



ANNUAL REPORT

2017/2018

FINANCIAL YEAR



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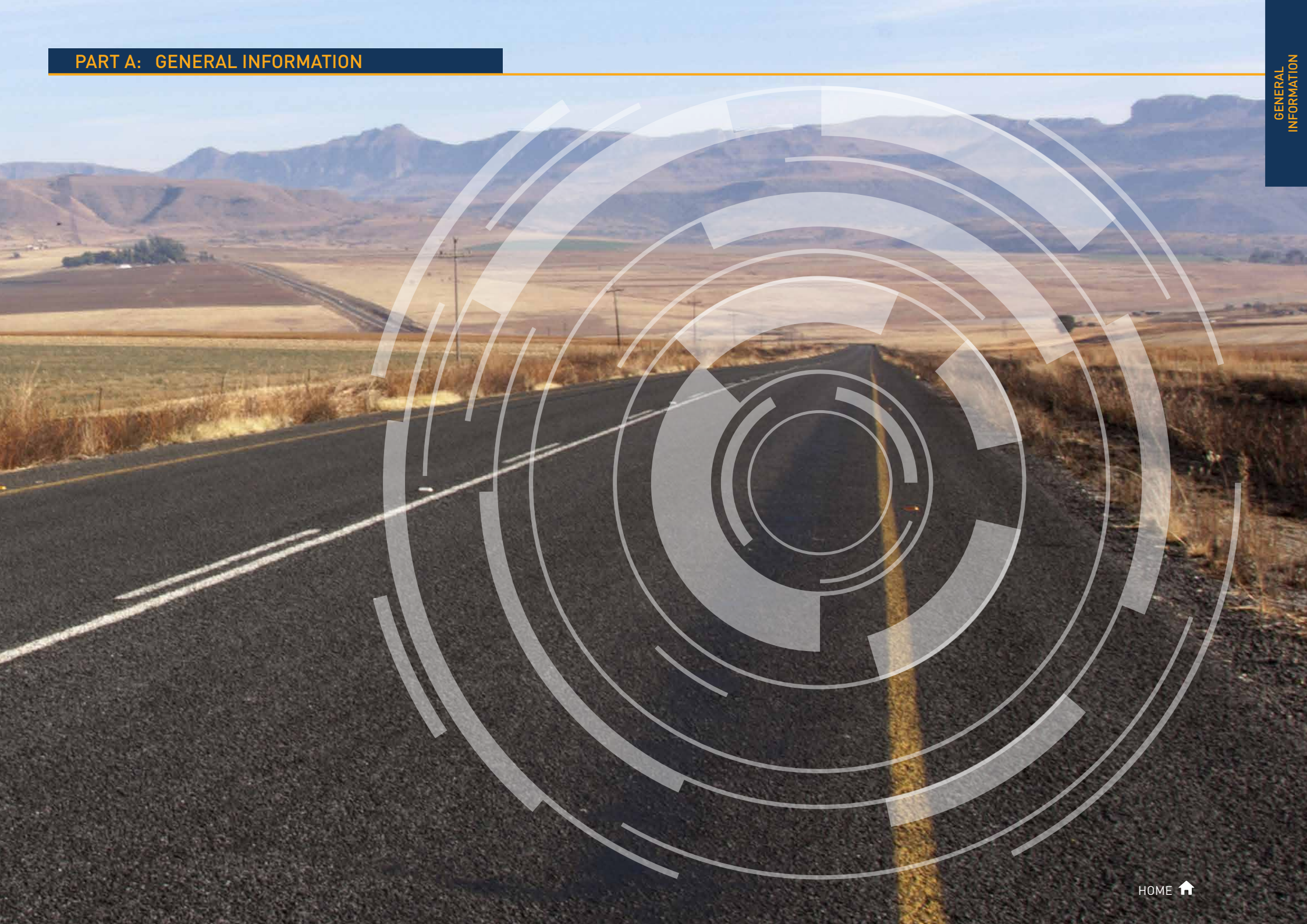
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LIST OF ABBREVIATIONS/ACRONYMS

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 or by registered mail
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

SAPS	South African Police Service
SCM	Supply Chain Management
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
SWOT	Strengths, Weaknesses, Opportunities and Threats
TMPD	Tshwane Metropolitan Police Department
TOR	Terms of Reference
TR	Treasury Regulations
UNDoARS	United Nations Decade of Action for Road Safety
VTS	Vehicle Testing Station

1. 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 an efficient and effective fair road traffic adjudication system will be catalysts in effecting an improvement in driver behaviour and road traffic law compliance.

The current processes and systems of finalising traffic contraventions under the Criminal Procedure 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. Approximately less than 20% of traffic cases are finalised and the fines paid.

The processes engendered within the AARTO, as well as the business processes within the RTIA in attending to the election by the infringers to pay in instalments, nomination of drivers, submission of representations, authorising enforcement orders as well as applications for revocation of enforcement orders, ensures efficient road traffic infringement adjudication. 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.

The RTIA therefore makes a direct contribution to the sustenance and increase of road safety.



REGISTERED NAME: Road Traffic Infringement Agency (RTIA)

REGISTRATION NUMBER (if applicable): Not applicable

PHYSICAL ADDRESS: Waterfall Edge B
Howick Close
Waterfall Park
Bekker Road
Midrand

POSTAL ADDRESS: P O Box 6341
Halfway House
1685

TELEPHONE NUMBER/S: +27 87 285 0500

FAX NUMBER: +27 86 620 7836

EMAIL ADDRESS: info@rtia.co.za

WEBSITE ADDRESS: www.rtia.co.za

EXTERNAL AUDITORS: Auditor General of South Africa

BANKERS: Standard Bank of South Africa

COMPANY/BOARD SECRETARY: Adv. MLT Bilikwana



2. STRATEGIC OVERVIEW

2.1. Vision

A vision statement communicates management's aspirations to stakeholders and helps steer the energies of staff in a common direction. In pursuit of its mandate, the Vision of the RTIA is:

"A safe road user community."

2.2. Mission

The mission statement of the RTIA describes its present scope and fundamental purpose (who we are, what we do, and why we are here).

The Mission of the RTIA is:

"To encourage compliance with road traffic laws in South Africa through procedurally fair and lawful adjudication."

2.3. 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 is required. To this end, the RTIA has developed a set of core values.

All RTIA employees are consistently encouraged to live the RTIA's values in all that they do. The RTIA will continue to encourage staff to do so through regular communication until such time as the values form an integral part of the work life of all staff at the RTIA. These values must remain relevant and become firmly institutionalised.

The Agency's values are:

- Integrity
- Fairness
- Transparency
- Accountability
- Accessibility
- Professionalism
- Drive and Passion

3.1 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 is directly impacted by sections 32, 33 and 34 of the Constitution, under the Bill of Rights section.

Name of Act	Purpose
<p>Constitution of South Africa, Section 32</p>	<p>Access to Information</p> <p>(1) Everyone has the right of access to</p> <ul style="list-style-type: none"> 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. <p>(2) 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.</p> <p>We make decisions in a way that is ethical, with equitable outcomes for our stakeholders. Being available to serve our purpose and mandate.</p>
<p>Constitution of South Africa, Section 33</p>	<p>Just administrative action</p> <p>(1) Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.</p> <p>(2) Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons.</p> <p>(3) National legislation must be enacted to give effect to these rights, and must</p> <ul style="list-style-type: none"> 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.
<p>Constitution of South Africa, Section 34</p>	<p>Access to Courts</p> <p>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.</p> <p>The RTIA is an independent body responsible for administratively adjudicating over road traffic violations.</p>

3.2 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 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 point 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 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 (Act 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 93 of 1996)	<ul style="list-style-type: none"> • To provide for road traffic matters which shall apply uniformly throughout the Republic and for matters connected therewith.
Criminal Procedure Act, 1977 (Act 51 of 1977)	<ul style="list-style-type: none"> • To make provision for procedures and related matters in criminal proceedings.

Name of Act	Purpose
Prevention and Combating of Corrupt Activities Act, 2004 (Act 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 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 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.

Name of Act	Purpose
Protection of Personal Information Act, 2013 (Act 4 of 2013).	<ul style="list-style-type: none"> • To give effect to the constitutional right to privacy by safeguarding personal information when processed by a responsible party; • To regulate the manner in which personal information may be processed, by establishing conditions, in harmony with international standards that prescribe the minimum threshold requirements for the lawful processing of personal information; • To provide persons with rights and remedies to protect their personal information from processing that is not in accordance with the Act; and • To establish voluntary and compulsory measures, including the establishment of an Information Regulator, to ensure respect for and to promote, enforce and fulfil the rights protected by the Act.
Preferential Procurement Policy Framework Act, 2000 (Act 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 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.

3.3. Legal developments

3.3.1. Relevant court rulings

Case/Matter	Nature of the litigation	Current status	Management Actions <small>Judg</small>
Fines 4 U & Audi Johannesburg v Deputy Registrar of the RTIA & Others	Litigant seeking to review decisions taken by representation officers in terms of section 18 of the AARTO Act;	The Agency unsuccessfully appealed the judgement and the cost order of the appeal application was made in favour of Fines 4 U.	Adjudications Framework reviewed and takes into account all the issues raised in the judgement.
Brian Edwards v The Metropolitan Municipality of Tshwane & Road Traffic Infringement Agency	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 licence and licence disc in respect of various vehicles under the circumstances where the Applicant has been served with an enforcement order.	The Agency opposed the matter. Before the date of set down, the Parties agreed to settle the matter out of court on the basis that Mr Edwards has rendered his application academic by paying for the enforcement order. After paying for the enforcement order, Mr Edwards could transact on eNatis by renewing his driving licence and licence disc.	Mr Edwards filed his notice of withdrawal and the matter was accordingly removed from the court roll.
Howard Dembovsky v Minister of Transport & Others	Mr Dembovsky lodged this application to, amongst others, contest the constitutionality of some of the provisions in the AARTO Act as well as its Regulations. He alleges that those identified provisions of the Act contravene, in the main, the right to a fair trial as enshrined in the Constitution. This application also seeks to request cancellation of all infringement notices in an instance where infringers have elected to be tried in court but have still not been served with summonses for a period over 18 months, as prescribed by the Director of Public Prosecutions.	Legal Services has gone through the papers and believes there is a cause to oppose the application.	The Agency appointed attorneys to oppose the matter.

3.3.2. Observations on the service delivery environment for AARTO

The RTIA is established as an independent adjudicator and an administrative authority for implementing AARTO as outlined in the AARTO Act. In the AARTO service value chain, RTIA's role emerges after a road traffic law infringement has been committed and detected by the enforcement authorities. In essence, the role played by RTIA centres on the need to correct the infringing behaviour through institution of remedial measures such as monetary punishment, reduction and/or total seizure of driving privileges. Inherently, the action bears economic implications on the infringers' socio-economic context whose impact may vary depending on a myriad of factors.

True to its status of being the "nurturing arm of the state", beyond administration of punitive measures for infringement of road traffic laws as a behavioural corrective intervention, RTIA's role transcends to being an institution of infringer rehabilitation and motorist awareness programmes. Such measures are meant to invoke an increased sense of self-awareness and responsibility amongst motorists and other road users in South Africa in a bid to encourage a new ethos on our roads.

The RTIA's legislative mandate, born with the promulgation of the AARTO Act, or what is also known as the Demerit System for Traffic Offences and Road Safety, which is aimed at addressing what is deemed to be the "lawlessness of South African motorists" through expressly reducing the incidents of road traffic law contraventions. This comes as a response to statistical indicators which point out that 95% of road crashes occur after a direct infringement of a road traffic law or regulation by one or more of the motorists involved in a crash. For South Africa, a country tormented by no less than 40 road crash deaths and 30 road crash serious injuries daily, a legislative system in the form of the AARTO Act or the Demerit System for road traffic contraventions and road safety presented an appropriate administrative intervention to decisively address the growing disregard for road traffic rules and regulations as well as the imperturbable demeanour towards human life.

AARTO



3.4. Objectives of the AARTO Act and the Point 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 support the prosecution of offences in terms of the national and provincial laws relating to road traffic, and implement a points demerit system
- To provide for the establishment of an agency to administer the scheme
- To provide for the establishment of a board to represent the agency
- To remove routine traffic offences from overcrowded court rolls
- To enable drivers and traffic officers to verify offences via information stored in the National Contraventions Register (NCR)
- To encourage better driver behaviour and taking reckless, illegal or fraudulent drivers off South Africa's roads

3.5. Socio-economic and cultural environment of AARTO

Designed into law in September 1998, the Administrative Adjudication of Road Traffic Offences Act was piloted in Tshwane and Johannesburg Metropolitan areas. Since 2008, the point demerit system was delayed pending, amongst other reasons, a feasibility study and an assessment of technological requirements, law enforcement criteria and an analysis of human resources needed to ensure the successful implementation of the system and the Act as a whole.

As a response to the above cited feasibility study, RTIA is implementing interventions through the AARTO Master Implementation Plan (AMIP), which seeks to provide master support and guidance to Issuing Authorities and all other affected primary stakeholders to be operationally geared towards inception of AARTO in their respective jurisdictional areas. To this end, the AMIP, driven through an AARTO National Task Team, is looking at interventions aimed at:

- Imparting skills, availing resources and technologies to RTIAs implementing partners which are in the AARTO and demerit system value chain;
- Enhance integrity of the system, accessibility, convenience and adaptability in order to enhance compliance and payment of fines; and
- Rally stakeholder buy-in and inspire change, especially amongst those at the coal-face of service delivery

Appreciative of the South African motorist, the primary customer of the AARTO rollout, as a technologically savvy, insightful, intelligent and mobile customer, the back office system readiness as well as availability of a comprehensive and adaptable information management system cannot be outlined emphatically enough as a key determinant of success for the rollout project.

3.6. AARTO Stakeholder arena

Key stakeholders such as insurance companies and fleet management companies generally reflect a willingness to see through the implementation of the AARTO Act and the demerit system as a reasonable and decisive intervention to address safety on our roads. Such eagerness to implement the programme is due to the impact of the economic cost related to road crashes which indirectly affect the level of profitability and cost of doing business in South Africa.

It is important to note that part of the business sector still perceives AARTO as an administratively burdensome and complicated system, notwithstanding their willingness to comply with it. To address this concern, the RTIA continues to provide training and collaborates with stakeholders on the management of AARTO and general traffic fines to ease the time and cost of doing business under the AARTO legislative environment. AARTO training provides formal education and awareness creation to help industry players and fleet owners to have an in-depth understanding of the AARTO Act and the obligations it places on them as operators and individual motorists.

The RTIA is strengthening this aspect of its service offering with the aim of harnessing voluntary compliance to AARTO as well as ease of access for processing outstanding infringement notices. Not only do such efforts help position the RTIA as a trusted authority for the AARTO programme which the customer (motorists, individual and corporate infringers) can rely upon, but they go a long way in empowering the motorist to take charge of their own behaviour.

The continued implementation of the AARTO Act in limited jurisdictions (Johannesburg and Tshwane) leads to uneven penalties being applied across the country for similar or the same traffic offences. In some instances, under the AARTO jurisdictional areas, a courteous consideration for addressing the alleged infringer's behaviour may not be enjoyed by another would-be infringer of the same regulation in a different area which may still be applying the CPA provisions, which would lead to an acquisition of a criminal record. It is thus the RTIA's view that the promulgation of the AARTO Amendment Bill should be expedited to ensure a uniform application of traffic offences administration across the country.



3.7. Mandate and Functions

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

- (a) to encourage compliance with the national and provincial laws and municipal by-laws relating to road traffic and to promote road traffic safety;
- (b) to encourage the payment of penalties imposed for infringements and to allow alleged minor infringers to make representations;
- (c) to establish a procedure for the effective and expeditious adjudication of infringements;
- (d) to alleviate the burden on the courts of trying offenders for infringements;
- (e) 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;
- (f) to reward law-abiding behaviour by reducing demerit points where they have been incurred if infringements or offences are not committed over specified periods;
- (g) to establish an agency to support the law enforcement and judicial authorities and to undertake the administrative adjudication process; and
- (h) strengthen co-operation between the prosecuting and law enforcement authorities by establishing a Board to govern the agency.

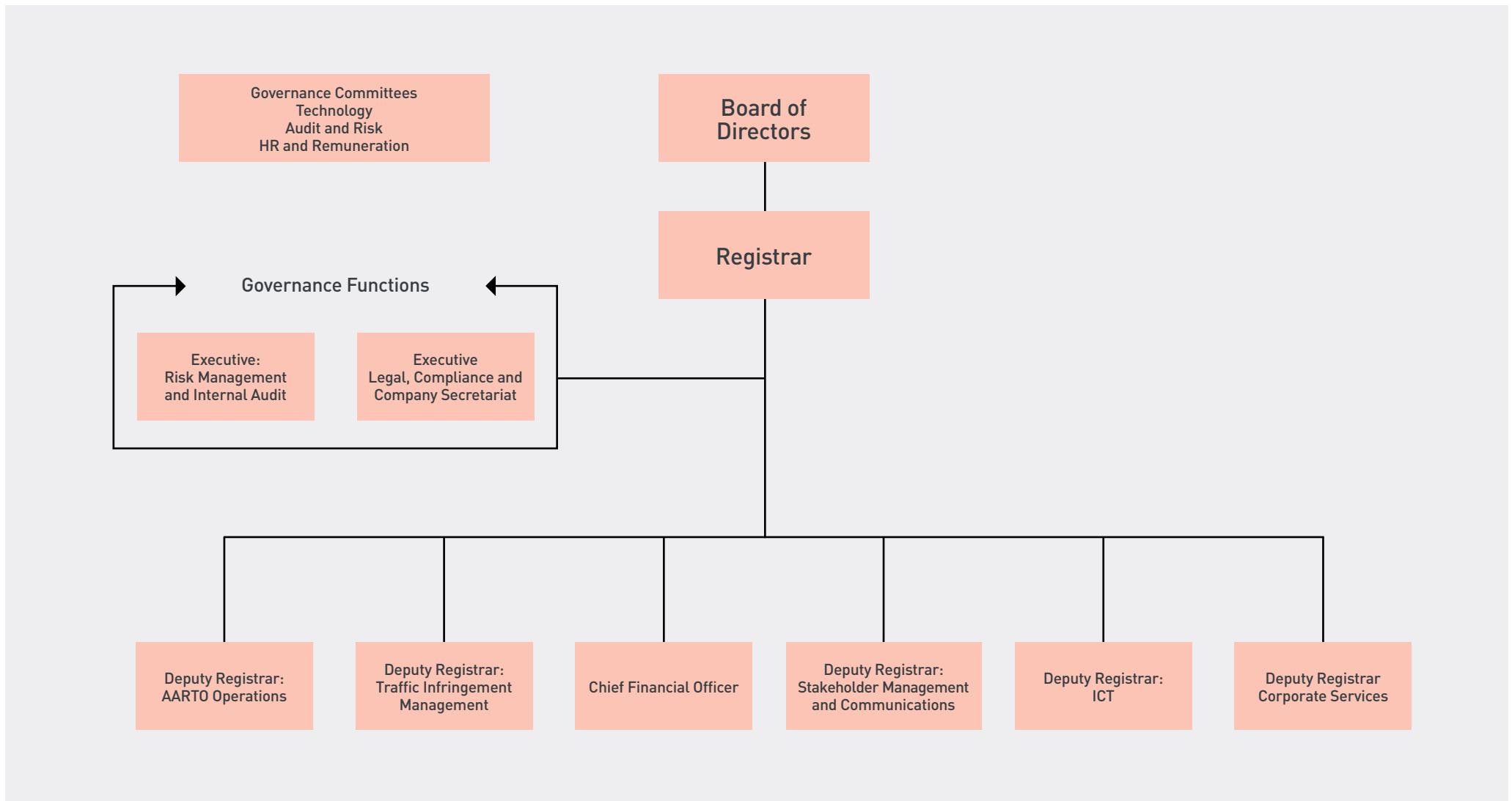
Whereas all matters related to traffic violations were previously dealt with under the CPA, the establishment of the RTIA and the full implementation of the AARTO Act means that most of the traffic violations will be dealt with administratively. This is expected to help free the courts and judicial authorities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



4. ORGANISATIONAL STRUCTURE

Introduction to Organisational Structure

The Agency approved the new organisational structure in 2017, which is aligned to operational requirements in anticipation of the national rollout in 2019. This new organisational structure was developed as a lean structure, with attendant functional competencies to support the Agency's mandate. The capacitation of the Agency is being implemented in a phased approach to manage the limited resources and align recruitment in line with operational volumes experienced during implementation.



5. FOREWORD BY THE CHAIRPERSON

It is my pleasure as the Chairperson of the Board of Directors of the Road Traffic Infringement Agency to present the Agency's Integrated Annual Report and Annual Financial Statements for the financial year ending 31 March 2018.

The Agency has once again implemented a highly successful business programme and achieved an unqualified audit for five consecutive years. Everyone had their hands on the deck, starting from the Board, its Committees in the form of the Audit and Risk Committee, HR and Remuneration Committee as well as the Technical Committee, right down to Executive Committee.

The Board continued to ensure that all the governance programmes adhere to best practice standards, are firmly entrenched and complied with at the Agency. Furthermore, there are two highlights that I cannot forget to mention in terms of our governance programme, and these were in relation to the external quality assurance review of our internal audit environment as well as the King IV assessment.

We as the Board are comfortable with the outcome of the King IV gap analysis, which showed that a few principle areas require corrective action.

Management developed an action plan in order to address all the areas where it was found to be non-compliant, as well as those where it was found to be partially compliant. I must mention though that, much as the Board is pleased with the results of the assessment, it is seriously concerned that one of the areas which was found to be non-compliant was in the deficiencies related to the Agency's developed ethics framework. We urged Management to move with speed in order to address the shortfalls in this area considering that ethical leadership is one of the highly challenged areas in governance, given the widely reported private and public sector scandals in recent years.

Let me also take an opportunity to thank the Internal Audit Unit for receiving a partial conformance outcome to the IIA standards during the mandatory five-year external quality assurance review process, considering that this Unit was one of those which operated on a shoestring capacity during the first five years of the Agency's business. Further evidence of the effectiveness of the Internal Audit Unit is in our ever-improving control environment and the continued reliance on its work by the external auditors.

The Agency's stakeholder consultation programme took a different dimension during the reporting period when it undertook the massive exercise, in conjunction with the Department of Transport, in the form of public hearings on the AARTO Amendment Bill, which were initiated by the National Council of Provinces' (NCoP) Select Committee on Economic and Business Development. This was an eye-opener to the Agency, as it enabled intensive engagements with the different types of stakeholders in the Transport community. This process also provided a good understanding of the concerns that such stakeholders have about the AARTO programme. All the learnings which were gathered during this process will assist in harnessing the Agency's business offerings.



Chairperson of the Board
Ms Nomini Rapoo

On the other end of the stakeholder programme, the Agency intensified its activation programme in the form of “Know your Traffic fine status” campaign. This programme places the Agency’s programmes in the face of our external environment. It is based not only on the transactional activities, but is extremely high in the educational and awareness persuasion. It also ensures that the public does not see AARTO as only a punitive programme, which is driven by the collection of infringement penalties, but rather as a drive towards the attainment of high road safety standards and outcomes.

Of extreme importance also is the critical role that continues to be performed by the AARTO National Task Team. This structure is comprised of the captains of law enforcement and is of fundamental importance in terms of the symbiotic interrelationship that it fosters between law enforcement activities and the Adjudication programmes of the Agency. The discussions that occur in this structure are of a highly technical nature with regards to traffic-related matters, and the intelligence that is gathered from the interactions therein assists the Agency in refining, especially, its adjudications programme. One would acknowledge that much as the Agency’s adjudication programme should always maintain its independence from law enforcement, it cannot, however, divorce itself from the crucial contribution that law enforcement performs in providing vital information that influences its structure, content and approach to adjudication activities.

The countdown towards the AARTO Rollout continues, and here we continue to commend the stellar efforts of the Portfolio Committee on Transport, the Select Committee on Economic and Business Development as well as the Department of Transport in prioritising the AARTO Legislative Amendment processes. Their efforts culminated in the scheduling of public hearings in six Provinces by the end of the financial year, with the remaining three Provinces to be covered in the upcoming financial period. These public hearings were held on an average of four regions per province.

We are confident that this legislative amendment process will be finally completed during the 2018/19 financial year.

High-level overview of the strategy and performance

The programmes implemented by the Agency have yielded a tremendous achievement of 87.5% against APP targets. This achievement was characterised by the exceeding of the targets in areas which were aimed at preparations for the AARTO Rollout, in the form of Readiness Assessment, as well as the AARTO educational campaigns. We are confident that moving forward, the Agency will be better positioned to finally achieve 100% of its annual targets as it now understands the intricacies of its business better, with the passing of time.

The Agency also continued to interact with as many role players in the Traffic Rehabilitation space and also invested an enormous amount of time in desktop research as it sought to assess the extent of the alignment of its rehabilitation model, to what is being offered in similar programmes around the country. The Agency will, however, finalise its approach in this regard as soon as the processes of the AARTO Amendment Bill are finalised.

The Agency continued with its commitment towards the achievements of the goals of the National Development Plan to reduce the national unemployment rate from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030, through the finalisation of the vetting of 200 Youth and Women Owned Enterprises. This programme is premised as a mixture of supplier development and business linkage programmes. These Enterprises are destined to play a key role in the expansion capacity of the Agency through the provision of services to the various business programmes of the Agency.

The Agency continued to participate in the programmes of the United Nations Road Safety Collaboration as part of its commitments to the achievement of the Global Plan for the Decade of Action for Road Safety 2011-2020.

Strategic Relationships

As mentioned earlier, the Agency continued to engage in its monthly meetings with the AARTO National Task Team, in order to draw critical lessons from Issuing Authorities on the implementation of the programme and also to ensure that the programme is driven from the ethos of a “bottom-up” approach. The partners in this forum have really assisted the Agency in shaping up the art and science of its programmes.

