

ANNUAL REPORT

2018/2019
FINANCIAL YEAR



RTIA

Road Traffic Infringement Agency
Justice in Adjudication





CONTENTS



PART A: GENERAL INFORMATION

1 LIST OF ABBREVIATIONS/ACRONYMS	5
2 ROAD TRAFFIC INFRINGEMENT AGENCY PROFILE	8
3 STRATEGIC OVERVIEW	10
4 LEGISLATIVE MANDATE	12
5 AARTO'S SOCIO-ECONOMIC AND CULTURAL ENVIRONMENT	18
6 ORGANISATIONAL STRUCTURE	20
7 FOREWORD BY THE CHAIRPERSON	21
8 REGISTRAR'S OVERVIEW	25

PART B: PERFORMANCE INFORMATION

34 - 105

PART C: GOVERNANCE INFORMATION

RTIA EXCO	108 - 116
	117

PART D: HUMAN RESOURCE MANAGEMENT

120- 125

PART E: FINANCIAL INFORMATION

128 - 179

FINANCIAL
INFORMATION

HUMAN RESOURCE
MANAGEMENT

GOVERNANCE

PERFORMANCE
INFORMATION

GENERAL
INFORMATION

GENERAL INFORMATION

PART A



1. 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
AMIP	AARTO Master Implementation Plan
ANTT	AARTO National Task Team
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

2. ROAD TRAFFIC INFRINGEMENT AGENCY PROFILE

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

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

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

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

Revenue (R):



AARTO

REGISTERED NAME: Road Traffic Infringement Agency (RTIA)
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
AARTO Call Centre +27 86 122 7861
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

3. STRATEGIC OVERVIEW

3.1 Vision

“A safe road user community”.

3.2 Mission

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

3.3 Values

The RTIA's Values reflect traits that represent the requirements of the Constitution of South Africa, in particular Chapter 10 – Public Administration and Batho Pele principles. This emphasizes 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 its 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. These values must remain relevant and become firmly institutionalised.



Our value statements (in direct alignment with the Batho Pele principles) are reflected in the table below:

Table 3.1: Core Values

Values	Description
Transparency	Being open with stakeholders and communicating the basis upon which decisions are made and actions taken.
Fairness	We make decisions in a way that is ethical with equitable outcomes for our stakeholders.
Accessibility	Being available to serve our purpose and mandate.
Accountability	Accepting responsibility for our own actions and commitments.
Professionalism	Develop and maintain the highest standards.
Drive and passion	Ensuring that all tasks are performed with the requisite drive and passion.

Table 3.2 Strategic Goals, Strategic Objectives, and Key Value Drivers

Strategic Goals	Strategic Objectives	Key Value Drivers
Effective and efficient organisational Management	Effective administration and resourcing of the Agency to deliver on its mandate (1).	<ul style="list-style-type: none"> Sound governance and oversight. Teamwork & collaboration. Role clarity & accountability. Effective internal processes, systems and controls. ICT enablement. Effective resourcing. Sound Human Resources & management practices.
Voluntary compliance with road traffic laws	<ul style="list-style-type: none"> Discourage the contravention of road traffic laws (2). Co-ordinate and facilitate readiness for national implementation of AARTO (3). Influence change in road user behaviour (4). 	<ul style="list-style-type: none"> Research on relevant topics to support teams. High quality, consistent decisions. Technology enabled workflows, processes and channels. Expeditious processing and finalising of matters. Appropriate stakeholder management strategy in place.

4. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandate

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

Table 4.1: Constitutional Mandate

Constitution	Description
Section 32	<p>Access to Information</p> <ol style="list-style-type: none"> 1. Everyone has the right of access to: <ol 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. 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.
Section 33	<p>Just Administrative Action</p> <ol style="list-style-type: none"> 1. Everyone has the right to administrative action that is lawful, reasonable and procedurally fair. 2. Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons. 3. National legislation must be enacted to give effect to these rights, and must: <ol 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.
Section 34	<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>

Legislative Mandate

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

Table 4.2: Legislative Mandate

Name of Act	Purpose
Administrative Adjudication of Road Traffic Offences Act 1998 (46 of 1998)	<ul style="list-style-type: none"> • To promote road traffic quality by providing a scheme to discourage road traffic contraventions; • To facilitate the adjudication of road traffic infringements; • To support the prosecution of offences in terms of the national and provincial laws relating to road traffic; • To implement a points demerit system; • To provide for the establishment of an agency to administer the scheme; and • To provide for the establishment of the board to represent the agency.
Promotion of Administrative Justice Act, 2002 (Act 3 of 2002)	<ul style="list-style-type: none"> • To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; • And to provide for matters incidental thereto.
Promotion of Access to Information Act 2000 (Act 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 through the Republic and for matters connected therewith.

Name of Act	Purpose
Criminal Procedures Act, 1977 (Act 56 of 1977)	<ul style="list-style-type: none"> To make provision for procedures and related matters in criminal proceedings.
Prevention and Combating of Corrupt Activities Act, 2004 (Act 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)	<ul style="list-style-type: none"> To regulate financial management in the national and provincial governments; To ensure that all revenue, expenditure, assets and liabilities of government are managed efficiently and effectively; To provide for the responsibilities of persons entrusted with financial management in government; 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.
Protection of Personal Information Act, 2013 (Act 4 of 2013).	<ul style="list-style-type: none"> To promote the protection of personal information processed by public and private bodies; To introduce information protection principles so as to establish minimum requirements for the processing of personal information; To provide for the establishment of an Information Protection Regulator; To provide for the issuing of codes of conduct; to provide for the rights of persons regarding unsolicited electronic communications and automated decision making; To regulate the flow of personal information across the borders of the Republic; and to provide for matters connected therewith.
Preferential Procurement Policy Framework Act, 2000 (Act 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; 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.

Legal Developments

Relevant court rulings

Name of Litigant	Nature of the Litigation	Current Status	Management Actions
Fines 4 U & Another	Litigant seeking to review decisions taken by representation officers in terms of section 18 of the AARTO Act.	Judgement finalised and ruling made against the Agency with costs. The Agency unsuccessfully appealed the judgement and the cost order of the appeal application. Was made favour of Fines 4 U.	Adjudications Framework reviewed and takes into account all the issues raised in the judgement.
Edwards Matter	The Applicant in this matter requests 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 this 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 roll of the court.
Howard Dembovsky v Department of Transport and Others	Mr Howard Dembovsky has 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 believe there is a cause to oppose the application. As a consequence, SCM has been approached for assistance to procure a law firm which will file the Agency's notice of intentions to oppose as well as attending to all other matters relating to this application.	This application will be opposed after appointment of a service provider.

Observations on the Service Delivery Environment for AARTO

In terms of the AARTO Act, the Agency is expected to play a critical role in forging a closer, more effective and efficient link between the enforcement and adjudication processes. It is intended to play the role of an independent adjudicator overseeing and enforcing the provisions of the AARTO Act. The RTIA is also expected to increase compliance with road traffic laws as well as inculcating a new habit of voluntary compliance with traffic laws through educational programmes. Overall, the Agency is mandated to ensure the implementation of objective, transparent and fair administrative processes.

The AARTO process starts with the detection by a traffic officer of a contravention committed by an infringer or offender. Upon committing an infringement, an authorised officer or a person duly authorised by an issuing authority, must serve or cause to be served on the identified infringer an infringement notice. The figure below indicates the total number of notices captured and uploaded between 2014-2015 and 2018-2019 financial years.

Figure 1: Total Number of notices captured between 2014-2015 and 2018-2019

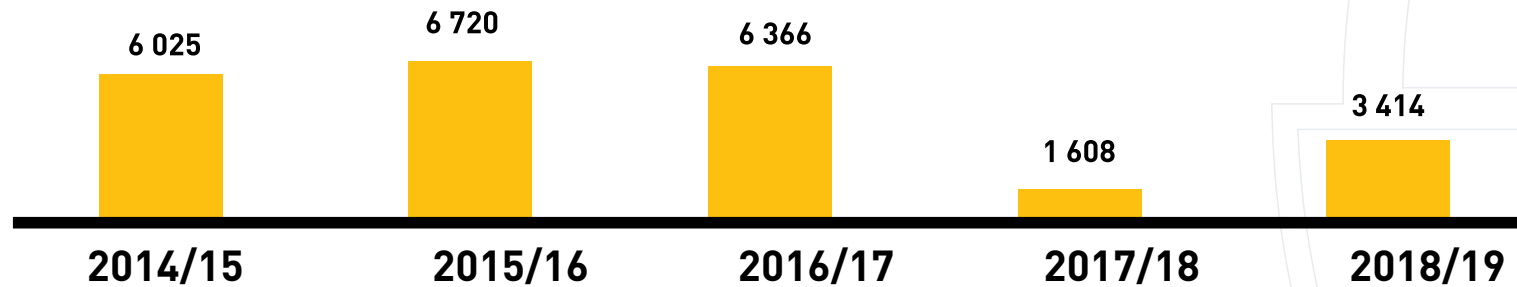
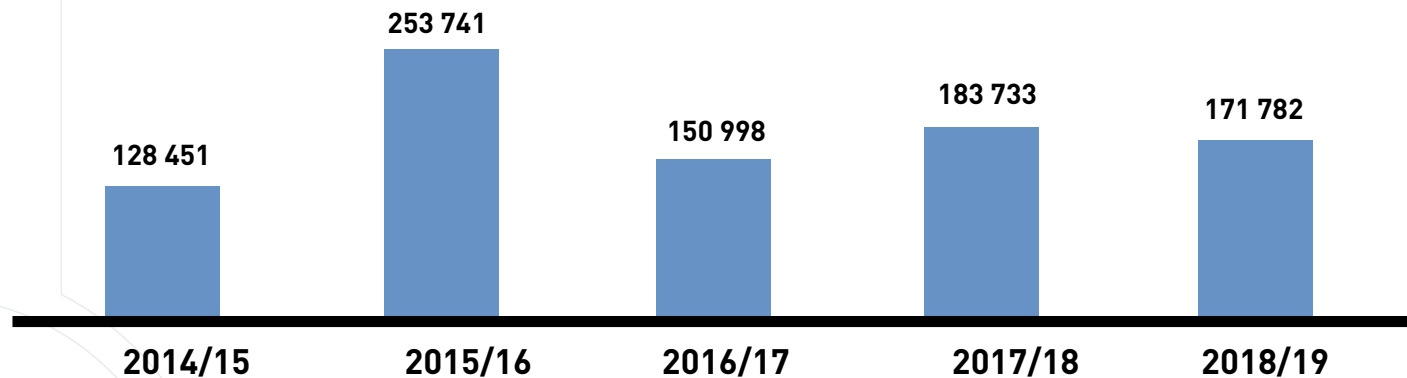


