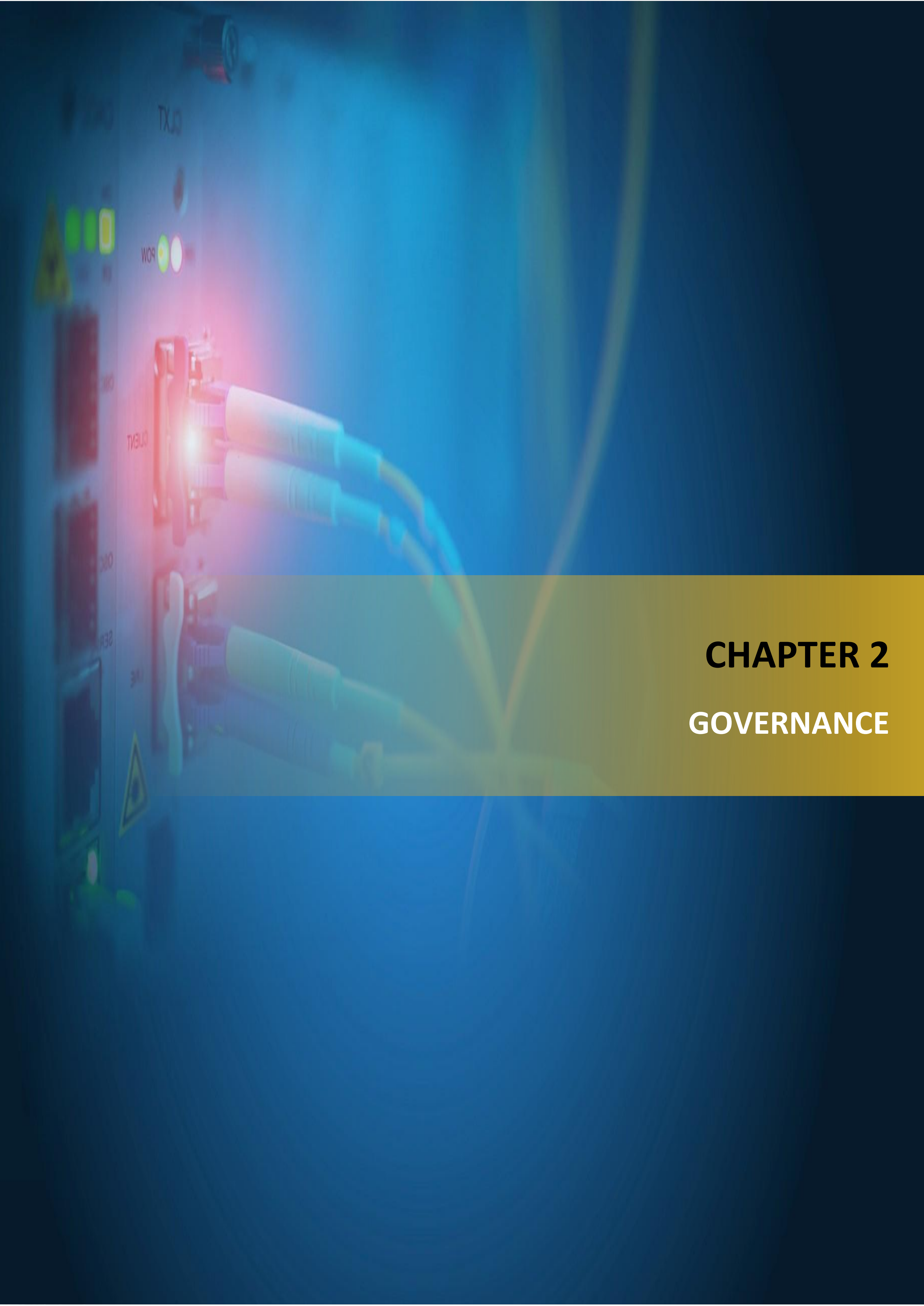

CHAPTER 2

GOVERNANCE

SECTION 1: GOVERNANCE SECTOR

GOVERNANCE FRAMEWORK

Metropolitan Tech Company (MTC) recognizes that managing its affairs with integrity is essential to maintaining the confidence of both the City of Johannesburg Metropolitan Municipality and the public it serves. The Board of Directors and management of MTC are committed to upholding the highest standards of corporate governance.

The Board is satisfied that management has endeavored to comply with all applicable legislation. Accordingly, MTC's administration and decision-making processes adhere to the requirements of the Municipal Finance Management Act (MFMA), the Municipal Systems Act (MSA), and the Companies Act. Furthermore, MTC aligns its governance practices with the principles outlined in the King IV Report on Corporate Governance for South Africa, 2016, which sets out best practices for responsible leadership and ethical business conduct.

The Board of Directors and executive management also subscribe to the Code of Conduct for Directors, as referenced in section 93L of the MSA, MFMA Circular 63, and the King IV Code. MTC is managed ethically and within reasonably determined risk parameters, in line with its public mandate.

KING IV CODE OF CORPORATE GOVERNANCE

The King IV Code promotes an environment of trust, transparency, and accountability, critical elements in ensuring long-term investment, business integrity, and financial sustainability. MTC uses the King IV principles to enhance the effectiveness of its governance structures and ensure responsible corporate citizenship.

CODE OF CONDUCT FOR DIRECTORS AND EMPLOYEES

The conduct of directors and employees of MTC is guided by the Municipal Systems Act, which provides a framework for ethical leadership, conflict of interest management, and the proper discharge of responsibilities by individuals in public service.

ETHICAL LEADERSHIP

In line with the provisions of the MSA, the Board has adopted both a Code of Conduct for Directors and a Code of Conduct for Employees. These documents provide guidance on the expected standard of ethical behavior in the execution of duties across the organization.

The Board considers ethical leadership to be a cornerstone of corporate governance. It promotes these values across all levels of MTC. Directors and employees are expected to uphold high standards of business and personal ethics in all their dealings. MTC, as both a company and a municipal entity, is committed to its core values of: Customer-centrism, Reputability, Innovation, Sustainability, and Professionalism. These values guide MTC's internal culture and external stakeholder engagement.

BOARD CHARTER

The Board has incorporated the City of Johannesburg's Corporate Governance Protocol into its Charter. This protocol defines the relationship between the City, as the sole shareholder, and MTC, as the municipal entity. It is grounded in the principles of the King IV Code and promotes good corporate governance and ethical conduct. The Board Charter outlines the composition, powers, and responsibilities of the Board. The structure of the Board is designed to ensure a balanced mix of knowledge, skills, experience, diversity, and independence—appropriate to the strategic direction of the company.

THE LEGISLATIVE FRAMEWORK

The current legislative framework governing municipal entities came into effect through amendments to the Municipal Systems Act (MSA) and the enactment of the Municipal Finance Management Act (MFMA).

- Chapter 8A of the MSA came into effect on 1 August 2004, outlining provisions specific to municipal entities.
- The MFMA came into effect on 1 July 2004, with transitional arrangements based on municipal capacity.
- The MSA recognizes three types of municipal entities: Private companies (such as MTC), Service utilities, and multi-jurisdictional service utilities.

MTC has been incorporated as a private company (SOC Ltd) in terms of the Companies Act and is wholly owned by the City of Johannesburg. It is therefore subject to the provisions of the Companies Act, in addition to municipal legislation.

KEY LEGISLATION REFERENCED

MUNICIPAL FINANCE MANAGEMENT ACT (MFMA), NO.56 OF 2003

The MFMA governs the financial management of municipalities and their entities. It ensures transparency, accountability, and sound financial governance.

CIRCULAR 63 MFMA

Circular 63 provides guidance on the structure and content of municipal annual reports. It ensures that financial and non-financial performance is reported uniformly across all municipal entities.

MUNICIPAL SYSTEMS ACT (MSA), NO. 32 OF 2000

This Act provides the legal foundation for the operation, governance, and performance management of municipalities and their entities.

SECTION 93L

Section 93L of the MSA outlines the principles governing the ethical conduct of directors and staff in municipal entities.

COMPOSITION, KEY ACTIVITIES, AND BOARD MEMBER REMUNERATION:

1. Mr. Makhate Jonas Nqakalatsane	Non-Executive Director, Board Chairperson
2. Ms. Patricia Jacobs	Non-Executive Director
3. Mr. Jacques Burt Watson	Non-Executive Director
4. Ms. Myrtle Charmaine Williams	Non-Executive Director
5. Mr. Manene Tabane	Non-Executive Director
6. Mr. Ingle Singh	Non-Executive Director

7. Ms. Maphale Victoria Mamogobo	Non-Executive Director
8. Mr. Trevor Goldsmith	Non-Executive Director
9. Mr. Thedi Moropa	Executive Director, Chief Executive Officer
10. Mr. Rajen Chetty	Executive Director, Chief Financial Officer

Table 1: Board members (as of 31 March 2026)

The Board of Metropolitan Tech Company comprises both 2 Executive Directors and 8 Non-Executive Directors, all appointed by the City of Johannesburg, the sole shareholder.

Board Appointments:

All Board members, including the Chairperson, Mr. Makhate Jonas Nqakalatsane, were initially appointed on 31 July 2024, when the new Board was constituted following the end of the previous Board term, and were subsequently reappointed at the Annual General Meeting on 29 October 2025, ensuring continuity for the current financial year.

Composition of the Sub Committees

During the third quarter of the 2025/2026 financial year, the Metropolitan Tech Company Board operated through three duly constituted sub-committees, namely the Audit and Risk Committee (ARC), the Human Resources, Social and Ethics Committee (HSEC), and the Service Delivery Committee (SDC). All sub-committees were duly constituted and remained functional in accordance with their approved terms of reference.

Audit and Risk Committee (ARC)

The Audit and Risk Committee comprised six (6) members, consisting of three (3) Non-Executive Directors and three (3) Independent Audit Committee (IAC) members. During the period under review, one IAC member resigned on 19 March 2026, creating a temporary vacancy. The Committee remained duly constituted and functional, with the vacancy to be filled in accordance with governance procedures to ensure continued compliance.

Human Resources, Social and Ethics Committee (HSEC)

The Human Resources, Social and Ethics Committee comprised four (4) Non-Executive Directors.

Service Delivery Committee (SDC)

The Service Delivery Committee comprised five (5) Non-Executive Directors.

The tables below reflect the composition of the Board sub-committees, including Independent Audit Committee members and Non-Executive Directors, as of 31 March 2026.

#	Independent Audit and Risk Committee (ARC),
1	Ms. Taryn-Lee Roman
2	Ms. Devaney Rayners
3	Ms. Althea Cluff **(Resigned: 19 March 2026)**

Table 2: Independent Audit Committee (IAC) members serving on Audit and Risk Committee

No.	ARC	HSEC	SDC
1.	**Patricia Jacobs (Chairperson)**	Jacques Burt Watson **(Chairperson)**	Myrtle Williams **(Chairperson)**
2.	Jacques Burt Watson	Makhate Jonas Nqakalatsane	Maphale Victoria Mamogobo
3.	Ingle Singh	Manene Tabane	Manene Tabane
4.	*Taryn-Lee Roman	Maphale Victoria Mamogobo	Trevor Goldsmith
5.	*Deveney Rayners		Makhate Jonas Nqakalatsane
6.	*Althea Cluff **(Resigned: 19 March 2026)**		
Total	6	4	5

Table 3: Members of Sub-Committees (ARC, HSEC, SDC) *Denotes Independent Audit Member

BOARD ACTIVITIES

The Board and its sub-committees hold ordinary meetings on a quarterly basis. Special meetings may be convened, up to a maximum of three per annum, where the need arises and subject to the City Manager's prior written approval. Each meeting agenda includes a standing item for the declaration of interests to ensure transparency and adherence to governance standards.

During Q3 2025/26 (1 January – 31 March 2026), the Board convened one (1) ordinary meeting and one (1) Chairperson's quarterly meeting, held on 16 February 2026. In addition, the Board held its Strategic Session (Non-Ordinary Meeting) on 20 March 2026, attended by all NEDs.

Each sub-committee, namely the Audit and Risk Committee (ARC), Human Resources, Social and Ethics Committee (HSEC), and Service Delivery Committee (SDC), held one (1) ordinary meeting during the quarter.

No conflicts of interest were declared during Q3 2025/26, and all attendance registers and declarations of interest are maintained by the office of the Company Secretary and are available for inspection.

The Chairperson of the ARC attended one (1) Group Audit Committee (GAC) meeting and one (1) Group Risk and Governance Committee (GRGC) meeting, both held-on 18 February 2026.

BOARD MEETING DESCRIPTIONS

The date and description of each meeting are reflected hereunder:

Date of Meeting	Meeting Description
26 January 2026	Ordinary Board Meeting
20 January 2026	Ordinary ARC Meeting
21 January 2026	Ordinary SDC Meeting
14 January 2026	Ordinary HSEC Meeting

Table 4: Board and Sub-Committee meetings held during the quarter.

ATTENDANCE AT MEETINGS

✓ Attended; x Apology; n/a -not a member.

	Designation	Board Meetings	Chairperson's Quarterly
		26/01/2026	16/02/2026
Mr. Makhate Jonas Nqakalatsane	NED and Board Chairperson	✓	✓
Ms. Patricia Jacobs	NED	✓	
Mr. Jacques Burt Watson	NED	✓	
Ms. Myrtle Charmaine Williams	NED	✓	
Mr. Manene Tabane	NED	✓	
Ms. Maphale Victoria Mamogobo	NED	✓	
Mr. Trevor Goldsmith	NED	✓	
Mr. Ingle Singh	NED	✓	

Table 5: Chairperson's Quarterly and Board Meetings attendance register

DIRECTOR AND PRESCRIBED OFFICER REMUNERATION

Non-Executive Directors and Independent Audit Committee members are remunerated per meeting attended in accordance with the City of Johannesburg's Group Policy on Governance. Executive Directors and prescribed officers are employees of the Metropolitan Tech Company SOC Ltd and do not receive additional remuneration.

The Board Strategic Session (Non-Ordinary Meeting) held on 20 March 2026 was remunerated in line with the applicable policy.

√ Attendance of Board and IAC members appointed in July 2024 and reappointed 29 October 2025				
Name	SDC 20/01/26	ARC 21/01/26	HSEC 14/01/26	Strategic Session (non-ordinary meeting) 20/03/2026
Makhate Jonas Nqakalatsane	√		√	√
Patricia Jacobs		√		√
Jacques Burt Watson		√	√	√
Myrtle Charmaine Williams	√			√
Manene Tabane	√		√	√
Ingle Singh		√		√
Maphale Victoria Mamogobo	√		√	√
Trevor Goldsmith	√			√
Taryn-Lee Roman		√		
Deveney Rayners		√		
Althea Cluff		√		

Table 6: Board Sub Committee Meetings attendance register

BOARD FEES FOR THE QUARTER

Name	Surname	3rd Qtr.
Makhate Jonas	Nqakalatsane	R58 520
Patricia	Jacobs	R56 430
Jacques Burt	Watson	R43 890
Myrtle Charmaine	Williams	R35 530
Manene	Tabane	R41 800
Ingle	Singh	R33 440
Maphale Victoria	Mamogobo	R41 800
Trevor	Goldsmith	R33 440
Taryn-Lee	Roman	R8 360
Deveney	Rayners	R8 360
Althea	Cluff	R8 360

Table 7: Board Fee

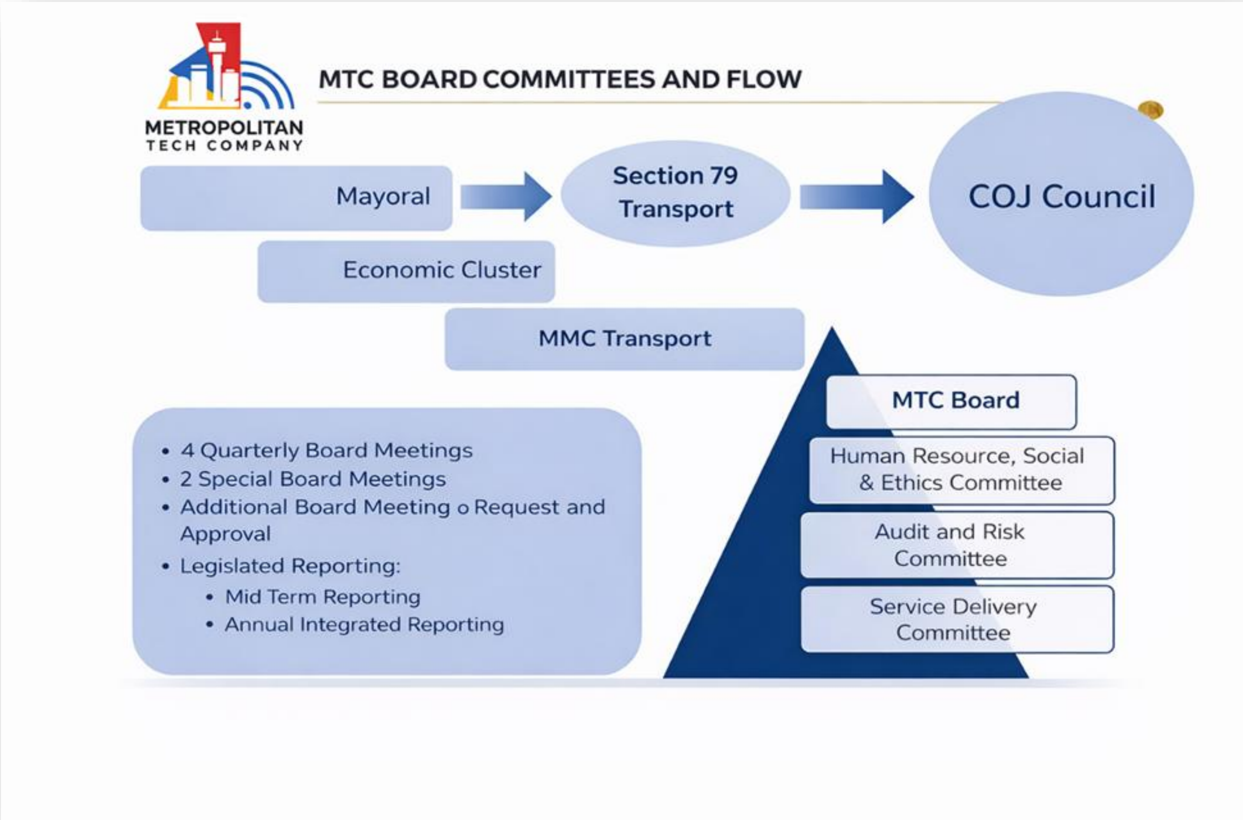

Figure 3: MTC Board Committees & Flow

MTC'S REMUNERATION POLICY

MTC compensates its non-executive directors and independent audit committee members per meeting attended according to the CoJ Group Policy on the Governance of the Group Advisory Committees, Municipal Entities' Boards of Directors, and Independent Audit Committees dated 5 October 2021 (CoJ Group Policy on Governance). Prescribed officers, employees of MTC or COJ, receive no additional compensation for their roles.

Senior management remuneration

MTC's executives have four vacant posts, namely Head of Legal, Corporate Strategy & Reporting Executive, Chief Operating Officer and Head of Risk and Compliance. MTC did not make any of the following types of payments during the reporting period in line with the policy:

- Termination of Employment and/or Office
- Sign-on, retention, and restraint payments.

- Commissions and Allowances over and above as prescribed in the City's Remuneration Policy
- Pre-vesting forfeiture and post-vesting forfeiture of remuneration

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

The Approved Organizational structure per line department is outlined below.

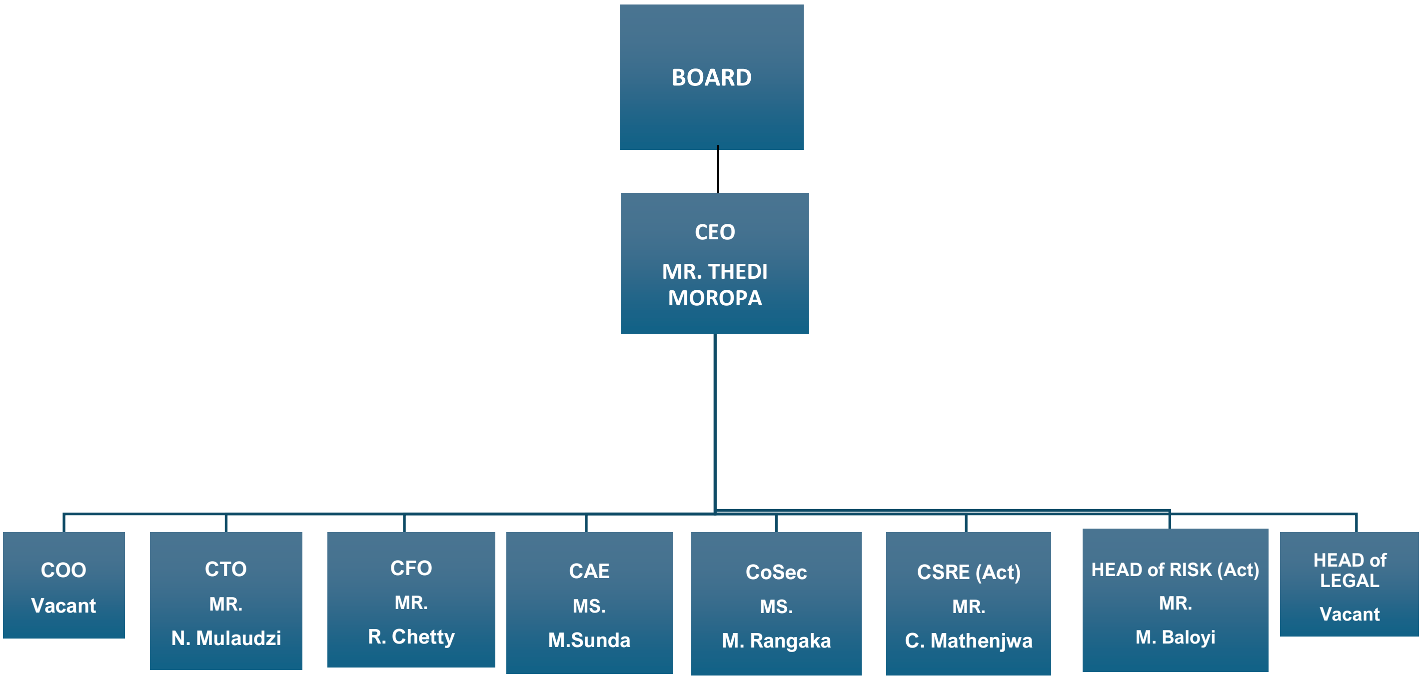

Figure 4: Company Organogram

Acronyms:

CAE- Chief Audit Officer

CEO- Chief Executive Officer

CFO- Chief Financial Officer

COO- Chief Operations Officer

CoSec- Company Secretary

CSRE- Corporate Strategy & Reporting Executive

CTO- Chief Technology Officer

SECTION 3: RISK MANAGEMENT

The Entity maintains and implements Enterprise Risk Management (ERM) in accordance with the provisions of Section 62(1)(c)(i) and 95(c)(i) of Municipal Finance Management Act, the King IV report on Corporate Governance and applicable risk management standards such as the ISO 31000.

In line with ERM the Entity maintained and monitored the following risk registers during the quarter:

- Strategic Risk Register
- Operational risk registers for all departments
- Ethics, Fraud, and Corruption Risk Register

RISK MANAGEMENT IMPLEMENTATION PLAN MONITORING

The Entity continues to implement the Risk Management Implementation Plan as approved by the Board. The plan outlines specific activities to be carried out by the Risk Management and Compliance Unit during the 2025/26 financial year.

For the quarter under review, the Unit achieved a performance rate of 85% against the planned risk management activities. This reflects the progress made in executing the approved initiatives and highlights areas where continued focus is required to meet annual targets:

Details	No of Activities	Activities Implemented	Activities not Implemented
Progress	13	11	2
Percentage %		85%	15%

Below are the activities that were not implemented:

No	Activity	Reason for non-implementation	Remedial Action plan
1	Business Continuity Plan Developed	The Business Continuity Plan (BCP) will be developed upon completion of the review of the Business Impact Analysis (BIA), which is currently in draft form and pending assessment of the new office space	The BIA review remains outstanding, pending the completion and operationalisation of the new office facilities in Quarter 4.
2	Conduct Business Continuity Plans validation	The validation of the Business Continuity Plan (BCP) was not conducted during the reporting period, as it is dependent on the development	The BIA review remains outstanding, pending the completion and

No	Activity	Reason for non-implementation	Remedial Action plan
		of the BCP, which is informed by the review of the Business Impact Analysis (BIA).	operationalisation of the new office facilities in Quarter 4.

Risk Landscape

Financial / Fiscal Risk ▪ Unauthorised, irregular, fruitless and wasteful expenditure: The shareholder loans continue to accumulate interest adding to fruitless and wasteful expenditure. ▪ Weak revenue collection: The entity struggles to collect debts owned by the City and Entities	**Governance, Accountability & Leadership Risk** Skills shortages & capacity constraints: The entity has insufficient capacity with high vacancy rate
Service Delivery & Infrastructure Risks Aging infrastructure: The Entity's Network Infrastructure has aged and reached end of life and out of support.	**External & Environmental Risks** Climate change / disasters: The entity is also vulnerable to floods, droughts, storms, etc. These events damage infrastructure.
Political & Social Risk ▪ Service delivery protests: When basic services fail or are perceived to be failing, communities often respond with protests, which can escalate and further strain the entity's resources. ▪ Political instability: Changes in political leadership, lack of alignment between governing structures, or interference in senior appointments can lead to unstable administration.	**Risk of Non-compliance & Legal Exposure** ▪ Non-compliance with legislation: Procurement irregularities, not observing tender regulations, failing to comply with municipal financial management framework or systems acts

QUARTER 3 2025/2026 FINANCIAL YEAR STRATEGIC RISKS MONITORING

During the quarter under review, the Entity continued to monitor the eight (8) Strategic Risks identified through the Annual Strategic Risk Review process.