The Department of Small Business Development as well as the Transport Education and Training Authority (TETA) remain key partners with the Agency in the implementation of the supplier development programme. These entities provide leverage funding in the areas of training, mentorship, acquisition of kiosks, mobile buses as well as driver simulation instruments.

The Agency added the Swedish Transport Administration to its list of international partners. This entity is the leading institution that gifted the world with “Vision Zero Strategy” that is based on the Safe Systems Approach and now widely implemented across the globe.

Its relationship with MONASH University on the other remains strong, with more managers from the RTIA and other sister Agencies being included in the “Safe Systems” training programme, which is aimed at broadening the understanding of the cutting-edge methods in the reduction of road fatalities. We are furthermore proud to have enlisted four managers for Masters’ Programmes and one Doctoral candidate in our effort to create a solid base of expertise resident in the Agency, to drive catalyst interventions in road safety.

The Agency is still part of the Intelligent Transport System (ITS) and attends its meetings and World congresses, which are geared at exposing the Agency to smart transport systems in the world. The Agency is firmly committed to being a key player and conduit of knowledge management and informatics in the Transport sector and to further utilise this to aid the Traffic Law Enforcement in the country.

The Agency continues to work collaboratively with other partners, including public transport associations and those in the public transport space, in order to find common ways of tackling the incidence of road carnage in the country.

SAPO and the Issuing Authorities to be key partners in the implementation of AARTO. One should mention that there would never be an AARTO programme without their involvement.

Challenges faced by the Board

There were challenges which were experienced in the revenue collection space, when the Issuing Authorities stopped issuing the AARTO 03’s, when they had disputes with the providers of equipments for the implementation of the service. This had a massive impact on road safety and, without a doubt, has set us back somewhat in our endeavour to reduce road trauma on SA roads.

The Agency welcomed NUMSA as the majority trade union at the Agency, and the related recognition agreement was signed in order to cement the relationship. This automatically relegated SATAWU to a minority trade union. One should commend the approach and style of NUMSA, as they focus more on problem solving and achieving common goals with the employer. This has resulted in our relationship being characterised by more positive elements than adversity. This commendable approach of NUMSA has resulted in less referral of cases to CCMA, as had been the norm in the past. We therefore hope to harness this relationship to a point where we can trust each other as key partners as we build this fortress of road safety in this country.

The year ahead

For the year ahead, the Agency will focus on finalising all the loose ends in preparation for the AARTO Rollout process. The Agency will once again place strong emphasis on education and awareness campaigns. We will also intensify our effort in the area of legislative workshops with different stakeholders in the country, because we would like to have a situation where everyone, from a young schoolchild to a farmworker in the outskirts of the country, possesses an intricate knowledge of AARTO before the rollout of this programme. The Agency will utilise the mobile buses, social networks, different ICT applications, community radio stations as well as the Enterprises, amongst others, in order to achieve the outcomes of this drive.

We know that this planned programme is not going to be an easy feat to achieve, but we are at the same time inspired by the massive levels of the knowledge of road safety amongst people of the countries that we visited during the past five years and we have decided to use those countries as a benchmark of this drive.

To us at the Agency, 2018/19 year will continue to be business unusual as we prepare ourselves for the imminent national rollout of the AARTO programme. We promised a great product and service offering to the country during the public hearings that were held in the different provinces, and we dare not fail those people to whom AARTO is a last effort in ensuring that there is sanity on our roads and that all the irresponsible drivers are either provided with the required change management remedies in the form of traffic rehabilitation programmes or are, alternatively, taken off public roads.

This country can no longer afford to have orphans who are the result of irresponsible road user behaviour.

Acknowledgements/Appreciation

Allow me to express our heartfelt appreciation for the unwavering support and guidance that the Agency enjoyed under the leadership of the former Honourable Minister Mr Joe Maswanganyi, and Honourable Deputy Minister Ms Sindisiwe Chikunga, MP, and which it continues to enjoy under the new leadership of Honourable Minister Dr Bonginkosi Nzimande, MP, as well as the Executive Management Leadership of the Agency and the Department of Transport. With their support during the year under review, the AARTO Amendment Bill made considerable progress in Parliament and at the National Council of Provinces. Getting the Amendment Bill promulgated into law will go a long way in harmonising the country's administrative and legislative environments towards a uniformed management of road traffic offenses through the national AARTO rollout.

Whereas the Board's term expired on 30 November 2017, it subsequently enjoyed three extensions to 31 March 2018, then 31 May 2018 and ultimately 31 July 2018, in order to allow it to complete its governance activities for the reporting period.

I wish to take this opportunity to thank the Honourable Minister and the Honourable Deputy Minister for their discretion in appointing us to the Board of the Agency. To us as a collective, the appointment to the RTIA Board was about rendering a service to our country. We remain humbled for the incredible opportunity and confidence we were given for leading and guiding the Agency in the preparations of the AARTO National Rollout, and this is a priceless effort that will be in the archives of our memories for many years to come. We will apply the experience that we gathered at the Agency to other similar opportunities with the same decorum that we undertook our functions at the Agency.

Conclusion

On behalf of the Board of Directors of the RTIA I would like to state that we remain extremely proud of the achievements and stature of the Agency up to this point. I would truly like to thank my fellow Board and Committee members for the excellent work done over the years. It was never going to be easy to nurture a newborn baby in this highly charged environment.

We leave this Agency with a functional Executive Management layer and we would like them to continue to drive and implement the mandate of the Agency and to be beacons of clean governance as they have demonstrated from 2011/12 to this date.



Chairperson of the Board

Ms Nomini Rapoo

Date: 2018-07-31

Overview of the Agency's operational mandate

The AARTO Act endows the RTIA with custodial duties of administering and adjudicating over road traffic infringements for the purposes of achieving road safety. Through these custodial duties, the Agency is expected to contribute towards:

- the increase of compliance to all road traffic laws;
- positively changing the behaviour of road users to voluntary compliance (and in situations where there is non-compliance);
- ensure the follow up and collection of outstanding penalties levied upon those infringements; and
- educate and empower all road users with the requisite knowledge of their roles and responsibilities of road safety.

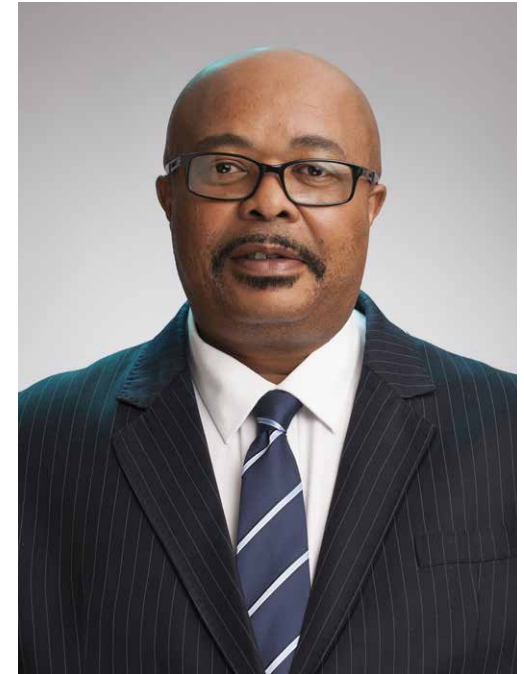
The overarching duty of the RTIA is therefore one of making a positive contribution towards the increase and sustainability of a safer road traffic environment. As an independent arbiter of road traffic transgressions, the Agency adjudicates over disputes, submitted through representations and can pronounce either in favour of the infringer or the issuing authorities. Consequentially, the pronouncements over representations ultimately determine the validity of the infringements notices, with attendant penalties applicable where those infringements stand valid. This is done through representations, where the total number adjudicated during the 2017/18 period is 133,790, representing a 38.92% increase over the preceding year of 96,310 representations.

The total number of nominations of drivers by vehicle owners that received infringements totalled 26,376 during the reporting period, which is a reduction of 59.96% compared to the 2016/17 period. This is a positive development in that more emphasis was placed on the issuing of AARTO 01s, which are served to drivers personally by the roadside and thereby eliminates any possibility of nominating another person. The Agency always emphasises reliance on visible and interactive law enforcement as the catalyst that can make the biggest positive impact on road safety.

Another positive development experienced during this reporting period is the number of elections to be tried in court processed by the issuing authorities, which reduced by 25.86%, from a total of 386,261 processed during the 2016/17 period to 286,390. This development points to some level of improvement in the quality of infringement notices issued, coupled with reliance on handwritten notices served personally on infringers, thereby reducing the chances of success that infringers may fancy in the criminal court processes.

RTIA's general financial review

Revenue collection is not the primary focus of the Agency's mandate but one aspect in a suite of services rendered by the Agency on behalf of the issuing authorities. Notwithstanding that, the Agency has a responsibility to account for the infringement revenue collected on behalf of issuing authorities and to disburse these revenues to the applicable authorities that originated them.



Registrar/Chief Executive Officer
Mr Japh R. Chuwe

Following on the preceding year, the period 2017/18 saw a tremendous decrease in the total number of infringement notices issued by the issuing authorities. The total number of notices issued during the year is 1,607,989, which amounts to a drop of 56.10% compared to the volume of notices issued in the 2016/17 period. The decrease of the volume of notices issued is mainly due to a significant reduction of electronically generated infringement notices (AARTO 03s) that account for an 82.59% reduction compared to the 2016/17 period that had 3,663,158 notices issued. AARTO 31s experienced a drop of 40.63%, being 354,238 compared to 596,613 in the previous period, followed by AARTO 02s, dropping by 23.38% from 1,279 issued in the preceding year to 980 in this reporting period. The AARTO 01s experienced a drop of 14.05% from 1,049,032 to 901,668 notices issued in the reporting period compared to the preceding year. This significant drop in the volume of infringement notices issued could have resulted in a concomitant reduction of the revenue collected and due to issuing authorities and the Agency, were it not for the Agency's proactive and focused strategies.

The total Agency's revenue collected during the reporting period increased by 17.83% as compared to the previous financial year, from R141 million in the 2016/17 period to R166 million during the 2017/18 period. Notwithstanding such increase, the Agency experienced a net loss of R30 million due to the lower than expected collections as a result of the 56.10% reduction in issued notices by issuing authorities. Nevertheless, the Agency still continued to have a favourable cash flow position, thereby enabling it to have a strong position of dispensing its mandate and meeting its obligations as they arise.

RTIA's Spending trends

The Agency is a service organisation and its biggest costs remain communication and educational programmes, and costs for service of documents and human capital. Whilst awaiting the final promulgation of the AARTO Amendment Bill, the Agency has implemented a cautious strategy of human capital capacitation, to ensure that the timing of recruitment is aligned to the volume of services rendered. For the year under review, a significant amount has been spent on educating and empowering road users about the Agency's mandate, the road users' rights and responsibilities, and taking the Agency's services directly to where people are resident, in their communities, especially rural and outlying areas. This is done through the Agency's mobile offices that cover the length and breadth of the country, to ensure ease of service delivery that contributes to the increase of compliance, since infringers access the Agency's services at their convenience.

Capacity constraints and challenges facing the RTIA

The capacity constraints bearing on the Agency are basically related to the strategic positioning and timing of recruitment to align with the envisaged national rollout after the final promulgation of the AARTO Amendment Bill. In the interim, the Agency employed a strategy of recruiting only for the critical positions related to the core functions and new innovations required to prepare for such eventuality.

The review of the organisational structure was completed and its efficacy will be tested during implementation, to ensure best fit and operational efficiency after conclusion of engagements with labour representatives.

Discontinued activities/activities to be discontinued

There are no activities that are planned to be discontinued as the Agency's mandate is clearly articulated in its founding legislation and supported by its strategic plans.

New or proposed activities

The Agency has continued with analysing the road traffic environment with a view towards developing innovative interventions to increase road safety. This analysis resulted in the stratification of road users according to their vulnerability and enabled the customisation of various interventionist programmes. Whilst awaiting the final promulgation of the AARTO Amendment Bill, the Agency has undertaken the related research on the new provisions contained in the Bill, with a view towards customising solutions after the final promulgation. The Agency realises that its most important and extremely difficult challenge is effecting a change in road user behaviour. To this extent, the Agency places reliance on a dual process that identifies the quick-win situations and the long-term approaches, which include, amongst others, deployment of driving simulators. This programme will be implemented in partnership with the Agency's strategic partner, the Transport Education and Training Authority. These driving simulators are expected to provide learners and novice drivers with the requisite practice and competence to drive, prior to applying for their full driving licences.

Furthermore, the Agency has undertaken research to develop the framework for rehabilitation of drivers, in partnership with other stakeholders such as NICRO and Department of Correctional Services, so that when the Bill is finalised, proactive measures can be implemented for changing and rehabilitating habitual infringers. Ultimately, the grand scheme that the Agency operates under will see it contributing towards the moral regeneration of society through a changed positive culture of compliance to all road traffic laws.

Requests for rollover of funds

At the close of the reporting period, 31 March 2018, the Agency realised a cash surplus of R133 million. The Agency submitted a request for the retention of the surplus funds after the end of the financial year and is awaiting approval from the National Treasury. This request is subsequent to the previous financial year's request for retention of the surplus experienced, which has not yet been finalised, and the related disclosures made in the Annual Financial Statements. The Agency receives less than 10% of its funding requirements from the national fiscus and has always shown the highest levels of fiscal prudence and fiduciary responsibilities. It is therefore the Agency's strategic position to ensure that it keeps a healthy reserve to fund its programmes in preparation for national rollout from the revenue that it generates itself, without having to rely on government bailouts.

Supply chain management

The Agency is pleased that it did not experience major challenges with respect to its supply chain management environment. This is due to the Agency's proactive strategy of implementing a robust policy framework, coupled with a stringent system of internal control that is fair, transparent, objective and compliant to all the supply chain management prescripts.

During the period under review, the Agency implemented continuous training and upskilling wherein workshops and seminars were attended by staff in the finance unit. The Agency furthermore continued its adherence to the cost containment provisions in pursuit of value for money as well as responsible expenditure management.

Unsolicited bid proposals for the year under review

As in the previous reporting period, the Agency did not conclude any unsolicited proposals for the 2017/18 period. All procurement processes were undertaken through the normal applicable legislative frameworks, including open tenders, quotations and participation in transversal contracts awarded by other state departments and entities in line with Treasury Regulations.

SCM processes and systems

The Agency continues to implement the highest form of compliance to fiscal prudence, as is evident in zero instances of fruitless and wasteful expenditure and only one instance of irregular expenditure. The irregular expenditure occurred where the Agency applied the provisions of National Treasury Practice Note 8 of 2007/2008 in obtaining a written and approved deviation for the purposes of eliminating intermediaries and sourcing office consumables directly from the source. This process ensured that the Agency acquired products at wholesale prices as opposed to acquiring the same products via retailers and third parties at marked-up prices. The Agency continued to tighten internal controls and takes a zero tolerance approach towards possible or suspected supply chain management abuses. To solidify the integrity of its supply chain management processes, the Agency maintains a proactive policy framework which works as an early detection system to identify and eliminate any possible fraud, malpractices and abuses of the supply chain management processes. The Accounting Authority has approved the condonement of the irregular expenditure in line with the National Treasury Guideline on irregular expenditure as no losses or damages have been suffered by the Agency in this regard.

Resolving challenges experienced

The main challenges experienced by the Agency during this period are deficiencies brought about by the current legislative framework. The Agency is, however, very pleased with the support received from its Shareholder and Parliament, which resulted in the National Assembly approving the AARTO Amendment Bill in September 2017 and now in the final stages of approval by the National Council of Provinces. This will usher in a more robust and efficient legislative framework and enable the Agency to operate on a much firmer premise. Secondary to that have been the challenges relating to the capacitation of the Agency to ensure appropriate timing of recruitment that aligns with national rollout after the promulgation of the AARTO Amendment Bill. In the interim, the Agency has ensured to implement strategic recruitment that is aimed at filling the positions related to the core of its mandate.

Audit report matters in the previous year and how they were addressed

The Agency is committed to good governance and clean administration in its operations and continued to display this with the acquisition of yet another unqualified audit opinion. To ensure that the Agency continues to operate at this highest level, a system of continuous monitoring of the key issues reported in the preceding financial year is implemented. This is a three-phased process that entails evaluation and follow-up on the citations by the Internal Audit Unit, the Auditor General and continuous reporting and monitoring provided by the oversight of the Audit and Risk Committee. The attendant risk champions have been appointed and the Executive Management takes charge of accounting for all the areas falling under their scope to ensure the highest level of responsibility for any risk factors and audit matters previously reported. This approach provides a proactive measure of taking charge of the internal control system to ensure effective administration in the Agency.

Outlook/Plans for the future to address financial challenges

Recognising the tremendous under-funding for the Agency in terms of fiscal allocations, the Agency has to rely on its own initiatives to fund operations. Thus, during the 2017/18 period, the Agency invested time and resources to develop its own funding model. The strategies imbedded in that funding model will be implemented in a phased manner, dependent on prevailing circumstances and informed by the final approval of the enabling legislative framework. Furthermore, the Agency will be implementing robust mechanisms of effectively collecting on outstanding penalty revenue, based on a credible stratification of its debt book and the “user-pay principle”.

The pre-eminent, long-term sustainable solution that the Agency is pursuing is the co-funding of its programmes through strategic partnerships. This strategy recognises the mutual benefits to be derived by various stakeholders in the road traffic management space as well as society in general, given that road safety is everyone’s responsibility. Thus, the related funding of its intervention programmes must similarly be shared by all interested parties to ensure future sustainability.

Events after the reporting period

There were no significant post balance sheet events impacting on the Agency, nor on its ability to continue operations. The information contained in the annual report is presented fairly in all material respects as known to management and reported to its oversight committees.

Economic Viability

The Agency recognises that the road traffic management environment continues to experience financial constraints and thus ensured to exercise prudence in its financial dealings. Furthermore, it is clear that effective and efficient dispense of its mandate should see a dramatic reduction of infringement revenue. Nonetheless, the Agency has a mammoth task in influencing a change in road user behaviour. In order to meet the required financial capital to fund its programmes, the Agency proactively set out to develop its own funding model. This model is aimed at identifying, developing and implementing innovative strategies to anchor and sustain the Agency’s programmes. The funding model was developed during the period under review and will be finalised after the promulgation of the AARTO Amendment Bill, in order to consider and incorporate any possible provisions imbedded in the Act. This funding model evidences a shift of reliance on infringement revenue to new catalyst inventions.

The catalyst inventions that would be leveraged on include strategic partnerships to jointly fund some of the strategic interventions. The Agency has also considered the extension of its service delivery platforms in order to leverage stakeholders in delivering efficient services to all road users across the country. Additional and new revenue streams have been identified as a form of ensuring the continued financial sustainability of the Agency and replicating the self-funded programmes that the Agency will rely on towards the overall objective of achieving road safety.

Acknowledgements and Appreciation

The Agency faced tremendous challenges in the 2017/18 period, which could have easily rendered it in a state of paralysis were it not for the fortitude and commitment of its leadership. The inter-relationship between the Executive and the Board was negatively affected as a result of a grievance lodged against the Agency's Registrar by one of its former Executives, which impacted on the Executive and staff to dispense of its daily operational responsibilities. The grievance later turned into a litigious process, with significant expenditure to the Agency and resultant strain in relations. Notwithstanding these challenges, I am grateful for the commitment and dedication displayed by the Executive and their ability to focus on the Agency's best interest in spite of these significant challenges. The external environment also continued exerting pressure on the Agency's mandate, with litigations from various sectors continuing unabated. The long-term solution towards successfully protecting the Agency is greatly dependent on the final approval of the legislative framework that was enhanced through the AARTO Amendment Bill.

I wish to express my sincerest gratitude for the patience, wisdom and guidance provided by the Portfolio Committee on Transport, led by the irrepressible Ms Dikeledi Magadze, MP, and congratulate the Committee for the approval of the AARTO Amendment Bill by the National Assembly on 5 September 2017. This was a seminal milestone in the process that was started many years ago to ensure that the goal of protecting the country's road users is achieved. I would be remiss not to acknowledge the leadership of our former Minister, Mr Joe Maswanganyi, for his visionary leadership and guidance in the Amendment Bill finalisation. Our utmost respect and admiration goes to Deputy Minister, Ms Sindisiwe Chikunga, MP, for her sterling guidance and exemplary leadership of the Agency throughout all challenges experienced. Her passion is unparalleled in ensuring that the Gospel of road safety can be preached in all corners of the country and extending the Agency's reach to rural and farming communities. We shall remain indebted to her critical contribution for a long time. We thank the Honourable Minister, Dr Bonginkosi Nzimande, MP, for his fresh approach to the challenges of road safety and his visionary leadership. We express herein our unwavering commitment to the achievement of the Agency's mandate and contributing to the strategic interventions required to render the country's road transport environment a safer place.

I extend my gratitude to the staff and management of the RTIA, who continued to toil with unparalleled commitment, covering all parts of the country to ensure that the Agency's mandate is dispensed effectively. Their commitment is evidenced in the continued excellent performance of the Agency against seemingly insurmountable challenges. Finally, we are grateful for the Board and Committee members of the RTIA, who continued to avail themselves to serve in the interests of the Agency's good governance way beyond their term. In spite of any challenges experienced, no one can take away our collective success in steering the fortunes of the Agency towards excellence. They exit the Agency with pride, evidenced by credible performance at the apex of good governance as vouched by the Auditor-General's report. We thank them for their contribution and wish them success in their future endeavours.

Important information for users of the Annual Financial Statements

In accordance with applicable governance prescripts, the Agency reports on its custodial duties as can be seen 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. 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. In order to provide more useful information to users of the Annual Financial Statements, the Auditor General subjects the AARTO scope and financial custody to a full audit, in order to assert whether the financial statements fairly present the financial affairs of the Agency. These disclosures are made under the Annual Financial Statement section and in particular covered under note 8.

For the reporting period of 1 April 2017 to 31 March 2018, an amount of R351 million was collected from infringement penalties. By 31 March 2018, an amount of R181 million was disbursed to various AARTO stakeholders and R173 million retained by the various AARTO stakeholders. The payable amounts are funded from the closing bank balance of R116 million and receivables of R33 million. These receivables consist of infringement revenue due from the Collecting Authorities and Agents.



Registrar / Chief Executive Officer
Road Traffic Infringement Agency

Mr Japh R. Chuwe

Date: 2018-07-31

7. Statement of responsibility and confirmation of accuracy for 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 RTIA.

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 that has been 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.

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 2018.



Registrar / Chief Executive Officer

Mr Japh R. Chuwe

Date: 2018-07-31



Chairperson of the Board

Ms Nomini Rapoo

Date: 2018-07-31



Performance Overview

The RTIA holds custody over the AARTO process and ensures the finalisation of all outstanding traffic violations dealt with administratively. The Agency does not issue any infringement notices but follows up on those notices issued by the various Issuing Authorities. An infringer has five various options from which to choose their actions upon being served with an Infringement Notice. These options are as follows:

- pay the outstanding notice and avail themselves to an automatic 50% discount; or
- nominate the driver that was in charge of the vehicle at the time the infringement was committed; or
- submit a representation if the infringer feels that the notice was unjustifiably issued;
- elect to have the matter dealt with in court under the Criminal Procedures Act, 1977; or
- apply to pay in instalments.

If an infringer does not exercise any of the options stated above, then the Agency steps in and institutes its own processes to bring the matter to finality.

In making a direct contribution to road safety, the RTIA provides detailed information about road traffic violations statistics to all Issuing Authorities. This contribution is based on the conviction that enhancement of road safety includes the continuous collection and detailed analysis of road traffic contraventions, which enables the easy monitoring of the levels of compliance to road traffic laws. The Agency therefore analyses the performance of Issuing Authorities, from their own production, which is extrapolated from the data captured by those Issuing Authorities and interprets that data in order to provide it to law enforcement agencies to develop the required interventions to curb lawlessness. This makes it easy to identify hazardous locations and most common types of violations so that the enforcement agencies' operational plans could be informed by credible data that will address that recalcitrant behaviour.

As it has been proven the world over that road traffic law enforcement is most effective when coupled with visible policing and efficient, transparent adjudication processes, the RTIA hopes that IAs will take this data analytics and use it to inform their road safety interventions programmes. The RTIA hopes that the reading of this information easily identifies some of the main categories of road traffic violations to be addressed. These are violations such as:

- human factors relating to how people behave on the roads, like excessive speeding and reckless driving;
- vehicle factors such as vehicle roadworthiness; and
- roads and environmental factors such as poor road conditions and inclement weather.

The statistics tabled in this section are taken from the National Contraventions Register, which is the data captured by IAs themselves. The Agency therefore also serves to assist traffic departments to monitor adherence to road traffic laws and the interventionist programmes of road safety by means of the AARTO process in order to eliminate the causal factors of road traffic crashes and fatalities.

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1.1.1 Number of Infringement Notices Captured

The number of notices captured per month on the NCR during the financial year from 1 April 2017 to 31 March 2018 by all Issuing Authorities (IA's) per type is shown in the table below. There is a total of 1 607 989 infringements notices captured by all the IA's during this period.