Figure 1 shows that there has been a significant decline in the total number of notices captured and uploaded from 2017-2018. However, there has been more than a double increase in notices captured and uploaded in the 2018-2019 financial year. In spite of the increase in the number of notices issued and captured in 2018-2019, a decline in revenue collection was experienced, as presented in the figure 2:

Figure 2: Total RTIA Revenue Between 2014-2015 and 2018-2019



An Infringement Notice is served either in person or through registered mail to the infringer. The AARTO process allows the infringer to act on an infringement notice through any one of the following five elective options to be exercised within a period of 32 days after having received such notice:

1. To pay the penalty, reduced by the discount amount contemplated, if paid within the set time-frame of 32 days; or
2. Elect to pay in installments; or
3. Submit a representation; or
4. Elect to be tried in court; or
5. Nominate the driver or person in control of the vehicle at the time the infringement was committed, if it was not the owner.

Objectives of the AARTO Act

The objects of this Act are, despite the Criminal Procedure Act, 1977 (Act No. 51 of 1977)—

- (a) to encourage compliance with the national and provincial 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 imposed if infringements or offences are not committed over specified periods

5. AARTO'S SOCIO-ECONOMIC AND CULTURAL ENVIRONMENT

Assented into law in September 1998, the Administrative Adjudication of Road Traffic Offences Act was piloted in Tshwane and Johannesburg Metropolitan areas. Since 2008, the points demerit system was delayed pending, amongst others, 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 support and guidance to Issuing Authorities and all other affected primary stakeholders to be operationally geared towards full implementation of AARTO in their respective jurisdictional areas. To this end, the AMIP, driven through the 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 encourage 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 roll-out, 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 roll-out project.

AARTO stakeholder arena

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

It is important to note that the business sector still perceives AARTO as an administratively burdensome and complicated system albeit the willingness to comply with it. To address this concern, RTIA continues to provide training and collaborate with stakeholders on 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 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.

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 RTIA as a trusted authority for the AARTO programme which the customer (motorists, individual and corporate infringers) can rely upon, this goes a long way in empowering the motorist to take charge of their own behaviour.

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

6. ORGANISATIONAL STRUCTURE



7. FOREWORD BY THE ACCOUNTING AUTHORITY



Mr JR Chuwe
Accounting Authority

It is my pleasure as the Section 49 (2) (b) Accounting Authority to present the Agency's Integrated Annual Report and Annual Financial Statements for the financial year ending 31 March 2019.

The Agency has once again implemented a highly successful business programme and achieved a 100% performance against its set targets. This achievement comes at a time where the Agency did not have a Board after the term of the previous Board and its sub committees expired on 31 July 2018. The Ministry of Transport has since been working to appoint a new Board to the Agency. Whilst such attempts were underway; the Registrar, as the Accounting Officer had to assume the automatic role of the Accounting Authority as provided by Section 49 (2) (b) of the Public Finance Management Act, 1999. This automatic legislative arrangement was a duty confirmed at the previous Annual General Meeting which was held on 10 September 2018.

In the middle of the challenges mentioned above, the Registrar had to ensure that the Agency still adheres to governance standards as set out in its various charters. In that regard, he appointed a Corporate Services Committee to replace the previous HR & Remuneration Committee and on the other hand the Shareholder appointed the current Audit and Risk Committee members during the previous Annual General Meeting of 2018. These appointments ensured that there was a measure of balance at the oversight level and thus reduced the unprecedented oversight pressure which would have occasioned the Accounting Authority's office had these structures not been in existence.

The Agency placed a lot of emphasis on implementing its robust compliance programme, which is considered to be one of the cornerstones of its assurance programmes, particularly as the entity is growing in maturity, stature as well as the imminence of the Rollout of its mandate nationally. We have always held the view that the compliance programme is one of the key markers of our readiness for Rollout and I am happy to report that not only did we refine our compliance matrix, universe and the related programmes but we have also engaged all our compliance champions in the entrenchment training so as to ensure that they are adept with emerging best practice trends in this regard. The Agency further reviewed all its policies and procedures in order to ensure that they are aligned to key legislation and regulations that inform its compliance universe.

The Agency's stakeholder consultation program took off from the previous high of 2017-2018 and the final consultations with the Portfolio Committee as well as the Select Committee on Business Development culminated in the implementation and the finalisation of the voting mandates for the AARTO Amendment Bill in the different provinces as well as at the National Assembly and Council of Provinces level, where the Amendment Bill received a resounding positive votes from 8 provinces at both levels, except for the Western Cape Province which voted against the Amendment Bill in both instances.

This process was finalised with overwhelming positive votes at the National Assembly, which meant that the Agency and the Department of Transport had completed the massive legislative education which commenced earnestly in 2017. The Agency subsequently finalised the concept and model of AARTO Legislative Education, wherein it is planning to embark on massive educational drive of all key stakeholders on the tenets of the AARTO legislation as soon as the President of the Republic signs the Amendment Bill into law.

The Agency further magnified its activation programmes in the form of “Know your Traffic fine status” campaigns and leveraged them with the programmes of other entities in the Road Safety environment. Elsewhere in the stakeholder front was the continued engagement of issuing authorities around the country through the AARTO National Task Team, which was formed in 2015. The discussions at this forum are centred on knowledge sharing of the dynamics of the operational environment of road safety activities as well as how the AARTO programme can be niched to assist to add value to such activities. The AARTO National Task Team will continue to be an important fore-bearer and catalyst of the expansion of the AARTO programme in the Provinces at the point of Rollout.

High level overview of the strategy and performance

The programmes implemented by the Agency have yielded a tremendous achievement of 100% of the Agency’s targets for the year under review. This is an increase in performance of 12.5% year-on-year, compared to the 2017-2018 period achievement of 87.5% targets. This positive traction owes credence to the increased competence of our staff in undertaking our business model. It is also a further demonstration of the positive manner in which the AARTO activities are received by different players in the market place. I must further emphasise therefore that this reported achievement came at the back of over-achievement in the areas of outreach and education campaigns as well as the activities in relation to the assessment of the AARTO readiness with respect to all our transactional partners around the country.

The Agency also finalised its Traffic Rehabilitation model and participated in the formulation and finalisation of the concept of the Infringements Appeals Tribunal which was presented for approval by the Portfolio Committee on Transport during deliberations on the AARTO Amendment Bill. The Agency had initially planned to consult its finalised Rehabilitation programme locally and internationally but it had to halt such plans until the approval of the AARTO Amendment Bill, upon which this area was dependent, which was only achieved at the close of the financial year.

I am also heartened to report that the Agency has accepted, after lengthy deliberations, the proposal to significantly reduce the number of demeritable infringements. This decision was taken in order to allow the market to acclimatise itself into the new demerit points paradigm and to commence the demerits regime with infringements which were causal to the high rates of road traffic crashes and fatalities in the country. With more broadened implementation, further infringements will be gradually added to the demeritable category, based on empirical evidence of their contribution to crashes and fatalities. This approach further demonstrates that the Agency is not primarily a punitive

organisation but a caring and developmental entity, which is focused on harnessing the change of behaviour by road users. The supporting Regulations in this regard are being developed and envisaged to be published in the upcoming financial year after approval by the Minister of Transport.

The Agency remained committed to the ethos of Enterprise Development and it ensured that the Enterprises which were selected to participate in the AARTO related business opportunities were subjected to rigorous vetting processes and at the end of the year were at the last stages of transactional readiness. The Agency views this programme as its highlight in terms of the strategic importance to its expansion programme as well as its socio-economic development relevance in addressing the goals of the National Development Plan to reduce national unemployment rate from 24.9% in June 2012 to 14% by 2020 and to 6% by 2030.

Strategic Relationships

As mentioned earlier, the Agency continued to engage in its quarterly meetings with the AARTO National Task Team, in order to draw critical lessons from Issuing Authorities on the implementation of the programme and ensure that the programme is driven from the ethos of a “bottom up” approach.

The Transport Education and Training Authority (TETA) continued to be a key partner with the Agency in the implementation of the supplier development programme. This strategic partnership provides leverage funding in the areas of training, mentorship, acquisition AARTO service outlets, as well as driver simulation instruments.

The Agency continues its role as a strategic partner and active participant in the United Nations Road Safety Collaboration (UNRSC), which is responsible for guiding and implementing the improvement of global road safety as well as the adoption of the related resolutions. The Agency also participated in the Tripartite Transport and Transit Facilitation Programme (TTTFP), a forum which consists of the three regions, namely SADC, EAC and COMESA established as a result of the multilateral agreements amongst participating trading blocs in the Eastern and Southern parts of the continent. This programme is aimed at the development and implementation of Multilateral Vehicle Load Management Agreement, Multilateral Cross-Border Road Transport Agreement, the Proposed Violation Adjudication Process, Points Demerit System and drafting Model Laws to be applicable throughout the regions. The implementation of these agreements will enable the regions to harness their power as a trading bloc and facilitate the seamless movement of goods, services and people. Closer to home, the Agency continued its active participation in the Trans-Kalahari Corridor (TKC), wherein the goals in the corridor are aligned to the Agency’s role and that of the TTTFP.

