



RTIA

Road Traffic Infringement Agency

Justice in Adjudication

2019/20 | ANNUAL REPORT



CONTENTS



PART A : GENERAL INFORMATION	
LIST OF ABBREVIATIONS/ACRONYMS	6-9
1 ROAD TRAFFIC INFRINGEMENT AGENCY PROFILE	10
2 STRATEGIC OVERVIEW	12
3 LEGISLATIVE AND OTHER MANDATES	14
4 AARTO'S SOCIO-ECONOMIC AND CULTURAL ENVIRONMENT	18
5 ORGANISATIONAL STRUCTURE	20
6 FOREWORD BY THE REGISTRAR & ACCOUNTING AUTHORITY	21
PART B : PERFORMANCE INFORMATION	36-115
PART C : GOVERNANCE INFORMATION	118-130
RTIA BOARD	131-132
PART D : HUMAN RESOURCE MANAGEMENT	136-144
PART E: FINANCIAL INFORMATION	148-200



GENERAL INFORMATION

PART A



LIST OF ABBREVIATIONS/ACRONYMS

AARTO/(Act)	Administrative Adjudication of Road Traffic Offences (Act)
AARTO 01	Infringement notice completed by hand at the roadside and served in person
AARTO 02	Infringement notice completed electronically at the roadside and served in person
AARTO 03	Infringement notice for camera and other infringements served by registered mail
AARTO 03a	Notice served by registered mail to operator in terms of an AARTO 01 for vehicle fitness infringements
AARTO 03b	Notice served by registered mail to the owner of a vehicle in terms of an AARTO 31 notice in respect of an unattended vehicle
AARTO 04	Notification to pay in instalments
AARTO 05a	Acknowledgement of receipt of notification to pay in instalments
AARTO 05b	Acknowledgement of receipt of nomination of driver or person in control
AARTO 05c	Acknowledgement of receipt of representation
AARTO 05d	Acknowledgement of receipt of election to be tried in court
AARTO 05e	Acknowledgement of receipt of application for the revocation of enforcement order
AARTO 06	Confirmation of instalment arrangement
AARTO 07	Nomination of driver or person in control of vehicle at the time the infringement was committed
AARTO 08	Representation application
AARTO 09a	Notification of result of representation – successful on all charges
AARTO 09b	Notification of result of representation – unsuccessful on all charges
AARTO 09c	Notification of result of representation – successful on main charge/s – unsuccessful on alternative
AARTO 10	Election to be tried in court
AARTO 12	Courtesy Letter
AARTO 13	Enforcement Order

AARTO 14	Application for revocation of Enforcement Order
AARTO 15	Notification of result of application for revocation of Enforcement Order
AARTO 20	Receipt of payment
AARTO 31	Notice in respect of an unattended vehicle completed by hand at the roadside and placed on the vehicle
AARTO 32 & 32a	Record of particulars of an offence issued at the roadside
AARTO 33	Notice of a summons to be issued for a traffic offence
AARTO 33a	Notice of a summons to be issued to an operator for a traffic offence
Agency	Refers to the Road Traffic Infringement Agency
AGSA	Auditor General of South Africa
BBBEE	Broad Based Black Economic Empowerment
CFO	Chief Financial Officer
CL/s	Courtesy Letter/s
CPA	Criminal Procedure Act
DLTC	Driving Licence Testing Centre
DoJ & CD	Department of Justice & Constitutional Development
EFT	Electronic Funds Transfer
eNaTIS/NaTIS	National Traffic Information System
EO/s	Enforcement Order/s
EXCO	Executive Committee of the RTIA
FAR	Fixed Asset Register
GRAP	Generally Recognised Accounting Practice



GDoCS	Gauteng Department of Community Safety
IA/s	Issuing Authority/ies
IT	Information Technology
JMPD	Johannesburg Metropolitan Police Department
MEC	Member of Executive Council
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NCR	National Contraventions Register
NDOT/DoT	National Department of Transport
NRTA	National Road Traffic Act
NRTLEC	National Road Traffic Law Enforcement Code
NT	National Treasury
PDS	Points Demerit System
PFMA	Public Finance Management Act
PPP	Public Private Partnerships
PrDP	Professional Driving Permit
RO/s	Representation Officer/s
RTIA	Road Traffic Infringement Agency
RTMC	Road Traffic Management Corporation
RSA	Republic of South Africa
SAPO	South African Post Office

TMPD	Tshwane Metropolitan Police Depaartment
TOR	Terms of Reference
TR	Treasury Regulations
UNDoARS	United Nations Decade of Action for Road Safety
VTS	Vehicle Testing Station





2. ROAD TRAFFIC INFRINGEMENT AGENCY PROFILE

The Road Traffic Infringement Agency was established through the Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998) (the AARTO Act) and listed as a public entity under Schedule 3A of the Public Finance Management Act, 1999 (Act No. 1 of 1999). The founding legislation prescribes the entity as an independent adjudicator that protects the interest of South African road users through balancing acts.

The Road Traffic Infringement Agency has been set up as the custodian of the processes expounded within the AARTO Act and related Regulations in order to ensure that the mandate of achieving road safety can be attained. Law enforcement coupled with efficient, effective and fair road traffic adjudication system will be catalysts in effecting an improvement in driver behaviour and compliance to law.

The current processes and systems of finalizing traffic contraventions under the Criminal Procedures Act are inadequate. The majority of the courts will accept the hearing of only a limited number of traffic violations, which is detrimental to the necessary successful conclusion of all traffic related cases.

The processes engendered within the AARTO as well as the business processes within the RTIA include election by the infringers to pay in instalment, nomination of drivers, submission of representations, electing to be in court, authorizing enforcement orders as well as applications for revocation of enforcement orders. In line with the Government's National Development Plan, the services of entrepreneurs will be sourced to extend these services inclusive of information dissemination as well as receipt of all applications.

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Auditor General of South Africa

BANKERS:

Standard Bank of South Africa

COMPANY / BOARD SECRETARY:

Adv. MLT Bilikwana



3. STRATEGIC OVERVIEW

3.1 Vision

"A safe road user community".

3.2 Mission

"To encourage compliance with road traffic laws in South Africa through procedurally fair, reasonable and lawful administrative processes."

3.3 Values

The RTIA's Values reflect traits or qualities that represent the requirements of the Constitution of South Africa, in particular Chapter 10 – Public Administration and Batho Pele principles. This emphasises certain basic values and principles governing Public Administration and requires that Public Administration be governed by the democratic values and principles enshrined in the Constitution. The RTIA's values are grounded in strong ethical considerations. RTIA staff members are required to maintain the highest standards of proper conduct and integrity at all times and to ensure that there is no doubt as to what actions are required of them, guided by a set of core values.

All RTIA employees are consistently encouraged to internalise and live the RTIA's brand values in all that they do. Brand values are an important part for business continuity and success through consistent regular communication, until they take hold and become central to the work life of all staff at the RTIA. These values must remain relevant and firmly institutionalised as key service delivery mantra and business culture.

The RTIA's value Statements are Reflected in the Table Below:

Table 1: RTIA Core Values

Values	Description
Accessibility	Being available to serve and be reached by all our stakeholders across the country in line with our purpose and mandate
Accountability	Being responsible and answerable for our actions and decisions
Transparency	Being open with stakeholders and communicating the basis upon which decisions are made and actions taken
Integrity	Being truthful, uncompromising, and acting impartially, without fear or favour in our relationships with all stakeholders
Innovation	To embrace a disruptive and innovative approach in all that we do to deliver exceptional quality of service on our mandate within a rapidly changing external and internal environment

Strategic Goals, Strategic Objectives, and Key Value Drivers

Strategic Goals	Strategic Objectives	Key Value Drivers
(1).Effective and efficient organisational management	To promote effective internal management of the agency to proficiently deliver on AARTO (1)	<ul style="list-style-type: none"> • Sound governance and oversight. • Teamwork & collaboration. • Role clarity & accountability. • Effective internal processes, systems and controls. • ICT enablement. • Effective resourcing. • Sound Human Resources & management practices
(2).Voluntary compliance with road traffic laws	<ul style="list-style-type: none"> • To discourage the contravention of road traffic laws through increased compliance and adjudication (2) • To facilitate the readiness and support of key stakeholders in the national implementation of AARTO (3) • To stimulate and encourage positive change in road user behaviour (4) 	<ul style="list-style-type: none"> • Expeditious processing and finalising of infringements. • Research on relevant topics to support teams. • High quality, consistent decisions. • Technology enabled workflows, processes and channels. • Expeditious processing and finalising of matters. • Appropriate stakeholder management strategy in place

Constitutional Mandate

The RTIA carries out its work having due regard to the fundamental rights as contained in the Constitution of the Republic of South Africa. Specifically, the RTIA has a direct impact on Sections 32, 33 and 34 of the Constitution, under the Bill of Rights section.

Table: Constitutional Mandate

Section 32	Access to Information 1. Everyone has the right of access to: a) Any information held by the state; and b) Any information that is held by another person and that is required for the exercise or protection of any rights. 1. National legislation must be enacted to give effect to this right, and may provide for reasonable measures to alleviate the administrative and financial burden on the state.
Section 33	Just Administrative Action 1. Everyone has the right to administrative action that is lawful, reasonable and procedurally fair. 2. Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons. 3. National legislation must be enacted to give effect to these rights, and must: a. Provide for the review of administrative action by a court, or, where appropriate, an independent and impartial tribunal; b. Impose a duty on the state to give effect to the rights in subsections (1) and (2); and c. Promote an efficient administration.
Section 34	Access to Courts Everyone has the right to have any dispute that can be managed and adjudicated by the application of law decided in a fair public hearing before a court; or where appropriate, another independent and impartial tribunal or forum;

4.2 Legislative Mandate

The work of the RTIA is governed by a legislative framework as set out below:

Table 4: Legislative Mandate

Name of Act	Purpose
Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998)	<ul style="list-style-type: none"> To promote road traffic quality by providing a scheme to discourage road traffic contraventions; To facilitate the adjudication of road traffic infringements; To support the prosecution of offences in terms of the national and provincial laws relating to road traffic; To implement a points demerit system; To provide for the establishment of an agency to administer the scheme; and To provide for the establishment of the board to represent the agency.
Promotion of Administrative Justice Act, 2002 (Act No. 3 of 2002)	<ul style="list-style-type: none"> To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; And to provide for matters incidental thereto.
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	<ul style="list-style-type: none"> To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and To provide for matters connected therewith
National Road Traffic Act, 1996 (Act No. 93 of 1996)	<ul style="list-style-type: none"> To provide for road traffic matters which shall apply uniformly through the Republic and for matters connected therewith.
Criminal Procedures Act, 1977 (Act No. 51 of 1977)	<ul style="list-style-type: none"> To make provision for procedures and related matters in criminal proceedings.
Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)	<ul style="list-style-type: none"> To provide for the strengthening of measures to prevent and combat corruption and corrupt activities; To provide for the offence of corruption and offences relating to corrupt activities; To provide for investigative measures in respect of corruption and related corrupt activities; To provide for the establishment and endorsement of a Register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts; To place a duty on certain persons holding a position of authority to report certain corrupt transactions; To provide for extraterritorial jurisdiction in respect of the offence of corruption and offences relating to corrupt activities; and To provide for matters connected therewith.
Public Finance Management Act, 1999 (Act No. 1 of 1999) – PFMA	<ul style="list-style-type: none"> To regulate financial management in the national government and provincial government; To ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; To provide for the responsibilities of persons entrusted with the financial management in those governments; And to provide for matters connected therewith



Electronic Communications and Transactions Act, 2000 (Act No. 25 of 2000)	<ul style="list-style-type: none"> To provide for the facilitation and regulation of electronic communications and transactions; To provide for the development of a national e-strategy for the Republic; To promote universal access to electronic communications and transactions and the use of electronic transactions by SMMEs; To provide for human resource development in electronic transactions; to prevent abuse of information systems; To encourage the use of e-government services; and To provide for matters connected therewith.
Protection of Personal Information Act, 2013 (Act No. 4 of 2013)	<ul style="list-style-type: none"> To promote the protection of personal information processed by public and private bodies; To introduce information protection principles so as to establish minimum requirements for the processing of personal information; To provide for the establishment of an Information Protection Regulator; To provide for the issuing of codes of conduct; to provide for the rights of persons regarding unsolicited electronic communications and automated decision making; To regulate the flow of personal information across the borders of the Republic; and to provide for matters connected therewith.
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	<ul style="list-style-type: none"> To give effect to section 217 (3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217 (2) of the Constitution; And to provide for matters connected therewith.
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	<ul style="list-style-type: none"> To establish a legislative framework for the promotion of black economic empowerment; To empower the Minister to issue codes of good practice and to publish transformation charters; To establish the Black Economic Empowerment Advisory Council; and To provide for matters connected therewith.

Legal Developments

Relevant Court Rulings

Name of Litigant	Nature of the Litigation	Current Status	Management Actions
Mr Brian Edwards	The Litigant referred the matter to court in terms of the Promotion of Access to Information Act, 2000 (Act 2 of 2000) wherein he was requesting the court to make an order to the effect that the Agency provide him with the actual copies of his infringement notices and courtesy letters and proof that same were served in accordance with the AARTO Act.	The Agency settled this matter by providing the litigant with the required documentation and the litigant then removed the matter from the roll of the court.	The Agency has developed the Information Manual which regulates disclosure of public records in accordance with the PAIA.
Justice Project South Africa	The JPSA referred the matter to the Constitutional Court on appeal after being unsuccessful in the previous courts. The Litigant referred the matter to courts claiming that the Agency and the Issuing Authorities were not utilising the registered mail to serve and post infringement notices as prescribed in section 30 of the AARTO Act.	The Constitutional Court ruled in favour of the Agency and rejected the application on the basis that it lacked prospects of success and was outside its jurisdictional mandate.	The Agency has reaffirmed its contractual obligations with SAPO to clarify the prescribed method of service. Further to that, the AARTO Amendment Act, 2019 introduces other methods of service which includes electronic service.
Mr Howard Dembovsky	Mr Dembovsky (the Chairperson of JPSA) referred the matter to court to challenge the constitutional standing of the provisions of the AARTO Act as well as the National Road Traffic Act.	The Applicant has lodged the application to, amongst others; contest the constitutionality of some of the provisions in the AARTO Act as well as the National Road Traffic Act It is also based on allegations of unconstitutionality of the law making processes in respect to passage of Regulations relating to various transport legislations. The parties have finalised the exchange of their Heads of Arguments and the matter was scheduled to be set down for hearing on the 7th to 11th of February 2020. The Applicant however failed to set the matter down as anticipated.	Awaiting finalisation by The Constitutional Court.





AARTO Socio-Economic and Cultural Environment

The objects of the AARTO Act in terms of section 2 are to encourage compliance with the national and provincial laws, municipal by-laws relating to road traffic to promote road traffic safety; to encourage the payment of penalties imposed for infringements and to allow alleged infringers to make representations; to establish an agency to support law enforcement and judicial authorities through an administrative adjudication process. The above cannot take place without the infringement notice being issued by the issuing authorities. The issuing of an infringement notice as contemplated in section 17 of the AARTO Act kick-starts the AARTO process, enabling the above mentioned objects of the AARTO Act to be realised.

The infringement notice serves as a negative reinforcement, discouraging infringers from violating road traffic laws. The role of the RTIA includes ensuring that the infringers are held accountable for the infringements that they committed through issuing of courtesy letters and enforcement orders in terms of section 19 and section 20 of the AARTO Act.

AARTO Stakeholder Arena

Over the period under review, the RTIA developed an intensive AARTO outreach programme that continues to reach all nine provinces. The implementation of the programme is rooted in the partnership with issuing authorities, particularly those serving in the AARTO National Steering Committee (ANSC). During the 2019-20 financial year, the programme under review surpassed its annual performance target of 100 by 24 activations. Through the partnership with the Gauteng Department of Roads and Transport, the RTIA recorded the highest number of activations in Gauteng. As part of integrating AARTO into the law enforcement value chain, the Agency deployed the AARTO Mobile units to some of the law enforcement operations conducted throughout SA. The RTIA continues to work with other law enforcement agencies such as the TMPD, JMPD, RTMC, C-BRTA, SANRAL, RAF as well as provincial and local authorities.

Our communication programme reaches road users in various areas of the country including taxi ranks, churches, shopping malls, schools, partnership with State Owned Enterprises such as Eskom and Jo'burg Water. One of the flagship programmes of the RTIA is the interfaith programme on road safety which was developed in partnership with the National Interfaith Council of SA. Since inception, the interfaith programme has successfully organised four (4) National Prayer Days for Road Safety events.



Objectives of the AARTO Act and the Points Demerit System

- to promote road traffic quality by providing for a scheme to discourage road traffic contraventions;
- to facilitate the adjudication of road traffic infringements;
- to provide for the establishment of an agency to administer the scheme;
- removing routine traffic offences from overcrowded court rolls;
- encouraging better driver behaviour and taking reckless, illegal or fraudulent drivers off South Africa's roads.

Mandate and Functions

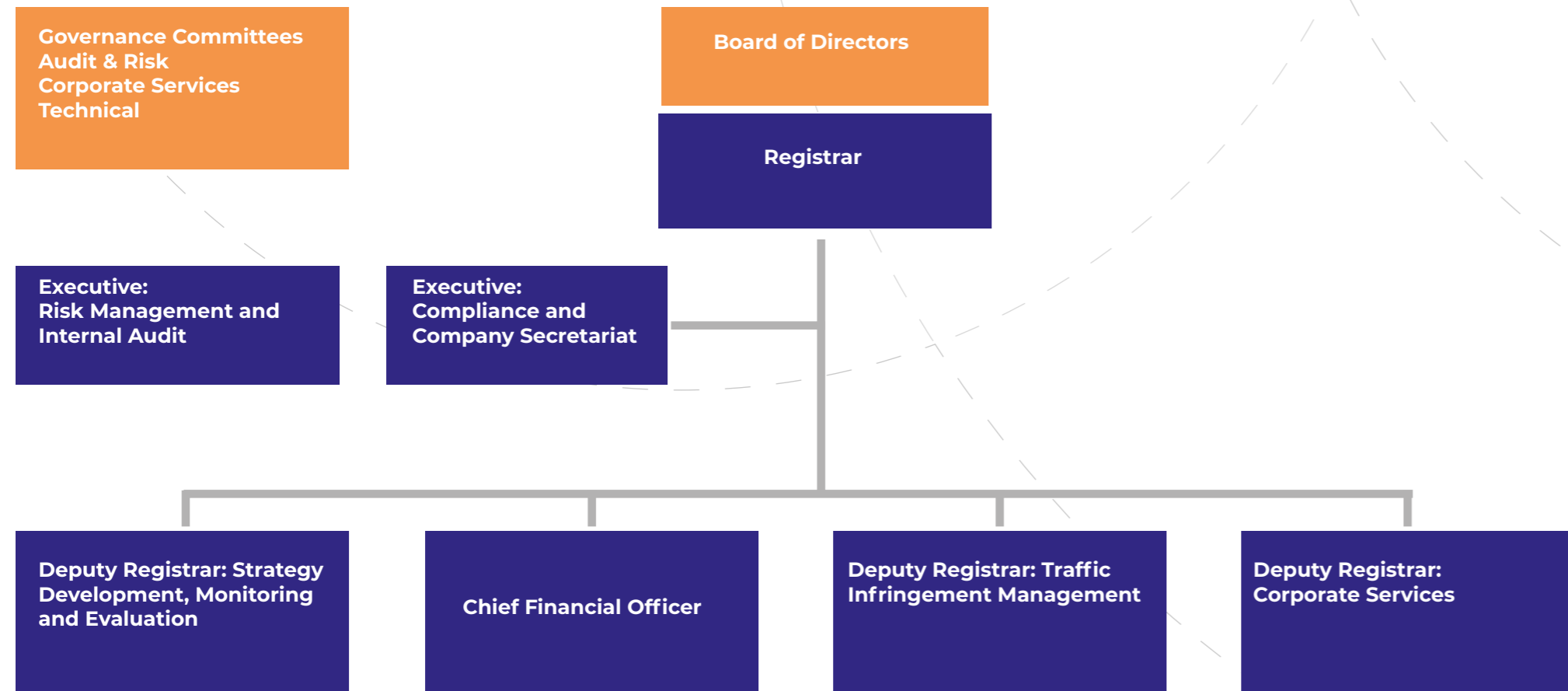
The mandate of the RTIA stems from the founding Act which highlights its objects as follows, despite the Criminal Procedures Act, 1977 (Act No. 51 of 1977):

- to encourage compliance with the national and provincial laws and municipal by-laws relating to road traffic and to promote road traffic safety;
- to encourage the payment of penalties imposed for infringements and to allow infringers to make representations;
- to establish a procedure for the effective and expeditious adjudication of infringements;
- to alleviate the burden on the courts of trying offenders for infringements;
- to penalise drivers and operators who are guilty of infringements or offences through the imposition of demerit points leading to the suspension and cancellation of driving licences, professional driving permits or operator cards;
- to reward law-abiding behaviour by reducing demerit points where they have been incurred if infringements or offences are not committed over specified periods;
- to establish an agency to support the law enforcement and judicial authorities and to undertake the administrative adjudication process; and
- strengthen co-operation between the prosecuting and law enforcement authorities by establishing a Board to overn the Agency.

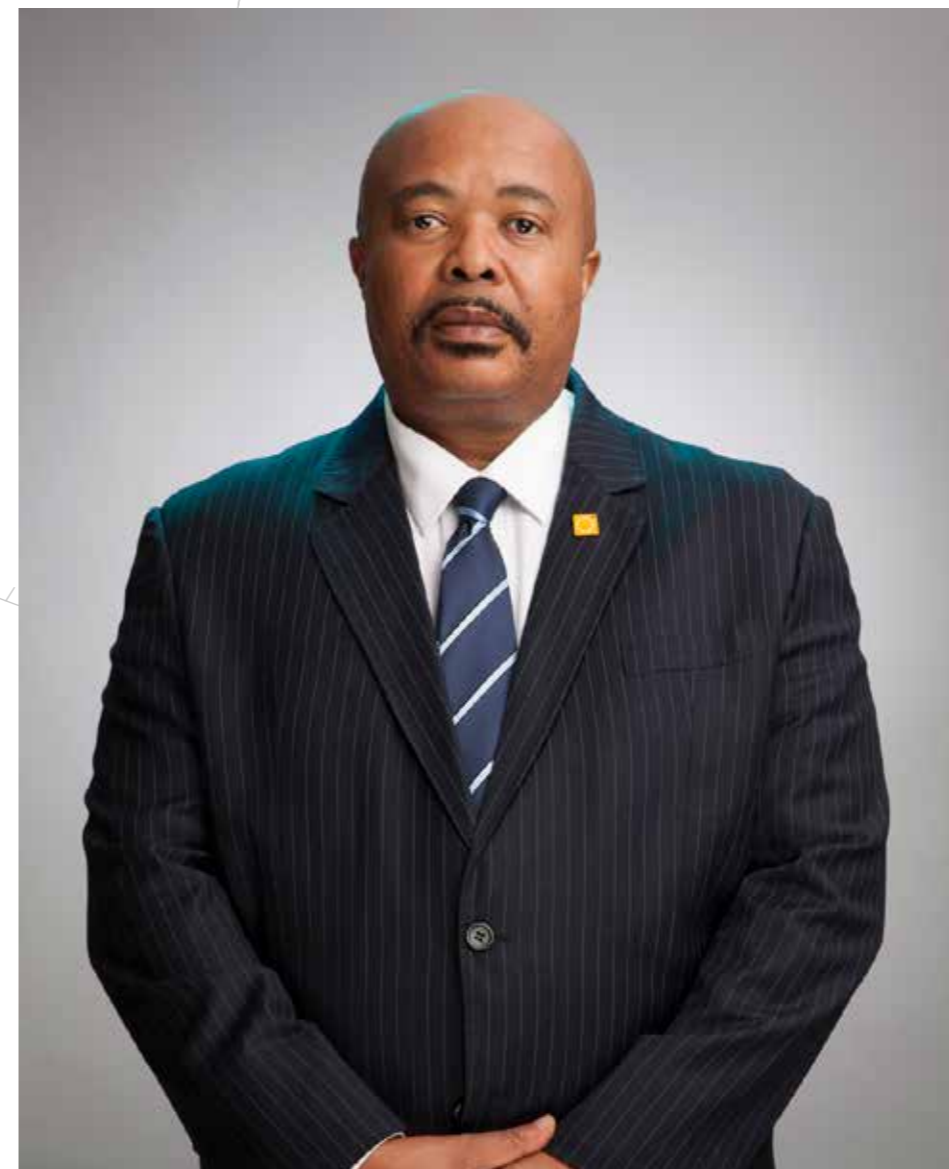
Whereas all matters related to traffic violations were previously dealt with under the CPA, the establishment of the Agency and the full implementation of the AARTO Act, means that most of the traffic violations will be dealt with administratively. This is expected to help free the courts and judicial authorities to deal with more serious criminal matters.



ORGANISATIONAL STRUCTURE



3. STRATEGIC OVERVIEW BY THE REGISTRAR & ACCOUNTING AUTHORITY



Mr Japh R. Chuwe
Registrar/Chief Executive Officer & Accounting Authority

It is with a great sense of satisfaction and excitement to advise of the appointment of the Board, which was approved by Cabinet at its meeting of Wednesday 5th August 2020. This appointment of the new Board brings to an end the uniqueness, dynamism and duality of the role played by the Registrar as the Accounting Officer and Accounting Authority as provided under Section 49(2)(b) of the Public Finance Management Act, 1999 (Act No. 1 of 1999). Whilst the chapter is being closed on a very successful epoch of the unique governance structure, a new one opens up. The Registrar gladly passes the baton to the new Board, having led the Agency to back-to-back successful achievement of 100% of the Annual Performance Targets. We record our sincerest congratulations to the new Board and look forward to a very professional and highly successful association with the Agency.

It is my pleasure as the Registrar and Section 49(2) (b) Accounting Authority (up to 5th August 2020) to present the Agency's Integrated Annual Report and Annual Financial Statements for the financial year ending 31 March 2020. Whilst I am happy about the Agency's performance over the 2019/20 period, I would be remiss if I did not mention that I am seriously concerned about the impact of the COVID-19 pandemic that has caused havoc around the world and in our country, and abruptly effected a fundamental change to life as it used to – forcing everyone to conduct business in unusual ways as it never had been before. Whereas the Coronavirus was declared a global pandemic towards the end of the financial year, it had created significant challenges that have long-lasting effects. Furthermore, the Agency's ability to continue progressing strongly forward with the preparations for national rollout were significantly derailed, to such an extent that the Agency undertook an in-depth assessment of its programmes and consequently requested approval from the Shareholder for the postponement of the AARTO rollout to the middle of the 2021 year.

The Agency had to develop a risk-adjusted strategic plan after consideration of the COVID-19 pandemic's impact on its financial resources and business, with a view to crafting a long-term force majeure mitigation strategy for implementation in the future.





Notwithstanding the force majeure challenge of the COVID-19 pandemic, I am elated that for the second consecutive time, the Agency achieved a 100% performance of its Annual Performance Plans through the implementation of its successful business programme. This achievement was attained under an environment where the Agency had no board and operated under the guidance and leadership of the Registrar, playing a dual role of both operational and strategic leadership, empowered by the Public Finance Management Act, 1999. To remedy this situation, the Department continued to work towards the finalisation of the process of appointing a board for the Agency. In spite of the absence of the board, the Registrar in his dual role of Accounting Officer and Accounting Authority, ensured to exercise the highest form of governance assurance, through the continued appointment of both Chairpersons of the Corporate Services and the Audit and Risk Committees, for additional oversight and assurance provision. In addition, the role played by the Executive Committee is highly commendable, ensuring that there was no relaxed governance vacuum or weakness. With these interventions firmly in place, the Registrar was able to bear the pressure and ensured continued excellent performance by the Agency.

The Agency is extremely happy with the support received through the approval of the AARTO Amendment Act, assented to by the President on 13 August 2019. This development brings closer the dream of rolling out the AARTO programme throughout the country and making a positive contribution towards the reduction of road traffic fatalities and related crashes. Pursuant to the related preparations of national rollout, and consequent to the premium the Agency places on its stakeholder engagement programme to ensure broad-based support, the Agency published the Regulations supporting the Amendment Act on 11 October 2019, inviting members of the public and interested parties to make comment on them.

At the close of the financial year under review, the Agency was still analysing the comments received for consolidation before republication.

High Level Overview of the Strategy And Performance

For the second consecutive year, the Agency's performance reached 100% of its targets, similar to the previous year's performance. We are pleased that there is progress in the additional quantum difference of efficiency compared to the previous year's performance, which abodes well for the Agency not to rest on its laurels. Due to the Agency's commitment, further over-achievement had been realised in some of the programmes, such as communication and empowerment of road users.

- 22** Significant progress has been made relating to the framework for levying demerit points. The Regulations provided an increase in the threshold number of demerit points from 12 to 15 points. The implementation for the demerit points therefore, has taken a positive approach by allowing for the market to acclimatise itself into the new demerit points paradigm first, and to commence the demerits regime on infringements that contribute to the high rates of road fatalities. This means that the demerit points will be implemented in a three-phased approach, beginning with offences relating to road safety and roadworthiness, followed by offences of economic significance and lastly offences related to driver, owner and operator infringements. Whereas the Agency has been subjected to unfair criticism that it was focussed on generating revenue, this strategy provides credible evidence that such criticism was false and unjustified. Instead it demonstrates that the Agency is a caring and developmental entity, which is focussed on harnessing the change of behaviour by road users.



From the year 2014, the Agency adopted a new Performance Management Framework, which is expressly geared at establishing it as a high performance organisation.

This framework entailed the establishment of a comprehensive compact between the organisation and all staff and placed the bulk of performance expectation amongst executive management. It recognised that the Agency received very limited funding from the fiscus and relied primarily on its own efficiencies and innovations of executive management to sustain itself. The Accounting Authority approved a long-term incentive scheme to enhance the probabilities of attracting and retaining commensurate skills and competence of executive management. The long-term incentive scheme is an executive retention scheme implemented from 2016, whose incentive awards are conditional upon successful attainment of certain prerequisites became payable in 2019. For the period under review, the qualifying prerequisites were ensuring the Agency's financial sustainability and fiscal prudence in operations, as well as attaining credible performance by exceeding the 80% performance threshold determined in the Performance Management Framework over the three-year cycle.

Consequent to expert analysis and objective benchmarking by an independent special consultant, the Agency implemented the required steps to achieve its long-approved skills retention strategy through the adjustment of the remuneration packages to align with best practice and competitive placing in the market. The applicable disclosures have been made under Part E in the financial statements. Furthermore, a performance incentive threshold was reached for implementation throughout the organisation and the applicable provision has been made in the financials.

Strategic Relationships

The Agency's diversified engagement strategy continued to impact positively on operations, enabling the pulling together of all stakeholders for the benefit of the Agency's operational environment. This engagement strategy is both inward looking by engaging all key stakeholders, using a coordinated approach through the AARTO National Steering Committee, which continued to meet on a quarterly basis. This provided an excellent platform of empowering all key stakeholders on the AARTO operations and share lessons learnt. The South African Local Government Association (SALGA) played a critical role in ensuring that all municipalities were kept abreast of developments.

Recognising that no country can thrive in isolation, the Agency continued its positive impact on the international stage. The Agency has over the years adopted a proactive strategy of active continuous development of its personnel. This is focussed on ensuring the continued skilling of its personnel so that to that extent, continued skilling of its personnel so that it becomes the authority amongst authorities relating to administrative adjudication and traffic management. To that extent, the Agency participated in the on-going specialist Road Safety Management Leadership Training Programme with the Monash University Accident Research Centre in Melbourne in July and November 2019. The chairpersons of the Audit and Risk as well as the Corporate Services Committees both benefited from such specialist strategic training.

The Agency's strategic partnership and active participation in the United Nations Road Safety Collaboration (UNRSC) saw it actively contributing in the Geneva meetings held in October 2019 for the preparations of the 3rd Ministerial Global Conference on Road Safety, held in Stockholm, Sweden in February 2020. Therein the Agency successfully organised for the Minister and related Agencies to have high profile coverage in the Swedish conference, making leading contributions for the prioritisation of road safety issues to the outer period of the year 2030, with respect to the Sustainable Development Goals.

One of the key catalyst programmes developed by the Agency is the active involvement of the spiritual formations and broad based community organisations in road safety. Pursuant to this, the Agency continued with the implementation of educational and empowerment programmes in partnership with the interfaith movement, to ensure that the gospel of road safety is preached regularly and to entrench a new culture of compliance.



Following on progress in the previous year, the Agency continued to contribute to and participate in the Tripartite Transport and Transit Facilitation Programme (TTTFP) forum, which originates from multilateral agreements amongst participating trading blocs in the East and Southern parts of the African continent. Whilst this programme is aimed at the development and implementation of Multilateral Vehicle Load Management Agreement, Multilateral Cross-Border Road Transport Agreement and the Proposed Violation Adjudication Process and Demerit Points System and drafting Model Laws to be applicable throughout the region, further effort is being made to start this envisaged implementation within the Trans-Kalahari Corridor (TKC), wherein the corridor's goals are aligned to the Agency mandate. All of these strategic partnerships implemented by the Agency provide excellent opportunity to extrapolate best practice from areas, countries and regions that have had successful implementation and thereby enable it to leverage catalyst interventions.