The table below outlines the Entity's Strategic Risks, including a concise description of each risk, the associated root causes, current controls, and mitigation actions in place. The residual risk ratings reflect management's assessment of the effectiveness of existing controls and the remaining level of exposure:

SR 1 - Service Degradation Risk

<table>
<tr>
<td>Root Causes
End of life and end of support network (Aging network equipment causes slower speeds, higher latency, and frequent outages).
Lack of investment into refurbishment and maintenances of the network
</td>
<td>Consequences:
Inability to achieve network availability KPIs
Inability to achieve the COJ Smart City Objectives due to unreliable network
Business Closure
Inability to attract new business and retain existing business
Business Interruption
Reputational Damage
Financial Loss
Poor service delivery
Large scale of disruption of digitally services</td>
</tr>
<tr>
<td>Controls:
Reactive Maintenance of the network through managed service.</td>
<td>Residual Risk Rating at Initial Assessment:
Very High</td>
</tr>
<tr>
<td colspan="2">Future Treatment Strategies:
Conduct full network audit (capacity, uptime, equipment status)
Commission a full-market research study
Request to for the entity to be exempted from the sweeping of account and channel it back into network upgrades.
Conduct feasibility study for revenue-sharing or co-investment models
Continue with reactive maintenance of the network</td>
</tr>
</table>

SR 2 - Business Interruptions

<table>
<tr>
<td>Root Causes
Lack of Business Continuity Plans and Inadequate Disaster Recovery Plan
Loadshedding and Water Shedding
Natural disasters due to Climate Change
Inadequate facilities to host infrastructure (Carries grade data centre facilities with air conditioning, uninterrupted power supply, security, and site access control).
Legacy System and Outdated infrastructure</td>
<td>Consequences:
Business Interruption
Reputational Damage
Financial Loss
Poor Service Delivery</td>
<td>
</td>
</tr>
<tr>
<td>Controls:
Combined Assurance Framework
Combined Assurance Forum
Facilities Lease Agreement</td>
<td colspan="2">Residual Risk Rating at Initial Assessment:
Very High</td>
</tr>
<tr>
<td colspan="3">Future Treatment Strategies:
Convey a combined assurance forum
Testing of Disaster Recovery plan
Review Business Impact Analysis
Develop Business Continuity Plan
Procurement of new office facilities
Implementation of the MTC Incident processes (SOP and Manuals)</td>
</tr>
</table>

SR3 Ineffective Stakeholder engagement / Communication Channels

Root Causes	Consequences:
▪ Inadequate Brand Positioning and Marketing ▪ Lack of stake holder engagement programme  	▪ Uncompetitive ▪ Possible closure ▪ Financial Losses
Controls: ▪ Communication plan	**Residual Risk Rating at Initial Assessment:** **Very High**
Future Treatment Strategies: ▪ Development of the branding reposition ▪ Brand awareness (Implementation of Marketing Campaign and Brand repositioning) ▪ Developing Sales and Marketing strategy	

SR4 Solvency Risk

Root Causes	Consequences:
▪ Shareholders Loan ▪ Poor collection of outstanding amounts. ▪ Inability to fully enforce the entity's mandate  	▪ Insolvency ▪ Increasing gearing ratio. ▪ Liquidity Issues ▪ Increase In bad
Controls: ▪ Service delivery agreement ▪ Debt Management and Write-off Policy ▪ Subsidy ▪ Discussion on the shareholders loan conversion	**Residual Risk Rating at Initial Assessment:** **High**

Future Treatment Strategies:

- Evaluate All Possible Options To Address the Shareholder Loan
- Evaluate And Pursue Grant Opportunities For Network Refreshment
- Implementation of the recommendation to address the Shareholders loan.
- Reconciliation of all Debt owed and submit to the Group for Consideration
- Obtain support or endorsement from the city through a by-law or memo from the City Manager
- Monitoring of the Hotline and investigation of reported cases

SR5 Slow pace of digital transformation and cyber security vulnerabilities

Root Causes

- Reactive approached based on the end user request.
- Shortage of technical skills to exploit existing resources and opportunities

Consequences:

- Business Interruption
- Reputational Damage
- Financial Loss
- Business Continuity Risk

Controls:

- Service delivery agreement

Residual Risk Rating at Initial Assessment:

High

Future Treatment Strategies:

- Map current ICT solutions offered and utilization across departments and communities
- Conduct structured needs assessments with key departments and external user segments
- Track digital service gaps through internal COJ usage data and resident service feedback
- Develop a prioritised ICT solution roadmap (quick wins + long-term tools)
- Develop solutions with stakeholders to enhance end-user.
- Innovate - Pilot solutions with feedback loops and refine before scaling
- Review the Organisational structure to add critical IT skills
- Implementation of smart city projects

SR6 Ineffective Governance structures

<table>
<tr><td>

Root Causes

- Non implementation of recommendations by assurance providers
- Fluidity in the City's Political Leadership Impacting on MTC governance
- Constance changes in the regulatory requirements
- Outdated Policy and procedure Manuals

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Consequences:

- Negative Audit Opinion
- Reputational damage
- Financial Loss

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<tr><td>

Controls:

- Internal Audit Methodology and Plan
- Risk Management Policy and Framework
- Board Charter

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Residual Risk Rating at Initial Assessment:

Medium

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<tr><td colspan="2">

Future Treatment Strategies:

- Implementing Audit Action Plan for AG Findings
- Implementing Audit Action Plan for Internal Audit
- Implementation of the work plan

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</table>

SR7 Lack of economic growth in the city

<table>
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Root Causes

- Inadequate Enterprise development Strategy and Plan
- Insufficient technical Capacity within SMME's.
- Budgetary Constraints

</td><td>

Consequences:

- Low Economic growth
- High employment rate

</td></tr>
<tr><td>

Controls:

- SCM Policy
- SMMEs database
- DED Report

</td><td>

Residual Risk Rating at Initial Assessment:

High

</td></tr>
<tr><td colspan="2">

Future Treatment Strategies:

- Implement a Enterprise Development Strategy and Plan

</td></tr>
</table>

- Appointment of SMMEs on a new panel
- Development of SMMes
- Create EPWP Jobs

SR8 Inadequate organizational performance

Root Causes ▪ Manual processing of critical business processes (SCM, HR, Finance , Risk, Audit, Operations, SCM. ▪ Inadequate performance management system ▪ Inadequate organisational structure to accommodate career ladder and development ▪ Lack/insufficient human capital ▪ Inadequate integrity checks ▪ Lack of ethical risk culture	**Consequences:** ▪ Poor service delivery ▪ Financial Losses ▪ Low economic growth ▪ Reputational damage ▪ Non-Compliance with Applicable Legislations ▪ Negative audit findings ▪ Under performance of the organisation 
Controls: ▪ Approved Organisation Structure ▪ Performance Management Policy ▪ Fraud and corruption policy ▪ Approve talent acquisition policy, succession planning, retention strategy, and talent management strategy ▪ Training and development plan ▪ Organisational Design and Development ▪ Debt Management and Write-off Policy ▪ Recruitment policy	**Residual Risk Rating at Initial Assessment:** **High**
Future Treatment Strategies: ▪ Digitize Business processes ▪ Evaluation/ Assessment of Senior Management Performance ▪ Review of the organisational Structure to align with the new strategy ▪ Vetting of employees	

- Implementation of fraud prevention plan Conduct Ethics, Fraud and Corruption Awareness workshops
- Signing of performance agreement

SUMMARY OF QUARTER 3 ACTION PLANS IMPLEMENTATION TO MITIGATE STRATEGIC RISKS

During Quarter 3, monitoring and review activities were conducted in collaboration with Risk Champions and Action Owners across all identified strategic risks to assess the status of implemented mitigation plans. This ongoing process provides Management with reasonable assurance regarding the effectiveness of risk mitigation strategies and the adequacy of existing controls. Where implementation gaps or challenges are identified, timely corrective interventions are initiated to address deficiencies and strengthen control effectiveness.

For the quarter under review, an overall performance level of 53% was achieved in the implementation of risk mitigation plans, reflecting a decline from 77% recorded in the previous quarter. This decrease indicates delays in the execution of planned actions and highlights the need for strengthened accountability and improved monitoring to ensure timely implementation:

Details	Business Operations	Finance	Company Secretary	Corporate Strategy and Reporting	Internal Audit	Risk and Compliance	Office of the CEO	Total number of Action Plans	Percentage (%)
Implemented	5	5	4	6	3	5	1	29	53%
Not Implemented	17	4	0	3	0	2	0	26	47%
Total	22	9	4	9	3	7	1	55	100%

ACTION PLANS DUE FOR QUARTER

No	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Action Owner	Status: Achieved / Not Achieved	Quarter 3 Progress	Remedial Action and Action Date
1	Service Degradation Risk	End of life and end of support network (Aging network equipment causes slower speeds, higher latency, and frequent outages.)	Conduct full network audit (capacity, uptime, equipment status)	GM Network Operations	**Not Achieved**	**Report not yet submitted**	
			Commission a full-market research study	GM Business Development	**Not Achieved**	**Report not yet submitted**	
		Lack of investment into refurbishment and maintenances of the network	Continue with reactive maintenance of the network	CTO	**Not Achieved**	**Report not yet submitted**	
2	**Solvency Risk**	Shareholders Loan	Evaluate All Possible Options to Address the Shareholder Loan	**CFO**	**Achieved**	The entity has submitted the advanced tax ruling application to SARS and the application has been accepted for further review once payment of the application fee is received.	
		Poor collection of outstanding amounts	Implementation of the recommendation to address the Shareholders loan	**CFO**	**Not Achieved**	The Entity has submitted the Advanced Tax Ruling (ATR) application to SARS; however, the matter of shareholder loans remains unresolved.	Further implementation of the recommendations is ongoing to address this matter and ensure regulatory compliance.

No	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Action Owner	Status: Achieved / Not Achieved	Quarter 3 Progress	Remedial Action and Action Date
		Inability to fully enforce the entity's mandate	Obtain support or endorsement from the city through a by-law or memo from the City Manager	CTO	Achieved	The Entity has obtained support from the City through a formal memo, which enforces the Entity's IT service mandate across the City.	
3	Slow pace of digital transformation and cyber security vulnerabilities	Reactive approached based on the end user request.	Map current ICT solutions offered and utilization across departments and communities	CTO	**Not Achieved**	The mapping of ICT solution has started to be implemented	The project to be complemented in Quarter 4
			Conduct structured needs assessments with key departments and external user segments	CTO	**Not Achieved**	Initiated (The process of conducting the need assessment is underway	The assessment will be complemented in Quarter 4
			Track digital service gaps through internal COJ usage data and resident service feedback	CTO	**Not Achieved**	**Report not yet submitted**	
			Develop a prioritised ICT solution roadmap (quick wins + long-term tools)	CTO	**Not Achieved**	**Report not yet submitted**	
			innovate - Pilot solutions with feedback loops	CTO	**Not Achieved**	**Report not yet submitted**	

No	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Action Owner	Status: Achieved / Not Achieved	Quarter 3 Progress	Remedial Action and Action Date
			and refine before scaling				
			Implementation of smart city projects	CTO	**Not Achieved**	**Report not yet submitted**	
		Shortage of technical skills to exploit existing resources and opportunities	Review the Organisational structure to add critical IT skills	HR	**Not Achieved**	**Report not yet submitted**	
4	Ineffective Governance structures	Non implementation of recommendations by assurance providers	Implementing Audit Action Plan for AG Findings	All Executives	**Not Achieved**	As at the end of the quarter, 59% of findings from the Auditor-General of South Africa (AGSA) remain outstanding relating to Finance and Operations	Management continues to implement corrective actions to resolve these findings and strengthen internal controls.
			Implementing Audit Action Plan for Internal Audit	All Executives	**Not Achieved**	As at the end of the quarter, 12 findings from the Internal Audit remain outstanding relating to Finance and Operations.	
		Fluidity in the City's Political Leadership Impacting on MTC governance	Implementation of the workplan	All Executives	**Achieved**	The workplan is being implemented, with management monitoring progress to	

No	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Action Owner	Status: Achieved / Not Achieved	Quarter 3 Progress	Remedial Action and Action Date
						ensure all milestones are achieved within the scheduled timeframe.	
		Constance changes in the regulatory requirements	Conduct Compliance Monitoring	All Executives	**Achieved**	During the quarter, compliance monitoring activities were conducted and provided critical input for policy updates, ensuring that the Entity's governance framework remains aligned with regulatory requirements and best practices.	
		Outdated Policy and procedure Manual	Review Policy and procedure manual	All Executives	**Achieved**	The Entity reviewed and approved all policies during the quarter under review, strengthening the governance framework and providing updated guidance for operational compliance and	

No	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Action Owner	Status: Achieved / Not Achieved	Quarter 3 Progress	Remedial Action and Action Date
						risk management.	
			Implementation of CSR initiatives	Corporate Strategy and Reporting	Achieved	Corporate Social Responsibility (CSR) initiatives were reviewed during the quarter.	
5	Lack of economic growth in the city	Inadequate Enterprise development Strategy and Plan	Development of SMMes	SCM	Not Achieved	**Report not yet submitted**	
		Insufficient technical Capacity within SMME's Budgetary Constraints	Create EPWP Jobs	Corporate Strategy and Reporting	Not Achieved	Three EPWP jobs were created	
6	Business Interruptions	Lack of Business Continuity Plans and Inadequate Disaster Recovery Plan	Convey a combined assurance forum	CAE	Achieved	Three Combined Assurance Forum meetings were held during the quarter.	
		Loadshedding and Water Shedding	Testing of Disaster Recovery plan	CTO	Not Achieved	**Report not yet submitted**	
		Natural disasters due to Climate Change	Review Business Impact Analysis	Head of Risk and Compliance	Not Achieved	The Business Impact Analysis (BIA) is currently in draft form and pending assessment of the new office space	The BIA review remains outstanding, pending the completion and operationalisation of the new office facilities in Quarter 4.

No	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Action Owner	Status: Achieved / Not Achieved	Quarter 3 Progress	Remedial Action and Action Date
		Inadequate facilities to host infrastructure (Carries grade data centre facilities with air conditioning, uninterrupted power supply, security, and site access control). Unrest	Develop Business Continuity Plan	Head of Risk and Compliance	**Not Achieved**	The Business Continuity Plan (BCP) will be developed upon completion of the review of the Business Impact Analysis (BIA), which is currently in draft form and pending assessment of the new office space	The BIA review remains outstanding, pending the completion and operationalisation of the new office facilities in Quarter 4.
		Legacy System and Outdated infrastructure	Implementation of the MTC Incident processes (SOP and Manuals)	CTO	**Not Achieved**	**Report not yet submitted**	
7	Ineffective Stakeholder engagement / Communication Channels	Inadequate Brand Positioning and Marketing Lack of stake holder engagement programme	Brand awareness (Implementation of Marketing Campaign and Brand repositioning)	Corporate Strategy and Reporting	**Achieved**	The entity successfully hosted a launch event on 07 March 2026 aimed at enhancing brand visibility and awareness.	
8	Inadequate organizational performance	Manual processing of critical business processes (SCM, HR ,Finance ,Risk, Audit, Operations, SCM.	Evaluation/ Assessment of Senior Management Performance	All Executives	**Achieved**	Performance Evaluation were conducted	
		Inadequate performance	Review of the organisational Structure to align	Corporate Strategy and Reporting	**Not Achieved**	The conducting of job analysis was successfully	

No	Risk Name	Root Causes	Interventions/ Actions to improve management of the risk	Action Owner	Status: Achieved / Not Achieved	Quarter 3 Progress	Remedial Action and Action Date
		management system	with the new strategy			undertaken by the OD team. As part of the process, MTC's job descriptions were revised and updated to ensure alignment with organisational needs. This includes a detailed review and documentation of tasks, responsibilities, required skills and knowledge, work environment and performance standards necessary for the successful execution of each role.	
		Lack of ethical risk culture	Conduct Ethics, Fraud and Corruption Awareness workshops	Head of Risk and Compliance	Achieved	Ethics, fraud, and corruption awareness was promoted through the dissemination of an awareness message during the combined assurance forum	

SUMMARY OF KEY RISKS

A summary of the current ratings and changes since the initial assessment of strategic risks, including their alignment with the approved Risk Appetite classifications and established risk tolerances, is provided below:

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
1	Service Degradation Risk	25	Business Closure Inability to attract new business and retain existing business	Almost certain	20	↓	20	20	16			X		X	12	% of Network availability	98%	98%
2	Business Interruptions	25	Business Interruption	Almost	20	↓	25	12	11		X			X	11	Number of Unplanned	0	0

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
			Reputational Damage	certain												Operational Disruptions		
																Downtime Duration (in hours/days	0	0
																Number of Evacuations Due	0	0

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
																to Safety Concerns		

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
3	Ineffective Stakeholder engagement / Communication Channels	25	Financial Losses Uncompetitive	Almost certain	25		25	20				X		X	11	% of activities within the sales and marketing strategy that have been completed	100 %	40%
4	Solvency Risk	25		Almost	17.5		20	20								Gearing Ratio	45%	1934%

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
			Closure of the Entity Increasing gearing ratio.	certain		↔						X		X	11			
																Current ratio	Norm 1.5 to 2:1	1,07
																% of collection of revenue	100 %	101 %
																Debtors' days.	30days	6877

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
5	Slow pace of digital transformation and cyber security vulnerabilities	25	Business Interruption Reputational Damage	Almost certain	19	⇩	20	19				X		X	11	% of mapped ICT projects on the COJ demand plan applicable to MTC addressed by new/adjusted solutions	100 %	0

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
																Number of new Technology introduced	2	3
6	Ineffective Governance structures	20	Negative Audit Opinion	Likely	7	↑	12	12	15							% Resolution of Internal Audit Finding	100 %	73

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
			Reputational damage Financial Loss								X			X	5	% of risk mitigation strategies implemented	100 %	77%
																% of combined assurance plan achieved	100 %	100 %

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
7	Lack of economic growth in the city	16	Low Economic growth High employment rate	Likely	8		12	12	15		X			X	5	Number of EPWP	30	3
																% of economic enterprise development activities	100 %	0%

No	Risk Name	Risk Rating at initial Assessment: Inherent Risk rating	Risk Rating at initial Assessment: Primary Consequence	Risk Rating at initial Assessment: Likelihood	Risk Rating at initial Assessment: Residual Risk Rating at assessment	Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification: Within	Risk Appetite Classification: Potential to exceed limit	Risk Appetite Classification: Outside limit	Within Risk Tolerance: Yes	Within Risk Tolerance: No	Desired Risk Rating	Risk Indicators: Description	Risk Indicators: Target	Risk Indicators: Results
																completed		
8	Inadequate organizational performance	25	Poor service delivery Negative audit findings	Almost Certain	15		20	20	20			X		X	11	Number of signed performance agreement	49	48
																Senior Manage	Under 20%	8%

No	Risk Name	Risk Rating at initial Assessment				Trend	Q1 Residual Risk Rating	Q2 Residual Risk Rating	Q3 Residual Risk Rating	Risk Appetite Classification			Within Risk Tolerance		Desired Risk Rating	Risk Indicators		
		Inherent Risk rating	Primary Consequence	Likelihood	Residual Risk Rating at assessment					Within	Potential to exceed limit	Outside limit	Yes	No		Description	Target	Results
			Under performance of the organisation													ment Vacancy		
																Number of resignations by employee	0%	0%
																Vacancy Rate	30%	17,6 %

THE HEAT MAP BELOW DEPICT RESIDUAL RISK EXPOSURE IN QUARTER 3 AFTER THE IMPLEMENTATION OF RISK MITIGATION STRATEGIES:

Likelihood						
	Almost certain	5	10	15	20 5 1,3,4,8	25
	Likely	4	8	12 2,16,7	16	20
	Possible	3	6	9	12	15
	Unlikely	2	4	6	8	10
	Rare	1	2	3	4	5
		Insignificant	Minor	Moderate	High	Major
		Consequence type				

FACTORS AFFECTING MITIGATION RISKS

The entity's risk profile performance is influenced by several key factors that affect management's ability to effectively mitigate risks:

- **Large-Scale Interruption of Digital Services:**
  The continued reliance on outdated and deteriorating infrastructure—specifically End-of-Life (EOL) and End-of-Support (EOS) equipment—remains a significant challenge. This situation hampers the entity's ability to meet its network availability target of 98%. Additionally, incidents of vandalism, damage, and theft of network infrastructure further contribute to network instability and performance degradation Insufficient Budget: The lack of adequate funding restricts the entity's capacity to properly maintain and refurbish network assets that have reached their EOL/EOS status, further exacerbating infrastructure risks.
- **Revenue Collection Challenges:**
  Ongoing difficulties in collecting outstanding revenue from the City and other entities continue to negatively impact liquidity management. This, in turn, constrains the entity's ability to meet its short-term financial obligations.
- **Shareholder's Loan:**
  The continued accumulation of interest on the shareholder loan is increasing the entity's debt burden, leading to fruitless and wasteful expenditure. This situation heightens the

Going Concern risk. Active and sustained engagement with the shareholder is critical to resolving this issue and ensuring long-term financial sustainability.

- **Organisational Redesign:**

The long-overdue review of the organizational structure remains critical to ensuring the entity is adequately resourced and appropriately capacitated to fulfill its mandate effectively.

EMERGING RISKS / MATERIALSED

During January and February 2026, parts of South Africa experienced extreme weather conditions, including heavy rainfall and flooding. This presents a risk of damage to network infrastructure, potentially leading to service disruptions, increased recovery costs, and pressure on maintenance resources. Management continues to monitor weather-related risks and implement mitigation measures to enhance infrastructure resilience.

QUARTER 3 OPERATIONAL RISK MONITORING 2025/2026 FINANCIAL YEAR

Management conducted ongoing operational risk monitoring during the quarter under review through monthly and quarterly assessments, to ensure that identified operational risks remained within the approved risk appetite and tolerance levels.

Below are the outcomes of the top five operational risks:

No	Risk Name	Description	Q3 Residual Risk Exposure	Progress
1	Business Continuity Risk	Unplanned disruptions (e.g., fire, water cuts, power outages) affecting operation	High	To ensure uninterrupted service delivery, the Entity continues to rely on remot are being prepared and fitted out. The office project spans six months, from according to schedule. Management continues to monitor the project to n continuity.
2	Revenue Collection Challenges	inability to collect debts from the City and entities, affecting liquidity	Moderate	The Entity achieved revenue collection of R728.093 million during the quarte City and its Entities, and collection of these balances continues to present a ch parties are ongoing.

No	Risk Name	Description	Q3 Residual Risk Exposure	Progress
3	Ageing Infrastructure Risk	Reliance on End of Life and End of Support infrastructure affecting network availability	Very High	Network maintenance is conducted in response to reported service interrupti accordance with established operational procedures to ensure the continuity Vandalism and damages to the network continue to affect service availabilit services as incidents occur.
4	Shareholder Loan Debt Burde	Accumulating interest increasing financial strain and Going Concern risk	Very High	The entity has submitted the advanced tax ruling application to SARS and the application has been accepted for further review once payment of the application fee is received.
5	Failure to Recruitment, Select and Appoint critical skills	Delayed organisational redesign limits resource capacity	Very High	The implementation of a formal Employee Value Proposition (EVP) remains constrained by alignment requirements with the City of Johannesburg shareholder framework and regulatory prescripts. Ongoing Organisational Development (OD) project, which includes job evaluation, role clarification, and organisational structure alignment. These initiatives will contribute to enhancing the employee experience and form part of a broader, non-monetary EVP approach.

BUSINESS CONTINUITY MANAGEMENT (BCM)

The entity continues to implement its business continuity strategy through remote working arrangements while the preparation and fit-out of the new office facilities are in progress. These measures ensure that critical services remain uninterrupted and operational risks associated with office relocation or facility unavailability are mitigated.

A Business Impact Analysis (BIA) review commences during the quarter, which will include a comprehensive assessment of the new office facilities and associated operational dependencies.

Risk mitigation measures and monitoring include:

- Maintaining remote working protocols to ensure continuity of key services.
- Regular monitoring and reporting of operational performance during the transition period.
- Implementation of IT and communication systems to support remote operations.
- Contingency planning for critical functions and high-risk activities during facility preparation.
- Periodic review of BCM measures by senior management to ensure alignment with operational and strategic objectives.

These measures collectively ensure that the entity is able to sustain operations and respond effectively to potential disruptions while transitioning to the new office facilities.

RISK FINANCING

The Entity continues to mitigate the financial impact of risk events—including property damage, liability claims, business interruptions, and other unforeseen losses—through a comprehensive insurance portfolio:

Infrastructure Claims

During the quarter under review, no infrastructure-related claims were submitted, indicating that there were no reportable incidents or damages requiring formal claims.

Cell Phone Claims:

Two Claims were reported during the quarter under review which relate to the following:

Date	Incident type	Description	Progress or Out Come of the insurance	Case Number	Amount
09 December 2025	Theft	The user reported that he was charging the phone in	Claim submitted	221/14/2025	R18000

Date	Incident type	Description	Progress or Out Come of the insurance	Case Number	Amount
		the house with Visitors, next the phone went missing.	to insurance		
17 January 2026	Theft	The User reported that the Phone was lost at the mall while it was inside her handbag	Claim Paid & Closed	23/01/2026	R11000

The Entity has approved a Loss Control Policy to strengthen accountability in asset management. As part of preventative measures, employees will undergo targeted workshops to ensure awareness and adherence, thereby reducing the risk of asset mismanagement and loss.

QUARTER 3 ETHICS, FRAUD AND CORRUPTION MONITORING

MTC conducts its business in accordance with the principles of fairness, honesty, openness, decency, integrity, and respect. The Entity maintains a zero-tolerance stance on fraud and corruption. All allegations of fraud, corruption, and unethical conduct are thoroughly investigated. MTC encourages its employees, stakeholders, and the broader community to report improper or illegal activities. It is the Entity's policy to fully support and investigate such disclosures in line with its commitment to transparency and accountability.

During Quarter 3, MTC actively promoted awareness of unethical behavior, fraud, and corruption through the Combined Assurance Forum, presenting the Fraud and Corruption Policy and Whistleblowing Policy to relevant stakeholders. Monitoring of the Ethics, Fraud, and Corruption risk was conducted, and no incidents were reported via the Hotline, indicating that mitigation controls are functioning as intended. The table below summarizes the progress in implementing strategies to manage these risks during the quarter.