Pursuant to the Agency's strategic goal of exercising thought leadership and being a key player and conduit of knowledge management and informatics in the transport and road traffic environment, the Agency continued its participation in the World Congress on Intelligent Transport Systems. We further cemented our participation in the Vision Zero initiatives which are spearheaded by its Swedish counterparts: the Swedish Transportation Administration. These initiatives are geared at reducing road fatalities to zero amongst all participating countries. The analysis of best practise from other countries will enable the Agency to contribute to the implementation of catalyst interventions that would effect a dramatic change in road user behaviour.

Challenges faced by the Accounting Authority

At the end of July 2018, the Agency stepped onto uncharted territory with the resignation of the Board after completing its second term and accepting three extensions. That ushered in an unfamiliar situation of not having a Board for the first time in the history of the Agency. Whilst invoking the provision of section 49 (2) (b) of the PFMA, the Registrar implemented a stellar innovation of establishing the other oversight Committees, which provided balance in the governance processes, so that the Accounting Authority is not left alone to steer the governance of the entity.

The most critical of the challenges which confronted the Agency was the forfeiture of its surplus of R117 million at the time where it requires all the liquidity it can amass in order to spearhead the AARTO Rollout processes. Still on the issues of liquidity, the Agency further experienced challenges in achieving its revenue collection targets and this was caused by a series of stand-offs between the Issuing Authorities and SAPO, which impacted on the service of notices. Whilst this situation had a negative financial impact as mentioned earlier; the further concern is that such non-issuance of infringement notices created uncertainties in the law enforcement environment because no sooner do infringers get to know of such impasses than they continue with their unabated trends of reckless behaviour.

The plans of piloting the new and diversified funding model, which sought to explore other sources of financial sustainability with the aim of zero percent reliance on apportionments from Treasury was hampered by the delays occasioned by extensive engagements throughout the country on the AARTO Amendment Bill, because most of the initiatives in this regard had formed part of the Amendment Bill. The Agency is however pleased with the ultimate approval of the Bill by Parliament at the end of the financial year.

The year ahead

For the year ahead, the Agency will focus on the following key activities:

- (i) the piloting of its Rehabilitation programme with selected groups of infringers as well as the hosting of the best practice conference, involving both local and international stakeholders;
- (ii) assisting the Department of Transport in finalising and piloting of the Infringements Appeals Tribunal;
- (iii) the implementation of the points demerit system at a reduced scale;
- (iv) the implementation of the modified Enterprise Development programme;
- (v) the implementation of the diversified funding model;
- (vi) the introduction of the cheaper and reliable electronic service method;
- (vii) the implementation of the revised and efficient Organisational structure, which has already been widely consulted with the Agency's employees; and
- (viii) implementation of the structured AARTO Legislative Educational programmes.

Acknowledgements /Appreciation

Allow me to express our heartfelt appreciation for the support and guidance that the Agency enjoyed under the leadership of the former Honourable Minister Dr Bonginkosi Nzimande, MP and Honourable Deputy Minister Ms Sindisiwe Chikunga, 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 at the National Council of Provinces, the Portfolio Committee on Transport up to its finalisation by the National Assembly. The Agency is gearing itself to Rollout the programme once the Presidential proclamation process is completed.

I also wish to extend our gratitude to the previous Board, whose term expired on 31 July 2018, for the sterling work they did in navigating the entity during its seminal stages and ensuring that all the governance and operational systems are in place. The unqualified and clean audits that the Agency attained in the past six years are in part, attributable to the level of stewardship that the Board was able to provide during its tenure. I hope the members are able to do the same in other organisations where they continue to serve.

Conclusion

I would like to extend my deep appreciation to the members of the Audit and Risk Committee and the Corporate Services Committee for the excellent work, support and guidance they provided to me during this difficult and unprecedented era of Section 49(2) (b) Accounting Authority duties that I had to assume since August 2018.

I would also like to take this opportunity to welcome our new political stewards in the form of the Honourable Minister Mr Fikile Mbalula, MP and the Honourable Deputy Minister Ms Dikeledi Magadzi, MP. I hope that they will enjoy being a part of the AARTO programme as they arrive at the time when the Agency is at the point of achieving serious traction in terms of its business and will need their combined leadership and experience.



Mr JR Chuwe
Section 49 (2) (b) Accounting Authority
Date: 2019 / 07 / 31



8. REGISTRAR'S OVERVIEW



Mr JR Chuwe
Registrar/Chief Executive Officer
& Accounting Authority

Overview of the Agency's Operational Mandate

The role of the Agency is to enforce compliance to all road traffic laws, from a national, provincial and local point of view. The Agency however, does not issue any citations but follows up to conclude the citations that have been issued by the law enforcement authorities, who sit at the coalface of enforcement. The Agency is therefore responsible for custodial duties of administering and adjudicating over road traffic infringements for the purposes of achieving road safety. Pursuant to its mandate, the RTIA contributes towards the entrenchment and sustenance of road safety through the following mechanisms:

- Enforcement of road traffic laws;
- Effecting a positive behavioural change for voluntary compliance by all road users;
- Following up an concluding outstanding collection of road traffic penalties levied upon infringers; and
- Empowering road users with the requisite knowledge and education about their roles and responsibilities of road safety.

Since the Agency does not issue any infringement notices, its role of an independent arbiter is enhanced through the consideration and objective adjudication of representations (which challenge the issuance of applicable infringement notices), and ultimately uphold either the actions and rights of the issuing authorities or infringers in the matter. In cases where the infringer's submission is upheld, the infringement notice is cancelled and the matter concluded. Conversely where the issuing authority's version is upheld, then the infringement notice stands valid, together with the attendant penalties applicable.

Over the previous financial year, the number of infringement notices issued increased by 112% compared to the previous 2017-2018 period, from a total of 1,607,989 notices to 3,413,646 notices issued in the 2018-2019 period. Similarly, the number of representations adjudicated over the same 2018/19 period, increased by 20% compared to the 2017-2018 period, from a total of 133,790 to 161,346 representations adjudicated.

Over the 2018-2019 period, the total number of nominations of drivers by vehicle owners that received infringements totalled 18,719 equating to a decrease of 29% compared to a total of 26,376 during the 2017-2018 period. As a pointer towards attaining the stated objectives of increasing and sustaining road safety, this development points to an improved understanding of the responsibilities of road users, as well as the attendant elective options provided in the AARTO, which infringers need to exercise, instead of hoping that these matters would disappear without addressing them.

Similarly, the elective option of choosing the court route also showed a positive trajectory over the period, wherein a total number of 149,917 applications were processed. This equated to a decrease of 47%, from 286,390 in the 2017-2018 period to 149,917 in the 2018-2019 period. This development points to some improvement in the quality of education and empowerment, where infringers now realise that they cannot escape their accountability to deal with outstanding infringements by opting for the court route, hoping that these matters will disappear or get struck off the court roll.

General Financial Review Of The Public Entity

Consequent to the Agency's mandate expressed above, there are various key activities that the Agency undertakes, primarily focused on effecting a change in road user behaviour. These responsibilities stem from education and empowerment of road users, protection of the rights of safety through adjudicating over representations to collecting outstanding revenue where an infringer is in the wrong. Thus notwithstanding that revenue collection is not the primary focus of the Agency, it nonetheless has a responsibility to collect outstanding infringements on behalf of the issuing authorities and to disburse the related collected funds to where the infringement notices were originated from.

During the 2018-2019 period, the Agency experienced a decrease in the revenue collected for outstanding infringements than what was expected based on projections.

All of the infringement fees collected by the Agency stems directly from the infringement notices issued by road traffic law enforcement authorities. The total number of infringement notices captured by the issuing authorities during the 2018-2019 period was 3,413,646 which equates to an increase of 112% compared to the previous year. This increase of notices is mainly due to a significant increase of electronically generated infringement notices, (AARTO 03s) AARTO notice in the brackets next to, which increased by 544% compared to the previous period. AARTO 31s, experienced a decrease of 8.34% compared to the previous period, as well as AARTO 01s decrease of 8.63% and AARTO 02s with a decrease of 12.65%.

The total Agency's revenue during the reporting period amounted to R171 781 586, which is a 6.5% decrease compared to a total of R183 732 656 collected during the previous financial year. The Agency experienced a deficit of R 20 million during the year, continuing the trend from 2017-2018 where a deficit of R30 million was incurred. The Agency's weakening financial situation was further compounded by the National Treasury's refusal to approve the Agency's surplus retention request in the previous year, thereby resulting in the Agency surrendering its cash surplus of R117 million to the National Revenue Fund. Notwithstanding the deficit and surrender of the surplus, the Agency still continued to retain a favourable cash flow position, with R10.9 million cash in the back at the end of the financial year, enabling it to continue dispensing its mandate and meeting its immediate obligations as they arise, albeit the strength of such financial position being muted.

Spending Trends of the Public Entity

The primary mandate of the Agency is service delivery in the environment of traffic infringement management and adjudication. Consequentially, its biggest costs shall continue to be related to dispensing of that mandate in the form of expenditure incurred for its human capital, empowerment of road users in the form of communication and educational programmes, as well as costs for the service of related documents. For the year under review, a significant portion of its expenditure, R68 million, related to empowerment of road users, educational and marketing activities, as well as supporting the extensive public hearings on the Amendment Bill throughout the country as embarked upon with the various Provincial Legislatures.

Capacity Constraints and Challenges Facing the Public Entity

During the period under review, the Agency has implemented a cautious strategy of capacitation whilst awaiting the finalisation of the AARTO Amendment Bill, which was approved by Parliament on 5 March 2019 and awaiting the President to assent to it. Furthermore, the organisation structure was reviewed and its implementation starting in earnest after the financial year end. The cautionary stance adopted by the Agency was intended to exercise the highest degree of fiscal prudence, so that the Agency does not overcommit with respect to the creation of structures and positions that may not be sustainable in the long run, in terms of its dynamic mandate and changing growth needs.