Challenges Faced by the Agency

The most serious challenge faced by the Agency continued to be its under-funding, which has averaged around 5% of its required budgetary commitments over the last seven years. This was compounded by the unfortunate loss of the accumulated surplus which the Agency had achieved in the preceding two years. In trying to stave off liquidity challenges, the Agency requested the Department for a once-off capital injection to fund national rollout, to the tune of R 250 million. Whilst awaiting finalisation of the requested capitalisation, the Agency continued to implement fiscal prudence in all its operations and piloted the revenue streams identified in its funding model. This had a positive impact and resulted in an increased total revenue collection for the issuing authorities and the Agency.

Furthermore, the Agency identified the introduction of an infringement levy, which was included in the Regulations published in October 2019 and expected to be finalised in the upcoming financial year.

The Year Ahead

For the financial year 2020/21, the Agency will put prioritised focus on the following key activities:

- (i) Implementation of digital migration services and provision of real-time, on-line systems, such as mobile apps;
- (ii) Expansion of the service outlets as a spring board of extending the Agency's services;
- (iii) Piloting of its Rehabilitation programme elements;
- (iv) Finalising the operational procedures for the setting up of the Infringements Appeals Tribunal;
- (v) Continued pilot implementation of the points demerit system at a reduced scale;
- (vi) Continued implementation of the diversified funding model; and
- (vii) Introduction of the cheaper and reliable electronic service methods.

Overview of the Agency's Operational Mandate

The Agency does not issue any road traffic or transport citation as is the case with law enforcement agencies that operate at the coal-face of operations. Instead, the role of the Agency is to enforce compliance to all road traffic laws, from a national, provincial and local point of view, through the follow up and conclusion of the citations that were issued by the law enforcement authorities. The Agency is therefore responsible for custodial duties of administering and adjudicating over road traffic infringements for the purposes of achieving road safety. Pursuant to its mandate, the RTIA contributes towards the entrenchment and sustenance of road safety through the following mechanisms:

- enforcing road traffic laws;
- enforcing the payment of penalties;
- effecting a positive contribution towards road safety;
- levying applicable demerit points; and
- empowering road users with road safety education and knowledge of their responsibilities.

Since the Agency does not issue any infringement notices, its role becomes that of an independent arbiter, through the consideration of representations, which challenge the issuance and validity of notices issued by issuing authorities. Over the previous financial year, the number of infringement notices issued increased by 61.88% compared to the previous 2018/19 period, from a total of 3,413,646 notices to 5,526,074 issued in the 2019/20 period. Similarly, the number of representations adjudicated over the same 2019/20 period, increased by 35% compared to the 2018/19 period, from a total of 161,346 representations adjudicated to 217,815. Over the 2019/20 period, the total number of nominations of drivers by vehicle owners that received infringements totalled 32,295 equating to an increase of 72.53% compared to a total of 18,719 during the 2018/19 period. This trend shows a gradual increase in the number of elective options exercised by infringers, as well as the attendant understanding of the responsibilities of road users.

The elective option of choosing the court route showed an upward trajectory over the period, with an increase of 25.21% from 149,917 applications to 187,715 over the financial year. This development is one of the indicators that only upon national rollout can the effectiveness of the AARTO be realised, since the Amendment Act provides for the establishment of an Appeals Tribunal, which would deal with all objections, appeals and reviews in the internal structures, instead of going to the court process.

Pursuant to the finalisation of outstanding infringement matters, the Agency follows by serving Courtesy Letters and Enforcement Orders for unresolved matters which infringers had not attended to. During the 2019/20 period, the Agency issued 3,649,828 Courtesy Letters, which increased from a total of 1,013,257 issued in the 2018/19 period, equating to an increase of 260%.

Similarly, Courtesy Letters are followed up by the service of Enforcement Orders where infringers still did not resolve the outstanding infringement notices. A total of 1,675,735 Enforcement Orders were served, increasing from 750,919 issued in the 2018/19 period, equating to 123%.

From the Enforcement Orders served, a total of 155,868 applications for revocation of Enforcement Orders were processed, increasing from 92,945 in the 2018/19 period, which equated to 67%. These revocations of Enforcement Orders also show a positive trajectory in the empowerment of road users, since they are able to provide the related proof of having addressed the outstanding infringements.

General Financial Review of the Public Entity

The Agency's mandate calls upon it to make a positive contribution towards the increase of road safety and establishment of a compliant road user environment. The responsibilities of the Agency are therefore multi-fold, covering the enforcement of laws, to levying penalties to rehabilitating infringers and recovering the outstanding debt. The revenue that is collected by the Agency is ultimately disbursed according to the applicable legislated formula between the Agency and the issuing authority that originated the notices in the first instance.

During the period under review, the Agency experienced a significant increase in the total revenue collected and disbursed amongst the various role-players. The total number of infringement notices captured by the issuing authorities during the 2019/20 period was 5,526,074 which equates to an increase of 61.88% compared to the previous 2018/19 year. This increase of notices is mainly due to a significant increase of electronically generated infringement notices, (AARTO 03s), which increased by 101% compared to the previous period. Notices in respect of unattended vehicles, (AARTO 31s) on the other hand, experienced a decrease of 31.20% compared to the previous period, as well as handwritten infringement notices, (AARTO 01s) decreasing by 7.97% and AARTO 02s going the opposite direction with an increase of 6.19% compared to the previous period.



The total revenue collected by the Agency during the reporting period amounted to R278,6 million, which is a 62.20% increase compared to a total of R171,8 million collected during the previous 2018/19 financial year. The Agency experienced a surplus of R9.27 million during the financial year. In spite of the forced surrender of the R117 million surplus attained over the preceding two financial years, the Agency put in a solid financial performance, buoyed by its implementation of the newly identified revenue streams and proactive measures of stakeholder engagement. At the end of the financial year, the Agency had a favourable net cash position with R39.9 million cash in the bank, which enabled the Agency to continue covering its core expenditure costs of paying staff remuneration and contracted services, in spite of the devastating COVID-19 pandemic.

The Agency's Spending Trends

In pursuit of effectively dispensing its mandate, the Agency will continue primarily focussing its service delivery to its stakeholders and partners, from general motorists to issuing authorities and the related community members. As a result, the Agency's biggest cost drivers will continue to be expenditure incurred related to the service of documents, education and empowerment of all road users as well as the related infrastructural architecture required to enhance the Agency's service delivery in the 21st century. To that extent the Agency has made a strategic intent of leveraging on the 4th industrial revolution in order to harness its capabilities and provide catalyst solutions and innovations that empower all stakeholders to transact with the Agency on an on-line, real-time, virtual environment.

Consequently, the greatest expenditure distribution incurred during the period under review related to the service of documents at a cost of R90 million, human capital remuneration at R128.7 million and the provision of mobile offices to cover the length and breadth of the country with educational programmes at a cost of R13,3 million.

Capacity Constraints and Challenges Facing the Public Entity

Over the previous financial years, the Agency implemented a cautious approach of capacitation, which had taken into consideration the impact of the Amendment Act on operations. To that extent, the Agency sought to time the additional capacitation at the right time in line with the prerequisites of rollout as informed by the related progress achieved. To kick-start the capacitation process, the Agency approved an updated organisational structure that took into consideration the best possible empowerment and strategic role of the Agency to effect a catalytic change in the road safety space. The recruitment of the related Deputy Registrars was embarked upon and after an intensive process the successful candidates were envisaged to be appointed in the upcoming financial year, to enable the additional resources to contribute to the efficient implementation of the rollout in the 2021/22 period.

Discontinued Activities / Activities to be Discontinued

The Agency's mandate is clearly articulated in its founding legislation and supported by its strategic plan, with further enhancements through the AARTO Amendment Bill. Whereas the Agency had before conceptualised an Enterprise Development Programme, this has subsequently been revised due to the strategic positioning of the Agency. The Enterprise Development Programme is being discontinued due to the Agency's embrace and prioritisation of digital migration and opportunities provided by the 4th Industrial Revolution. The Amendment Act has provided for electronic service and the Agency is moving ahead with providing solutions on real-time, on-line platforms. Most of the Agency's resources will thus be centred around electronic transacting and to that extent, the Agency is no longer going to pursue Enterprise Development as its programme. Furthermore, the decision to discard the ED programme is also recognition that the Agency is not an economic propeller kind of entity but one of service delivery towards the adjudication of traffic infringements.



New or Proposed Activities

The Agency's mandate is clear and dynamic in the role it plays within the transport and traffic management environment. Recognising that the Agency does not operate in a vacuum but as a microcosm of society, it has to ensure that it provides a value proposition that resonates with society. This would require the Agency to be proactive in analysing the continuing challenges of road safety, in order to develop and implement catalyst and innovative solutions. Consequently, the Agency's strategy must be driven by research and development, in order to identify and implement best practise solutions that benefits society. The Agency accordingly embraced the opportunities presented by the 4th Industrial Revolution and seeks to prioritise and speed up the implementation of solutions that are based on providing real-time, on-line interaction with all stakeholders.

The development and implementation of new solutions will be established upon the embrace of new activities, based on digital migration. The Agency has learned from the Coronavirus pandemic as a force majeure event and resolved to proactively devise catalyst solutions. To that extent, the Agency has updated its organisational structure and created a new division of strategy development, which would lead research initiatives and guide the strategic direction for the Agency. In addition, the Agency will prioritise the development of digital solutions, such as chat bots, to enable easy interaction with all stakeholders. The Agency has furthermore reconsidered its service delivery platforms in order to move a significant percentage thereof from physical interaction to digital, on-line processing, whereby a stakeholder will be assisted through digital means.

The Agency believes in the active involvement of the community in its services, which would reside well particularly in respect of rehabilitative interventions, where motorists are expected to play a critical role in its success. The Agency has already identified some critical interventions in the form of rehabilitation programmes, which have been promulgated in the Amendment Act, learner driver-focussed interventions, including the provision of driving simulators, aimed at providing novice drivers with the requisite access to practice driving prior to undertaking practical driving tests.

Requests for Roll Over of Funds

The Agency like all other organisations had to deal with the urgent impact of the COVID-19 global pandemic, whose negative impact was dramatically felt towards the end of the financial year. Given the sudden onset of the COVID-19 pandemic, the Agency had no option but to use its own reserves in order to meet its core commitments of employee remuneration and contracted services.

The fall-back position of using the reserves placed the Agency in a position that was impossible to get out of, to avert bankruptcy.

Supply Chain Management

The Agency recognises its responsibilities for the efficient management and custody of all assets and business transactions. Whilst the Agency endeavoured to protect its proud and solid record of good governance and clean administration it had experienced some weaknesses and deficiencies related to SCM. An intervention plan has been developed to address these internal control deficiencies. Evidencing its commitment towards staff empowerment and development, the Agency continued to provide ongoing training through formal courses, seminars and workshops, to ensure that the supply chain management personnel are always abreast of new developments and trends within the sector. The effort placed on this continues to yield associated benefits in the improvement of compliance to all prescripts and continuing solid audit performance.

Unsolicited Bid Proposals for the Year Under Review

The Agency continued to operate in full compliance to governance prescripts as legislated and did not conclude any unsolicited proposals for the 2019/20 period. All procurement processes were undertaken through the normal applicable legislative frameworks.



SCM Processes and Systems

The 2019/20 period evidences solid performance in the Agency's commitment to the fiscal prudence. The Agency is proud that its proactive policy framework has proven highly effective as an early detection system to identify possible weaknesses, deficiencies and to eliminate any possible instances of fraud, malpractices and abuses the Agency nonetheless experience internal control deficiencies around SCM and is developing plans to address this.

Resolving Challenges Experienced

Consequent to the onslaught of the Coronavirus pandemic experienced towards the end of the financial year, the Agency suffered a significant blow with the near complete erosion of the related revenue it relies upon. This situation is expected to continue for a significant amount of time, given that in the delicate balancing of requirements, the payment of infringement notices will drop to the lowest level in the hierarchy of human needs.

Consequently, the Agency has a duty to do its best to stave of calamity and entrench its continued sustainability. To that extent, an intensive risk analysis was undertaken on the impact of the COVID-19 pandemic on the Agency's operations going forward, which led to a special request for the Department to recapitalise the Agency for the duration of the 2020/21 period, to the value of R329 million, which is expected to provide the related financial stability and to meet the Agency's core expenditure requirements in the form of remuneration and contracted services.

Due to the Agency's solid financial performance in the year under review, it was able to continue operating and stay afloat, in spite of the near complete depletion of its revenue collection. Consequently, the Agency was able to continue honouring its basic commitment of employee remuneration and contracted services in spite of the significant drawbacks. The Agency is pleased to have been advised by the Department of an approved special adjustment budget grant of R80 million to the Agency during the 2020/21 period to sustain its operations. The Agency has always taken tremendous pride in its fiscal prudence measures and will continue endeavouring to achieve much more than is reasonably possible from the allocation.

Audit Report Matters in the Previous Year and How they were Addressed

Pursuant to the objective of providing and evidencing good governance, the Agency has devised and implemented a proactive system of continuously monitoring its performance and timeously implementing the related interventions where required. The RTIA has implemented a proactive system which monitors the previous findings by the auditors on a three-phased process of follow-up by the Internal Audit Unit, regular quarterly reporting to the AGSA and oversight committees.

28

Furthermore, a system of accountability has also been implemented, wherein every business unit has a risk champion responsible for the monitoring and management of all risks related to that business unit. In addition, all managers have the risk element codified in their performance contracts to ensure that there is full accountability for the related risks and proactive management thereof. Consequently, the Agency is able to give the related assurances to its governance and oversight structures of the Audit and Risk Committee as well as the Accounting Authority about positive reliance on its system of internal control, which continues to operate efficiently.

Outlook/ Plans for the Future to Address Financial Challenges

The year under review saw the Agency implementing the first part of the newly identified revenue streams, which yielded tremendous benefits in the form of increased revenue collection, to the benefit of both the Agency and the issuing authorities. Furthermore, with the approval of the AARTO Amendment Act, 2019, the supporting Regulations were developed and included the introduction of an infringement levy, payable for the commission of every infringement. This provision of the infringement levy is expected to be implemented in the upcoming 2020/21 financial year and will go a long way towards addressing the Agency's precarious financial situation. Furthermore, national rollout will also contribute positively through the increase in the volumes of notices issued, thereby leading to an increase in the revenue to be collected throughout the country.



Events After the Reporting Period

Towards the end of the financial year under review, the world declared a global pandemic brought on by the COVID-19 virus. The impact of this Coronavirus led to the enforcement of a lockdown across the globe and the declaration of a national state of disaster in South Africa. Subsequently, the rest of society was locked down and movement completely curtailed, leading to a tremendous eradication of the Agency's financial resources and cash reserves that were attained at the end of the period.

The key savings attained at the end of the financial year, is what enabled the Agency to survive the worst period of the pandemic, by its ability to draw on its reserves and continue paying its core commitments in the form of employee remuneration and contracted services. The Agency received R80m capital injection from the Department of Transport as to cover for the losses incurred and to stave off the as a result of the negative effects of the Covid-19 pandemic. Whereas the impact of the Coronavirus is expected to continue exerting pressure on society for some time, the Agency continues to do its best to make the necessary provisions for a force majeure environment as had been experienced.

The Applicant has lodged the application to, amongst others; contest the constitutionality of some of the provisions in the AARTO Act as well as the National Road Traffic Act. It is also based on allegations of unconstitutionality of the law making processes in respect to passage of Regulations relating to various transport legislations. The parties have finalised the exchange of their Heads of Arguments and the matter was scheduled to be set down for hearing on the 7th to 11th of February 2020. The Applicant however failed to set the matter down as anticipated.

Notwithstanding an uncertain future, the information contained in this annual report is presented fairly in all material respects, as known to management and reported to its oversight committees.

Economic Viability

The primary mandate of the Agency is focused on service delivery, enabled by a positive contribution towards a positive change in road user behaviour. The Agency's primary funding is derived from a portion of the infringement penalty revenue collected on behalf of issuing authorities, applicable service fees as well as minimal Treasury allocations. As the Agency succeeds in dispensing its mandate, a simultaneous reduction in the rate of infringements committed will be realised with a resultant increase in road safety and tremendous reduction in the revenue collected. To that extent, the Agency is forced to become proactive and innovative in the manner in which it continues to sustain itself and continue providing its value proposition.

Leveraging on the country's acceptance of a "user pay principle", everyone that is on the wrong side of the law will bear the consequences of financial penalties and those that are fully compliant have no burden on the financial sustainability and contribution to the Agency. Consequently, the Agency has undertaken an intensive analysis and research on various funding mechanisms and adopted the introduction of an infringement levy, which was included in the Regulations, published in October 2019 and would be applicable for every infringement committed. Such a levy will enable the Agency to meet its related obligations imposed upon it by its founding legislation and to realise the core of its mandate. This strategy is further supported by international best practise and is expected to be implemented in the upcoming financial year.

Acknowledgements and Appreciation

The Agency's success could not have been attained without the active contribution by various people. To that extent, I must express my gratitude and congratulations to the Agency's Executive Committee and management for their diligence and commitment. In spite of challenges experienced, they have always stayed the course and relentlessly focussed on the Agency's mandate and deliverables. Management has continued to provide guidance and leadership to the rest of the staff for another solid performance, entrenching the Agency's reputation as one of the apex performers and I trust that this performance again, gives them tremendous joy and solidifies the Agency's reputation.

The very nature of the Agency's mandate requires interactive engagement with all stakeholders and consequently, some have turned it into a litigious environment. To that extent, the Agency continued to perform extremely well in protecting its mandate, through the successful defence of all its litigations. I furthermore express my gratitude to the oversight committees of Corporate Services as well as Audit and Risk, for their solid performance in the absence of the board and their support of the duality of the

29



Registrar in the role of Accounting Officer and Accounting Authority.

I wish to express my gratitude and welcome to the Portfolio Committee on Transport, who took the time to engage with the Agency. We are indeed looking forward to solidifying relations with the Committee and take guidance and support from it. I would be remiss not to congratulate every motorist that engages with the Agency and express the Agency's appreciation for a future of active engagement that benefits the country. I wish to thank the Deputy Minister, Honourable Dikeledi Magadzi, MP for her continued support, guidance, sterling, exemplary leadership. I thank the Minister of Transport, the Honourable Mr Fikile Mbalula, MP for his dynamic and enthusiastic leadership. I express herein not only the Agency's excitement but its unwavering commitment and dedication to effectively dispense its mandate.



Important Information for Users of the Annual Financial Statements

The Agency plays a dual role of assurance with respect to its functions related to the AARTO environment. On the one hand, it has a duty to report on its own responsibilities and financial management related to the portion of its revenue. On the other hand, it has a fiduciary duty of reporting on the efficacy of its custodial functions relating to the management and disbursement of the revenue collected on behalf of all issuing authorities that generated infringement notices finalised by the Agency. These custodial functions are reported upon under Part B on Performance Information, as well as on the rate and status of revenue collected and disbursed, enclosed under Part E on Financial Information. In the interest of good governance and clean administration, as well as pursuant to section 14(3) of the AARTO Act, the Agency subjects the administration and custodial functions of the AARTO and its related bank accounts to a full statutory audit, in order to obtain reasonable assurance on the state of affairs of the function. With the objective of providing more useful information to users of the Annual Financial Statements, the Auditor General South Africa (AGSA) subjects the AARTO scope and financial custody to a full audit, thereby enabling the AGSA to pronounce on whether the financial statements fairly present the financial affairs of the Agency both as a public entity and in its capacity as an agent to the issuing authorities. These disclosures are made under the Annual Financial Statements section and in particular covered under note 8.

For the reporting period of 1 April 2019 to 31 March 2020, an amount of R 602 million was collected from outstanding infringement penalties. By 31 March 2020, an amount of R 309.3 million was disbursed to various AARTO stakeholders and R 255.3 million retained by the various AARTO Stakeholders amounting to a total of R 565 million. The remaining payable amounts are funded from the closing bank balance of R 74.2 million and receivables of R3 million. These receivables consist of infringement revenue due from the Collecting Authorities and Municipalities.

Mr Japh R. Chuwe
Registrar/Chief Executive Officer
& Section 49 (2) (b) Accounting Authority (up to 05 August 2020)
Date: 2020 - 12 - 18



GREETINGS BY THE NEW CHAIRPERSON



Ms Bongekile Zulu
Chairperson of the Board

It is my pleasure, as the new Chairperson of the Board of Directors of the Road Traffic Infringement Agency, to be associated with this institution at the most crucial time of its growth as we gear up towards the national AARTO Rollout in July 2021. Cabinet approved the appointment of the Board on the 6th of August 2020. The board constitutes of seven members with diverse skills, experience and competencies:

- Ms Bongekile Zulu;
- Dr Dorcas Khosa;
- Adv. Ivy Thenga;
- Mr Owen Mtsetweni;
- Dr Prittish Dala;
- Mr Bonolo Ramokhele; and
- The Registrar.

The new board appreciates the sterling work that was done by the Registrar of the Agency, Mr Japh Chuwe, who had to assume the task of a section 49(2)(b) Accounting Authority when the term of the previous Board came to an end during July 2018. It is pleasing to note that during that period the Registrar succeeded in leading the Agency to a clean audit during 2018/19 financial year, and further led the Agency to a 100 % achievement against its targets during the reporting period under review, though we take note, with lessons learnt, of the regression in the audit opinion during this period, where the institution receded from a clean audit report to the current disclaimer for reasons which have been disclosed in the audit report.

The Board will put measures in place to ensure that the Agency reverts to a clean audit with 100% achievement of targets. To this end, the Board has re-established the Technical Committee which was functional until the expiry of the term of the erstwhile board, in July 2018. The Board has unanimously resolved to retain some but not all the additional assistance of independent non-executive experts that were appointed by the section 49(2)(b) Accounting Authority in the Corporate Services and Audit & Risk Committees, for ease of transition and to not abruptly lose the institutional memory and momentum, particularly because all members of the board are new.

We look forward to working in partnership with all key stakeholders of the Agency, for a successful term and a smooth national roll-out of AARTO in July 2021.

Statement of Responsibility and Confirmation of Accuracy of the Annual Report

To the best of our knowledge and belief, we confirm the following:

- all information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General;
- the annual report is complete, accurate and free from any omissions;
- the annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury;
- the Annual Financial Statements (Part E) have been prepared in accordance with the GRAP standards applicable to the public entity;
- the Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information;
- the Accounting Authority is responsible for establishing and implementing a system of internal control which is designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements;
- the external auditors are engaged to express an independent opinion on the annual financial statements; and in our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the RTIA for the financial year ended 31 March 2020.

Yours faithfully

Ms Bongekile Zulu
Chairperson: Board
Date: 2020 – 12 – 18

Mr Japh R. Chuwe
Registrar Section 49(2)(b) Accounting Authority (up to 05 August 2020)
Date: 2020 – 12 – 18



**PERFORMANCE
INFORMATION**





1. OVERVIEW OF THE ROAD TRAFFIC INFRINGEMENT AGENCY'S PERFORMANCE

Subsection Topic

- 1.1.1 Number of Infringement Notices Captured
- 1.1.2 Number of Notices Captured per Issuing Authority
- 1.1.3 Elective options exercised by Infringers
- 1.1.4 Adjudication of Representations
- 1.1.5 Courtesy Letters Issued
- 1.1.6 Enforcement Orders Issued
- 1.1.7 Applications for the Revocation of Enforcement Orders

For the 2019-2020 financial year under review, the statistics listed in this section were derived from the National Contraventions Register (NCR), and are based on the records captured and uploaded thereto by the four Issuing Authorities (IA's) in the AARTO jurisdictional area which include Johannesburg Metropolitan Police Department (JMPD); Tshwane Metropolitan Police Department (TMPD); the Gauteng Department of Community Safety (GDoCS) and the Road Traffic Management Corporation (RTMC).



1.1.1 Number of Infringement Notices Captured

The number of notices captured by all the Issuing Authorities (IA's) per month on the NCR during the 2019-2020 financial year is shown in the table below per AARTO type.

Month	Number of Notices Captured per Type :					All IA's Total
	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	
Apr 2019	59 844	74	242 113	16 807	0	318 838
May 2019	67 745	69	432 841	17 451	0	518 106
Jun 2019	56 434	49	327 535	14 819	0	398 837
Jul 2019	68 051	73	412 079	21 006	0	501 209
Aug 2019	64 124	33	422 648	21 881	0	508 686
Sep 2019	66 153	97	643 831	20 342	0	730 423
Oct 2019	62 909	65	509 907	24 299	0	597 180
Nov 2019	62 321	128	628 968	16 226	0	707 643
Dec 2019	43 557	127	170 041	8 867	0	222 592
Jan 2020	71 703	62	252 632	15 546	0	339 943
Feb 2020	72 461	63	220 464	26 921	0	319 909
Mar 2020	62 916	69	280 505	19 218	0	362 708
Year Total	758 218	909	4 543 564	223 383	0	5 526 074



The table below shows the changes in number of notices captured by all the IA's in 2018-2019 and 2019-2020 financial years.

Change in Number of Notices Captured per Type :						All IA's
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2018-2019	823 857	856	2 264 247	324 685	1	3 413 646
2019-2020	758 218	909	4 543 564	223 383	0	5 526 074
Change	-65 639	53	2 279 317	-101 302	-1	2 112 428
% change	-7.97%	6.19%	100.67%	-31.20%	-100.00%	61.88%

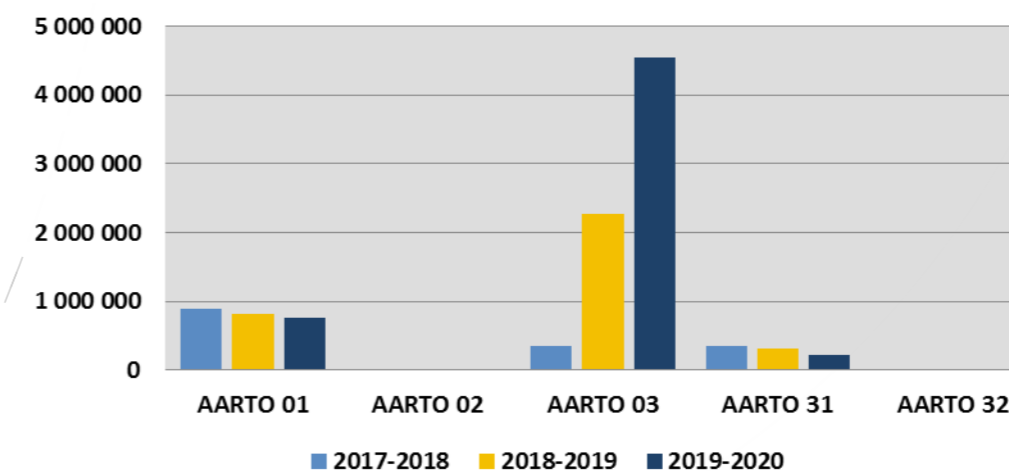
The analysis of the tables above is as follows:

- There is a total of 5 526 074 infringements notices captured by all the IA's during 2019-2020 financial year period, which is a 61.88% increase from 3 413 646 in 2018-2019 financial year.
- A total of 758 218 AARTO 01's, which is 14% of the total were captured during the 2019-2020 period. This is a decrease of 7.97% from 823 857 captured AARTO 01's notices in 2018-2019;
- There is an increase of 6.19% from 856 in 2018-2019 to 909 in the 2019-2020 period, which is less than 1% of the total;
- There is a change of 2 279 317, which is 100.67% from 2 264 247 notices in 2018-2019 to 4 543 564 notices captured in the 2019-2020 period. The captured AARTO 03's have contributed 82% of the total captured infringement notices in 2019-2020.
- There is a total change of -101 302, from 324 685 notices in 2018-2019 to 223 383 in 2019-2020, which is a decreased change of 31.20%.
- There were no AARTO 32 notices captured in 2019-2020 as compared to 1 captured in the 2018-2019 period.



The graph below compares the financial years 2017-2018, 2018-2019 and 2019-2020 on the number of notices captured per type.

Number of Notices Captured per Type





The comparison in the number of notices captured in 2017-2018, 2018-2019 and 2019-2020 are also reflected in the table below for all IA's per notice type

Yearly Comparison of Number of Notices Captured per Type :						All IA's
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2017-2018	901 668	980	351 103	354 238	0	1 607 989
2018-2019	823 857	856	2 264 247	324 685	1	3 413 646
2019-2020	758 218	909	4 543 564	223 383	0	5 526 074

The graph and table above, shows that

- AARTO 01's have been decreasing yearly between 2017-2018 and 2019-2020;
- AARTO 02's have decreased in 2018-2019 and increased in 2019-2020;
- AARTO 03's are the majority of captured notices and have been increasing yearly by a margin greater than 100% between 2017-2018 and 2019-2020;
- AARTO 31's have been decreasing yearly between 2017-2018 and 2019-2020; and
- AARTO 32's only recorded 1 notice in 2018-2019 and zero for 2017-2018 and 2019-2020.

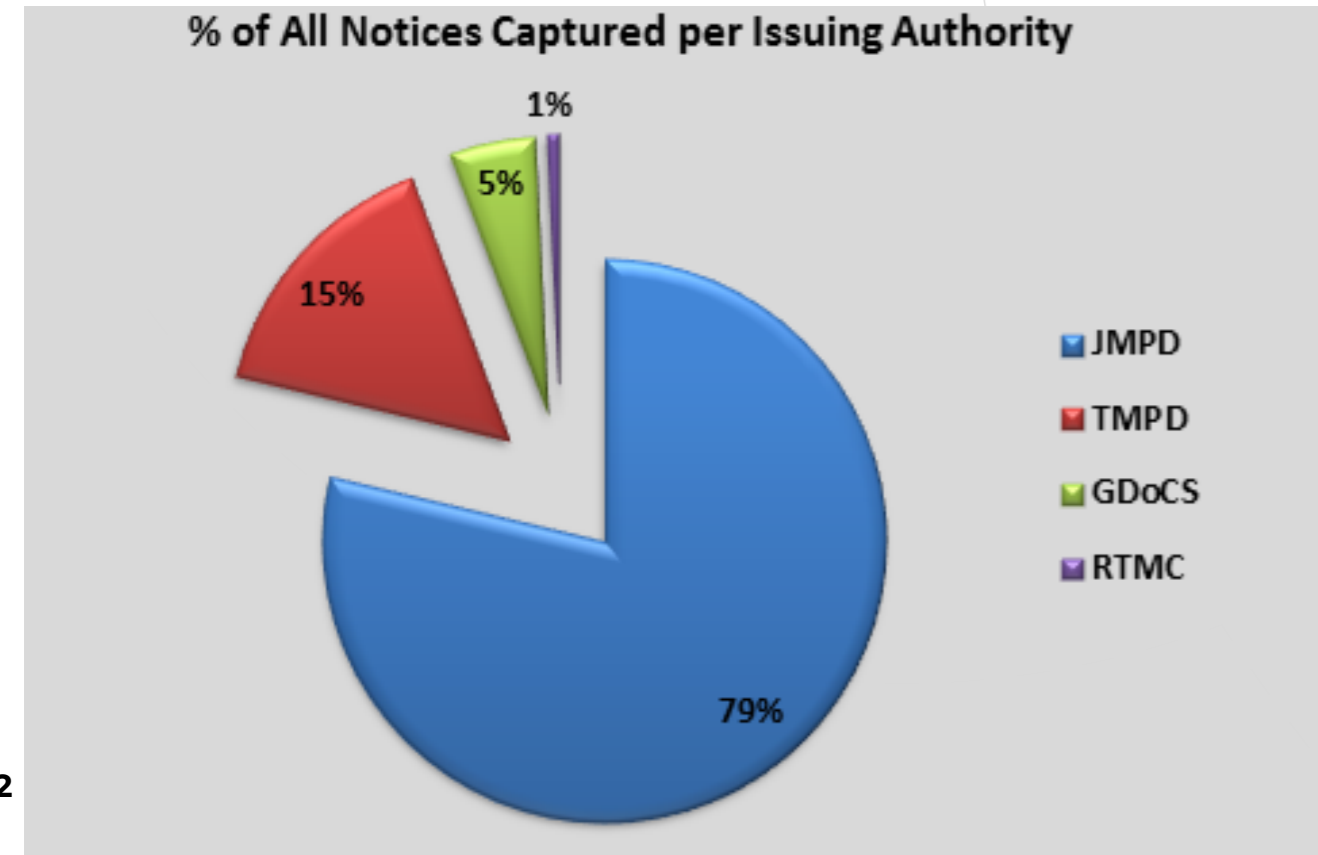


The table below shows the total number of notices captured per month by the Issuing Authorities:

Number of Notices Captured per Issuing Authority					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2019	221 474	74 365	20 233	2 766	318 838
May 2019	418 817	75 421	19 711	4 157	518 106
Jun 2019	304 043	73 977	17 679	3 138	398 837
Jul 2019	396 514	75 665	25 019	4 011	501 209
Aug 2019	401 554	79 488	23 405	4 239	508 686
Sep 2019	628 675	79 394	19 604	2 750	730 423
Oct 2019	481 800	88 503	22 870	4 007	597 180
Nov 2019	612 584	66 884	24 699	3 476	707 643
Dec 2019	166 774	36 270	18 190	1 358	222 592
Jan 2020	237 015	71 225	28 123	3 580	339 943
Feb 2020	215 396	70 500	30 147	3 866	319 909
Mar 2020	264 564	71 640	23 478	3 026	362 708
Year Total	4 349 210	863 332	273 158	40 374	5 526 074



The information above can be summarised as follows:



42

The information above can be summarised as follows:

- JMPD has the highest notices captured with a total of 4 349 210 which is 79% of the total;
- TMPD has the second highest notices captured of 863 332 (15%);
- GDoCS has the 3rd highest with 273 158 (5%) notices captured; and
- Lastly, RTMC captured 40 374 notices, which makes only 1% of the total captured notices.