No	Focus Area	Risk Name	Root Causes	Q3 Residual Risk Exposure	Actions to improve management of the risk	Action Owner	Quarter 3 Progress Report	Remedial Action
1	Asset Management	Loss, theft and damage/ vandalism of Assets	Inadequate security controls	Very High	Conduct awareness on Asset Management	CFO	Achieved Awareness of the Asset Management Policy was achieved during the quarter through sessions conducted at the Combined Assurance Forum.	
			Ineffective controls for safe keeping of assets or Poor record keeping (lack of asset management tool)					
			Inadequate awareness of internal policies regarding assets / Bad culture on asset management.					

No	Focus Area	Risk Name	Root Causes	Q3 Residual Risk Exposure	Actions to improve management of the risk	Action Owner	Quarter 3 Progress Report	Remedial Action
2	Human Resource Management	Possible Ghost Employees	Financial gains Lack of employee verification	Low	Review of the net pay report	Corporate Strategy and Reporting	Achieved The review was conducted to identify anomalies in net pay report. This includes verifying that no ghost employees exist, and confirming information such as terminations, and check if they have been	

No	Focus Area	Risk Name	Root Causes	Q3 Residual Risk Exposure	Actions to improve management of the risk	Action Owner	Quarter 3 Progress Report	Remedial Action
							accurately actioned in payroll transaction.	
3	Human Resource Management	Fraudulent timekeeping	Inadequate monitoring of normal hours worked and overtime	Low	Pre-approval of overtime	All Executive	Achieved No overtime was undertaken during the quarter; therefore, no pre-approvals were required.	
					Confirmation of budget	All Executive	Achieved No overtime was undertaken during the quarter.	

No	Focus Area	Risk Name	Root Causes	Q3 Residual Risk Exposure	Actions to improve management of the risk	Action Owner	Quarter 3 Progress Report	Remedial Action
					Basic condition for employment (Overtime limits at 40hrs per month per employee 910hrs per week)	All Executive	Achieved No overtime was undertaken during the quarter	
					Attendance register signed by employee and line manager	All Executive	Achieved Attendance register was signed by both parties	
4	Human Resource Management	Absence from work without permission	Delays in approval of leave application by line managers (Employe	Low	Approval of leave inline with the policy	All Executive	Achieved Leave is approved on the ESS and manually	

No	Focus Area	Risk Name	Root Causes	Q3 Residual Risk Exposure	Actions to improve management of the risk	Action Owner	Quarter 3 Progress Report	Remedial Action
			es going on leave without preapproval) Non functionality of Leave Management system				in line with the Leave Policy.	
5	Supply Chain Management	Conflict of interest	Dishonesty	Low	Conduct ethics, fraud and corruption awareness workshops	Head of Risk and Compliance	Achieved Ethics, Fraud and Corruption Awareness conducted to all employees through the combined assurance forum.	

No	Focus Area	Risk Name	Root Causes	Q3 Residual Risk Exposure	Actions to improve management of the risk	Action Owner	Quarter 3 Progress Report	Remedial Action
					Annual declaration of interest and as when for new employees.	All Executive	Achieved All employees have submitted their declaration of interest no changes were made during the quarter.	
6	Supply Chain Management	Fraud and Corruption	Dishonesty Collusion	Medium	Completion of MDB forms declaring their interest	CFO	Achieved Declaration were submitted as part of bid submission and verified.	

No	Focus Area	Risk Name	Root Causes	Q3 Residual Risk Exposure	Actions to improve management of the risk	Action Owner	Quarter 3 Progress Report	Remedial Action
7	Information Technology	Cyber Crime	Inadequate information system control Hackers	Low	Monitoring of incidents /security attacks and blocking	CTO	Achieved Monitoring was conducted and no security incident were identified	

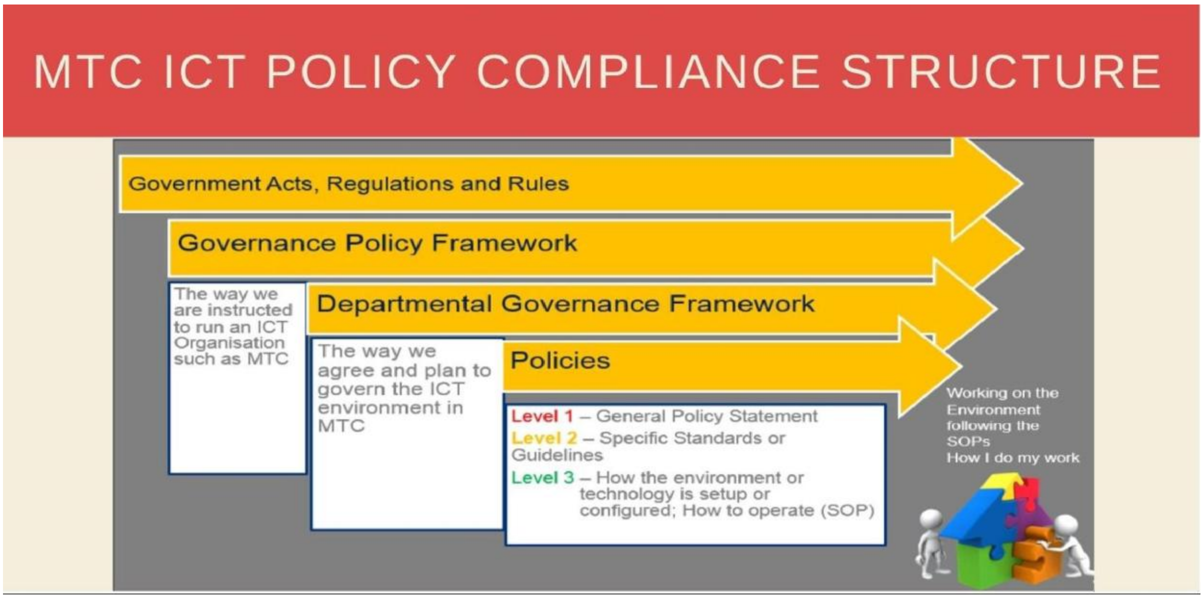


Figure 5: MTC ICT Policy Compliance structure

Business Area	Governing Act/Regulation	Government Framework	Strategy & Business Plan	Policy Level 1	Policy Level 2	Policy Level 3
Office of CEO	MFMA MSCOA BCE Company Act ICASA POPI PAIA ICASA ECT CyberSec	SCM Framework	CoJ IDP SDBIP BP MTC SDBIP BP	Shareholder Policy	CFO to Provide	CFO to Provide
COO (Core Business Ops, Project)		CGICTPF	CGICTPF MTC ICTGF ICTStrat InfoSecPlan ICTCMPlan	Policies for DM PMO AU InfoSec ITSM M CM ICTCM Cloud	ITIL COBIT PMI TOGAF	CTO to provide
Corporate report & strategy (HR, Internal IT, Facilities, Security)		MSA	Corp Strat Facilities Plan Physical SecPlan	HR Policies Celani to provide	ICTSLA	CoC HR Forms BSSOP
Legal (Contracts)				LegalPolicy	Contract Templates	Contracts
Finance (Fin,Asset,SCM)		MFMA	Fin Strat Asset Plan	SCM Policy Asset Plan	SCM Value Chain	SCM Forms SCMSOPs
Government Risk & Compliance		ERM Framework Policy Framework Policy Universe ReportingFW	Risk Strategy Risk Plan	Risk Policy		

Table 8: MTC Policy Oversight Flow 1

MTC ICT policies were compiled in respect of their alignment to ICT governance and impact on ICT capability maturity. Where the need for comprehensive policy reviews and updates will be identified and applied. A summary of the policies is as follows:

MTC ICT POLICY	POLICY BRIEF
MTC ICT Governance Framework	The governance framework aligned with the Department of Public Services Administration for corporate governance of ICT
• MTC Acceptable Use Policy	A policy that governs the use of ICT tools of trade covering the hardware, software, and data assets
• MTC IT Service Management Policy	A policy that governs the management of the service to customers of MTC. The policy aligned with the Information Technology Information Library for ICT service
• MTC Change Control Policy	A policy that governs how the changes in the ICT environment should be managed to reduce the impact on the network and customer business
• MTC Incident Management Policy	A policy that governs how the incidents that occur on the network, resulting in outages or service degradation, should be handled to improve turnaround times
• MTC Information Policy	A policy that governs how the digital (ICT) data asset should be managed to ensure proper classification, security, and access by authorized people or agencies
• MTC IT Service Continuity Policy	A policy that governs how MTC should ensure that the ICT environment supporting both internal and external customers can continue functioning during a disaster
• MTC Security Policy	A policy that governs the protection of ICT assets including hardware, software, and data

Table 9: MTC ICT policies

With the implementation of the policies above, MTC will be able to strengthen its ICT control thereby improving the delivery service, and customer experience resulting in revenue generation.

Policies worked on this Quarter:

Name of Policy	Progress update
1. Talent Acquisition Policy	In Progress
2. MTC Payroll Policy	In Progress
3. Performance Management Policy	In Progress
4. Remuneration Policy	In Progress

Table 10: Policies Worked on this quarter

SECTION 5: COMPLIANCE WITH LAWS & REGULATIONS

The Board exercises overall oversight over the MTC and is responsible for ensuring that the MTC complies with all applicable laws and regulations, and considers adhering to non-binding rules, codes, and standards. The Risk and Compliance Unit activities are guided by the compliance plan which outlines the key compliance priorities for the financial year. For the quarter under review, a performance of 100% was achieved against the compliance plan

Details	Quarter 3 Number of Planned Activities	Activities Implemented	Activities Not Implemented
Target	14	14	0
Percentage	100%	100%	0%

QUARTER 3 COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS IN LINE WITH THE COMPLIANCE UNIVERSE.

Summary of compliance with applicable acts and regulation for the quarter ending 31 March 2026:

Details	Total	Complaint	Non-Complaint
Number of regulations and acts monitored	46	40	6
Percentage	100%	87%	13%

MFMA Section 65(2)(e) 30-day supplier payment requirement

The following information consists of payments made to service providers or creditors for January, February and March 2026

The detailed summary of the transactions is as follows:

Month	January-2026		February-2026		March-2026		Total	
	Number	Value ®	Number	Value ®	Number	Value ®	Number	Value (R)
Payments within 30 days	9	R13 106 601,42	40	R15 455 348,71	31	R34 274 270,59	80	R62 836 221,25
Payments made after 30 days	2	R 3 233 889,75	38	R42 196 230,38	3	R12 680 914,48	43	R58 111 034,61
Total	11	R16 340 491,70	78	R57 651 579,09	34	R46 955 185,07	123	R120 947 256,00

Reason for late payment:

Certain invoices were paid beyond the 30-day period due to inadequate cash allocations, which were insufficient to cover the total amounts payable.

Corrective action:

The entity will submit updated and dated weekly cash flow projections to the Treasury in an effort to secure sufficient funding to settle all outstanding invoices within the prescribed timeframes.

Employee Declaration of Interest

All employees have submitted their declarations of financial interests in accordance with the Code of Conduct for Municipal Employees and the provisions of the Municipal Systems Act, 2000.

Status of Legislated Tax Compliance

The entity's tax compliance status is in good standing, with the PIN valid until 28 August 2026. This follows the successful submission of all statutory tax returns in accordance with SARS requirements.

Unauthorized, Irregular, Fruitless, and Wasteful Expenditure

The table below summarizes the fruitless and wasteful expenditure incurred as a result of interest charges on the Shareholder's Loan:

Details	January	February	March	Total
Interest on Shareholders Loan	R19 091 970	R 20 273 914,66	R 20 273 914,66	R59 639 799,32

Unauthorized Expenditure:

The entity did not incur any unauthorized expenditure during the quarter under review.

Irregular Expenditure:

The entity did not incur any irregular expenditure during the quarter under review.

Deviations

No deviations were recorded during the quarter under review

Legislative Compliance Requirement:

MTC continues to monitor approved regulatory legislation in the compliance universe. During the quarter under review, the prioritized core legislations which have significant implications for non-compliance were monitored:

Occupation Health and Safety Act No.85 of 1993

Continuous monitoring of the Occupational Health and Safety Act is conducted through follow-up on the Physical Risk Assessment Report to assess the extent to which the entity has addressed the identified findings. This process ensures compliance with the Act and promotes the safety of employees, visitors, and the entity's assets.

Below is a summary of the requirements of the Act:

No	Requirement of the Act	Finding	Quarter 3 Progress
1	*Section 19 of the Health and Safety Act:* *An employer shall in respect of each workplace where two or more health and safety representatives have been designated, establish one or more health and safety committees and, at every meeting of such a*	**Functionality of the Health and Safety Committee** It was noted that the Entity has established a Health and Safety Committee; however, the committee is not functional, as evidenced	**Resolved** An OHS Committee meeting was held during the quarter, during which the Committee adopted its Terms of Reference and further discussed key outstanding OHS non-compliance issues.

No	Requirement of the Act	Finding	Quarter 3 Progress
	committee as contemplated in subsection (4), consult with the committee with a view to initiating, developing, promoting, maintaining and reviewing measures to ensure the health and safety of his employees at work. *Health and Safety Committee shall hold meetings as often as may be necessary, but at least once every three months, at a time and place determined by the committee.*	by the absence of regular meetings, documented agendas and minutes, and monitoring of health and safety matters. This may result in inadequate oversight of occupational health and safety risks and non-compliance with applicable legislation.	
2	*General Safety Regulations 3.4 and 5* *(2) Where more than five employees are employed at a workplace, the employer of such employees shall provide a first aid box or boxes at or near the workplace which shall be available and accessible for the treatment of injured persons at that workplace. (3)(a) Taking into account the type of injuries that are likely to occur at a workplace, the nature of the activities performed and the number of employees employed at such workplace, the employer shall make sure that the first aid box or boxes contemplated in sub-regulation (2) contain suitable first aid equipment which include at least the equipment listed in the Annexure hereto. (b) Such an employer shall make sure that only articles and equipment contemplated in sub-regulation (a)*	**Inadequate and Expired First Aid Equipment** It was noted that the Entity has three (3) First Aid boxes containing expired First Aid equipment, with expiry dates ranging from 2020 to 2021. One of these First Aid boxes is placed in the main kitchen area and is readily accessible for use by employees, despite containing expired medical supplies. This condition indicates non-compliance with occupational health and safety requirements and may compromise the Entity's ability to respond effectively to workplace injuries or medical emergencies	**Not Resolved** The organisation implemented remote working arrangements while awaiting the completion of the new offices. First aid boxes will be procured in Quarter 4.

No	Requirement of the Act	Finding	Quarter 3 Progress
	or other similar equipment or medicine is kept in the first aid box or boxes		
3	*First aid, emergency equipment and procedures:* *6) An employer shall affix a prominent notice or sign in a conspicuous place at a workplace, indicating where the first aid box or boxes are kept as well as the name of the person in charge of such first aid box or boxes.*	**First Aid Notices or Signs not displayed in the Entity's facility.** It was observed during the inspection that First Aid Signs are not displayed within the facility where the first aid boxes are kept.	**Not Resolved**. The installation of First Aid signage has been included in the scope of the space planning project for the new office facilities. The matter will be addressed upon completion of the office preparation and fit-out process.
4	*SANS 10400- T: 2011* *4.37 Portable fire extinguishers* *4.37.1 A building that contains an occupancy given in Table 11 shall, for the relevant occupancy and floor area, be provided with portable fire extinguishers in unobstructed positions approved by the local authority.*	**Fire extinguishers are not mounted on the wall.** During the inspection, it was noted that fire extinguishers are placed on the floor and not mounted on the wall for easy access during fire incidents.	**Not Resolved** Overall compliance with the Occupational Health and Safety Act (OHS Act), including the adequate placement of fire extinguishers, has been incorporated into the scope of the space planning project for the new office facilities. The matter will be fully addressed upon completion of the office preparation and fit-out process.
5	*Regulation A15 of the South African Standard Code of Practice for the applicable national building regulations state that: Maintenance and Operations* *(a) The owner of any building shall ensure that any mechanical equipment, facility or any service*	**Inadequate maintenance of the offices.** During the physical inspection of the offices, the following were noted:	**Resolved** The Entity has procured new office facilities, and the space planning work is currently underway. The new lease agreement clearly defines the responsibilities of each

No	Requirement of the Act	Finding	Quarter 3 Progress
	installation provided in or in connection with such building, under these regulations or under any building by-law which was in operation before the coming into operation of the Act, shall be maintained in a safe and functional condition. (b) Such owner or any person appointed by such owner to be in control of such building shall ensure that where such equipment, facility or installation is designed to be kept operating during the times of normal occupancy of the building, it is kept operating in such a manner as to attain any standard of performance prescribed in these regulations or any by-law for such equipment or installation	a) A cracked wall was noted in the main kitchen. b) A damaged ceiling was observed in several offices including the company secretary's office and storerooms. c) Signs of possible roof leakages were noted in several offices and the Kitchen. d) Damaged lights were noted in some of the offices which need replacement of lamps.	party with regard to maintenance.
6	*Section 95 (c) of the Municipal Finance Management Act of 2003 states that the accounting officer of a municipality entity is responsible for managing the financial administration of the entity, and must for this purpose take all reasonable steps to ensure that the entity has and maintains effective, efficient and transparent systems of finance and risk management and internal control*	**Poor security controls.** During the inspection of the security environment within the entity's main facility/offices, the following security weaknesses were noted: a) Inadequate Security Surveillance System. Although CCTV Cameras are installed	**Resolved** The Entity has secured new office facilities, and space planning is currently underway. The new lease agreement clearly defines the security responsibilities, which are shared between the landlord and the Entity. The Entity has also addressed general security controls as part of the office preparation and space planning project,

No	Requirement of the Act	Finding	Quarter 3 Progress
		within the facility/offices the system is unable to transmit a signal or record a set of events, the CCTV cameras are not monitored through a monitor (screen). b) CCTV cameras are not strategically placed. It is noted that the CCTV cameras are not strategically located to cover all open areas within the facility. It was observed during the inspection that the Biometric authentication system at the main door is not functional to prevent unauthorised access to the facility/offices.	which is in progress. Furthermore, the building is equipped with CCTV surveillance, physical security personnel, biometric systems, and facial recognition access control.

Effect of non-compliance

The entity remains at risk of exposure to the following non-compliance consequences:

- A fine not exceeding R50,000 and/or imprisonment for a period not exceeding 1 year for certain statutory violations.
- Any employer or user of a workplace who, through an act or omission, causes injury to a person at the workplace may be guilty of an offence. If the act or omission would have constituted culpable homicide, had it resulted in death, the employer or user may be prosecuted accordingly.
- The penalty for this offence is a fine not exceeding R100,000 and/or imprisonment for a period not exceeding 2 years.

Employment Equity Act No 55 of 1998

The entity recognises that Employment Equity (EE) extends beyond legal compliance. The Employment Equity Act presents a valuable opportunity to enhance service delivery by ensuring that the skills profile of business unit employees is optimally developed.

The entity's current Five-Year Employment Equity Plan was approved in November 2020

Activity	Progress	Remedial Action
Employment Equity (EE) Target not aligned to EAP	No significant changes were recorded during Quarter 3 due to limited recruitment activity while operating under remote working conditions. A preliminary review of Employment Equity targets against the Economically Active Population (EAP) has been noted as an area requiring alignment. The organisation continues to maintain current workforce demographics	A formal review and realignment of Employment Equity targets with the applicable EAP statistics will be prioritised. This will include consultation with management and HR to ensure targets are realistic, compliant, and aligned to transformation objectives. The process will be supported by updated workforce analysis and implemented alongside future recruitment and succession planning initiatives.

Risk of noncompliance with the requirement of Employment Equity Act No 55 of 1998

- A fine not exceeding R50 000 and/or imprisonment for a period not exceeding 1 year.
- Any employer or user of a workplace who does or omits to do an act, thereby causing any person to be injured at a workplace is guilty of an offence if that employer or user would in respect of that act or omission have been guilty of the offence of culpable homicide had that act or omission caused the death of the person.
- The penalty for this offence is a fine not exceeding R100 000 and/or imprisonment for a period not exceeding 2 years.

Companies Act

Compliance with the requirements of the Company Act was assessed through a compliance questionnaire based on the requirements. Below are the results of wherein the entity is 95% compliant:

Details	No of Questions	Compliant Responses	Non-Compliant Responses
Results	21	20	1
Percentage	100%	95%	5%

Below is the section of the act that is not complied with:

Section	Results	Remedial action
Section 4: Solvency and liquidity test	Liquidity: Not Compliant Solvency: Compliant (subject to shareholder support)	The entity has obtained a letter of financial support from the shareholder (City of Johannesburg) a letter of financial support. Furthermore, the entity is in the process of assessing whether it would be feasible to convert the shareholder loan into equity which will fully belong to the current shareholder, being the City of Johannesburg.

National Archives and Records Service of South Africa Act (Act no 43 of 1996) (NARSSA)

Compliance with the requirements of the National Archives and Records Service of South Africa Act has been highlighted as an emerging risk for the City and its Entities. The entity has developed a Checklist to assess compliance with the requirements of the act;

No#	*Details*	*Quarter 3 Compliance*		*Quarter 3 Progress*
		YES	*NO*	
1	*Does the Entity have a records management policy?*	*Yes*		*The Records Management Policy has been developed and approved.*
2	*Is the policy endorsed by the Gauteng Provincial Archives and Records Service?*		*No*	*The Records Management Policy was newly approved in March 2026 and will be submitted together with the file plan during the 4th Quarter..*

No#	Details	Quarter 3 Compliance		Quarter 3 Progress
		YES	NO	
3	Is the records management policy reviewed at regular intervals?	Yes		The Records Management Policy was newly approved in March 2026 and will be reviewed every three years, or as and when there are significant changes requiring revision.
4	Does the Entity have an approved File Plan (electronic Records system or paper-based system)		No	The file plan will be developed in Quarter 4.
5	Does the Entity have an electronic Records system or a paper-based system?	Yes		The Entity stores its record electronically on SharePoint.
6	Does the Entity have a dedicated records management storage space?	Yes		
7	Have relationships with other key information management stakeholders (e.g.IT, Risk, Internal Audit, MNE sections) in the organisation been identified and developed?	Yes		The policy further outlines the roles and responsibilities of key stakeholders, including IT, Internal Audit, and Management.
8	Does the Entity have a schedule for paper-based records?	Yes		Yes
9	Does the Entity have terminated records?		No	The Records Management Policy was newly approved in March 2026, and implementation is due from Quarter 4.
10	If yes, does it have disposal authority?		No	The Records Management Policy was newly approved in March 2026 and implementation is due from Quarter 4

No#	Details	Quarter 3 Compliance		Quarter 3 Progress
		YES	NO	
11	Does the institution carry out the disposal authority frequently?		No	The Records Management Policy was newly approved in March 2026 and implementation is due from Quarter 4
12	Does the Entity have file registers in place/system-based?		No	The entity does not have a designated registry; however, records are maintained in designated storage facilities and electronically.
13	Is the register kept up to date?		No	Not applicable
14	Are the destruction dates of all non-archival records recorded here?		No	The policy outlines the destruction of records in accordance with their classification.
15	Is the register kept up to date?		No	

PROTECTION OF PERSONAL INFORMATION

The entity is compliant with the requirements of POPIA and is continuing to implement and monitor the approved POPIA Policy and Manual.

CHAPTER 3

SERVICE DELIVERY PERFORMANCE

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

ACHIEVEMENTS	NON-ACHIEVEMENT
Capex Projects: - MTC successfully launched smart poles at Slovopark - ERP Solutions project for JDA completed **Devices utilizing the CoJ Free WIFI services**: - The number of connections increased to 1 807 729 **Financial Sustainability:** - Strong revenue performance and improved cash collection exceeding targets **Customer Retention:** - MTC successfully retained its entire customer base (100% retention).	**Underperformance on Internal Debtor Collections** • Debtor days high with increase in receivables. **Low Revenue from External Customers** • A large proportion of revenue still stems from internal customers, with limited progress on external market penetration due to lack of capital support. **Fruitless and Wasteful Expenditure** • MTC incurred fruitless and wasteful expenditure of R58m during the quarter, which is the interest on the Shareholder Loan. **30-day supplier payment requirement** • The entity has paid 65% of supplier invoices within the prescribed period. The cash flow challenges experienced by the City have resulted in 43 invoices being paid later than 30 days.

Table 11: Highlights and Achievements

SECTION 2: SERVICE DELIVERY CHALLENGES

MTC continues to face some challenges while delivering services to customers emanating from the following:

- Infrastructure damaged by construction workers, people stealing electrical cables and poles where we have aerial fibre.
- Power outages affecting MTC services resulting in network availability targets not being achieved. The high rate of network vandalism results in downtime.
- Aged and dilapidated equipment resulting in network downtimes.
- Equipment failure.
- Insufficient Capital budget allocation to MTC leads to the inability to maintain the network and equipment as well as having the ability to grow/expand the network.

CASH FLOW AND LIQUIDITY CONSTRAINTS

- High levels of receivables due to delayed payments from internal clients continue to restrict cash availability.
- Limited cash-on-hand has impacted on the ability to promptly pay service providers and fund planned operations.
- Due to liquidity challenges at the City, MTC could not receive funds in time to ensure that all payments are made within the stipulated 30 days.

LOW CAPITAL EXPENDITURE IMPLEMENTATION

- The entity has been allocated a capital expenditure budget of R26,7m for the year under review. These projects are in progress, and it is expected that they will be invoiced and paid for during the fourth quarter.

The following capital projects are in progress for the year under review:

- Office upgrade
- Wi-Fi commercialisation

HIGH DEBTOR DAYS

- Lack of enforcement or effective escalation mechanisms for internal customer collections worsens financial strain.
- Debtors' balance has increased from the comparative period due to non-payment from other entities and departments. COJ owes the majority (99%) of the debtor's balance. However, the balance has increased by 23% from the comparative period (Q3 2024/25).
- MTC has engaged the office of the GCFO to assist with the collection of internal debtors, and the matter has been escalated to the office of the CM. The debtor's balance comprises R3bn for CoJ Departments, R141m for CoJ Entities, and R8.5m for external debtors.

AUDIT FINDINGS AND COMPLIANCE RISKS

- Although most findings were addressed, recurring issues such as interest on the shareholder loan continue to result in fruitless and wasteful expenditure.

BUDGET OVERRUNS

- Employee-related costs are above budget. The budget needs to be realigned with the current number of employees at the entity. Discussions are taking place between the Budget Office and MTC.
- Repairs and maintenance are higher than the budget due to more incidents of repairs that were carried out.