Discontinued activities / Activities to be Discontinued

The Agency's mandate is clearly articulated in its founding legislation and supported by its strategic plan, with further enhancements through the AARTO Amendment Bill and therefore does not envisage the discontinuation of any of its activities for the foreseeable future but will instead proceed to entrench its service delivery offering.

New or Proposed Activities

The nature of the Agency's mandate is dynamic and continuously introduced new challenges. To that extent, the Agency has sought to be proactive in its analysis of the changing road safety challenges with a view towards developing catalyst and innovative solutions best fitted for the challenges faced. Amongst the interventions adopted by the Agency, is the emphasis on research and development of new solutions to be implemented, based on credible and empirical data extrapolated from the implementation of the AARTO in the applicable jurisdictions.

In order to meet the critical challenges of road safety, the Agency has adopted a proactive strategy, premised on heightened social activism, where road users are involved in behavioural change activities within the communities they live. Furthermore, this strategy also becomes one of the foundation stones for the development and implementation of rehabilitation programmes, which have recently been approved as part of the Amendment Bill. Amongst the new activities to be broadened and expanded are learner driver-focussed interventions, including the provision of driving simulators, aimed at providing novice drivers with the requisite access to practice driving prior to their undertaking practical driving tests.

The research related to rehabilitation programmes will be ushered in the upcoming financial year as part of the preparations for the national rollout of AARTO. Over time, as the combination of these catalyst interventions gain traction, the Agency will be able to proudly claim its contribution to a sustained positive culture of road safety brought on by empowered road users and the moral regeneration of society.

Requests for Roll Over of Funds

As at 31 March 2019, being the Agency's financial year end, a cash balance of R10.9 million was realised. Following the applicable procedures, the Agency submitted a request to National Treasury through the Department of Transport, for the retention of any cash surplus after the end of the financial year, in order to fund its continuing operations and is awaiting approval thereof. This request is subsequent to the previous financial year's request for retention of the cash surplus experienced, which was unfortunately denied, in spite of the fact of tremendous under-funding to the Agency, which equates, on average, to less than 5% of its total annual budgetary requirements. The Agency is hopeful that given its historical high levels of fiscal prudence and fiduciary accountability, and its need to keep healthy reserves to fund the imminent national rollout following the approval of the AARTO Amendment Bill by Parliament, that it will succeed in its request to retain the related surplus and not be forced into a position of having to request for government bailouts in order to execute its legislative mandate.

Supply Chain Management

Pursuant to its objective of good governance and clean administration, the Agency continued to implement robust processes that protect the integrity of its procurement and supply chain management. This is based on a proactive strategy of implementing objective and prudent mechanisms based on stringent systems of internal control that enhances and ensures full compliance to all the related supply chain management prescripts.

Consequently, the staff responsible for supply chain management continued to be upskilled through training workshops, seminars and courses, to ensure that they stay abreast of all new changes, best practise and standards of financial management. Ultimately, the benefits derived from these types of training interventions finds expression in the improving compliance to all prescripts, including adherence to the cost containment provisions in pursuit of value for money as well as responsible expenditure management within a constrained fiscal environment.

Unsolicited Bid Proposals for the Year Under Review

The Agency continued to operate in full compliance to governance prescripts as legislated and did not accept or conclude any unsolicited proposals for the 2018-2019 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's commitment to the highest form of fiscal prudence is evident in zero instances of fruitless and wasteful expenditure as well as irregular expenditure. This tremendous achievement was made possible by the Agency's proactive policy framework which works as an early detection system to identify and eliminate any possible instances of fraud, malpractices and abuses of the supply chain management processes.

Resolving Challenges Experienced

The Agency is pleased that the critical challenges experienced have been addressed by the approval of the Amendment Bill, which will usher in a solid foundation to enhance its operations. Thus the Agency had developed and implemented a cautious strategy of dealing with its incapacitation issues whilst embarking on the restructuring of its organisational design and ensuring that it capacitates itself timeously to support national rollout of the AARTO.

The funding challenges experienced are being addressed through a proactive funding model that has been approved, which identified a number of revenue streams to embark upon in ensuring financial sustainability going into the future. A number of these revenue streams have been piloted in the reporting period and are beginning to show positive traction which the Agency will further broaden and enhance.

Audit Report Matters in the Previous Year and How They Were Addressed

The unqualified and clean audits that the Agency attained in the past six years are in part, attributable to the level of stewardship that the Board was able to provide during its tenure. I hope the members are able to do the same in other organisations where they continue to serve. A proactive system of monitoring progress related to previous audit findings from the Auditor General has been implemented, entailing a three-phased process of follow up by the Internal Audit Unit, regular reporting on a quarterly basis to the oversight committees in the form of the Audit and Risk Committee, as well as the Auditor General.

Furthermore, every division has its own risk champions appointed, with the concomitant responsibilities of risk management and accountability included in the performance contracts of management. Implementation of this strategy has enabled the Agency to eliminate the challenges and previous findings by the Auditor General and to continuously monitor the risk elements and give assurance to the Audit and Risk Committee that the Agency's system of internal control continues to operate efficiently.

Outlook/ Plans For the Future to Address Financial Challenges

The Agency developed its own funding model, which was partly based on the sad fact of tremendous under-funding from fiscal allocations. The year under review was the beginning of the first period of identifying avenues for implementing some of the revenue streams developed. The approved Amendment Bill further provided a solidified platform for the Agency to move ahead with finalising the applicable supporting Regulations, which would further provide a good and sustainable ability for the Agency's continued self-funding.

The related sources of co-funding will need to be further broadened and intensified in the run-up to national rollout, particularly with the implementation of the points demerit system and rehabilitation programme, which would be implemented on a "user pay principle" basis. Financial service providers and fleet operators, together with large-scale employers, would derive the related value proposition from partnerships with the Agency related to the management and monitoring of road user behavioural patterns and trends.

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 is a service organisation which is primarily focussed on the change in road user behaviour. It is funded from a portion of the infringement penalty revenue collected on behalf of issuing authorities, fees as well as Treasury allocations. In the ultimate end, when the Agency achieves a tremendous reduction in the volume of infringements committed, a concomitant reduction in the revenue collected will also be experienced. To that extent, the Agency has already started to proactively ensure the highest levels of fiscal prudence in its operations, coupled with various co-funding options.

Primary amongst the various revenue streams identified in its funding model, is the "user pay principle" which is based on the conviction that anyone who is fully compliant with road traffic laws has no worries regarding the Agency's mandate. Only those that do not comply with road traffic laws must pay the attendant penalties and applicable fees. The Agency has also undertaken studies of international best practise, which show a viable mechanism for the Agency's self-funding possibilities, based on the natural ability for the rate of compliance to applicable laws.

Acknowledgements and Appreciation

I wish to extend my gratitude and congratulate the Agency's Management and staff for their diligence and commitment towards dispensing of its mandate. In spite of significant challenges that could have rendered it in a state of paralysis, they remained focussed on ensuring that the Agency remained relevant and effective. Notwithstanding these difficulties, I must thankfully recognise the positive contribution that the Board made and trust that the Agency's solid performance is something that they can take pride in, knowing that they left the Agency at the apex of performance.

I record herein also, a congratulatory note to the Agency's stellar role in protecting its mandate, in the face of extreme pressures of a litigious environment, with pressure exerted by external forces and pressure groups in their attempt to destroy the Agency and its mandate. The Agency is fully vindicated in its belief, continued operations and confidence in its mandate as evidenced by the final approval of the AARTO Amendment Bill by Parliament. I take my hat off to the Portfolio Committee of Transport, diligently led by its former Chairperson, Honourable Ms Dikeledi Magadzi, MP for their wisdom

and guidance in leading the process for the approval of the Amendment Bill. I also thank the Chairperson of the Select Committee on Economic and Business Development of the National Council of Provinces, Honourable Mr Mandla Rayi, MP for leading the final deliberations on the Bill, both at Parliament and the various Provincial Legislatures. We thank and congratulate the various leaders in Provincial Legislatures that ensured that the Amendment Bill was tabled and engaged upon in their Provinces. I express also a congratulatory note and gratitude to every South African citizen that engaged with the Agency during the extensive public hearings on the Bill, which were held throughout the country. It is due to your active citizenship, support and motivations to put an end to road traffic lawlessness that the Amendment Bill received overwhelming support for its approval.

The Agency continues to show its utmost respect and admiration to the former Deputy Minister, Honourable Ms Sindisiwe Chikunga, MP, for her sterling and exemplary leadership, as well as her passionate belief in the Agency's mandate, continuing to guide it and inspiring it to perform at the apex. We are truly humbled that our unparalleled conviction and her vision of ensuring that the Gospel of road safety is preached in all corners of the country, is beginning to show the desired outcome. We express our gratitude to the former Minister, Honourable Dr Bonginkosi Nzimande, MP, for his fresh approach to the challenges of road safety and his leadership. As the Agency, 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.

Similarly we welcome our new Minister, the Honourable Mr Fikile Mbalula, MP and Deputy Minister Ms Dikeledi Magadzi, MP with excitement and enthusiasm and offer full cooperation and support. The transport fraternity is inspired by your energy and high work ethic and the Agency is sure to achieve greater success with you at the helm.

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 both as a public entity and in its capacity as an agent to the issuing authorities. These disclosures are made under the Annual Financial Statements section and in particular covered under note 8.

For the reporting period of 1 April 2018 to 31 March 2019, a total amount of R360 million was collected from outstanding infringement penalties. By 31 March 2019, an amount of R176 million was disbursed to various AARTO stakeholders and R 170 million retained by the various AARTO Issuing Authorities amounting to a total of R346 million.



Mr JR Chuwe
Registrar/Chief Executive Officer
& Section 49 (2) (b) Accounting Authority
Date : 2019 / 07 / 31

Statement of Responsibility and Confirmation of Accuracy of the Annual Report

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

- All information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor General.
- The annual report is complete, accurate and is 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 which is designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- 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 2019.