Number of Notices Captured per type: All IA's						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2017	72 046	119	0	21 492	0	93 657
May 2017	79 694	136	0	20 749	0	100 579
Jun 2017	94 766	99	0	24 851	0	119 716
Jul 2017	69 043	79	24 211	32 406	0	125 739
Aug 2017	80 361	87	58 685	28 216	0	167 349
Sep 2017	66 642	56	64 993	25 338	0	157 029
Oct 2017	72 764	70	13 275	40 099	0	126 208
Nov 2017	68 988	65	18 939	34 120	0	122 112
Dec 2017	58 555	91	33 636	24 248	0	116 530
Jan 2018	72 701	33	35 885	27 890	0	136 509
Feb 2018	83 823	68	35 531	33 960	0	153 382
Mar 2018	82 285	77	65 948	40 869	0	189 179
Year Total	901 668	980	351 103	354 238	0	1 607 989

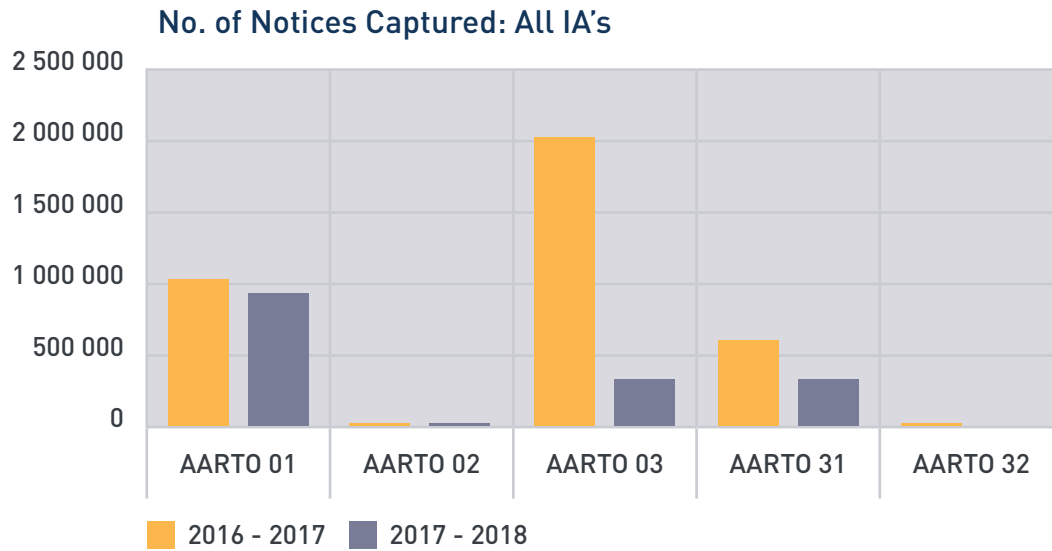
Change in Number of Notices Captured per Type: All IA's

Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2016-2017	1 049 032	1 279	2 016 233	596 613	1	3 663 158
2017-2018	901 668	980	351 103	354 238	0	1 607 989
Change	-147 364	-299	-1 665 130	-242 375	-1	-2 055 169
% change	-14.05%	-23.38%	-82.59%	-40.63%	-100.00%	-56.10%

The analysis of the tables above is as follows:

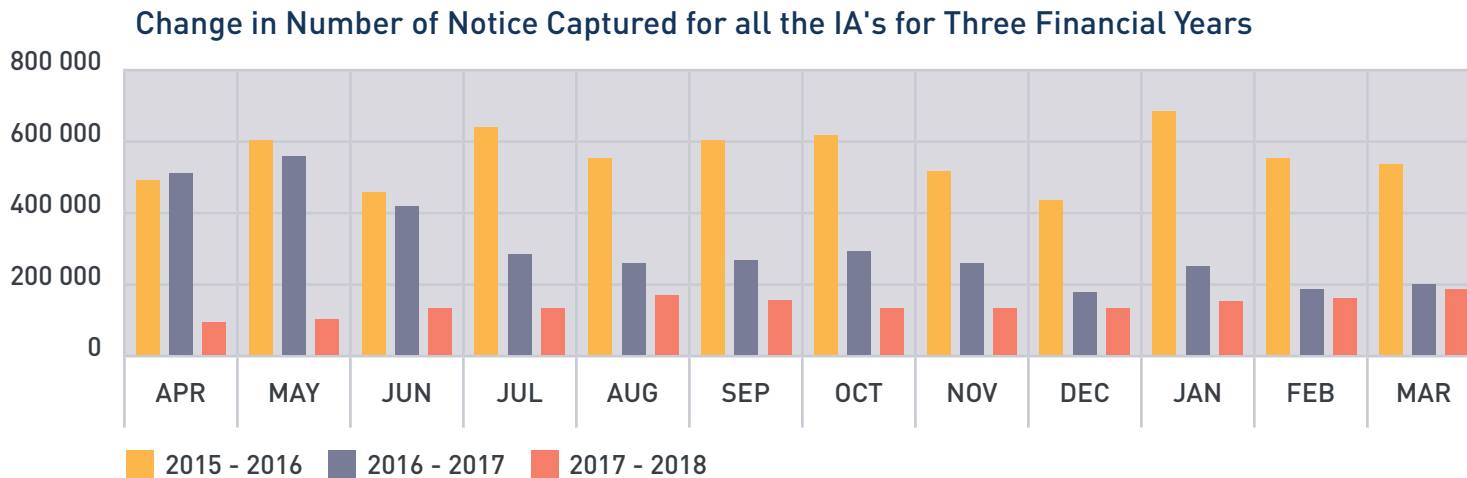
- AARTO 01** – These are the handwritten infringement notices written by the traffic officer at the roadside. A total of 901 668 AARTO 01 were issued during the 2017-2018 period. This is a decrease of 14.05% from 1 049 032 captured AARTO 01 notices in 2016-2017;
- AARTO 02** – These are the electronic infringement notices created at the weighbridges. In 2017-2018, there were 980 AARTO 02 notices captured, which is a 23.38% decrease from 1 279 in 2016-2017;
- AARTO 03** – These are the camera captured infringement notices. A total of 351 103 AARTO 03 notices were captured, which is 21.83% of the total notices captured in the 2017-2018 financial year. There is a huge decline of 82.59% from 2 016 233 notices captured in 2016-2017;
- AARTO 31** – These are the notices captured for the unattended vehicle. A total of 354 238 AARTO 31 notices were captured in the financial year under review, which is a 40.63% decrease from 596 613 notices in 2016-2017; and
- AARTO 32** – These are the offences at the roadside. For 2017-2018, no notice was recorded, and in the 2016-2017 financial year, only 1 AARTO 32 notice was captured.

The change in the number of notices captured from 2016-2017 to 2017-2018 are reflected in the graph below for all IA's per notice type.



The graph above shows that the majority of the notices captured by all the IA's are the handwritten notices (AARTO 01) in this financial year. The AARTO 03 has declined significantly in the 2017-2018 financial year.

The graph below compares the 2017-2018 financial year with the past two years on the number of captured notices for all the IA's.



It can clearly be seen that in the 2017-18 financial year, the notices captured by law enforcement agents decreased from 2016-17 for all the months of the year. Between 2015-16 and 2016-17, the notices captured decreased for 11 consecutive months from May 2016 until the end of the 2016-17 financial year.

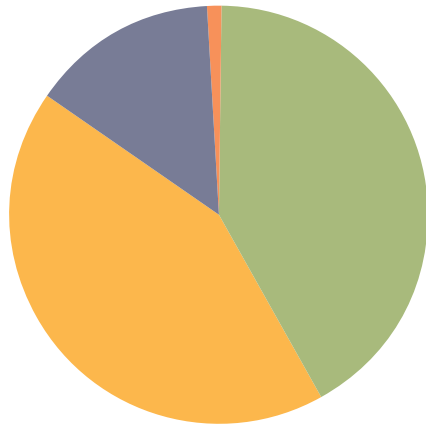
In 2017-2018, the total decline makes a difference of 2 055 169, which is a 56.10% decrease from the previous financial year.

The total number of notices captured by the Issuing Authorities per month during the year under review is shown in the table

Number of Notices Captured per Issuing Authority					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2017	49 659	33 551	9 440	1 007	93 657
May 2017	51 053	30 326	16 895	2 305	100 579
Jun 2017	72 635	26 018	19 285	1 778	119 716
Jul 2017	53 893	54 359	17 011	476	125 739
Aug 2017	63 119	81 017	22 549	664	167 349
Sep 2017	51 502	87 122	17 114	1 291	157 029
Oct 2017	73 017	31 075	19 704	2 412	126 208
Nov 2017	55 503	44 560	20 015	2 034	122 112
Dec 2017	30 979	66 808	18 185	558	116 530
Jan 2018	42 754	67 281	24 766	1 708	136 509
Feb 2018	56 759	70 748	23 912	1 963	153 382
Mar 2018	68 379	94 183	25 181	1 436	189 179
Year Total	669 252	687 048	234 057	17 632	1 607 989

% of All Notices Captured per IA

- JMPD 42,73%
- TMPD 41,62%
- GDoCS 14,56%
- RTMC 1,10%



% of Notices Captured per Issuing Authority

Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	60,93%	33,40%	5,11%	0,56%	100,00%
2017-2018	41,62%	42,73%	14,56%	1,10%	100,00%

The information above can be summarised as follows:

- The chart shows that JMPD has performed better with the highest of 669 252 (42.73%) notices captured;
- Followed by TMPD with 687 048 (41.62%);
- GDoCS has captured 234 057 (14.56%) notices; and
- RTMC has captured 17 632 notices, which is only 1.10% 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 2016-2017 to 2017-2018 financial year is shown in the table below.

Change in Number of Notices Captured per Issuing Authority					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	2 232 070	1 223 472	187 019	20 597	3 663 158
2017-2018	669 252	687 048	234 057	17 632	1 607 989
Change	-1 562 818	-536 424	47 038	-2 965	-2 055 169
% change	-70,02%	-43,84%	25,15%	-14,40%	-56.10%

The information in the table above shows a total decrease of 2 055 169 (56.10%) in the total number of notices captured, from 3 663 158 in 2016-2017 to 1 607 989 in 2017-2018. The changes in the number of notices captured per Issuing Authority from the previous year are as follows:

- **JMPD:** a decrease of 1 562 818 (70.02%) from 2 232 070 to 669 252 notices;
- **TMPD:** a decrease of 687 048 (43.84%) from 1 223 472 to 687 048 notices;
- **GDoCS:** an increase of 47 038 (25.15%) from 187 019 to 234 057 notices; and
- **RTMC:** a decrease of 2 965 (14.40%) from 20 597 to 17 632 notices in 2017-2018.

Day average of the notices captured per Issuing Authorities

The table below reflects the day average of the number of notices captured per IA in comparison between 2016-2017 and the 2017-2018 financial years.

Day Average: Change in Number of Notices Captured per Issuing Authority					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	6 115	3 352	512	56	10 036
2017-2018	1 834	1 882	641	48	4 405
Change	-4 282	-1 470	129	-8	-5 631
% change	-70.02%	-43.84%	25.15%	-14.40%	-56.10%

Johannesburg Metropolitan Police Department (JMPD)

In this financial year, JMPD have captured a total of 669 252 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 2017	29 828	0	0	19 831	0	49 659
May 2017	32 048	0	0	19 005	0	51 053
Jun 2017	49 483	0	0	23 152	0	72 635
Jul 2017	35 400	0	0	18 493	0	53 893
Aug 2017	40 223	0	0	22 896	0	63 119
Sep 2017	30 087	0	0	21 415	0	51 502
Oct 2017	38 345	0	0	34 672	0	73 017
Nov 2017	30 820	0	0	24 683	0	55 503
Dec 2017	21 147	0	0	9 832	0	30 979
Jan 2018	24 235	0	0	18 519	0	42 754
Feb 2018	40 231	0	0	16 528	0	56 759
Mar 2018	39 467	0	9 919	18 993	0	68 379
Year Total	411 314	0	9 919	248 019	0	669 252

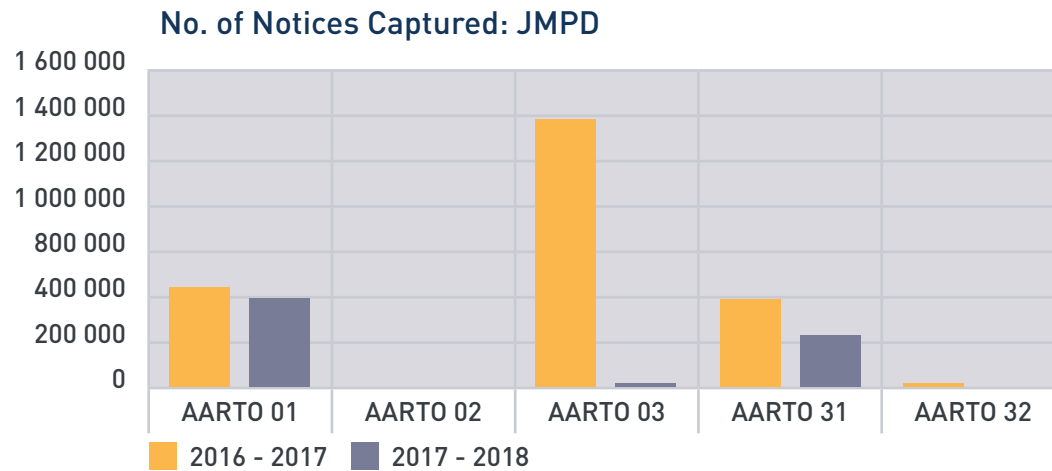
The above table shows that JMPD has captured 411 314 AARTO 01's, 9 919 AARTO 03's and 248 019 AARTO 31's and no AARTO 02's and AARTO 32's captured.

Change in Number of Notices Captured per Type: JMPD						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2016-2017	462 614	0	1 386 261	383 194	1	2 232 070
2017-2018	411 314	0	9 919	248 019	0	669 252
Change	-51 300	0	-1 376 342	-135 175	-1	-1 562 818
% change	-11,09%	0	-99,28%	-35,28%	-100,00%	-70,02%

The changes in the number of notices captured by the JMPD from 2016-2017 to 2017-2018 are shown in the table above.

- **AARTO 01:** There is a decrease of 11.09% from 462 614 2016-2017 to 411 314 in 2017-2018;
- **AARTO 02:** There is a decrease of 1 376 342 (99.28%) from 1 386 261 to 9 919; and
- **AARTO 31:** There is a decrease of 135 175 (35.28%) from 383 194 to 248 019.

The information can also be seen on the bar chart below with a comparison in the 2016-2017 and 2017-2018 financial years.



Tshwane Metropolitan Police Department (TMPD)

In this financial year, TMPD have captured a total of 687 048 notices. The information is reflected in the table below.

Number of Notices Captured per Type: TMPD						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2017	31 890	0	0	1 661	0	33 551
May 2017	28 582	0	0	1 744	0	30 326
Jun 2017	24 319	0	0	1 699	0	26 018
Jul 2017	16 235	0	24 211	13 913	0	54 359
Aug 2017	17 012	0	58 685	5 320	0	81 017
Sep 2017	18 206	0	64 993	3 923	0	87 122
Oct 2017	12 373	0	13 275	5 427	0	31 075
Nov 2017	16 184	0	18 939	9 437	0	44 560
Dec 2017	18 756	0	33 636	14 416	0	66 808
Jan 2018	22 025	0	35 885	9 371	0	67 281
Feb 2018	17 785	0	35 531	17 432	0	70 748
Mar 2018	16 278	0	56 029	21 876	0	94 183
Year Total	239 645	0	341 184	106 219	0	687 048

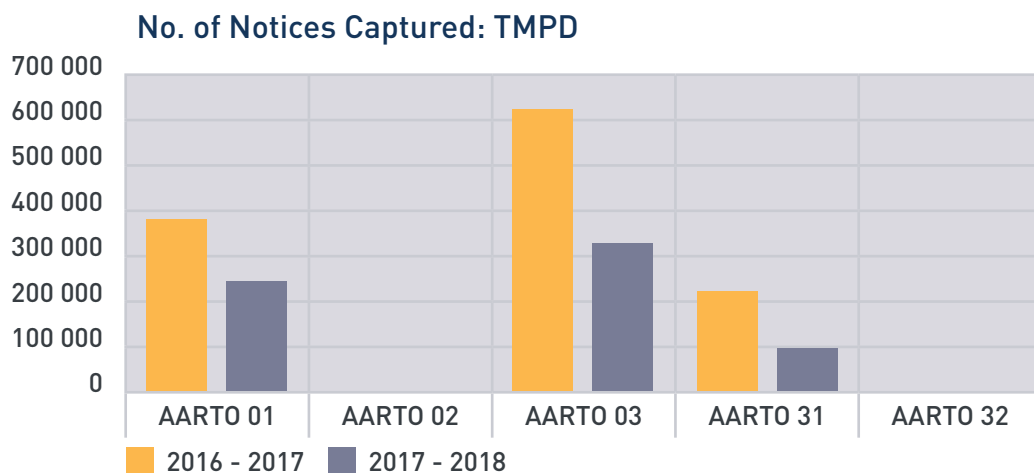
The table below shows the changes in number of notices per type captured on the NCR between the 2016-2017 and 2017-2018 financial years. The changes between the two financial years for TMPD is shown in the table below.

Change in Number of Notices Captured per Type: TMPD						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2016-2017	380 081	0	629 972	213 419	0	1 223 472
2017-2018	239 645	0	341 184	106 219	0	687 048
Change	-140 436	0	-288 788	-107 200	0	-536 424
% change	-36,95%	-	-45,84%	-50,23%	-	-43,84%

The changes in the number of notices captured per type of notice from 2016-2017 to 2017-2018 are as follows:

- **AARTO 01:** There is a decrease of 36.95% from 380 081 in 2016-2017 to 239 645 in 2017-2018;
- **AARTO 02:** There were no AARTO 02 notices captured for TMPD since these are notices created at the weighbridges;
- **AARTO 03:** There is a decline of 288 788 (45.84%) from 629 972 to 341 184 notices in 2017-2018 financial year;
- **AARTO 31:** There is a decrease of 107 200 (50.23%) from 213 419 to 106 219 notices; and
- **AARTO 32:** There were no offences at roadside reported by TMPD between the two financial years.

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



Gauteng Department of Community Safety (GDoCS)

The number of infringement notices captured per month on the NCR during the financial year from 1 April 2017 to 31 March 2018 by GDoCS is shown in the table below per type.

Number of Notices Captured per Type: GDoCS						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2017	9 321	119	0	0	0	9 440
May 2017	16 759	136	0	0	0	16 895
Jun 2017	19 186	99	0	0	0	19 285
Jul 2017	16 932	79	0	0	0	17 011
Aug 2017	22 462	87	0	0	0	22 549
Sep 2017	17 058	56	0	0	0	17 114
Oct 2017	19 634	70	0	0	0	19 704
Nov 2017	19 950	65	0	0	0	20 015
Dec 2017	18 094	91	0	0	0	18 185
Jan 2018	24 733	33	0	0	0	24 766
Feb 2018	23 844	68	0	0	0	23 912
Mar 2018	25 104	77	0	0	0	25 181
Year Total	233 077	980	0	0	0	234 057

The information on the left table shows that a total number of 234 057 notices were captured during the year, and summarised as follows:

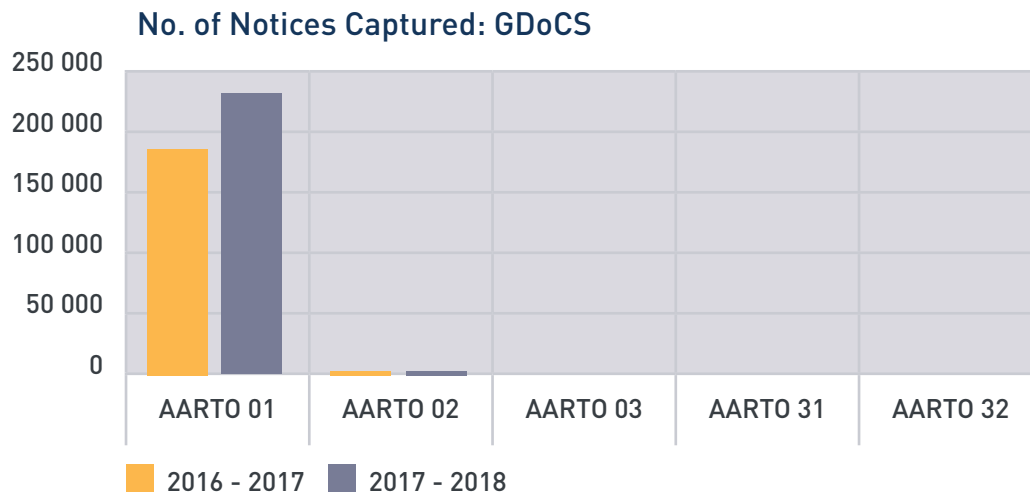
- **AARTO 01:** a total of 233 077 notices were captured;
- **AARTO 02:** a total of 980 notices; and
- There were no **AARTO 03's**, **AARTO 31's** or **AARTO 32's** captured by the **GDoCS** in 2017-2018.

The change in the number of notices captured per type between the 2016-2017 and 2017-2018 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
2016-2017	185 740	1 279	0	0	0	187 019
2017-2018	233 077	980	0	0	0	234 057
Change	47 337	-299	0	0	0	47 038
% change	25,49%	-23,38%	-	-	-	25,15%

The table above shows that only AARTO 01's and AARTO 02's were captured by the GDoCS during the 2017-2018 financial year.

- **AARTO 01:** There is an increase of 25.49% from 185 740 2016-2017 to 233 077 in 2017-2018;
- **AARTO 02:** There is a decrease of 1 299 (23.38%) from 1 279 to 980; and



Road Traffic Management Corporation (RTMC)

The number of notices captured per month on the NCR during the financial year from 1 April 2017 to 31 March 2018 by the RTMC is shown in the table below per type.

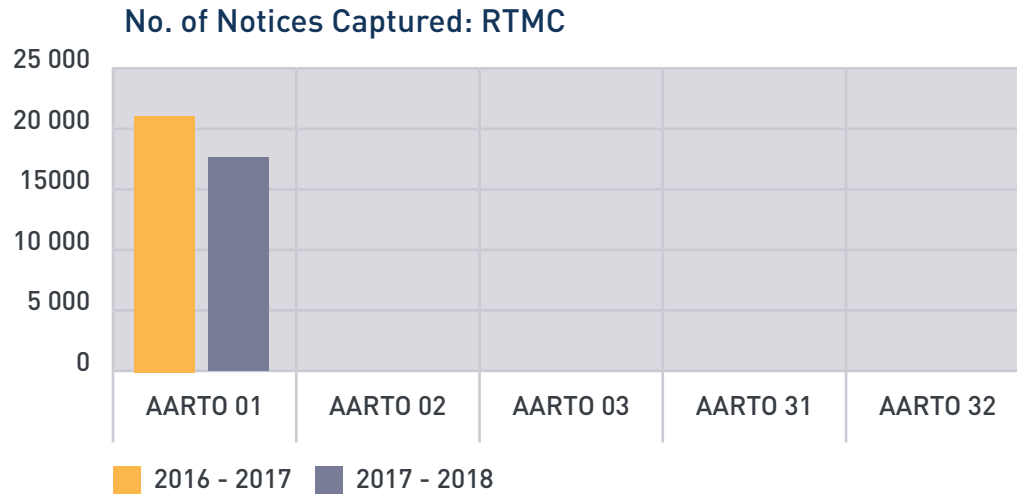
Number of Notices Captured per Type: RTMC						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2017	1 007	0	0	0	0	1 007
May 2017	2 305	0	0	0	0	2 305
Jun 2017	1 778	0	0	0	0	1 778
Jul 2017	476	0	0	0	0	476
Aug 2017	664	0	0	0	0	664
Sep 2017	1 291	0	0	0	0	1 291
Oct 2017	2 412	0	0	0	0	2 412
Nov 2017	2 034	0	0	0	0	2 034
Dec 2017	558	0	0	0	0	558
Jan 2018	1 708	0	0	0	0	1 708
Feb 2018	1 963	0	0	0	0	1 963
Mar 2018	1 436	0	0	0	0	1 436
Year Total	17 632	0	0	0	0	17 632

The information in the table above shows that a total number of 17 632 were the AARTO 01 notices that were captured during the year. No other types of notices were captured.

The change in the number of notices captured per type between the 2016-2017 and 2017-2018 financial years 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
2016-2017	20 597	0	0	0	0	20 597
2017-2018	17 632	0	0	0	0	17 632
Change	-2 965	0	0	0	0	-2 965
% change	-14,40%	-	-	-	-	-14,40%

- AARTO 01: There is a decrease of 2 965 14.40% from 20 597 in 2016-2017 to 17 632 in 2017-2018



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 followed within a period of 32 days after having received such notice:

- Payment of the penalty, in which case 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 case the infringer has to submit a completed form AARTO 04 to the RTIA; or
- Submit a Representation, in which case 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, and in which case 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 case 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 number of notifications to make payments in instalments submitted to the RTIA on AARTO 04 form. The table compares the changes between 2016-2017 and 2017-2018.

Notifications to Pay in Instalments				
Month	2016-2017	2017-2018	Change	% Change
Apr	23	53	30	130,43%
May	57	48	-9	-15,79%
Jun	80	32	-48	-60,00%
Jul	34	27	-7	-20,59%
Aug	68	43	-25	-36,76%
Sep	31	36	5	16,13%
Oct	74	66	-8	-10,81%
Nov	35	68	33	94,29%
Dec	29	27	-2	-6,90%
Jan	71	42	-29	-40,85%
Feb	71	16	-55	-77,46%
Mar	49	16	-33	-67,35%
Total	622	474	-148	-23,79%

Change in Number of Notifications to Pay in Instalments					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	375	201	40	6	622
2017-2018	285	133	48	8	474
Change	-90	-68	8	2	-148
% change	-24,00%	-33,83%	20,00%	33,33%	-23,79%

In April, there is an increase of over 130% in the number of notifications to pay instalments from 23 in the previous financial year to 53 in the 2017-2018 year; also an upward change in September and November. There is a decline in the remaining 9 months.