UNDERPERFORMANCE ON SOME KPI'S

- Reporting for this quarter is limited to the BRT programme, as Public Safety/JMPD CCTV performance data is unavailable due to the expired VMS license (December, prior year), which is yet to be renewed.
- The underperformance of certain KPIs is attributable to non-compliance and the delayed implementation of approved risk mitigation strategies.
- Network availability challenges were experienced; however, management has implemented mitigation measures to address these issues.

SECTION 3: RESPONSE TO STRATEGIC DIRECTION

- With MTC's new strategic direction, focused on refreshing and commercializing the network infrastructure, the entity aims to achieve greater operational efficiency, financial sustainability, and enhanced service delivery across the City.
- These initiatives are aligned to the strategic goals of the City, particularly those aimed at promoting economic growth, digital inclusion, sustainable infrastructure development, and improved service delivery.

Table 12: Alignment to the New Strategic Agenda 2021 – 2026

COJ's Strategic Overview			
	LONG TERM PLANNING	**MEDIUM-TERM PLANNING**	
VISION	**Growth & Development Strategy**	**Integrated Development**	
Johannesburg-World Class African City of the Future-a vibrant, equitable African city, strengthened through its diversity, a city that provides real quality of life; a city that provides sustainability for all its citizens; a resilient and adaptive society. Joburg. My City-Our Future	**(4 Outcomes)**	**Strategic Priorities**	**MTC Strategic Goals**
	1. Improved quality of life and development-driven resilience for all **2.** Provide a resilient, liveable, sustainable urban environment underpinned by smart infrastructure supportive of a low carbon economy **3.** An inclusive-job intensive, resilient, competitive, and smart economy that harnesses the potential of	1. Good Governance 2. Financial Sustainable 3. Safer City 4. Job Opportunity and Creation 5. A Smart City	1. MTC aims to provide fast, reliable and affordable digital network connectivity that enables the adoption of smart ICT innovation by the City 2. Leverage state-of-the-art technology to gather real-time data and proactively address a range of incidents including fire safety, traffic management, law enforcement, and service delivery issues 3. Enhance sound financial management, sustainability, and good governance. 4. Strive to minimize governance failures that involve non-compliance to regulations and statutory law
MISSION			
The City of Johannesburg commits itself to proactive delivery and the creation of a city environment in			

COJ's Strategic Overview			
	LONG TERM PLANNING	MEDIUM-TERM PLANNING	
VISION	Growth & Development Strategy	Integrated Development	
2040 that is liveable. It aims to achieve this through long-term 2040 plans, targeted programs	citizens **4.** A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region		

MTC is responsible for enabling the many Smart City Programmes in the City and rendering the full spectrum of Networking services and other incidental services to the City and many of its Municipal Entities. The table below gives a view into MTC's response to the mayoral priorities

MAYORAL PRIORITY	WHAT IT MEANS FOR MTC & HOW IT CONTRIBUTES	STRATEGIC PROGRAMME
A Smart City	•MTC to provide fast, reliable, and affordable digital network connectivity, to enable the adoption of smart ICT innovations by the city to provide services and solve city and residents' problems.	• A 'Smart' City of Johannesburg, that can deliver quality services to citizens in an efficient and reliable manner
Safer city	A safe and secure city A city characterized by social inclusivity and enhanced social cohesion.	•24/7 Digital network availability to support the functioning of crime-fighting CCTV Devices and other IT systems, related communications technologies, and control rooms.

MAYORAL PRIORITY	WHAT IT MEANS FOR MTC & HOW IT CONTRIBUTES	STRATEGIC PROGRAMME
		•MTC to create value-added smart crime-fighting technologies & Apps that will enable stakeholders to collaborate to monitor areas, provide alerts and share capacity.
Financial Sustainable	A high-performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region	•MTC creates EPWP opportunities, jobs through SMME development, and apprenticeship programs for the youth.
Good Governance	•MTC to provide fast, reliable, and affordable digital network connectivity, to enable the city to convert manual operations into digitally smart ways, improve the quality of customer service, reduce turnaround times, and make the city's services available 24/7 online.	•Create Applications and systems to digitize the City's services including interactive websites, smart resolution of billing queries, a live portal to report and track issues and queries, etc. •Provide a reliable network to support access to 24-hour city services, such as call centers, websites, and portals.

Table 11: COJ's Strategic Overview

SECTION 4: PERFORMANCE AGAINST SERVICE STANDARDS

MTC is a Broadband Network Company designed to offer both wholesale data services to public and private entities as well as retail services and provide incidental services on behalf of the City. MTC mandate: MTC shall offer Wholesale services to the market and Internal Retail services. Spare capacity on the network will be provided to Network Operators and to ICT Resellers who will then sell directly to Enterprises, SMEs, and households. In addition, the Company shall perform any other municipal services assigned to it by COJ as defined in the Service Delivery Agreement (SDA) entered between MTC and COJ, as amended from time to time.

The Metropolitan Tech Company (MTC) is responsible for the enablement of the many Smart City Programmes of the City as well as rendering the full spectrum of Networking services and other incidental services to the City and many of its MEs.

MTC SERVICE DELIVERY STANDARDS

Service Area	Service Standard	Actual	Achievement Status
1. Response to acknowledgement requests, enquiries and complaints on network and ICT services	100% Within 1 hour of logging a call	100%	Achieved
2. Resolution of Priority 1 request and enquiries regarding network	> 95% Within 4 hours of logging a call	62,33%	Non-achieved
3. Resolution of Priority 2 request and enquiries regarding network services	> 90% Within 8 hours of logging a call	70,33%	Not achieved

Service Area	Service Standard	Actual	Achievement Status
4. Resolution of Priority 3 request and enquiries regarding network services	> 85% Within 3 days of logging a call	85,33%	Achieved
5. Resolution of Priority 4 requests and enquiries regarding network services	> 100% Within 7 days logging a call	100%	Achieved

Table 12: MTC Quarter Service Level Standards

MTC operates within industry standards, and the process of dealing with service outages is aligned with ITIL business practices. ITIL (Information Technology Infrastructure Library) prescribes detailed best practices for IT service management.

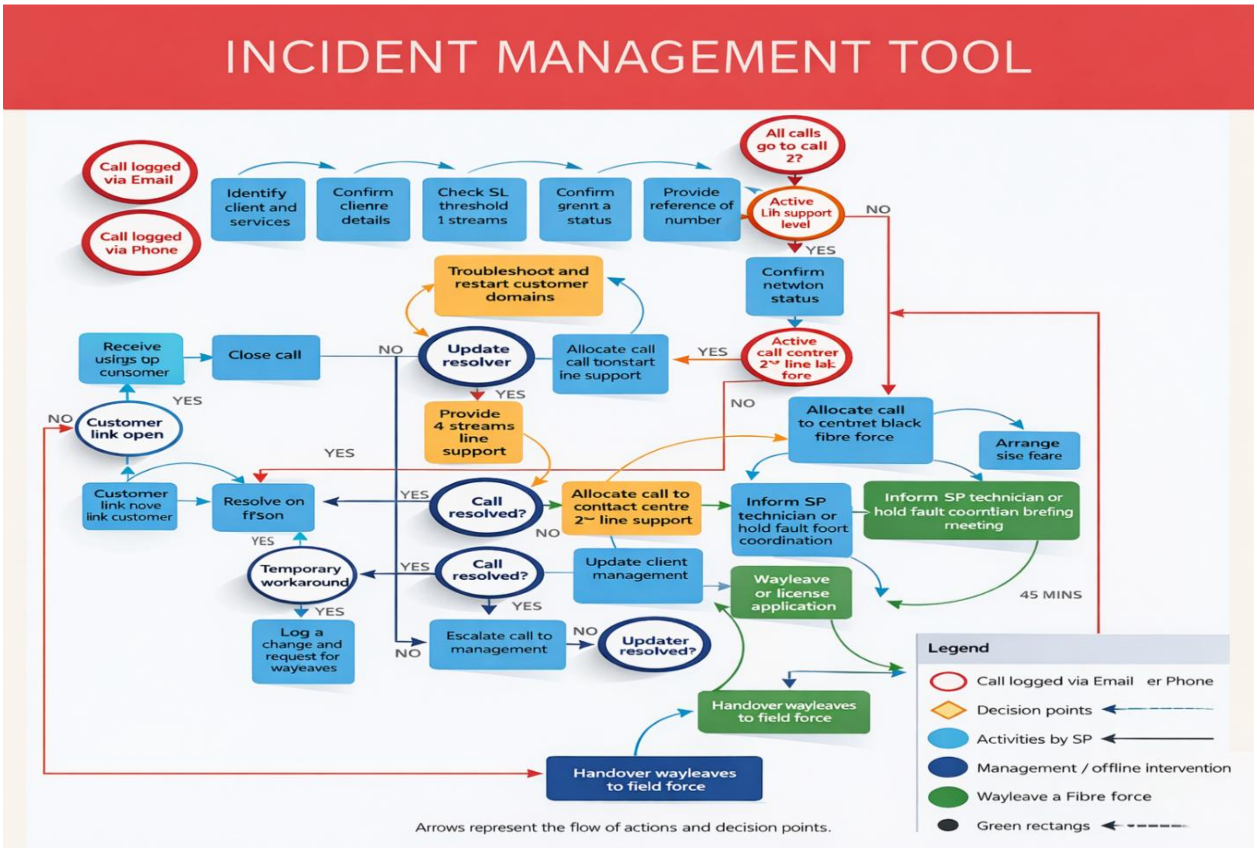


Figure 6: Incidents resolution process

The contact Centre performance is measured in terms of:

1. The time taken to attend to an incident as defined by the KPIs agreed upon within the terms of the SLA with the customer or SDA.
2. The time is taken to assign an incident to a service provider or resolver group.
3. The number of incidents logged on the service desk system.
4. The number of incidents resolved.
5. The number of incidents resolved within SLA as defined in the SLA KPI or SDA.

The service provider and internal resolver groups are measured in terms of:

- The time is taken to resolve incidents logged.
- The Mean Time to Repair (MTTR) incidents are logged against each of the customers and each of the service providers.
- Trends are analyzed, and targets have been set together with action plans to meet the performance targets.

The tables and graphs below present the performance of MTC taking into consideration calls logged and resolved across the various services:

Service Desk KPI	Jan-26	Feb-26	Mar-25	Q3 2025/2026
Total number of Incidents Logged	1221	1213	1414	3848
Total number of Incidents Resolved/closed	1136	1121	1286	3543
Number of Incidents resolved Within SLA	971	779	983	2733
Number of Incidents resolved Out of SLA	165	342	303	810
% Incidents resolved Within SLA	84%	70%	77%	77%
Total number of Incidents Open	15	38	18	71
Total number of Incidents on Hold	61	47	94	202

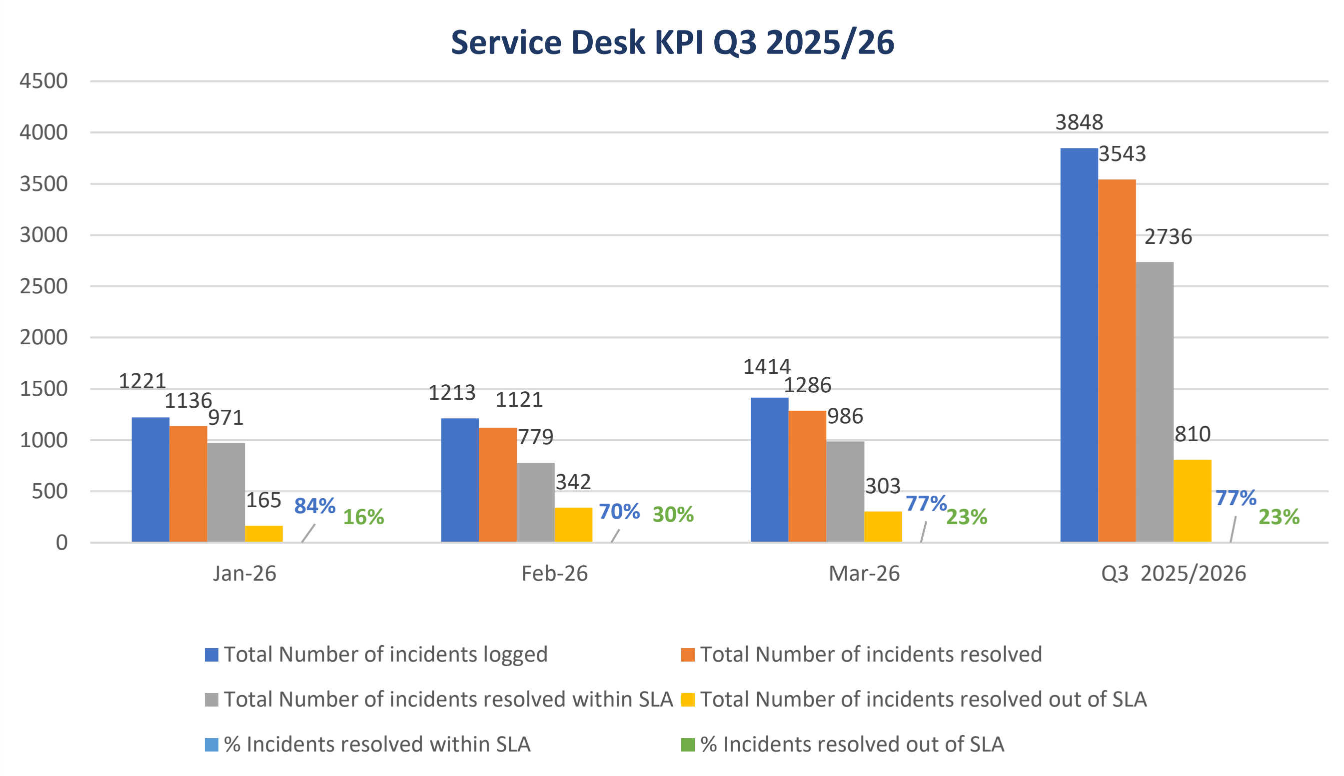
Table 13: Number of Incidents logged and resolved.

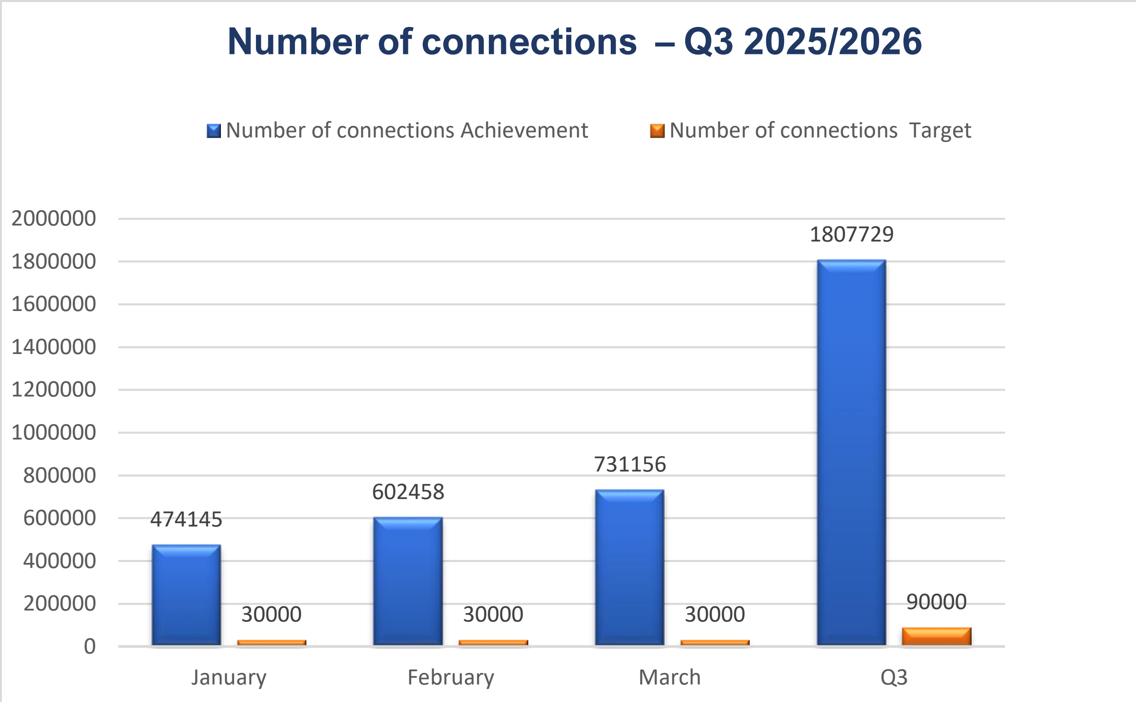
KPI Description	Jan-26	Feb-26	Mar-25	Q3 2025/2026
Network Availability Target	99%	99%	99%	99%
Network Availability Achievement	97%	96%	91%	95%
KPI Description	**Jan-26**	**Feb-26**	**Mar-25**	**Q3 2025/2026**
CCTV Cameras Connected to VMS of IIOC Target	**1034**	**1034**	**1034**	**1034**
CCTV Cameras Connected to VMS of IIOC Access Achievement	530	531	532	532
KPI Description	Jan-26	Feb-26	Mar-25	Q3 2025/2026
Number of Connections Target	30 000	30 000	30 000	90 000
Number of Connections Achievement	474 145	602 458	731 156	1 807 729

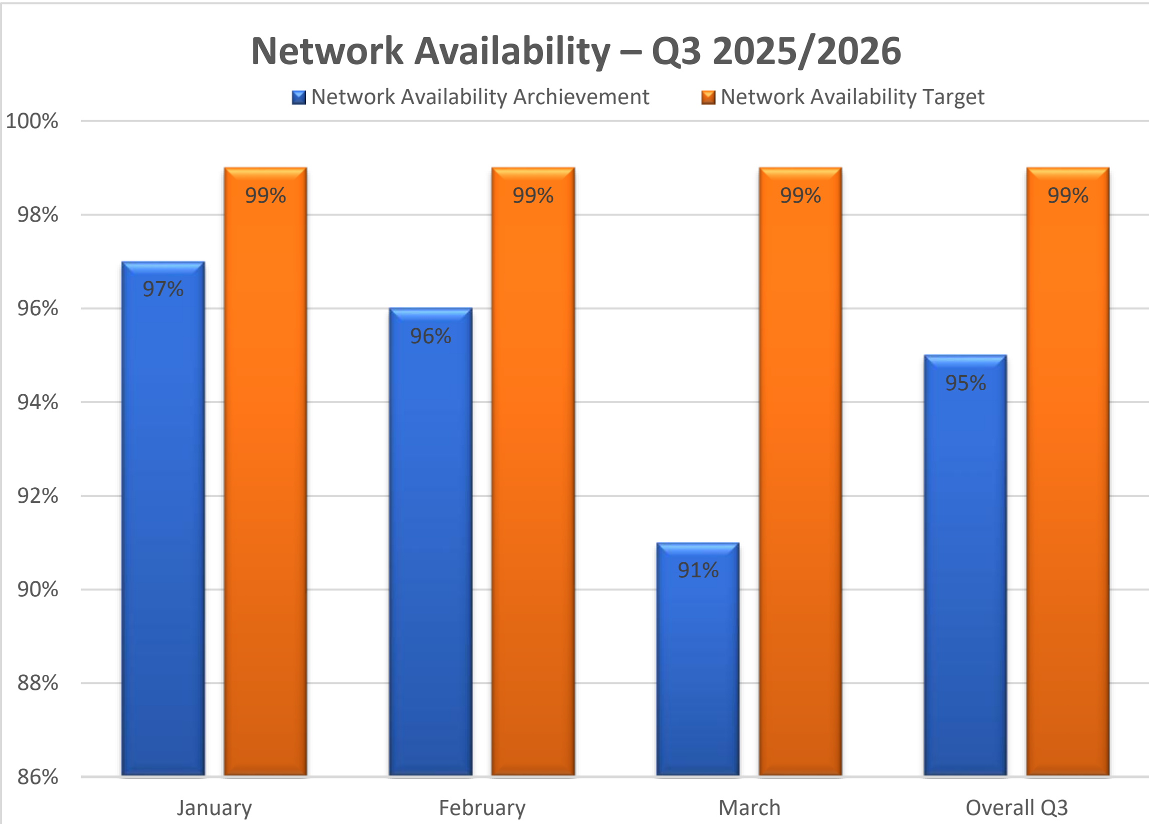
Progress on Projects

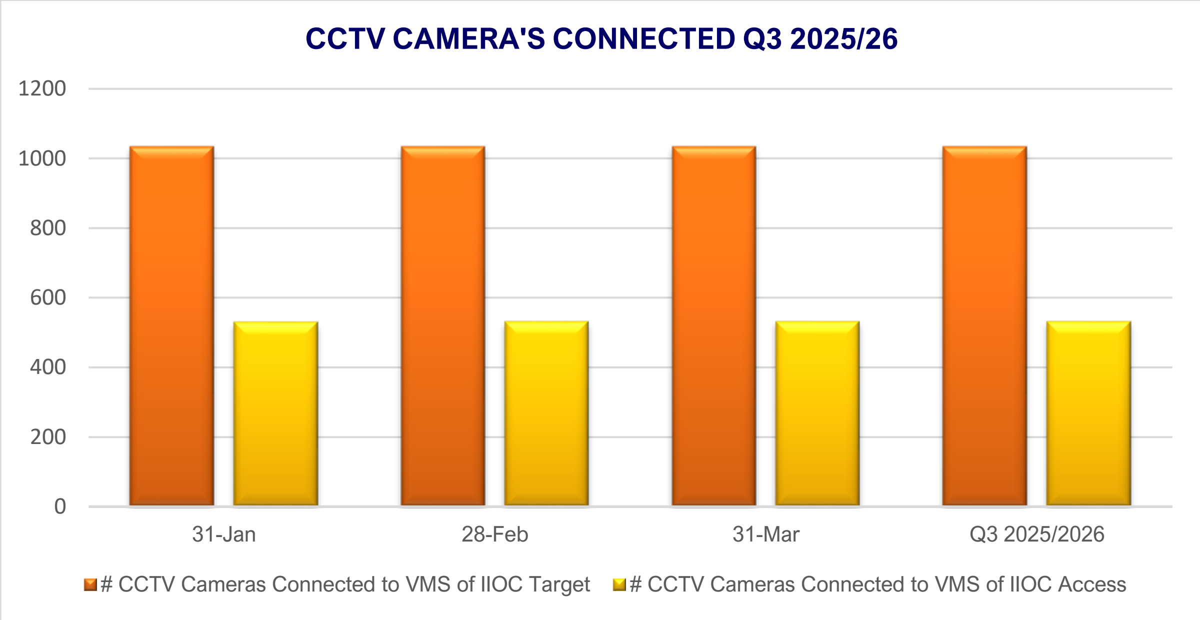
KPI Description	Jan-26	Feb-26	Mar-25	Q3 2025/2026
% CoJ and Entity Projects Completed Target	N/A	N/A	N/A	KPI Measured annually
% CoJ and Entity Projects Completed Achievement	N/A	One Project completed		One Project completed

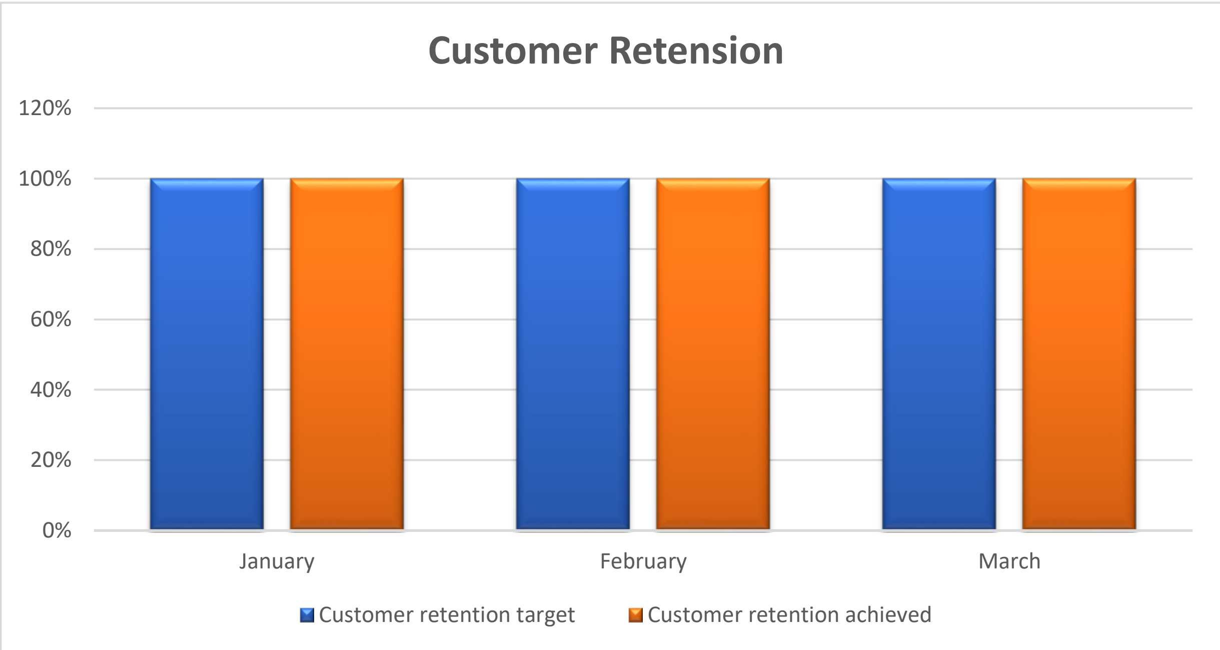
The graph below is a trend analysis for the 2025/26 financial year Contact Centre Performance:




Number of connections – Q3 2025/2026
Number of connections Achievement
Number of connections Target
2000000
1800000
1600000
1400000
1200000
1000000
800000
600000
400000
200000
0
474145
30000
602458
30000
731156
30000
1807729
90000
January
February
March
Q3


Network Availability – Q3 2025/2026
Network Availability Archievement
Network Availability Target
100%
98%
96%
94%
92%
90%
88%
86%
97%
99%
96%
99%
91%
99%
95%
99%
January
February
March
Overall Q3





KPI Description	Jan-26	Feb-26	Mar-25	Q3 2025/2026
Customer retention rate Target	100%	100%	100%	100%
Customer retention rate Achievement	100%	100%	100%	100%

MTC is a key contributor to the provision of affordable and effective ICT services to City departments and Municipal Entities. In addition, MTC plays a critical role in expanding the accessibility and affordability of broadband services for the residents of the City.