Yours faithfully



Chairperson: Audit & Risk Committee
Mr Bryan S. Chaplog, CA (SA)
Date : 2019 / 07 / 31



Section 49 (2) (b) Accounting
Authority
Mr JR Chuwe
Date : 2019 / 07 / 31

PERFORMANCE INFORMATION

PART B





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

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



1.1.1 Number of Infringement Notices Captured

The number of notices captured by all the Issuing Authorities (IA's) per month on the NCR during the 2018-2019 financial year is shown in the table below per AARTO type.

Number of Notices Captured per Type : All IA's						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2018	70 223	90	119 301	36 176	0	225 790
May 2018	94 356	94	126 377	41 611	0	262 438
Jun 2018	71 248	62	109 081	31 250	1	211 642
Jul 2018	80 272	97	200 221	24 547	0	305 137
Aug 2018	78 341	60	251 328	29 529	0	359 258
Sep 2018	54 517	59	239 684	29 088	0	323 348
Oct 2018	64 860	89	269 999	29 971	0	364 919
Nov 2018	64 898	70	206 541	24 273	0	295 782
Dec 2018	49 221	128	189 863	13 629	0	252 841
Jan 2019	70 886	52	74 183	17 783	0	162 904
Feb 2019	62 405	5	238 232	22 780	0	323 422
Mar 2019	62 630	50	239 437	24 048	0	326 165
Year Total	823 857	856	2 264 247	324 685	1	3 413 646

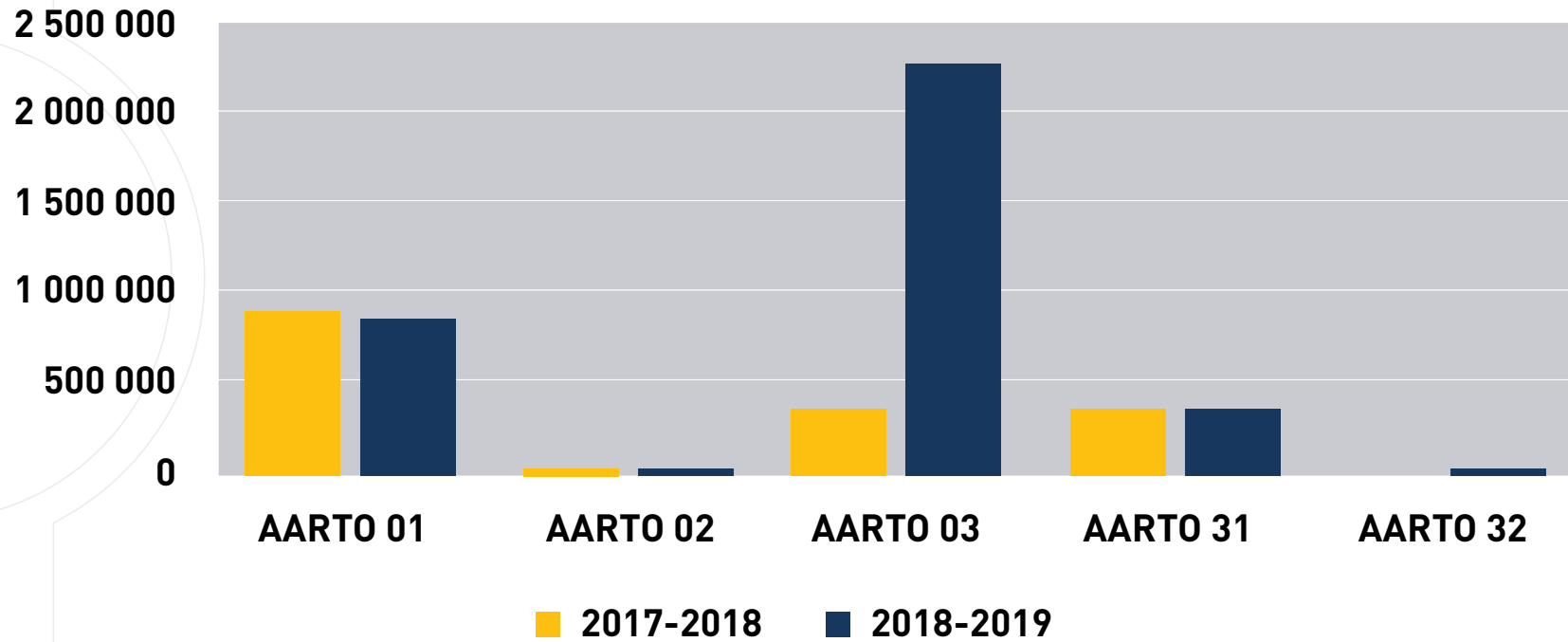
The table below shows the changes in number of notices captured by all the IA's between 2017-2018 and 2018-2019 financial years. The analysis of the tables above is as follows:

Change in Number of Notices Captured per Type : All IA's						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2017-2018	901 668	980	351 103	354 238	0	1 607 989
2018-2019	823 857	856	2 264 247	324 685	1	3 413 646
Change	-77 811	-124	1 913 144	-29 553	1	1 805 657
% change	-8.63%	-12.65%	544.90%	-8.34%	100%	112.29%

- There is a total of 3 413 646 infringement notices captured by all the IA's during 2018-2019 financial year period, which is 112.29% increase from 1 607 989 in 2017-2018 financial year.
- **AARTO 01** - handwritten at the road side. A total of 823 857 AARTO 01's were captured during the 2018-2019 period. This is a decrease of 8.63% from 901 668 captured AARTO 01's notices in 2017-2018;
- **AARTO 02** - Weighbridges electronic infringement notices.
There is a decrease of 12.65% from 980 in 2017-2018 to 856 in 2018-2019;
- **AARTO 03** - Camera captured infringement notices.
There is a huge increase of 544.90% from 351 103 notices to 2 264 247 notices captured in 2018-2019;
- **AARTO 31** - Unattended vehicle notices.
A total of 354 238 AARTO 31's notices were captured in 2017-2018 financial year and 324 685 in 2018-2019, which is a decrease of 8.34%.
- **AARTO 32** - Offences at the roadside.
No notices were recorded 2017-2018 and in 2018-2019 financial year, only 1 AARTO 32 notice was captured.

The change in the number of notices captured from 2017-2018 to 2018-2019 are reflected in the graph below for all IA's per notice type

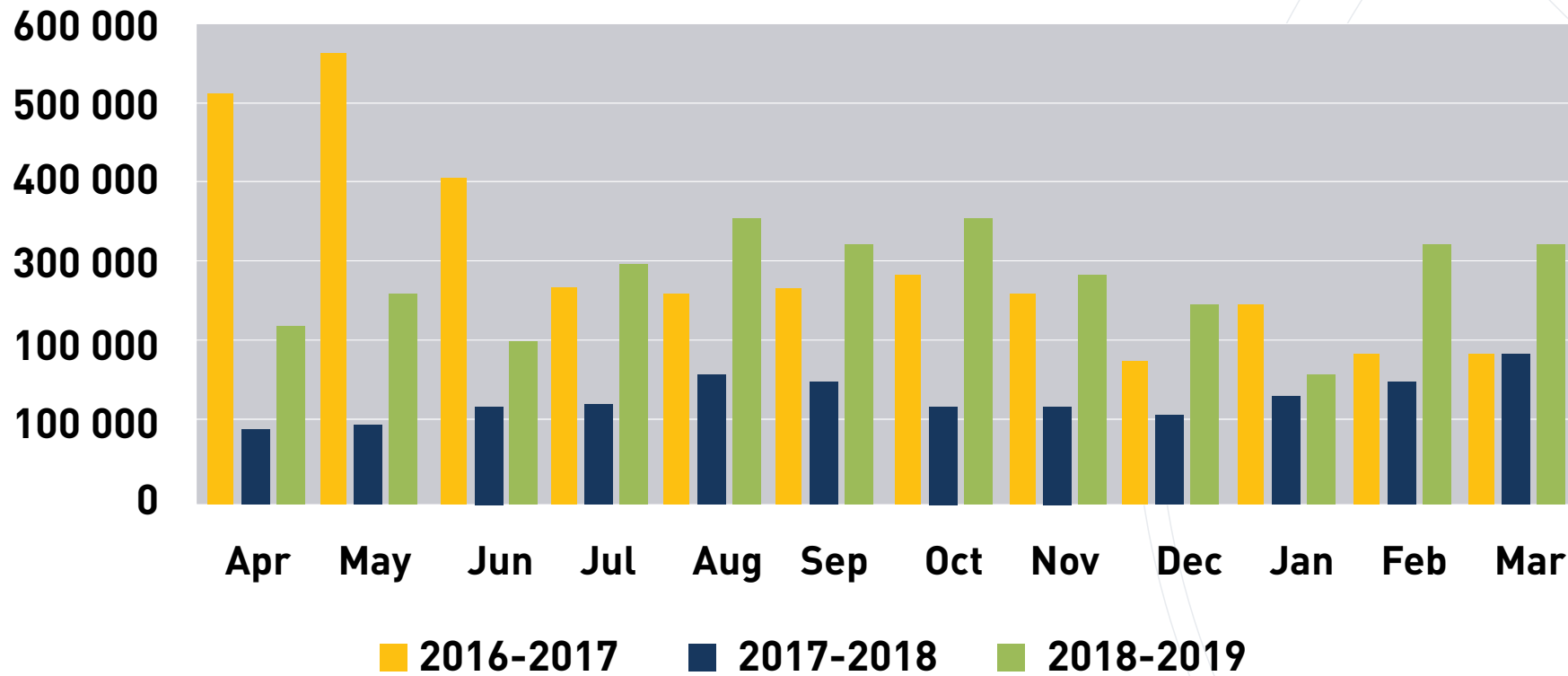
Number of Notices Captured : All IA's



The graph above shows that the majority of the notices captured by all the IA's are the camera captured notices (AARTO 03) in 2018-2019 financial year.

The graph below compares in months the 2016-2017, 2017-2018 and 2018-2019 financial years on the number of captured notices for all the IA.