The changes per IA's are as follows:

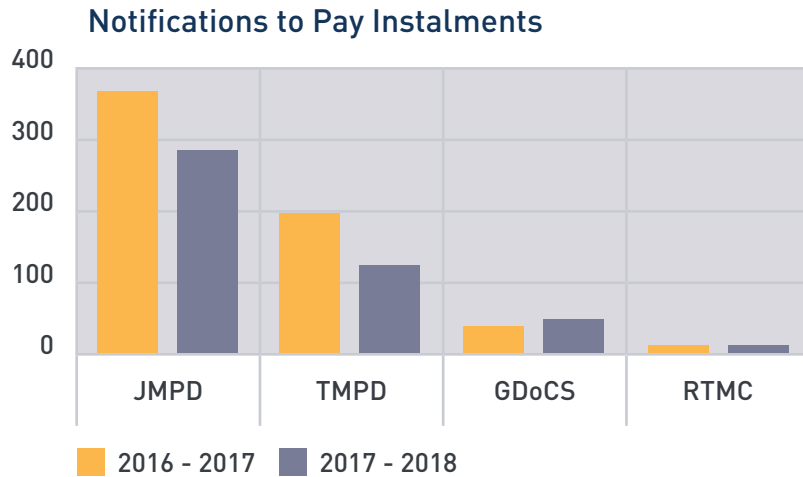
JMPD: a decline of 90 from 375 to 285;

TMPD: a decline of 68 applications from 201 to 133;

GDoCS: an increase of 8 applications from 40 to 48; and

RTMC: also an increase from 6 to 8.

The data is also reflected in the graph below.



(c) Submission of Representations

The number of representation applications submitted to the RTIA during the financial year is shown in the table below. 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 per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2017	1 743	1 080	122	20	2 965
May 2017	4 311	1 624	237	78	6 250
Jun 2017	8 198	2 662	246	91	11 197
Jul 2017	6 842	2 506	245	67	9 660
Aug 2017	10 719	3 268	397	116	14 500
Sep 2017	7 151	2 616	380	129	10 276
Oct 2017	10 313	3 865	560	154	14 892
Nov 2017	9 123	3 450	424	114	13 111
Dec 2017	6 268	2 143	340	85	8 836
Jan 2018	7 203	3 079	495	107	10 884
Feb 2018	9 545	3 363	639	154	13 701
Mar 2018	12 086	4 447	802	183	17 518
Year Total	93 502	34 103	4 887	1 298	133 790

The information in the table above shows that 133 790 representation applications were submitted during the year based on notices issued by the various authorities as follows:

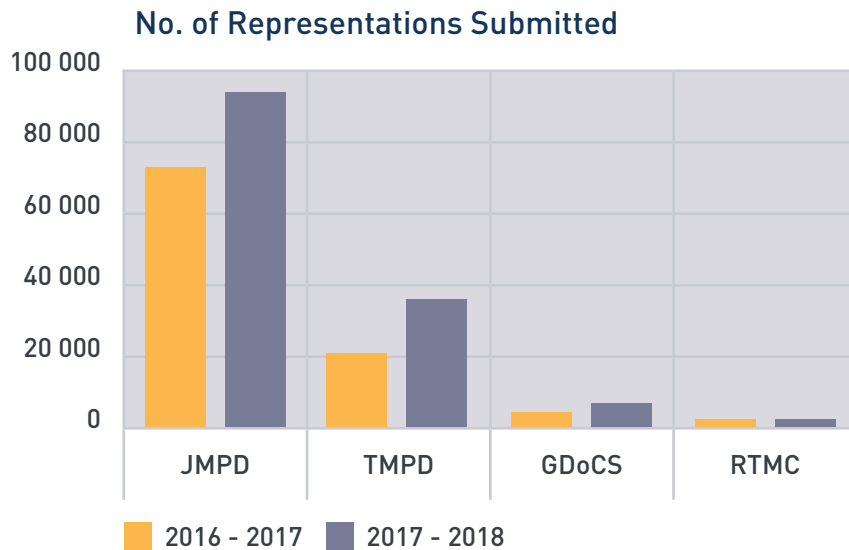
- **JMPD:** 93 502 representations out of 133 790, which is 70% of the total;
- **TMPD:** a total of 34 103 applications were recorded in 2017-2018 in Tshwane, which is 25% of the total;
- **GDoCS:** 4 887 representations, which is 4% of the total; and
- **RTMC:** 1 298, which is 1% of the year total.

The change in the total number of representations submitted during 2017-2018 given in the table below in comparison with the previous 2016-2017 financial year.

Change in Number of Representations Submitted					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	71 927	21 425	2 302	656	96 310
2017-2018	93 502	34 103	4 887	1 298	133 790
Change	21 575	12 678	2 585	642	37 480
% change	30,00%	59,17%	112,29%	97,87%	38,92%

The table above shows an increase in submissions of the representations for all the IA's from the 2016-2017 to 2017-2018 financial year. GDoCS have over 100% increase during the period under the review.

The information is also represented in the bar-chart below.



Below is the comparison in months of changes in number of representations submitted.

Number of Representations Submitted				
Month	2016-2017	2017-2018	Change	% Change
Apr	9 881	2 965	-6 916	-69,99%
May	8 911	6 250	-2 661	-29,86%
Jun	7 846	11 197	3 351	42,71%
Jul	9 655	9 660	5	0,05%
Aug	9 517	14 500	4 983	52,36%
Sep	8 247	10 276	2 029	24,60%
Oct	8 103	14 892	6 789	83,78%
Nov	9 039	13 111	4 072	45,05%
Dec	7 108	8 836	1 728	24,31%
Jan	6 764	10 884	4 120	60,91%
Feb	5 000	13 701	8 701	174,02%
Mar	6 239	17 518	11 279	180,78%
Total	96 310	133 790	37 480	38,92%

The table above also shows that in April and May there was a decline in the number of representations submitted. From June to March of the 2017-2018 financial year, the submissions of the representations recorded on the NCR have been increasing, with the highest number recorded in March of 11 279, which is just over 180%, followed by February with a 174% increase.

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 in terms of 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.

Number of Driver Nominations					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2017	121	284	0	0	405
May 2017	3 035	392	0	0	3 427
Jun 2017	2 780	1 086	0	0	3 866
Jul 2017	2 827	637	0	0	3 464
Aug 2017	2 274	799	0	0	3 073
Sep 2017	1 511	799	1	0	2 312
Oct 2017	2 241	559	2	0	2 802
Nov 2017	1 365	346	0	0	1 711
Dec 2017	1 372	329	0	0	1 701
Jan 2018	759	359	1	0	1 119
Feb 2018	971	362	0	0	1 333
Mar 2018	756	407	0	0	1 163
Year Total	20 012	6 359	4	0	26 376

Change in Number of Driver Nominations					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	55 271	1 0594	3	0	65 868
2017-2018	20 012	6 359	4	0	26 376
Change	-35 259	-4 235	1	0	-39 492
% change	-63,79%	-39,98%	33,33%	0	-59,96%

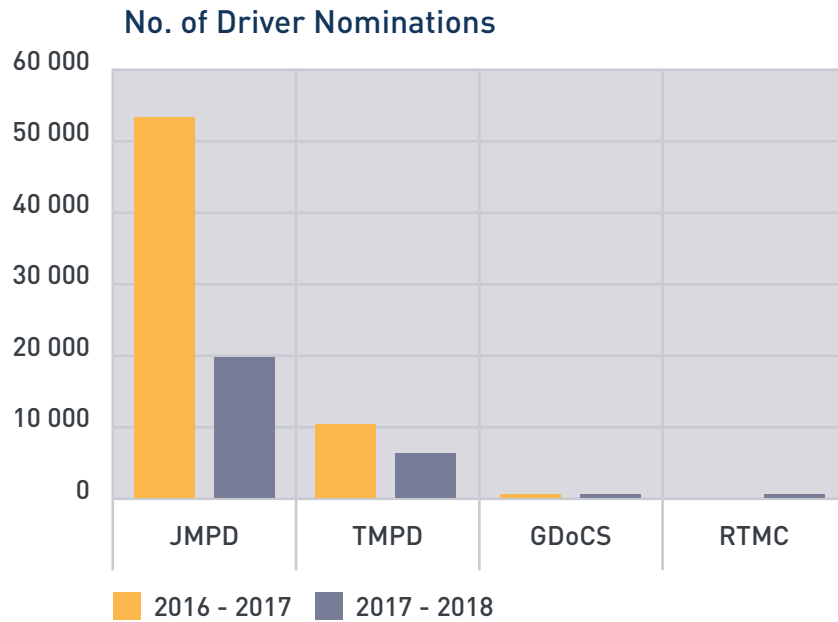
The tables above show that JMPD has recorded the highest number of driver nominations with a total of 20 012 in the 2017-2018 financial year. TMPD follows with 6 359 driver nominations. GDoCS has recorded 4 and RTMC recorded zero nomination.

Change in Number of Driver Nominations				
Month	2016-2017	2017-2018	Change	% Change
Apr	8 113	405	-7 708	-95,01%
May	8 996	3 427	-5 569	-61,91%
Jun	8 010	3 866	-4 144	-51,74%
Jul	6 860	3 464	-3 396	-49,50%
Aug	5 954	3 073	-2 881	-48,39%
Sep	6 290	2 312	-3 978	-63,24%
Oct	6 239	2 802	-3 437	-55,09%
Nov	5 368	1 711	-3 657	-68,13%
Dec	4 067	1 701	-2 366	-58,18%
Jan	3 625	1 119	-2 506	-69,13%
Feb	989	1 333	344	34,78%
Mar	1357	1 163	-194	-14,30%
Total	65 868	26 376	-39 492	-59,96%

The information in the table and graph above indicates as follows for the year under review:

- The total number of driver nominations for the year decreased by 39 492 (59.96%) from 65 868 during 2016-2017 to 26 376 in 2017-2018;
- February is the only month with the positive increase of 34.78%;
- The largest decreases in the number of nominations were particularly experienced in April with 7 708 (95.01%).

The information is also reflected in the bar chart below.



(e) Elections to be Tried in Court

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.

Number of Elections to be Tried in Court					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2017	3 652	5 051	528	120	9 351
May 2017	8 944	6 631	730	149	16 454
Jun 2017	14 116	8 192	775	164	23 247
Jul 2017	17 269	9 883	826	152	28 130
Aug 2017	21 072	8 349	700	135	30 256
Sep 2017	18 468	8 774	671	107	28 020
Oct 2017	20 953	8 454	640	129	30 176
Nov 2017	18 095	11 501	783	161	30 540
Dec 2017	14 099	10 703	723	143	25 668
Jan 2018	14 893	8 645	713	109	24 360
Feb 2018	11 132	8 164	911	139	20 346
Mar 2018	10 762	7 961	952	167	19 842
Year Total	173 455	102 308	8 952	1 675	286 390

Change in Number of Elections to be Tried in Court					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	281 894	94 845	7 641	1 881	386 261
2017-2018	173 455	102 308	8 952	1 675	286 390
Change	-108 439	7 463	1 311	-206	-99 871
% change	-38,47%	7,87%	17,16%	-10,95%	-25,86%

The tables above show that a total of 286 390 elections to be tried in court were recorded on the NCR during the 2017-2018 financial year. This is a 25.86% decrease from 386 261 in 2016-2017.

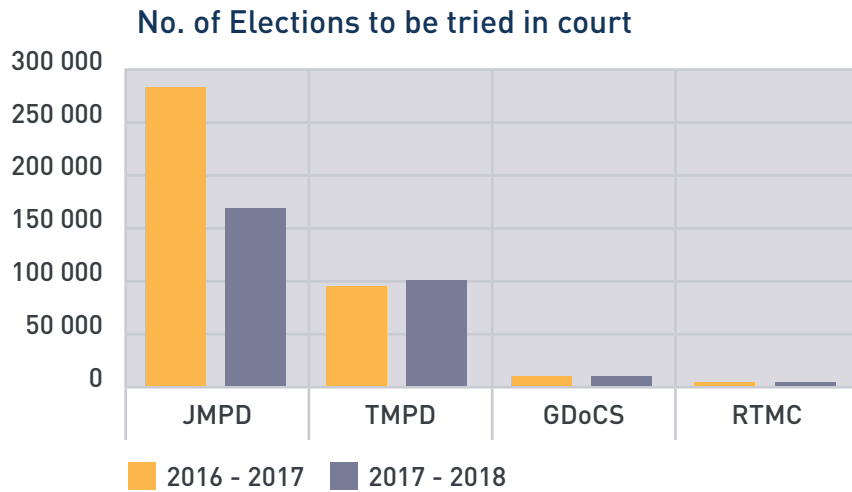
JMPD had a decline of 108 439 (38.47%) from 281 894 in 2016-2017 to 173 455 in this period under the review.

TMPD have increased from 94 845 to 102 308 in the 2017-2018 financial year.

GDoCS shows an increase from 7 641 to 8 952, which is 17.16% more elections to be tried in court.

RTMC shows a decrease of 10.95%, from 1881 to 1675.

The information is also reflected in the bar chart below.



The table below shows the changes in the number of elections to be tried in court between 2016-2017 and the 2017-2018 financial years.

Number of Elections to be Tried in Court				
Month	2016-2017	2017-2018	Change	% Change
Apr	35 411	9 351	-26 060	-73,59%
May	38 503	16 454	-22 049	-57,27%
Jun	40 782	23 247	-17 535	-43,00%
Jul	43 750	28 130	-15 620	-35,70%
Aug	39 247	30 256	-8 991	-22,91%
Sep	41 599	28 020	-13 579	-32,64%
Oct	36 860	30 176	-6 684	-18,13%
Nov	35 825	30 540	-5 285	-14,75%
Dec	27 162	25 668	-1 494	-5,50%
Jan	25 323	24 360	-963	-3,80%
Feb	10 296	20 346	10 050	97,61%
Mar	11 503	19 842	8 339	72,49%
Total	386 261	286 390	-99 871	-25,86%

The table on the left shows that from April to January the numbers have been decreasing, with the highest decrease recorded in April with 73.59%. In February and March the highest increases were recorded on the NCR, showing February an increase of 97.61%, increasing from 10 296 to 20 346 and March increasing 72.49%.

The table below shows the number of Court Hearings, Outcomes, Failure to Appear, Cases Postponed and Warrants

Number of Court Hearings, Outcomes, Failure to Appear, Cases Postponed and Warrants										
Month	Court hearings	Main charge		Alternative charge		Failure to appear in court	Cases postponed	Removed from court roll	Warrant of Arrest Authorised	Cases Pending
		Guilty	Not guilty	Guilty	Not guilty					
Apr 2017	3 578	0	0	0	0	0	0	509	0	2 908
May 2017	2 459	2	0	0	0	0	0	398	0	1 823
Jun 2017	2 742	1	0	0	0	0	0	451	0	2 065
Jul 2017	1 953	2	0	0	0	0	0	343	0	1 556
Aug 2017	2 814	0	0	0	0	0	0	948	0	1 816
Sep 2017	3 197	0	0	0	0	0	0	857	0	2 253
Oct 2017	2 234	1	0	0	0	0	0	390	0	1 659
Nov 2017	1 118	1	0	0	0	0	0	116	0	934
Dec 2017	1 399	0	0	0	0	0	0	0	0	1 228
Jan 2018	98	0	0	0	0	0	0	0	0	60
Feb 2018	110	0	0	0	0	0	0	0	0	0
Mar 2018	3 441	1	0	0	0	0	0	0	0	3 374
Year Total	25 143	8	0	0	0	0	0	4 012	0	19 676

Change in Monthly Number of Court Hearings				
Month	2016-2017	2017-2018	Change	% Change
Apr	5 614	3 578	-2 036	-36,27%
May	16 206	2 459	-13 747	-84,83%
Jun	6 875	2 742	-4 133	-60,12%
Jul	4 755	1 953	-2 802	-58,93%
Aug	6 020	2 814	-3 206	-53,26%
Sep	5 621	3 197	-2 424	-43,12%
Oct	9 535	2 234	-7 301	-76,57%
Nov	12 878	1 118	-11 760	-91,32%
Dec	6 272	1 399	-4 873	-77,69%
Jan	13	98	85	653,85%
Feb	1 154	110	-1 044	-90,47%
Mar	4 179	3 441	-738	-17,66%
Year Total	79 122	25 143	-53 979	-68,22%

The information in the tables on the previous page shows the following:

- There is a total of 25 143 court hearings recorded on the NCR during the year under review, which is a decrease of 68.22% from 79 122 reported in the 2016-2017 financial year. The highest number of hearings recorded in 2017-2018 was in April 2017, with a total of 3 578 and the lowest recorded in January, with only 98 court hearings.
- There were only 8 cases with “Guilty” findings on the main charge and none with “Not Guilty” findings, which is less compared to 314 cases reported in 2016-2017.
- There were no cases for Failure to appear in court, Cases postponed and no warrant of arrest authorised reported in the 2017-2018 financial year.
- A total of 19 676 cases are pending and 4 012 removed from court roll were recorded on the NCR in this period under the review.

The information in the table above shows as follows:

Number of Court Hearings, Outcomes, Failure to Appear, Cases Postponed and Warrants											
Month	Court hearings	Main charge		Alternative charge		Failure to appear in court	Cases postponed	Removed from court roll	Warrant of Arrest Authorised	Cases Pending	Other
		Guilty	Not guilty	Guilty	Not guilty						
2016-2017	79 122	314	0	0	0	0	0	7 031	199	63 954	2
2017-2018	25 143	8	0	0	0	0	0	4 012	0	19 676	0
Change	-53 979	-306	0	0	0	0	0	-3 019	-199	-44 278	-2
% change	-68,22%	-97,45%	-	-	-	-	-	-42,94%	-100,00%	-69,23%	-100,00%

- The court hearings have declined from 79 122 to 25 143 in 2017-2018, which is a 68.22% change;
- The number of cases removed from the court roll has decreased from 7 031 in 2016-2017 to 4 012 in 2017-2018, which is a 42.94% decrease;
- The warrants of arrest authorised has dropped by 100% from 199 to 0; and
- The number of cases pending have decreased by 44 278 (69.23%) from 63 954 in 2016-2017 to 19 676 in 2017-2018.

1.1.4 Adjudication of Representations

Adjudication of representations is done in terms of Section 18 of the AARTO Act, 1998 (Act. No 46 of 1998). In terms of this section any infringer may, if reasonable grounds are present, submit a representation to the RTIA in which evidence is presented that indicates that such infringer must not be held liable for the contravention as charged.

A duly appointed representations officer may then consider the facts presented and make an appropriate outcome known to the alleged infringer, which may include that the representation is allowed and the infringer is not liable for payment; or the representation is rejected due to a lack of evidence and the infringer is liable for the penalty and/or any additional administrative fees payable to the RTIA or the applicable Issuing Authority. The infringer may on rejection of the representation elect to be tried in a court of law in order for the court to consider the facts presented.

The total number of representation applications received and adjudicated during the year is given in the table below

Number of Representation Adjudications					
Month	"Applications Received"	"Applications Cancelled"	"Successful All Charges"	"Successful Main Charge"	Unsuccessful
Apr 2017	2 965	710	1 835	27	688
May 2017	6 250	1 150	3 467	40	1 290
Jun 2017	11 197	546	4 611	45	1 430
Jul 2017	9 660	1 131	7 762	58	2 028
Aug 2017	14 500	1 235	13 265	88	1 556
Sep 2017	10 276	1 659	7 477	41	1 495
Oct 2017	14 892	1 568	9 110	48	1 364
Nov 2017	13 111	2 199	9 951	43	1 296
Dec 2017	8 836	1 212	9 351	30	1 116
Jan 2018	10 884	1 264	10 477	34	642
Feb 2018	13 701	2 551	8 949	35	811
Mar 2018	17 518	4 788	10 725	45	1 269
Year Total	133 790	20 013	96 980	534	14 985

The information in the table on the left indicates the following:

A total number of 133 790 applications for representations was received; of which 20 013 were cancelled, 96 980 were successful on all charges, 534 were successful on the main charge only, and 14 985 were unsuccessful.

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

Charges on which representations are based		
Infringement Category	2016-2017	2017-2018
Vehicle registration & licencing	4 380	6 750
Vehicle number plates	97	256
Learner & driving licences	1 697	3 119
Professional driving permits	667	2 130
Vehicle roadworthiness - general	1 140	2 660
Vehicle - Brakes	163	377
Vehicle - Lights	604	1 705
Vehicle - Tyres	380	843
Seatbelts	1 426	4 118
Passenger carrying vehicles	571	572
Road signs, signals & markings	4 441	7 128
Exceeding speed limits	72 603	92 800
Rules of the road & driving signals	4 242	7 230
Driving under the influence	37	111

The information in the table above among others shows that:

- Non-wearing of seatbelt infringements there were 1 426 in 2016-2017 and increased to 4 118 in 2017-2018 representations submitted; and
- There is an increase from 72 603 in 2016-2017 to 92 800 in 2017-2018 representations submitted for exceeding speed limits offences.
- All except for the seatbelt infringement category have increased from 2016-2017 to 2017-2018 financial year.

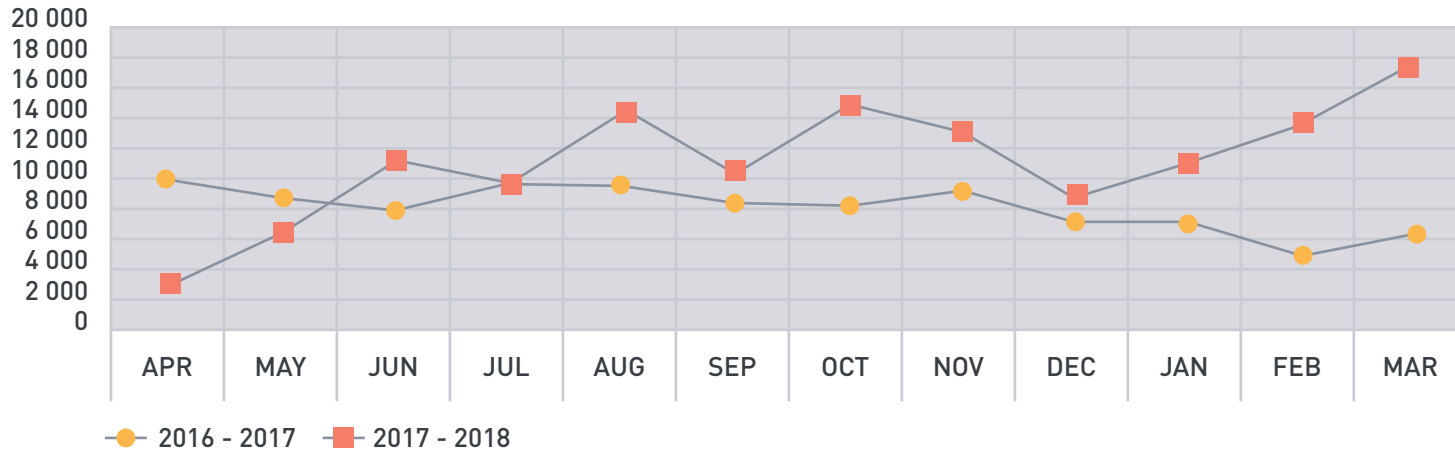
Number of Representations Received per month				
Month	2016-2017	2017-2018	Change	% Change
Apr	9 881	2 965	-6 916	-69,99%
May	8 911	6 250	-2 661	-29,86%
Jun	7 846	11 197	3 351	42,71%
Jul	9 655	9 660	5	0,05%
Aug	9 517	14 500	4 983	52,36%
Sep	8 247	10 276	2 029	24,60%
Oct	8 103	14 892	6 789	83,78%
Nov	9 039	13 111	4 072	45,05%
Dec	7 108	8 836	1 728	24,31%
Jan	6 764	10 884	4 120	60,91%
Feb	5 000	13 701	8 701	174,02%
Mar	6 239	17 518	11 279	180,78%
Year Total	96 310	133 790	37 480	38,92%

The information in the table above shows that:

- During the 2017-2018 financial year the months with the highest number of representations adjudicated were March, with 17 518, followed by October, with 14 892, and August, with 14 500.

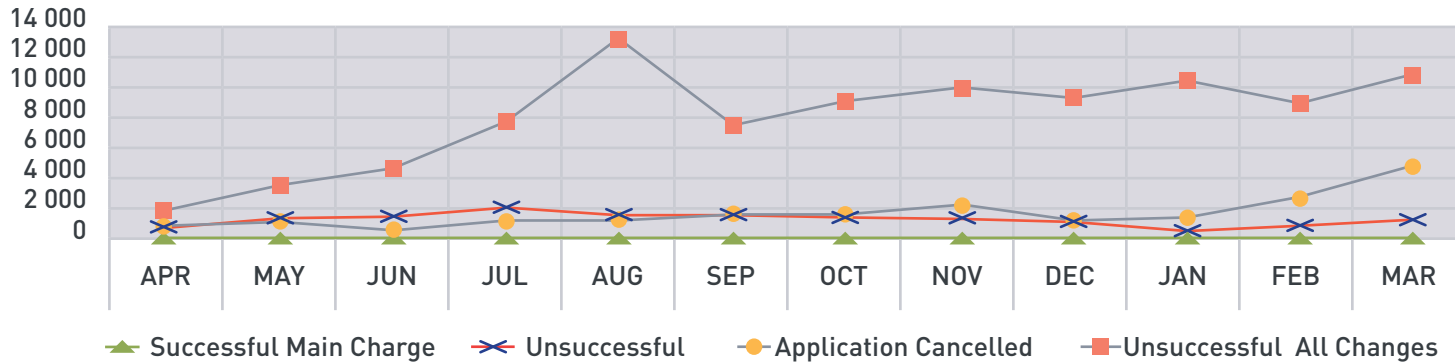
The number of representations adjudicated per month is reflected in the graph below.

Change of Representation Adjudicated per month



Representation outcomes are presented in the table below:

Change of Representation Adjudicated per month



The information in the graph left shows that the month with the highest number of successful applications was August 2017, with 13 265, and the lowest in April 2017, with 1 835.

1.1.5 Courtesy Letters Issued

With regard to the serving of Courtesy Letters and Enforcement Orders, note must be taken of the following facts that impact heavily on the status of basically all AARTO documents in the registered/secure mailing process, as well as the information available on the NCR:

- although it may be delivered to the intended receiving post office, some mailed items may never be collected by infringers due to wrong and incorrect postal addresses; or the previous owner to whom the Courtesy Letter or Enforcement Order is addressed may no longer be the owner of the address;
- the negligence of SAPO to upload and update the NCR on the posting status of registered/secure mail items;
- the negligence of SAPO to upload and update the NCR on the delivery and collected status of mailed items; and
- the failure of SAPO to post and deliver documents within the required time frames.