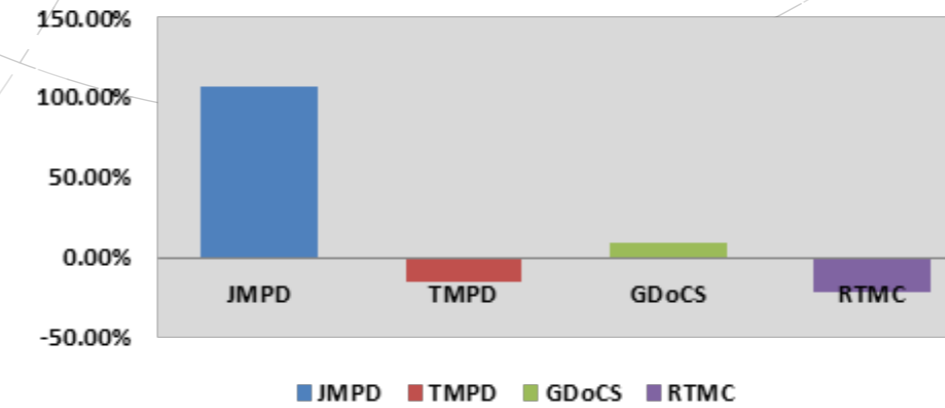


1.1.2 Number of Notices captured per Issuing Authority

The change in the number of notices captured per Issuing Authority from 2018-2019 to 2019-2020 is shown in the table below.

Change in Number of Notices Captured per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2018-2019	2 097 068	1 013 343	251 316	51 919	3 413 646
2019-2020	4 349 210	863 332	273 158	40 374	5 526 074
Change	2 252 142	-150 011	21 842	-11 545	2 112 428
% change	107.39%	-14.80%	8.69%	-22.24%	61.88%

Change in Number of Notices Captured per IA



The information in the table and graph above is summarised as follows:

43



There is an increase of 2 112 428 (61.88%) in the total number of notices captured, from 3 413 646 in 2018-2019 to 5 526 074 in 2019-2020 by all the IA's. The changes in the number of notices captured per IA from the previous year are as follows:

- JMPD: shows an increase of 2 252 142 (107.39%) from 2 097 068 to 4 349 210 notices;
- TMPD: shows a decrease of 150 011 (14.80%) from 1 013 343 to 863 332 notices;
- GDoCS: shows an increase of 21 842 (8.69%) from 251 316 to 273 158 notices; and
- RTMC: shows a decrease of 11 545 (22.24%) from 51 919 to 40 374 notices.

Johannesburg Metropolitan Police Department (JMPD)

In this financial year, JMPD have captured a total of 4 349 210 notices. The information is reflected in the table below.

Number of Notices Captured per Type :						JMPD
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2019	19 416	0	195 058	7 000	0	221 474
May 2019	20 250	0	391 574	6 993	0	418 817
Jun 2019	15 101	0	282 756	6 186	0	304 043
Jul 2019	16 691	0	370 856	8 967	0	396 514
Aug 2019	17 182	0	376 450	7 922	0	401 554
Sep 2019	21 966	0	599 445	7 264	0	628 675
Oct 2019	11 393	0	461 388	9 019	0	481 800
Nov 2019	13 770	0	593 642	5 172	0	612 584
Dec 2019	12 364	0	151 691	2 719	0	166 774
Jan 2020	18 801	0	211 689	6 525	0	237 015
Feb 2020	21 288	0	186 221	7 887	0	215 396
Mar 2020	16 220	0	243 894	4 450	0	264 564
Year Total	204 442	0	4 064 664	80 104	0	4 349 210

The table above shows that JMPD has captured a total of 4 349 210 in 2019-2020 financial year, which is made up of AARTO 01's at 204 442 (5%), AARTO 03's at 4 064 664 (93%) and AARTO 31's at 80 104 (2%).



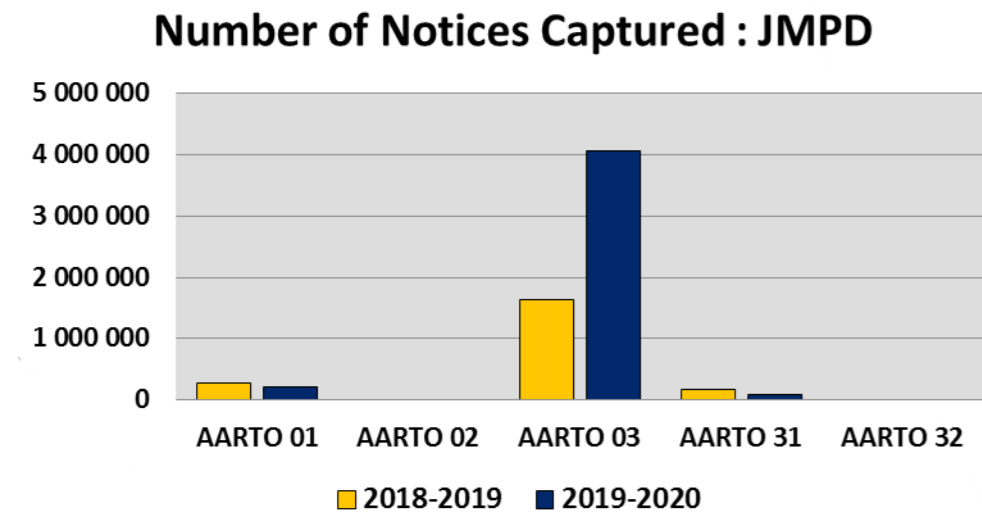
The changes in number of notices captured by the JMPD between 2018-2019 and 2019-2020 are shown in the table below.

Change in Number of Notices Captured per Type :						JMPD
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2018-2019	285 059	0	1 645 565	166 443	1	2 097 068
2019-2020	204 442	0	4 064 664	80 104	0	4 349 210
Change	-80 617	0	2 419 099	-86 339	-1	2 252 142
% change	-28.28%	-	147.01%	-51.87%	-100.00%	107.39%

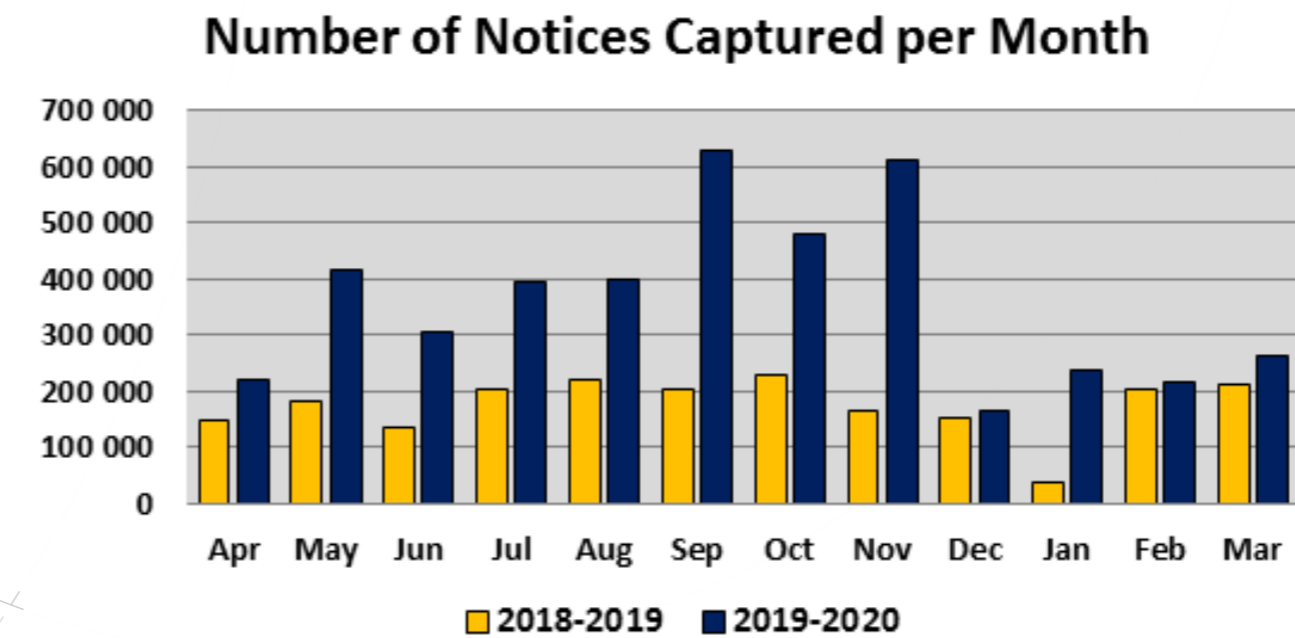
- AARTO 01: There has been a decrease in capturing of notices by the JMPD by 80 617 (28.28%) from 285 059 in 2018-2019 to 204 442 in 2019-2020.
- AARTO 03: The capturing of the camera infringements notices by the JMPD have increased by a massive 2 419 099, from 1 645 565 to 4 064 664 which is 147.01%.
- AARTO 31: There is a decrease of 86 339 in capturing AARTO 31's, which equates to 51.87%, from 166 443 in 2018-2019 to 80 104 in 2019-2020



The information can also be seen on the bar chart below, comparing the performance of JMPD for the two financial years 2018-2019 and 2019-2020.



The graph below shows the increase in number of notices captured for all the months of 2019-2020 with September, November and October being in the top three.





Tshwane Metropolitan Police Department (TMPD)

The table below shows the number of notices captured by TMPD per type on the NCR during the 2019-2020 financial year.

Number of Notices Captured per Type :						TMPD
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2019	17 503	0	47 055	9 807	0	74 365
May 2019	23 696	0	41 267	10 458	0	75 421
Jun 2019	20 565	0	44 779	8 633	0	73 977
Jul 2019	22 403	0	41 223	12 039	0	75 665
Aug 2019	19 331	0	46 198	13 959	0	79 488
Sep 2019	21 930	0	44 386	13 078	0	79 394
Oct 2019	24 704	0	48 519	15 280	0	88 503
Nov 2019	20 504	0	35 326	11 054	0	66 884
Dec 2019	11 772	0	18 350	6 148	0	36 270
Jan 2020	21 261	0	40 943	9 021	0	71 225
Feb 2020	17 223	0	34 243	19 034	0	70 500
Mar 2020	20 261	0	36 611	14 768	0	71 640
Year Total	241 153	0	478 900	143 279	0	863 332



The changes between the two financial years for TMPD is shown in the table below

Change in Number of Notices Captured per Type :						TMPD
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2018-2019	236 419	0	618 682	158 242	0	1 013 343
2019-2020	241 153	0	478 900	143 279	0	863 332
Change	4 734	0	-139 782	-14 963	0	-150 011
% change	2.00%	-	-22.59%	-9.46%	-	-14.80%

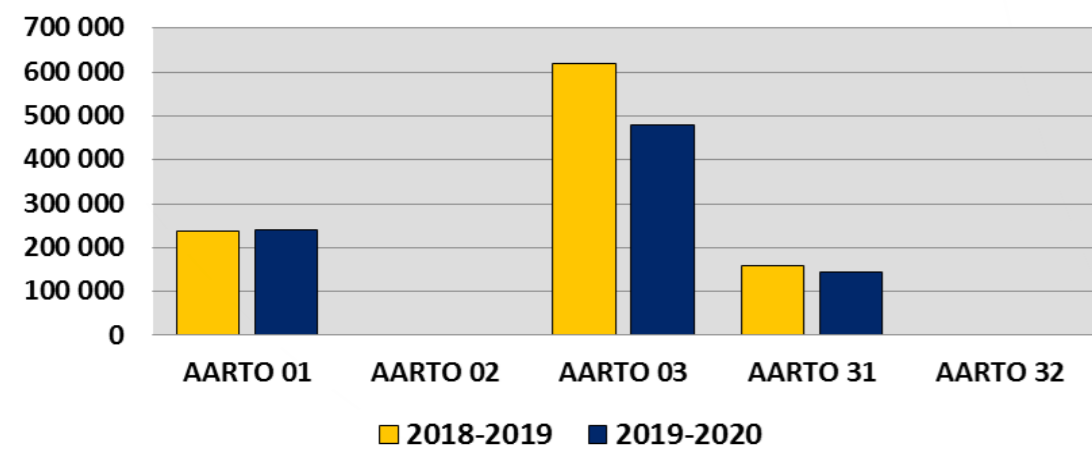
The information in the two tables above shows that

- In 2019-2020 financial year, TMPD have captured 863 332, which is 150 011 (14.80%) less notices as compared to 1 013 343 in 2018-2019 financial year.
- AARTO 01: With just 2% change increase of 4 734 from 236 419 in 2018-2019 to 241 153 in 2019-2020.
- AARTO 02: There were no AARTO 02 notices captured for TMPD since these are notices created at the weighbridges.
- AARTO 03: There is a decrease of 139 782 (22.59%) captured, from 618 682 in the 2018-2019 financial year to 478 900 notices during the 2019/20 period.
- AARTO 31: There is a decrease of 14 963 (9.46%) from 158 424 in 2018-2019 to 143 279 notices in 2019-2020; and
- AARTO 32: There were no offences at roadside recorded by TMPD.



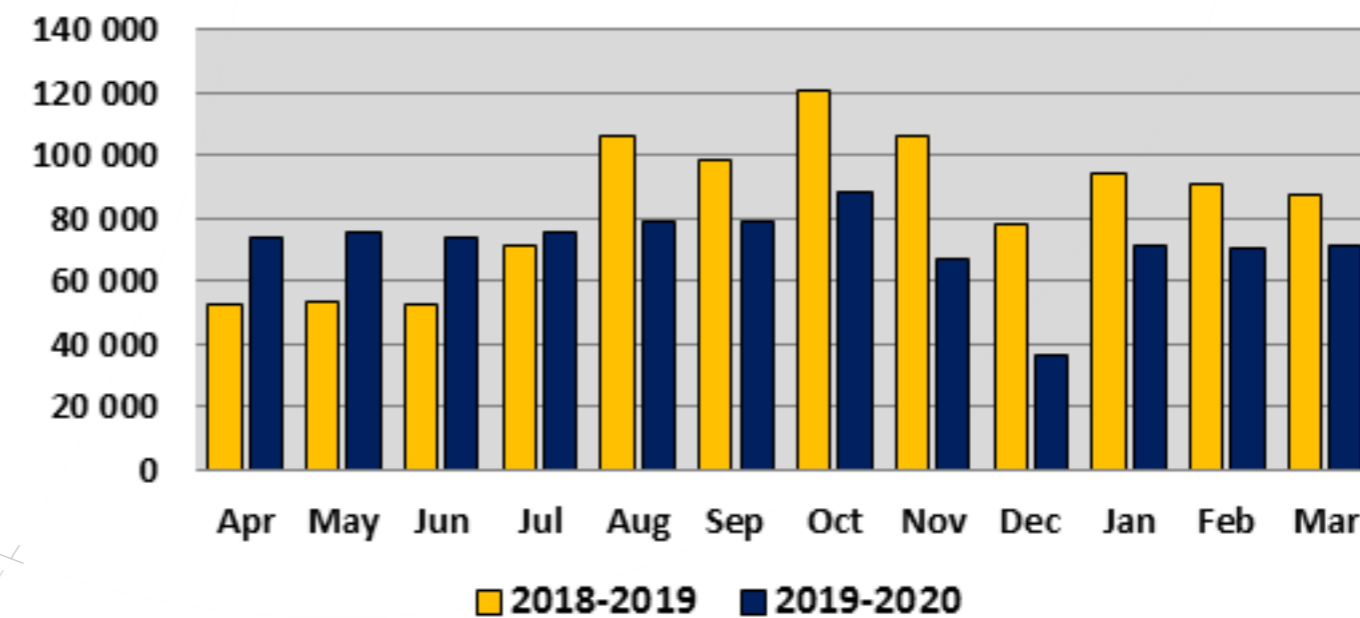
The information can also be seen in the bar chart below.

Number of Notices Captured : TMPD



The graph below shows the month to month comparison of notices captured in 2018-2019 and 2019-2020 financial years.

Number of Notices Captured per Month



An Increase in the number of notices captured per month was recorded between April and July 2019 - 2020 as compared with 2018-2019 financial years. There is a decline in the capturing of notices between August and March 2019-2020 as compared with 2018-2019 financial year.



Gauteng Department of Community Safety (GDoCS)

The number of infringement notices per type captured per month on the NCR under financial year 1 April 2019 to 31 March 2020 by GDoCS is shown in the table below.

Number of Notices Captured per Type :						GDoCS
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2019	20 159	74	0	0	0	20 233
May 2019	19 642	69	0	0	0	19 711
Jun 2019	17 630	49	0	0	0	17 679
Jul 2019	24 946	73	0	0	0	25 019
Aug 2019	23 372	33	0	0	0	23 405
Sep 2019	19 507	97	0	0	0	19 604
Oct 2019	22 805	65	0	0	0	22 870
Nov 2019	24 571	128	0	0	0	24 699
Dec 2019	18 063	127	0	0	0	18 190
Jan 2020	28 061	62	0	0	0	28 123
Feb 2020	30 084	63	0	0	0	30 147
Mar 2020	23 409	69	0	0	0	23 478
Year Total	272 249	909	0	0	0	273 158

The information in the table above shows that a total number of 273 158 notices were captured during the year under the review, and summarised as follows:

- AARTO 01: a total of 272 249 notices were captured, which is just over 99% of the total;
- AARTO 02: a total of 909 notices, which is less than 1% of the total; and
- There were no AARTO 03, AARTO 31 and AARTO 32 captured by the GDoCS in 2019-2020.



The change in the number of notices captured per type in 2018-2019 and 2019-2020 financial years is shown in the table below.

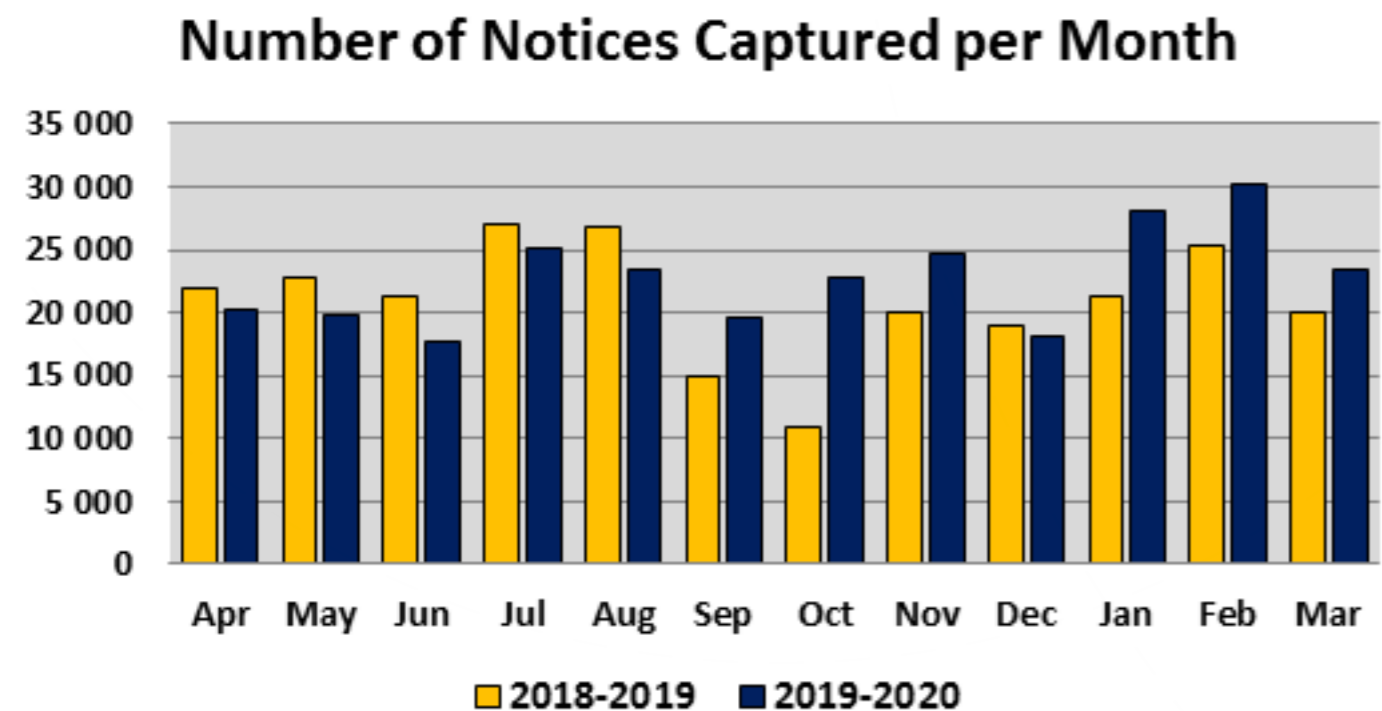
Change in Number of Notices Captured per Type :						GDoCS
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2018-2019	250 460	856	0	0	0	251 316
2019-2020	272 249	909	0	0	0	273 158
Change	21 789	53	0	0	0	21 842
% change	8.70%	6.19%	-	-	-	8.69%

The information in the table above shows that:

- The notices captured by GDoCS in 2019-2020 have increased by 21 842 from 251 316 in 2018-2019 to 273 158 in the year under the review;
- The AARTO 01 has increased from 250 460 in 2018-2019 to 272 249 in 2019-2020, which is an 8.7% change; and
- AARTO 02 has also increased by 53, which is 6.19% of the captured notices from 856 in 2018-2019 to 909 in 2019-2020.



The graph below shows the month to month comparison of notices captured in 2018-2019 and 2019-2020 financial years.



54

The graph above shows a month to month comparison in number of notices captured. There has been a decrease in the number of notices captured between April and August and again in December, the remaining months shows an increase with February having the highest of 30 147.



Road Traffic Management Corporation (RTMC)

The number of notices captured per month on the NCR during the year under the review by the RTMC is shown in the table below per type.

Month	Number of Notices Captured per Type :					RTMC
	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2019	2 766	0	0	0	0	2 766
May 2019	4 157	0	0	0	0	4 157
Jun 2019	3 138	0	0	0	0	3 138
Jul 2019	4 011	0	0	0	0	4 011
Aug 2019	4 239	0	0	0	0	4 239
Sep 2019	2 750	0	0	0	0	2 750
Oct 2019	4 007	0	0	0	0	4 007
Nov 2019	3 476	0	0	0	0	3 476
Dec 2019	1 358	0	0	0	0	1 358
Jan 2020	3 580	0	0	0	0	3 580
Feb 2020	3 866	0	0	0	0	3 866
Mar 2020	3 026	0	0	0	0	3 026
Year Total	40 374	0	0	0	0	40 374

The information in the table above shows that only AARTO 01's were captured with a total number of 40 374.

55



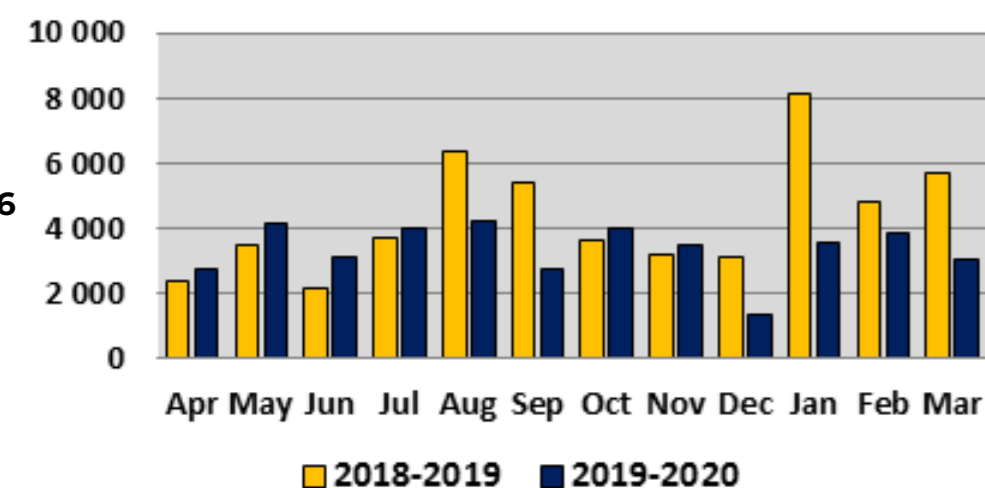
The change in the number of notices captured from 2018-2019 to 2019-2020 financial year is shown in the table below.

Change in Number of Notices Captured per Type :						RTMC
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2018-2019	51 919	0	0	0	0	51 919
2019-2020	40 374	0	0	0	0	40 374
Change	-11 545	0	0	0	0	-11 545
% change	-22.24%	-	-	-	-	-22.24%

The information in the table above shows a decrease of 11 545, which is 22.24% in number of AARTO 01 notices captured, from 51 919 in 2018-2019 to 40 374 in 2019-2020.

The graph below shows the month to month comparison of notices captured in 2018-2019 and 2019-2020 financial years.

Number of Notices Captured per Month



The information in the graph above shows that there has been an increase for 6 months, which is from April to July and again from October to November and the remaining 6 months were all decreasing in 2019-2020 financial year.



1.1.3 Elective Options Exercised by Infringers

Upon being served an infringement notice, either in person or through registered mail, the AARTO process allows infringers to select any one of the following five (5) elective options to be exercised within a period of 32 days after having received such notice:

- Payment of the penalty, in which the infringer may pay the penalty at any of the pay points indicated on the notice; or
- Notification to make payment in Instalments, in which the infringer has to submit a completed form AARTO 04 to the RTIA; or
- Submit a Representation, in which the infringer has to submit a completed form AARTO 08 to the RTIA providing sufficient motivation in cases where an infringer disputes the alleged violation or is of the opinion that he/she should not be held responsible for the violation; or
- Nomination of the driver or person in control of the vehicle at the time the infringement was committed, which can be submitted for any one of the following notice types : AARTO 03 (camera); AARTO 31 (issued as an AARTO 03b notice for an unattended vehicle) and AARTO 03a (operator) infringement notices, which the infringer has to submit a completed form AARTO 07 to the Issuing Authority that served the notice, nominating the driver or person in control of the vehicle at the time the infringement was committed. The original infringement is cancelled once the nomination is successful and a new Infringement Notice is created on the NCR and served on the nominated driver; or
- Elect to be tried in court, in which the infringer has to submit a completed form AARTO 10, an election for the case to be tried in court to the Issuing Authority that served the notice.

Details on the number of elective options exercised by infringers during the year under review are provided below.

(a) Payment of the Penalty

Details on the payment of penalties are provided under Part E: Financial Information, subsection

2: "Annual Financial Statements".

(b) Notifications to make payment in Instalments



The table below shows the change in number of notifications to pay in instalments submitted using the form AARTO 04 from 2018-2019 to 2019-2020.

Notifications to Pay In Instalments				
Month	2018-2019	2019-2020	Change	% Change
Apr	17	8	-9	-52.94%
May	33	42	9	27.27%
Jun	38	24	-14	-36.84%
Jul	17	76	59	347.06%
Aug	27	76	49	181.48%
Sep	23	34	11	47.83%
Oct	62	61	-1	-1.61%
Nov	84	56	-28	-33.33%
Dec	20	35	15	75.00%
Jan	49	74	25	51.02%
Feb	26	99	73	280.77%
Mar	20	31	11	55.00%
Total	416	616	200	48.08%

The information from the table above shows a total increase of 200, which is 48.08% change from 416 in 2018-2019 to 616 in 2019-2020.

58

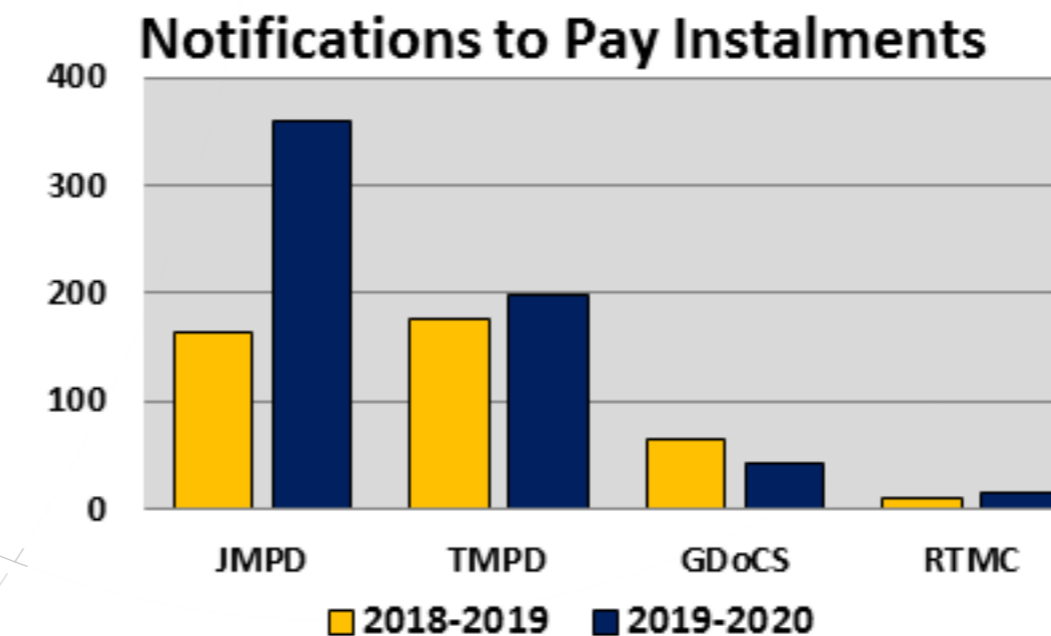
Change in Number of Notifications to Pay in Instalments					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2018-2019	163	177	65	11	416
2019-2020	360	198	43	15	616
Change	197	21	-22	4	200
% change	120.86%	11.86%	-33.85%	36.36%	48.08%

The table above indicate that JMPD has the highest increase of 197 (120.86%), followed by TMPD with 21 (11.86%) and RTMC with only 4, which is a 36.36% change from 2018-2019 to 2019-2020 financial year.



The number of notifications to pay in instalments for GDoCS has decreased by 22 from 65 to 43 in 2019-2020.

The data is also reflected in the graph below.



59



(c) Submission of Representations

The table below shows the number of representation applications submitted to the RTIA during the financial year under review. The information in the table is given in terms of the representations based on Infringement Notices served by the respective Issuing Authorities in the AARTO area.

Number of Representations Submitted					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2019	4 029	4 522	1 054	272	9 877
May 2019	5 898	5 976	1 048	201	13 123
Jun 2019	5 066	4 259	764	193	10 282
Jul 2019	9 562	5 550	1 035	274	16 421
Aug 2019	8 367	4 579	978	271	14 195
Sep 2019	11 678	5 577	1 234	397	18 886
Oct 2019	16 170	7 475	1 076	374	25 095
Nov 2019	16 737	8 483	1 676	480	27 376
Dec 2019	9 627	3 509	589	195	13 920
Jan 2020	13 601	5 612	1 000	265	20 478
Feb 2020	19 089	6 021	1 225	371	26 706
Mar 2020	15 504	4 811	873	268	21 456
Year Total	135 328	66 374	12 552	3 561	217 815

60 The information in the table above shows a total of 217 815 representation applications were submitted in 2019-2020 based on notices issued by the various IA's as follows:

- JMPD: has the highest number of representations submitted of 135 328 out of 217 815, which is 62% of the total;
- TMPD: has recorded the second highest with a total of 66 374, which is 30% of representation applications submitted in 2019-2020;
- GDoCS: has recorded 12 552, which is 6% of the total; and
- RTMC: has recorded the least 3 561 which is only 2% of the year total.



The change in the total number of representations submitted during 2019-2020 is given in the table and graph below in comparison with the 2018-2019 financial year.