Project Status: Q3 progress

For the Quarter under review, one project that had one client was completed

PROJECT	CLIENT	START DATE	END DATE
ERP Solutions	Joburg Development Agency (JDA)	2025/09/09	2026/02/09

MTC KPI ACHIEVEMENT AT A HIGH LEVEL

MTC KPI Summary	KPI's
Total KPI's	**09**
Total Measurable KPI for Quarter[1]	**07**
Achieved KPI's	**4 KPI's**
Non-Achieved KPI's	**3 KPI's**
% Achievement	**57%**

Table 14: MTC Key performance indicator achievement at a high level

[1] The following KPI's: **% of CoJ and Entity Capex Projects completed in the financial year** and **Audit Opinion** are measured annually and therefore they are not included in this calculation.

MTC responds to four Key priority program areas that MTC contributes as part of the GLU priorities, below are the analyses.

Financial Sustainability (Revenue Generation and Collections) **–** ICT services provided to CoJ and wholesale dark- and lit fibre services supplied to the open market to increase competition in the local market to reduce the costs of services provided to end-users. Exclusively provide CoJ and the MEs with communication services to reduce the city's costs.

Smart City and Safer City

Smart City initiatives – Create a platform from which connectivity and technology solutions can be provided to residents of Johannesburg with a socio-economic objective of bridging the digital divide and enhancing municipal services. Safer City – Create a platform from which connectivity and technology solutions can be provided to residents of Johannesburg with a socio-economic objective of bridging the digital divide and enhancing municipal services.

Socio-Economic Development Initiatives – Stimulating the development of SMMEs in the space of Digital infrastructure while bridging the digital divide by improving access.

Day-to-Day Operations – Enforcing good governance, professional public service, and improved service delivery is paramount to MTC and CoJ.

Table 17: Corporate Scorecard 2025/26

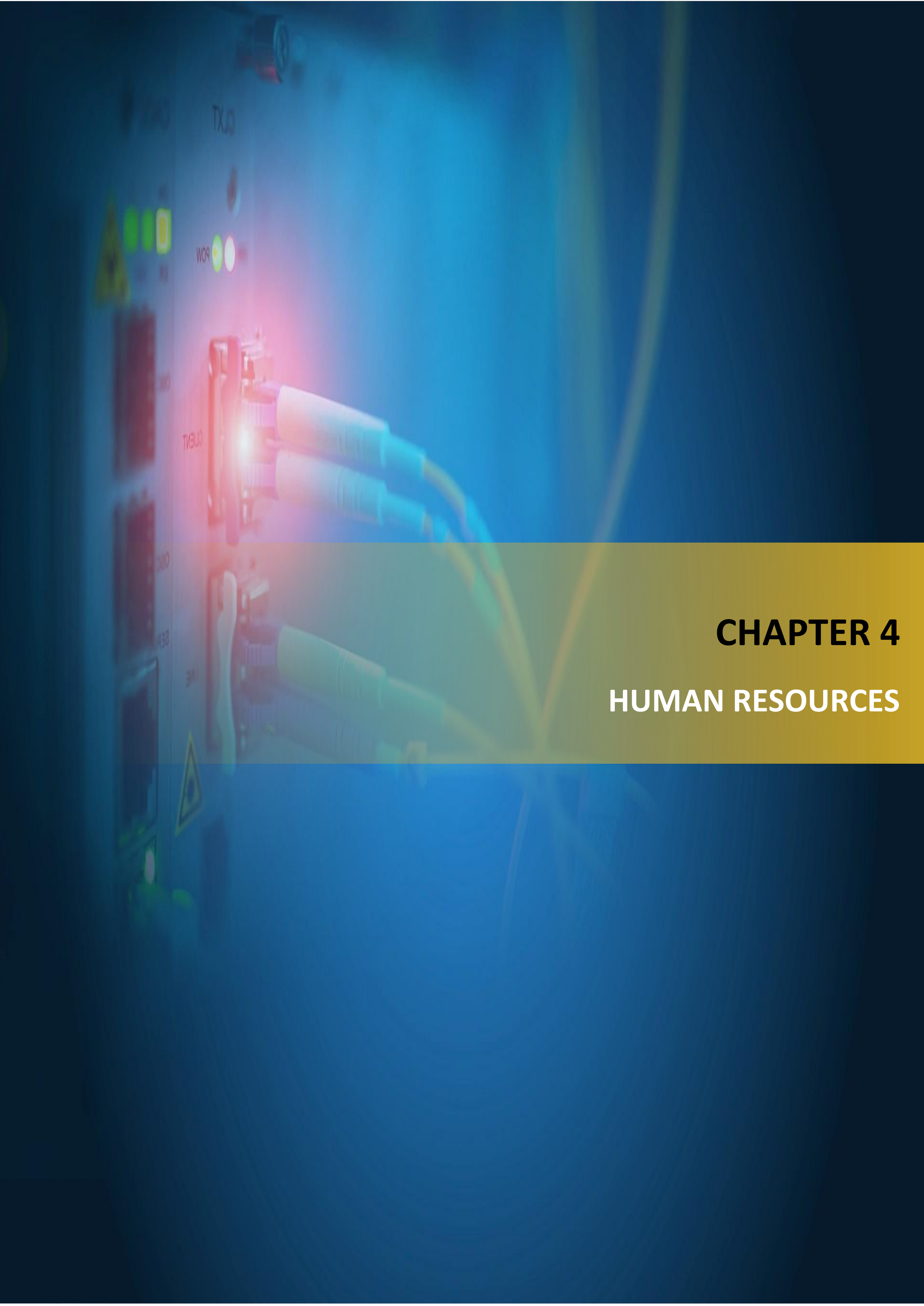
Key Performance Indicator	No	Measuring Unit	Baseline 2024/25	2023/24 Target	2024/25 Target	2025/26 Target	2025/26 Quarterly Performance Targets Q1	Q2	Q3	Q4	Q3 Actual	2025/26 Budget per Project CAPEX	OPEX	Q1	Q2	Q3	Q4	Means of Verification	Mitigation Actions For non-performance & Timelines
MAYORAL PRIORITY: FINANCIAL SUSTAINABILITY																			
Amount of revenue achieved in (Rands)	1.	R	R 1 076 b	R 544m	R335m	R335m	R83.75m	R167.52m	R251.25m	R335m	**R 728m**	**N/A**	**N/A**	-	-	-	-	* Quarterly reports (QPR) * Financial Statements	
Customer retention rate	2.	%	93%	N/A	90%	100%	100%	100%	100%	100%	**100%**	**N/A**	**N/A**	-	-	-	-	* Customer database OR CRM system reports tracking active and recurring customers * Sales & Billing records to identify returning customers	
Percentage of total sales revenue collection achieved	3.	%	78%	80 %	80%	80%	80%	80%	80%	80%	**115%**	**N/A**	**N/A**	-	-	-	-	*Collections report *QPR *Financial statements	

Key Performance Indicator	No	Measuring Unit	Baseline 2024/25	2023/24 Target	2024/25 Target	2025/26 Target	2025/26 Quarterly Performance Targets				Q3 Actual	2025/26 Budget per Project						Means of Verification	Mitigation Actions For non-performance & Timelines
							Q1	Q2	Q3	Q4		CAPEX	OPEX	Q1	Q2	Q3	Q4		
MAYORAL PRIORITY: SMART AND SAFER CITY																			
Network Link Availability	4.	%	90%	99 %	99%	99%	99%	99%	99%	99%	**95%**	**X**	**X**	-	-	-	-	*Systems report *Ops Manager device availability reporting	Conduct a comprehensive audit of all network links to identify recurring failure points, capacity constraints, and infrastructure gaps. Prioritise maintenance and stabilisation of critical links supporting core operations and service delivery. Implement proactive network monitoring tools to enable early detection and resolution of outages.

Key Performance Indicator	No	Measuring Unit	Baseline 2024/25	2023/24 Target	2024/25 Target	2025/26 Target	2025/26 Quarterly Performance Targets				Q3 Actual	2025/26 Budget per Project						Means of Verification	Mitigation Actions For non-performance & Timelines
							Q1	Q2	Q3	Q4		CAPEX	OPEX	Q1	Q2	Q3	Q4		
Number of CCTV Cameras connected to the video-management system of the Integrated Intelligence Operation Centre (IIOC)	5.	Number	1034	N/A	1034	1034	1034	1034	1034	1034	532	X	X	-	-	-	-	*Report of connected cameras on the Video management systems	-Reporting for this quarter is limited to the BRT programme, as Public Safety/JMPD CCTV performance data is unavailable due to the expired VMS license (December, prior year), which is yet to be renewed. -Accelerate the renewal of the Video Management System (VMS) license to restore full functionality and reporting capability.

Key Performance Indicator	No	Measuring Unit	Baseline 2024/25	2023/24 Target	2024/25 Target	2025/26 Target	2025/26 Quarterly Performance Targets				Q3 Actual	2025/26 Budget per Project						Means of Verification	Mitigation Actions For non-performance & Timelines
							Q1	Q2	Q3	Q4		CAPEX	OPEX	Q 1	Q 2	Q 3	Q 4		
Number of devices utilizing the CoJ Free WIFI services	6.	Number	1 574 979	N/A	120 000	120 000	30 000	60 000	90 000	120 000	**1 807 729**	**X**	**X**	**-**	**-**	**-**	**-**	*Availability report and supporting evidence	
% of CoJ and Entity Capex Projects completed in the financial year	7.	%	88.88%	100 %	100%	100%	N/A	N/A	N/A	100%	**Measured Annually**	**X**	**X**	**-**	**-**	**-**	**-**	*Project charter *Confirmation of completion * RFQ *Scope Change Request	
MAYORAL PRIORITY: GOOD GOVERNANCE																			
Unqualified Audit Opinion	8.	Final Audit Report	Unqualified Audit Opinion with material findings2024/	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	N/A	N/A	N/A	Unqualified Audit Opinion	**Measured Annually**	**X**	**X**	**-**	**-**	**-**	**-**	* Auditor General management letter *Audit report	

Key Performance Indicator	No	Measuring Unit	Baseline 2024/25	2023/24 Target	2024/25 Target	2025/26 Target	2025/26 Quarterly Performance Targets				Q3 Actual	2025/26 Budget per Project						Means of Verification	Mitigation Actions For non-performance & Timelines
							Q1	Q2	Q3	Q4		CAPEX	OPEX	Q 1	Q 2	Q 3	Q 4		
% of Strategic Risk Mitigation action plans implemented	9.	%	58%	N/A	100%	100%	100%	100%	85%	85%	64%	X	X	-	-	-	-	Summary of quarterly risk report on implementation of strategic risk mitigation strategies report.	Escalation mechanisms and increased Executive oversight will be enforced to ensure timely intervention. Priority will be given to high-risk areas, supported by continuous review and assurance processes to prevent recurrence and improve overall risk mitigation effectiveness.



CHAPTER 4

HUMAN RESOURCES

CHAPTER 4: HUMAN RESOURCES

MTC strives to create an environment in which the entity's best-talented staff members can perform at the best of their ability, in turn, enabling the organization to be the best-performing organization. Accordingly, the company acknowledges that there are factors that may either push or pull employees toward optimal performance. It is recognized that there are necessary material conditions that must be met to enable employees to thrive, these include but are not limited to; certainty on the future of the company, consistent and fair people management practices, a better reputation with the customer, shareholder, and labour market, enhanced employer/employee engagement to maximize performance, determined recruitment pipeline and improved employee morale.

SECTION 1: EMPLOYEE REMUNERATION (TOTAL COSTS INCLUDING EXECUTIVES)

The Executives' fixed salary is competitive and based on the individual's competencies, responsibilities, and performance. The review of the fixed salary is conducted on an annual basis for each financial year.

ITEM DESCRIPTION	ACTUAL AMOUNT	BUDGETED AMOUNT	VARIANCE
Basic	R7 257	R7 364	R107
Overtime	R70	R88	R18
Acting	R0	R0	R0
Locomotion	R259	R401	R142
Medical Aid	R318	R216	-R102
Pension Fund	R956	R393	-R563
Housing Subsidy	R14	R15	R1
13th Cheque	R0	R147	R147
Leave Pay and Encashment	R0	R88	R88
UIF	R29	R8	-R21
Skills Development	R73	R18	-R55
EJHB- Funeral Fund	R11	R12	R1

ITEM DESCRIPTION	ACTUAL AMOUNT	BUDGETED AMOUNT	VARIANCE
Bargaining Council	R1	R28	R27
Other Costs	R6	R0	-R6
Total	R8 996	R8 776	-R220

Table 18: Employee Remuneration

EMPLOYEE BENEFITS

Employee benefits of MTC mirror those of the City of Johannesburg. The table below describes employee benefits.

NAME OF BENEFIT	QUALIFICATION	RELATED AMOUNT/RANGES
Housing Subsidy	Permanent	R 1,066.41
Ad hoc Loco	The employee using his/her car to do the entity's job	Determined by KM
Traveling (locomotion allowance)	Permanent employees - Employees are required to submit their log sheets in six months. intervals	R 8,016.42 – R 11,095.00

Table 19: Employee Benefits

MEDICAL AID

Medical aid contributions for permanent employees are 60% Employer contribution and 40% employee contribution. Employees are offered membership in the approved schemes.

PENSION FUND BENEFITS E-JOBURG PENSION

MTC employees are under the E-Joburg Pension Function wherein the employer contributes 18% and employees contribute 7.5%.

SECTION 2: KEY VACANCIES

MTC is committed to the continuous development of its workforce. In line with this commitment, MTC has identified a number of key positions that require capacitation to ensure that the company is well-positioned to achieve its current and future strategic goals.

The following table provides an overview of the key positions that have been identified for capacitation and of which some have been filled, the background of each position, the targeted capacitation date, and the status:

KEY POSITIONS	BACKGROUND	TARGETED CAPACITATION DATE	STATUS
Legal Advisor	There is a need to capacitate this position in line with the current and future MTC strategy	On hold due to a moratorium placed on the filling of vacant positions.	On hold due to a moratorium placed on the filling of vacant positions.
Corporate Strategy and Reporting Executive.	There is a need to capacitate this position in line with the current business model and the future of the organization.	On hold due to a moratorium placed on the filling of vacant positions.	On hold due to a moratorium placed on the filling of vacant positions.
General Manager Corporate Services	There is a need to capacitate this position in line with the current and future MTC strategy.	On hold due to a moratorium placed on the filling of vacant positions.	On hold due to a moratorium placed on the filling of vacant positions.

Executive Manager: Sales and Marketing	There is a need to capacitate this position in line with the current and future MTC strategy.	On hold due to a moratorium placed on the filling of vacant positions.	On hold due to a moratorium placed on the filling of vacant positions.
Chief Operation Officer	There is a need to capacitate this position in line with the current and future MTC strategy.	On hold due to a moratorium placed on the filling of vacant positions.	On hold due to a moratorium placed on the filling of vacant positions.

Table 20: The status quo of the critical Positions

MTC STRUCTURE OCCUPANCY STATISTICS.

MTC has 82 positions on its approved structure, 48 positions have been filled resulting in a vacancy rate of 34%

The Metropolitan Tech Company (PTY) Ltd								
(01 January 2026– 31 March 2026)								
Business Area	No of Positions Structure	Filled	STC	Acting Secondment	Interns	Vacant	Filled Vacancies	Filled vacancies (STC and Acting Staff)
Office of the Executive	12	6	1	0	0	6	50%	58%
Internal Audit	2	2	0	0	0	0	100%	100%
Risk and Compliance	3	1	0	0	0	2	33%	33%
Office of the COO	2	2	0	0	0	0	100%	100%
Network Operations	38	18	3	0	0	16	47%	55%
Finance	17	13	0	0	0	4	76%	76%

The Metropolitan Tech Company (PTY) Ltd								
(01 January 2026– 31 March 2026)								
Business Area	No of Positions Structure	Filled	STC	Acting Secondment	Interns	Vacant	Filled Vacancies	Filled vacancies (STC and Acting Staff)
Management Support	6	6	0	0	0	0	100%	100%
Legal Services	2	0	0	0	0	0	0%	0%
TOTAL	**82**	**48**	**4**	**0**	**1**	**28**	**59%**	**63%**

Table 21: MTC Structure occupancy statistics.

THE MTC WORKFORCE (STRUCTURE OCCUPANCY LEVELS)

The table below represents the actual capacity analyses of the MTC workforce detailing the structure occupancy levels.

Employee numbers	2025/26		
	Actual as at 2026/03/31	Forecast Additional	Total
Top Management is level 1 and 2	6	7	13
Senior Management is level 3 and 4	7	7	14
Professionally qualified and experienced specialists and mid-management level 5 and 6	14	1	15

Employee numbers	2025/26		
	Actual as at 2026/03/31	Forecast Additional	Total
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents level 7 and 8	19	12	31
Semiskilled and discretionary decision-making level 9 and 10	1	4	5
Unskilled and defined decision-making level 11	1	0	1
PWD = People living with Disabilities	0	3	3
Total	48	34	82

Table 22: Structure occupancy levels

THE GENDER BREAKDOWN OF MTC WORKFORCE

The table below details and breakdown the gender of MTC workforce.

OCCUPATIONAL LEVELS		MALES				FEMALE				FOREIGN NATIONALS		TOTAL
		A	C	I	W	A	C	I	W	MALE	FEMALE	
TOP MANAGEMENT	ACTUAL	**1**	**0**	**1**	**0**	**2**	**0**	**0**	**0**	**0**	**0**	**4**
	TARGET SUBTOTAL	0	0	0	0	0	0	0	0	0	0	**1**
	ACTUAL %	17%	17%	17%	17%	17%	0%	17%	0%	0%	0%	
	TARGET %	**39%**	**1,5%**	**1,5%**	**8%**	**39%**	**1,5%**	**1,5%**	**8%**	**0%**	**0%**	
	GAP %	-22%	15%	15%	9%	-22%	-2%	15%	-8%	0%	0%	
	GAP	1	1	1	1	1	0	1	0	0	0	
SENIOR MANAGEMENT (Director & Deputy Director)	ACTUAL	**6**	**1**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**8**
	TARGET SUBTOTAL	0	0	0	0	0	0	0	0	0	0	**18**
	ACTUAL %	75%	13%	0%	0%	13%	0%	0%	0%	0%	0%	
	TARGET %	**39%**	**1,5%**	**1,5%**	**8%**	**39%**	**1,5%**	**1,5%**	**8%**	**0%**	**0%**	

OCCUPATIONAL LEVELS		MALES				FEMALE				FOREIGN NATIONALS		TOTAL
		A	C	I	W	A	C	I	W	MALE	FEMALE	
	GAP %	36%	11%	-2%	-8%	-27%	-2%	-2%	-8%	0%	0%	
	GAP	0	1	0	0	0	0	0	0	0	0	
PROFESSIONAL QUALIFIED (Assistant Director & Manager)	ACTUAL	**4**	**3**	**0**	**0**	**7**	**0**	**0**	**0**	**0**	**0**	**14**
	TARGET SUBTOTAL	0	0	0	0	0	0	0	0	0	0	**16**
	ACTUAL %	29%	21%	0%	0%	50%	0%	0%	0%	0%	0%	
	TARGET %	**39%**	**1,5%**	**1,5%**	**8%**	**39%**	**1,5%**	**1,5%**	**8%**	**0%**	**0%**	
	GAP %	-10%	20%	-2%	-8%	11%	-2%	-2%	-8%	0%	0%	
	GAP	4	3	0	0	7	0	0	0	0	0	
SKILLED TECHNICAL AND ACADEMICALLY QUALIFIED (Ops Manager, Officer, Executive	ACTUAL	**12**	**0**	**0**	**0**	**9**	**1**	**1**	**1**	**0**	**0**	**24**
	TARGET SUBTOTAL	16	1	1	3	16	1	1	3	0	0	**41**
	ACTUAL %	50%	0%	0%	0%	38%	4%	4%	4%	0%	0%	

OCCUPATIONAL LEVELS		MALES				FEMALE				FOREIGN NATIONALS		TOTAL
		A	C	I	W	A	C	I	W	MALE	FEMALE	
Secretary, Specialist)	TARGET %	**39%**	**1,5%**	**1,5%**	**8%**	**39%**	**1,5%**	**1,5%**	**8%**	**0%**	**0%**	
	GAP %	11%	-2%	-2%	-8%	**-2%**	3%	3%	-4%	0%	0%	
	GAP	-4	-1	-1	-3	**-7**	**0**	**0**	**-2**	0	0	
SEMI-SKILLED (Secretary, Admin Assistant, Cashiers, Ambassador, Driver)	ACTUAL	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	TARGET SUBTOTAL	0	0	0	0	0	0	0	0	0	0	**1**
	ACTUAL %	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	
	TARGET %	**39%**	**1,5%**	**1,5%**	**8%**	**39%**	**1,5%**	**1,5%**	**8%**	**0%**	**0%**	
	GAP %	-39%	-2%	-2%	-8%	61%	-2%	-2%	-8%	0%	0,00%	
	GAP	0	0	0	0	1	0	0	0	0	0	
UNSKILLED (General Worker, Office Ass, Marshal)	ACTUAL	**0**	**0**	**0**	**0**	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	TARGET SUBTOTAL	1	0	0	0	1	0	0	0	0	0	**3**

OCCUPATIONAL LEVELS		MALES				FEMALE				FOREIGN NATIONALS		TOTAL
		A	C	I	W	A	C	I	W	MALE	FEMALE	
	ACTUAL %	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	
	TARGET %	**39%**	**1,5%**	**1,5%**	**8%**	**39%**	**1,5%**	**1,5%**	**8%**	**0%**	**0%**	
	GAP %	-39%	-2%	-2%	-8%	61%	-2%	-2%	-8%	0%	0%	
	GAP	-1	0	0	0	0	0	0	0	0	0	
TEMPORARY	ACTUAL	**4**	**0**	**0**	**0**	**2**	**1**	**0**	**0**	**0**	**0**	**7**
	TARGET SUBTOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	ACTUAL %	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	TARGET %	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	GAP %	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	GAP	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

SECTION 3: EMPLOYMENT EQUITY

To achieve organizational vision, MTC needs to ensure that its human resources capacity is developed to its full potential. Considering this and in line with Metropolitan Tech Company's objective, therefore, the Entity intends to become a business unit driven by progressive Human Resource and Organisational Development strategies, policies, and practices that will assist Metropolitan Tech Company in achieving its long-term vision of becoming A World Class provider of affordable and accessible ICT service. The Entity is committed to the principles of equity, non-discrimination, and diversity as Human Resources preserved in the Constitution of the Republic of South Africa, the Employment Equity Act, 55 of 1998, and other relevant labour laws.

The Entity believes that Employment Equity goes beyond just legal compliance rather the Employment Equity Act also provides an outstanding opportunity to enhance service delivery by ensuring that the skills profile of the business unit employees is optimally developed. To this end, the Entity will ensure that its skills development process is strategically linked to its Employment Equity imperatives. Furthermore, the implementation of Employment Equity will be contextualized within the broader organizational development and workplace transformation endeavour's that are strategically aligned with Metropolitan Tech Company's Strategic and Business Plans. The Five-year EE plan was approved in November 2020. This plan subscribes to the guiding principles outline in Metropolitan Tech Company's Employment Equity (EE) Policy.

The achievement of Employment Equity goals and targets remains an important challenge for MTC. The Network Operations component is mainly a male-dominated industry compared to the enterprise. Network and Information Technology industries are generally faced with an oversupply of male employees, especially among the previously disadvantaged communities, whilst challenged to be able to attract female employees in all ethnic groups and owing to the nature and focus of the business, it is even more difficult to attract people with disabilities as well.

MTC will have to introduce a female-focused internship program to attract and retain females in the network and IT space. To achieve this initiative, MTC should implement the following strategic imperatives fundamental to achieve the targets stated in the employment equity plan.

- Achieving a representative employee profile at all occupational levels
- Creating a culture of equity, appreciation of diversity, and fairness for the benefit of all employees
- Proportionate investment in skills development

- Championing a holistic approach to transformation through optimal performance on employment equity goals and targets as well as other all aspects of the Broad-Based Black Economic Equity (B-BBEE)

The transformation agenda as pertains to Employment Equity will focus primarily on the following:

- Identification and eradication of systematic and systemic barriers to the achievement of employment equity goals.
- Management of diversity.
- Implementation of women and disabled person’s advancement programs.
- Harvesting of all policy and program synergies towards the achievement of a quantitatively and qualitatively Equitable workplace.
- Conducting research and establishing from other Entities how they manage to achieve their EE Targets.

SECTION 4: SKILLS DEVELOPMENT AND TRAINING

Skills development and training are crucial employed interventions for several reasons, as they play a significant role in individual, organizational, and societal growth and success. In support of MTC’s strategy in its Business Plan to develop and improve the skills of its workforce, all employees have submitted the skills audit questionnaire in preparation for the upcoming skills audit. When employees feel that their skills are being developed, they tend to have higher job satisfaction and morale. They are more likely to feel valued and engaged, which can reduce turnover and improve retention rates. MTC understands that skills development and training are not only important for individual career growth but also for the success and competitiveness of MTC and the overall well-being of society. By investing in the continuous development of skills, individuals and organizations can thrive in an ever-changing world.

SECTION 5: PERFORMANCE MANAGEMENT AND SUCCESSION PLANNING

MTC will strive to recruit employees who are motivated to serve others. Our training and development will be biased towards behaviours and actions that drive customer satisfaction and a culture of service. This culture of service will be instilled and reinforced with appropriate performance management systems and incentives. MTC Human Resources Development Strategy outlines key programs and interventions regarding this strategic objective. A key strategic consideration for the entity is to ensure that a proper balance is maintained between performance management and opportunity management. While ensuring that we are able to solve today's challenges and thrive in the current operating conditions, we are cognizant of the need to prepare ourselves for future opportunities.

PERFORMANCE MANAGEMENT DEVELOPMENT SYSTEMS

MTC maintains and implements its Performance Management and Development Systems (PMDS) in alignment with the provisions of the following key legislation, regulations, and policy prescripts:

- The Local Government: Municipal Systems Act, 2000 (MSA)
- The Government: Municipal Finance Management Act, 56 of 2003 (MFMA)
- The Local Government: Municipal Performance Management Regulations, 2001
- Municipal Staff Regulations SEPT 2021 (MSR)

MTC operates a performance management system based on the periodic assessment of both strategic and operational indicators. Throughout Quarter 2 of the 2025–2026 financial year, this system has been consistently applied to monitor, evaluate, and drive organisational performance, ensuring alignment with set targets and overall strategic objectives.