The information given below on the number of Courtesy Letters and Enforcement Orders issued to SAPO for posting should be read keeping the above constraints in mind.

The number of Courtesy Letters issued during the year under review is given in the table below and is based on the type of infringement notices served on which none of the elective options were exercised by infringer.

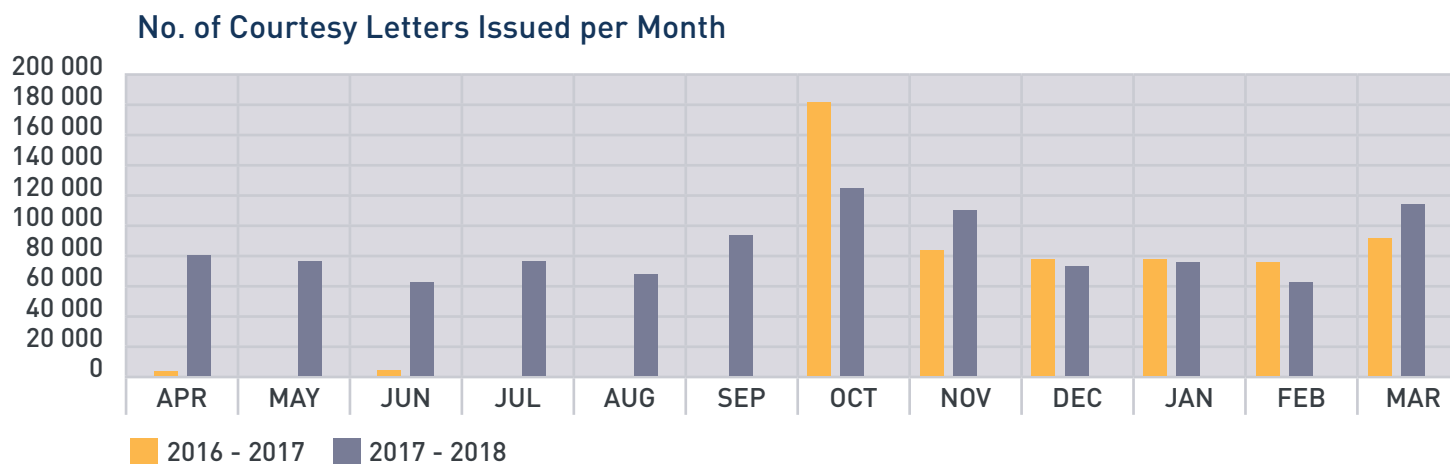
Change in Number of Notices Captured per Type:				
Month	2016-2017	2017-2018	Change	% change
Apr	21	79 414	79 393	378061.90%
May	0	73 790	73 790	100.00%
Jun	10	62 671	62 661	626610.00%
Jul	0	74 693	74 693	100.00%
Aug	0	66 105	66 105	100.00%
Sep	0	91 813	91 813	100.00%
Oct	181 032	123 064	-57 968	-32.02%
Nov	83 025	110 263	27 238	32.81%
Dec	75 941	70 971	-4 970	-6.54%
Jan	75 841	74 674	-1 167	-1.54%
Feb	75 056	61 559	-13 497	-17.98%
Mar	89 578	113 852	24 274	27.10%
Year Total	580 504	1 002 869	422 365	72.76%

Change in Number of Courtesy Letters Issued per Notice Type						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
2016-2017	578 785	394	1 006	0	319	580 504
2017-2018	794 800	635	173 989	8 445	25 000	1 002 869
Change	216 015	241	172 983	8 445	24 681	422 365
% change	37.32%	61.17%	17195.13%	-	7736.99%	72.76%

The information in the tables above shows that:

- A total of 580 504 Courtesy Letters were issued in 2016-2017 and the total number has increased in 2017-2018 to 1 002 869, which is a 72.76% change between the two financial years;
- In May 2017, July 2017 to September 2017, no Courtesy Letters were issued because of the continuous failure of SAPO to post and deliver the documents within the required time frame.

The number of Courtesy Letters issued per month during 2016-2017 in comparison with 2017-2018 is reflected in the graph below.



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

Number of Courtesy Letters Issued per Notice Type						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
Apr 2017	79 328	86	0	0	0	79 414
May 2017	73 709	81	0	0	0	73 790
Jun 2017	62 586	85	0	0	0	62 671
Jul 2017	74 623	70	0	0	0	74 693
Aug 2017	66 049	56	0	0	0	66 105
Sep 2017	62 161	48	25 742	1 378	2 484	91 813
Oct 2017	68 356	32	51 219	1 349	2 108	123 064
Nov 2017	59 239	38	47 242	1 565	2 179	110 263
Dec 2017	64 769	38	5 347	202	615	70 971
Jan 2018	52 910	48	13 087	1 394	7 235	74 674
Feb 2018	59 681	18	613	129	1 118	61 559
Mar 2018	71 389	35	30 739	2 428	9 261	113 852
Year Total	794 800	635	173 989	8 445	25 000	1 002 869
% of Total	79.25%	0.06%	17.35%	0.84%	2.49%	100.00%

- The number and percentage of Courtesy Letters issued per infringement notice type are as follows :
 - **AARTO 01:** 794 800, which is 79.25% of the total;
 - **AARTO 02:** Only 0.06% of Courtesy Letters were issued;
 - **AARTO 03:** A total of 173 989 were issued, which is 17.35% of the total;
 - **AARTO 03a:** 8 445 Courtesy Letters were issued for this period, which is 0.84%; and
 - **AARTO 03b:** 25 000, which is 2.49% of the total issued.

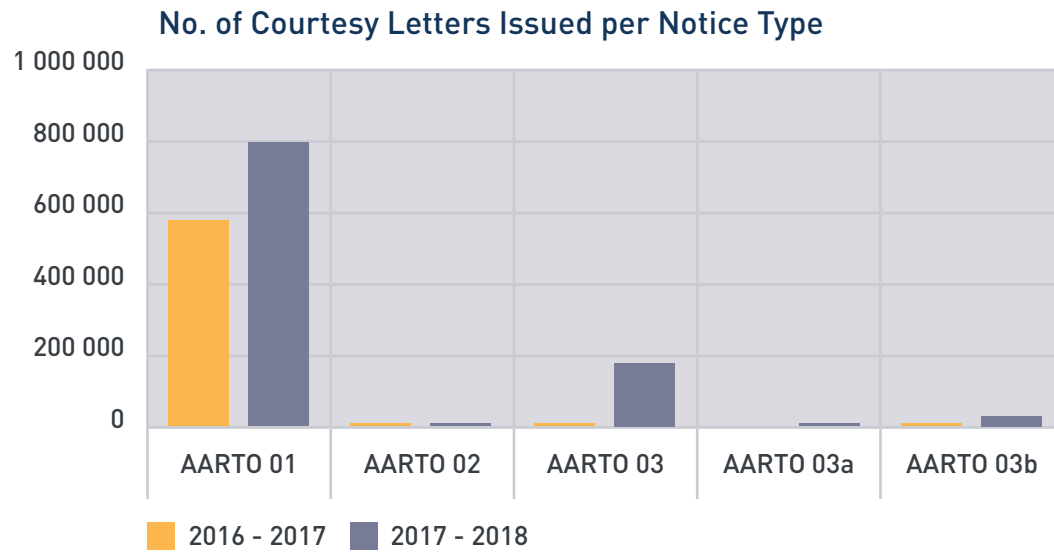
The change in the Number of Courtesy Letters served from the previous year is shown in the table below.

Change in Number of Courtesy Letters Issued per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	262 356	220 778	89 285	8 085	580 504
2017-2018	365 694	420 632	199 074	17 469	1 002 869
Change	103 338	199 854	109 789	9 384	422 365
% change	39.39%	90.52%	122.96%	116.07%	72.76%

The information in the table above shows as follows:

- the total number of Courtesy Letters issued has increased by 422 365 from 580 504 in 2016-2017 to 1 002 869 in 2017-2018;
- the change in the number of Courtesy Letters issued per infringement notice type are as follows:
 - **AARTO 01**: 794 800, which is 79.25% of the total;
 - **AARTO 02**: Only 0.06% of Courtesy Letters were issued;
 - **AARTO 03**: a total of 173 989 were issued, which is 0.84% of the total;
 - **AARTO 03a**: 8 445 Courtesy Letters were issued for this period; and
 - **AARTO 03b**: 25 000, which is 2.49% of the total issued.

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 area is shown in the table below.

Number of Courtesy Letters Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2017	34 181	30 483	12 325	2 425	79 414
May 2017	33 216	24 861	13 861	1 852	73 790
Jun 2017	30 018	16 697	14 646	1 310	62 671
Jul 2017	36 632	23 462	13 308	1 291	74 693
Aug 2017	32 125	14 905	18 587	488	66 105
Sep 2017	31 742	43 064	15 493	1 514	91 813
Oct 2017	33 985	69 776	17 908	1 395	123 064
Nov 2017	29 681	63 578	15 349	1 655	110 263
Dec 2017	29 555	20 979	19 025	1 412	70 971
Jan 2018	19 528	36 950	16 960	1 236	74 674
Feb 2018	22 943	16 853	20 850	913	61 559
Mar 2018	32 088	59 024	20 762	1 978	113 852
Year Total	365 694	420 632	199 074	17 469	1 002 869
% of Total	36.46%	41.94%	19.85%	1.74%	100.00%

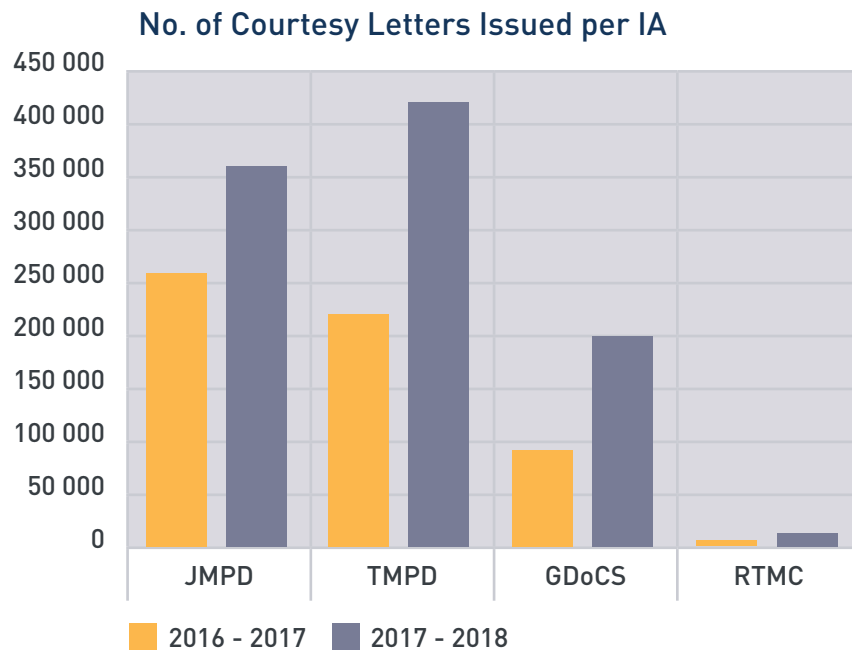
The information in the table above shows the total of 1 002 869 Courtesy Letters issued per Issuing Authority as follows:

- **JMPD**: 365 694, which is 36.46% of the total;
- **TMPD**: 420 632, which is 41.94% of the total;
- **GDoCS**: 199 074, which is 19.85% of the total; and
- **RTMC**: 17 469, which is 1.74% of the total.

The change in the number of Courtesy Letters per Issuing Authority during the year under review in comparison with the previous year is given in the table and reflected in the table below.

Change in Number of Courtesy Letters Issued per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	262 356	220 778	89 285	8 085	580 504
2017-2018	365 694	420 632	199 074	17 469	1 002 869
Change	103 338	199 854	109 789	9 384	422 365
% change	39.39%	90.52%	122.96%	116.07%	72.76%

The information in the table above shows that there was an increase in the number of Courtesy Letters issued for all the Issuing Authorities. The bar chart below reflects on the changes for the Issuing Authorities in the 2016-2017 and 2017-2018 financial years.



1.1.6 Enforcement Orders Issued

Enforcement Orders are served in terms of section 20 of the Act if an infringer:

- within a period of 32 days fails to submit an applicable elective option upon being served with an unsuccessful representation notification (Sec 18(7)(b)(iii) of the Act); or
- failed to respond as required in terms of a Courtesy Letter (Sec 19(2)(c) of the Act); or
- Upon an election to be tried in court and when the infringer failed to appear after being served with a summons to do so (Sec 22(3)(a) of the Act).

Enforcement Orders are generated on the NCR and after verification thereof in terms of the provisions of the Act, electronically forwarded to SAPO for further processing and posting by registered/secure mail.

The number of Enforcement Orders issued during the 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.

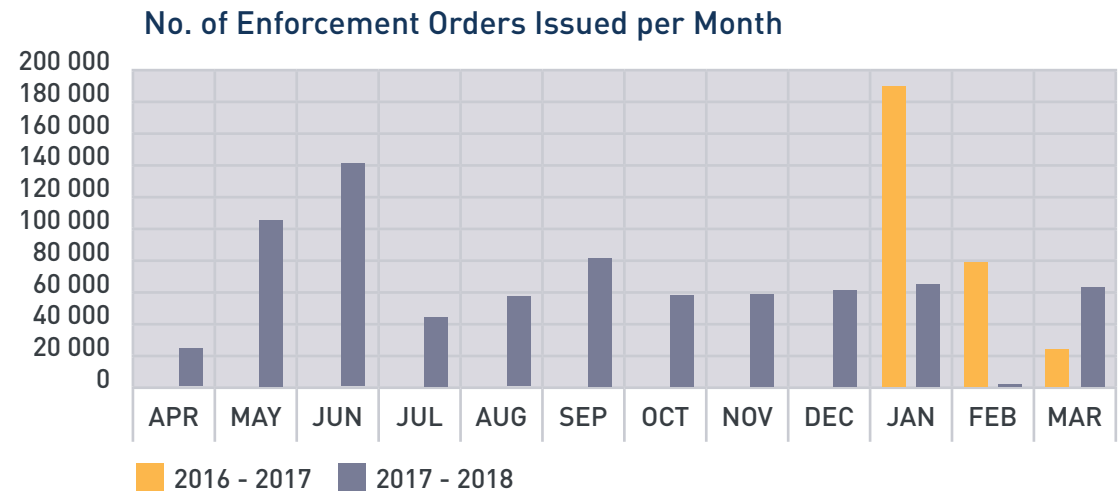
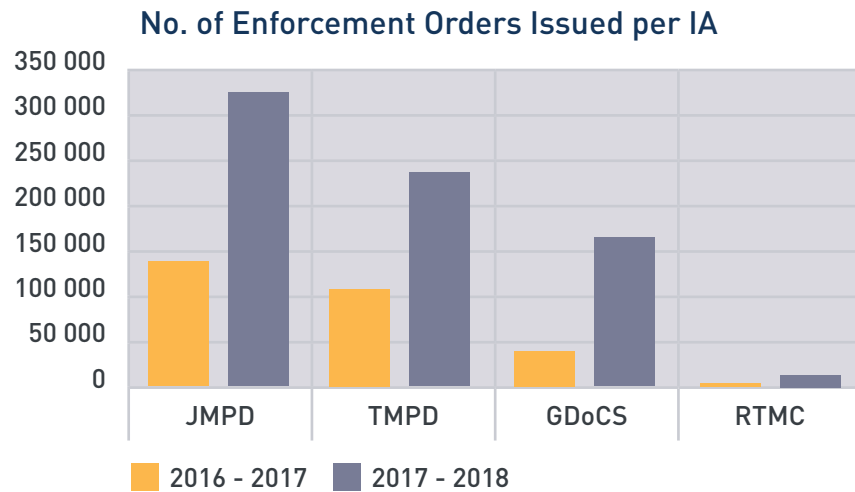
Number of Enforcement Orders Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2017	7 973	9 825	4 426	345	22 569
May 2017	35 154	47 797	18 334	1 883	103 168
Jun 2017	60 119	52 691	20 816	4 663	138 289
Jul 2017	17 365	14 568	8 945	1 120	41 998
Aug 2017	25 992	14 721	13 029	1 141	54 883
Sep 2017	39 419	24 533	14 509	1 274	79 735
Oct 2017	27 523	12 642	15 709	554	56 428
Nov 2017	29 173	12 571	14 216	1 280	57 240
Dec 2017	29 975	13 407	15 539	1 314	60 235
Jan 2018	30 907	13 858	16 703	1 747	63 215
Feb 2018	96	173	156	17	442
Mar 2018	24 932	16 214	19 404	1 147	61 697
Year Total	328 628	233 000	161 786	16 485	739 899

Change in No. of Enforcement Orders Issued					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2016-2017	137 505	108 921	38 443	2 634	287 503
2017-2018	328 628	233 000	161 786	16 485	739 899
Change	191 123	124 079	123 343	13 851	452 396
% change	138.99%	113.92%	320.85%	525.85%	157.35%

The information in the table on the right indicates that the total number of 739 899 Enforcement Orders were issued by the Issuing Authorities as follows:

- **JMPD:** A total of 328 628 Enforcement Orders were issued, which is an increase of 138.99% from 137 505 in 2016-2017;
- **TMPD:** 233 000 Enforcement Orders were issued, which is a 113.92% increase from 108 921 of the total;
- **GDoCS:** There were 161 786 Enforcement Orders issued in the 2017-2018 financial year; this is 320.85% from 38 443 in the previous year; and
- **RTMC:** 13 851 more Enforcement Orders issued from 2 634 in 2016-2017.
- The month of June has the highest Enforcement Orders issued for all the Issuing Authorities.

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



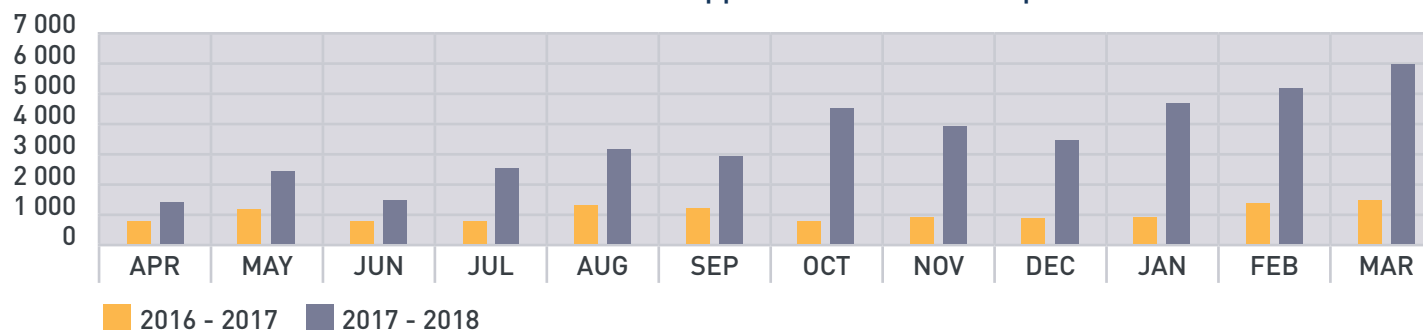
The number of Enforcement Orders issued per month during the year in comparison with the previous year is also reflected in the graph above.

1.1.7 Applications for the Revocation of Enforcement Orders

After having been served with an Enforcement order, the number of AARTO 14 applications submitted by infringers for the revocation of such Orders during the year under review in comparison with the previous financial year, is given in the table and reflected in the graph below.

Number of Revocation of EO Applications				
Month	2016-2017	2017-2018	Change	% Change
Apr	831	1 394	563	67.75%
May	1 109	2 319	1 210	109.11%
Jun	794	1 360	566	71.28%
Jul	890	2 453	1 563	175.62%
Aug	1 250	3 182	1 932	154.56%
Sep	1 200	2 955	1 755	146.25%
Oct	755	4 556	3 801	503.44%
Nov	981	4 018	3 037	309.58%
Dec	826	3 417	2 591	313.68%
Jan	910	4 697	3 787	416.15%
Feb	1 351	5 086	3 735	276.46%
Mar	1 495	6 014	4 519	302.27%
Total	12392	41451	29059	234.50%

No. of Revocation of Enforcement Order Applications submitted per month



The previous information shows as follows:

- The number of revocation applications has increased by 29 059 (234.50%) from 12 392 in 2016-2017 to 41 451 in the 2017-2018 financial year;
- During 2017-2018, the highest number of applications were recorded in March 2018, with a total of 6 014, followed by February, with 5 086 applications.
- All the months in this period have increased in the number of revocation applications from 2016-2017.

The number of applications considered during 2017-2018 is given in the table below.

Total Number of EO Revocation Applications			
Month	Applications Received	Successful	Unsuccessful
Apr-17	1 394	806	162
May-17	2 319	1 219	329
Jun-17	1 360	554	260
Jul-17	2 453	1 684	331
Aug-17	3 182	2 256	382
Sep-17	2 955	2 277	216
Oct-17	4 556	3 394	590
Nov-17	4 018	2 145	1 161
Dec-17	3 417	2 358	797
Jan-18	4 697	2 802	879
Feb-18	5 086	4 102	803
Mar-18	6 014	4 199	1 146
Total	41 451	27 796	7 056

The information in the table above shows the total number of revocation applications recorded in 2017-2018 to be 41 451, with a total of 27 796 being successful and a total of 7 056 being unsuccessful.

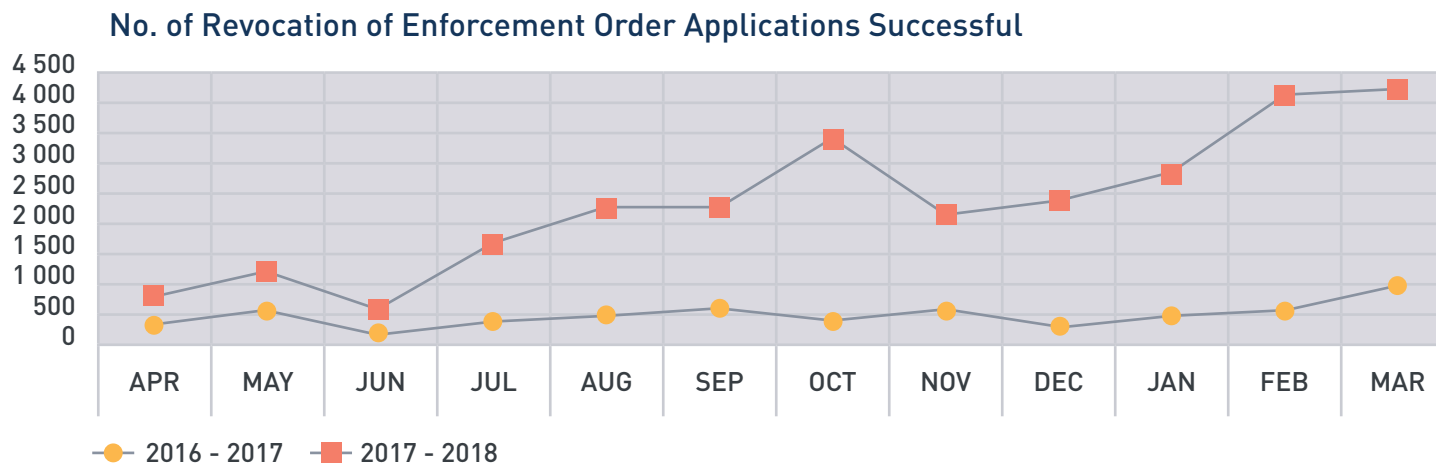
The reasons for applications being successful during 2017-2018 in comparison with the number in 2016-2017 are given in the table below.

Reasons for Successful EO Revocation Applications		
Reasons	2016-2017	2017-2018
Proof of payment received	6	7
Instalment application proof received	1	1
Representation proof received	576	6 794
Proof of nomination received	144	16
Court election notice received	82	164
Proof of court appearance received	4	5
Affidavit received	32	25
Other:	5 061	20 784
Total	5 906	27 796

The information in the table above shows as follows:

- The number of applications that were successful based on the submission of proof of representations submitted has increased from 576 in 2016-2017 to 6 794 in 2017-2018;
- The number of applications that were successful based on the submission of proof that elections to be tried in court were submitted increased from 82 in 2016-2017 to 164 in the 2017-2018 financial year; and
- The number of applications that were successful based on the submission of affidavits has decreased from 32 to 25;
- The number of applications that were successful based on nomination of a driver has declined from 144 in 2016-2017 to 16 in 2017-2018;
- The number of applications that were successful increased from 5 061 in 2016-2017 to 20 784 in 2017-2018.

The graph below shows the comparisons of month to month for the successful applications for revocation of enforcement orders for 2016-2017 and 2017-2018.



The reasons for revocation applications being unsuccessful during 2017-2018 in comparison with the number during the previous year are given in the table below.