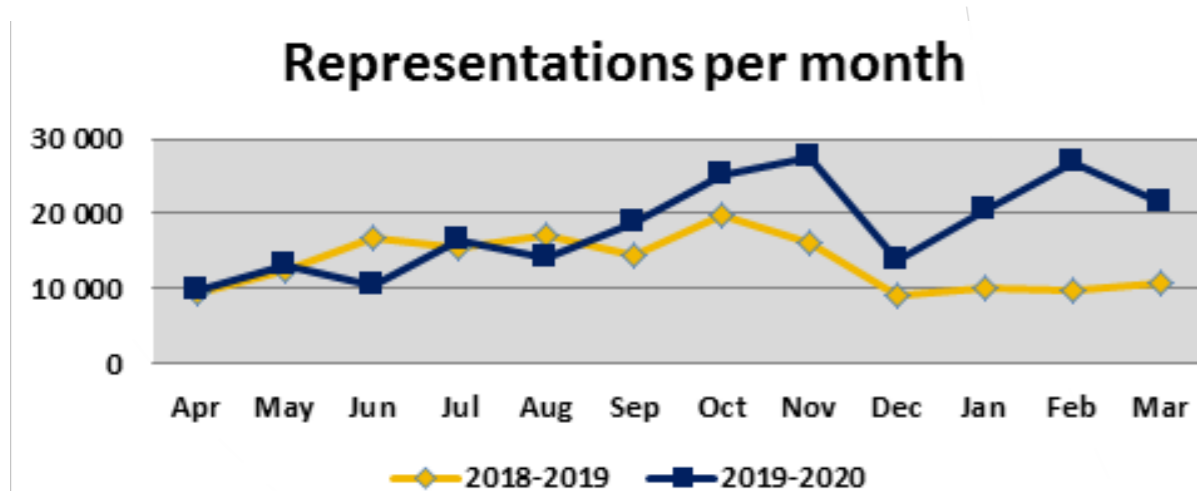
Number of Representations Submitted				
Month	2018-2019	2019-2020	Change	% Change
Apr	9 325	9 877	552	5.92%
May	12 449	13 123	674	5.41%
Jun	16 808	10 282	-6 526	-38.83%
Jul	15 622	16 421	799	5.11%
Aug	17 091	14 195	-2 896	-16.94%
Sep	14 586	18 886	4 300	29.48%
Oct	19 727	25 095	5 368	27.21%
Nov	16 081	27 376	11 295	70.24%
Dec	8 989	13 920	4 931	54.86%
Jan	10 008	20 478	10 470	104.62%
Feb	9 848	26 706	16 858	171.18%
Mar	10 812	21 456	10 644	98.45%
Total	161 346	217 815	56 469	35.00%

The table above indicates that there was a decline of 38.83% in June and 16.94% in August. The remaining 10 months shows a positive change in 2019-2020.

61



The information is also represented in the graph below.



Detail on the adjudication of representations is provided under subsection 1.1.4 "Adjudication of Representations".



(d) Nomination of Drivers

The number of nominations of the driver or person in control of the vehicle at the time the infringement was committed on form AARTO 07 which is camera; unattended vehicle and operator infringements submitted per month during the year under review, in comparison with the previous year, is shown in the tables and reflected in the graph below.

Month	Number of Driver Nominations				Total
	JMPD	TMPD	GDoCS	RTMC	
Apr 2019	1 143	468	0	0	1 611
May 2019	1 667	450	0	0	2 117
Jun 2019	1 932	427	0	1	2 360
Jul 2019	2 575	511	10	3	3 099
Aug 2019	1 988	408	1	0	2 397
Sep 2019	2 305	502	1	0	2 808
Oct 2019	2 335	553	2	0	2 890
Nov 2019	3 194	542	14	4	3 754
Dec 2019	2 608	269	0	0	2 877
Jan 2020	2 381	394	0	1	2 776
Feb 2020	1 386	430	13	0	1 829
Mar 2020	3 254	519	2	2	3 777
Year Total	26 768	5 473	43	11	32 295

The information in the table above shows a total of 32 295 driver nominations for 2019-2020. JMPD has recorded the highest nominations with 26 768, which is 83% followed by TMPD, GDoCS and RTMC with 5 473, 43 and 11 respectively.



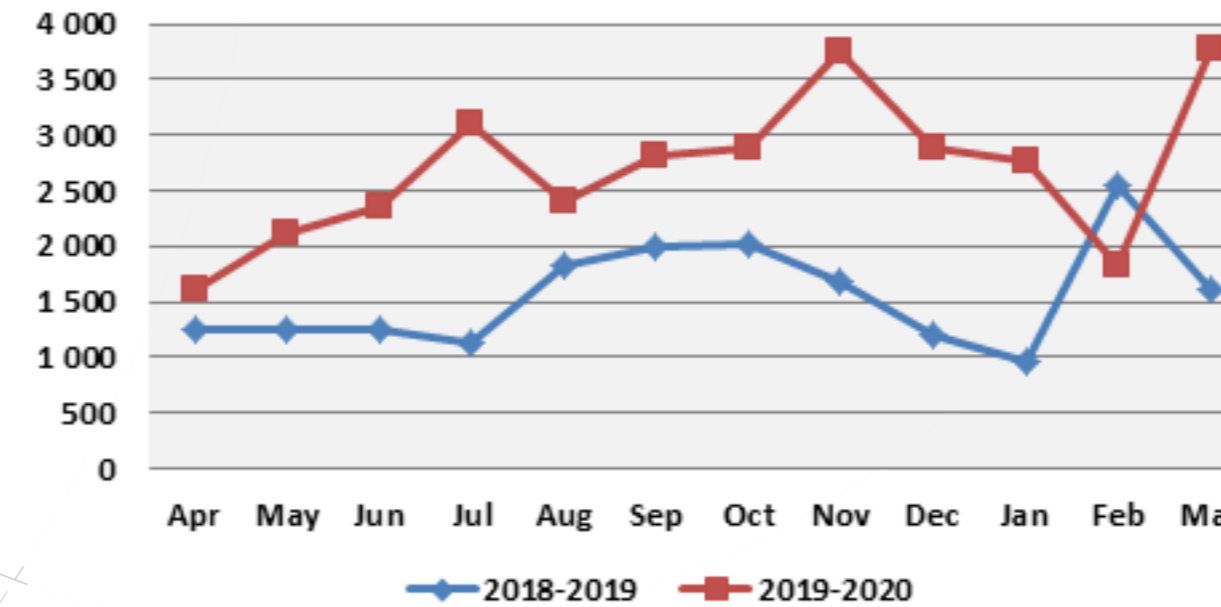
Change in Number of Driver Nominations

Year	JMPD	TMPD	GDoCS	RTMC	Total
2018-2019	13 111	5 605	2	1	18 719
2019-2020	26 768	5 473	43	11	32 295
Change	13 657	-132	41	10	13 576
% change	104.16%	-2.36%	2050.00%	1000.00%	72.53%

The table above shows the change in number of driver nominations between 2018-2019 and 2019-2020. JMPD has recorded 13 657 more nominations which is 104% higher, from 13 111 in 2018-2019 to 26 768 in 2019-2020. TMPD shows a decline of 132 nominations from 5 605 to 5 473 in 2019-2020. GDoCS has recorded a change of 2050% increase from 2 to 43 while RTMC increased from 1 to 11, which is 1000% in 2019-2020.



Number of Driver Nominations

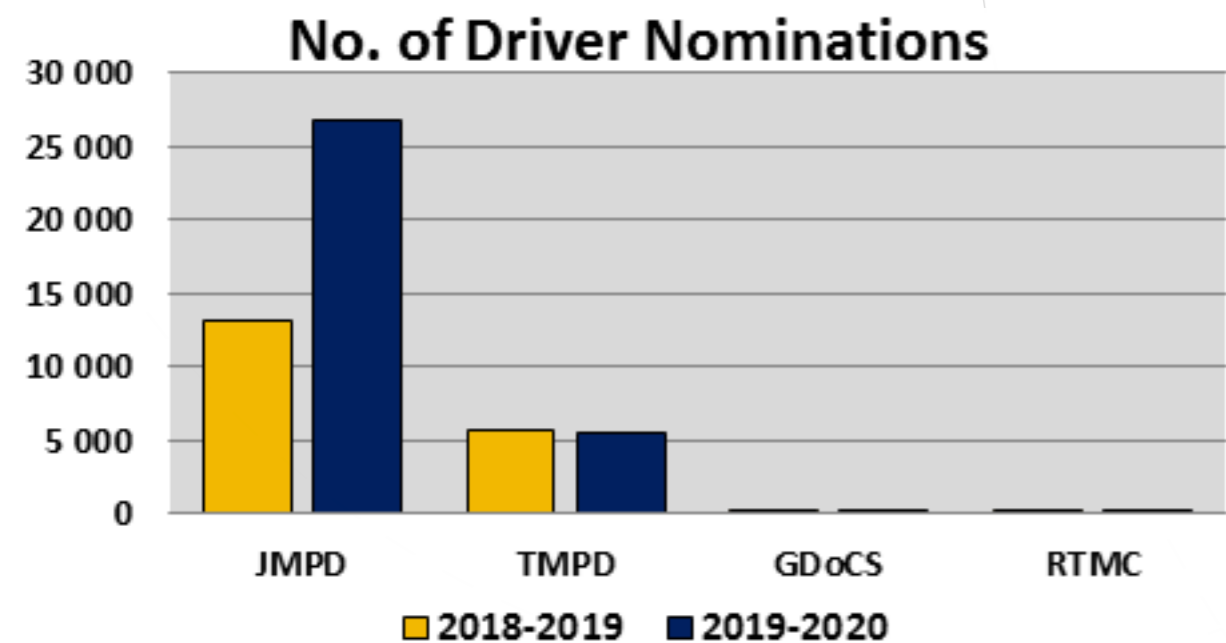


The information in the table above indicates the following for the year under review:

- The total number of driver nominations for the year increased by 13 576 (72.53%);
- February is the only month that has recorded a decline of 713 (28.05%) driver nominations;
- March recorded the highest increase of 3 777 (132.86%).



The information is also reflected in the bar chart below.



Election to be Tried in Court

66

In terms of sections 17(1)(f)(iv) or 18(7) of the principal Act, an infringer may elect to be tried in court on the charge of having committed the infringement(s) as stated on the Infringement Notice. These elections are submitted to the Issuing Authority who issued the Infringement Notice on form AARTO 10 and are also captured on the NCR. Failure to appear in court on the date stipulated in the summons served on the infringer and which follows on these elections will result in the serving of an Enforcement Order by the RTIA.



The table below shows the number of elections to be tried in court.

Month	Number of Elections to be Tried in Court				Total
	JMPD	TMPD	GDoCS	RTMC	
Apr 2019	2 147	3 348	525	168	6 188
May 2019	3 456	4 148	557	162	8 323
Jun 2019	3 939	5 099	617	180	9 835
Jul 2019	6 163	6 220	857	217	13 457
Aug 2019	8 189	7 245	926	226	16 586
Sep 2019	6 666	5 414	697	213	12 990
Oct 2019	10 768	7 322	967	236	19 293
Nov 2019	12 574	6 729	837	221	20 361
Dec 2019	9 978	5 592	558	121	16 249
Jan 2020	12 435	6 834	955	225	20 449
Feb 2020	12 985	6 799	1 034	200	21 018
Mar 2020	13 930	7 459	1 293	284	22 966
Year Total	103 230	72 209	9 823	2 453	187 715

The table above shows that a total of 187 715 elections to be tried in court were recorded with JMPD having the highest by 55% of the total, followed by TMPD, GDoCS and RTMC with 38%, 5% and 1% respectively.

67



The table that follows shows the change in number of elections to be tried in court between 2018-2019 and 2019-2020

Change in Number of Elections to be Tried in Court					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2018-2019	70 780	68 223	9 122	1 792	149 917
2019-2020	103 230	72 209	9 823	2 453	187 715
Change	32 450	3 986	701	661	37 798
% change	45.85%	5.84%	7.68%	36.89%	25.21%

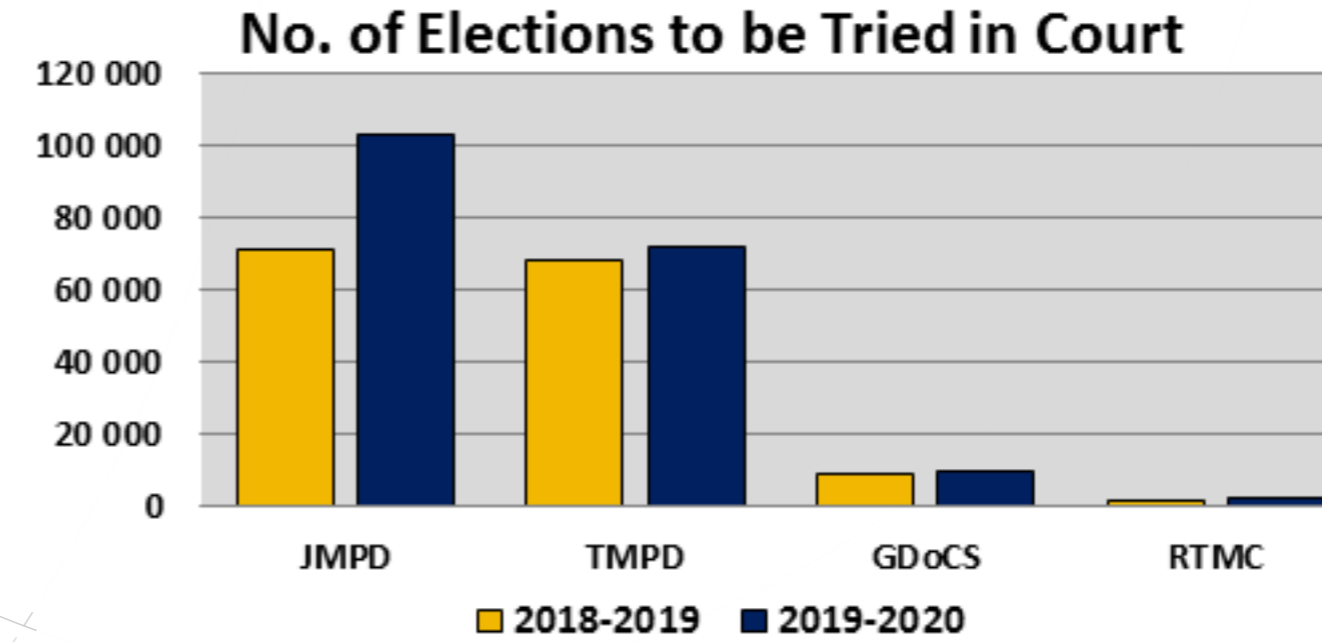
The table above shows the change in number of elections to be tried in court to be 37 798, which is a 25.21% increase from 149 917 in 2018-2019 to 187 715 in 2019-2020.

There is a positive change for all the IA's in 2019-2020.

- JMPD increased from 70 780 in 2018-2019 to 103 230 in 2019-2020, which is 45.85% change;
- TMPD increased from 68 223 in 2018-2019 to 72 209 in 2019-2020, which is 5.84%;
- GDoCS increased from 9 122 to 9 823 which is 7.68% change; and
- RTMC increased from 1 792 in 2018-2019 to 2 453 in 2019-2020, which is a 36.89% change.



The chart below reflects the changes from 2018-2019 to 2019-2020 financial years.



From the information above, it shows that the number of applications to be tried in court has increased for JMPD, TMPD, GDoCS and RTMC in 2019-2020 compared to 2018-2019.



The table below shows the changes in number of elections to be tried in court per month for 2018-2019 and 2019-2020 financial years.

Month	Number of Elections to be Tried in Court			
	2018-2019	2019-2020	Change	% Change
Apr	14 878	6 188	-8 690	-58.41%
May	18 121	8 323	-9 798	-54.07%
Jun	14 390	9 835	-4 555	-31.65%
Jul	12 820	13 457	637	4.97%
Aug	15 685	16 586	901	5.74%
Sep	14 028	12 990	-1 038	-7.40%
Oct	17 144	19 293	2 149	12.53%
Nov	12 720	20 361	7 641	60.07%
Dec	9 048	16 249	7 201	79.59%
Jan	7 941	20 449	12 508	157.51%
Feb	6 861	21 018	14 157	206.34%
Mar	6 281	22 966	16 685	265.64%
Total	149 917	187 715	37 798	25.21%

70 The table above indicates a decline from April to June and in September; the highest decrease was recorded in April with 58.41%. There is an increase in July to August and again in October to March, with the highest change increase recorded in March with 265.64%.

In 2019-2020 financial year, there were no Court Hearings recorded.

1.1.4 Adjudication of Representations

The representations are adjudicated in terms of section 18 of the AARTO Act, 1998 (Act No. 46 of 1998) read with regulation 4 of the AARTO Regulations, 2008. The Adjudications Framework is utilised as a policy document that guides the representations functions. The alleged infringer has an option to make a representation during the first phase – after the service of the infringement notice or during the second phase of the AARTO process – after the service of the courtesy letter. The alleged infringer can make a representation if he or she has reasonable grounds to believe that the infringement notice and/or courtesy letter was or were not executed in line with the relevant piece(s) of legislation. The representation can be based on procedural or substantive matters that the alleged infringer is disputing. In line with section 18 of the AARTO Act, the adjudication process entails that upon receipt of representations from the alleged infringers the Representations Officers must perform the following:

- ensure the effective and fair adjudication of representations submitted;
- conduct investigations to verify facts;
- capture the outcomes of the representations which are communicated to the alleged infringers or applicants via postal services.

The representation can either be allowed (successful), rejected (unsuccessful) or not considered (cancelled) if it is not made in the prescribed manner. In case of a successful representation the alleged infringer is not liable for the payment of the penalty for the infringement that was committed and the applicable fees. In case of an unsuccessful representation the infringer is liable for the penalty, the prescribed unsuccessful representations fee and the prescribed courtesy letter fee if applicable. In case of a cancelled representation, the infringer is still liable for the penalty plus the courtesy letter fee if applicable and is given a chance to exercise the relevant AARTO elective option. The outcomes for successful representations are served via ordinary mail and the outcomes for unsuccessful representations are served via registered mail to the alleged infringer.

During the financial year 2019/20 the representations officers adjudicated 214 421 representations within 21 days in line with the prescribed time frame stemming from regulation 4 of the AARTO Regulations, 2008.



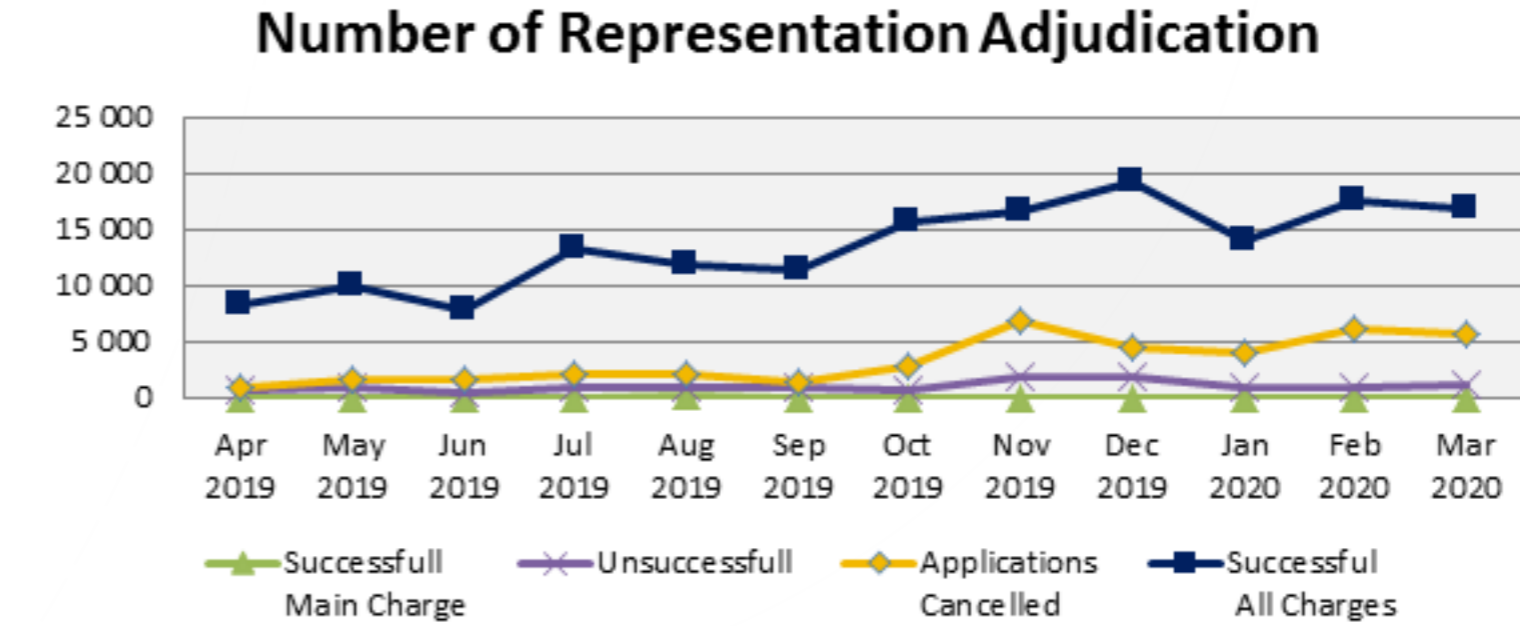
The table below reflects the total number of representations that were adjudicated during the 2019/2020 financial year:

Number of Representation Adjudicated per Month					
Month	Applications Received	Applications Cancelled	Successful All Charges	Successful Main Charge	Unsuccessful
Apr 2019	9 877	789	8 261	34	764
May 2019	13 123	1 537	9 919	49	991
Jun 2019	10 282	1 650	7 873	51	527
Jul 2019	16 421	2 184	13 223	55	939
Aug 2019	14 195	2 012	11 954	74	798
Sep 2019	18 886	1 287	11 478	41	832
Oct 2019	25 095	2 841	15 550	42	641
Nov 2019	27 376	6 963	16 705	68	1 879
Dec 2019	13 920	4 500	19 202	63	1 775
Jan 2020	20 478	4 064	14 077	49	810
Feb 2020	26 706	6 226	17 540	37	883
Mar 2020	21 456	5 719	16 902	35	1 075
Year Total	217 815	39 772	162 684	598	11 914

The information in the table above indicates the following:

- 72 • A total number of 217 815 applications for representations was received; of which 39 772 were cancelled, 162 684 were successful on all charges, 598 were successful on the main charge, and 11 914 were unsuccessful.

The number of representations adjudicated per month during the year in terms of the various outcome categories is shown in the graph below.





Some charges on which the representations are based in comparison with the previous year are reflected in the table below.

Some charges on which representations are based			
Infringement Category	2018-2019	2019-2020	Change
Exceeding speed limits	88 416	144 827	56 411
Rules of the road & driving signals	12 524	12 201	-323
Vehicle registration & licencing	10 798	10 558	-240
Road signs, signals & markings	9 261	9 906	645
Seatbelts	9 277	8 108	-1 169
Learner & driving licences	6 190	6 266	76
Professional driving permits	5 727	5 964	237
Vehicle roadworthiness - general	5 733	5 595	-138
Vehicle - Lights	3 489	2 945	-544
Vehicle - Tyres	1 445	1 357	-88
Passenger carrying vehicles	940	771	-169
Vehicle - Brakes	722	630	-92
Vehicle number plates	516	459	-57
Driving under the influence	309	318	9

The information in the table above shows that:

- 74**
- There was an increase in representations submitted of 56 411 from 88 416 in 2018-2019 to 144 827 in 2019-2020 for exceeding speed limits offences.
 - There is a decline in number of representations based on non-wearing of seatbelt with a change of 1 169; and
 - There are 318 representations based on driving under the influence of alcohol recorded in 2019-2020, which is 9 more compared to 2018-2019.



The change in number of representations adjudicated per month is given in the table below.

Change in Number of Representations Adjudicated per month				
Month	2018-2019	2019-2020	Change	% Change
Apr	9 325	9 877	552	6%
May	12 449	13 123	674	5%
Jun	16 808	10 282	-6 526	-39%
Jul	15 622	16 421	799	5%
Aug	17 091	14 195	-2 896	-17%
Sep	14 586	18 886	4 300	29%
Oct	19 727	25 095	5 368	27%
Nov	16 081	27 376	11 295	70%
Dec	8 989	13 920	4 931	55%
Jan	10 008	20 478	10 470	105%
Feb	9 848	26 706	16 858	171%
Mar	10 812	21 456	10 644	98%
Year Total	161 346	217 815	56 469	35%

The information in the table above shows that:

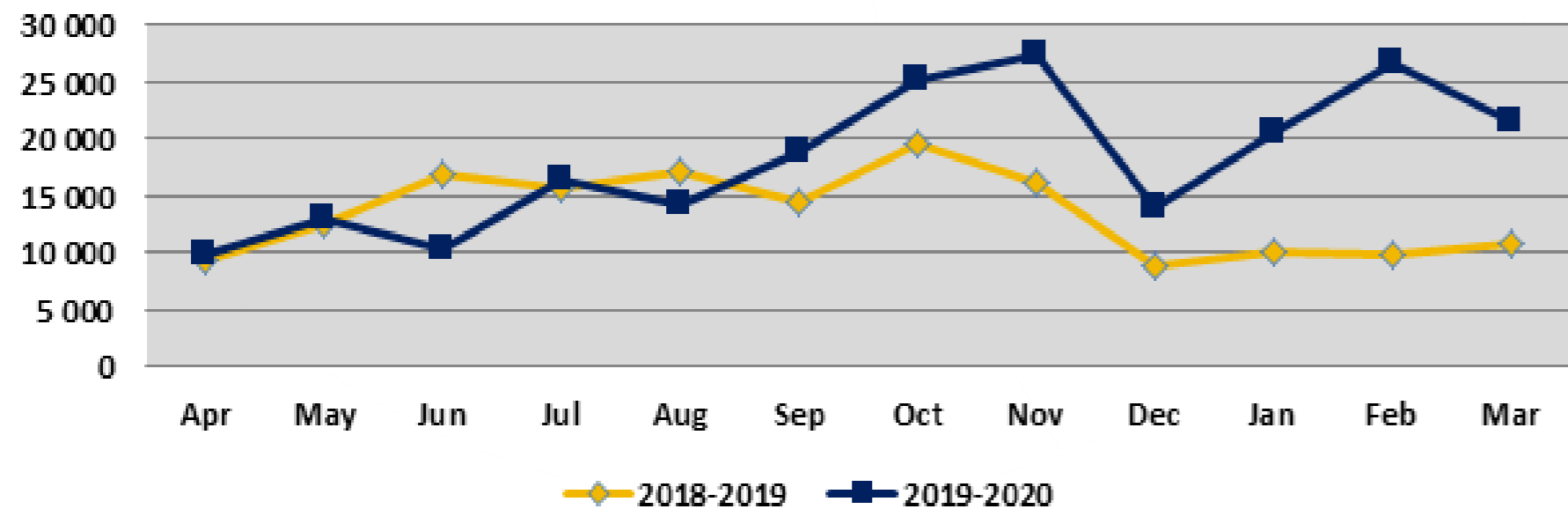
- The highest number of representations adjudicated were recorded in November with a total of 27 376, which is 11 295 (70%) more compared with 16 081 in 2018-2019.
- The total number of representations adjudicated in 2019-2020 amounts to 217 815 compared to 161 346 in 2018-2019.

75



The information is also reflected in the graph below.

Number of Representation Adjudicated per month



76 1.1.5 Courtesy Letters Issued

The courtesy letters are issued in terms of section 19 of the AARTO Act, 1998 (Act No. 46 of 1998) read with regulation 6 of the AARTO Regulations, 2008. The Agency issues the courtesy letter if the infringement notice was served or presumed served in terms of section 17 of the AARTO Act and a period of at least 32 days has passed since the date of service of the infringement notice without the alleged infringer exercising any AARTO elective option. If the applicable infringement penalty has been paid by the alleged infringer, the courtesy letter is not issued by the Agency. Once the courtesy letter is issued the alleged infringer does not qualify for the 50% infringement penalty discount and a prescribed courtesy letter fee is added to the infringement penalty.



The number of Courtesy Letters issued during 2019-2020 financial year is based on the type of infringement notices served on which none of the elective options were exercised by infringers. The table below reflect the number of courtesy letters that were issued during the 2019/20 financial year.

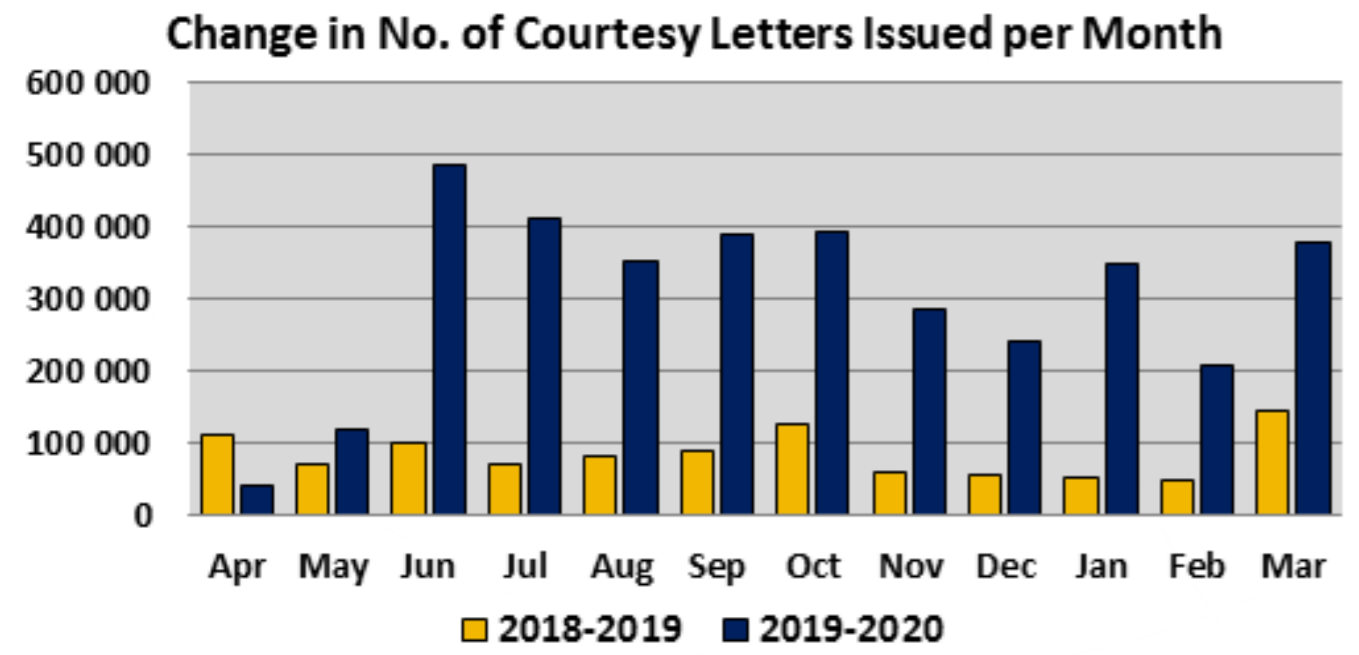
Change in Number of Courtesy Letters Issued per Month				
Month	2018-2019	2019-2020	Change	% change
Apr	111 019	42 292	-68 727	-61.91%
May	71 341	120 360	49 019	68.71%
Jun	101 331	483 309	381 978	376.96%
Jul	72 194	409 780	337 586	467.61%
Aug	81 944	350 612	268 668	327.87%
Sep	88 956	388 247	299 291	336.45%
Oct	126 774	392 251	265 477	209.41%
Nov	59 253	286 222	226 969	383.05%
Dec	57 100	241 821	184 721	323.50%
Jan	51 146	348 493	297 347	581.37%
Feb	47 148	209 379	162 231	344.09%
Mar	145 051	377 062	232 011	159.95%
Year Total	1 013 257	3 649 828	2 636 571	260.21%

The information in the table above shows that:

- In 2019-2020 financial year, a total of 3 649 828 Courtesy Letters were issued. This is an increase of 2 636 571 from 1 013 257 in 2018-2019, which is a 260.21% change.
- There was only a decrease in April from 111 019 in 2018-2019 to 42 292 in 2019-2020 financial year, which is a 61.91% change.



The number of Courtesy Letters issued per month during 2019-2020 in comparison with the 2018-2019 is reflected in the graph below.



It can be concluded from the graph above that there is an exponential monthly increase in 2019-2020 from May 2019 to March 2020.



The number of Courtesy Letters issued during the year under review per notice type is given in the table below:

Number of Courtesy Letters Issued per Notice Type						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
Apr 2019	1 789		35 013	1 001	4 489	42 292
May 2019	30 325	23	78 176	1 497	10 339	120 360
Jun 2019	119 569	76	333 997	4 590	25 077	483 309
Jul 2019	57 509	48	331 416	3 887	16 920	409 780
Aug 2019	64 706	48	273 500	2 394	9 964	350 612
Sep 2019	57 888	22	312 388	3 407	14 542	388 247
Oct 2019	52 961	48	320 543	3 263	15 436	392 251
Nov 2019	47 295	38	223 395	2 348	13 146	286 222
Dec 2019	59 662	76	173 087	1 436	7 560	241 821
Jan 2020	44 867	50	295 850	1 312	6 414	348 493
Feb 2020	54 842	22	149 908	1 032	3 575	209 379
Mar 2020	54 832	52	310 305	2 860	9 013	377 062
Year Total	646 245	503	2 837 578	29 027	136 475	3 649 828

The number of Courtesy Letters issued per infringement notice type is as follows:

- There were 646 245 of AARTO 01's, which is 18% of the total issued;
- Only 503 courtesy letters of AARTO 02's were issued, which is <1% of the total;
- A total of 2 837 578 courtesy letters were issued for AARTO 03s, which is the highest and consisted of 78% of the total; and
- The courtesy letters issued for AARTO 03a and AARTO 03b were 29 027 (<1%) and 136 475 (4%) respectively;



The change in the Number of Courtesy Letters issued in 2018-2019 and 2019-2020 financial years is shown in the table below.