QUARTER 3 COMPLIANCE PERFORMANCE PROGRESS

During Quarter 3 of the 2025–2026 financial year, MTC achieved an overall 86% compliance rate in Performance Management. Notably, all departments reached 100% compliance, apart from a few units that achieved slightly above 90%. This strong performance reflects the organisation's commitment to embedding a culture of accountability and continuous improvement.

As part of the Quarter 3 compliance process, all MTC employees were required to conduct coaching and review and have the following signed Performance Management documents:

- **Scorecards**
- **Performance Agreements**

- **Work Plans**

5.3 The table below presents the Performance Management compliance rate for Quarter 3 of the 2025–2026 financial year:

Departments	Number of signed scorecards	Number of signed performance agreements	Number of signed workplans	Number of coaching & review	Compliance status
1.Finance	12	12	12	10	Fully Compliant
2.Internal Audit	3	3	3	3	Fully Compliant
3. Company Secretary	2	2	2	3	Fully Compliant
4.Corporate Strategy & Reporting	8	8	8	6	Fully Compliant
5.Risk & Compliance	1	1	1	1	Fully Compliant
6.Network Operations	20	20	20	19	Fully Compliant
TOTALS:	42/49 x 100%			**42**	**86%**

PAST PERFORMANCE

MTC maintains a performance management system based on the periodic assessment in terms of both strategic and operational indicators. During the quarter under review, MTC reviewed its current Performance Management Policy and other supporting policies in line with the relevant statutes. The outcome of this review displayed that there is a need for the entity to revise its current document to ensure maximum compliance. During this quarter, the entity has reviewed its performance management policy to align with that of the City and encourage individuals to improve their performances. Over the last few years, the entity has not been able to pay performance bonuses to all its employees due to delays in the City's finalization of its performance policies.

SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

For the period under review, there were no disciplinary matters and issues to be addressed

SECTION 7: LEAVE & PRODUCTIVITY MANAGEMENT

The City of Johannesburg and its Entities are using Employee Self Service (ESS) for leave management. It is the automated leave management process that assisted in facilitating a hassle-free and more positive employee-employer work relationship.

SECTION 8: EMPLOYEE WELLNESS

MTC employees showed up in great numbers at this year's COJ Employee Engagement Day held at Marks Park, Emmarentia demonstrating the strength of our organisational culture and team spirit. The day kicked off with a 3.5km and 7km run/walk, followed by an inspiring Vision Talk led by the City Manager and Executive Leadership. Employees then enjoyed a vibrant programme including sports activities, a four-hour aerobics marathon, yoga sessions, table games, live DJs, and interactive entertainment.

MTC employees arrived in numbers, but more importantly, they arrived with pride. Dressed in newly branded MTC golf shirts and supported by visible, well-positioned gazebos, our teams transformed participation into presence. The rebrand came to life not through slides or announcements, but through people visible, confident, and engaged. Beyond the activities, the event created a valuable platform for connection, wellness, and alignment with the City’s broader vision. Thank you to everyone who participated and contributed to making the day a success.

SECTION 9: OCCUPATIONAL HEALTH AND SAFETY

MTC strives to provide an integrated Health and Wellness Program that promotes the employees' holistic well-being, adheres to statutory requirements, and promotes organizational sustainability. Employees must have confidential access to Wellness. This includes Primary Health Care, Occupational Health, and Employee Assistance Services while conserving human dignity, respect, and employee privacy.

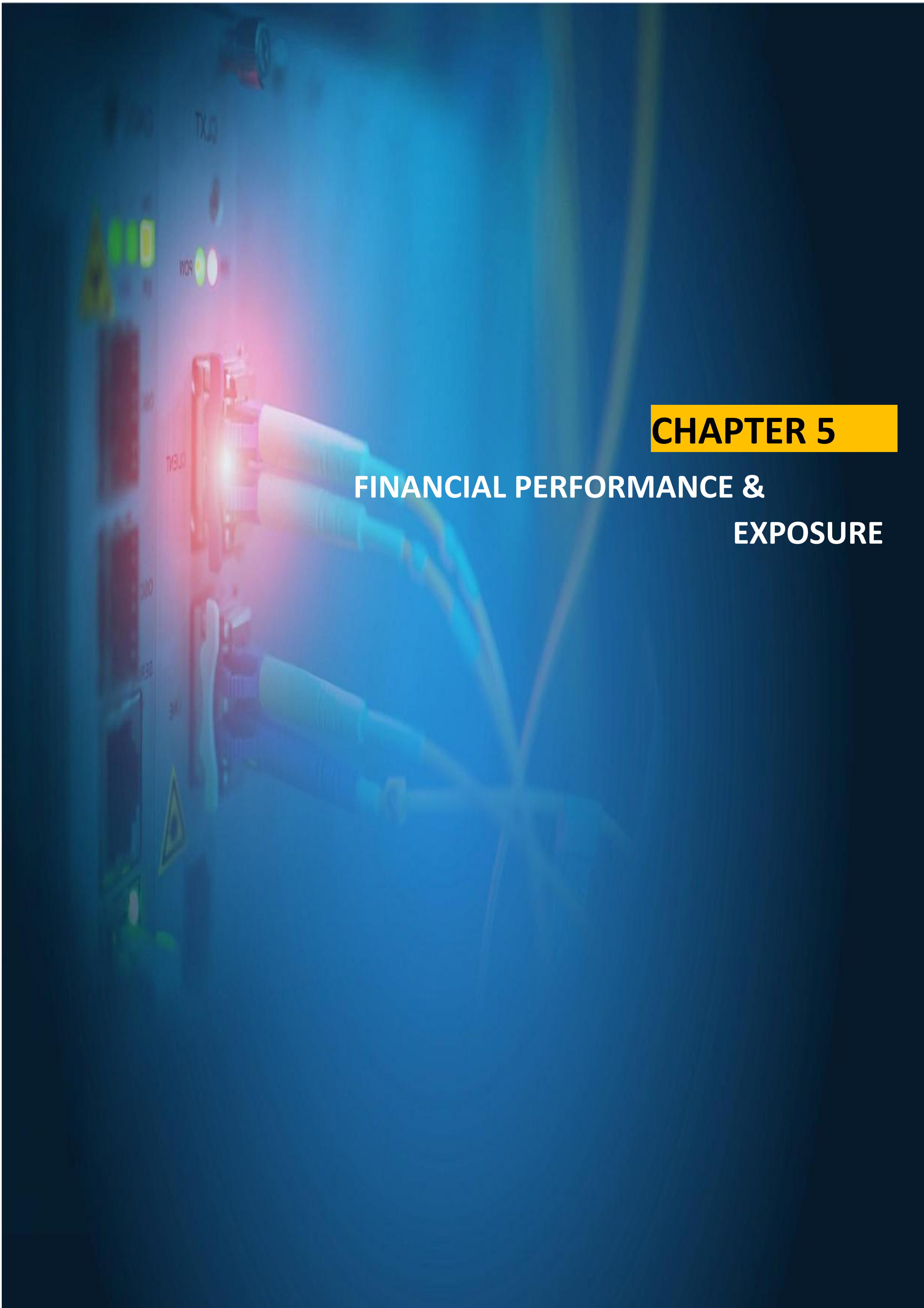
SECTION 10: ETHICS AND CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) Initiatives: Smart Pole Deployment in Slovo Park

As part of its commitment to advancing digital inclusion and community development, MTC implemented a Smart Pole initiative in Slovo Park, a historically underserved community. While the provision of public Wi-Fi forms part of MTC's broader mandate, this initiative was strategically positioned to address socio-economic disparities by enabling equitable access to digital resources.

The Smart Pole provides free internet connectivity, contributing to improved access to online education, employment opportunities, and essential digital services, particularly for youth and job seekers. Beyond connectivity, the infrastructure enhances community safety and access to public information, thereby supporting overall community wellbeing.

This initiative aligns with MTC's Corporate Social Responsibility objectives by extending the impact of its infrastructure investments to deliver meaningful social value, particularly in communities where digital exclusion remains a barrier to economic participation.



CHAPTER 5

FINANCIAL PERFORMANCE & EXPOSURE

CHAPTER 5: FINANCIAL PERFORMANCE & EXPOSURE

SECTION 1: STATEMENT OF FINANCIAL POSITION AND HIGH-LEVEL NOTES

Item description	Note ref	31-Mar-26	31-Mar-25	Movement	% Movement
		R'000	R'000	R'000	
Current assets		**3 194 722**	**2 619 814**	**574 908**	**18%**
Receivable from exchange transaction	1	3 186 125	2 588 631	597 495	23%
Inventory		-	-	-	0%
SARS (Income tax)		26 733	26 733	-	0%
Cash and cash equivalent		-	-	-	0%
Loan to shareholder	2	-	-	-	0%
VAT Receivable	5	- 18 142	4 445	- 22 587	-508%
Other Current Assets		5	5	-	0%
Non-current assets		**412 699**	**422 190**	**- 9 491**	**-2%**
Deferred Tax Asset		54 023	34 556	19 467	56%
Property, Plant and Equipment	3	349 131	378 260	- 29 129	-8%
Intangible assets	3	9 545	9 373	172	2%
Total assets		**3 607 421**	**3 042 004**	**565 417**	**19%**
Equity and liabilities					
Current liabilities		**2 853 131**	**2 138 586**	**714 544**	**33%**
Payables from exchange transactions	4	367 171	105 410	261 761	248%
Loan to shareholder (Overdraft)	2	865 752	757 159	108 594	14%
SARS				-	0%
VAT payables	5			-	0%
Current portion of long term loan	6	1 538 148	1 174 366	363 782	31%
Other liabilities				-	0%
Operating lease liability		-	-	-	0%
Provisions		82 059	101 652	- 19 593	-19%
Non-current liabilities		**1 402 102**	**1 358 427**	**43 675**	**3%**
Shareholder loan	6	1 366 604	1 326 564	40 040	3%
Deferred Tax Liability		35 498	31 863	3 635	11%
Income received in advance		-	-	-	0%
Total Liabilities		**4 255 233**	**3 497 013**	**758 219**	**22%**
Capital and reserves		**- 647 812**	**- 455 009**	**- 192 802**	**42%**
Share capital		-	-	-	0%
Share premiums		163 897	163 897	-	0%
Accumulated loss		- 811 709	- 618 906	- 192 802	31%
Total Equity and Liabilities		**3 607 421**	**3 042 004**	**565 417**	**19%**

Table 23: Statement of Financial Position and high-level notes.

Balance Sheet variance analysis:

Note 1. Receivable from Exchange Transactions

Debtor's balance has increased from the comparative period due to non-payment from other entities and departments. COJ owes the majority (99%) of the debtor's balance. However, the balance has increased by 23% from the comparative period (Q3 2024/25).

MTC has engaged the office of the GCFO to assist with the collection of internal debtors, and the matter has been escalated to the office of the CM. The debtor's balance comprises R3bn for CoJ Departments, R141m for CoJ Entities, and R8.5m for external debtors.

Note 2. Loan to Shareholder

This represents the entity's cash balances that are held by the City's Treasury department. At the end of Q3, the balance of R867m was payable to the Shareholder.

Note 3. Property, Plant, and Equipment

The decrease is due to monthly depreciation and amortization.

Note 4. Payables from Exchange Transactions

Increase due to payments not being made within 30 days to suppliers as a result of cash challenges at the City.

Note 5. VAT Receivable

A VAT refund is due by the entity as of 31 March 2026.

Note 6. Shareholder Loan

No payments were made during the quarter; however, the interest charge was R92m (Including R14m interest charged on overdraft).

SECTION 2: STATEMENT OF FINANCIAL PERFORMANCE AND HIGH-LEVEL NOTES

Revenue Analysis

Item Description	Quarter 3 2025/26			Quarter 3 2024/25			Reasons for variance
	Actual '000	Budget '000	Variance	Actual '000	Budget '000	Variance	
Revenue							
Non-exchange revenue	**55 931**	**56 890**	**- 959**	**56 360**	**56 154**	**206**	
Subsidy from City of Johannesburg	55 931	56 890	**- 959**	56 360	56 154	**206**	The subsidy invoiced is below budget due to the budget adjustment done towards the end of the third quarter.
Exchange Revenue	**272 703**	**97 830**	**174 873**	**194 473**	**72 577**	**121 896**	
Sale of services	272 316	88 470	**183 847**	194 473	63 746	**130 727**	Actual sales above budget due to increased business activity during the quarter, and higher than in the comparative period.
Other income	386		**386**	-		-	The entity received insurance claim proceeds during the current year.
Interest received	-	9 360	**- 9 360**		8 831	**- 8 831**	No interest earned as the treasury balance was in overdraft.
Total revenue	**328 634**	**154 720**	**173 914**	**250 833**	**128 731**	**122 101**	
			-			-	
Expenditure			-			-	
Employee related costs	12 561	10 928	**1 633**	13 364	10 064	**3 300**	Employee cost is above the budget due to increased number of projects that have to be completed thus resulting in increased overtime hours. Furthermore, the current budget is below the required employee capacity.
Depreciation and amortisation	8 059	39 496	**- 31 437**	8 872	37 931	**- 29 059**	The depreciation expenditure is below the budget due to Network assets being revised at the 2024/25 year-end in terms of GRAP 105 which resulted in a lower depreciation charge than initially budgeted for.
Finance cost	92 018	47 143	**44 875**	37 750	44 475	**- 6 725**	Higher than budget due to interest on non-payments towards the Shareholder's Loan and interest on the overdraft.
Repairs and maintenance	23 895	6 086	**17 809**	5 136	4 879	**257**	Above budget due to more repair incidents that took place.
Contracted services	4 006	12 484	**- 8 478**	3 444	12 360	**- 8 916**	There has been efficient spending on consulting expenditure.
Other expenditure	124 307	38 584	**85 724**	10 438	22 318	**- 11 880**	This line item is above budget due to higher cost of sales incurred through the use of service providers. These costs are recovered from internal sales.
Total expenses	**264 846**	**154 720**	**110 126**	**79 004**	**132 027**	**- 53 022**	Total expensive are at an overall level, higher than budgeted due to reasons provided above.
			-			-	
Operating surplus/deficit	**63 788**	**-**	**63 788**	**171 828**	**- 3 295**	**175 124**	
						-	
Operating surplus/deficit excluding subsidy	**7 856**	**- 56 890**	**64 746**	**115 469**	**- 59 449**	**174 918**	

Table 28: Statement of Financial Performance and High-level Notes

REVENUE ANALYSIS

- The subsidy received from the City of Johannesburg is above the budget.
- Actual sales year to date are above budget due to increased business during the quarter.
- No interest was earned as the Treasury balance was in an overdrawn position.

EXPENDITURE ANALYSIS

- Employee-related costs are above budget. The budget needs to be realigned with the current number of employees at the entity. Discussions are taking place between the Budget Office and MTC.

- The depreciation is below the budget due to network assets values being revised to lower amounts as at the 2024/25 year-end in accordance with GRAP 105 which resulted in a lower depreciation expense than initially budgeted for.
- Finance costs are above budget due to interest on the overdraft and shareholder's loan.
- Repairs and maintenance are higher than the budget due to more incidents of repairs that were carried out.
- Consultants' costs are below the budget for the quarter as consultants are utilised as and when required.
- Other expenditures are above budget due to the higher cost of sales incurred through the use of service providers. These costs of sales are recovered from internal sales.

INCOME STATEMENT ANALYSIS

EXPENDITURE ANALYSIS:

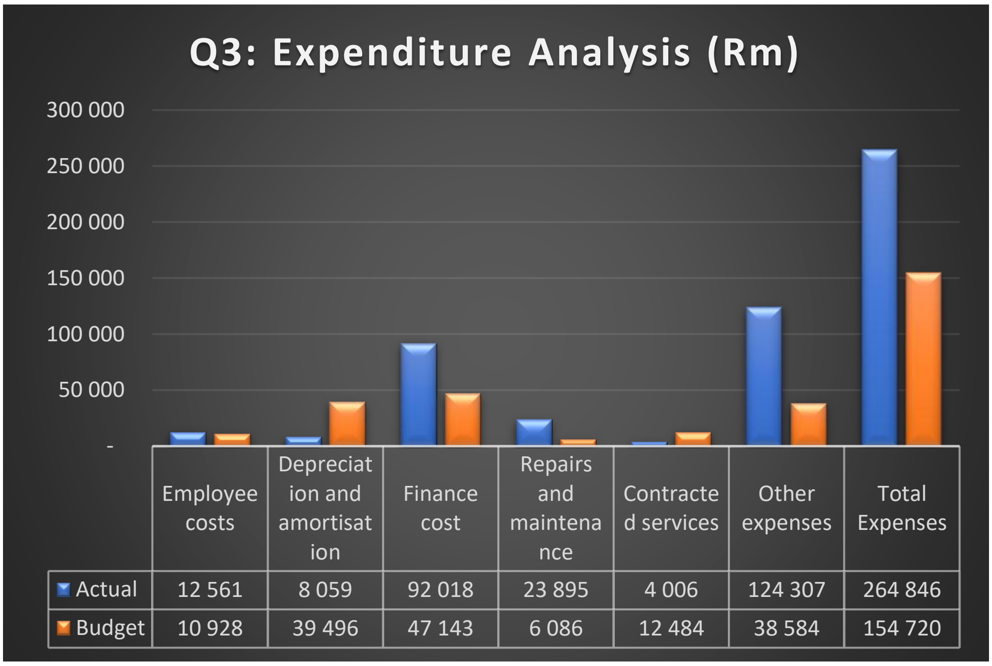


Figure 7: Expenditure

The graph above depicts that Finance costs, and other expenditures are the main contributors to the entity's expenditure. Furthermore, repairs and maintenance further depict the high maintenance costs that are being incurred on the network. The other line items are in line with the budget. Other expenditures are above budget due to higher spending than expected for costs incurred for services rendered.

REVENUE: INTERNAL VS EXTERNAL CUSTOMERS

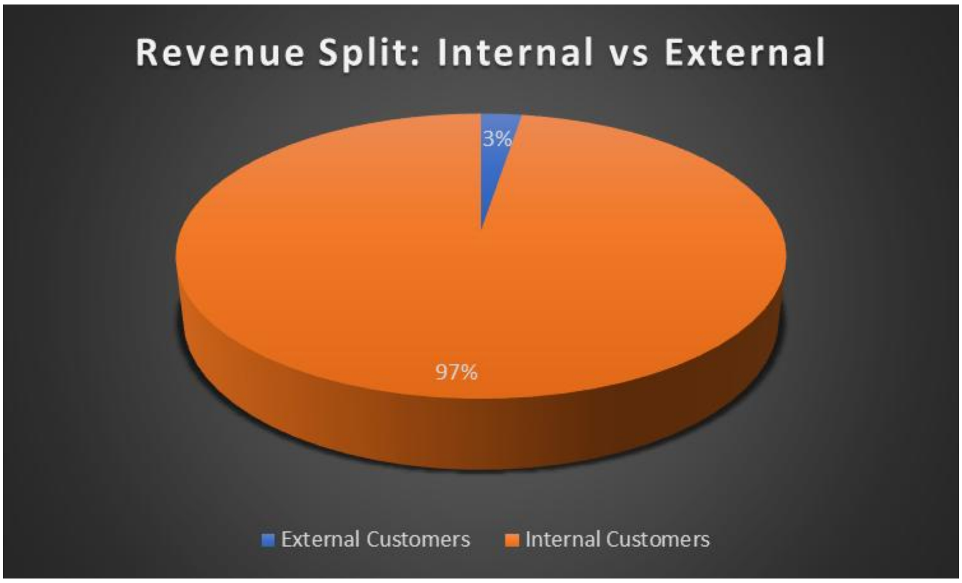


Figure 8: Income

The diagram above depicts the split between internal and external customers. External customers represented 3% of revenue whilst internal customers represented 97%. The entity is reliant on internal customers to generate revenue. This excludes the subsidy from COJ. The entity was allocated a minimal capital budget and, therefore is unable to invest adequately in capital expenditure to improve the condition and performance of the network and thereby attract external customers.

SUMMARY OF REVENUE:

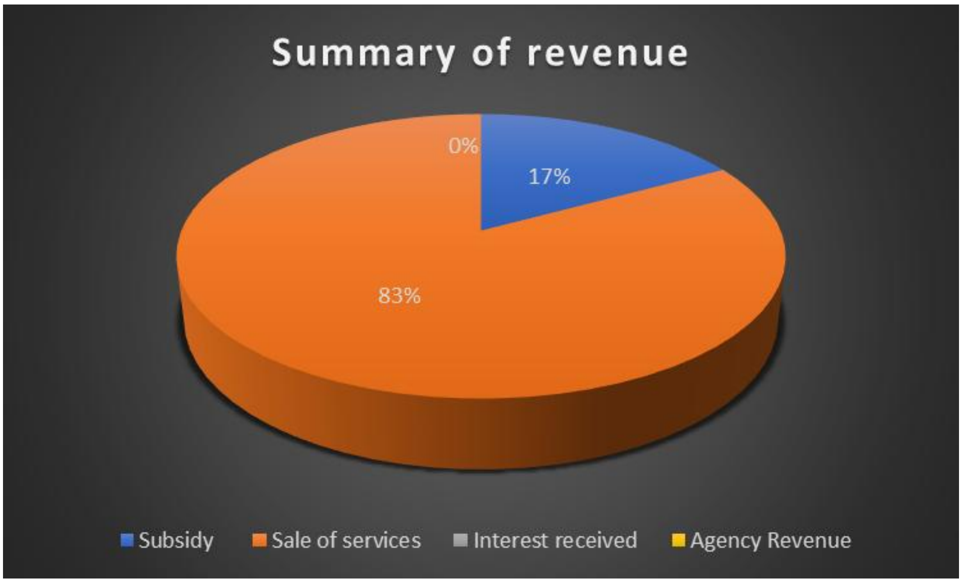


Figure 9: Summary of revenue

The graph above shows the types of revenue generated by the entity and the contribution to total revenue. A major part of the revenue earned during the second quarter was from the sale of services.

SECTION 3: STATEMENT OF CASH FLOWS

Statement of Cash Flows for the period ended 31 March 2025		
Cash flow from operating activities	**Quarter 3 2025/26**	**Quarter 3 2024/25**
Receipts	(228 399)	(427 670)
Subsidy from CoJ	55 931	56 360
Cash received from customers	(284 331)	(484 029)
Interest income		-
Payments	(284 016)	(212 277)
Suppliers	(284 016)	(212 277)
Shareholder loan repayments	-	-
Net cash outflow from operating activities	(512 415)	(639 947)
Cash flows from investing activities	-	-
Purchase of PPE	-	-
Cash flows from financing activities	512 416	639 947
Loan from/(to) Shareholder	512 416	639 947
Net increase(decrease) in cash and cash equivalents	0	-
Cash at the beginning of the quarter/year	-	-
Cash and cash equivalents at 30 June 2025	0	-

Cash Flows from operating activities excluding subsidy		
Net cash outflow from operating activities	(512 415)	(639 947)
Excluding Subsidy	(55 931)	(56 360)
	(568 347)	**(696 306)**

Table 29: Cash Flow Statement

Cash utilised in operations amounted to R512 million for the period ending 31 March 2026. During the quarter there was no cash spending on CAPEX due to projects being in progress. It is expected that these invoices will be paid in the fourth quarter and the balance will be invoiced during the fourth quarter. The net impact from investing and financing activities was an inflow of R512 million. Cash flows from operating activities can be improved by aggressively pursuing collections from our internal debtors. In this regard, the office of the GCFO is assisting. Supporting information has been submitted for the major balances to support the payments due to MTC.

SECTION 4: CAPITAL PROJECTS & EXPENDITURE

CAPEX SPEND - (2025/26)													
		Q1		Q2		Q3		Q4					
Item Description	Budget Allocated	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Total Spent	Percentage spent	Committed	Percentage with commitment
Office upgrade	6 700	-	6 700	-	6 700	-	6 700	-	6 700	-	0%	-	0%
WIFI Commercialisation	20 000	-	5 000	-	9 000	-	5 400	-	20 000	-	0%	-	0%
Total	**26 700**	**-**	**11 700**	**-**	**15 700**	**-**	**12 100**	**-**	**26 700**	**-**	**0%**	**-**	**0%**

Table 26: Summary of Capital Projects

The following capital projects are in progress for the year under review:

- Office upgrade
- Wi-Fi commercialisation

The entity has been allocated a capital expenditure budget of R26,7m for the year under review. These projects are in progress, and it is expected that they will be invoiced and paid for during the fourth quarter.

SECTION 5: RATIO ANALYSIS

Ratio	Calculated ratio	Norm	Explanation
Current ratio	1.12	1.5 to 2 :1	The current ratio is below the norm due to the high current liabilities balance caused by city-wide cashflow challenges.
Solvency ratio	0.85	2	The ratio is below the norm as a result of the entity being technically insolvent due to the impact of the Shareholder Loan whilst the PPE is decreasing due to depreciation.
EBITDA	163 864	None	EBITDA is positive as a result of operating expenses being less than the operating revenue when excluding the impact of finance costs. This is because the entity has received an increasing number of projects to perform on behalf of other departments and entities.
Repairs and Maintenance as a % of PPE	7%	8%	The percentage is lower than the norm. The entity is also constrained by budget. Currently the budget is not aligned to 8% of the PPE value.
Net Debtors days	4 271	30 days	This ratio is well above the general norm due to outstanding debt from the shareholder that is more than a year outstanding. The shareholder continues to receive services with no/infrequent payments made to MTC.
Cash/cost coverage ratio (days)	-	Between 1 month to 3 months.	The ratio indicates that the entity does not have cash to cover fixed monthly operational costs and its current liabilities. This ratio is below the norm. Impacted by challenges with internal debtors and the treasury balance going into an overdrawn position.
Capital cost as a % of total operating expenditure	35%	6% to 8%	The ratio is above the norm, indicating that interest cost is the major contributor to expenditure and that the entity has a high borrowing cost. This is due to the increase in the Shareholder's Loan balance as a result of the non-payment of the capital portion of the loan.
Debt to Revenue	1295%	45%	The ratio is well above the norm indicating that the long and short-term borrowings are high in comparison to the revenue generated by the entity. This is due to the high value of the Shareholder loan which is increasing. It therefore shows that the entity is not generating sufficient revenue to repay the debt. It is also an indicator that the entity is reliant on the subsidy to be able to repay the debt.
Net Operating Surplus Margin	23%	The norm is equal to or greater than 0%	The entity generated a profit during the quarter due to an increased number of projects being completed by the entity.
Remuneration as % of Total Operating Expenditure	5%	The norm range between 25% and 40%	The ratio is below the norm due to a number of positions not being filled.
Contracted Services % of Total Operating Expenditure	2%	The norm range between 2% and 5%	The ratio is in line the norm as consultants are utilised on an as and when basis and in the period under review there was a low requirement of consultants.