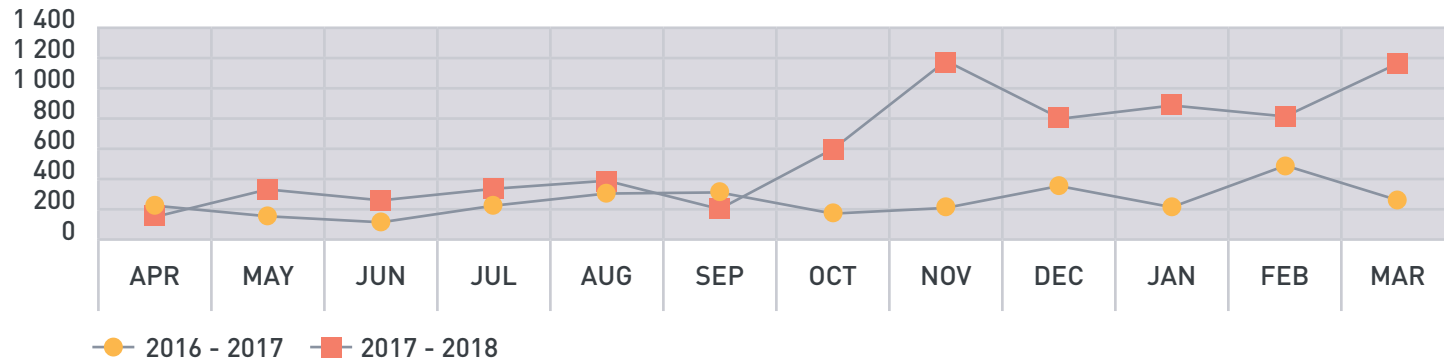
Reasons for Unsuccessful EO Revocation Applications		
Reasons	2016-2017	2017-2018
Applied for representation		
No proof for not appearing in court	1	38
No proof of new driver/person in control	367	209
No proof of representation application	118	463
AARTO 14 form not completed	73	10
No proof of non-service of infringement notice	1 098	1 936
No proof of court option	9	156
No proof of payment	9	95
Other	1 373	4 149
Total	3 048	7 056

The information in the table on the previous page shows as follows:

- The number of applications that were unsuccessful based on no proof of submitting a representation application increased from 118 in 2016-2017 to 463 in 2017-2018;
- The number of applications that were unsuccessful based on no proof submitted of the court option elected increased from 9 in 2016-2017 to 156 in 2017-2018; and
- The number of applications that were unsuccessful based on “other reasons” increased from 1 373 in 2016-2017 to 4 149 in 2017-2018.

In summary, all the number of reasons for unsuccessful Enforcement Order revocation applications has increased per reason, with the total from 3 048 in 2016-2017 to 7 056 in 2017-2018.

No. of Revocation of Enforcement Order Applications Unsuccessful



2. Strategic Outcome Oriented Goals

The strategic outcome orientated goals of the RTIA as reflected in the Strategic Plan are summarised in the tables below.

Strategic objective 1	Effective administration and resourcing of the Agency to deliver on its mandate
Goal	Ensure effective and efficient organisational management
Objective statement	Alignment of resources to ensure efficiency and implementation of AARTO objectives
Baseline	As at the end of October 2015, the Road Traffic Infringement Agency had 95 employees and 12 interns. Basic ICT infrastructure and key financial policies 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, respectively.
Links	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.

Strategic objective 2	Discourage the contravention of road traffic laws
Goal	Voluntary compliance with road traffic laws
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

Strategic objective 3	Co-ordinate and facilitate readiness for national implementation of AARTO
Goal	Voluntary compliance with road traffic laws
Objective statement	To ensure full readiness of all key stakeholders prior to full implementation of AARTO countrywide
Baseline	Average 80% readiness by key stakeholders upon implementation of AARTO
Justification	Empower stakeholders in ensuring their readiness in preparation for full implementation of 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)

Strategic objective 4	Influence change in road user behaviour
Goal	Voluntary compliance with road traffic laws
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	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)

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	Achieved	% Target Achieved	% Objective Achieved
1	Effective administration and resourcing of the Agency to deliver on its mandate				100%
1.1	Approval of ERP Model	Feasibility Study Report on ERP developed	Feasibility Study Report on ERP developed	100%	
1.2	% of Workplace Skills Plan implemented	70% Workplace Skills Plan implemented	Workplace Skills Plan achieved	100%	
2	Discourage the contravention of road traffic laws				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	Funding model developed	Funding model developed	100%	
3	Co-ordinate and facilitate readiness for national implementation of AARTO				100%
3.1	Dissemination of AARTO Information to IA's	18 AARTO workshops conducted nationally	24 AARTO workshops conducted nationally	100%	
3.2	% of IA's readiness for AARTO Rollout in 2017/18	80% Office Compliance inspection reports produced	93% Office Compliance inspection reports produced	100%	
4	Influence change in road user behaviour				50%
4.1	Number of campaigns implemented to influence change in road user behaviour	80 campaigns conducted	104 campaigns conducted	100%	
4.2	Service outlets established	5 additional AARTO service outlets established	0 additional AARTO service outlets established	0%	

A brief summary of achievements for all programmes and sub-programmes is provided in the table below:

Summary of Strategic Objective Achievements

No.	Programme	% Achieved
1	Effective administration and resourcing of the Agency to deliver on its mandate	100%
2	Discourage the contravention of road traffic laws	100%
3	Co-ordinate and facilitate readiness for national implementation of AARTO	100%
4	Influence change in road user behaviour	50%
	Overall Agency Performance	87.5%

1. The overall performance rating provided in the table above depicts the rating of targets up to 100% despite other areas exceeding the total of 100% when scored individually. Thus the cumulative performance has been tabulated at 87.5% on an aggregated basis of the individual strategic objectives.

Each of the above is discussed in detail under **Section 3 – Performance information by programme.**

3. Performance information by programme

3.1 Programme 1: Effective administration and resourcing of the Agency to deliver on its mandate

Strategic objective 1	Effective administration and resourcing of the Agency to deliver on its mandate
Goal	Ensure effective and efficient organisational management
Objective statement	Alignment of resources to ensure efficiency and implementation of AARTO objectives
Baseline	As at the end of October 2015, the Road Traffic Infringement Agency had 95 employees and 12 interns. Basic ICT infrastructure and key financial policies 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, respectively.
Links	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.

Sub-programmes

This programme consists of two sub-programmes, namely:

3.1.1 Approval of ERP Model.

3.1.2 % of Workplace Skills Plan implemented

Description of each sub-programme

3.1.1 Approval of ERP Model

Enterprise Resource Planning (ERP) is business process management software that allows an organisation to use a system of integrated applications to manage the business and automate office functions related to technology, services and human resources.

There are many advantages to implementing an Enterprise Resource Planning (ERP) software system; among others, implementing ERP software can improve productivity, increase efficiencies, decrease costs and streamline processes.

Below are five most common benefits:

- **Efficiency.** An ERP system eliminates repetitive processes and greatly reduces the need to manually enter information. The system will also streamline business processes and makes it easier and more efficient for the Agency to collect data.
- **Integrated Information.** Instead of having data distributed throughout a number of separate databases, all information is now located in a single location. Data is also kept consistent and up to date.
- **Reporting.** ERP software helps make reporting easier and more customisable. With improved reporting capabilities, the Agency can respond to complex data requests more easily. Users can also run their own reports without relying on help from IT unit.
- **Client Service.** It's easier to provide high-quality client service using an ERP system. Client service staff can interact with clients better and improve relationships with them, through faster, more accurate access to clients' information and history.
- **Security.** A new system will improve the accuracy, consistency and security of data. Restrictions to data can also be enhanced.

3.1.2 % of Workplace Skills Plan implemented

The workplace skills plan ensures that employees are trained in the relevant training programmes, as per the individual and organisational needs. The programmes will enhance employees' abilities and contribute towards successful execution of organisations' strategic objectives. Implementation of the workplace skills plan guarantees 20% of the annual contribution submitted to TETA in the form of a mandatory grant.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme 1 Strategic Objective: Effective administration and resourcing of the Agency to deliver on its mandate					
Key Performance Indicators (KPIs)	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Approval of ERP Model	N/A	Feasibility Study Report on ERP developed ERP Model approved	Feasibility Study Report on ERP developed	None	None
% of Workplace Skills Plan implemented	N/A	70% of Workplace Skills Plan implemented	Workplace Skills Plan implemented	+37%	Increased demand for skills upgrade

Strategy to overcome areas of underperformance

None.

Changes to planned targets

None.

Linking performance with budgets

Programme 1	2017/2018			2016/2017		
	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	66 229	39 499	26 730	61 968	39 540	22 428
Operating expenses	80 044	39 281	40 763	110 421	38 865	71 556
Total	146 273	78 780	67 493	172 389	78 405	93 984

3.2 Programme 2: Co-ordinate and facilitate readiness for national implementation of AARTO

Strategic objective 2	Discourage the contravention of road traffic laws
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

Sub-programmes

This programme consists of two sub-programmes, namely:

- 3.2.1 % of received representations adjudicated within 21 days.
- 3.2.2 Develop alternative funding model to ensure Agency sustainability.

Description of each sub-programme

3.2.1 % of received representations adjudicated within 21 days

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, administration prescripts will not be complied with.

All representations received up to 15 March 2018 will be considered as valid applications regarding the indicator.

All applications after 15 March 2018 will form part of the new financial year reporting period.

The final percentage in decimal form will be amended 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

3.2.2 Develop alternative funding model to ensure Agency sustainability

The Funding Model seeks to increase additional revenue streams. This Model will assist to ensure a self-sustainable Agency and to reinvest the funds accrued in road safety programmes. The consumer price index is used as the method of calculation as it is the primary indicator for the measurement of monetary policies and changes in the cost of living. Therefore it was assumed that in general the public shall be able to afford payment rates equivalent to the CPI.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme 2 Strategic Objective: Discourage the contravention of road traffic laws					
Key Performance Indicators (KPIs)	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
% of received representations adjudicated within 21 days	N/A	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	N/A	Funding model developed	Funding model developed	None	None

Strategy to overcome areas of underperformance

- None.

Changes to planned targets

- None.

Linking performance with budgets

Programme 2	2017/2018			2016/2017		
	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	46 892	22 795	24 097	48 014	16 087	31 927
Operating expenses	40 419	3 341	37 078	18 050	2 542	15 508
Postage of AARTO	83 284	33 417	49 867	83 224	19 617	63 607
Total	170 595	59 553	111 042	149 288	38 426	111 042

3.3 Programme 3: Co-ordinate and facilitate readiness for national implementation of AARTO

Strategic objective 3	Co-ordinate and facilitate readiness for national implementation of AARTO
Objective statement	To ensure full readiness of all key stakeholders prior to full implementation of AARTO countrywide
Baseline	Average 80% readiness by key stakeholders upon implementation of AARTO
Justification	Empower stakeholders in ensuring their readiness in preparation for full implementation of 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)

Description of each sub-programme

3.3.1 Dissemination of AARTO information to IA's

This indicator was designed to measure the number of AARTO workshops conducted nationally. It ensures that the transactional partners are ready for successful implementation of AARTO nationally. During the 2017/18 financial year the Agency planned to conduct 18 AARTO support workshops and eventually achieved 24 AARTO support workshops through the relevant information on AARTO national Rollout shared with the IA's.

3.3.2 % of IA's readiness for AARTO Rollout in 2017/18

Through the completed AARTO readiness forms and approved reports the Agency is able to determine the level of readiness of IA's. The Agency managed to assess 93% of IA's readiness against a set target of 80%.

Programme 3 Strategic objective: Co-ordinate and facilitate readiness for national implementation of AARTO					
Key Performance Indicators (KPIs)	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Dissemination of AARTO information to IA's	38 AARTO support workshops conducted at provincial level	18 AARTO support workshops conducted nationally	24 AARTO support workshops conducted at provincial level	+6 AARTO support workshops conducted at provincial level	Due to increased public awareness and education on AARTO to the IA's.
% of IA's readiness for AARTO Roll Out in 2017/18	382 verifications conducted	80% Office Compliance inspection reports produced (80% of IA's readiness for AARTO Rollout in 2017/18)	93% office compliance inspection reports produced	+13% office compliance inspection reports produced	The target was exceeded owing to different number IA's within the provinces

Strategy to overcome areas of underperformance - None.

Changes to planned targets - None.

Linking performance with budgets

Programme 3	2017/2018			2016/2017		
	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	21 518	6 088	15 430	5 163	5 795	-632
Rollout expenses	5 000	1 248	3 752	14 400	1 066	13 334
Operating expenses	704	135	569	8841	636	8205
Total	27 222	7 471	19 751	28 404	7 497	20907

3.4 Programme 4: Influence change in road user behaviour

Strategic objective 4	Influence 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	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)

Sub-programmes

This programme consists of two sub-programmes, namely:

- 3.4.1 Number of campaigns implemented to influence change in road user behaviour.
- 3.4.2 Number of additional AARTO service outlets established.

Description of each sub-programme

3.4.1 Number of campaigns implemented to influence change in road user behaviour.

This programme seeks to raise awareness about RTIA, its products and services. The programme performance indicator measures the number of education and awareness campaigns conducted. Without education and awareness campaigns the Agency may suffer reputational damage and have limited impact on all stakeholders.

The Agency conducted 104 campaigns as a means to increase public awareness and education on AARTO and road safety during the year under review.

3.4.2 Number of additional AARTO service outlets established.

The need to acquire and establish additional AARTO service outlets was, amongst other reasons, influenced by the spiralling volumes of national infringements and the assumption that should services be brought closer to the infringers in both urban and rural areas, levels of compliance to the road traffic laws will increase. As a result, visits to the Kiosks, to either query the infringements or to make arrangements for instalment payments and make representations, will improve service delivery.

Strategic objectives, performance indicators, planned targets and actual achievements

Programme 4 Strategic Objective: Influence change in road user behaviour					
Key Performance Indicators (KPIs)	Actual Achievement 2016/2017	Planned Target 2017/2018	Actual Achievement 2017/2018	Deviation from planned target to Actual Achievement for 2017/2018	Comment on deviations
Number of campaigns implemented to influence change in road user behaviour	5 Mobile Offices acquired and 2 were delivered	80 campaigns conducted	104 campaigns conducted	+24 campaigns conducted	AARTO Amendment Bill activations and increased stakeholder engagements
Number of additional AARTO service outlets established	None	05 additional AARTO service outlets established	0 additional AARTO service outlets established	-05 additional AARTO service outlets established	Acquisition for the supply and installation of AARTO Service outlets has been finalised

Strategy to overcome areas of underperformance

Acquisition for the supply and installation of AARTO Service outlets has been finalised.

Changes to planned targets

- None

Linking performance with budgets

Programme 4	2017/2018			2016/2017		
	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	16 095	9 042	7 053	15 869	9 042	6 827
Marketing and communications	66 000	64 412	1 588	47 000	15 970	31 030
Operating expenses	8 736	1 134	7 602	19 336	3 128	16 208
Total	90 831	74 588	16 243	82 205	31 405	54 065



1. INTRODUCTION

2. PARLIAMENTARY COMMITTEES

3. EXECUTIVE AUTHORITY

4. THE ACCOUNTING AUTHORITY / BOARD

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. Corporate governance at the entity is implemented through the precepts of the Public Finance Management Act, Companies Act 71 of 2008 and also in conjunction with the principles contained in the King IV report.

Parliament, the Accounting Authority and the Executive are, through various mechanisms, responsible for the overall entity's corporate governance.

2. Parliamentary Committees

The RTIA appeared before the Portfolio Committee to deliberate on the Annual Performance Plan, as well as to respond to Public Comments on the AARTO Amendment Bill.

The breakdown and dates of such meetings is as follows:

- 05 May 2017
- 13 June 2017
- 20 – 21 June 2017
- 26 – 28 June 2017
- 30 July – 02 August 2017
- 15 August 2017
- 31 October 2017

The Agency and the Department of Transport were further requested to appear before the Select Committee on Economic and Business Development on the following occasions:

- 03 October 2017
- 24 October 2017
- 13 – 14 February 2018

The Agency and the Department of Transport were further requested to appear before the Provincial Legislatures for the purpose of tabling the AARTO Amendment Bill on the following occasions:

- 14 November 2017 – Western Cape Legislature
- 24 November 2017 – North West Legislature
- 28 November 2017 – Mpumalanga Legislature
- 30 November 2017 – Limpopo Legislature
- 07 December 2017 – Eastern Cape Legislature
- 14 February 2018 – Free State Legislature
- 16 February 2018 – KZN Legislature
- 01 March 2018 – Gauteng Legislature

Public Hearings Schedules in Provinces

No.	Province	Town / District	Date
1	Western Cape	Bellville; Mossel Bay; Khayelitsha; Hermanus; and Clanwilliam.	15 February 2018 19 February 2018 27 February 2018 28 February 2018 01 March 2018
2	Mpumalanga	Kanyamazane; Ermelo; and Middelburg.	09 February 2018 09 February 2018 09 February 2018
3	Limpopo	Jane Furse; Polokwane; Giyani; Thohoyandou; and Modimolle.	13 February 2018 14 February 2018 15 February 2018 20 February 2018 21 February 2018
4	Eastern Cape	Amathole District; OR Tambo District; Chris Hani & Ukhahlamba District; Nelson Mandela District; Sarah Baartman District; Alfred Nzo District; and Joe Gqabi District.	19 – 23 March 2018 19 – 23 March 2018 19 – 23 March 2018 19 – 23 March 2018 19 – 23 March 2018 19 – 23 March 2018 19 – 23 March 2018
5	Free State	Zastron; Bloemfontein; Welkom; Sasolburg; and Qwaqwa.	13 February 2018 22 February 2018 28 February 2018 01 February 2018 09 February 2018
6	Gauteng	Boksburg; Johannesburg; Sedibeng; and Tshwane.	13 March 2018 22 March 2018 26 March 2018 28 March 2018

3. Executive Authority

The reports to the Executive Authority were all submitted timeously according to the stipulated schedule of the PFMA and agreed Annual Performance Plan. The Shareholder commended the outstanding achievements of the Agency's cumulative results to the end of the third quarter. As such, it demonstrated an overachievement of its targets by the Agency in the following areas:

- The facilitation of the AARTO Rollout readiness
- Influence the change of road user behaviour

The Executive Authority was satisfied with the compliance of the Agency with the SMART principles.

4. The Accounting Authority/Board

The Board of the RTIA is the Accounting Authority and is responsible for providing strategic direction and leadership to the entity. The Board provided leadership in the development of annual performance and strategy of the Agency during its sessions on 06 – 07 September 2017 as well as 20 January 2018.

The Board also continued to provide oversight support to EXCO as well as its Committees with regards to their delegated schedules and it managed such relationship through the reports which were filed by the various Committees before each Board Meeting. The Board also participated in the development and alignment of the Committee work plans with that of its own plans.

The role of the Board is as follows:

- the Board constitutes the fundamental base of corporate governance within the RTIA. Accordingly, the RTIA's constituent structures are headed and controlled by an effective and efficient Board, comprising of executive and non-executive Directors, of whom the majority should be non-executive Directors in order to ensure independence and objectivity in decision-making.
- as the Accounting Authority, the Board has the absolute responsibility for the effective performance of the Agency and is accountable to the Executive Authority for such performance. As a result, the Board 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 and key executives.

The Board

- retains full and effective control over the RTIA and monitors management in implementing Board decisions, plans and strategies.
- ensures that the RTIA has and maintains a system of internal audit under the control and direction of an audit 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; and
- has developed and implements an ICT Governance Framework aligned with the performance and sustainability objectives of the Agency. The Board therefore delegates its responsibilities to implement IT requirements to the Technical Committee; however, this delegation has subsequently been moved to the Audit and Risk Committee from the 2015/16 financial year onwards.
- neither the appointment nor the duties of the Audit and Risk Committee reduces the functions and duties of the Board or the Directors of the RTIA, except with respect to the appointment, fees and terms of engagement of the auditor.
- all Board members ensure that they have unrestricted access to accurate, relevant and timely information concerning or held by the RTIA and act on a fully informed basis, in good faith, with diligence, skill and care and in the best interest of the RTIA, whilst taking account of the interests of the Shareholder and other stakeholders, including employees, creditors, suppliers and local communities. To this end, the Board must monitor the process of disclosure and communication and exercise objective judgment on the affairs of the RTIA, independent of management. In so doing, each individual member of the Board must keep confidential all confidential matters of the RTIA.

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- the Board, as a whole and/or individual Board members 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. The Chairman of the Board ensures that all Board members are familiar with such procedure and comply with it.
 - without derogating from its fiduciary duties, the Board ensures that the Shareholder's performance objectives are achieved and that same can be measured in terms of the performance of the RTIA. In addition, the Board ensures that the RTIA prepares annual budgets against which its performance can be measured.
 - 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.
 - the Board develops 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.
 - Board members attend annual general meetings and ensure that all items prescribed by the Companies Act and the PFMA are tabled for discussion at such meetings.

- the Board ensures that financial statements are prepared for each financial year, which fairly presents the affairs of the RTIA. In addition, must maintain adequate accounting records, ensure 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.
- the Board appraises its performance and that of the Chairman on an annual basis. The Board has also considered, reviewed and evaluated its required mix of skills and experience and other qualities in order to assess its effectiveness and that of its committees and the contribution of each individual Director during the entire term of office. This is done through a confidential Board appraisal and the report submitted to the Minister as the Shareholder.
- the Board has ensured that there are appropriate and effective induction, education and training programmes offered to new and existing Board members.
- the Board has always maintained 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.

Board Charter

The board charter has, as mentioned in the previous section, been revised and covers the following areas:

- Fiduciary responsibilities
- Role of the Board
- Role of the Chairman
- Appointment of the Registrar
- Roles and Responsibilities of the Registrar and Management
- Role of Executive and Non-Executive Directors
- Role of the Company Secretary
- Remuneration of Directors
- Committees of the Board
- Formal Evaluation of Board Committees
- Mandate of the Board
- Board and Shareholder Relationship

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Other Board Directorship (List the Entities)	Other Committees	No. of Meetings attended
Ms NE Rapoo	Non-Executive Chairperson	01 August 2010	N/A	BCom (Law); LLB degree; Certificate Corporate Governance	Corporate Governance, Legal Advisory; Internal Audit, risk and compliance management	None		8
Mr JR Chuwe	Registrar & Executive Director	March 2010	N/A	BA Law; BA (Honours); Certificate Programme in Project Management	Strategic management; Operational management;	Global Road Safety Partnerships (GRSP-ZA)		15
Dr ZN Qunta	Non-Executive Director	1 December 2014	N/A	BAdmin, BCom (Hons), MCom (Economics), MBA, Certificate (Corporate Governance), PHD (Public Entity Governance)	Strategy Development and Finance	ZBQ Consulting, Chairperson of Railway Safety	HR & Remuneration Committee Audit & Risk Committee	18

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Other Board Directorship (List the Entities)	Other Committees	No. of Meetings attended
Mr B Matinise	Non-Executive Director	1 December 2014	N/A	BCom, BCom (Hons), MBL	Strategy Development	None	Technical Committee	15
Adv X N Khanyile	(Ex Officio) Non-Executive Director	1 December 2014	December 2017	B. Juris; LLB degree (Part LLM), MDP	Public Prosecution and Traffic Law	None	Technical Committee	9
Mr BS Chaplog	Non-Executive Director	1 December 2014	N/A	CA (SA)	Accounting & Taxation	None	Audit & Risk Committee	17
Prof Mokgoro	Non-Executive Director	1 December 2014	N/A	BSC (Chemistry), MA (Public Admin), PhD (Public Admin)	Strategy Development	None	Technical committee HR & Remuneration Committee	15

Committee	No. of meetings held	No. of Members	Names of Members	No. of Attendance
Board	Total 12 meetings - 9 Statutory meetings - 2 Strategic planning sessions - 1 AGM	7	Ms NE Rapoo Mr JR Chuwe Mr BS Chaplog Dr NZ Qunta Adv XN Khanyile Mr B Matinise Prof Mokgoro	8 11 10 8 8 11 10
Audit and Risk Committee	Total 12 meetings - 6 Statutory meetings - 3 Special meetings - 1 Training workshop - 2 Strategic planning sessions	5	Mr BS Chaplog (Chair) Ms S Thomas Ms T Mjoli Dr NZ Qunta Ms H Makhathini	7 10 9 6 7
Technical Committee	Total 6 meetings - 4 Ordinary meetings - 2 Strategic planning sessions	5	Mr Matinise (Chair) Ms N Lugisani Adv XN Khanyile Mr K Mayedwa Mr K Mashugane	4 4 1 5 6
HR and Remuneration Committee	Total 7 meetings - 5 Statutory meetings - 2 Strategic planning sessions	5	Prof Mokgoro (Chair) Dr NZ Qunta Adv L Madikizela Ms S Hlapolosa	5 4 5 6

* Adv Xolisile Khanyile resigned from the Board in December 2017.

Notes:

- * Resigned from Board membership.
- The Chairpersons of committees are also Board members and their attendance of strategic planning sessions is not included under their committees.
- The strategic planning sessions occurred over a period of three days.
- The training workshop for the ARC members was undertaken over a 2-day period.

Remuneration of board members

- The board remuneration is determined by the Minister of Finance through the normal annual adjustments in April of each year.
- The former Minister of Transport, Mr M.J Maswanganyi, approved a 5.5% cost of living adjustment in remuneration for Board and Committee members effective from 1 April 2017.
- Ms N Rapoo is remunerated as a Chairperson of the Board.
- Mr B Chaplog is remunerated as a member of the Board and Chairperson of the Audit and Risk Committee.
- Mr B Matinise is remunerated as a member of the Board and Chairperson of the Technical Committee.
- Dr NZ Qunta is remunerated as a member of the Board, HR & Remuneration Committee and Audit & Risk Committee.
- Prof TJ Mokgoro is remunerated as a member of the Board and Chairperson of the HR & Remuneration Committee.
- Adv XN Khanyile is an ex officio member of the board through her secondment from the Director of Public Prosecution and therefore does not receive any remuneration from the RTIA. She receives a stipend for her travel costs to the meetings.
- Ms Nkane Lugisani is employed by a public entity (Gautrain Management Agency) and therefore does not receive any remuneration from the RTIA because her employer has not authorised her to claim meeting attendance fees.
- Mr JR Chuwe is remunerated through his salary as the Executive Director.
- Members are remunerated for the time and effort spent on the RTIA's business, as well as the payment of their travel and related expenditure.