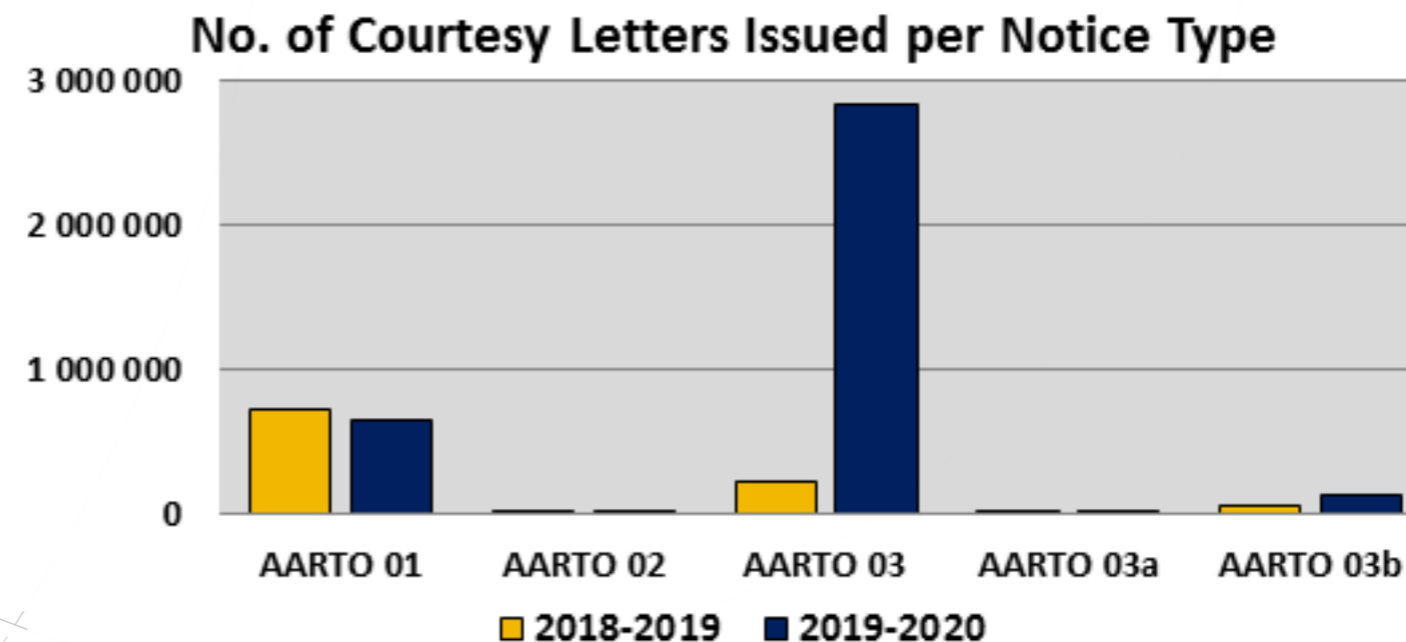
Change in Number of Courtesy Letters Issued per Notice Type						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
2018-2019	723 646	520	228 731	9 947	50 413	1 013 257
2019-2020	646 245	503	2 837 578	29 027	136 475	3 649 828
Change	-77 401	-17	2 608 847	19 080	86 062	2 636 571
% change	-10.70%	-3.27%	1140.57%	191.82%	170.71%	260.21%

The information in the table above shows that:

- The total number of Courtesy Letters issued has increased by 2 636 571 from 1 013 257 in 2018-2019 to 3 649 828 in 2019-2020, which is 260.21%;
- The change in the number of Courtesy Letters issued for AARTO 01 has decreased by 77 401, which is 10.70%;
- For AARTO 02, the issuing of courtesy letters has also decreased by only 17, which is 3.27%;
- There is a huge increase of 1140.57% for AARTO 03 by 2 608 847 from 228 731 in 2018-2019 to 2 837 578 in 2019-2020; and
- The AARTO 03a and AARTO 03b also shows an increase of 19 080 (191.82%) in 2018-2019 to 86 062 (170.71%) in 2019-2020 respectively.



The information in the table above is also reflected in the graph below.





The number of Courtesy Letters issued relating to Infringement Notices served by the various Issuing Authorities in the AARTO value chain is shown in the table below.

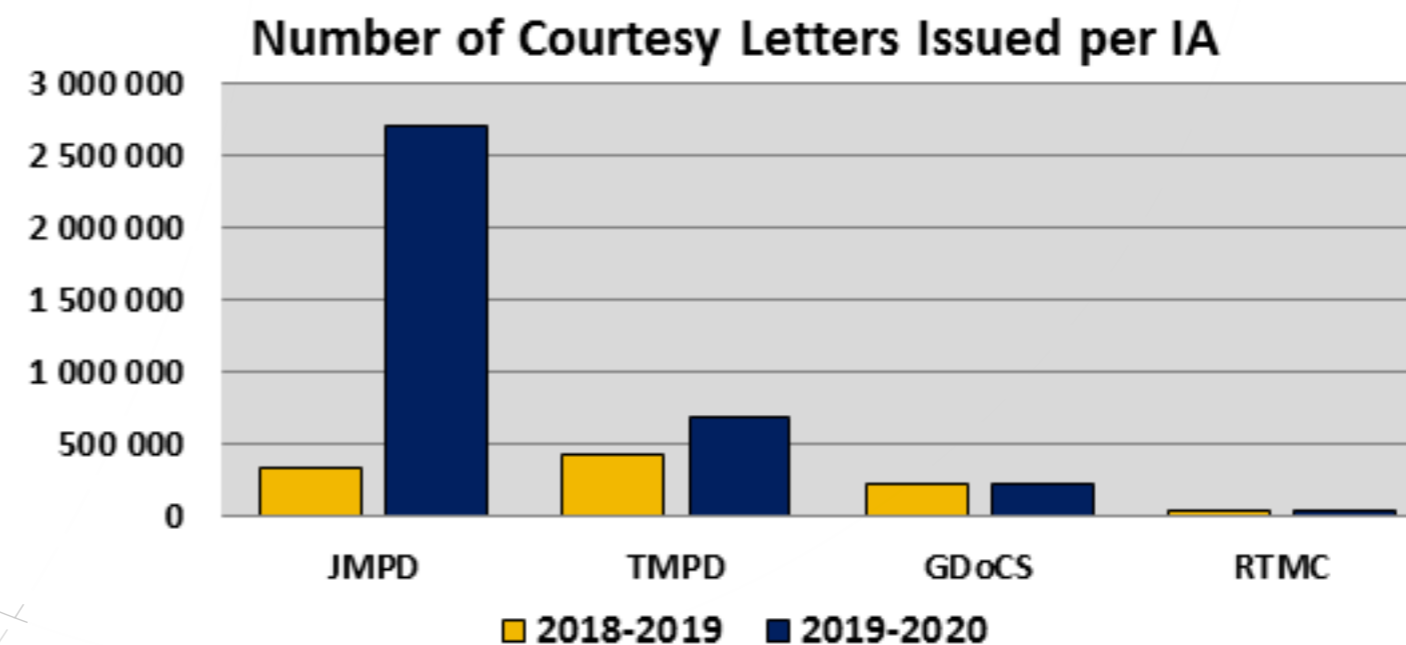
Change in Number of Courtesy Letters Issued per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2018-2019	332 980	420 050	218 735	41 492	1 013 257
2019-2020	2 698 986	687 628	227 498	35 716	3 649 828
Change	2 366 006	267 578	8 763	-5 776	2 636 571
% change	710.55%	63.70%	4.01%	-13.92%	260.21%

The information in the table above indicates a total of 3 649 828 Courtesy Letters were issued in 2019-2020, which is 260.21% increase from 1 013 257 in 2018-2019. The changes in issuing of the courtesy letters per Issuing Authority are as follows:

- JMPD has increased by 2 366 006 from 332 980 in 2018-2019 to 2 698 986 in 2019-2020 which is 710.55% change;
- TMPD has also increased by 267 578 which is 63.70% change from 420 050 to 687 628 respectively;
- GDoCS has only increased by 8 763, which is 4.01% change; and
- RTMC has decreased by 5 776 from 41 492 to 35 716 in 2019-2020 which is 13.92% less.



The bar chart below reflects changes for the Issuing Authorities in the 2018-2019 and 2019-2020 financial years.





1.1.7 Enforcement Orders Issued

The enforcement orders are issued in terms of section 20 of the AARTO Act, 1998 (Act No. 46 of 1998) read with regulation 7 of the AARTO Regulations, 2008. The Enforcement Orders Policy is utilised as a policy document that guides the enforcement orders function. The Registrar has delegated his powers to authorise the enforcement orders to the Manager: Infringements and Demerits within the Agency. If the courtesy letter was served or presumed served in terms of section 19 of the AARTO Act and the period of at least 32 days has passed since the date of the service of courtesy without the alleged infringer exercising any AARTO elective option, the enforcement order can be issued. The enforcement order can also be issued if a period of 32 days has passed since the service of unsuccessful representations results without the alleged infringer making a payment or electing to be tried in court. The enforcement order can also be issued if the infringer was summoned to appear in court but failed to appear. If the payment for the applicable penalty and fees has been made, the enforcement order is not supposed to be issued. Once the enforcement order is issued the driving licence, the professional driving permit or the licence disc cannot be issued to the alleged infringer. The issued enforcement order is served on the infringer in line with section 30 of the AARTO Act. Once the enforcement order is issued, a prescribed enforcement order fee is added to the infringement penalty plus the prescribed courtesy letter fee.



It must be noted that a number of issued courtesy letters and enforcement orders could not be served to alleged infringers due to SAPO's inefficiencies and the Agency continued engagements with SAPO to address such performance deficiencies through the enforcement of the service level agreement.

The number of Enforcement Orders issued during 2019-2020 financial year is given in the table below. The information in this table is based on the infringement notices served by the applicable Issuing Authority which resulted in an Enforcement Order.

Number of Enforcement Orders Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2019	32 224	49 418	28 288	9 236	119 166
May 2019	60 749	71 000	24 833	6 475	163 057
Jun 2019	12 400	7 196	1 762	241	21 599
Jul 2019	19 710	12 662	4 712	869	37 953
Aug 2019	96 721	47 512	8 318	754	153 305
Sep 2019	96 542	36 857	9 190	2 238	144 827
Oct 2019	116 750	35 653	9 424	1 797	163 624
Nov 2019	46 023	19 320	11 315	1 640	78 298
Dec 2019	513	1 690	247	126	2 576
Jan 2020	222 837	47 148	401	83	270 469
Feb 2020	240 802	68 022	31 379	5 024	345 227
Mar 2020	120 964	38 114	14 730	1 826	175 634
Year Total	1 066 235	434 592	144 599	30 309	1 675 735

The table above shows that a total of 1 675 735 enforcement orders were issued in 2019-2020 financial year. The infringement notices which resulted in an enforcement order for JMPD contributed 64% of the total followed by TMPD 26%, GDoCS 9% and RTMC with only 2%.



The change in the number of enforcement orders issued between 2018-2019 and 2019-2020 financial years is shown in the table below.

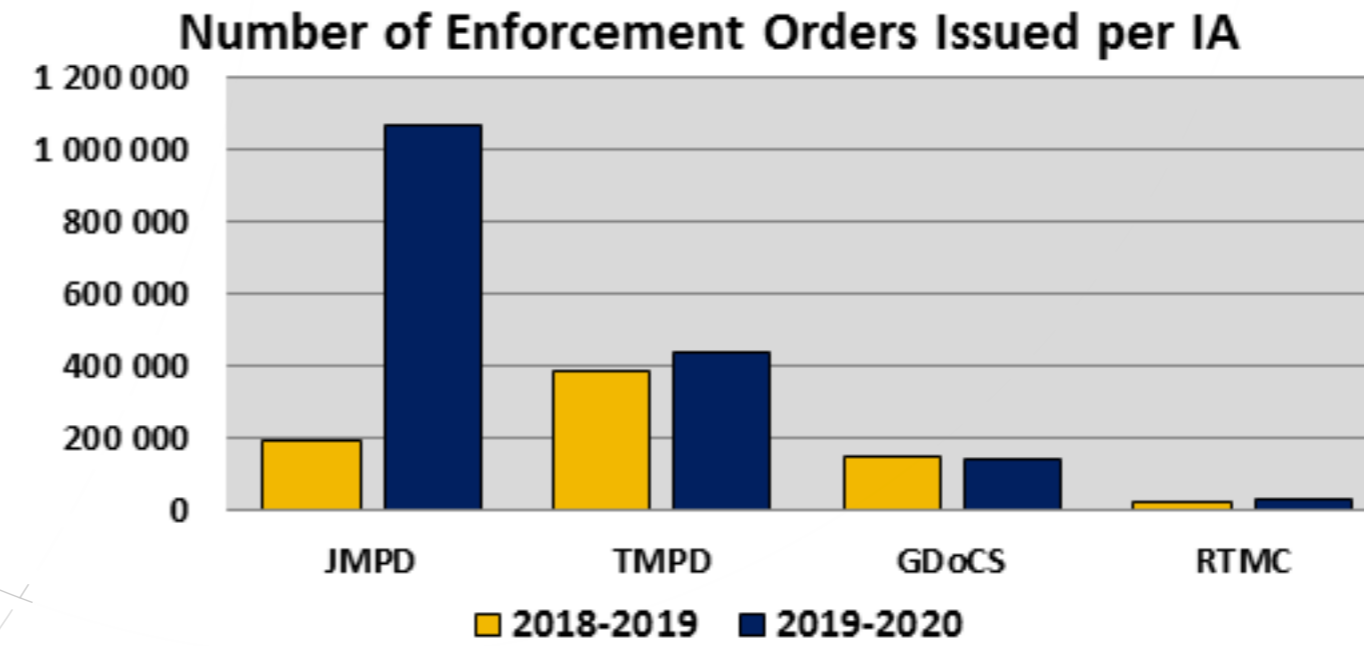
Change in No. of Enforcement Orders Issued					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2018-2019	196 537	384 093	150 188	20 101	750 919
2019-2020	1 066 235	434 592	144 599	30 309	1 675 735
Change	869 698	50 499	-5 589	10 208	924 816
% change	442.51%	13.15%	-3.72%	50.78%	123.16%

The information in the table above indicates that a total number of 1 675 735 Enforcement Orders were issued by various Issuing Authorities as follows:

- JMPD has an increase of 869 698 issued enforcement orders from 196 537, which is 442.51%;
- TMPD has an increase of 50 499 from 384 093 in 2018-2019 to 434 592 in 2019-2020, which is 13.15%;
- GDoCS has a decline of 5 589 from 150 188 to 144 599, which is 3.72% less; and
- RTMC has an increase of 10 208, which is 50.78% from 20 101 to 30 309.



The information in the tables above is also reflected in the graph below.





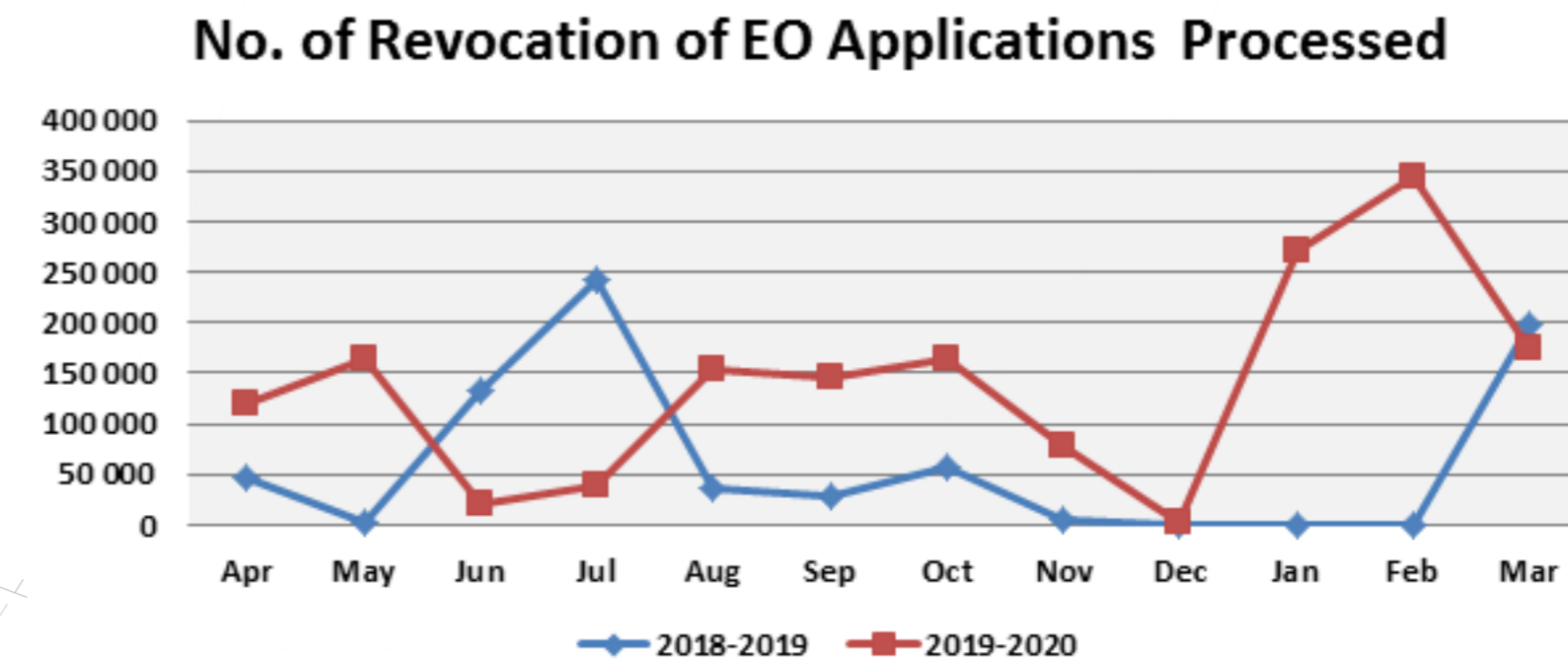
The number of Enforcement Orders issued per month during the year in comparison with the previous year is also reflected in the graph below.

Number of Enforcement Orders Issued per Month				
Month	2018-2019	2019-2020	Change	% change
Apr	47 676	119 166	71 490	149.95%
May	2 892	163 057	160 165	5538.21%
Jun	131 733	21 599	-110 134	-83.60%
Jul	241 980	37 953	-204 027	-84.32%
Aug	36 641	153 305	116 664	318.40%
Sep	28 712	144 827	116 115	404.41%
Oct	58 319	163 624	105 305	180.57%
Nov	4 424	78 298	73 874	1669.85%
Dec	0	2 576	2 576	-
Jan	1	270 469	270 468	27046800.00%
Feb	0	345 227	345 227	-
Mar	198 541	175 634	-22 907	-11.54%
Year Total	750 919	1 675 735	924 816	123.16%

The table above shows a decrease in number of enforcement orders issued in June, July and March of 2019-2020. For the year under the review, February and January 2020 recorded the highest number of enforcement orders, being 345 227 and 270 469 compared to 2018-2019 with 0 and 1 respectively.



The information is reflected in the graph below with month to month comparisons.





1.1.8 Applications for the Revocation of Enforcement Orders

The applications for revocation of enforcement orders are processed in terms of section 20 of the AARTO Act, 1998 (Act No. 46 of 1998) read with regulation 7 of the AARTO Regulations, 2008. The Enforcement Orders Policy is utilised as a policy document that guides the enforcement orders functions. The alleged infringer has an option to apply for revocation of an enforcement orders during the third phase of the AARTO process – after the service of the enforcement order. The alleged infringer can apply for revocation of an enforcement order if he or she has reasonable grounds to believe that the infringement notice and/or courtesy letter was or were not executed in line with the relevant piece(s) of legislation. In line with section 20 of the AARTO Act, the adjudication process entails that upon receipt of applications for revocation of enforcement orders from the alleged infringers the Enforcement Orders Officers as delegated by the

Registrar must perform the following:

- ensure compliance for the submission of applications for revocation of enforcement orders;
- conduct investigations to verify facts and compliance; and
- capture the outcomes of the applications for revocation of enforcement orders which are communicated to the alleged infringers or applicants via postal services

The applications for revocation of enforcement orders can either be allowed (successful), rejected (unsuccessful) or not considered (cancelled) if it is not made in the prescribed manner. In case of a successful application for revocation of enforcement order the alleged infringer is not liable for the payment of the penalty for the infringement that was committed, the prescribed courtesy letter fee and the prescribed enforcement order fee. In case of an unsuccessful application for revocation of enforcement order the infringer is liable for the infringement notice penalty, the prescribed courtesy letter fees, the prescribed enforcement orders fee and the prescribed unsuccessful application for revocation of enforcement order fee. In case of a cancelled application for revocation of enforcement order, the infringer is still liable for the infringement penalty plus applicable fees and is given a chance to submit an application for the revocation of an enforcement order in a correct manner. The outcomes for successful applications for revocation of enforcement orders are served via ordinary mail and the outcomes for unsuccessful applications for revocation of enforcement orders are served via registered mail to the alleged infringer.

During the financial year 2019/20 the Enforcement Orders Officer processed 100% of received applications for enforcement orders within 21 days in line with the prescribed time frame stemming from regulation 7 of the AARTO Regulations. 2008.



The table below reflect the change in number of applications for revocation of enforcement orders that were processed in 2018-2019 and 2019/2020 financial year:

Change in Number of Revocation of EO Applications				
Month	2018-2019	2019-2020	Change	% Change
Apr	5 033	8 958	3 925	77.99%
May	6 402	10 037	3 635	56.78%
Jun	5 332	9 468	4 136	77.57%
Jul	6 320	12 723	6 403	101.31%
Aug	7 694	10 415	2 721	35.37%
Sep	6 871	15 149	8 278	120.48%
Oct	9 812	16 932	7 120	72.56%
Nov	10 268	13 634	3 366	32.78%
Dec	6 511	10 565	4 054	62.26%
Jan	12 967	15 633	2 666	20.56%
Feb	8 449	15 086	6 637	78.55%
Mar	7 286	17 268	9 982	137.00%
Total	92 945	155 868	62 923	67.70%

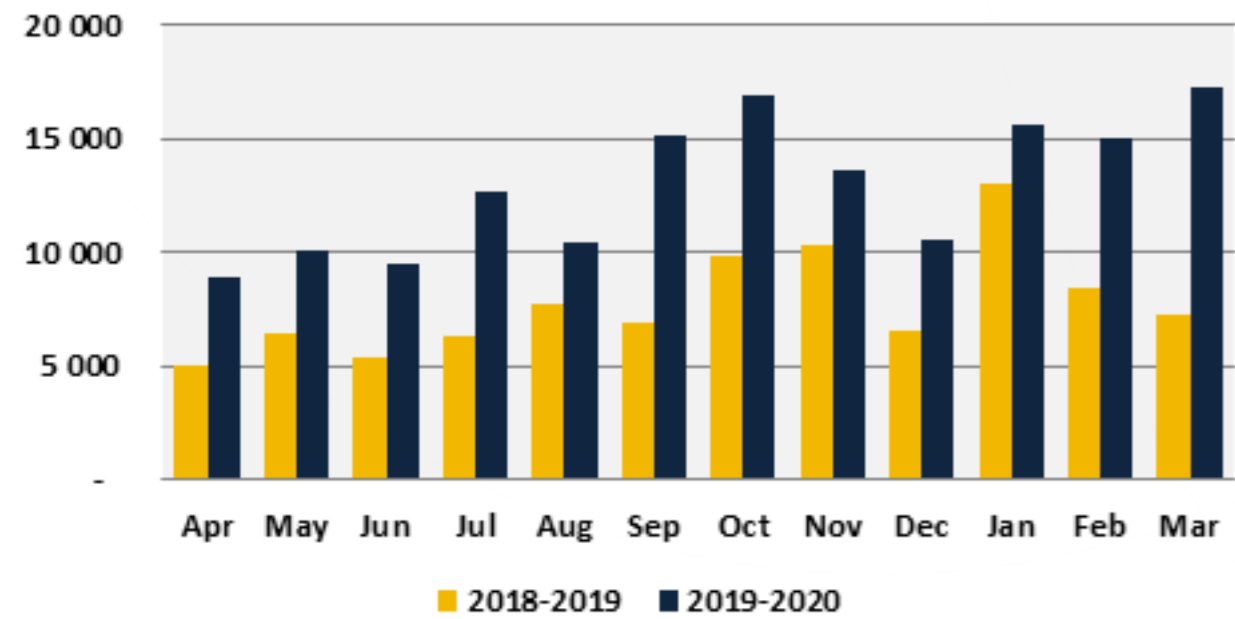
The information in the table above shows as follows:

- The number of revocation applications has increased by 62 923 (67.70%) from 92 945 in 2018-2019 to 155 868 in 2019-2020 financial year;
- The highest number of applications were recorded in March 2020 with a total of 17 268.
- There is an increase in all the months of 2019-2020.



The information is also reflected in the bar chart below.

Number of Revocation of EO Applications



The number of applications considered during 2019-2020 is given in the table below.

Total Number of EO Revocation Applications			
Month	Applications Received	Successful	Unsuccessful
Apr-19	8 958	6 008	1 620
May-19	10 037	7 260	2 063
Jun-19	9 468	5 744	1 487
Jul-19	12 723	7 315	2 441
Aug-19	10 415	6 478	1 287
Sep-19	15 149	7 798	1 777
Oct-19	16 932	17 241	109
Nov-19	13 634	16 935	5 438
Dec-19	10 565	6 370	4 002
Jan-20	15 633	7 977	5 018
Feb-20	15 086	10 050	3 974
Mar-20	17 268	9 787	3 946
	155 868	108 963	33 162

The information in the table above shows the total number of applications for revocation in 2019-2020 to be 155 868, with a total of 108 963 being successful and a total of 33 162 to being unsuccessful. The difference of 13 743 means that these were the cancelled applications.



The reasons for applications being successful during 2019-2020 in comparison with the number in 2018-2019 are given in the table below.

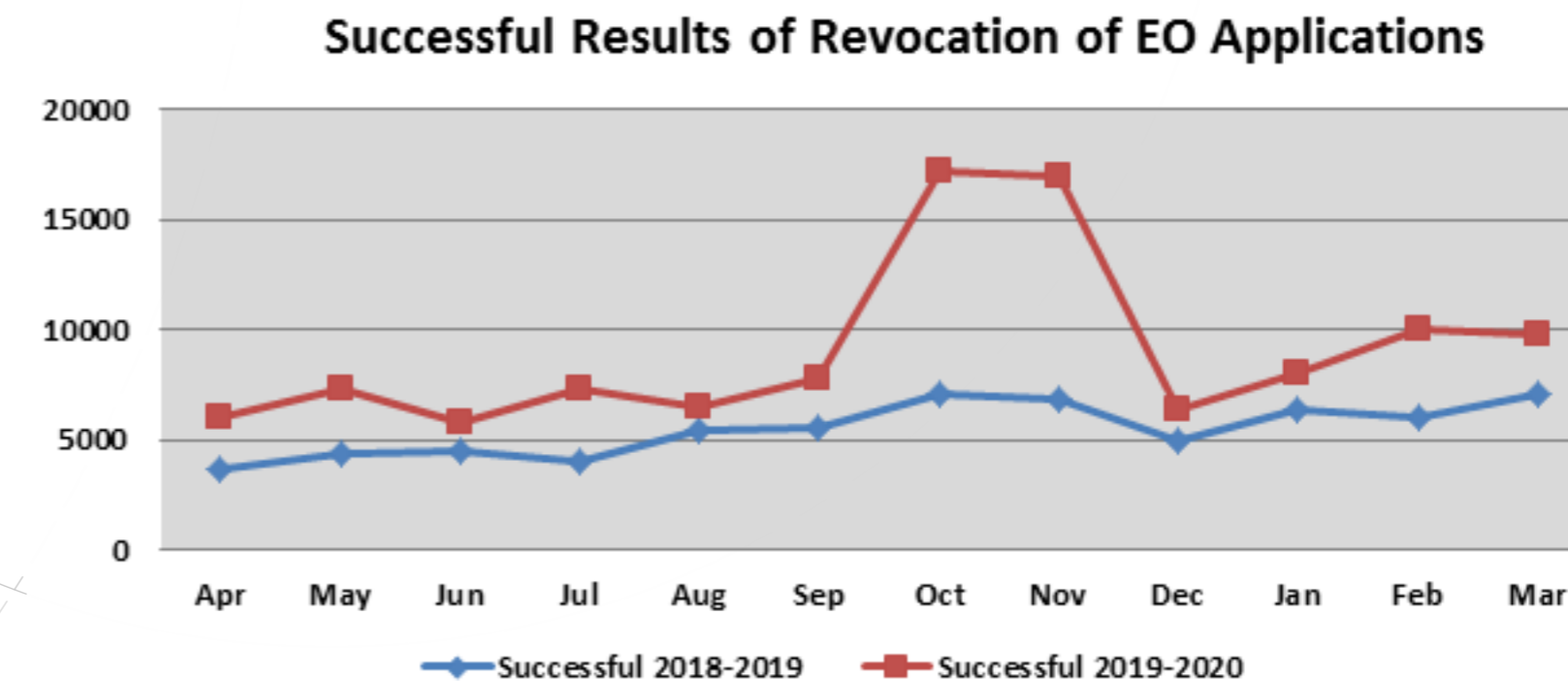
Reasons for Successful EO Revocation Applications		
Reasons	2018-2019	2019-2020
Proof of payment received	13	15
Instalment application proof received	-	3
Representation proof received	22 351	32 398
Proof of nomination received	6	31
Court election notice received	94	271
Proof of court appearance received	5	11
Affidavit received	26	55
Other:	43 335	76 179
Total	65 830	108 963

The information in the table above indicates that:

- There is an increase in application reasons for all the successful enforcement order;
- The number of applications that were successful based on the proof of representations submitted has increased from 22 351 in 2018-2019 to 32 398 in 2019-2020;
- The number of applications that were successful based on proof of election to be tried in court were submitted has increased from 94 in 2018-2019 to 271 in 2019-2020 financial year; and
- The number of applications that were successful based on the submission of an affidavit has increased by from 26 to 55;
- The number of applications that were successful based on "other" reasons increased from 43 335 in 2018-2019 to 76 179 in 2019-2020.



The graph below shows the comparisons of month to month for the successful applications for revocation of enforcement orders for 2018-2019 and 2019-2020.





The reasons for revocation applications being unsuccessful during 2019-2020 in comparison with the number from the previous year are given in the table below.

Reasons for Unsuccessful EO Revocation Applications		
Reasons	2018-2019	2019-2020
Applied for representation	0	0
No proof for not appearing in court	4	17
No proof of new driver/person in control	132	747
No proof of representation application	55	0
AARTO 14 form not completed	191	66
No proof of non-service of infringement. notice	7 016	2 009
No proof of court option	40	24
No proof of payment	18	1
Other	13 498	30 298
Total	20 954	33 162

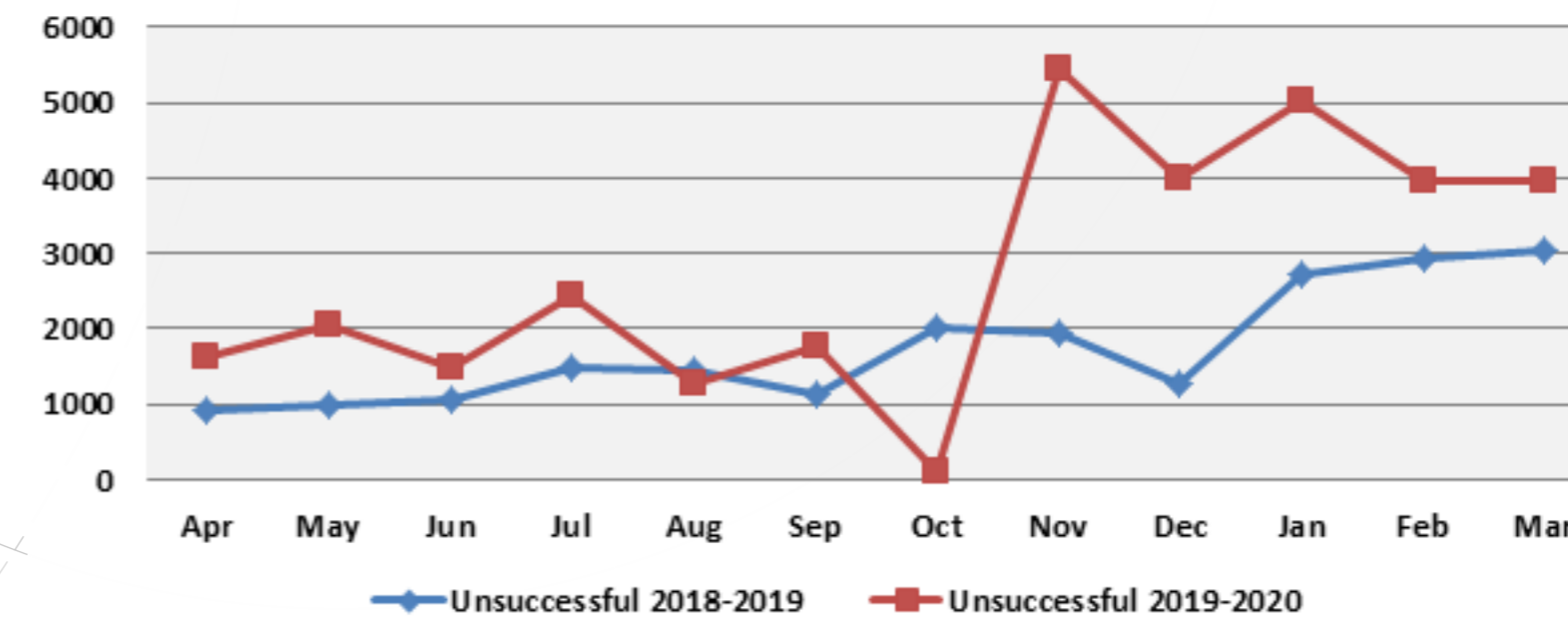
The information in the table above indicates that:

- There is a decline in number of reasons for no proof of non-service of infringement notices, the number decreased from 7 016 in 2018-2019 to 2 009 in 2019-2020;
- There were no unsuccessful applications based on no proof of submitting a representation in 2019-2020 as compared to 55 in 2018-2019;
- The number of applications that were unsuccessful based on no proof submitted of the court option elected has decreased from 40 in 2018-2019 to 24 in 2019-2020; and
- The number of applications that were unsuccessful based on "other" reasons has increased from 13 498 in 2018-2019 to 30 298 in 2019-2020.