No. of Courtesy Letters Issued per Month



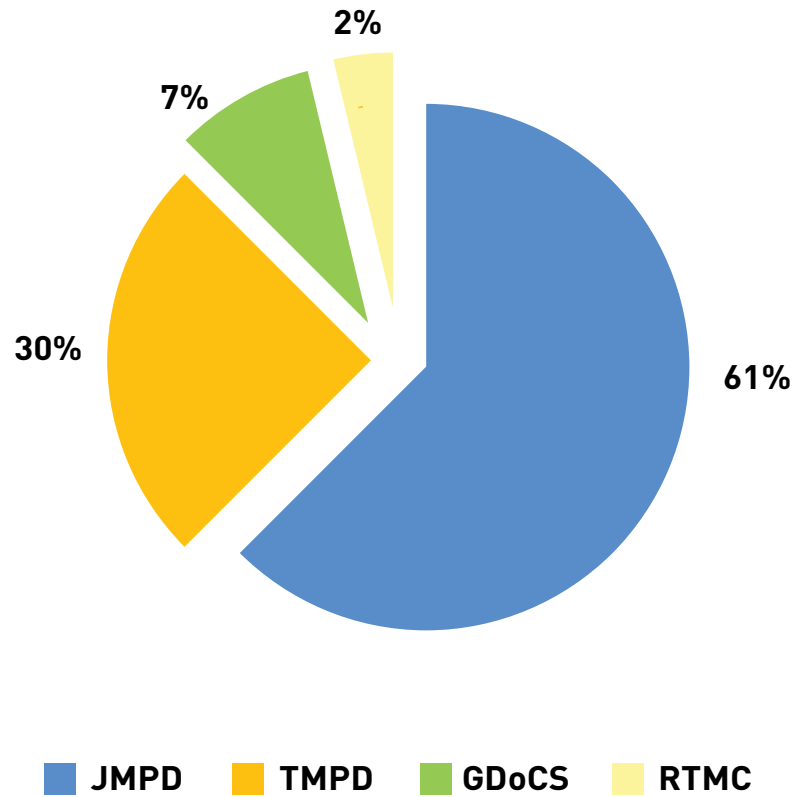
From the information above, it can be clearly seen that in 2016-2017 financial year, the months of April to June have the most number of notices captured followed by August to October 2018-2019.

In 2018-2019 financial year, The IA's have improved the capturing of notices for all the months as compared to the previous financial year 2017-2018.

The table below shows the total number of notices captured by the issuing authorities per month:

Number of Notices Captured per Issuing Authority						
Month	JMPD	TMPD	GDoCS	RTMC	Total	Total
Apr 2018	148 560	52 837	22 022	2 371	225 790	225 790
May 2018	182 602	53 603	22 781	3 452	262 438	262 438
Jun 2018	135 530	52 582	21 397	2 133	211 642	211 642
Jul 2018	202 994	71 505	26 943	3 695	305 137	305 137
Aug 2018	220 235	105 904	26 771	6 348	359 258	359 258
Sep 2018	204 425	98 659	14 884	5 380	323 348	323 348
Oct 2018	229 663	120 753	10 904	3 599	364 919	364 919
Nov 2018	166 368	106 163	20 039	3 212	295 782	295 782
Dec 2018	152 866	77 868	19 014	3 093	252 841	252 841
Jan 2019	38 964	94 507	21 274	8 159	162 904	162 904
Feb 2019	202 059	91 258	25 331	4 774	323 422	323 422
Mar 2019	212 802	87 704	19 956	5 703	326 165	326 165
Year Total	2 097 068	1 013 343	251 316	51 919	3 413 646	3 413 646

% of All Notices Captured per Issuing Authority



The information above can be summarised as follows:

- It is evident that the JMPD has the highest notices captured with a total of 2 097 068 which is 61% of the total captured;
- TMPD is the second highest with 1 013 343 (30%) of notices captured;
- GDoCS is in 3rd place with 251 316 (7%) notices captured; and
- Lastly, RTMC captured 51 919 notices, which is only 2% of captured notices.

1.1.2 Number of Notices Captured per Issuing Authority

The change in the number of notices captured per Issuing Authority from 2017-2018 to 2018-2019 is shown in the table below.

Change in Number of Notices Captured per Issuing Authority						
Year	JMPD	TMPD	GDoCS	RTMC	Total	Total
2017-2018	669 252	687 048	234 057	17 632	1 607 989	1 607 989
2018-2019	2 097 068	1 013 343	251 316	51 919	3 413 646	3 413 646
Change	1 427 816	326 295	17 259	34 287	1 805 657	1 805 657
% change	213.35%	47.49%	7.37%	194.46%	112.29%	112.29%

The information in the table above shows an increase of 1 805 657 (112.29%) in the total number of notices captured, compared to 1 607 989 in 2017-2018 to 3 413 646 in 2018-2019. The changes in the number of notices captured per Issuing Authority from the previous year are as follows:

- JMPD: an increase of 1 427 816 (213.35%) from 669 252 to 2 097 068 notices;
- TMPD: an increase of 326 295 (47.49%) from 687 048 to 1 013 343 notices;
- GDoCS: an increase of 17 259 (7.37%) from 234 057 to 251 316 notices; and
- RTMC: an increase of 34 287 (194.46%) from 17 632 to 51 919 notices in 2018-2019.

Johannesburg Metropolitan Police Department (JMPD)

In the 2018/19 financial year, JMPD have captured a total of 2 097 068 notices as 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 2018	30 911	0	91 896	25 753	0	148 560
May 2018	42 594	0	111 535	28 473	0	182 602
Jun 2018	34 072	0	79 491	21 966	1	135 530
Jul 2018	32 956	0	156 606	13 432	0	202 994
Aug 2018	23 938	0	184 422	11 875	0	220 235
Sep 2018	15 459	0	174 164	14 802	0	204 425
Oct 2018	20 046	0	197 097	12 520	0	229 663
Nov 2018	19 702	0	137 571	9 095	0	166 368
Dec 2018	12 766	0	135 732	4 368	0	152 866
Jan 2019	18 077	0	14 274	6 613	0	38 964
Feb 2019	16 288	0	176 700	9 071	0	202 059
Mar 2019	18 250	0	186 077	8 475	0	212 802
Year Total	285 059	0	1 645 565	166 443	1	2 097 068

The above table indicates that JMPD has captured 285 059 AARTO 01's, 1 645 565 AARTO 03's, 166 443 of AARTO 31's, 0 AARTO 32 and 0 AARTO 02 was captured.

The changes in number of notices captured by the JMPD from 2017-2018 to 2018-2019 are shown in the table below.

Change in Number of Notices Captured per Type : JMPD						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2017-2018	411 314	0	9 919	248 019	0	669 252
2018-2019	285 059	0	1 645 565	166 443	1	2 097 068
Change	-126 255	0	1 635 646	-81 576	1	1 427 816
% change	-30.70%	0.00%	16490%	-32.89%	100%	213.35%

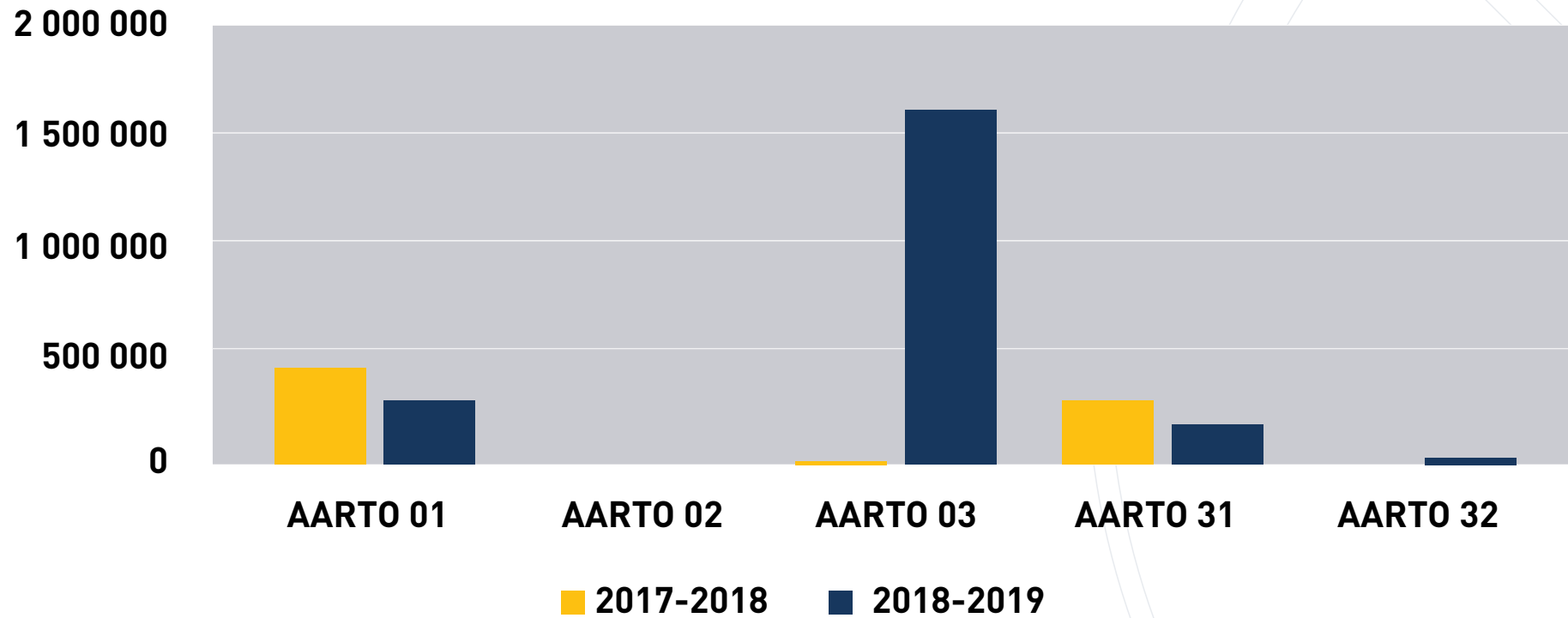
AARTO 01: There has been a decrease of 126 255 (30.70%) from 411 314 in 2017-2018 to 285 059 in 2018-2019 for the JMPD.