Table 27: Ratio Analysis

SECTION 6: MITIGATING ACTIONS TO IMPROVE RATIOS.

Solvency ratio, EBITDA, Capital Cost percentage, and Debt to Revenue ratios

The conversion of the Shareholder’s Loan balance into equity would have immediately improved these ratios. Alternative ways of dealing with the loan are being explored. MTC has been engaging the Treasury Department in this regard, furthermore, an advanced tax ruling application has been made to the receiver of revenue to obtain a ruling on the proposed tax effects of the conversion of the loan.

Net Debtors days

The collection of internal debtors (CoJ departments and entities) has been a challenge for MTC. A request has been made to the office of the COO to assist the entity in collecting these outstanding amounts. This matter has been escalated to the office of the CM. The Office of the GCFO is also assisting with the payments from internal debtors.

SECTION 7: SUPPLY CHAIN MANAGEMENT AND BBBEE

Quarter 3 2025/26								
	Jan-26		Feb-26		Mar-26		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
Paid within the 30 day period	9	13 106 601.95	40	15 455 348.71	31	34 274 270.59	80	62 836 221
Not paid within the 30 day period	2	3 233 889.75	38	42 196 230.38	3	12 680 914.48	43	58 111 035
	11	**16 340 491.70**	**78**	**57 651 579.09**	**34**	**46 955 185.07**	**123**	**120 947 256**

Table 28: Payment in 30 days

MTC has paid 65% of its service providers within 30 days. The amounts relate only to external service providers and exclude any intercompany creditors. Due to liquidity challenges at the City, MTC could not receive funds in time to ensure that all payments are made within the stipulated 30 days.

Unauthorized, Fruitless, and Wasteful Expenditure and Due Processes

MTC incurred fruitless and wasteful expenditure of R58m during the quarter, which is the interest on the Shareholder Loan.

Deviations

No new deviations were made during the quarter.

BBBEE Spend

The entity spent 95% of its total procurement on SMMEs and BBBEE-compliant service providers. This will be monitored and improved continuously as MTC has displayed its capacity in this space. MTC procured services from 14 SMMEs which represent 58% of suppliers to MTC.

Contract management

BUSINESS DEVELOPMENT			
No. of active contracts	Contracts expiring in > 3 - 6 months	Contracts expiring in > 6 - 12 months	Contracts expiring in > 12 months
70	5	15	50
SUPPLY CHAIN MANAGEMENT			
No. of active contracts	Contracts expiring in > 3 - 6 months	Contracts expiring in > 6 - 12 months	Contracts expiring in > 12 months
31 (Master Service Agreements)	0	0	31
26 (Service Level Agreements)	11	7	8

Table 29: Contract management

SECTION 8: INSURANCE CLAIMS AGAINST/TO MOE

The entity submitted insurance claims and received a total of R0.4m during the quarter.

SECTION 9: DEPARTMENTS AND PUBLIC ENTITIES

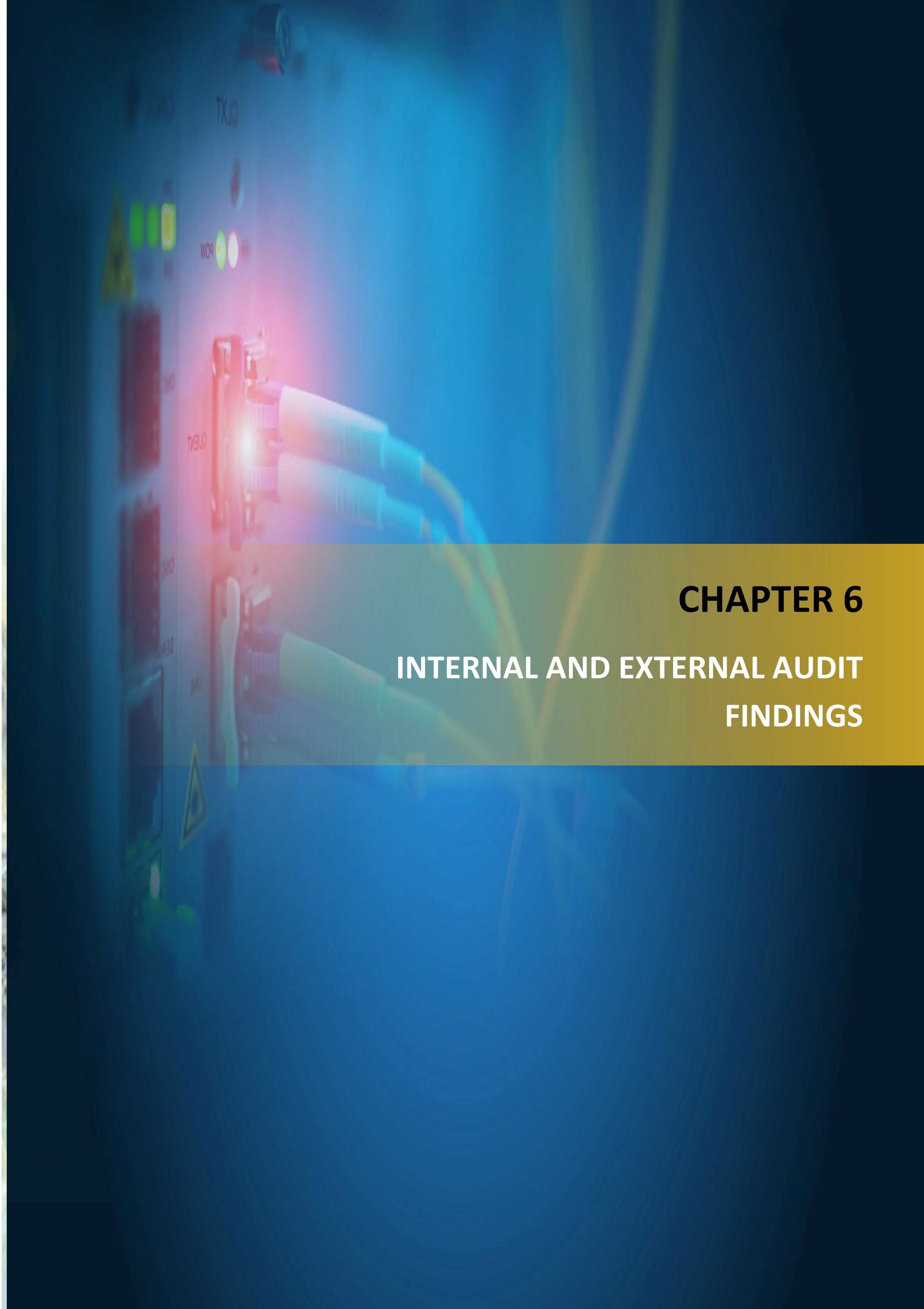
Amounts owed by CoJ and Entities (Intercompany Assets)

	AMOUNTS OWED TO MTC		
Departments	**31-Mar-26**	**31-Mar-25**	**Variance**
GCSS	642 604 024	576 719 840	65 884 183
Subsidy	21 440 401	21 604 475	- 164 074
Transport	254 373 268	80 863 183	173 510 085
Public safety	195 747 058	266 563 439	- 70 816 382
GICT	1 819 972 922	1 377 888 268	442 084 654
Ombudsman	-	-	-
Group Legal	7 222 302	7 222 302	-
GFIS	2 987 486	1 010 487	1 976 999
Revenue Shared Service Centre	72 460 975	80 933 482	- 8 472 507
Smart City	-	3 270 671	- 3 270 671
Office of the Speaker	8 364 734	4 148 023	4 216 711
GRAS	11 891 247	9 152 815	2 738 433
	3 037 064 417	**2 429 376 985**	**607 687 431**
Entities			
City Power Johannesburg	35 682 756	54 304 309	- 18 621 553
Joburg Market SOC	5 992 446	5 777 311	215 135
Joburg Theatre	6 466	131 273	- 124 807
Johannesburg Roads Agency Pty Ltd	25 263 874	11 377 624	13 886 250
Johannesburg Social Housing Company	9 567 248	9 567 248	-
Johannesburg Tourism Company	1 467 100	42 224	1 424 876
Pikitup	52 875 700	12 420 622	40 455 077
Metropolitan Bus Service SOC	9 672 731	55 361 316	- 45 688 585
	140 528 321	**148 981 928**	**- 8 453 607**
TOTAL	**3 177 592 738**	**2 578 358 913**	**599 233 825**

Table 30: Amounts owed by CoJ and Entities (Intercompany Assets)

AMOUNTS OWED TO COJ AND ENTITIES (INTERCOMPANY LIABILITIES)

- MTC owes CoJ an amount of R3.7 billion in respect of the Shareholder's Loan balance (R2.9b) and overdrawn sweeping account (R867m).



CHAPTER 6

INTERNAL AND EXTERNAL AUDIT FINDINGS

CHAPTER 6: INTERNAL & EXTERNAL AUDIT FINDINGS

SECTION 1: PROGRESS ON INTERNAL AUDIT PLAN

Current Performance Status

Status	Quarterly Target	Actual Performance	% Performance Achievement for 2025/26
Project as per plan Q1	5	5	100%
Project as per plan Q2	13	11	85 %
Projects In Q3	8	5	62%
Progress to date	26	21	81%

Table 33: Progress against the Internal Audit Plan

The table above reflects the progress to date against the approved Internal Audit Plan for the 2025/2026 financial year. A performance of **81%** achieved against the coverage plan for the 2025/26 period.

SECTION 2: PROGRESS ON RESOLUTION OF AUDIT FINDINGS

For the period under review, there were eight (8) audit reviews planned, four (05) of the eight were completed which translate to 62% performance for Quarter 3 of the 2025/26 period. The performance progress achieved to date is 81% against the audit plan. Most of the projects planned during the quarter under review could not be completed due to office move processes and access to documentation and this will be executed during Q4 of the financial year.

The below reflect the total number of projects planned for the current financial year with the status.

In Progress **Not Started** **Completed** **Deferred** **On hold**

No/ref	Approved Plan	Planning and Scoping	Fieldwork	Final report	Comments	Overall Rating
3	AOPO Q1				Complete	3
4	AOPO Q2					
20	Quality Assurance on Scorecards				Complete	3
21	Quality Assurance on Performance rewards				Complete	3
22	Quality Assurance on Mid-year deviation				Complete	3
25	UIFWE				Complete	
19	Quality Assurance on Business plan				Complete	3
29	Service Level Standard Audit				Complete	3
32	Strategic planning, monitoring and reporting				Complete	3

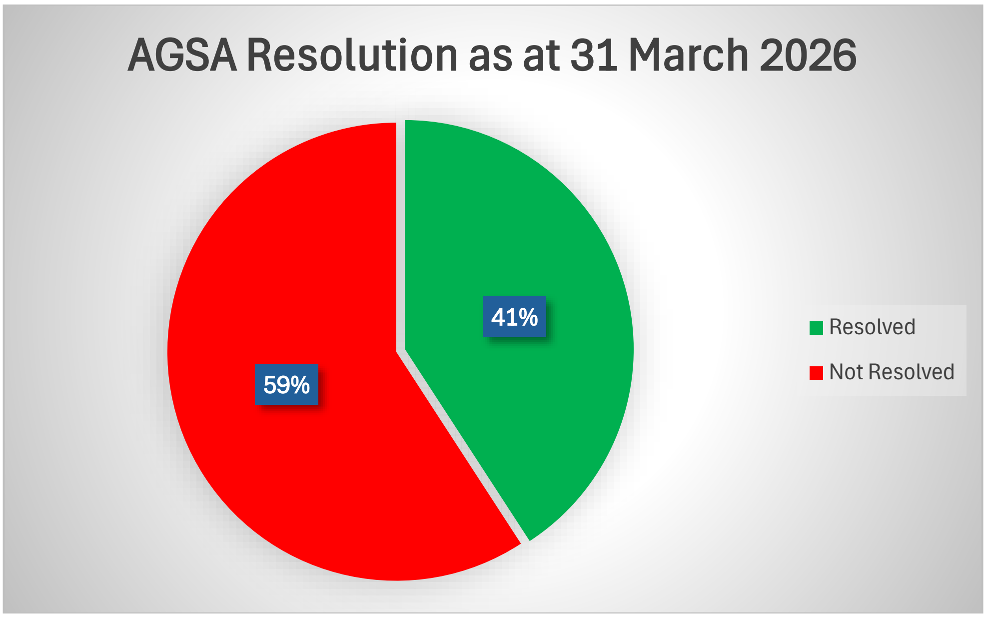
No/ref	Approved Plan	Planning and Scoping	Fieldwork	Final report	Comments	Overall Rating
30	Performance Management Review				Complete	
Adhoc	Annual Integrated Report review				Complete	
23	Corporate Governance Review				Planning	
3	Performance Information (AOPO) Q4 Annual Performance				Complete	3
7	Stakeholder and Communication Management				Complete	3
14	Probity Reviews on High Value Tenders Q1 & Q2				Complete	3
15	Follow up on AG Findings Q1 & Q2				Complete	4
16	Consulting - AG Readiness Assessment				Complete	3
28	Communication and Marketing				Complete	4
4	AOPO				Complete	4
8	Project Management				Complete	4
27	Performance Audit				Complete	4
2	Contract Management				Complete	3
1	Human Resource Management				Not Started	
10	Asset Management				Not Started	
12	Financial Discipline Review				Not Started	
13	Risk Management				Not Started	

The work executed revealed several instances of internal control deficiencies which expose the organization the risk of ineffective governance processes:

- non-compliance with regulations, policies, and procedures.
- inadequate and/or ineffective financial management controls (Unauthorised expenditure);
- Non-compliance with the MFMA supply chain management regulations, policies and procedures.
- inadequate contract management.
- inadequate IT General Controls and Application Controls.
- ineffective controls towards ensuring usefulness and reliability of performance information.

EXTERNAL AUDIT FINDINGS

AG Findings – AG Findings – The graph below depicts the status on progress made in addressing AG findings; A total of 49 findings was followed up during the audit of AG letter for 2024/25, and Twenty (20) out of 49 findings were resolved translating to 41% as of 31 March 2026.



External Audit Findings Resolution Status

+27 81 342 6173

Audit Resolution Status

#	Classification of findings	Total findings raised to date	Total Findings resolved to date	Unresolved
1.	Matters Affecting Audit opinion	22	10	14
2.	Other Important Matters	27	10	17
3.	Administrative Matters	-	-	-
Total Findings		49	20	29
			41%	59%

Table 34: AG Findings

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF 02	1	Comparison of budget and actual amount spent: Overspending of the approved budget	Lack of adequate allocation of Budget from Treasury to fulfil the MTC obligations	As per the recommendations and spending will be more closely monitored to ensure spending is in line with budget.	Immediately.	Finance	Finance Manager	Matters Affecting Audit Opinion	New Finding	No	No	N/a
COAF 03	2	Irregular expenditure notes 33 & 35	The correct amount was disclosed in the irregular expenditure note, it was just not included in the summary.	None- Management disagrees with the finding	Not indicated on the AG management report	Finance	Finance Manager	Other Important Matters	3	Yes	Yes	N/a

COAF 06	3	Mid-year budget and performance assessment report	The Entity Acknowledges that it was late in their submission of the Quarter 2 performance report due to capacity constraints	We will be in contact and communicate the misalignments identified between CoJ and legislation, and their impact on the entity's governance controls. Management comment on audit finding: Management notes the audit finding from the auditors. The entity submits its quarterly performance reports as well as its Mid-year deviation report, in accordance with guidelines received from the City of Johannesburg (CoJ) which are in line	2025/12/31	Finance	Management Support Executive:	Other Important Matters	1	Yes	Yes	N/a

				with MFMA act. According to the Internal Memorandum that the CoJ distributed to its municipal entities, the following deadlines were communicated for submission of Quarter 2 Performance reports, which also serves as the entity's mid-year performance assessment: • Soft Closure for first draft reporting: 24 December 2024 • Draft 1 submission date: 06 January 2025 • Hard Close for final reporting: 31 December 2024 • Final Report								

				Submission date: 24 January 2024 The entity acknowledges that it was late in their submission of the Quarter 2 performance report due to capacity constraints. Management has been striving to meet internal deadlines of the CoJ, but we have also noted that there is misalignment between the CoJ deadlines and legislated deadlines. Based on the above, management agrees with the finding that it has not complied with the requirements								

				of MFMA section 88(1)(b)(i)(ii). However, we hereby request the auditor to indicate on the impact of the finding whether this non-compliance is a material non-compliance that will be reported on the auditor's report or management report								
COAF 05	4	Understatement of the	Oversight	Management agrees with the finding Management	2025/11/15	Finance	Finance Manager	Matters Affecting Audit Opinion	1	Yes	Yes	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
		Taxation Amount		will correct the calculation								
COAF	5	Payments not made within 30 days as required by legislation – General expenditure	Management did perform all reviews; however, the entity is limited to the allocation from treasury. All invoices are tracked; however, the entity is limited based on how much the treasury department allocates to the entity	Management response was not received	Not indicated on the AG management report	Finance	CFO:	Matters Affecting Audit Opinion	4- Recurring fourth	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF 16	6	Casting difference on the Segment information note	management oversight -error	Management agrees with the finding Management will correct the misstatement	Immediately	Finance	Finance Manager	Other Important Matters	1	Yes	Yes	N/a
COAF 01	7	Reasonable steps were not taken to prevent irregular, fruitless and wasteful	Budget allocation constraints	Management agrees with finding raised. Management will ensure compliance with regulations affecting the entity. .	Immediately	Finance	CFO/CEO	Other Important Matters	4-Recurring fourth	No	No	N/a
COAF 24	8	Reassessment of long outstanding receivables	The restatement/misstatement is as a result of a prior period error not a write off of an amount.	Management will adjust the annual financial statements. Management agrees with finding, however, the restatement/ misstatement is as a result of a prior period error	Immediately	Finance	Finance Manager	Other Important Matters	1	Yes	Yes	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				not a write off of an amount								
COAF	9	Incorrect Inclusion of Financial liabilities in the financial Risk Management Note	management oversight-error	Management notes the finding. There were deliberations between the entity (MTC) and the shareholder (COJ) to clarify the content of the SDA. As at 30 June 2022 these deliberations were still in progress which resulted in MTC signing the SDA on 25 July 2022. The SDA was sent to the shareholder for signature and despite numerous	Ongoing	Finance	Finance Manager	Matters Affecting Audit Opinion	New Finding	Yes	Yes	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				followups the SDA has not yet been received with the signature of the City Manager. MTC did sign the SDA as acceptance of the terms and conditions of the SDA and we were awaiting signature of the City Manager								

COAF	10	Misstatement noted on the indicator: % of CoJ and entity Capex projects completed in the financial year	Lack of adequate tracking mechanisms for the project	Management notes and accepts the audit finding. It should be noted that the E-procurement tender is a project that was initiated by the City of Johannesburg (CoJ) in their response to address issues surrounding lack of controls with the manual SCM System. The project was initiated on 23 March 2023. The way the project was structured upon initiation, it was going to be phased in per module, with the first module being completed on 24/07/2024. It	2025/12/30	Project Management	GM: Network Operations –	Matters Affecting Audit Opinion	2	Yes	Yes	N/a

				should, however, be noted that all modules are integral to the client's expected use of the project. Therefore, MTC has not delivered on all aspects of the project, that is, all the modules completed, for the system to operate in the manner and condition as intended by management. Therefore, the project was not to be completed by the end of the 2025 financial year. Management acknowledges that the Project Charter was vague in the manner in which the project was to								

				be completed, especially in detailing each specific module completion dates, which would have shed more detailed information on how the client's system was to be completed. Management requests to adjust the reported achieved target to the re-calculated percentage of 89% (88.89% rounded up) and to adjust the project cover to correctly reflect the number of projects completed (numerator) as 8 and number of projects to be								