The graph below shows a month to month comparison of the unsuccessful Enforcement Order revocation applications for 2018-2019 and 2019-2020.

Unsuccessful Results of Revocation of EO Applications





Strategic Outcome Oriented Goals

The strategic outcome orientated goals of the RTIA as reflected in the Strategic Plan are summarised in the tables below. A brief summary of achievements for all programmes and sub-programmes is provided in the table below:

Summary of Strategic Objective Achievements					
No.	Programme	Target	Achievement Status	% Target Achieved	% Objective Achieved
1	To promote effective internal management of the agency to proficiently deliver on AARTO				100%
1.1	% of business processes approved	100% of SOP's approved	100% of SOP's approved	100%	
1.2	% of Workplace Skills Plan Implemented	100% Workplace Skills Plan implemented	100% Workplace Skills Plan implemented	100%	
2	To discourage the contravention of road traffic laws through increased compliance and adjudication				100%
2.1	% of received representations adjudicated within 21 days	100 % of representations adjudicated within 21 days of receipt	100 % of representations adjudicated within 21 days of receipt	100%	
2.2	Develop alternative funding model to ensure Agency sustainability	Pilot of Funding Model Component	Funding Model Component piloted	100%	
3	To facilitate the readiness and support of key stakeholders in the national implementation of AARTO				100%
3.1	The number of workshops held to disseminate AARTO related information to key stakeholders	27 AARTO workshops conducted nationally	55 AARTO workshops conducted nationally	100%	
3.2	% of IA readiness for AARTO Roll Out based on the RTIA Readiness checklist	80% of IA readiness for AARTO Roll Out based on the RTIA Readiness checklist	99% of IA assessed for readiness for AARTO Roll Out based on the RTIA Readiness checklist	100%	
4	To stimulate and encourage positive change in road user behaviour				100%
4.1	Number of campaigns implemented to influence change in road user behaviour	100 marketing communication campaigns conducted	123 marketing communication campaigns conducted	100%	
4.2	Number of new AARTO service outlets established	5 new AARTO service outlets established	5 new AARTO service outlets established	100%	

98

A summary of achievements only for all main programmes is provided in the table below:

Summary of Strategic Objective Achievements		
No.	Main Programmes	
1	To promote effective internal management of the agency to proficiently deliver on AARTO	100%
2	To discourage the contravention of road traffic laws through increased compliance and adjudication	100%
3	To facilitate the readiness and support of key stakeholders in the national implementation of AARTO	100%
4	To stimulate and encourage positive change in road user behaviour	100%
Overall Agency Performance		100%

Each of the above is discussed in detail under Section 2 – Performance information by programme.



99



PERFORMANCE INFORMATION BY PROGRAMME

Programme 1:

Strategic Objective 1	To Promote Effective Internal Management of The Agency to Proficiently Deliver on AARTO
Objective statement	Alignment of resources, processes, and systems to ensure efficiencies within the organisation to competently deliver on the core objectives of AARTO objectives
Baseline	As at the end of March 2018, the Road Traffic Infringement Agency had 101 employees and 20 internships/ Bursaries Basic ICT infrastructure is in place Key financial policies and procedures are in place
Justification	In line with Chapters 3 and 13 of the National Development Plan - contribute towards the reduction of the national unemployment rate from 24.9% in June 2012 to 14% by 2020 and 6% by 2030 and facilitate improved performance in delivery of service by ensuring that staff at all levels have the authority, experience, competence and support they need to do their jobs
Links	Aligned to priority 7 on the Apex list - Renewing and building a Capable, Honest Developmental State and a Social compact. National Development Plan: Chapter 3 (Economy and Employment) to contribute towards reducing the national unemployment rate from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030 and Chapter 13 (Building a capable and developmental state) particularly by meeting the objective intended to ensure that staff at all levels have the authority, experience, competence and support they need to do their jobs

100

Indicators

The purpose for these indicators is to provide strategic leadership to the RTIA to ensure the successful implementation of its legislative mandate through flexible, efficient and sustainable resource solutions and supporting services. This programme consists of two indicators, namely:

- % of business processes approved
- % of Workplace Skills Plan Implemented

Description of Each Indicator

2.1.1 % of Business Processes Approved

Business Process Re-Engineering (BPR) is a tool that will assist the organisation in reducing the number of manual processes and waste internally, as well as provide a strong basis to find automation opportunities. There are many benefits of implementing BPR, key among them being:

- increased performance - through lower costs, better service, reduced cycle times and better quality;
- increased competitiveness – through simpler, leaner and more productive processes; and
- increased business innovation – through transforming manual business processes with automated system solutions.

In addition to the Agency's journey to becoming more technology driven, the BPR will provide a platform to identify high value automation opportunities. All the business processes were identified and the related Standard Operating Procedures (SoPs) approved, paving the way for the implementation of this catalyst programme.

2.1.2 % of Workplace Skills Plan Implemented

For the year under review the Agency achieved 100% of its annual performance plan target in respect to the implementation of the annual workplace skills plan (WSP). The Agency prioritised Learning and development interventions that supports its strategic objective of promoting effective internal management of the agency to proficiently deliver on AARTO, which encompasses the alignment of resources, processes, and systems to ensure efficiencies within the organisation to competently deliver on the core objectives of AARTO,



101



Strategic Objectives, Performance Indicators, Planned Targets and Actual Achievements

Programme 1 Strategic Objective:					
Key Performance Indicators (KPIs)	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation From Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
% of Business Processes Approved	None (New Indicator)	100% of SOP's Approved	100% of SOP's Approved	None	None
% of Workplace Skills Plan Implemented	100% Workplace Skills Plan Implemented	100% Workplace Skills Plan Implemented	100% Workplace Skills Plan Implemented	None	None

Strategy to Overcome Areas of Under Performance

None

102 Changes to Planned Targets

None



Linking Performance with Budgets

Programme 1	2019/2020			2018/2019		
Expenditure Items	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	44 303	83 754	(39 451)	61 802	41 149	20 653
Operating Expenses	23 544	27 315	(3 771)	45 965	28 239	17 726
Total	67 847	111 069	(43 222)	107 767	69 388	38 379



Programme 2:

Strategic Objective 1	To Discourage the Contravention of Road Traffic Laws Through Increased Compliance and Adjudication
Objective Statement	To ensure compliance with Road Traffic Laws
Baseline	High fatality rates on the roads and non-compliance with the road traffic laws
Justification	Commitment for the 50% reduction of road crashes and fatalities made in terms of the United Nations Decade of Action for Road Safety 2011 - 2020
Links	Reduction of fatalities and increased compliance with road traffic laws

Indicators

This component is primarily responsible for all operational activities in line with the provisions of the AARTO Act. It is directly responsible for delivery of outputs that contribute to attaining strategic outcome-oriented goals. This programme consists of two indicators, namely:

- % of received representations adjudicated within 21 days; and
- develop alternative funding model to ensure Agency sustainability.



Description of Each Indicator

2.2.1 % of received representations adjudicated within 21 days

The indicator measures the percentage of representations adjudicated that falls within the 21-day window period from received date. This sub-programme has to ensure that all operational activities in line with the provisions of the AARTO Act are implemented. Without timeous adjudication, administrative justice prescripts will not be complied with.

All representations received up to 15 March 2020 will be considered as valid applications as far as the indicator is concerned. All applications after 15 March 2020 will form part of the new financial year reporting period. The final percentage in decimal form will be rounded to the nearest percentage. Below is the calculation formula to be used:

- Successful + Unsuccessful + Cancelled + Pending within 21 days = Achieved
- Pending outside 21 days = Not Achieved
- Achieved + Not Achieved = 100% of received representations
- Any % achieved from 99% will be accepted as an achievement.
-

2.2.2 Develop Alternative Funding Model to Ensure Agency Sustainability

This Model seeks to increase additional revenue streams in a sustainable manner which helps to create a self-sustainable Agency and to re-invest accumulated funds in road safety programmes. The final report of one revenue stream from the alternative funding model has been approved.



Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

Programme 2 Strategic Objective:					
Key Performance Indicators (KPIs)	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
% of received representations adjudicated within 21 days	100 % of representations adjudicated within 21 days of receipt	100 % of representations adjudicated within 21 days of receipt	100 % of representations adjudicated within 21 days of receipt	None	None
Develop alternative funding model to ensure Agency sustainability	Funding model approved	Pilot of Funding Model Component	Funding Model Component piloted	None	None

Strategy to Overcome Areas of Under Performance

None

Changes to Planned Targets

None



Linking Performance With Budgets

Programme 2	2019/2020			2018/2019		
Expenditure Items	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	46 071	27 036	19 035	33 776	24 546	9 230
Operating expenses	92 790	91 930	860	42 564	36 523	6 041
Total	138 861	118 966	19 895	76 340	61 069	15 271



Programme 3:

Strategic Objective 1	To Facilitate The Readiness And Support of Key Stakeholders in the National Implementation of AARTO
Objective Statement	To ensure readiness of all key stakeholders prior to full implementation of AARTO countrywide, as well as support to key stakeholders that are currently implementing AARTO
Baseline	Average 80% readiness and support by IAs upon implementation of AARTO
Justification	Empower stakeholders in ensuring their readiness in preparation for full implementation of AARTO, as well as to enable key stakeholders with the necessary support on implementing AARTO
Links	Department of Transport, broader Transport Sector, Pillar 4 (Safer road users) of the Global Plan for the Decade of Action for Road Safety 2011-2020 and the National Development Plan (Chapter 10: Health care for all and Chapter 13: Building a capable and developmental state)

Indicators

- The number of workshops held to disseminate AARTO related information to key stakeholders
- % of IA readiness for AARTO Roll Out based on the RTIA Readiness checklist



Description of Each Indicator

2.3.1 The Number of Workshops Held

Through this indicator the Agency seeks to measure the number of AARTO workshops conducted to support key stakeholders. This indicator assists in ensuring that transactional partners/ stakeholders are ready for the successful implementation of AARTO.

During the year under review, the Agency planned to conduct 27 AARTO support workshops but surpassed the target and conducted 55 AARTO workshops exceeding the target by 28 AARTO workshops, as a result of increased requests from transactional partners for additional workshops. The key focus of the workshops is to disseminate AARTO related information to key stakeholders.

2.3.2 % of IA Readiness for AARTO Roll Out based on the RTIA Readiness Checklist

This indicator measures the percentage of IAs assessed for readiness to ensure that offices within IAs are ready for the successful implementation of AARTO. Through the completed AARTO readiness forms and approved reports, the Agency is able to determine the level of readiness of IAs. In total the Agency has managed to assess 99% of IA's readiness against a set target of 80% meaning that the target has been exceeded by 19%.



Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

Programme 3 Strategic Objective: Co-ordinate and facilitate readiness for national implementation of AARTO					
Key Performance Indicators (KPIs)	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from Planned Target to Actual Achievement for 2019/2020	Comment on Deviations
The number of workshops held to disseminate AARTO related information to key stakeholders	32 AARTO support workshops conducted nationally	27 AARTO workshops conducted nationally	55 AARTO workshops conducted nationally	+ 28 workshops conducted nationally	Target exceeded due to additional workshops requested by stakeholders and honoured by the RTIA
% of IA readiness for AARTO Roll Out based on the RTIA Readiness checklist	94 % of IA's Offices' assessed for readiness of AARTO Roll Out in 2018/19	80% of IA readiness for AARTO Roll Out based on the RTIA Readiness checklist	99% of IA assessed for readiness for AARTO Roll Out based on the RTIA Readiness checklist	+ 19 of IA assessed for readiness for AARTO Roll Out based on the RTIA Readiness checklist	Target exceeded due to verifications being done in conjunction with workshops including additional workshops as requested.

Strategy to Overcome Areas of Under Performance

None

110 Changes to Planned Targets

None



Linking Performance with Budgets

Programme 3 Expenditure Items	2019/2020			2018/2019		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	14 610	8 127	6 483	7 550	6 471	1 079
Operating Expenses	3 280	2 935	345	1 796	3 426	(1 630)
Total	17 890	11 062	6 828	9 346	9 897	(551)



Programme 4:

Strategic Objective 1	To Stimulate And Encourage Positive Change In Road User Behaviour
Objective Statement	To change the non-compliant culture of road users through education and empowerment
Baseline	Average 20% compliance rate for traffic laws
Justification	Empowerment of road users about their responsibilities of road safety in line with the National Development Plan Chapter 10 (Health care for all) objective to reduce injury, accidents and violence by 50% from 2010 levels and by developing the requisite skills as per Chapter 11 (Social Protection) objective of addressing the skills deficit in the social welfare sector and Chapter 13 (Building a capable and developmental state) objective to ensure that staff at all levels have the authority, experience, competence and support they need to do their jobs. This also creates a platform for the development of comprehensive programmes to improve road user behaviour as per Pillar 4 (Safer road users) of the Global Plan for the Decade of Action for Road Safety 2011-2020.
Links	Aligned to priority 5 on the Apex list- Advance nation-building and social cohesion, and a safe South Africa for all. Department of Transport, broader Transport Sector, Pillar 4 (Safer road users) of the Global Plan for the Decade of Action for Road Safety 2011-2020 and the National Development Plan (Chapter 10: Health care for all and Chapter 13: Building a capable and developmental state)

Indicators

- Number of campaigns implemented to influence change in road user behaviour; and
- Number of new AARTO service outlets established

112

Description of Each Indicator

2.4.1 Number of Campaigns Implemented to Influence Change in Road User Behaviour

This critical indicator measures the number of education and awareness campaigns conducted. A campaign is any activity that interacts with the public by the following means (outreach, AARTO Mobile Office, community radio, community newspaper, national radio, national newspaper, social media, out of home, community based organisations and interfaith special programmes). Through these marketing campaigns the RTIA seeks to raise awareness about its products and services.

During the year under review, the RTIA has implemented 123 marketing communication campaigns against a set target of 80 marketing communication campaigns across all the provinces in South Africa

2.4.2 Number of New AARTO Service Outlets Established

The main purpose for establishing the new AARTO service outlets is to bring services closer to the infringers in communities, townships and in IAs to ensure ease of access of the RTIA services to the users. The users mainly visit the AARTO service outlets to either query the infringements or to make arrangements for instalment payments and to make representations.

The Agency planned to establish 5 new AARTO service outlets and achieved their establishment in the Gauteng Province.



113



Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

Programme 4 Strategic Objective:					
Key Performance Indicators (KPIs)	Actual Achievement 2018/2019	Planned Target 2019/2020	Actual Achievement 2019/2020	Deviation from planned target to Actual Achievement for 2019/2020	Comment on deviations
Number of campaigns implemented to influence change in road user behaviour	144 campaigns conducted	100 marketing communication campaigns conducted	123 marketing communication campaigns conducted	23 marketing communication campaigns conducted over and above the planned target.	Achievement made possible through partnerships with key stakeholders and increased campaigns at DLTCs and taxi ranks for the Know Your Traffic Fine Status.
Number of new AARTO service outlets established	5 new AARTO service outlets established	5 new AARTO service outlets established	5 new AARTO service outlets established	None	None

Strategy to Overcome Areas of Under Performance

None

114 Changes to planned Targets

None



Linking performance with budgets

Programme 4	2019/2020			2018/2019		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	10 140	9 812	328	12 039	9 541	2 498
Operating expenses	22 370	19 903	2 467	83 488	79 366	4 122
Total	32 510	29 715	2 795	95 527	88 907	6 620

GOVERNANCE





1. INTRODUCTION

The RTIA is committed to ensuring full compliance with all the corporate governance requirements, processes and systems by which public entities are directed, controlled and held accountable, in terms of the Public Finance Management Act and related governance prescripts. Parliament, the Executive and the Accounting Authority, are all responsible for the overall entity's corporate governance at varying levels.

2. PORTFOLIO COMMITTEES

The Agency made one appearance before the Portfolio Committee on 29 July 2019 and the purpose of the meeting was to introduce the Agency and its programmes as part of the induction programme of the Committee.

3. EXECUTIVE AUTHORITY

The reports to the Executive Authority were all submitted timeously according to the compliance requirements of PFMA and the agreed Annual Performance Plan.

The Agency performed all its obligations in accordance with the performance agreement that it signed with the Department of Transport and it again achieved 100 of its targets for the second year in succession.

4. THE ACCOUNTING AUTHORITY

Introduction

118 The Agency continued with the section 49(2) (b) governance arrangements up to 5th August 2020 in the absence of an appointed Board. The Agency continued using the Accounting Authority charter which was adopted during the 2018/19 financial year as a guide for the activities of the Accounting Authority as well as all the outlined delegations to the Committees which were subsequently appointed by the Registrar as a section 49(2)(b) Accounting Authority.

The term of the Audit and Risk Committee was renewed during the Agency's Annual General Meeting which was held on 26 September 2019. Both the Corporate Services & Ethics as well as the Audit and Risk Committees played a pivotal role in providing support to the section 49(2)(b) Accounting Authority in the development of the 2020 – 2025 strategy as well as the 2020-2021 annual performance plan during strategy development sessions on 26 – 27 January 2020.

The Chairpersons of the Audit and Risk as well as the Corporate Services Committees continued to perform advisory roles to the Section 49 (2) (b) Accounting Authority and therefore formed part of all the constitutive meetings of the Authority.



The role of the Section 49(2) (b) Accounting Authority is as follows:

- assumes all the functions which are ordinarily reserved for the Board, until such time that the Board is appointed by the Minister;
- He / She constitutes the fundamental base of corporate governance within the RTIA and heads all the Agency's constituent structures; and
- He / She has the absolute responsibility for the effective performance of the Agency and is accountable to the Executive Authority for such performance. As a result, he/she gives strategic direction to RTIA and, in concurrence with the Minister or Executive Authority, ensures that an effective continuity plan is in place and adhered to for all Directors of Committees and key executives.

The Section 49(2) (b) Accounting Authority:

- ensures that the RTIA has and maintains a system of internal audit under the control and direction of an audit and risk committee complying with and operating in accordance with regulations and instructions prescribed in terms of the Companies Act and sections 76 and 77 of the PMFA;
- ensures that the RTIA is fully aware of and complies with applicable laws, regulations, government policies and codes of business practice and communicates with its shareholder and relevant stakeholders openly and promptly with substance prevailing over form;
- has developed and implements an ICT Governance Framework aligned with the performance and sustainability objectives of the Agency. He delegates the responsibilities of ICT oversight to the Audit and Risk Committee;
- He, in conjunction with the Audit and Risk Committee oversaw the appointment, approval of fees and terms of engagement of the external auditor;
- the Accounting Authority may, if necessary, solicit independent professional advice at the expense of the RTIA. This process is followed in accordance with the RTIA's Procurement Processes and Procedures except in cases where it would prove untenable to do so; and
- in terms of its fiduciary duties, ensures that the Shareholder's performance objectives are achieved and that same can be measured in terms of the performance of the RTIA. Also ensures that the RTIA prepares annual budgets against which its performance can be measured.



The Section 49 (2) (b) Accounting Authority just like in the sphere of the Board takes effective steps to:

- prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct and expenditure not complying with the operational policies of the RTIA;
- manage available working capital efficiently and economically;
- institute disciplinary steps against any employee of the RTIA who:
 - contravenes or fails to comply with a provision of the PMFA;
 - commits an act which undermines the financial management and internal control system of the RTIA; or
 - makes or permits an irregular expenditure or a fruitless and wasteful expenditure;
- develop a clear definition of the levels of materiality or sensitivity in order to determine the scope of delegation of authority and ensures that it reserves specific powers and authority to itself. Delegated authority is in writing and evaluated on a regular basis;
- assume the functions of a Board during the annual general meeting and ensure that all items prescribed by the PFMA are tabled for discussion during that meeting;
- ensure that financial statements are prepared for each financial year, which fairly presents the affairs of the RTIA. In addition, must maintain adequate accounting records and that suitable accounting policies are consistently applied and supported by reasonable and prudent judgment and estimates, as well as having been used in the preparation of the financial statements and that relevant accounting standards are applied;
- ensure that he appoints people in the committees with the required mix of skills and experience to implement the tasks of such committees;
- ensure that there are appropriate and effective induction, education and training programmes offered to new committee members;
- ensure that an external effectiveness assessment of the committees is conducted as well as the individual of each committee director during their term of office; and
- maintain the highest standard of integrity, responsibility and accountability and endeavoured to find a fair balance between conforming to corporate governance principles and the performance of the RTIA.



Section 49 (2) (b) Accounting Authority Charter

The charter was written and established by the Company Secretary at the beginning of August 2018 and subsequently reviewed during the Accounting Authority meeting on 25 October 2019 as part of the annual review procedure. The section 49 (2) (b) Accounting Authority's term came to an end on 05th August 2020 following the appointment of the Board of the Agency by Cabinet.

The charter covers the following governance universe:

- fiduciary responsibilities;
- role of the Accounting Authority;
- role of Management;
- roles of Non-Executive and Executive Directors;
- role of the Company Secretary;
- remuneration of Non-Executive Directors;
- relationship with the Shareholder;
- relationship between the Accounting Authority and External advisers; and
- mandate of the Accounting Authority.



Composition of the Accounting Authority

In terms of section 49(2)(b) of the PFMA, the Registrar is the singular body with the responsibilities of the Accounting Authority and all duties and obligations imposed therein. In the execution of diligence, the Registrar co-opted the chairpersons of the Audit and Risk and Corporate Services Committees to act in advisory capacity during Accounting Authority meetings.

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit & Risk committee)	No. of Meetings attended
Mr JR Chuwe	Registrar & Executive Director	March 2010	N/A	BA Law; BA (Honours); Certificate Programme in Project Management	Strategic management Operational management; Transport Information Systems, Project management, Legislative development and Regulatory compliance.	N/A	None	10

Committees

122

Committee	No. of meetings held	No. of Members	Names of Members	No. of Attendance
Audit and Risk Committee	21 Meetings	5	Mr BS Chaplog	19
			Ms S Thomas	21
			Ms T Mjoli	21
			Ms Y Mbane	17
			Mr M Dondolo	16
Corporate Services Committee	13 Meetings	3	Ms Y Mbane	13
			Mr G Blose	13
			Adv. T Maphike	13



Accounting Authority

(i) The Chairpersons of Corporate Services, Audit and Risk Committees participate in the meetings of the Accounting Authority as attendees and their role is limited to them providing recommendations. The ultimate decision making function is the sole responsibility of the Section 49(2) (b) Accounting Authority.

(ii) The meetings included 4 special meetings to consider the finalisation of the bid for office space as well as the interviews to appoint the Deputy Registrars.

Learning and Development

Pursuant to its objective of becoming the authority amongst authorities in road traffic management and adjudication, the Agency afforded special training opportunity to the chairpersons of its committees, which training is presented by the Agency's strategic partner, Monash University Accident Research Centre in Melbourne. This enables the Agency to continue break new ground in thought leadership and providing ongoing specialised and strategic training development to its staff.

Investigation of Whistle Blower Reports

Pursuant to the objective of clean administration and good governance, the Agency has a well-publicised hotline for whistle blowers to confidentially report any matters that may affect the integrity of the Agency. During the period under review, the Agency received two whistle blower complaints, one through the Agency's hotline and another through the Public Protector. The Agency has already dealt with the Public Protector's enquiry and submitted its detailed response thereto. and believes that the false allegations levelled against it have been successfully refuted. The second complaint was dealt with by the Audit and Risk Committee and still under review and consideration by the Audit and Risk Committee at the end of the financial year. This is one of the key reasons why there is a significantly high number of meetings by the committee during the period under review and by the close of the financial year, the matter had not yet been concluded and was envisaged to be finalised in the upcoming period.

123



Significant Post-Balance Sheet Events

Towards the end of the financial year under review, the world experienced a global pandemic in the form of the COVID-19 virus, which brought businesses and all forms of societal life to a grinding halt. Whereas the catastrophe occurred towards the very end of the period, it was a force majeure event of gigantic proportions, with the world being forced onto a global lockdown and an immediate halt to economic activities. The impact of the pandemic had a seriously negative impact on the Agency's ability to achieve its subsequent performance target for the succeeding period, as well as an almost complete erosion of the Agency's revenue collection for the first quarter of the 2020/2021 financial year. This had put a tremendous strain on the Agency's resources and ultimately led to a reconsideration of the Agency's programme of action. Consequently, the Agency undertook an in-depth assessment of the COVID-19 impact on the preparations for the national rollout of AARTO and requested permission from the Executive Authority for the postponement thereof.

After careful consideration of the impact of the COVID-19 pandemic, the Minister approved the postponement of the AARTO rollout to July 2021 as requested. Furthermore, the Agency requested urgent capitalisation to ensure that it is able to stay afloat and fund all its 2020/21 commitments and programmes. The Agency is pleased that the department has provided conditional commitment of R88 million as a relief measure for the financial year.

Extension of Compliance Deadlines

Due to the COVID-19 pandemic, the National Treasury recognised the extreme difficulties brought on every government entity during the lockdown. To that extent, the Minister of Finance determined special measures for governance compliance deadlines, with additional time being provided for the submission of Annual Reports, Annual Financial Statements, Quarterly Reports and audit information by an average of 2 months. Furthermore, government and all its entities were afforded an opportunity to reconsider their programme of action and develop updated risk-adjusted Strategic Plans and Annual Performance Plans. The Agency has actively engaged with all processes to ensure that it updates its plans and submitted them timeously to the department for approval by the Minister and tabling at Parliament.

Recognition of Outstanding Performance

The Agency has adopted a proactive strategy of establishing and enhancing a high performance environment. This means that outstanding performance must be encouraged and recognised when it is achieved. Furthermore, the strategy entails that every single employee is personally held to account and expected to proactively contribute towards the success of the Agency. Consequently, to achieve this, the Accounting Authority implemented an alignment of staff remuneration and performance bonuses on a par as co-contributors to the Agency's success during the financial year and made the necessary accrual in the financial statements. This resulted in an increase in the cost of remuneration for the financial, which sets the basis of employment and best practise recognition and is expected to be a once-off baseline adjustment.



Audit and Risk Committee

- (i) The meetings included 13 special meetings which were scheduled to resolve the management impasse with the Internal Audit report. Other special meetings were scheduled to dealing with the two Whistle-blower reports which were filed against members of the Executive Committee.
- (ii) Members also participated in a 2-day strategic planning session.

Corporate Services Committee

- (iii) The meetings included 3 special meetings which were scheduled to prepare for and also have the interviews for the three Deputy Registrar positions. All members of this committee constituted the interview and selection panel, which managed this process.
- (iv) The committee members participated in 3 meetings which were convened in order for the committee to assist in the finalisation of the organisational structure and also to finalise the performance bonuses for the Agency.
- (v) Committee members were also part of 2 strategic planning sessions.

Role and Responsibilities of the Committee

The role and function of the Committee is to consider all matters related to the Agency's, remuneration and human resources, determination of policies and strategies related thereto and to recommend to the Accounting Authority the applicable strategies for adoption and implementation. In its deliberations, the committee shall consider all applicable documentation and issues presented and make the necessary approvals through formal resolutions.

The Committee Considers:

- the Agency's Corporate strategy and make recommendations to the Accounting Authority;
- approves the structure of the remuneration packages and other conditions of service, including salary, pension fund and bonuses;
- alignment of Corporate Services policies and the related procedures to best practice;
- all Corporate Service performance reports;
- labour relations environment and practices at the Agency and its suppliers;
- implementation of all Corporate Services audits and Accounting Authority resolutions.



The Committee Shall Perform the Following Functions:

- calibrate and approve the annual performance assessments of management levels 15 and 16;
- approve the EXCO calibration report for levels 3 to 14;
- approve the Agency's remuneration framework;
- ensure commensurate resources of the Corporate Services function for the Agency.

5. RISK MANAGEMENT

The PFMA requires the Accounting Authority to maintain an effective, efficient and transparent system of financial, risk management and internal controls. The Accounting Authority has delegated the function of risk management oversight to the Audit and Risk Committee. The RTIA has adopted ISO 31000 as a framework for risk management. The RTIA uses a participative approach to risk management which ensures that there is an all-inclusive risk management process.

An annual strategic risk assessment is conducted when the Agency's Strategic and Annual Performance plans are developed and a strategic risk register is also developed. The identified risks were assessed and mitigating strategies were developed. RTIA has a process in place to ensure the monitoring of and reporting on the implementation of the risk mitigating strategies. Quarterly progress reports on addressing strategic risks were submitted to the Executive Committee (EXCO), the Audit and Risk Committee (ARC) for oversight and the Accounting Authority. Progress was also reported to the DoT as a shareholder on a quarterly basis. During the year under review the Risk Appetite and Risk Tolerance levels were reviewed by the Accounting Authority.

A structured process of enterprise risk management ensures that the goals and objectives of the RTIA are attained. This takes cognisance of the fact that the risks identified are often interlinked and cannot be managed in isolation. The management of risk is assigned at appropriate levels to ensure adequate responses. The RTIA has defined three broad risk categories namely, preventable, strategic and external risk.

Preventable Risks are Defined as:

- internal risk to the agency;
- controllable risk;
- providing no strategic benefits for taking these types of risk; and
- have low tolerance.

Strategic Risks are Defined as:

- internal or external to the Agency;
- Agency can voluntary take risks with a view to generating superior returns from its strategy; and
- Have moderate tolerance.

External Risks are Defined as:

- external to the Agency;
- beyond the Agency's influence or control; and
- focusses on business resilience strategy so that if the risk occurs, the Agency can deal with the consequences.

6. INTERNAL CONTROL UNIT

The Accounting Authority has the ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system, whereas management is responsible for establishing and maintaining an effective system of internal control. The Audit and Risk Committee oversees these controls and reviews the effectiveness of the system as a whole. The effectiveness of RTIA's internal control system provides reasonable assurance of those policies, processes, tasks, behaviours and other aspects. Furthermore, a system of internal controls facilitates effectiveness and efficiency of operation and help to ensure compliance with applicable laws and regulations. Internal Audit provides assurance that the system of internal controls is working as intended. Detailed internal audit reviews and testing was undertaken in order to assess the adequacy and effectiveness of controls relating to the specific audit activities. The objective was to ensure that management's control strategies are consistent with the organisation's activities and objectives. Where required, recommendations relating to the adequacy and effectiveness of controls were made. All significant findings were reported to the ARC for monitoring.

There is continuous communication between the risk management and internal audit functions to ensure that the risks identified are included in the internal audit plan, including emerging risks that might be identified during the financial year. In addition, internal audit also provide assurance that mitigation strategies and controls are being implemented.





7. INTERNAL AUDIT, AUDIT AND RISK COMMITTEES

7.1 Internal Audit

The RTIA's internal audit activity provides an independent, objective assurance and consulting service designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, compliance and governance processes.

The objective of the internal audit function is to provide reasonable assurance on the effectiveness of the organisation's system of internal control and risk management efforts and governance. This is done through:

- incorporating a risk-based internal audit approach in the annual plan and executing audits according to the IIA standards; and
- providing adequate assurance on effective governance, risk management and internal control environment.

The purpose, authority and responsibility of the Internal Audit activity are formally defined in the Internal Audit Charter. Internal Audit reports functionally to the Audit and Risk Committee and administratively to the Registrar. The Internal Audit function has full and unrestricted access to all organisational activities, records, property and personnel. The effectiveness of the internal audit function is assessed by the ARC annually. The internal audit function has completed 89% of the approved internal audit plan.

8. FRAUD AND CORRUPTION

The RTIA has zero tolerance to fraud and corruption. For the period under review, the Accounting Authority has reviewed the Fraud Policy, Fraud Prevention Plan and Whistle-blower policy as part of the RTIA risk management strategy. The Agency also manages a fraud risk register to ensure that possible risks are anticipated and effective controls implemented. The RTIA has an Anti-Fraud and Corruption Hotline that is manned by an external service provider to ensure security of information and effective management of the hotline service. It is operational every day 24 hours a day and also available in all 11 official languages. The hotline is available to the public and staff and where the whistle-blower wishes to remain anonymous his/her identity will be protected. Reference numbers are issued if reporters wish to follow up. Where cases were reported, an investigation was conducted and a report issued, with consequence management implemented where applicable.

9. MINIMISING CONFLICT OF INTEREST

The Agency utilises a formal process where all staff and members of oversight committees disclose their interests annually. This process is managed by the HR Unit and all the disclosed information is kept in the safe custody of the Unit.

10. CODE OF CONDUCT

The Code of Conduct Policy has been approved and currently being implemented in the organisation.



11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Agency created a mechanism of managing compliance with Occupational Health and Safety (OHS) Act of 1993 (Act No. 85 of 1993) hereinafter "OHS Act". This culminated in the analysis of the related compliance requirements as prescribed in the OHS Act. The Agency thereafter included all the OHS compliance in its broader compliance universe.