Total Earnings: April To March 2018

Initials and Surname	Board	Audit and Risk	Technical	HR and Renumeration	Total
N Rapoo	199 222	-	-	-	199 222
Z Qunta	97 006	27 060	-	72 757	196 823
J Mokgoro	143 550	-	-	98 594	242 144
B Chaplog	97 893	54 855	-	-	152 748
B Matiniise	159 268	-	73 810	-	233 078
X Khanyile	10 732	-	1 832	-	12 564
S Thomas		118 950	-	-	118 950
T Mjoli		68 961	-	-	68 961
H Makhathini		72 870	-	-	72 870
K Mashugane		-	86 750	-	86 750
K Mayedwa		-	93 690	-	93 690
S Hlapolosa		-	-	93 690	93 690
L Madikizela		-	-	139 233	139 233
Total	707 670	342 696	256 082	404 274	1 710 722

5. Risk Management

The RTIA is confronted with a plethora of risks that require strategic focus and committed attention on mitigation initiatives that support the attainment of the RTIA organisational objectives. To align with the reinforcement of the RTIA legislative mandate and strategic objectives of the organisation, the risk profile was comprehensively reviewed and finalised for implementation in the 2017/18 financial period. The RTIA Risk Management portfolio includes:

- Strategic risks
- Preventable risks
- External risks

The RTIA is also committed to building a risk intelligent culture across the organisation and its employees. As such, the Risk Management enablers, including the Fraud Prevention Plan, were reviewed and approved by the Board during the year under review. The quarterly Risk Analysis Reports and Board Strategic Risk Registers were submitted to the Board, detailing the residual value of each risk for the quarter under review in relation to the risk appetite and risk tolerance settings. The risk appetite and risk tolerance settings were approved by the Board through the Risk Management Strategy. Risk-Control Self-Assessment sessions were held with executives and managers.

The RTIA governance measures present an adequate platform for responding to the various risks that are inherent in the RTIA business. They include the continued commitment of the executive committee to prioritise Risk Management on its agenda, and the resolute engagement of the audit and risk committee and the RTIA Board in overseeing and advising on the RTIA risk management practices. The RTIA risk management framework ranks the risks in terms of the following:

Priority I – Risks that require board’s attention

Priority II – Risks that require Executive Management’s attention

Priority III – Risks that require Executive Management and Risk Champions’ attention

Priority IV – Risks that require managers and all staff’s attention

6. Internal Control Unit

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. Recommendations relating to the adequacy and effectiveness of controls were made where required. All significant findings were reported to the Audit and Risk Committee for monitoring. There is constant communication between the risk management and the internal audit functions to ensure that risks identified are utilised by internal audit during audit planning and execution in order to provide assurance that mitigation strategies and controls are implemented by management.

7. Internal Audit And Audit Committees

7.1 Internal Audit

The RTIA Internal Audit 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 internal audit activity assesses and makes appropriate recommendations for improving controls, risk and governance processes to accomplish the following objectives as required by Treasury Regulations 27.2:

- Effectiveness of operational and organisational performance management and accountability;
- Communicate risk and control information to appropriate areas of the organisation;
- Assist management in achieving the RTIA's strategic objectives;
- Secure reliability and integrity of financial and operational information;
- Promote appropriate ethics and values within the RTIA;
- Effective information technology system environment;
- Operate effectively and efficiently;

-
- Safeguarding RTIA's assets; and
 - Comply with laws, regulations, policies, procedures, and contracts.

Internal Audit operates in line with the International Standards for Professional Practice of Internal Auditing and performs its activities in compliance with the PFMA, Treasury regulations and the King IV Report on Corporate Governance. Accordingly, Internal Audit adopted a risk-based approach and the Audit Plan is approved by the Audit Committee. The Audit Plan is flexible and responsive to The RTIA's risk profile. The purpose, authority, and responsibility of the internal audit activity is formally defined in the Internal Audit Charter.

Internal Audit reports functionally to the Audit Committee and administratively to the Registrar. The Internal Audit Unit has full and unrestricted access to all organisational activities, records, property and personnel and has the support of management, the Audit Committee and the Board. The internal audit services delivers on its mandate, with a risk-based approach forming the basis of its methodology.

During the 2017/18 financial year, the internal audit function successfully completed 94% of its approved Audit Coverage Plan and the ad-hoc audit assignments as requested. The Internal Audit Unit underwent its first external quality assurance review and received a partial conformance rating. The Board also approved the Combined Assurance Framework during the financial year under review, which provides for three lines of defence.

7.2 Audit and Risk Committee

The objective of the Audit and Risk Committee is to provide oversight and assistance to the RTIA Board on control, governance and risk management processes.

The key activities of the Audit and Risk Committee are:

- to obtain and review the annual financial statements;
- to ensure that the annual financial statements are prepared in accordance with the reporting framework requirements as set out in the PFMA and related Treasury Regulations or applicable accounting;
- to review the Risk Management Policy and ensure it complies with Best Practice;

-
- to review the risk management process to ensure it is effective and efficient and identifies priority risks;
 - to review the Institution's compliance with all relevant legislation as well as the performance management and reporting systems;
 - to review and approve the Internal Audit Plan, its scope and any major changes to it, ensuring that it covers the key risks and that there is appropriate coordination with the External Auditor (the Auditor-General of South Africa); and
 - to review and approve the External Auditors' proposed audit scope, approach and audit fees for the year.

8. Compliance with Laws and Regulations

The Agency developed the compliance universe and action list which is managed with the different units on a quarterly basis. The related compliance reports get tabled at EXCO, Audit and Risk Committee and ultimately to the Board.

The Agency is in the process of adopting King IV standards and it conducted a comprehensive analysis and a related checklist on the measure of its compliance with such standards during the third quarter.

9. Fraud and Corruption

The RTIA maintains a zero tolerance approach to unethical or dishonest behaviour, and any employee found to be acting unethically is subject to disciplinary action. Fraud policy and a fraud prevention plan are in place and were approved by the RTIA board. An anti-fraud hotline is in place, which is operated by an external service provider and guarantees the anonymity of any person calling in to report suspected fraud, corruption or misuse of public resources. Anonymous tip-offs are investigated by the Internal Audit department. Fraud awareness workshops were conducted to inform all staff how to report fraud cases and what actions would be taken.

10. Minimising Conflict of Interest

Before every meeting, Board and Committee members are required to sign the declaration of interest forms.

11. Code of Conduct

The Code of Conduct Policy was approved and is currently being implemented in the organisation. Consultations and workshops have been conducted to familiarise all employees with the policy to ensure maximum compliance.

12. Health Safety and Environmental issues

The RTIA is in the process of implementing the recommendations of the Occupational Health Safety and Environmental issues audit.

13. Social Responsibility

The RTIA organised the following Social Responsibility programmes:

- Offered food parcels to 100 needy households on 18 July 2017.
- Offered food parcels to 50 needy households on 02 December 2017.
- Offered shoes to 110 needy students during the Back to Schools Campaign on 28 January 2018.

The RTIA further participated in the Social Responsibility programmes which were organised by the Department of Transport on the following dates:

- Mandela Day event which was held in Limpopo on 18 July 2017.
- Road Victims Christmas Day event which was held in Elukwatini.

RTIA EXCO



Ms Palesa Moalusi, CA (SA)
Chief Financial Officer



Mr Thabo Tsholetsane
Chief Operations Officer



Mr Jacob Mmekoa
Head: Corporate Strategy
& Reporting



Ms Lulekwa Ngcwabe
Senior Executive Manager:
Corporate Services



Mr Peter Baloyi
Acting Senior Executive
Manager: Information
Management



Ms Zukisa Nduneni
Senior Executive Manager:
Communications



Ms Keobakile Pooe
Executive: Internal Audit
& Risk Management



Mr Leonard Masango
Senior Manager:
Information Technology

Board Members



Ms Nomini Rapoo
Chairperson



Mr Japh Chuwe
Registrar/Chief Executive
Officer



Prof. Job Mokgoro
Member of the Board



Mr Bryan Chaplog, CA (SA)
Member of the Board



Mr Benedict Matinise
Member of the Board



Dr Zethu Qunta
Member of the Board



Adv. Mncedisi Bilikwana
Company Secretary

Adv. Xolisile Khanyile
Member of the Board



Introduction

The Annual Performance Plan (APP) serves as a primary source when accounting for performance. For the 2017/2018 financial year the Road Traffic Infringement Agency (RTIA) outlined key performance indicators relating to human resource management, implemented in line with Strategic Objective 1: Administration and resourcing of the Agency to achieve its mandate.

In view of the above, for the year under review the HR Unit recorded the following achievements in line with the Annual Performance Plan (APP).

- * Achieved more than 100% of the APP deliverables for the 2017/2018 financial year; and
- * Achieved 100% implementation of the Work Skills Plan.

The achievement indicates the extent to which the Agency prioritised the learning and development of its staff members. The applicable table below indicates the learning and development expenditure and the number of employees who benefited from the learning interventions to increase their competency. In addition to the internal bursary programme, the Agency implemented an external bursary fund with the aim of affording deserving students the opportunity to further their studies relevant to the core business of the Agency. This is aligned to the key performance indicator as outlined in the integrated Human Resource (HR) Strategy. The Agency further appointed ten (10) suitably qualified young graduates as Interns and provided them with an opportunity in the road traffic management procedures and systems. The Interns were not only exposed to administrative processes of the AARTO process but also afforded with appropriate learning and development opportunities in the field.

The Agency successfully implemented its Performance Management Framework (PMF) for the second year to recognise and reward outstanding employee performance. In relation to employee relations, the Management of the Agency continued regular engagements with the representative trade union to ensure good employee relations.

In respect of employee costs and headcount, the Agency did not record a high number of appointments; the reason is attributed to the fact that the Agency prioritised the development of an organisational structure that will adequately deliver its mandate. After a vigorous process the Board approved the organisational structure as indicated on page 17.

Table 2.1 Personnel Cost by Programme

The table below indicates the total expenditure per programme for the 2017/2018 financial year.

Table 2.1 Personnel Cost by Programme					
Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
1	R 38 246	R 40 076	105%	42	R 954
2	R 7 471	R 21 882	293%	40	R 547
3	R 74 588	R 15 882	21%	6	R 2 647
4	R 78 780	R 3 897	5%	16	R 244
Total	R 199 085	R 81 737	41%	104	R 786

Table 2.2: Personnel Cost by Salary Band

The personnel cost per salary band during the year under review is shown in Table 2.2. The table displays employee costs across occupational classes within the RTIA. For the period under review the employee costs grew from R 76 703 476 in 2016/17 to R 81 737 000.

Table 2.2 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 (R'000)
Top Management (Levels 15-16)	R 15 856	19%	7	R 2 265
Senior Management (Levels 13-14)	R 21 048	26%	16	R 1 316
Professional Qualified (Levels 9-12)	R 30 596	37%	44	R 695
Skilled (Levels 6-8)	R 11 154	14%	33	R 338
Semi-skilled (Levels 3-5)	R 3 083	4%	4	R 771
Unskilled (Levels 1-2)				
Total	R 81 737	100%	104	R 786

Table 2.3: Performance Rewards per Occupational Category

For the period under review, the RTIA continued to implement the performance management framework introduced in the 2015/2016 financial year. The framework encourages high performance culture among the employees and ultimately the Agency.

Employees are encouraged to ensure that their individual performance is aligned to Agency strategy. The implementation of this framework is one step closer to the retention strategy that the RTIA plans to implement to ensure retention of high performers. The cost of performance incentives for 2016/17 was R 81 737 000. Table 2.3 provides an outline of performance rewards per occupational level.

Table 2.3 Performance Rewards per Occupational Band			
Occupational Bands	Performance Rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	R 3 728	R 15 856	24%
Senior Management	R 3 148	R 21 048	15%
Professional qualified	R 4 291	R 30 596	14%
Skilled	R 1 617	R 11 154	14%
Semi-skilled	R 132	R 3 083	4%
Unskilled		R 0	
Total	R 12 916	R 81 737	71%

Table 2.4: Training Costs per Business Unit

The employee learning and development initiatives costs per Business Unit during the year under review are shown below in Table 2.4. For the period under review a total 102 employees (including Interns) were trained, against 73 trained in 2016/2017.

Table 2.4 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	R 41 190	R 720	2%	41	R 17 561
Office of the COO	R 10 264	R 219	2%	13	R 16 846
Finance	R 15 749	R 288	2%	22	R 13 091
Information Management	R 3 897	R 76	2%	11	R 0
Adjudications	R 10 637	R 194	0%	15	R 12 933
Total	R 81 737	R 1 497	2%	102	R 14 676

For the period under review the Agency had one vacancy as outlined below:

Table 2.5 Employment and Vacancies per Programme

Programme	2016 / 2017 No. of Employees	2017 / 2018 Approved Posts	2017 / 2018 No. of Employees	2017 / 2018 Vacancies	% of vacancies
1	34	1	42	1	100,00%
2	7	0	40	0	-
3	13	0	6	0	-
4	57	0	16	0	-
Total	111	1	104	1	100,00%

For the 2017/2018 financial year, one position was filled.

Table 2.6 Employment and Vacancies per Occupational Band

Occupational Bands	2016 / 2017 No. of Employees	2016 / 2017 Approved Posts	2017 / 2018 No. of Employees	2017 / 2018 Vacancies	% of vacancies
Top Management	5	0	7	0	-
Senior Management	17	1	16	1	100,00%
Professional qualified	44	7	44	0	-
Skilled	23	5	23	0	-
Semi-skilled	14	0	14	0	-
Unskilled	0	0	0	0	-
Total	103	13	104	1	100,00%

Table 2.7: Changes in Employee Numbers and Movements

The table below shows that only one (1) appointment was made and by end of March 2018, the Agency had 99 employees. In addition to that, five (5) employees left the employ of the RTIA due to resignations, death and dismissal.

Table 2.7 Employment Changes per Salary Band				
Salary Bands	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management (Levels 15-16)	5	0	2	3
Senior Management (Levels 13-14)	17	1	0	18
Professional Qualified (Levels 9-12)	44	0	3	41
Skilled (Levels 6-8)	23	0	0	23
Semi-skilled (Levels 3-5)	14	0	0	14
Unskilled (Levels 1-2)	0	0	0	0
Total	103	1	5	99

Table 2.8: Reasons for staff leaving

This table indicates the reasons associated with staff leaving the Agency.

Table 2.8 Reasons for Staff Leaving	
Reason	Number
Death	1
Resignation	3
Dismissal	1
Retirement	0
Ill health	0
Expiry of contract	0
Other	0
Total	5

Table 2.9: Labour Relations: Misconduct and Disciplinary Action

The table below indicates the number and types of disciplinary action taken for the year under review:

Table 2.9 Labour Relations: Misconduct and Disciplinary Action	
Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	1
Suspension	1
Dismissal	1
Total	3

Table 2.10a Equity Target and Employment Equity Status - Male

The below table indicates the number of male employees across different races and occupational groups. It is depicted that there is over-representation of African Males within the RTIA and severe under-representation of Coloured Males, Asian Males as well White Males. The RTIA is struggling to attract the above-mentioned designated groups to improve the Economically Employed Persons (EAP) within those groups.

Table 2.10a Labour Relations: Equity Target and Employment Equity Status - Male										
Race Group	African		Coloured		Asian		White		Total Male	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	0	0	0	0	0	0	0	3	0
Senior Management	10	0	1	0	0	0	1	0	12	0
Professional qualified	21	0	1	0	0	0	0	0	22	0
Skilled	12	0	0	0	0	0	0	0	12	0
Semi-skilled	5	0	0	0	0	0	0	0	5	0
Unskilled	0	0	0	0	0	0	0	0	0	0
Total	51	0	2	0	0	0	1	0	54	0

Table 2.10b Equity Target and Employment Equity Status - Female

The table below depicts the number of female employees in the RTIA. It is key to note that although the total number is 46, there is a lack of female representation on Management and Senior Management positions as well as lack of representation from other racial groups such as Coloureds, Asians and Whites.

Table 2.10b Labour Relations: Equity Target and Employment Equity Status - Female										
Race Group	African		Coloured		Asian		White		Total Female	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	0	0	0	0	0	0	0	3	0
Senior Management	4	0	0	0	0	0	0	0	4	0
Professional qualified	16	0	2	0	0	0	1	0	19	0
Skilled	11	0	0	0	0	0	0	0	11	0
Semi-skilled	8	0	1	0	0	0	0	0	9	0
Unskilled	0	0	0	0	0	0	0	0	0	0
Total	42	0	3	0	0	0	1	0	46	0

Table 2.10c Labour Relations: Equity Target and Employment Equity Status - Total										
Race Group	African		Coloured		Asian		White		Total Male	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	6	0	0	0	0	0	0	0	6	0
Senior Management	14	0	1	0	0	0	1	0	16	0
Professional qualified	37	0	3	0	0	0	1	0	41	0
Skilled	23	0	0	0	0	0	0	0	23	0
Semi-skilled	13	0	1	0	0	0	0	0	14	0
Unskilled	0	0	0	0	0	0	0	0	0	0
Total	93	0	5	0	0	0	2	0	100	0

For the 2017/2018 financial year, the Agency has struggled to attract people living with disabilities as outlined in the Employment Equity plan of the Agency. The table below reflects the same.

Table 2.11 Disabled staff						
Gender	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

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The reports and statements set out above comprise the annual financial statements presented to the Parliament of South Africa:

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 2018, the Road Traffic Infringement Agency has lodged with the Minister of Transport and the National Treasury, the required audited annual financial statements, audited performance information and the annual report as prescribed.



Company Secretary

Adv MLT Bilikwana

Date: 2018-07-31

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The members are required by the Public Finance Management Act, 1999 (Act 1 of 1999), to maintain adequate accounting records and are 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 members 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 the 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 members acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the members to meet these responsibilities, the accounting authority sets standards for internal control aimed at reducing the risk of 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 members are 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 members have reviewed the entity's cash flow forecast for the year to 31 March 2019 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is wholly 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, they are supported by the entity's external 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 and their report is presented on page 133.

The annual financial statements set out on pages 139 to 171, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2018 and were signed on its behalf by:



NE Rapoo
Chairperson of Accounting Authority
Date: 2018-07-31



BS Chaplog
Chairperson of Audit and Risk Committee
Date: 2018-07-31

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2018.

Audit and Risk Committee Responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 55 of the Public Finance Management Act and paragraph 27.1.13 of the Treasury Regulations.

The Audit and Risk Committee is an independent statutory committee appointed by the Board. The duties and responsibilities of the Audit and Risk Committee, as delegated by the Board, are included in this report.

Audit and Risk Committee Terms of Reference

The Audit and Risk Committee has adopted formal Terms of Reference as its Audit and Risk Committee Charter that has been approved by the Board. The Committee has conducted its affairs in compliance with this Charter and has discharged its responsibilities contained therein.

Audit and Risk Committee Members and Attendance

The Audit and Risk Committee consists of 5 independent, non-executive members.

The Registrar, Chief Financial Officer, Chief Audit Executive, external auditors and other assurance providers attend meetings by invitation only.

During the year, 12 meetings were held. This is inclusive of a two-day strategic planning session, and an Audit and Risk Committee workshop.

Name	Member	Number of meetings attended
Mr BS Chaplog	Chairperson	7
Ms S Thomas	Member	10
Ms T Mjoli	Member	9
Dr NZ Qunta	Member	6
Ms H Makhathini	Member	7

Roles and Responsibilities

The Audit and Risk Committee's roles and responsibilities include its statutory duties as per the PFMA, 1999 (Act No. 1 of 1999), as well as the Treasury Regulations issued in terms of the PFMA and the responsibilities assigned to it by the Board. The Audit and Risk Committee is responsible for performing its duties as set out in the Audit and Risk Committee Charter, which included reviewing the following:

- The effectiveness of the RTIA's internal control systems;
- The risk areas of the RTIA's operations to be covered in the scope of the internal and external audits;
- The accounting and auditing concerns identified as a result of the internal or external audits;
- The RTIA's compliance with legal and regulatory provisions, in particular the Administrative Adjudication of Road Traffic Offences Act, (AARTO Act); the Administrative Adjudication of Road Traffic Offences Act Regulations, (AARTO Regulations); the PFMA, as well as National Treasury Regulations;
- The activities of the Internal Audit function, including its work programmes, coordination with the external auditors, the reports of significant investigations and the responses of Management to specific recommendations;
- The independence and objectivity of the external auditors;
- The review of the Annual Financial Statements with specific attention to:
 - Underlying accounting policies or changes thereto;
 - Major estimates and managerial judgements;
 - Significant adjustments flowing from the year-end audit;
 - Compliance with effective South African Standards of Generally Recognised Accounting Practice (GRAP), the PFMA and other statutory precepts; and
 - The appropriateness of the 'going concern' assumption.

The Audit and Risk Committee also undertook the following activities during the year under review:

- Reviewing and approving the Internal Audit Plan;
- Attending to any additional work assigned to the Audit and Risk Committee by the Board;
- Encouraging communication between members of the Board, Senior Executive Management, the Internal Audit Unit, and the external auditors.

External Auditors

During the year under review, the Audit and Risk Committee met with the external auditors to ensure that there are no unresolved issues. The Audit and Risk Committee is satisfied that it complied with its legal, regulatory and other responsibilities. The Audit and Risk Committee, in consultation with Executive Management, agreed to the engagement letter, terms, audit plan and budgeted audit fees for the 2017/18 financial year audit.

Financial Statements and Accounting Policies

The Audit and Risk Committee has evaluated the Accounting Policies and Annual Financial Statements of the RTIA for the year ended 31 March 2018 and concluded that they comply, in all material respects, with the requirements of the PFMA, and were prepared in accordance with the effective Standards of GRAP issued by the Accounting Standards Board (ASB).

Internal Controls

The Audit and Risk Committee is of the opinion that the agency's internal controls are adequate to ensure that the financial records may be relied upon for preparing the Annual Financial Statements, there is effectiveness and efficiency of agency operations and there is consistent compliance with laws and regulations governing the agency.

Based on the results of the formal documented review of the design, implementation and effectiveness of the RTIA's system of internal controls conducted by the Internal Audit function during the 2017/18 financial year and, in addition, considering information and explanations given by management and discussions with the external auditor on the results of their audit, the Audit and Risk Committee is of the opinion that the RTIA's system of internal controls is effective and forms a sound basis for the preparation of reliable Annual Financial Statements and Performance Information reported.

Whistle-blowing

The Audit and Risk Committee receives and deals with any concern or complaints, whether from within or outside the RTIA, relating to the accounting practices and operations of the RTIA, the content or auditing of the RTIA's Annual Financial Statements, the internal controls of the RTIA, RTIA's Supply Chain Function, adjudication process and other related matters.

Reporting and Combined Assurance

The Audit and Risk Committee fulfils an oversight role regarding the RTIA's Annual Report and the reporting process, including the system of internal control. Furthermore, the Audit and Risk Committee oversees co-operation between the internal and external auditors and other assurance providers as well as the risk management function.

Going Concern

The Audit and Risk Committee assessed the 'going concern' assumption before agreeing that the adoption of the 'going concern' premise is appropriate in preparing the Annual Financial Statements.

Governance of Risk

The Board has assigned oversight of the RTIA's Risk Management function to the Audit and Risk Committee (ARC). The ARC fulfils an oversight role regarding strategic risks, brand and reputational risks, financial risks, compliance, fraud and information technology risks, as it relates to RTIA operations.

Internal Audit

The Audit and Risk Committee is responsible for ensuring that the RTIA's Internal Audit function is independent and has the necessary resources, standing and authority within the RTIA to enable it to discharge its duties. The Internal Audit function is responsible for reviewing and providing assurance on the adequacy and effectiveness of the internal control environment across all of the RTIA's operations. The Chief Audit Executive is responsible for reporting the findings of the Internal Audit work against the agreed Internal Audit Plan to the ARC on a regular basis. The Chief Audit Executive has a functional reporting line to the Audit and Risk Committee, primarily through its Chairperson, and reports administratively to the Registrar. The Audit and Risk Committee is also responsible for the appointment and assessment of the performance of the Chief Audit Executive and the Internal Audit function.

Evaluation of the Expertise and Experience of the Chief Financial Officer and Finance Function

The Audit and Risk Committee has satisfied itself that the Chief Financial Officer has appropriate expertise and experience. The Audit and Risk Committee has considered, and has satisfied itself with the appropriateness of the expertise and adequacy of the resources within the Finance function.

A handwritten signature in black ink, appearing to be 'Bryan Chaplog', is written over a horizontal line.

Mr Bryan Chaplog, CA (SA)

Chairperson of the Audit and Risk Committee

Date: 2018-07-31

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Road Traffic Infringement Agency set out on 145 to 177, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Road Traffic Infringement Agency as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the entity in accordance with the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code) and the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of accounting authority for the financial statements

6. 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 (GRAP) and the requirements of the Public Finance Management Act (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.
7. In preparing the financial statements, the accounting authority is responsible for assessing the Road Traffic Infringement Agency's ability to continue as a going concern, disclosing, as applicable, matters relating to a going concern and using the going concern basis of accounting unless the accounting authority either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

10. 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 objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the entity. I have not evaluated the completeness and appropriateness of the performance indicators/measures included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated 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 objectives presented in the annual performance report of the entity for the year ended 31 March 2018:

Objectives	Pages in the annual performance report
Objective 2 – Discourage the contravention of road traffic laws.	86 - 88
Objective 3 – Co-ordinate and facilitate readiness for national implementation of AARTO rollout.	89 - 90
Objective 4 – Influence change in road user behaviour.	91 - 94

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. The material findings in respect of the usefulness and reliability of the selected objectives are as follows:

Objective 2 – Discourage the contravention of road traffic laws

Reported achievement did not agree with the evidence provided

15. The reported achievement for the Funding model developed was misstated as the audit evidence provided indicated that a model that was developed was not approved by the board.
16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following objectives:
- Objective 3 – Co-ordinate and facilitate readiness for national implementation of AARTO rollout
 - Objective 4 – Influence change in road user behaviour

Other matters

17. There were no other matters to report.

Achievement of planned targets

18. Refer to the annual performance report on paragraph(s) 78 to 94 for information on the achievement of planned targets for the year and explanations provided for the under/overachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) 14, 15, 28, 29 of this report.

Non-adjustment of material misstatements

19. I identified a material misstatement in the annual performance report submitted for auditing which was not subsequently amended. This material misstatement was on the reported performance information of Discourage the contravention of road traffic.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

21. The material finding on compliance with specific matters in key legislations are as follows:

Procurement and contract management

22. Goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1.

Other information

23. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the General Information (Registrar's report), reported performance information, the audit committee's report and human resource management information. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.

24. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

25. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit or otherwise appears to be materially misstated.

26. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

27. 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 to my opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report.

Financial and performance management

Regular, accurate and complete financial and performance reports

28. There was inadequate monitoring and approvals from management and governance structures of the entity on financial and performance management functions of the entity, resulting in the internal controls not preventing, detecting and correcting material findings in the annual performance report.

Compliance monitoring

29. There was non-compliance with legislation reported; this was due to not applying procurement processes though it was not impractical to invite quotations.

Other reports

30. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

31. During the year, the Board of directors appointed a firm for a forensic investigation pertaining to grievance matters and allegations levelled by a staff member. The investigation was completed in the current year and the final report dated 31 December 2017 submitted to the board. Management developed and implemented an action plan to address the recommendations that were detailed in the report.

Auditor-General

Pretoria

Date: 2018-07-31



AUDITOR-GENERAL
SOUTH AFRICA

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the entity’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority
 - conclude on the appropriateness of the board of directors, which constitutes the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Road Traffic Infringement Agency’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause an entity to cease continuing as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
 - obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting authority that I have complied with relevant ethical requirements regarding independence and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

The members submit their report for the year ended 31 March 2018.

1. Going concern

We draw attention to the fact that at 31 March 2018, the entity had an accumulated surplus of R 96 854 310 and that the entity's total assets exceeded its liabilities by R 96 854 310.

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.

2. Subsequent events

The members are not aware of any matter or circumstance arising since the end of the financial year.

3. Accounting Authority

The members of the entity during the year and to the date of this report are as follows:

Name	Membership	Changes
NE Rapoo	Non-executive	
NZ Qunta	Non-executive	
TJ Mokgoro	Non-executive	Resigned 26 June 2018
BS Chaplog	Non-executive	
B Matinise	Non-executive	
XN Khanyile	Non-executive	Resigned 31 December 2017
JR Chuwe	Executive	

4. Secretary

The company secretary of the entity is Advocate MLT Bilikwana.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018

Figures in Rand	Note(s)	2018	2017 Restated*
Assets			
Current Assets			
Receivables	3	57 894 715	57 769 725
Cash and cash equivalents	4	132 886 563	176 978 094
AARTO assets	8	33 092 058	22 220 295
		223 873 336	256 968 114
Non-Current Assets			
Property, plant and equipment	5	4 207 505	6 141 564
Intangible assets	6	626 912	626 926
		4 834 417	6 768 490
Total Assets		228 707 753	263 736 604
Liabilities			
Current Liabilities			
Payables	7	29 065 124	46 831 263
National Treasury Surplus Retention	28	69 696 261	-
AARTO liabilities	8	33 092 058	22 220 295
		131 853 443	69 051 558
Total Liabilities		131 853 443	69 051 558
Net Assets		96 854 310	194 685 046
Accumulated surplus		96 854 310	194 685 046

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note(s)	2018	2017 Restated*
Revenue			
Infringement fees	9	166 036 656	140 906 187
Government grants	9	17 696 000	10 092 000
		183 732 656	150 998 187
Other income			
Sundry income		10 300	151 291
Operating expenses			
Employment costs		(82 216 347)	(76 703 476)
Depreciation and amortisation on assets	5&6	(3 372 228)	(4 169 115)
Other operating expenses		(125 157 324)	(62 790 228)
Rental mobile buses		(11 664 698)	(957 600)
Repairs and maintenance		(296 280)	(353 225)
		(222 706 877)	(144 973 644)
Operating (deficit) surplus	10	(38 963 921)	6 175 834
Interest received		8 656 396	9 929 552
(Deficit) surplus for the year		(30 307 525)	16 105 386

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Accumulated surplus	Total net assets
Balance at 01 April 2016	178 579 660	178 579 660
Surplus for the year	16 105 386	16 105 386
Total changes	16 105 386	16 105 386
Opening balance as previously reported	194 685 046	194 685 046
Adjustments		
Prior year adjustments	2 173 050	2 173 050
Restated* Balance at 01 April 2017 as restated*	196 858 096	196 858 096
Deficit for the year	(30 307 525)	(30 307 525)
National Treasury surplus retention	(69 696 261)	(69 696 261)
Total changes	(100 003 786)	(100 003 786)
Balance at 31 March 2018	96 854 310	96 854 310

CASH FLOW STATEMENT

Cash flows from operating activities

Figures in Rand	Notes	2018	2017 Restated*
Receipts			
Infringement receipts		156 348 965	158 517 401
Grants allocated		17 696 000	10 092 000
Interest income		8 656 396	9 929 552
AARTO collections		181 269 518	197 640 475
		363 970 879	376 179 428
Payments			
Employee costs		(82 216 347)	(76 703 476)
Suppliers		(142 706 236)	(88 975 188)
AARTO disbursements		(181 269 518)	(197 640 475)
		(406 192 101)	(363 319 139)
Net cash flows from operating activities	11	(42 221 222)	12 860 289
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(632 648)	(1 655 619)
Purchase of other intangible assets	6	(1 237 661)	(1 385 335)
Net cash flows from investing activities		(1 870 309)	(3 040 954)
Net increase/(decrease) in cash and cash equivalents		(44 091 531)	9 819 335
Cash and cash equivalents at the beginning of the year		176 978 094	167 158 759
Cash and cash equivalents at the end of the year	4	132 886 563	176 978 094

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Figures in Rand	Actual amounts on comparable basis	Approved budget	Difference between final budget and actual
Statement of Financial Performance			
Revenue			
Income			
Infringement fees	166 036 656	370 227 000	(204 190 344)
MTEF allocation	17 696 000	17 696 000	-
	183 732 656	387 923 000	(204 190 344)
Expenditure			
Personnel Cost	82 216 347	151 300 496	69 084 149
Operating Expenses	26 134 139	30 906 948	4 772 809
Postage	33 417 924	83 286 546	49 868 622
Mobile Buses	11 664 698	12 000 000	335 302
Enterprise Development Projects	-	21 478 177	21 478 177
AARTO Rollout	2 074 740	5 000 000	2 925 260
Capital expenditure spending	1 785 191	11 950 834	10 165 643
HR Projects	1 317 689	3 000 000	1 682 311
Funding Model	491 705	2 000 000	1 508 295
Communication education campaigns	4 002 996	8 000 000	3 997 004
Advertising costs	27 683 072	35 000 000	7 316 928
Integrated Marketing	23 251 680	24 000 000	748 320
Total expenditure	214 040 181	387 923 001	173 882 820
Net deficit	(30 307 525)	-	(30 307 525)

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, is disclosed below.

These accounting policies are consistent with the previous period.

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 2017 to 31 March 2018. The financial statements and budget are prepared on the same basis of accounting; comparative information is not required.

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.

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 doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment 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 debtors based on their past payment history and risk profile.

The Agency assesses its receivables for impairment at each balance sheet date. In determining whether impairment for doubtful debts should be recognised, management will make judgements as to whether there is objective evidence indicating that the financial asset may be impaired.

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) 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.

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 de-recognised.

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 a change in accounting estimate.

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 de-recognised 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 de-recognition of an item of property, plant and equipment is included in surplus or deficit when the item is de-recognised. The gain or loss arising from the de-recognition 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 de-recognised 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.

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

1.8 Financial instruments

Initial recognition

Financial assets and financial liabilities are recognised on the statement of financial position when the company has become a party to contractual provisions of the instrument. Financial assets are de-recognised 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 de-recognised when, and only when, the company'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 89 of 1991).

1.10 Operating leases

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.

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 asset's 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.

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.

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.

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. 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 retirements 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.

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 as 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 year 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 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 31 of the AARTO Regulations.

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 e-Natis system. The value of the services cannot be reliably measured.

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 18: Segment Reporting
- GRAP 20: Related parties
- GRAP 109: Accounting by Principals and Agents
- GRAP 21 (as amended 2015): Impairment of non-cash-generating assets
- GRAP 26 (as amended 2015): Impairment of cash-generating assets

Effective date:

Years beginning on or after

01 April 2017
01 April 2017
01 April 2017
01 April 2017
01 April 2017

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2018 or later periods:

Standard/Interpretation:

- Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities

Effective date:

Years beginning on or after

01 April 2018

3. Receivables

Figures in Rand	2018	2017
Deposits	1 426 128	1 426 128
Other receivables	52 332 461	42 644 770
Prepayments	3 334 836	13 074 268
Reclassified payables into receivables	801 290	254 119
Staff receivables	-	219 149
Sundry receivables	-	151 291
	57 894 715	57 769 725
Reconciliation of other receivables:		
AARTO Banks	52 332 461	42 644 770

Other receivables past due but not impaired

Other receivables which are less than 90 days past due are not considered to be impaired. Management have assessed the recoverability of receivables and there are no indications that the balance is impaired, therefore no impairment has been provided for.

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

Days	2018	2017
0 - 60 days	16 737 148	11 978 003
60 - 90 days	2 369 111	179 303
90+ days	33 226 202	30 487 464
Total	52 332 461	42 644 770

Other receivables impaired

As of 31 March 2018, trade and other receivables of R nil (2017: R nil) were impaired and provided for. The amount of the provision was R nil as of 31 March 2018 (2017: R 37 077 676).

Opening balance	37 077 676	37 077 676
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4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balance - operations account	132 834 130	176 974 549
Bank balance - salaries account	52 433	3 545
Total	132 886 563	176 978 094

5. Property, plant and equipment

	Cost / Valuation	2018 Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	2017 Accumulated depreciation and accumulated impairment	Carrying value
Office equipment	1 691 516	(1 080 797)	610 719	1 967 912	(852 410)	1 115 502
Furniture and fixtures	2 953 420	(1 334 988)	1 618 432	3 348 190	(1 741 985)	1 606 205
IT equipment	5 760 627	(4 954 680)	805 947	5 930 722	(4 343 972)	1 586 750
Motor vehicles	3 183 538	(2 011 131)	1 172 407	3 183 538	(1 370 715)	1 812 823
Leasehold improvements	-	-	-	2 282 921	(2 262 637)	20 284
Total	13 589 101	(9 381 596)	4 207 505	16 713 283	(10 571 719)	6 141 564

Reconciliation of property, plant and equipment - 2018

	Opening balance	Additions	Retired carrying value	Depreciation	Total
Office equipment	1 115 502	60 896	(243 756)	(321 923)	610 719
Furniture and fixtures	1 606 205	292 463	-	(280 235)	1 618 432
IT equipment	1 586 750	279 289	(188 394)	(871 697)	805 947
Motor vehicles	1 812 823	-	-	(640 415)	1 172 407
Leasehold improvements	20 284	-	-	(20 283)	-
Total	6 141 564	632 648	(432 150)	(2 134 553)	4 207 505

Reconciliation of property, plant and equipment - 2017

	Opening balance	Additions	Retired cost	Retired accumulated depreciation	Depreciation	Total
Office equipment	1 132 550	332 808	48 324	(48 324)	(349 856)	1 115 502
Furniture and fixtures	1 963 974	77 192	13 349	(13 349)	(434 961)	1 606 205
IT equipment	1 708 996	1 245 619	419 300	(419 300)	(1 367 865)	1 586 750
Motor vehicles	2 453 239	-	-	-	(640 416)	1 812 823
Leasehold improvements	441 300	-	-	-	(421 016)	20 284
	7 700 059	1 655 619	480 973	(480 973)	(3 214 114)	6 141 564

Depreciation Rates

Item	Average useful life
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

6. Intangible assets

	Cost / Valuation	2018 Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	2017 Accumulated depreciation and accumulated impairment	Carrying value
Computer software	2 771 951	[2 145 039]	626 912	1 539 845	[912 919]	626 926

Reconciliation of intangible assets - 2018

	Opening balance	Additions	Amortisation	Total
Computer software	626 926	1 237 661	[1 237 675]	626 912

Reconciliation of intangible assets - 2017

	Opening balance	Additions	Retired cost	Retired accumulated amortisation	Amortisation	Total
Computer software, other	196 592	1 385 335	1 104 065	[1 104 065]	[955 001]	626 926
Website development costs	-	-	20 000	[20 000]	-	-
	196 592	1 385 335	1 124 065	[1 124 065]	[955 001]	626 926

Amortisation rates

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

7. Payables

	2018	2017
Trade payables	8 484 195	26 639 876
General accruals	-	624 678
Leave pay accrual	2 125 767	1 889 170
Bonus accrual	17 653 872	16 361 068
Reclassified to trade receivables	801 290	254 119
Payroll accrual	-	1 062 352
	29 065 124	46 831 263

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) of the AARTO Act, any penalty received by the Agency must be paid to the Issuing Authority from which the infringement notice was issued. The collection of penalties in terms of the AARTO Act is a service rendered to the Issuing Authority. The collective AARTO bank balance is R181 million.

AARTO assets due from:

	2018	2017
Other AARTO net assets	13 145 233	12 827 702
Other collecting agents	7 430 549	6 030 782
RTMC	1 084 095	1 084 094
RTIA	882 260	882 260
TMPD	1 816 326	892 256
JMPD	8 733 595	503 201
	33 092 058	22 220 295

AARTO liabilities due to Issuing Authorities:

GDoCS	2 846 232	1 648 088
RTMC	327 133	341 206
RTIA	29 918 693	20 231 001
	33 092 058	22 220 295

9. Revenue

Grants	17 696 000	10 092 000
Infringement fees	166 036 656	140 906 187
	183 732 656	150 998 187
Interest received - investment	8 656 396	9 929 552

10. Operating (deficit) surplus

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

	2018	2017
Advertising and marketing costs		
Communication education campaigns	4 002 996	5 540 903
Advertising costs	27 683 072	968 430
Integrated Marketing	23 251 680	121 534
	54 937 748	6 630 867
Auditors' remuneration		
Audit fee	1 858 055	2 087 552
Postage	33 417 923	19 617 461
Consulting fees	3 187 886	3 542 114
Rental office space	3 023 636	3 285 748

11. Reconciliation of net cash flows from operating activities to surplus

(Deficit)/surplus for the period	(30 307 525)	16 105 386
Adjustments for non-cash items:		
Depreciation and amortisation	3 372 228	4 169 115
Changes in working capital:		
Receivables	(124 990)	6 672 215
Payables	(15 160 935)	(14 086 427)
AARTO assets	181 269 518	(197 640 475)
AARTO liabilities	(181 269 518)	197 640 475
	(42 221 222)	12 860 289

12. Financial instruments disclosure

Categories of financial instruments

2018

Financial assets

	Loans and receivables	Non-financial instruments	Total
Trade and other receivables	54 559 879	-	54 559 879
Prepaid expenses	-	3 334 836	3 334 836
Cash and cash equivalents	132 886 563	-	132 886 563
AARTO assets	33 092 058	-	33 092 058
Property, plant and equipment	-	4 207 505	4 207 505
Intangible asset	-	626 912	626 912
	220 538 500	8 169 253	228 707 753

Financial liabilities

	Financial instruments carried at amortised cost	Non-financial instruments	Total
Trade and other payable	29 065 124	-	29 065 124
Accumulated surplus	-	96 854 310	96 854 310
National Treasury surplus retention	69 696 261	-	69 696 261
AARTO liabilities	33 092 058	-	33 092 058
	131 853 443	96 854 310	228 707 753

2017

Financial assets

	Loans and receivables	Non-financial instruments	Total
Trade and other receivables	44 695 457	-	44 695 457
Prepaid expenses	-	13 074 268	13 074 268
Cash and cash equivalents	176 978 094	-	176 978 094
AARTO assets	22 220 295	-	22 220 295
Property, plant and equipment	-	6 141 564	6 141 564
Intangible asset	-	626 926	626 926
	243 893 846	19 842 758	263 736 604

Financial liabilities

	Financial instruments carried at amortised cost	Non-financial instruments	Total
Trade and other payables	46 831 263	-	46 831 263
AARTO liabilities	22 220 295	-	22 220 295
Accumulated surplus	-	194 685 046	194 685 046
	69 051 558	194 685 046	263 736 604

13. Operating lease commitments

Operating leases - as lessee (expense)

	2018	2017
Minimum lease payments due		
- within one year	11 491 200	11 491 200
- in second to fifth year inclusive	16 279 200	27 770 400
	27 770 400	39 261 600

Operating lease rentals of the Agency comprise of mobile office bus rentals, rental machines and rental of off-site storage. The mobile bus contract commenced from 01 December 2016 ending 30 August 2020. The total lease commitments for 2017 have been restated from R44 million to R39 million.

The rental of printer machines is through a transversal contract with National Treasury. The value in respect of rental of printer machines and off-site storage respectively is immaterial. 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 licence and licence disc in respect of various vehicles under the circumstances where the Applicant has been served with an enforcement order. The Agency opposed the matter. Before the date of set down, the parties agreed to settle the matter out of court on the basis that Mr Edwards has rendered his application academic by paying for the enforcement order. After paying for the enforcement order, Mr Edwards could transact on eNatis by renewing his driving licence and licence disc.

Justice Project South Africa (“JP SA”)

JP SA lodged the application to, amongst others, contest the constitutionality of some of the provisions in the AARTO Act as well as its Regulations. JP SA alleges that those identified provisions of the Act contravene, in the main, the right to a fair trial as enshrined in the Constitution. This application also seeks to request cancellation of all infringement notices in an instance where infringers have elected to be tried in court but have still not been served with summonses for a period over 18 months, as prescribed by the Director of Public Prosecutions. Legal Services has gone through the papers and believe there is a cause to oppose the application.

15. Related parties

The Road Traffic Infringement Agency is a Public Entity in terms of Schedule 3A of the Public Finance Management Act. As a consequence, the 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 arm’s length basis.

Related party balances

Amounts owed to related parties	2018	2017
South African Post Office	598 413	24 401 697
Related party transactions		
Revenue		
Department of Transport	17 696 000	22 096 045
Postage costs		
South African Post Office	33 417 923	19 617 461
Remuneration paid to related parties		
Board and Executives	23 648 856	22 096 045

16. Remuneration Disclosure

Board

NE Rapoo	199 222	371 215
NZ Qunta	97 006	177 578
TJ Mokgoro	143 550	203 094
BS Chaplog	97 893	103 709
B Matinise	159 268	166 475
XN Khanyile	10 732	20 515
	707 671	1 042 586

Committees

2018

	Audit Risk Committee	Technical Committee	Human Resource and Remuneration Committee	Total
NZ Qunta	27 060	-	72 757	99 817
TJ Mokgoro	-	-	98 594	98 594
BS Chaplog	54 855	-	-	54 855
B Matinise	-	73 810	-	73 810
XN Khanyile	-	1 832	-	1 832
S Thomas	118 950	-	-	118 950
T Mjoli	68 961	-	-	68 961
H Makhathini	72 870	-	-	72 870
KC Mashugane	-	86 750	-	86 750
K Mayedwa	-	93 690	-	93 690
S Hlapolosa	-	-	93 690	93 690
L Madikizela	-	-	139 233	139 233
	342 696	256 082	404 274	1 003 052

2017

	Audit Risk Committee	Technical Committee	Human Resource and Remuneration Committee	Chairpersons Committee	Total
NE Rapoo	-	-	-	92 994	92 994
NZ Qunta	93 280	-	87 500	-	180 780
TJ Mokgoro	-	20 334	118 828	109 798	248 960
BS Chaplog	109 782	-	-	113 370	223 152
B Matinise	-	55 536	-	139 303	194 839
XN Khanyile	-	5 349	-	-	5 349
S Thomas	162 850	-	-	-	162 850
T Mjoli	133 969	-	-	-	133 969
H Makhathini	102 688	-	-	-	102 688
KC Mashugane	-	67 389	-	-	67 389
K Mayedwa	-	84 234	-	-	84 234
N Lugisani	-	15 236	-	-	15 236
L Nqcwabe	-	9 627	-	-	9 627
CM Manzini	-	-	57 762	-	57 762
S Hlapolosa	-	-	212 585	-	212 585
L Madikizela	-	-	236 820	-	236 820
	602 569	257 705	713 495	455 465	2 029 234

Executive committee

2018

	Basic Salary	Cash and Acting Allowances	Performance Bonus	Total cost to company
JR Chuwe	2 160 920	196 458	676 135	3 033 513
TA Tsholetsane	1 684 780	-	515 027	2 199 807
P Moalusi	1 836 078	-	522 491	2 358 569
Z Nduneni	1 681 639	-	485 170	2 166 809
L Ngcwabe	1 819 372	-	492 025	2 311 397
MLT Bilikwana	2 019 719	-	522 491	2 542 210
KF Pooe	2 000 118	-	515 027	2 515 145
J Mmekoa	1 333 180	-	219 910	1 553 090
SP Baloyi	1 009 194	400 764	339 512	1 749 470
LV Masango	1 146 272	-	272 484	1 418 756
HL Kgamayane**	89 363	-	-	89 363
	16 780 635	597 222	4 560 272	21 938 129

2017

	Basic Salary	Cash and Acting Allowances	Performance Bonus	Total cost to company
JR Chuwe	3 400 824	95 175	524 329	4 020 328
TA Tsholetsane	1 651 851	-	274 194	1 926 045
H Moyana	342 640	-	-	342 640
P Moalusi	1 511 050	-	383 353	1 894 403
G Botha	877 603	-	318 378	1 195 981
Z Nduneni	1 545 011	-	278 139	1 823 150
L Nqcwabe	1 492 896	-	251 237	1 744 133
MLT Bilikwana	1 457 796	-	216 705	1 674 501
KF Pooe	1 430 378	-	183 045	1 613 423
J Mmekoa	1 190 302	-	133 571	1 323 873
SP Baloyi	938 549	333 969	193 230	1 465 748
	15 838 900	429 144	2 756 181	19 024 225

** HL Kgamanyane: Commenced employment on 1 March 2018.

*** Executive remuneration fluctuated as a result of salary benchmarking adjustments made dating back to 2017.

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 approximate 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.

	2018	2017
Trade and other payables	29 065 124	46 831 263
National Treasury surplus retention	69 696 261	-
AARTO liabilities	33 092 058	22 220 295

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations, which will result in financial loss to the Agency. The Agency is not exposed to minimal manageable credit risk. The 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.

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.

20. Fruitless and wasteful expenditure

	2018	2017
Fruitless and wasteful expenditure	-	37 794
Less: Amounts written off	-	(37 794)
	-	-

21. Irregular expenditure

The irregular expenditure occurred where the Agency applied the provisions of National Treasury Practice Note 8 of 2007/2008 in obtaining a written and approved deviation for the purposes of eliminating intermediaries and sourcing office consumables directly from the source. This process ensured that the Agency acquired products at wholesale prices as opposed to acquiring the same products via retailers and third parties at marked-up prices. The Accounting Authority has approved the condonement of the irregular expenditure on 27 July 2018 in line with the National Treasury Guideline on irregular expenditure as no losses or damages have been suffered by the Agency in this regard.

Irregular expenditure for the current year:

	2018	2017
Add: Irregular expenditure - current year:	453 601	-
Add: Irregular expenditure incurred in prior year but identified in current year	578 739	-
Less: Amounts condoned	(1 032 340)	-
	-	-

22. Retention of cash surplus for the period

The Agency has made an application to National Treasury for the retention of the surplus at the end of the financial year. The outcome is pending.

23. Approval of financial statements

The audited annual financial statements were tabled for approval by the Accounting Authority on 27 July 2018.

24. Budget differences

The 2017/2018 budget figures were compiled with the presumption to prepare for the National Rollout of AARTO, which was not achieved to the full extent during the financial year. As a result some of the budgeted expenditure items could not be fully utilised, resulting in a cost saving in all line items as follows:

- The employee costs resulted in a cost saving because of the vacant positions that were not filled during the year.
- Postage spending reduction as a result of reduced infringement notices issued by law enforcement agencies.
- Operating expenses resulted in a cost saving due to the implementation of cost containment initiative measures and the postponement to acquire new building premises.
- Enterprise Development Programme initiatives were not implemented due to unexpected delays.

25. Commitments

The RTIA did not have any firm commitments at 31 March 2018.

26. Change in estimate

Property, plant and equipment

The useful life of furniture and fittings asset category was reviewed by management. The change in useful life was changed from 5 years to 10 years for the remaining category of assets. This has been accounted for as a change in accounting estimate.

27. Non-adjusting post balance event

There were no non-adjusting transactions at year end.

28. National Treasury Surplus Retention

National Treasury had granted the Agency conditional approval for the surplus retention of 2016/17 pending the announcing of the national rollout of AARTO by the Minister of Transport. This date was not pronounced; as a result the cash surplus retention for the 2016/2017 financial year was not approved. In terms of section 53(3) of the PFMA, a public entity should not retain cash surpluses without obtaining the prior approval of the National Treasury. The cash surplus is based on the Agency cash flow from operating activities and net investing activities in financial assets. At the end of the financial year, an amount of R 69.6 million is due and payable to the National Treasury .

29. Prior period errors

Prior period errors arose because of reclassification of expenses previously recognised for services rendered by the Department of Government Communication Information Systems ("GCIS"). The expenses paid were not fully utilised for the programme when they were executed, resulting in a surplus fund remaining for the Agency.

The correction of the error(s) results in adjustments as follows:

Statement of financial position	2018	2017 Restated
Decrease Payables	-	2 173 050
Increase Opening Accumulated Surplus	-	(1 401 373)
Statement of Financial Performance		
Decrease Operating Expense	-	(771 677)



CONTACT DETAILS:

RECEPTION: 087 285 0500

CALL CENTRE: 086 122 7861

FAX: 011 207 3210

MEDIA ENQUIRIES: 087 285 0484

WEBSITE: WWW.RTIA.CO.ZA

EMAIL: INFO@RTIA.CO.ZA

SOCIAL:

TWITTER: [@RTIA_AARTO](https://twitter.com/RTIA_AARTO)

FACEBOOK: [RTIA-AARTO](https://www.facebook.com/RTIA-AARTO)

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