				completed (denominator) as 9. Management will then amend the Project Charter, through an approved Project Change Control document, which details agreed upon amendments to the completion date, as agreed upon, by both the client and MTC. A change control for the E-procurement Project will be provided and quarterly sessions will be scheduled for Project register review.								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF 20	11	Incomplete disclosure of standards and interpretations not yet effective (GRAP 3.32)	Oversight	Management agrees with the finding however, the correct amount was disclosed in the irregular expenditure note, it was just not included in the summary. Management agrees with finding. Management will adjust the AFS.	Immediately	Finance	Finance Manager	Matters Affecting Audit Opinion	1	Yes	Yes	N/a
COAF	12	Irregular expenditure not complete	Oversight	Management agrees with the finding however, the correct amount was disclosed in the irregular expenditure note, it was just not included in the summary. Management	Immediately	Finance	Finance Manager	Matters Affecting Audit Opinion	2	Yes	Yes	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				agrees with finding. Management will adjust the AFS.								
COAF	13	Misstatement of Financial instruments per note 32 – Risk Assessment	oversight	Management agrees with finding. Management will adjust the AFS.	Immediately	Finance	Finance Manager	Matters Affecting Audit Opinion	1	Yes	Yes	N/a
COAF	14	Non-submission of the Mid-year budget and performance assessment report	Lack of MTC process plan to guide the reporting of performance	N/a	Not indicated on the AG management report	Finance	Corporate Strategy	Matters Affecting Audit Opinion	1	No	Yes	N/a
COAF	15	Accounting by Principals and agents – Difference between AFS disclosure note and supporting schedule	Management oversight	Management agrees with the finding. Management will correct the reported amount.	2025/11/15	Finance	Finance Manager	Other Important Matters	1	Yes	Yes	N/a
COAF 10	16	Casting discrepancies on the face of	inadequate formula used for	Management agrees with the finding.	20-Nov-2025.	Finance	Finance Manager	Matters Affecting	1	Yes	Yes	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
		the 2024/25 Cashflow Statement	calculations	Management will improve controls on formula driven calculations.				Audit Opinion				
COAF	17	Asset register not in line with the GRAP 17 guidelines	Incomplete Asset register and lack of review process	Management disagrees with the finding: 1. The asset register does have barcodes for assets and is therefore GRAP compliant however, only the ones noted did not have barcodes. This internal control deficiency is accepted and will be correct. 2. The Wi-Fi commercialization has an	N/a	Finance	Asset Manager	Matters Affecting Audit Opinion	1 -New Finding	no	no	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				intangible asset (software) and a tangible asset. 3. The laptops were delivered on 27 June 2025 and were only distributed to employees after year end, therefore these assets were recorded because they have been delivered and paid for and are assets however, they were not yet tagged because they were not yet distributed to employees, hence the current								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				recording on the assets register. 4. There is no location for intangible assets because these include software that is usually on machines/laptops. 5. The laptops were delivered on 27 June 2025 hence there was no depreciation for the 2025 financial year. The other items that you selected have an indefinite useful life. 6. The condition of assets is determined during verifications								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				and those that have to be written off are disposed. The nature of most of our assets cannot be regarded as being safeguarded by a specific person, for example a link from one location e.g. Soweto to Midrand cannot be safeguarded by a specific person. Management will address agreed on internal control issues.								
COAF	18	Incorrect Classification of Non-Cash Transactions in Cash Flow Statement	There is no internal control deficiency , however,	Management will remove the non-cash investment from the	2025/11/20	Finance	Finance Manager	Matters Affecting Audit Opinion	1	Yes	Yes	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
			the entity intended on providing a better understanding of what actually happened on investing activities and remove the non-cash investment from the cashflow statement.	cashflow statement.								
COAF	19	PPE Completeness (Assets not found on the asset register)	Incomplete Asset register and lack of review process	Management disagrees with the finding, the network locations that were mentioned on the tender document were critical	Immediately	Finance	Asset Manager	Matters Affecting Audit Opinion	New Finding	Yes	Yes	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				because those are third party locations where the MTC network is built into. The MTC network will not work without these facilities as critical MTC equipment is already inside these facilities terminating the fibre network. If we did a tender without mentioning these locations it would have resulted in the market not being able to respond to the tender as they would								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				have zero information. There is no other way to advertise the tender without making the market aware of where the MTC network is located.								
COAF	20	Inaccurate cash paid to suppliers	Financial management controls	This project included specialised IP equipment and shelters and professional services hence the absence of mandatory subcontracting. On the specification, the bidder is also required to provide an authorization from the OEM authorizing the bidder to	Immediately	Finance	Finance Manager	Matters Affecting Audit Opinion	1-New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				provide the proposed solution to MTC. The authorization from the OEM is provided to bidders at a certain level (bidder must have their staff trained etc) and subcontracting suppliers that have not gone through the process would have placed MTC at risk with the OEM. The equipment was also pre-packed and only an OEM authorized service provider could do the installation or else MTC								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				stood to lose the warranty and maintenance had a service provider without the necessary authorization had worked on the solution.								
COAF	21	Supply chain management policy – does not include SCM regulation 17	SCM regulations are followed along with the MTC SCM policy and management did not identify a need to integrate the prescripts	Controls will be improved to ensure compliance to the CIDB Act	Immediately	SCM	SCM Manager	Matters Affecting Audit Opinion	1-New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF	22	ICT Governance Framework was not approved.	The tender was advertised in 2020 and the finding was raised in the 2020/21 audit. The tender included form MBD 6.2 that all bidders had to complete and state the percentage of products/ services that would be imported and, in this case, no products would be	The tender was advertised in 2020 and the finding was raised in the 2020/21 audit. The tender included form MBD 6.2 that all bidders had to complete and state the percentage of products/services that would be imported and, in this case, no products would be imported which means that 100% would be local content. Since the previous audit, MTC has been	N/A	IT	Acting CTO: Neani Mulaudzi	Matters Affecting Audit Opinion	1-New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
			imported which means that 100% would be local content. Since the previous audit, MTC has been sending the local content memo with all the RFPs/RFQs. Management is of the view that internal controls are adequate	sending the local content memo with all the RFPs/RFQs. Management is of the view that internal controls are adequate								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF	23	ICT SLAs signed after commencement dates of the contracts.	contract management oversight	Management agrees with the finding, but the supply of smart meters and licenses does not require monthly monitoring as this is not applicable to such projects Controls around contract management will be strengthened	Immediately	Contract Management	CTO	Matters Affecting Audit Opinion	1-New Finding	No	No	N/a
COAF	24	OpManager user list did not include creation dates.	Lack of reviews performed	Management agrees with the finding as it relates to difference in amounts Adequate reviews will be conducted	Immediately	IT	CTO	Matters Affecting Audit Opinion	New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF	25	Lack of evidence to confirm that user access modifications were performed after approval on the OpManager.	Lack of reviews performed	Management will improve internal controls on related parties	Immediately	IT	CTO	Matters Affecting Audit Opinion	Recurring twice	No	No	N/a
COAF	26	Lack of password reset log on OpManager	Lack of reviews performed	Management agrees with the finding, the note will be adjusted to include the GRAP requirements Management has reviewed the PPE note and effected the adjustment.	Immediately	IT	CTO	Matters Affecting Audit Opinion	New Finding	No	No	N/a
COAF	27	System administrator activities on OpManager were not reviewed.	Lack of reviews performed	Internal controls will be improved.	Immediately	IT	CTO	Matters Affecting Audit Opinion	Recurring twice	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF	28	AxxonOne users did not have accurate creation dates	Lack of reviews performed	Management will implement sufficient reviews.	Immediately	IT	CTO	Matters Affecting Audit Opinion	New Finding	No	No	N/a
COAF	29	Lack of user access modifications logs on AxxonOne	Lack of reviews performed	Changes have since been applied to the APR	N/A	IT	CTO	Other Important Matters	New Finding	Yes	Yes	N/a
COAF	30	lack of password reset log on AxxonOne	Lack of reviews performed	All service providers are vetted by way of MBD forms before on boarded by MTC as vendors	N/A	IT	CTO	Other Important Matters	New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF	31	User Access rights on AxxonOne were not reviewed	Lack of reviews performed	MTC needed storage to store equipment that was received from Ericsson from the purchase of the entity by CoJ. The equipment is used by service providers to do maintenance of the network from time to time. The entity had estimated that the equipment would be used up in 6 months hence the RFQ that was done for 6 months and the entity	Immediately	IT	CTO	Other Important Matters	New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				would therefore have no need for storage as material is bought by service providers to do maintenance. The equipment was not depleted in the 6 estimated months and a further RFQ for 6 months was done. It could not be ascertained that the equipment would not be depleted by the first 6 months and doing an RFP for a longer period had a								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				possibility of having an empty storage while MTC would still be liable to pay the rental costs. In addition, MTC wanted to ensure that we avoid fruitless and wasteful expenditure. Splitting of quotes occurs when, at a point in time (usually on the same date), two or more quotes are issued for the same services or goods to intentionally avoid a competitive tendering								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				process. However, in this case, as at the date of issuing the RFQ, management was informed that it will take 6 months for the inventory to be used up in the provision of services, therefore there was no splitting of quotes as at the date of issuing the RFQ.								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF	32	System administrator activities on AxxonOne were not reviewed	Lack of reviews performed	Management agrees with the finding regarding the registers but SCM managed to forward the signed BEC report and minutes to the AG. Management will implement recommendations to avoid. further internal control deficiencies.	Immediate	IT	CTO	Other Important Matters	1-New Finding	No	No	N/a
COAF	33	System administrator activities on HSNM were not reviewed.	Lack of reviews performed	Management agrees with the finding, however, during the current financial year there were queries in respect of supplier invoices and	Immediately	IT	CTO	Other Important Matters	New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				supporting documentation received from the suppliers which resulted in late payments to suppliers.								
COAF	34	Lack of unique user accounts on AxxonOne and HSNM	Lack of reviews performed	Agree, we will share the updated schedule that includes opening balances. The updated register will be updated which shows the correct calculation of the interest in arrears.	Immediately	IT	CTO	Other Important Matters	New Finding	No	No	N/a
COAF	35	Lack of change logs on OpManager application	Lack of reviews performed	The financial statements will be amended to include the requirements of Segment reporting standard.	Immediately	IT	CTO	Other Important Matters	Recurring twice	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
COAF	36	Lack of change logs on AxxonOne application	Lack of reviews performed	The note will be updated to include the sentence regarding the method of accounting for inventory movements.	Immediately	IT	CTO	Other Important Matters	New Finding	No	No	N/a
COAF	37	Lack of change logs on HSNM application.	Lack of reviews performed	The note will be adjusted for the medical expenses	Immediately	IT	CTO	Other Important Matters	New Finding	No	No	N/a
COAF	38	Inadequately designed IT Security Policy	Policies not adequately reviewed	Management agrees to the finding. Management will ensure more detailed reviews are regularly conducted	Immediately	IT	CTO	Other Important Matters	Recurring twice	No	No	N/a
COAF	39	Inadequate password parameter settings on OpManager	Lack of reviews performed	The fruitless expenditure amount will be disclosed	Immediately	IT	CTO	Other Important Matters	Recurring twice	No	No	N/a
COAF	40	Inadequate password parameter settings on HSNM	Lack of reviews performed	Management agrees with the finding. Management will use the	Immediately	IT	CTO	Other Important Matters	New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				adjusted percentage to calculate the provision								
COAF	41	Password parameter settings not configured on AxxonOne	Lack of reviews performed	Controls will be improved to ensure prior period adjustments pull through accurately on Caseware.	Immediately	IT	CTO	Other Important Matters	New Finding	No	No	N/a
COAF	42	Lack of testing of the Disaster Recovery Plan	Lack of reviews performed	Management agrees with the finding raised. Reviews will be increased	Immediately	IT	CTO	Other Important Matters	New Finding	No	No	N/a
COAF	43	Lack of offsite storage of AxxonOne backups	Lack of reviews performed	Management agrees with the finding, the misstatement was caused by the late receipt of the loan schedule from treasury.	Immediately	IT	CTO	Other Important Matters	New Finding	No	No	N/a
COAF 14	44	Incorrect Classification of Non-Cash Transactions	Different approaches implemented on	Management will remove the non-cash investment from the	20-Nov-25	Finance	Finance Manager	Other Important Matters	New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
		in Cash Flow Statement	Cashflow management	cashflow statement Management understands the principle applied by the auditor however, the entity intended on providing a better understanding of what happened on investing activities								
COAF 25	45	Financial Risk Management Disclosure Note	Management-error	Management has adjusted the AFS in line with the auditor's requirement	Immediately	Finance	Finance Manager	Other Important Matters	New	Yes	Yes	N/a
COAF 13	46	Provision for leave not calculated accurately	Management-error	Management notes the finding; however, the amounts are immaterial and might be due to minor calculation errors on the	Not indicated on the AG management report	Finance	CFO	Other Important Matters	New	Yes	Yes	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				side of the auditor.								
COAF 23	47	Awards to close family members not disclosed in the AFS	Management oversight	Management agrees with audit finding. Management will adjust the AFS.	Immediately	Finance	Finance Manager	Other Important Matters	New	Yes	Yes	N/a
COAF 28	48	Noncompliance with SCM - Deviations	Not applicable	Management comment on audit finding: Management disagrees with the finding. For training fees, the attendee chooses the training they need to remain abreast of industry changes and the organization pays. For example, if SAICA is conducting a training and I want to go	N/a	SCM	SCM Manager	Other Important Matters	New	Yes	Yes	N/a

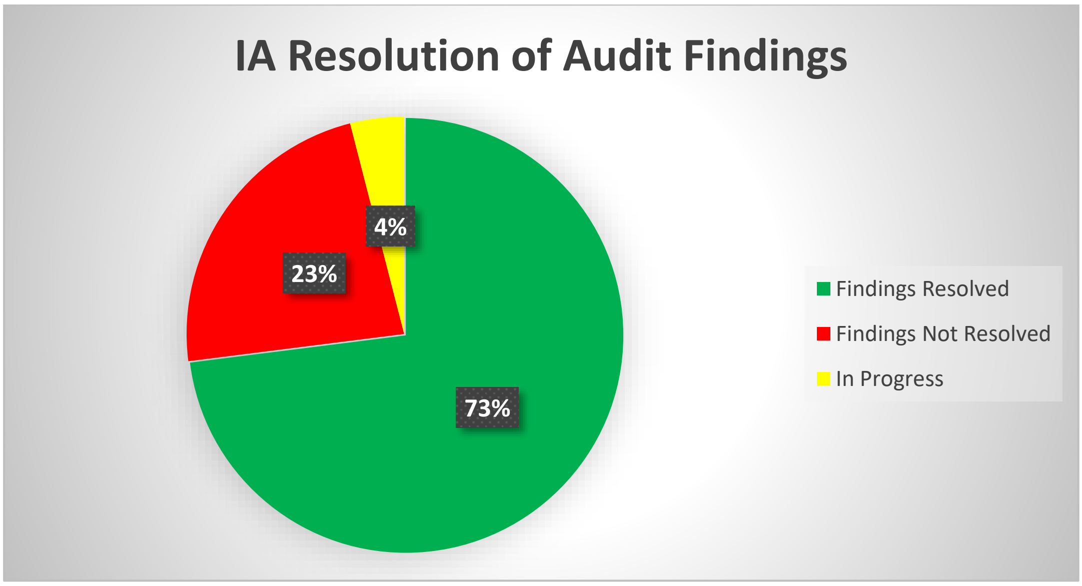
AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				there for CPD I will submit the report requesting to attend and the entity will pay, it is therefore not possible to obtain three quotations for training because it is based on the candidate's choice.								
COAF 27	49	Audit of Performance information: Network Link Availability	System deficiency	Management notes the internal control deficiencies identified and acknowledges that there are significant control deficiencies regarding the HSNM system pertaining to user access controls and	01-Dec-25	Operations & Management Support	CTO Corporate Strategy	Other Important Matters	New Finding	No	No	N/a

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				lack of logs for program changes. Information that is required for performance reporting, being all the devices connecting to the free Wi-Fi services were retrieved. It is acknowledged that due to the significant deficiencies identified from the General Controls Review, it was difficult for the auditors to place reliance on the information that was extracted from the system for								

AGSA reference	LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	RESPONSIBLE DEPARTMENT	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO	COMMENTS
				audit purposes.								

INTERNAL AUDIT FINDINGS

Internal Audit Findings – The graph below depicts the status on progress made in addressing the Internal Audit findings that were raised during Q2 of the 2025/26 and resolution status: A total of forty-four (44) findings were for followed up to date with ten (10) carried over finding in Q1 of the 2025/26 period and thirty-two findings has been resolved translating to 73% resolutions for the quarter under review.



Internal Audit Findings Resolution Status

#	Classification of findings	Total findings raised to date	Total Findings resolved to date	Not Resolved	% Resolution
	IA Findings balance in Quarter Q1 of 2025/26	10	32	12	73%
	IA Findings added during Q2	34			

ANNEXURE B: INTERNAL AUDIT FINDINGS

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
1	HR Policies not workshopped	The Policies are on SharePoint; however, employees do not familiarise themselves with them.	A dry run has been done on how to facilitate the HR Policies and reallocate the responsibilities amongst the HR team.	30-Apr-26	Changes to the HR Policies will be workshopped to staff.	Acting Management Support Executive	Other Important Matters	2	No	No
2	Employment Equity (EE) Target not aligned to EAP	Set targets are misaligned with the current employment status of MTC.	The new plan will do away with EAP and focus on 50/50 gender split	30-Apr-26	HR will do away with EAP and focus on 50/50 gender split	Acting Management Support Executive	Other Important Matters	2	No	No
3	Outdated Leave Management Policy	The Leave management Policy was extracted from Basic Conditions Act	Updates will be done to the Leave Management Policy	28-Feb-26	Annual Review of the Leave Policy.	Acting Management Support Executive	Other Important Matters	2	Yes	Yes
4	Incomplete Leave Management Report	Lack of proper reconciliation of leaves submitted and leaves recorded by the City.	Verify the Leave Report for completeness on a quarterly basis	28-Feb-26	Reconcile the Leave Report for completeness on a quarterly basis	Acting Management Support Executive	Other Important Matters	1	Yes	Yes
5	Incomplete Leave Balance Days	No Verification of leave days from HR	HR will verify the balance of leave days for all employees.	N/A	Quarterly verification of leave days.	Acting Management Support Executive	Matters Affecting Audit Opinion	1	Yes	Yes

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
6	Incomplete employees on the ESS system	COJ officials to grant them access	Follow-up with COJ officials with assisting employees without ESS.	N/A	All leave submissions are done through ESS; no physical leave forms are accepted.	Acting Management Support Executive	Other Important Matters	1	Yes	Yes
7	No register kept for all the manual leave forms submitted to HR	Management Oversight	A register will be prepared, maintained and circulated in all the departments to verify completeness.	30-Jan-26	Monthly circulation of the leave register to departments.	Acting Management Support Executive	Other Important Matters	1	Yes	Yes
8	Long outstanding debtors	Internal accounts are not settled on time by COJ and other entities	The finding is dependent upon receiving funds from the COJ and entities.	Continuous	The finding is dependent upon receiving funds from the COJ and entities.	CFO	Matters Affecting Audit Opinion	3	No	in progress
9	Inadequate Communications Policy	Lack of annual review of the Policy to ensure adequacy and effectiveness of the Policy.	Communication and Marketing Policy will be in Place by end of Q3.	28-Feb-26	Annual Review of the annual plan.	Acting Management Support Executive	Other Important Matters	2	Yes	Yes

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
10	Lack of Stakeholder & Communications Management Annual Implementation Plan	The Communication and Marketing Strategy, Policy and SOP will be documented first and after that the Annual Implementation Plan will be put in place.	The Department is finalizing their Strategy and after that they will have an Annual Implementation plan in place.	28-Feb-26	Annual Review of the Communication Policy.	Acting Management Support Executive	Other Important Matters	2	Yes	Yes
11	Errors on the data extracted from PASTEL - Supplier Master Data	System configuration.	Verification will be performed, and all anomalies addressed.	28-Feb-26	get anomalies addressed	CFO	Matters Affecting Audit Opinion	2	No	No
12	Inadequate Cyber Security controls	Non-compliance to the Metropolitan Tech SOC Limited's IT Security policy to ensure that vulnerabilities are addressed.	Metropolitan Tech SOC Limited environment is in the process of completing assessment with recommendations of its Cyber Security environment.	28-Feb-26	Metropolitan Tech SOC Limited environment is in the process of completing assessment with recommendations of its Cyber Security environment.	CTO	Matters Affecting Audit Opinion	3	No	No

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
13	Ineffective User Account Management	Non-compliance to Metropolitan Tech SOC Limited IT Standards, Policies and Procedures and the Metropolitan Tech SOC Limited Security Policy. Inadequate monitoring of user accounts.	Emails are still received to these accounts. The account passwords have been changed to ensure business continuity and to ensure security. The account is inactive, but the emails are still being received by MTC. MTC is still in engagements with Finware for the requested changes and this is ongoing. Unmonitored user accounts are disabled and do not need monitoring.	28-Feb-26	Engage Finware on resolutions and developments to ensure compliance	CTO	Matters Affecting Audit Opinion	2	No	No
14	Inadequate and ineffective backup policy and procedure	Non-compliance to COBIT Framework by Management.	processes are being put in place to ensure full compliance to backups and policy procedures, including follow up to failed back-ups	28-Feb-26	Create policies and procedures for approval and adoption.	CTO	Matters Affecting Audit Opinion	2	No	No
15	Incomplete deliverables on a completed project	The service provider did not deliver as per agreement.	Management will follow-up with the relevant service provider to ensure that the warranty is extended.	28-Feb-26	verify the agreed deliverables against the RFQ prior to signing off the delivery note to ensure that the correct and complete deliverables are provided	Acting GM	Matters Affecting Audit Opinion	1	No	No

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
					and billed to MTC.					
16	Inadequate PM Policy and Standard Operating Procedures	Projects activities and operations are executed in different manners according to the type/ size of the project, the current policy implies that the projects are similar.	the Policy and SOP will be updated and submitted for approval.	28-Feb-26	Annual Review of the PM Policy.	Project Manager	Matters Affecting Audit Opinion	2	No	No
17	Incomplete Project Register	Lack of sufficient resources within the PMO department.	PMO Register will be updated.	30-Dec-25	Quarterly review of the PM register	Project Manager	Matters Affecting Audit Opinion	2	Yes	Yes
18	Lack of Service Completion Certificates	MTC projects will only have a delivery note and not a completion certificate	MTC projects will only have a delivery note and not a completion certificate and further stated that All capex services rendered should be reported as capex completed projects even the ones for MTC	30-Dec-25	Submit Service Completion certificate for external projects and submit a delivery note for MTC projects.	Project Manager	Matters Affecting Audit Opinion	1	Yes	Yes
19	Incorrect Reporting of a	Management Oversight	Project Manager removed the incomplete project under completed projects	30-Dec-25	Quarterly review of	Project Manager	Matters Affecting	1	Yes	Yes

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
	completed Project				the PM register		Audit Opinion			
20	Incomplete Project Charter's	Majority of the projects were still in planning stage at the time of the audit, therefore the project charters were incomplete.	all projects will have a project charter in place	28-Feb-26	Have a checklist in place for all projects	Project Manager	Matters Affecting Audit Opinion	1	Yes	Yes
21	No proper record keeping of project documents on SharePoint	Lack of sufficient resources within the PMO department.	PMO will implement monthly project review sessions to address all governance items for projects.	Continuous	PMO will implement monthly project review sessions to address all governance items for projects.	Project Manager	Matters Affecting Audit Opinion	1	Yes	Yes
22	Inadequate Asset Management Policy and SOP	Lack of management review of the Asset Policy.	Management will review and revise the assets management Policy/SOP so that it outlines the detailed process of disposing the assets	28-Feb-26	Annual review of the asset policy	Asset Manager	Matters Affecting Audit Opinion	1	Yes	Yes
23	Un-updated Asset tracking tool in place	Lack of adequate verification of assets which are off site.	Management prepare a tracking sheet, a release of assets form should be completed for the assets that were removed from the office, in order to hold officials accountable to ensure that officials sign in and sign out when returning the assets	28-Feb-26	Annual Review of the asset tracking tool.	Asset Manager	Matters Affecting Audit Opinion	2	Yes	Yes

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
24	Asset tag numbers not corresponding to the asset register tag numbers	Lack of annual review, monitoring and update of the Asset Register.	Management will update the asset register with the correct asset number and compared to the Physical asset tag.	28-Feb-26	Quarterly review of the asset register.	Asset Manager	Matters Affecting Audit Opinion	2	Yes	Yes
25	Assets not physically verified	Lack of annual review, monitoring and update of the Asset Register.	Management will locate the assets thereafter go verify the assets with Internal audit	28-Feb-26	Verify the existence and location of all the assets on the asset register	Asset Manager	Matters Affecting Audit Opinion	2	Yes	Yes
26	Valuable assets not stored in a locked storeroom	Insufficient office space	Valuable assets to be stored in a locked storeroom	28-Feb-26	Relocating to new office space with sufficient locking storerooms.	Asset Manager	Matters Affecting Audit Opinion	2	Yes	Yes
27	Inadequate Annual Returns Certificated for 2024/25	Human error	Management subsequently resolved the finding	30-Dec-25	Management will ensure the Accuracy and Completeness of Non-Executive information on the Annual Return	Company Secretary	Other Important Matters	1	Yes	Yes

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
					Certificate of the CIPC document.					
28	Outdated Terms of Reference for EXCO	Limited resources within the department	Management will adequately update the Terms of References for EXCO Committees	28-Feb-26	Annual Review of the EXCO TOR	Company Secretary	Other Important Matters	1	Yes	Yes
29	Inadequate Terms of Reference for EXCO	Limited resources within the department	Management will adequately update the Terms of References for EXCO Committees	28-Feb-26	Annual Review of the EXCO TOR	Company Secretary	Other Important Matters	1	Yes	Yes
30	Lack of adequate customized Code of Conduct for board members	Code of conduct will be signed at the City level	Management will adequately develop the Code of Conducts for board members	28-Feb-26	Annual the Code of conduct as and when there is a need	Company Secretary	Other Important Matters	1	Yes	Yes
31	Inadequate Document Management Process	Limited resources within the department	Management will ensure that all the documentation is stored on share drive. An administration of document management process should be developed and implemented.	28-Feb-26	Grant the Internal Audit team read only access to COSEC one drive to verify uploaded info	Company Secretary	Other Important Matters	2	Yes	Yes

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
32	Lack of Board Member's Gift Register in place	Management Oversight	Management will develop the board Member's Gift Register and share it with them on an annual basis.	28-Feb-26	Board members gift register is shared with them annually	Company Secretary	Other Important Matters	1	Yes	Yes
33	EXCO and Board Minutes not signed off by the Chairpersons	Limited resources within the department	Management will ensure that minutes are signed off and stored safe	28-Feb-26	Minutes are timely documented, shared with the chairperson for sign off. Maintain a register of all minutes.	Company Secretary	Other Important Matters	1	No	No
34	Incomplete Performance Management Policy	Management Oversight	Management will update the PMS Policy with all the relevant information.	30-Dec-25	Annual review of the PMS Policy	Performance Management Specialist	Other Important Matters	2	Yes	Yes
35	Misalignment of Performance Management SOP to the Current Approved Policy.	Limited resources within the department	Management will ensure alignment between the Policy and SOP	30-Dec-25	Annual review of the PMS Policy and SOP	Performance Management Specialist	Other Important Matters	1	Yes	Yes

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
36	Lack of coaching conducted.	Lack of buy in from employees	PMS indicated that it is the employees and the manager's responsibility to submit coaching & review notes according to the new template. PMS sends out reminders and conducts departmental meetings and trainings.	30-Dec-25	Non-complying employees are consequence managed.	Performance Management Specialist	Other Important Matters	2	Yes	Yes
37	Lack of quarterly reports submitted to the COJ.	Limited resources within the department	management will prepare quarterly reports and submit them to the city	30-Dec-25	Quarterly reports are timely submitted to the City and Internal Audit team	Performance Management Specialist	Other Important Matters	1	Yes	Yes
38	Inadequate Document Management Process	Limited resources within the department	Management will ensure that all the documentation is stored on share drive. An administration of document management process should be developed and implemented.	28-Feb-26	Grant the Internal Audit team read only access to COSEC one drive to verify uploaded info	Performance Management Specialist	Other Important Matters	2	Yes	Yes
39	Inadequate Moderation Committee in place	Lack of training to moderation members.	Management will ensure that they operate in terms of their TOR	30-Dec-25	Follow-up with Moderation Committee members on their progress on a quarterly basis.	Performance Management Specialist	Other Important Matters	1	Yes	Yes

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
40	Lack of SOP in place	Management Oversight	Management will annually prepare the SOP	30-Dec-25	Annual SOP is shared prepared and shared with the Internal audit team	Acting Management Support Executive	Other Important Matters	2	Yes	Yes
41	No existing Service level agreements in place	Management Oversight	Management will timely prepared and submitted to the city	30-Dec-25	Service level agreements are timely prepared and submitted to the city	Acting GM	Other Important Matters	1	Yes	Yes
42	Petty cash policy ineffective	MTC does not maintain any Petty Cash	Management will ensure that the Petty cash policy will be replaced with a refund policy	28-Feb-26	The Petty cash policy will be replaced with a refund policy	CFO	Matters Affecting Audit Opinion	3	No	No
43	Payments made after 30 days of receiving the relevant invoice	Lack of cashflow availability from the city which causes delays on the payments	Payments are dependent upon cash allocation from the City	Ongoing	Payments are dependent upon cash allocation from the City	CFO	Matters Affecting Audit Opinion	3	No	in progress
44	No confirmation of budget availability	CFO and or FM were on leave	Management will ensure that Purchase requisitions and financial memos are signed by CFO and FM.	30-Mar-26	CEO does not sign the PR and memo without the signature of	CFO	Matters Affecting Audit Opinion	2	Yes	Yes

LINE ITEM	FINDING	ROOT CAUSE	MANAGEMENT ACTION PLAN	IMPLEMENTATION DATE	PREVENTITIVE CONTROL(S)	RESPONSIBLE PERSON	CLASSIFICATION	TIMES RECURRING	MANAGEMENT ASSERSION RESOLVED YES/NO	INTERNAL AUDIT ASSESSMENT RESOLVED YES/NO
					the CFO and or FM					

SECTION 4: OVERALL STATE OF INTERNAL CONTROLS (ADEQUACY AND EFFECTIVENESS)

Sufficient and appropriate audit procedures were conducted, and evidence gathered to support the accuracy of the conclusions reached. The conclusions were based on a comparison of the situations, as they existed at the time against the audit criteria. The conclusions are only applicable for the scope of audit work undertaken. The evidence gathered meets the standards for the professional practice of Internal Auditing and is sufficient to provide senior management with proof on the conclusions derived from the Internal Audit.

In our opinion, the control environment in ensuring that corrective action is implemented over previously reported audit findings is considered to be' **'Partially Adequate and ineffective''** in providing reasonable assurance that the inherent risks are appropriately managed and that the business objectives will be attained. The current internal controls are in our opinion are partially adequate and needs continuous improvement to effectively address the internal control weaknesses raised particularly in the Audit of predetermined objectives, human resource management and performance management. Limitation controls also exist within the security management (cyber security and disaster recovery management areas which seek management to proactively intervene to improve the status of governance. Recommendations have been made to achieve a better audit outcome for the organisation and will be continuously monitored for implementation.

Overall Status of Control

Adequate, but ineffective	▪ Control design found to be partially adequate, however a specific weaknesses were noted which requires improvement in order to be planned and organized in a manner that provides reasonable assurance that the MTC's risks will be managed and that the related goals and objectives will be achieved efficiently. ▪ Partial compliance with policies and procedures ▪ Follow up actions plans not addressed timeously and a slight improvement noted during Q1, Q3 & Q3 of the 2025/26 financial year ▪ Limited assurance has been provided on Audit of predetermine objectives due to ineffective controls in place for the period under review.