The OHS compliance action list, which emanates from the abovementioned analysis, is managed by the compliance meeting at an operational level and the Corporate Services Committee provides oversight support in that regard.

The Agency had previously established a Committee of OHS wardens and whose term came to an end during August 2019. Another Committee of new wardens was appointed during September 2019 in order to continue with the functions of the previous committee.

12. COMPANY SECRETARY & EXECUTIVE HEAD: CORPORATE GOVERNANCE, LEGAL SERVICES & COMPLIANCE

- The Company Secretary is appointed by the Accounting Authority. His/her role is to provide the Accounting Authority and individual Directors with guidance as to the nature and extent of their duties and responsibilities, and how such duties and responsibilities should be properly discharged in the best interests of RTIA and the Shareholder;
- The Company Secretary's role also entails the induction of new and inexperienced Directors and, together with the Chairman of the Accounting Authority, developing mechanisms for providing continuous education and training for all Board members in order to improve and maintain the effectiveness of the Board;
- The Company Secretary assists the Chairman and the Registrar in determining the annual Accounting Authority plan and other issues of an administrative nature;
- The Company Secretary also provides guidance to the Accounting Authority and Committees on legislative compliance;
- The Company Secretary provides a central source of guidance and advice to the Accounting Authority on matters of business ethics and good governance.

The Company Secretary's appointment should be subject to the same "fit and proper test" to which a new Director's appointment is subjected. The Company Secretary's performance is also appraised in the same manner as that of the Directors of RTIA.



COMPANY SECRETARY'S CERTIFICATE OF ASSURANCE

In terms of section 14(1) and (3) of the Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998) and section 40(1)(c) and (d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), I certify that for the financial year ended 31 March 2020, the Road Traffic Infringement Agency has lodged with the Minister of Transport and the National Treasury, the required audited annual financial statements, performance information and the annual report as prescribed.

Adv. MLT Bilikwana
Company Secretary
Date: 2020 - 12 - 18

RTIA BOARD



Ms Bongekile Zulu -
Chairperson



Mr Japh Chuwe -
Registrar



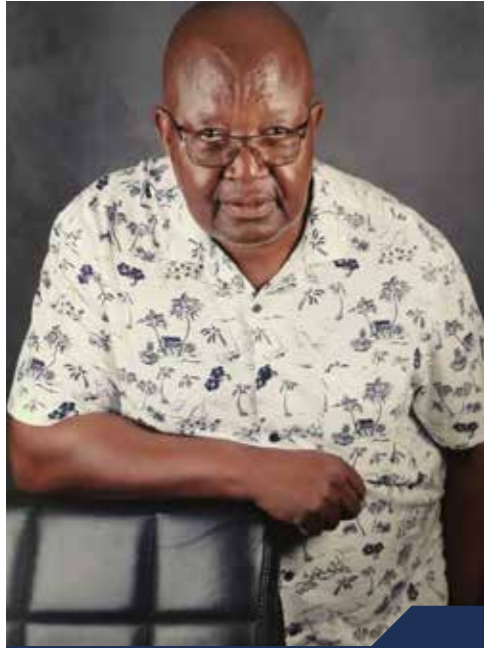
Dr Prittish Dala
Board Member



Dr Dorcas Khosa
Board Member

 **RTIA BOARD**

132



Mr Owen Mtsetweni
Board Member



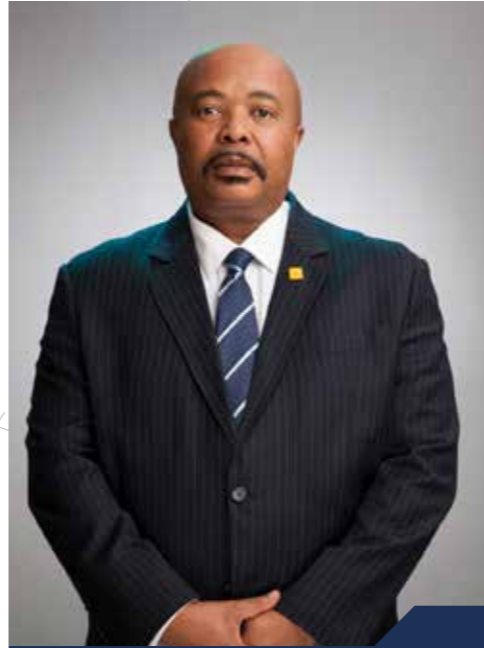
Mr Bonolo Ramokhele
Board Member



Adv. Ivy Thenga
NPA Representative



Adv. Mncedisi Bililwana -
Company Secretariat



Mr Japh Chuwe
Registrar/ CEO



Ms Palesa Moalusi
CA(SA)
Chief Financial Officer



Adv. Mncedisi Bilikwana
Executive: Legal,
Compliance and Company
Secretariat



Ms Keobakile Pooe
Chief Audit Executive

133

RTIA EXCO 

**HUMAN RESOURCE
MANAGEMENT**





INTRODUCTION

For the year under the review the Agency achieved 100% of its annual performance plan (APP) which was in respect of the implementation of the annual workplace skills plan. The Agency prioritised learning and development interventions that supported its mandate, being the effective and efficient implementation of the AARTO Act especially in preparation for the national AARTO rollout.

As part of the approved Human Resources strategy the Agency continued to implement the internal and external bursary schemes to ensure the empowerment and development of internal employees in line with their career aspirations which are in line with Agency capacity requirements. Additionally, the Agency continued to support deserving underprivileged young students through the external bursary scheme that the Agency implemented. The aim being to assist young matriculants with means to study Law and Commerce which are the Agency's core focus. The Agency continued to implement its performance management policy to ensure high levels of performance to enable the Agency to achieve its objectives. To ensure alignment, calibration of scorecards was conducted to ensure individual performance with that of the Agency.

To ensure legislative compliance, the Agency through its management structures approved the policy on Occupational Health and safety to ensure compliance with the applicable Act. The Agency proceeded to implement recommendations by the Local Fire Inspectorate in terms of comply with the requirements of the Emergency Services by-laws.

For the year under review the Agency has continued to strengthen a relationship with the representative trade union NUMSA governed by a recognition agreement which outlines the manner in which the relationship will be maintained through mutual respect and continued engagement of key employee relations matters. The tables below provide an overview of human resources operations within the Agency for the year under review.

The emergence of the COVID-19 pandemic brought new dynamics around the world and South Africa as a whole in employment practices and to the health and safety of employees. This pandemic presented workplaces with challenges on continuation of operations as well as how organisations will address the fears of employees within the working environment. Although this pandemic brought threats it also presents the Agency with the opportunity to explore innovative ways to keep operations in the face of a global crisis.

With the assistance of technology, the Agency was able to continue performing essential services while complying with the regulations of the national lockdown as declared by the President of the Republic of South Africa. During month of March 2020, ensured that employees stay at home to minimise the spread of the pandemic and provided employees support through the employee wellness service provider. Consequently, employees were provided with tools of trade to continue working from home. Similarly, the Agency implemented social distancing measures such as the installation of teleconferencing facilities and remote connectivity through on-line, virtual platforms for continued service delivery.



PERSONNEL COSTS BY SALARY BAND

For the year under review the head-count was a total 118 employees by 31 March 2020 with three (3) terminations comprising of death, resignation and dismissal respectively. Out of the total reported headcount of 118 at year end, the employment mix constituted of 21 personnel under fixed term contracts and 97 permanent personnel. The fixed term contract positions are not in the approved structure.

Table 2.: Personnel Costs by Salary Band

Table 2.1	Personnel Cost by Salary Band			
Salary Bands	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee
Top Management (Levels 15-16)	R27,177,169	21,11%	4	6,794,292
Senior Management (Levels 13-14)	R32,718,273	25,42%	15	2,181,218
Professional Qualified (Levels 9-12)	R41,285,991	32,07%	38	1,086,473
Skilled (Levels 6-8)	R23,771,847	18,47%	58	409,859
Semi-skilled (Levels 3-5)	R1,299,191	1,01%	3	433,064
Unskilled (Levels 1-2)	-	0,00%	0	-
Non-Exective Directors	R2,476,616	0,00%	0	-
TOTAL	R128,729,087	98,08%	118	10,904,907



The first fixed term contract relates to the appointed Data Capturers, to assist in capturing data on the National Contravention Register (NCR) as well as providing frontline office assistance to members of the public with regards to AARTO infringement administration in September 2018 until 31 October 2020. The second fixed term contract relates to the appointed AARTO Ambassadors, who were initially appointed as field workers to assist in conducting a study on AARTO 01 spoilt notices within two metropolitan areas implementing AARTO in the Gauteng province from 01 October 2018, and subsequently appointed as Enterprise Development operators from 02 October 2019 to 30 September 2020 to operationalise the ED outlets.

PERFORMANCE REWARDS

The Agency has continued to implement a performance management system that advocates for high levels of performance by all RTIA employees by prioritising the setting of objectives and performance dialogues, clear ratings scales as well recognition of performance. The performance management framework adopted by the Agency aims to serve as a motivating and developmental tool to stimulate hard-work. This link takes into account the developmental approach to performance management.

The table below depicts performance rewards per occupational categories processed and during the year under review

Table 2.2: Performance Rewards

Table 2.2	Performance Rewards		
Occupational Bands	Performance Rewards Paid	Personnel Expenditure	% of performance rewards to total personnel cost
Top Management	14,207,900	27,177,169	52,28%
Senior Management	3,650,454	32,718,273	11,16%
Professional qualified	4,937,441	41,285,991	11,96%
Skilled	1,985,481	23,771,847	8,35%
Semi-skilled	137,276	1,299,191	10,57%
Unskilled	-	-	0,00%
Non-Executive Directors	-	2,476,616	0,00%
TOTAL	24,918,552	128,729,087	94,31%

138



ANNUAL WORKPLACE SKILLS PLAN (WSP)

For the year under review, the Agency implemented the annual workplace skills plan (WSP) aimed at empowering RTIA staff to deliver on the AARTO mandate. The Agency implemented learning and development interventions to ensure that Agency employees are capacitated to deliver on the national AARTO rollout. The Agency also continued to implement the internal bursary programme to further ensure lifelong learning to meet future knowledge requirements. Below is a cost illustration of the learning and development interventions for the year under review.

Table 2.3: Training Costs per Business unit

Table 2.3	Training Costs per Business Unit				
Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of Employees Trained	Avg Training Cost per Employee
Office of the Registrar	66,421,567	560,995	0.84%	47	11,936
Office of the COO	11,194,213	124,854	1.16%	18	6,936
Finance	25,892,716	179,162	1.07%	18	9,953
Information Management	7,178,217	88,570	1.69%	9	9,841
Adjudications	18,042,373	88,239	0.60%	11	8,022
TOTAL	128,729,087	1,041,821	4,37%	103	46,689

139



CHANGES IN EMPLOYEE MOVEMENTS

For the period under review there were no significant changes in employee numbers and movements, see table below for a break-down of employee occupational categories.

Table 2.4: Changes in Employee Movements

Table 2.4 Salary Bands	Employment Changes per Salary Band			
	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management (Levels 15-16)	4	0	0	4
Senior Management (Levels 13-14)	16	0	1	15
Professional Qualified (Levels 9-12)	39	0	0	39
Skilled (Levels 6-8)	59	0	2	57
Semi-skilled (Levels 3-5)	3	0	0	3
Unskilled (Levels 1-2)	0	0	0	0
TOTAL	121	0	3	118

For the period under review only three employees exited the Agency through resignation, death and dismissal respectively.



REASONS FOR STAFF LEAVING

Table 2.5: Reasons for Staff Leaving

Table 2.5 Reason	Reasons for Staff Leaving	
	Number	% of total no. of staff leaving
Death	1	33%
Resignation	1	33%
Dismissal	1	33%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	3	100%

EMPLOYER-EMPLOYEE RELATIONS

In terms of Employer-Employee relations the Agency recorded one employee suspension and the dismissal of a different employee due to misconduct. These disciplinary actions are in line with the approved policy on discipline in the Agency whose aim is to ensure that Management implements a fair, consistent and adequate delivery of employee discipline with emphasis on ensuring corrective behaviour as opposed to punitive action.

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Suspension	1
Dismissal	1
Total	2



EMPLOYMENT EQUITY STATUS AND EQUITY TARGETS

Below is an outline of the employment equity landscape of the Agency. Although the recruitment of Deputy Registrars was initiated in the 2019/20 period, it could not be completed by the close of the financial year and is envisaged to be finalised in the 2020/21 period. The Agency strives to recruit prospective employees from the designated groups, such as Women and People Living with Disabilities, for example. As and when the Agency embarks on recruitment drives it will prioritise the above-mentioned groups to ensure representation in the Agency. The current headcount depicts over representation on African males and females, however, representation on management echelon still shows African male domination.

Table 2.7 Employment Equity and Targets

Table 2.7a										
Labour Relations : Equity Target and Employment Equity Status - Male										
Race Group	African		Coloured		Asian		White		Total Male	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Occupational Bands										
Top Management	2	0	0	0	0	0	0	0	2	0
Senior Management	10	0	0	0	0	0	1	0	11	0
Professional qualified	20	0	1	0	0	0	0	0	21	0
Skilled	14	0	1	0	0	0	0	0	15	0
Semi-skilled	1	0	0	0	0	0	0	0	1	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	47	0	2	0	0	0	1	0	50	0

142



Table 2.7(b) Employment Equity and Targets

Table 2.7b										
Labour Relations : Equity Target and Employment Equity Status - Female										
Race Group	African		Coloured		Asian		White		Total Female	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Occupational Bands										
Top Management	2	0	0	0	0	0	0	0	2	0
Senior Management	4	0	0	0	0	0	0	0	4	0
Professional qualified	15	0	2	0	0	0	1	0	18	0
Skilled	21	0	0	0	0	0	0	0	21	0
Semi-skilled	1	0	1	0	0	0	0	0	2	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	43	0	3	0	0	0	1	0	47	0

Table 2.7(c) Employment Equity and Targets

Table 2.7c										
Labour Relations : Equity Target and Employment Equity Status - Total										
Race Group	African		Coloured		Asian		White		TOTAL	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Occupational Bands										
Top Management	4	0	0	0	0	0	0	0	4	0
Senior Management	14	0	0	0	0	0	1	0	15	0
Professional qualified	35	0	3	0	0	0	1	0	39	0
Skilled	35	0	1	0	0	0	0	0	36	0
Semi-skilled	2	0	1	0	0	0	0	0	3	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	90	0	5	0	0	0	2	0	97	0

143



Table 2.7 d Employees Living with Disabilities

Table 2.7 d Gender	Employees living with disabilities					
	Male		Female		TOTAL	
Occupational Bands	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Professional qualified	0	0	0	0	0	0
Skilled	0	0	0	0	0	0
Semi-skilled	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0



**FINANCIAL
INFORMATION**





Country of incorporation and domicile

South Africa

Nature of business and principal activities

Enforcement of road traffic laws

Accounting Authority Member

Ms Bongekile Zulu
Mr Japhta Ronnie Chuwe
Dr Dorcas Khosa
Mr Bonolo Molemo Ramokhele
Mr Tshikane Owen Mtsetweni
Dr Pritish Dala
Advocate Ivy Thenga

Business address

Waterfall Edge B
Howick Close Waterfall Office Park
Midrand
1685

148

Bankers

Standard Bank South Africa

Auditors

Auditor General of South Africa
Chartered Accountants (S.A.) Registered Auditors

Secretary

MLT Bilikwana

Preparer

The annual financial statements were internally compiled.

General Information

INDEX

The reports and statements set out below comprise the annual financial statements presented to parliament:

Accounting Authority's Responsibilities and Approval

150-151

Audit and Risk Committee Report

152-154

Report of the Auditor General to Parliament

115-118

Accounting Authority's Report

159-161

Statement of Financial Position

162

Statement of Financial Performance

163

Statement of Changes in Net Assets

164

Cash Flow Statement

165

Statement of Comparison of Budget and Actual Amounts

166

Accounting Policies

167-179

Notes to the Annual Financial Statements

180-200



149



Accounting Authority's Responsibilities and Approval

Accounting Authority's Responsibilities and Approval

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Accounting Authority acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable Accounting Authority to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of fraud error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Authority is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March 2021 and is satisfied that in the normal course of business it had adequate resources to continue in operational existence for the foreseeable future. However, due to the force majeure uncertainty of the global COVID-19 pandemic, the Agency's resources had been placed under extreme pressure and with the related risk-adjusted strategy, is satisfied that it has access to adequate resources through its parent department of transport to sustain its continued existence in the near future.

The entity is mostly dependent on infringement fees for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the RTIA has neither the intention, nor the need to liquidate or curtail materially the scale of the entity.

Although the accounting authority is primarily responsible for the financial affairs of the entity, it is supported by the entity's auditors.

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements have been examined by the entity's external auditors.

Accounting Authority's Responsibilities and Approval

The annual financial statements set out on pages 162 to 200, which have been prepared on the going concern basis, were approved by the accounting authority on 14 December 2020 and were signed on its behalf by:

Ms B Zulu
Chairperson of the Board
Date: 2020 - 12 - 18





Audit and Risk Committee Report

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee Members and Attendance

The audit committee consists of the members listed hereunder and should meet at least 4 times per annum as per its approved terms of reference. During the current year 21 meetings were held. The meetings included 13 special meetings to handle matters under investigation relating to the whistle-blowers report and participation in the annual strategic planning sessions; risk workshop and induction of new members respectively.

Name	Gender	Status	Number of Meetings Attended
BS Chaplog	Male	Appointed 08 December 2011	19
S Thomas	Female	Appointed 01 November 2012	21
JT Mjoli	Female	Appointed 15 July 2013	21
YD Mbane	Female	Appointed 26 September 2019	17
M Dondolo	Male	Appointed 26 September 2019	16

Audit Committee Responsibility

The audit committee reports that it has complied with its responsibilities arising from section 55(1)(a) of the PFMA and Treasury Regulation 27.1.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

The system of internal control applied by the entity over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that material deficiencies in the system of internal controls were reported and the assessment of the controls to prevent and detect fraud was not effective. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and not effective.

152

Audit and Risk Committee Report

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Authority of the entity during the year under review.

Evaluation of Annual Financial Statements

The Audit Committee has:

- reviewed and discussed the annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Authority;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit (where applicable).

The audit committee concurs with and accepts the Auditor-General of South Africa's report on the annual financial statements, and are of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.



153



Internal Audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Whistle-Blower Report

During the year under review the Audit and Risk Committee received a whistle-blower report from the Agency's appointed whistle-blowers. The Audit and Risk committee reviewed the report and conducted a thorough interrogation of all the allegations in the report. Furthermore, the ARC brought the report to the attention of the AGSA for further testing and verification. Following all the processes undertaken by the ARC as well as the AGSA, irregularities or instances of maladministration were detected and reported. The ARC is confident that the process undertaken to reach such a conclusion was fair, reasonable and transparent and is further objective evidence of the Agency's proud record of good governance and clean administration.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

Mr BS Chaplog, (CA)SA
Chairperson of the Audit and Risk Committee
Date: 2020 - 12 - 18

154

Audit and Risk Committee Report

Report of the auditor-general to Parliament on Road Traffic Infringement Agency

The Accounting Authority hereby submits its report for the year ended 31 March 2020.

Report on the audit of the financial statements

Disclaimer of opinion

1. I was engaged to audit the financial statements of the Road Traffic Infringement Agency set out on pages 162 to 200 which comprise the statement of financial position as at 31 March 2020, the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. I do not express an opinion on the financial statements of the entity. Because of the significance of the matters described in the 'basis for disclaimer of opinion' section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

Preparation of the financial statements

3. I was unable to obtain sufficient appropriate audit evidence that the accounting authority have fulfilled its responsibility for the preparation and fair presentation of the financial statements in accordance with the Generally Recognised Accounting Practice, as I was unable to rely on the representations made by management during the audit. The representations provided by management regarding the validity of the deviations approval letters was inconsistent with the National Treasury's assertions on the validity of these letters. This cast significant doubt about the reliability of evidence provided in general to support that all transactions had been recorded and were reflected in the financial statements. I could not determine the effect of this on the financial position of the entity at 31 March 2020 and the financial performance and cash flows for the year then ended.

Irregular expenditure

4. I was unable to obtain sufficient appropriate audit evidence of the completeness of disclosed irregular expenditure for the current and previous year included in note 21 of the financial statements, as the entity could not prove that the extensions of contracts were approved by delegated officials and I could not confirm the authenticity of the approvals that were obtained by the entity for contract extensions. I was unable to confirm the amount by alternative means. Consequently, I was unable to determine whether any further adjustment was necessary to irregular expenditure stated at R 0 (2019: R 0) in the financial statements.

Responsibilities of accounting authority for the financial statements

5. The board of directors, which constitutes the accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with Generally Recognised Accounting Practice and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, the accounting authority is responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.



155



Auditor-general's responsibilities for the audit of the financial statements

7. My responsibility is to conduct an audit of the financial statements in accordance with the International Standards on Auditing and to issue an auditor's report. However, because of the matters described in the basis for disclaimer of opinion section of this auditor's report, I was unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.
8. I am independent of the entity in accordance with sections 290 and 291 of the *Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants' (including International Independence Standards) (IESBA codes) as well as the ethical requirements that are relevant to my audit of the financial statements in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.*

Report on the audit of the annual performance report

Introduction and scope

9. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objective presented in the annual performance report. I was engaged to perform procedures to identify findings but not to gather evidence to express assurance.
10. I was engaged to evaluate the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objective presented in the annual performance report of the entity for the year ended 31 March 2020:

Objectives	Pages in the annual performance report
Objective (2) – To discourage the contravention of traffic laws through increased compliance and adjudication	104 – 107

156

14. I was unable to audit the usefulness and reliability of the selected objective listed below as I was unable to rely on the representations made by management during the audit. This cast significant doubt about the reliability of evidence provided in general to support the accuracy and completeness of the underlying performance records and the performance information presented in the annual performance report. This placed a limitation on the scope of my work as I was unable to obtain sufficient and appropriate audit evidence and to audit the reported performance information by alternative means.

- Objective (2) – To discourage the contravention of traffic laws through increased compliance and adjudication

Other matter

15. We draw attention to the matter below. Our opinions are not modified in respect of this matter

Achievement of planned targets

16. Refer to the annual performance report on pages 98 to 115 for information on the achievement of planned targets for the year and explanations provided for the under-/overachievement of a number of targets.



Report on the audit of compliance with legislation

Introduction and scope

11. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
12. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements and annual report

13. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (a) and (b) of the PFMA.
14. Material misstatements of liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statement were corrected, but as a result of the representations made by management that could not be relied on this resulted in the financial statements receiving a disclaimer of opinion.

Procurement and contract management

15. Sufficient appropriate audit evidence could not be obtained that all contracts and quotations were awarded in accordance with the legislative requirements as I was unable to rely on the representations made by management during the audit. This casts significant doubt about the reliability of evidence provided to support the compliance with the criteria relating to procurement and contract management.

157



Internal control deficiencies

Report of the auditor-general to Parliament on Road Traffic Infringement Agency

16. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on compliance with legislation included in this report.
17. The nature, extent and frequency of Management's assessment of the controls in place to prevent and detect fraud as well as the risk that the financial statements may be misstated was not effective, as a result there was a risk of fraud identified relating to possible falsifying the National Treasury letters for the approval of the contract extensions and the accounting authority should investigate these fraud risk allegations.
18. Effective controls were not adequately implemented to ensure that the suspense account in payables was cleared at year end, as a result there was material misstatement in the financial statements.
19. Effective controls were not adequately implemented in the contract management to ensure that all the extension of the contracts are approved by the delegated officials as a result I could not confirm the authenticity of the approval letters that were provided by management.

Auditor-General

Pretoria

18 December 2020



158

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Accounting Authority's Report

1. Review of Activities

Main business and operations

The entity's net surplus for the year was R 9,276,875 (2019: deficit R 20,403,139).

2. Going Concern

We draw attention to the fact that as at 31 March 2020, the entity had an accumulated surplus of R 37,778,778 and that the entity's total assets exceeded its liabilities by R 37,778,778.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent Events

The Accounting Authority has considered the impact of the COVID-19 global pandemic and its negative impact on the Agency's operations. To that extent a risk-adjusted Annual Performance Plan has been developed and additional funding capitalisation requested from the department of transport to fund the Agency's critical programmes for the rest of the 2020/21 financial year. Additional funding of R80m has been received from the DOT.

4. Accounting Policies

The annual financial statements were prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

5. Accounting Authority

JR Chuwe assumed the responsibilities of the Accounting Authority, in terms of Section 49 (2)(b) of the PFMA from 1 August 2018 after the term of the board came to an end on 31st July 2018. The participation of BS Chaplog and YD Mbane is limited to the advisory role function as Chairpersons of the committees. The role of the Accounting Authority in terms of Section 49 (2)(b) of the PFMA came to an end with the appointment of the Board on the 5th August 2020.



159



Name

Ms Bongekile Zulu
Mr Japhta Ronnie Chuwe
Dr Dorca Khosa
Mr Bonolo Molemo Ramokhele
Mr Tshikane Owen Mtsetweni
Dr Pritish Dala
Advocate Ivy Thenga

6. Secretary

The entity's secretary is Advocate MLT Bilikwana.

7. Non-Executive Directors Emoluments

Non-Executive
NE Rapoo
NZ Qunta
TJ Mokgoro
BS Chaplog
B Matinise

160

Role

Chairperson of the Board
Executive
Board member
Board member
Board member
Board member
National Prosecutions Authority

Accounting Authority's Report

	Meeting fees 2020	Meeting fees 2019
Non-Executive	-	-
NE Rapoo	-	92,780
NZ Qunta	-	28,634
TJ Mokgoro	-	27,497
BS Chaplog	-	69,118
B Matinise	-	49,008
	<u>-</u>	<u>267,037</u>

Accounting Authority's Report

8. Corporate Governance

General

The accounting authority is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the accounting authority supports the highest standards of corporate governance and the ongoing development of best practice.

Accounting Authority

The Accounting Authority:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
 - non-executive directors, all of whom are independent directors as defined in the Code; and
 - executive directors.
- has established a Board directorship continuity programme.

Accounting Authority Meetings

The accounting authority has met on 10 separate occasions during the financial year. The accounting authority schedules to meet at least 6 times per annum.

Non-executive directors have access to all members of management of the entity. The meetings included 4 special meetings.

Audit and Risk Committee

For the current financial year the chairperson of the audit committee was Mr BS Chaplog, who is an independent audit committee member. The committee met 21 times during the financial year to review matters necessary to fulfil its role.

Internal Audit

In compliance with the Public Finance Management Act, 1999 (Act No.1 of 1999) the entity has an established and fully functional Internal Audit unit internally.

9. Auditors

The Auditor General of South Africa continues to provide the independent external audit function.



161



Statement of Financial Position

Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019
Assets			
Current Assets			
Receivables from exchange transactions	3	44,344,058	39,947,988
Cash and cash equivalents	4	39,938,312	10,958,562
AARTO assets	8	57,154,659	43,222,236
		141,437,029	94,128,786
Non-Current Assets			
Property, plant and equipment	5	2,689,083	2,906,794
Intangible assets	6	682,090	319,355
		3,371,173	3,226,149
		144,808,202	97,354,935
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	49,874,765	25,630,796
162 AARTO liabilities	8	57,154,659	43,222,236
		107,029,424	68,853,032
		107,029,424	68,853,032
Net Assets			
Accumulated surplus		37,778,778	28,501,903

Statement of Financial Performance

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019
Transfer revenue			
Infringement fees – exchange transactions	9	270,867,825	160,059,586
Grants non-exchange transactions	9	7,770,000	11,722,000
		278,637,825	171,781,586
Other income			
Sundry income		401,880	374,337
Operating expenses			
Employment costs		(128,729,087)	(81,707,074)
Depreciation and amortisation on assets	6&5	(3,252,115)	(3,309,358)
Other operating expenses	10	(125,163,693)	(103,664,051)
Rental mobile busses		(13,262,054)	(10,401,000)
Repairs and maintenance		(405,517)	(78,535)
		(270,812,466)	(199,160,018)
	10	8,227,239	(27,004,095)
Interest received		1,049,636	6,600,956
		9,276,875	(20,403,139)
Surplus (deficit) for the year			



Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
Figures in Rand		
Balance at 01 April 2018	96,413,679	96,413,679
Deficit for the year	(20,403,139)	(20,403,139)
National Treasury surplus surrender	(47,508,637)	(47,508,637)
Total changes	(67,911,776)	(67,911,776)
Balance at 01 April 2019	28,501,903	28,501,903
Surplus for the year	9,276,875	9,276,875
Total changes	9,276,875	9,276,875
Balance at 31 March 2020	37,778,778	37,778,778

Statement of Changes in Net Assets

Cash Flow Statement

Cash Flow Statement

Figures in Rand	Note(s)	2020	2019
Cash flows from operating activities			
Receipts			
Infringement receipts		264,195,011	213,751,383
Grants allocated		7,770,000	11,722,000
Interest income		1,049,636	6,600,956
Other receipts		401,880	-
AARTO collections		309,373,476	176,520,383
		582,790,003	408,594,722
Payments			
Employee costs		(110,455,836)	(81,707,073)
Suppliers		(130,534,957)	(153,357,930)
National Treasury payments		-	(117,204,898)
AARTO disbursements		(309,373,476)	(176,520,383)
		(550,364,269)	(528,790,284)
Net cash flows from operating activities	11	32,425,734	(120,195,562)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(1,140,774)	(407,845)
Purchase of other intangible assets	6	(2,305,210)	(1,324,594)
Net cash flows from investing activities		(3,445,984)	(1,732,439)
Net increase/(decrease) in cash and cash equivalents		28,979,750	(121,928,001)
Cash and cash equivalents at the beginning of the year		10,958,562	132,886,563
Cash and cash equivalents at the end of the year	4	39,938,312	10,958,562



Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis	Actual amounts on comparable basis	Approved budget	Difference between final budget and actual
Figures in Rand			
Statement of Financial Performance			
Revenue			
Infringement fees	270,867,825	249,338,000	21,529,825
Grant	7,770,000	7,770,000	-
	278,637,825	257,108,000	21,529,825
Sundry income	401,880	-	401,880
Transfer revenue	279,039,705	257,108,000	21,529,825
Expenditure			
Employment costs	(128,729,087)	(115,124,000)	(13,605,087)
Administrative expenses	(47,522,813)	(49,984,000)	2,461,187
Expenditure of AARTO issued notices	(90,951,645)	(92,000,000)	1,048,355
Impairment of statutory receivables	(2,510,439)	-	(2,510,439)
Write-offs of property, plant and equipment	(48,846)	-	(48,846)
Total expenditure	24 (269,762,830)	(257,108,000)	(12,654,830)
Net surplus	9,276,875	-	9,276,875

166

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999) ("PFMA").

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

During the year, a number of standards of GRAP became effective for the current financial period. A brief description of these standards as well as an estimate of the impact is contained in note 2.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

1.1 Reporting Entity

The Road Traffic Infringement Agency ("RTIA" or the "Agency") derives its mandate and functions from the Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998). The full responsibilities of the Agency are contained in this Act.

1.2 Basis of Measurement

The annual financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

1.3 Functional and Presentation Currency

These annual financial statements are presented in South African Rand, which is the Agency's functional currency. All financial information presented in Rand has been rounded to the nearest Rand.

1.4 Comparative Information

Budget

The Budget information presented in accordance with GRAP 1 and 24 has been disclosed separately in the Statement of Budget and Actual Amounts. The approved budget is prepared on an accrual basis and it covers the financial period from 1 April to 31 March. The financial statements and budget are prepared on the same basis of accounting, comparative information is not required.



167



Prior Year Comparatives

The presentation and classification of items in the current year is consistent with prior years, unless otherwise specified.

The current year financial statements have been presented in accordance with industry standards, the information content has remained the same.

1.5 Significant Judgements and Sources of Estimation Uncertainty

The use of judgement, estimates and assumptions is inherent to the process of preparing annual financial statements. These judgements, estimates and assumptions affect the amounts presented in the annual financial statements. Uncertainties about these estimates and assumptions could result in outcomes that require material adjustment to the carrying amount of the relevant asset or liability in future periods.

Judgements

In the process of applying these accounting policies, management has made the following judgements that may have a significant effect on the amounts recognised in the financial statements.

Accounting Policies

Accounting Policies

1.5 Significant Judgements and Sources of Estimation Uncertainty (continued)

Estimates

Estimates are informed by historical experience, information currently available to management, assumptions, and other factors that are believed to be reasonable under the circumstances. These estimates are reviewed on a regular basis. Changes in estimates that are not due to errors, are processed in the period of the review and applied prospectively.

The preparation of financial statements in conformity with GRAP, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. These judgements and estimates are reviewed annually by management. Revisions and accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The following significant areas of judgements and sources of estimation uncertainty were used during the financial year:

Impairment Testing

Key assumptions, judgements and/or estimates used with regards to impairment of property, plant and equipment:

Property, plant and equipment and intangible assets are considered for impairment if there is reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include economic viability of the asset and where it is a component of a larger economic unit, the viability of the unit itself.

Future cash flows expected to be generated by the asset are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using appropriate discount rates, is compared to the current net asset value and if lower, the assets are impaired to the present value.

Provisions

Provisions were raised and management determined an estimate based on the information available.

Impairment for statutory Receivables

On receivables, an impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired. The impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted using the risk free interest rate, computed at initial recognition. The measurement of receivables is derived after consideration of the allowance for receivables. Management makes certain assumptions regarding the categorisation of receivables into groups with similar risk profiles so that the effect of any impairment loss on a group of receivables would not differ materially from the impairment that would have been determined had each receivable been assessed for impairment loss on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance, the estimates are made about the probability of recovery of the receivables based on their past payment history and risk profile. The Agency assesses its receivables for impairment loss at each reporting date. In determining whether impairment for receivables should be recognised, management will make judgements as to whether there is objective evidence indicating that the receivable may be impaired.



1.5 Significant Judgements and Sources of Estimation Uncertainty (continued)

Asset Lives and Residual Values

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on managements' estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

Property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes, are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For uncertainties that result from the assessment of useful lives and residual values on property, plant and equipment and intangible assets, see note 1.6 and 1.7.

Adequacy of Leave Provision

The leave pay provision is based on actual days accrued at the rate of remuneration at the reporting date. Changes in the rate of remuneration are determined annually. The provision is only needed when employees resign or employment is terminated, as unused leave is forfeited 3 months (i.e. June of each calendar year) after the financial year.

RTIA Acts as an Agent to the Issuing Authorities

RTIA is an agent of the Issuing Authorities for the purposes of the collection of the penalties, and as such it would only account for the revenue collected for its own account, this is in terms of Section 13(1)(b) of the AARTO Act. RTIA is not responsible for issuing infringement notices, the only responsibility it has is to collect infringement penalties on behalf of the Issuing Authorities.

Statutory receivables

Statutory receivables arise from legislation or an equivalent means, such as regulations that require settlement by another entity in cash or another financial asset. Transactions will be regarded as statutory where they are undertaken because of specific legislative requirements requiring or permitting an entity to enter into those transactions. RTIA receivables generated arise by virtue of its mandate and legislation viz, the Administrative Adjudication of Road Traffic Offences Act No. 46 of 1998.

Statutory receivables are carried at cost less provision made for impairment of these receivables and it is assessed at least annually for possible impairment. The impairment is determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Accounting Policies

Accounting Policies

1.6 Property, Plant and Equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- the Agency has full control over it; and
- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, Plant and Equipment is Initially Measured at Cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

All other costs are recognised in surplus or deficit as an expense when they are incurred. Repairs and maintenance costs are generally charged to expenses when they are incurred. However, major renovations are capitalised and included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Agency. Major renovations are depreciated over the remaining useful life of the related asset.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The depreciation method used reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Agency.

The useful life of an asset and residual values are reviewed annually and if expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates.

Depreciation on all property, plant and equipment commences when the items are available for use. Depreciation is recognised on a straight basis to write off the cost of the assets to their residual values over the estimated useful lives.

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.





1.7 Intangible Assets

Intangible assets are initially measured at cost. Cost includes any directly attributable cost of preparing the asset for its intended use.

After initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets are derecognised in disposal or when no future economic benefits are expected from its use or disposal.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit as incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets with a finite useful life are amortised over their useful life. Amortisation commences when the asset is available for use, i.e. when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date. If expectations differ from previous estimates, the changes shall be accounted for as a change in accounting estimates.

172 Amortisation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated.

Accounting Policies

Accounting Policies

1.8 Financial Instruments

Initial Recognition

Financial assets and financial liabilities are recognised on the statement of financial position when the entity has become a party to contractual provisions of the instrument. Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire; or when financial assets and substantially all the risks and rewards of ownership of the assets are transferred to another entity. Financial liabilities are derecognised when, and only when, the entity's obligations are discharged, cancelled or they expire.

Trade and other Receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Trade and other receivables are carried at cost less provision made for impairment of these receivables and it is assessed at least annually for possible impairment. The impairment is determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account.

Trade and other Payables

The entity measures all financial assets and financial liabilities after initial recognition using the following categories: Financial instruments at fair value.

Trade and other payables are initially measured at fair value.

Cash and cash Equivalents

Cash and cash equivalents comprise cash on hand and cash with the bank. Cash equivalents relate to short term highly liquid investments that are registered with banking institutions with maturities of 3 months or less and are subject to an insignificant risk of change in value.

Offsetting

Financial assets and financial liabilities have not been offset in the Statement of Financial Position.

1.9 Taxation

The RTIA is exempt from taxation in terms of the provision of section 10 (1) (cA) (i) of the Income Tax Act, 1962 (Act No. 58 of 1962) and the Value-Added Tax Act, 1991 (Act No. 89 of 1991).



173



1.10 Operating Leases and Commitments

Leases where the lessor retains the risk and rewards of ownership of the underlying asset are classified as operating leases. Payments made under operating leases are recognised as expense on a straight-line basis over the term of the lease. It has become common practice in the public sector to disclose both contractual commitments and approved expenditure that have not been contracted for, although the accounting standards require the disclosure of contractual commitments. Disclosure of such information may be useful in evaluating the public entity's ability to meet its liabilities and commitments. The objective of the financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of such transactions.

1.11 Impairment

Financial Assets

The entity assesses at each statement of financial position date whether there is objective evidence that a financial asset or the Agency's assets are impaired.

Assets Carried At Amortised Cost

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses) discounted at the asset's original effective interest rate. Objective evidence that financial assets are impaired can include default or delinquency by a debtor or indications that a debtor will enter into bankruptcy or that one or more events have had a negative effect on the estimated future cash flows of that asset. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

Significant financial assets should be tested for impairment on an individual basis and the remaining financial assets should be assessed collectively into groups of similar credit risk characteristics.

174 If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Non-Financial Assets

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised when the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in surplus or deficit.

Accounting Policies

Accounting Policies

1.12 Employee Benefits

Short-Term Employee Benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined Contribution Plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Under a defined contribution plan fixed contributions are payable by the Agency and members. The Agency has no legal or constructive obligation to pay any further contributions other than these fixed contributions.

1.13 Provisions

Provisions are made for unavoidable liabilities of which the amount can be estimated, but the settlement is uncertain. These provisions are recognised when the Agency has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

The carrying amount of each provision is reviewed at reporting date and adjusted, if necessary, to reflect the best estimate of the consideration required to settle the present obligation as at that date. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.





1.13 Provisions (continued)

A provision is reversed to the extent that it is no longer probable that a future outflow of economic benefits will be required to settle the obligation.

1.14 Revenue Recognition

Grants and Virements Received

Government grants are recognised when there is reasonable assurance that:

- the Agency will comply with the conditions attaching to them; and
- the grants will be received.

Government grants are recognised as income in the year in which they are received or deferred when conditions for the grant are not met. A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Agency with no future related costs is recognised as income in the period in which it becomes receivable.

Infringement Fees

Infringement fees comprise of traffic penalties collected after 32 days' notice period, courtesy letter fees, enforcement order fees, penalty fees and unsuccessful representation fees. This amount is the net collections retained.

Infringement fees are recognised when the outcome of the transaction involving the collection of infringement fees can be estimated reliably, revenue associated with these transactions is recognised by reference to the stage of completion of the transaction. The outcome of these transactions can be reliably measured when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transactions will flow to the Agency after legal entitlement under the AARTO Act has been established;
- The stage of completion of the transaction can be measured reliably once the amount collected on behalf of the Issuing Authorities has been established; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The fulfilment of the service is binary, thus these conditions are met at the point where fees are collected from the infringers. RTIA is entitled to the revenue from the amounts of penalties collected and paid over to the Issuing Authorities under Section 32 of the AARTO Act. The amount that the Agency earns is predetermined by virtue of the fact that the Agency is entitled to 50% of the amounts collected from infringers.

Accounting Policies

Accounting Policies

1.15 Financing Costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.16 Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. In vain refers to a transaction, event or condition which was undertaken without value or substance and which did not yield any desired results or outcome. Fruitless and wasteful expenditure incurred during the year should be disclosed in the notes to the annual financial statements. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.



1.17 Irregular Expenditure

For the purposes of determining whether irregular expenditure has been incurred, there must first be a transgression of a provision contained in:- the PFMA; the Treasury Regulations; a National Treasury Instruction, issued in terms of section 76 of the PFMA; a Provincial Treasury Instruction issued in terms of section 18 (2) (a) of the PFMA; or any other applicable legislation.

Irregular expenditure is recorded in the notes to the financial statements when confirmed. The amount recorded is equal to the value of the irregular expenditure incurred, unless it is impractical to determine, in which case reasons therefore must be provided in the notes. Irregular expenditure receivables are measured at the amount that is expected to be recovered and are de-recognised when settled or written-off as irrecoverable.

Irregular expenditure must be removed from the balance of the irregular expenditure notes when it is either:

- (a) condoned by the relevant authority if no official was found to be liable in law;
- (b) recovered from an official liable in law;
- (c) written-off if it's irrecoverable from an official liable in law; or
- (d) written-off if it's not condoned and not recoverable.

Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

1.18 Related Parties

The RTIA operates in an economic sector currently dominated by entities directly or indirectly linked to the Department of Transport and the Issuing Authorities as defined in the AARTO Act.

The South African Post Office ("SAPO") is a key related party in serving of AARTO documents by registered mail in terms of section 30 of the AARTO Act, read in conjunction with regulation 21 of the AARTO Regulations.

Accounting Policies

Accounting Policies

Key management are those persons responsible for planning, directing and controlling the activities of the Agency, including those charged with the governance of the Agency in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the Agency.

The objective of the financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of these transactions.

1.19 Services Received in Kind

The RTIA receives services in kind from the Department of Transport for the shared utilisation of the Natis system. The value of the services cannot be reliably measured.



Notes to the Annual Financial Statements

Figures in Rand

2020

2019

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:

- GRAP 20: Related Party Disclosures
- GRAP108: Statutory Receivables
- GRAP109: Accounting Principles and Agents

Effective date: Years beginning on or after

01 April 2019
01 April 2019
01 April 2019

2.2 Standards and Interpretations not Yet Effective or Relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2020 or later periods but are not relevant to its operations:

Standard/ Interpretation:

- GRAP 34: Separate Financial Statements
- GRAP 35: Consolidated Financial Statements
- GRAP 36: Investments in Associates and Joint Ventures
- GRAP 37: Joint Arrangements
- GRAP 38: Disclosure of Interests in Other Entities

Effective date Years beginning on or after:

Not determined by Minister of Finance yet
Not determined by Minister of Finance yet
Not determined by Minister of Finance yet
Not determined by Minister of Finance yet
Not determined by Minister of Finance yet

180

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

3. Receivables from exchange transactions

Deposits	1,426,128	1,426,128
AARTO statutory receivables	39,881,010	35,718,340
Prepayments	2,524,751	2,049,332
Reclassified payables into receivables	495,219	754,188
Staff receivables	16,950	-
	44,344,058	39,947,988

Reconciliation of AARTO statutory receivables:

AARTO statutory receivables	39,881,010	35,718,340
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AARTO statutory receivables past due but not impaired

AARTO statutory receivables which are less than 90 days past due and owing from collecting agencies are not considered to be impaired. Management have assessed the recoverability of receivables and there are indications that the balance is impaired arising from the impact of Covid-19 on the collecting agents who are administered under the Municipal Finance Management Act, Act No. 56 of 2003 (MFMA) and those that were implicated in the VBS scandal. The impairment that has been provided for is R 2,510,439.

The ageing of amounts past due but not impaired is as follows:

1 month past due	31,721,161	23,772,792
2 months past due	3,764,125	2,039,042
3 months past due	4,395,724	9,906,506
	39,881,010	35,718,340

Reconciliation of provision for impairment of statutory receivables

Opening balance	-	37,077,676
Impairment	2,510,439	-
Recovered provision	-	(37,077,676)
	2,510,439	-

4. Cash and Cash Equivalents

Cash and cash equivalents consist of:

Bank balance - operational account	39,495,343	10,913,905
Bank balance - salaries account	442,969	44,657
	39,938,312	10,958,562

181



5. Property, Plant and Equipment

Notes to the Annual Financial Statements

	2020			2019		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office equipment	1,421,093	(520,112)	900,981	2,071,821	(1,464,019)	607,802
Furniture and fixtures	2,854,264	(1,614,855)	1,239,409	2,863,702	(1,339,730)	1,523,972
IT equipment	4,927,541	(4,378,848)	548,693	5,441,191	(5,198,162)	243,029
Motor vehicles	-	-	-	3,183,538	(2,651,547)	531,991
Total	9,202,898	(6,513,815)	2,689,083	13,560,252	(10,653,458)	2,906,794

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Retired carrying value	Depreciation	Total
Office equipment	607,802	596,435	-	(303,256)	900,981
Furniture and fixtures	1,523,972	5,000	-	(289,563)	1,239,409
IT equipment	243,029	539,339	-	(233,675)	548,693
Motor vehicles	531,991	-	(48,846)	(483,145)	-
	2,906,794	1,140,774	(48,846)	(1,309,639)	2,689,083

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Retired carrying value	Depreciation	Total
Office equipment	610,719	407,845	-	(410,761)	607,802
Furniture and fixtures	1,618,432	-	(30,011)	(64,448)	1,523,972
IT equipment	805,947	-	(1,336)	(561,582)	243,029
Motor vehicles	1,172,407	-	-	(640,416)	531,991
	4,207,505	407,845	(31,347)	(1,677,207)	2,906,794

Notes to the Annual Financial Statements

The value of fully depreciated assets of the Agency at the end of the financial year was R 5.9 million. The Agency had no intention to keep these assets beyond their initially intended useful life, however due to the Covid-19 pandemic the replacement could not be fully realised at year end. The delivery lead-times of the replacement assets for the ICT equipment was severely impacted resulting in the change of anticipated timeframes to be expected rather in the 2020-21 financial year.

Depreciation rates

Item

Furniture and fixtures	5 - 10 years
Motor vehicles	5 - 6 years
Office equipment and appliances	1 - 5 years
Computer equipment	3 - 5 years
Leasehold improvements	shorter of lease term or 25 years

Average useful life

5 - 10 years

5 - 6 years

1 - 5 years

3 - 5 years

shorter of lease term or 25 years





Notes to the Annual Financial Statements

Figures in Rand

6. Intangible Assets

	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
computer software	3,629,805	(2,947,715)	682,090	1,324,595	(1,005,240)	319,355

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Amortisation	Total
computer software	319,355	2,305,210	(1,942,475)	682,090

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Amortisation	Total
computer software	626,912	1,324,594	(1,632,151)	319,355

Amortisation rates

Item	Useful life
Computer software and licences	1 - 4 years
Web development costs	1 - 4 years



Notes to the Annual Financial Statements

Figures in Rand

7. Payables from Exchange Transactions

	2020	2019
Trade payables	892,852	5,054,659
General accruals	-	2,955,971
Leave pay accrual	2,920,251	1,706,805
Bonus accrual	33,001,845	15,774,092
Reclassified to trade receivables	495,219	754,188
Payroll accrual	147,667	-
Suspense – AARTO	12,801,432	(546,033)
Suspense – Payroll	(384,501)	(68,886)
	49,874,765	25,630,796

The suspense account for AARTO relates to infringers paying into RTIA's bank account and not the AARTO designated accounts, which then have to allocated.

The suspense account payroll is made up of multiple control accounts relating to payroll, at year end these accounts had remaining balances that are to be allocated in the new financial year.

8. AARTO Assets and Liabilities

The assets and liabilities are managed in terms of the Administrative Adjudication of Road Traffic Offences ("AARTO") Act. The AARTO Act requires the issuing authorities and collecting agencies to deposit all the money collected into the AARTO bank accounts managed by the Road Traffic Infringement Agency ("RTIA") by the 7th of each following month. The deposits are in turn required to be appropriately disbursed to the issuing authorities within 21 days from the date of last receipt in accordance with the AARTO Act. The amounts collected are not for the benefit of the Agency. In terms of section 32 read together with section 13 (1)(b) of the AARTO Act, any penalty received by the Agency must be paid to the Issuing Authority that originated or issued the infringement notice. The collection of penalties in terms of the AARTO Act is a service rendered to the Issuing Authority. The collective AARTO bank balance is R309 million.



Notes to the Annual Financial Statements

Figures in Rand

	2020	2019
AARTO assets due from:		
Other AARTO net assets	25,550,007	21,795,982
Other statutory receivable collecting agents	27,177,832	14,843,885
RTMC	1,084,094	1,084,095
RTIA	882,260	882,260
TMPD	2,460,466	-
JMPD	-	4,616,014
	57,154,659	43,222,236
AARTO liabilities due to various role-players:		
GDOCS	3,759,172	3,018,690
JMPD	8,599,569	-
TMPD	-	1,991,741
RTMC	308,209	413,851
RTIA	44,487,709	37,797,954
	57,154,659	43,222,236

9. Revenue

Grants	7,770,000	11,722,000
Infringement fees – exchange transactions	270,867,825	160,059,586
	278,637,825	171,781,586
Interest received - investment	1,049,636	6,600,956

10. Operating Surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

Notes to the Annual Financial Statements

Figures in Rand

Advertising and marketing

Advertising and AARTO Awareness

Remuneration, other than to employees, for:

Auditors remuneration

Operating Lease Charges

Premises

- Contractual amounts

Amortisation on intangible assets

Depreciation on property, plant and equipment

Employee costs

Postage

Consulting fees

Impairment of statutory receivables

Impairment of accounts receivable impairment

	2020	2019
Advertising and AARTO Awareness	834,943	68,218,506
Auditors remuneration	2,626,826	2,187,067
Contractual amounts	3,050,159	3,050,120
Amortisation on intangible assets	1,942,475	1,632,151
Depreciation on property, plant and equipment	1,309,640	1,677,207
Employee costs	128,729,087	81,707,074
Postage	90,951,645	35,544,555
Consulting fees	2,291,365	1,729,622
Impairment of accounts receivable impairment	2,510,439	37,077,676



Notes to the Annual Financial Statements

Figures in Rand	2020	2019
11. Reconciliation of Net Cash Flows From Operating Activities to Surplus		
Surplus/(Deficit) for the period	9,276,875	(20,403,139)
Adjustments for non-cash items:		
Depreciation and amortisation	3,252,115	3,309,358
Impairment/(Reversal)	2,510,439	(37,077,676)
Write off of motor vehicles	48,847	-
Changes in working capital:		
Receivables from exchange transactions	(6,906,509)	17,946,727
Payables from exchange transactions	24,243,967	(83,970,832)
AARTO assets	309,373,476	176,520,383
AARTO liabilities	(309,373,476)	(176,520,383)
	32,425,734	(120,195,562)

12. Financial Instruments Disclosure

Categories of financial instruments

2020

188 Financial assets

	Loans and receivables	Non-financial instruments	Total
Trade and other receivables	1,938,301	39,881,006	41,819,307
Prepaid expenses	-	2,524,751	2,524,751
Cash and cash equivalents	39,938,312	-	39,938,312
AARTO assets	57,154,659	-	57,154,659
Property, plant and equipment	-	2,689,083	2,689,083
Intangible assets	-	682,090	682,090
	99,031,272	45,776,930	144,808,202

Notes to the Annual Financial Statements

Figures in Rand	2020	2019	
Financial liabilities			
	Financial instruments carried at amortised cost	Non-financial instruments	Total
Trade and other payables	49,874,765	-	49,874,765
AARTO liabilities	57,154,659	-	57,154,659
Accumulated surplus	-	37,778,778	37,778,778
	107,029,424	37,778,778	144,808,202



189



Notes to the Annual Financial Statements

Figures in Rand

12. Financial Instruments Disclosure (continued)

2019

Financial assets

	Loans and receivables	Non-financial instruments	Total
Trade and other receivables	2,180,316	35,718,340	37,898,656
Prepaid expenses	-	2,049,332	2,049,332
Cash and cash equivalents	10,958,562	-	10,958,562
AARTO Assets	43,222,236	-	43,222,236
Property, plant and equipment	-	2,906,794	2,906,794
Intangible assets	-	319,355	319,355
	56,361,114	40,993,821	97,354,935

Financial liabilities

	Financial instruments carried at amortised cost	Non-financial instruments	Total
Trade and other payables	25,630,796	-	25,630,796
AARTO liabilities	43,222,236	-	43,222,236
Accumulated surplus	-	28,501,903	28,501,903
	68,853,032	28,501,903	97,354,935

13. Operating Lease Commitments

Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	4,830,000	11,592,000
- in second to fifth year inclusive	-	4,830,000
	4,830,000	16,422,000

Notes to the Annual Financial Statements

Figures in Rand

Operating lease rentals of the Agency comprise of Mobile office bus rentals, rental machines and rental of offsite storage. The mobile bus contract commenced from 01 December 2016 ending 30 August 2020. Amendments that came into effect from 1 April 2018 increased the VAT rate –standard rate of VAT from 14% to 15%. VAT is levied on the supply of most goods and services and on the importation of goods. The Standards of GRAP do not prescribe any guidance in terms of VAT rates. Management has subsequently disclosed the effect of the VAT rate relating to the mobile busses lease.

The current office space lease rental of the premises for RTIA refers to the building together with the parking bays namely: Waterfall Edge, Bekker Road, Midrand. Pursuant to the Board resolution on 30 January 2013, the Board resolved that the Agency shall enter into a five year lease agreement in respect of leased premises. On this premise a three year lease agreement was concluded upon its expiry the month to month clause was activated. No provision was made for an option to renew the lease on expiry.

- within one year

The rental of printers is through a transversal contract of National Treasury and is disclosed as follows:

- within one year	488,402	-
-in second to fifth year inclusive	864,095	-
	1,352,497	-

The value in respect of offsite storage and rental of standing breeze economy cooler is not material to warrant a separate disclosure. This has not been included in the above disclosure.

14. Contingencies

The Agency has been engaged in various litigations during the year under review and it duly engaged its lawyers to deal with such. At this time it is not possible to ascertain the potential financial impact on the Agency of an adverse decision in that regard. The likelihood of the outcome is still unknown and the amounts are unknown.

Contingent Liabilities

Edwards Matter

The Applicant in this matter requested the court to order the Agency and Tshwane Metropolitan Municipality (joined as the second respondent in the matter) to issue him with his driving license and license disk in respect of various vehicles under the circumstances where the Applicant has been served with an enforcement order. The matter was settled and consequentially removed from the court roll.



2020 2019



14. Contingencies (continued)

Employees Matter

This matter is lodged to the Labour Court in terms of Employment Equity Act. The Applicants allege that that they are not paid equally compared to other employees performing same work of same value. The Parties are still exchanging papers and the hearing has only taken place in relation to interlocutory application. The main matter will be heard once the parties are done exchanging the papers.

Former Employee Reinstatement Matter

The former employee lodged this application seeking a reinstatement to her job as an Executive Manager based on unfair labour practice. This application was dismissed with costs for lack of merits.

Dembovsky Matter

The Applicant has lodged the application to, amongst others; contest the constitutionality of some of the provisions in the AARTO Act as well as the National Road Traffic Act. It is also based on allegations of unconstitutionality of the law making processes in respect to passage of Regulations relating to various transport legislations. The parties have finalised the exchange of their Heads of Arguments and the matter was scheduled to be set down for hearing on the 7th to 11th of February 2020. The Applicant however failed to set the matter down as anticipated.

Contingent Asset

Justice Project South Africa ("JPSA")

The main application in this matter related to the manner of serving of AARTO documents as prescribed in the AARTO Act. The Applicant alleged that RTIA and issuing authorities were not serving AARTO documents by registered mail but instead did so by a secure mail and thereby contravening the AARTO Act. This application was dismissed in favour of RTIA by the South Gauteng High Court on 15 February 2019 and the Applicant was directed to pay for its costs. The Applicant appealed this finding to the full bench of the court. The appeal was also dismissed in favour of the Agency with costs. The litigant has lodged an appeal to the Constitutional Court.

15. Related Parties

The Road Traffic Infringement Agency is 100% owned by the Executive Authority, the Department of Transport. The RTIA is a Schedule 3A Public Entity in terms of the PFMA. As a consequence, Road Traffic Infringement Agency has a significant number of related parties that are public entities, issuing authorities and key management personnel of the RTIA or its Executive Authority. Unless specifically disclosed, these transactions are concluded on an arms' length basis.

Related party balances

Amounts owed to related parties

South African Post Office

- 4,480,056

Related party transactions

Revenue

Department of Transport

7,770,000 11,722,000

Postage costs

South African Post Office

90,951,645 35,544,555

Remuneration paid to related parties

Committee members and executives

29,422,269 13,381,295



Notes to the Annual Financial Statements

Figures in Rand

16. Remuneration Disclosure

Non-Executive Directors

	2020	2019
NE Rapoo	-	92,780
NZ Qunta	-	28,634
TJ Mokgoro	-	27,497
BS Chaplog	-	69,118
B Matinise	-	49,008
	-	267,037

Notes to the Annual Financial Statements

Committees

2020

	Audit and Risk Committee	Accounting Authority	Corporate Services Committee	Total
BS Chaplog	448,816	142,524	-	591,340
S Thomas	310,084	-	-	310,084
T Mjoli	310,084	-	-	310,084
M Dondolo	158,894	-	-	158,894
Y Mbane	143,486	148,692	309,424	601,602
G Blose	-	-	254,232	254,232
T Maphike	-	-	250,380	250,380
	1,371,364	291,216	814,036	2,476,616

2019

	Audit and Risk Committee	Technical Committee	Corporate Services Committee	Total
NZ Qunta	43,805	-	-	43,805
TJ Mokgoro	-	-	17,943	17,943
BS Chaplog	193,915	-	-	193,915
B Matinise	-	25,455	-	25,455
S Thomas	154,556	-	-	154,556
T Mjoli	133,541	-	-	133,541
H Makhathini	10,986	-	-	10,986
K Mayedwa	-	18,310	-	18,310
L Madikizela	-	-	10,986	10,986
Y Mbane	-	-	196,386	196,386
G Blose	-	-	128,170	128,170
T Maphike	-	-	157,613	157,613
	536,803	43,765	511,098	1,091,666



Notes to the Annual Financial Statements

Figures in Rand

2020

2019

16. Remuneration Disclosure (continued)

Executive committee

2020

	Earnings	Cash Allowances	Short term incentive	Total cost to company	Long-Term Incentive	Total cost
JR Chuwe	5,031,043	220,128	1,059,326	6,310,497	4,522,768	10,833,265
P Moalusi	2,578,316	-	610,368	3,188,684	2,298,274	5,486,958
MLT Bilikwana	2,575,860	-	601,891	3,177,751	2,269,407	5,447,158
K Pooe	2,563,922	-	576,459	3,140,381	2,269,407	5,409,788
	12,749,141	220,128	2,848,044	15,817,313	11,359,856	27,177,169

The Long Term Incentive Scheme (LTIS) is an Executive retention scheme which was approved by the Board of Directors in 2016 for implementation based upon the achievement of the following targets: ensuring financial sustainability of the Agency and fiscal prudence in the Agency's operations; and ensuring that the Agency continued to perform at satisfactory levels by exceeding the 80% performance threshold determined in the PMF.

2019

196

	Earnings	Cash Allowances	Short term incentive	Total cost to company	Long-Term Incentive	Total cost
JR Chuwe	1,995,497	208,183	1,179,636	3,383,316	-	3,383,316
TAP Tsholetsane	1,693,432	-	578,548	2,271,980	-	2,271,980
P Moalusi	1,572,640	-	546,407	2,119,047	-	2,119,047
MLT Bilikwana	1,581,878	-	602,655	2,184,533	-	2,184,533
K Pooe	1,565,520	-	498,194	2,063,714	-	2,063,714
	8,408,967	208,183	3,405,440	12,022,590	-	12,022,590

*TAP Tsholetsane resigned on 31 March 2019.

Notes to the Annual Financial Statements

Figures in Rand

2020

2019

17. Risk Management

Financial Risk Management

The Agency's principal financial instruments comprise of trade payables, trade receivables and cash balances which arise directly from its operations. The main purpose of these financial instruments is to fund the Agency's day to day operations. The Agency is mainly exposed to the liquidity risk of the financial instruments.

Management is of the opinion that the carrying values of the financial instruments approximates their fair value.

Liquidity risk

Liquidity risk is the risk that the Agency will not be able to meet its financial obligations as they fall due. The Agency's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Agency's reputation. This implies maintaining sufficient cash resources and the availability of funding through Medium Term Expenditure Framework. The Agency receives a guaranteed subsidy from National Treasury through the Medium Term Expenditure Framework allocation process to meet all its current and future obligations.

The Agency monitors its risk to a shortage of funds by using cash flow forecasting. The cash flow forecasting evaluates cash requirements over the foreseeable future, as well as expected cash flows from operations.

The following table details the Agency's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Agency can be required to pay.

Trade and other payables	49,874,765	25,630,796
AARTO liabilities	57,154,659	43,222,236
		197



Figures in Rand

2020

2019

17. Risk management (continued)**Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations, which will result in financial loss to the Agency. The Agency is exposed to minimal manageable credit risk. The major rate of credit risk lies with the Issuing Authorities, as they are exposed to the losses as a result of the infringers not paying amounts to which the Issuing Authorities are entitled by virtue of the road traffic laws and regulations.

The carrying amount of financial assets recorded is net of impairment allowance, this represents the Agency's maximum exposure to credit risk.

Market Risk

The Agency was exposed to interest rate risk on its cash balances at bank; this is a market risk factor.

18. Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

19. Events After the Reporting Date

The material matters have been detailed in note 14 and 15. Globally, the impact of Covid-19 pandemic has curtailed many operations leaving many businesses in a dire state. Consequently, the Agency was impacted negatively which led to the need to request more capital injection from our shareholder, the Department of Transport. Subsequent to year end the shareholder allocated a special adjustment budget grant to the value of R80 million to sustain the Agency operations. Cabinet at its meeting on the 5th August 2020 approved the appointment of the new Board. The Minister of Transport made an announcement that AARTO will be rolled out nationally by 01 July 2021.

20. Fruitless and Wasteful Expenditure

There was no fruitless and wasteful expenditure incurred during the current financial year.

21. Irregular Expenditure

There was no irregular expenditure incurred during the current financial year.

22. Retention of Cash Surplus

Application has been made to National Treasury for the retention of the cash surplus at the end of July 2020 and the outcome is pending.

Road Traffic Infringement Agency Annual Report for the year ended 31 March 2020

Figures in Rand

2020

2019

23. Approval of Financial statements

The annual financial statements were tabled for approval to the Accounting Authority on 14 December 2020.

24. Budget Differences

The infringement fees collected exceeded the anticipated target as a result of increased issued notices for the year by over 60%. This amount increased by 9% above anticipated budget.

Overall spending resulted in the following variance for the year under review: Employment associated costs grew by 9% above the planned budget. Employment costs include non-cash accruals at year end that has resulted in the actual expense being above budgeted amount. Included in the employment costs is the market alignment of Executives remuneration which is part of the approved retention strategy. The bonus accrual for this year was aligned through various consultative processes with the labour union to ensure equitable and fairness processes across the entire organisation between executives and personnel. Administrative expenses resulted in a cost saving of 5% overall due to some of the planned expenditures not being achieved during the financial year as a result of unforeseen circumstances beyond the Agency control. Contrary, the postage cost spending in the year was significantly excessive to the anticipated forecasted amount of the previous year of R35 million.

The budget allocated for capital expenditure spending was R10 million resulted in inherent cost savings as a result of the deferral of the major planned projects that were aligned with the implementation of the National Rollout of AARTO that was subsequently postponed.

25. Commitments

For the year ended, the RTIA had the following firm commitments at 31 March 2020, including the disclosure under note 13:

Operational expenditure - Approved and Contracted

Postage costs is a key driver in serving of AARTO related documents by registered mail in terms of section 30 of the AARTO Act read in conjunction with regulation 21 of the AARTO Regulations. The RTIA entered into a three year agreement with the South African Post Office to serve AARTO notices. The value of this agreement is forecasted at R70 million for the next twelve months based on the previous performance of the prior year adjusted for the impact of COVID-19 pandemic.

Capital expenditure - Approved but not yet Contracted

At the end of the reporting period, the RTIA had commitments to the value of R8.5 million that were duly approved by the accounting officer. The global pandemic impacted negatively on the delivery lead times of the commitments as a result of the international sanctions that were imposed on the supply and demand of many suppliers who conduct business with The Republic of South Africa.



26. Non-Adjusting Post Balance Event

There were no non-adjusting transactions at year end. The Agency has reached an impasse with SAPO that arose as a result of the outcome of successful representations.

27. Statement of Comparison of Budget and Actual Amounts

The approved original budget was submitted to the Executive Authority in line with the Public Finance Management Act, 1999, Chapter 6 Public Entities Part 2, Par 53. The budget was approved by the Accounting Authority. For details regarding the variances between budget and actual refer to note 24.

28. Declaration of State of Disaster

The national state of disaster declared under Government Notice No 313 of 15 March 2020 in terms of section 27(1) of the Disaster Management Act, 2002 (Act No. 57 of 2002) resulted in the Agency being exempted, for the 2019/2020 financial year, from complying with the deadlines in— (a) sections 8(1)(b), 8(5), 19(1)(b), 19(5),40(1)(c), 40(1)(d), 55(1)(c), 55(1)(d) and 65(2) of the Act; (b) a regulation made or instruction issued in terms of section 76 of the Act which is associated with the provisions referred to in paragraph (a).

The Minister of Finance in terms of section 92 of the Public Finance Management Act, 1999 (Act No. 1 of 1999), granted extension for a period of two months after the deadline of the applicable provision.

Notes section containing 15 horizontal lines for additional information.



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