AARTO 03: The capturing of the camera infringement notices by the JMPD have increased by an enormous 1 635 646, from 9 919 to 1 645 565 which is 16 490%.

AARTO 31: JMPD have captured 81 576 less notices in 2018-2019 as compared to 248 443 in 2017-2018. Which equates to 32.89%.

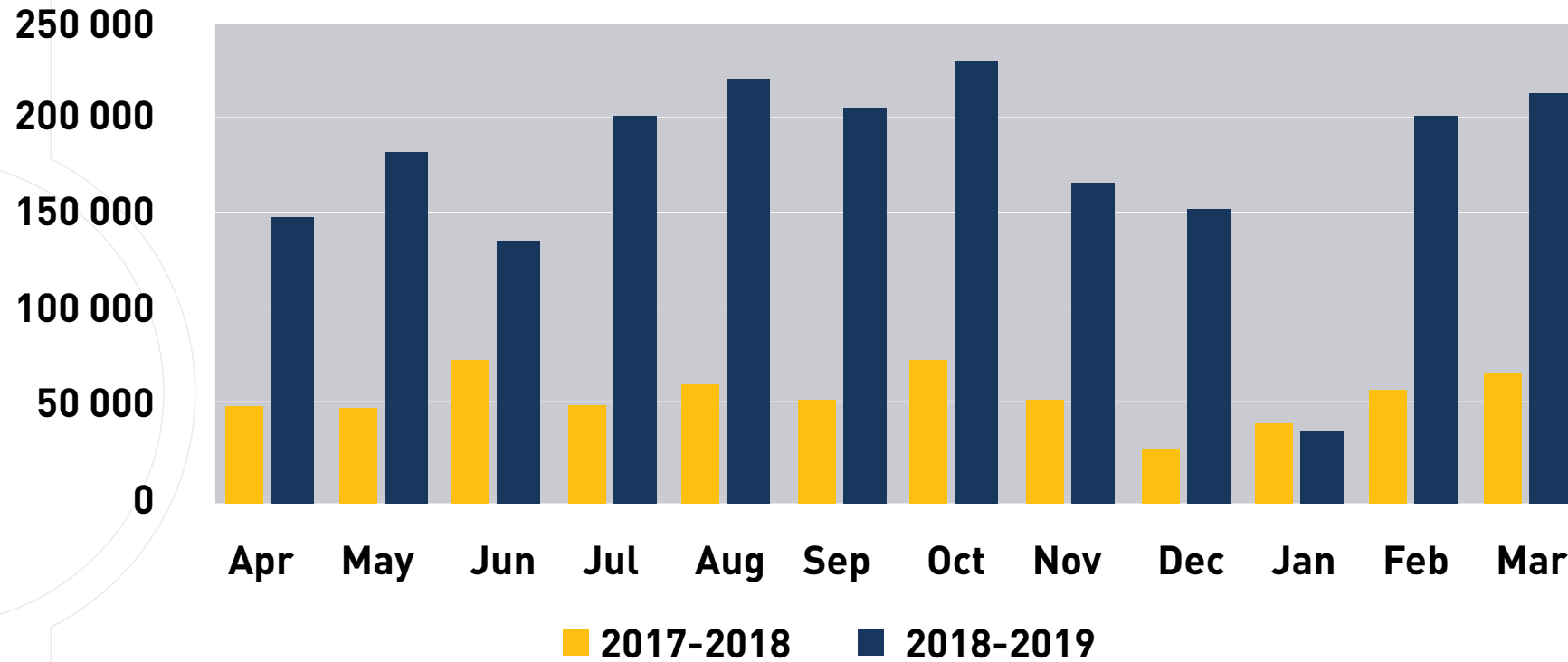
The information can also be seen on the bar chart below, comparing the performance of JMPD for the two financial years 2017-2018 and 2018-2019.

Number of Notices Captured: JMPD



The graph below shows the month on month comparison of notices captured in 2017-2018 and 2018-2019 financial years.

Number of Notices Captured per Month



JMPD have recorded the highest number of notices captured for all the months except for the month of January 2019.

Tshwane Metropolitan Police Department (TMPD)

The table below shows the number of notices per type captured by TMPD on the NCR during the 2018-2019 financial year.

Number of Notices Captured per Type : TMPD						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2018	15 009	0	27 405	10 423	0	52 837
May 2018	25 623	0	14 842	13 138	0	53 603
Jun 2018	13 708	0	29 590	9 284	0	52 582
Jul 2018	16 775	0	43 615	11 115	0	71 505
Aug 2018	21 344	0	66 906	17 654	0	105 904
Sep 2018	18 853	0	65 520	14 286	0	98 659
Oct 2018	30 400	0	72 902	17 451	0	120 753
Nov 2018	22 015	0	68 970	15 178	0	106 163
Dec 2018	14 476	0	54 131	9 261	0	77 868
Jan 2019	23 428	0	59 909	11 170	0	94 507
Feb 2019	16 017	0	61 532	13 709	0	91 258
Mar 2019	18 771	0	53 360	15 573	0	87 704
Year Total	236 419	0	618 682	158 242	0	1 013 343

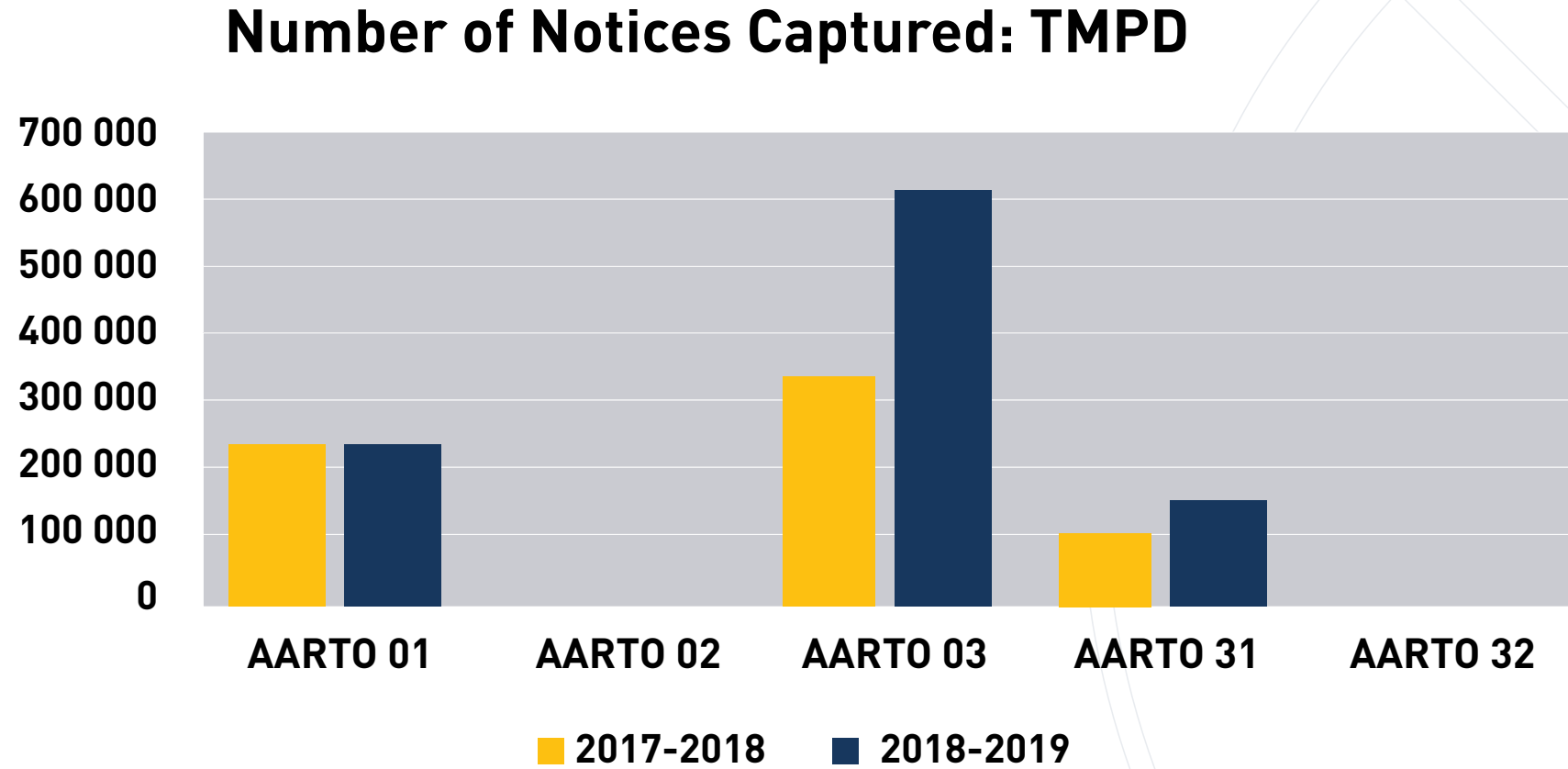
The changes between the two financial years for TMPD is shown in the table below

Change in Number of Notices Captured per Type : TMPD						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2017-2018	239 645	0	341 184	106 219	0	687 048
2018-2019	236 419	0	618 682	158 242	0	1 013 343
Change	-3 226	0	277 498	52 023	0	326 295
% change	-1.35%	0.00%	81.33%	48.98%	0.00%	47.49%

The information in the two tables above shows that:

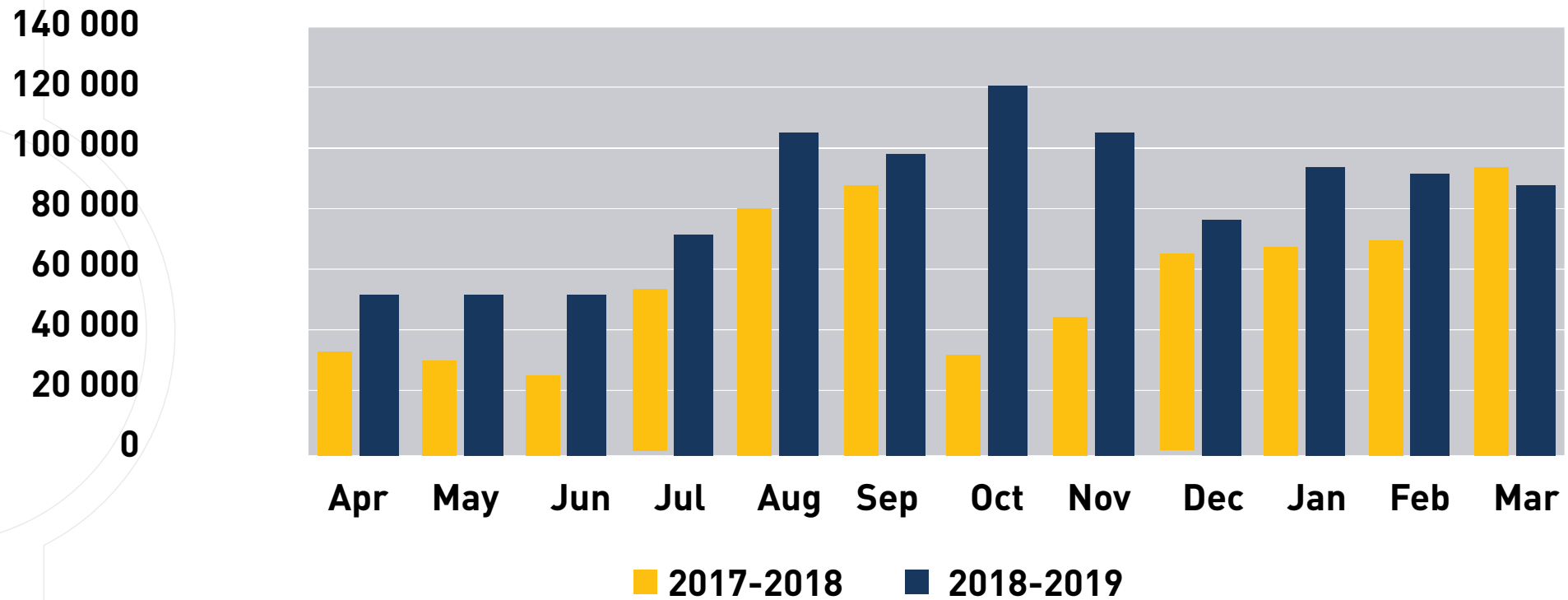
- TMPD in 2018-2019 financial year, have increased its overall capturing of notices by 47.49%.
- AARTO 01: There is a decrease of 1.35% from 239 645 in 2017-2018 to 236 419 in 2018-2019.
- AARTO 02: There were no AARTO 02 notices captured for TMPD since these are notices created at the weighbridges.
- AARTO 03: There is an increase of 277 498 (81.33%) captured notices in 2018-2019 financial year.
- AARTO 31: There is an increase of 52 023 (48.98%) from 106 219 to 158 242 notices in 2018-2019; 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.



The graph below shows the month on month comparison of notices captured in 2017-2018 and 2018-2019 financial years.

Number of Notices Captured per Month



An Increase in the number of notices captured per month were recorded for 11 consecutive months in 2018-2019 financial year with October 2018 having the largest number of 120 753.

Gauteng Department of Community Safety (GDoCS)

The number of infringement notices per type captured per month on the NCR during the financial year from 1 April 2018 to 31 March 2019 by GDoCS is shown in the table below.

Number of Notices Captured per Type : GDoCS						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2018	21 932	90	0	0	0	22 022
May 2018	22 687	94	0	0	0	22 781
Jun 2018	21 335	62	0	0	0	21 397
Jul 2018	26 846	97	0	0	0	26 943
Aug 2018	26 711	60	0	0	0	26 771
Sep 2018	14 825	59	0	0	0	14 884
Oct 2018	10 815	89	0	0	0	10 904
Nov 2018	19 969	70	0	0	0	20 039
Dec 2018	18 886	128	0	0	0	19 014
Jan 2019	21 222	52	0	0	0	21 274
Feb 2019	25 326	5	0	0	0	25 331
Mar 2019	19 906	50	0	0	0	19 956
Year Total	250 460	856	0	0	0	251 316

The information in the table above shows that a total number of 251 316 notices were captured during the year under review, of which 250 460 notices were AARTO 01's, 856 notices were AARTO 02 and there were no AARTO 03, AARTO 31 and AARTO 32 captured by the GDoCS in 2018-2019.

The change in the number of notices captured per type in 2017-2018 and 2018-2019 financial years is shown in the table below.

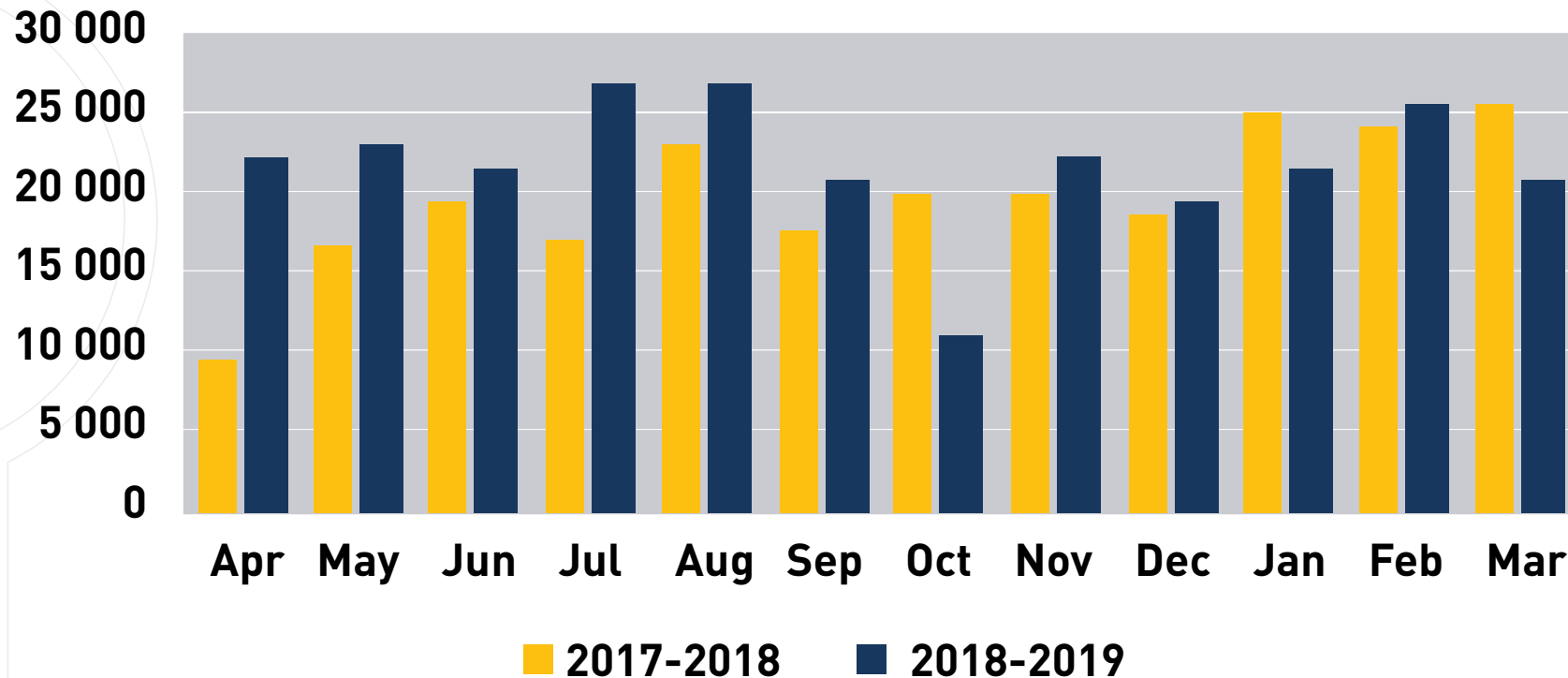
Change in Number of Notices Captured per Type : GDoCS						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2017-2018	233 077	980	0	0	0	234 057
2018-2019	250 460	856	0	0	0	251 316
Change	17 383	-124	0	0	0	17 259
% change	7.46%	-12.65%	0.00%	0.00%	0.00%	7.37%

The information in the table above shows that:

- There is a total increase of 17 259, which is 7.37% of the total notices captured.
- The AARTO 01 have increased by 17 383 (7.46%) from 233 077 in 2017-2018 to 250 460 in 2018-2019; and
- AARTO 02 has decreased by 124, which is 12.65% of the captured notices from 980 in 2017-2018 to 856 in 2018-2019.

The graph below shows the month on month comparison of notices captured in 2017-2018 and 2018-2019 financial years.

Number of Notices Captured per Month



An increase in the number of notices captured per month were recorded for 8 months of the year under review with the largest number of 26 943 in July 2018.

Road Traffic Management Corporation (RTMC)

The number of notices captured per month on the NCR during the financial year from 1 April 2018 to 31 March 2019 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 2018	2 371	0	0	0	0	2 371
May 2018	3 452	0	0	0	0	3 452
Jun 2018	2 133	0	0	0	0	2 133
Jul 2018	3 695	0	0	0	0	3 695
Aug 2018	6 348	0	0	0	0	6 348
Sep 2018	5 380	0	0	0	0	5 380
Oct 2018	3 599	0	0	0	0	3 599
Nov 2018	3 212	0	0	0	0	3 212
Dec 2018	3 093	0	0	0	0	3 093
Jan 2019	8 159	0	0	0	0	8 159
Feb 2019	4 774	0	0	0	0	4 774
Mar 2019	5 703	0	0	0	0	5 703
Year Total	51 919	0	0	0	0	51 919

The information in the table above shows that a total number of 51 919 AARTO 01's were the only notices captured during the year.

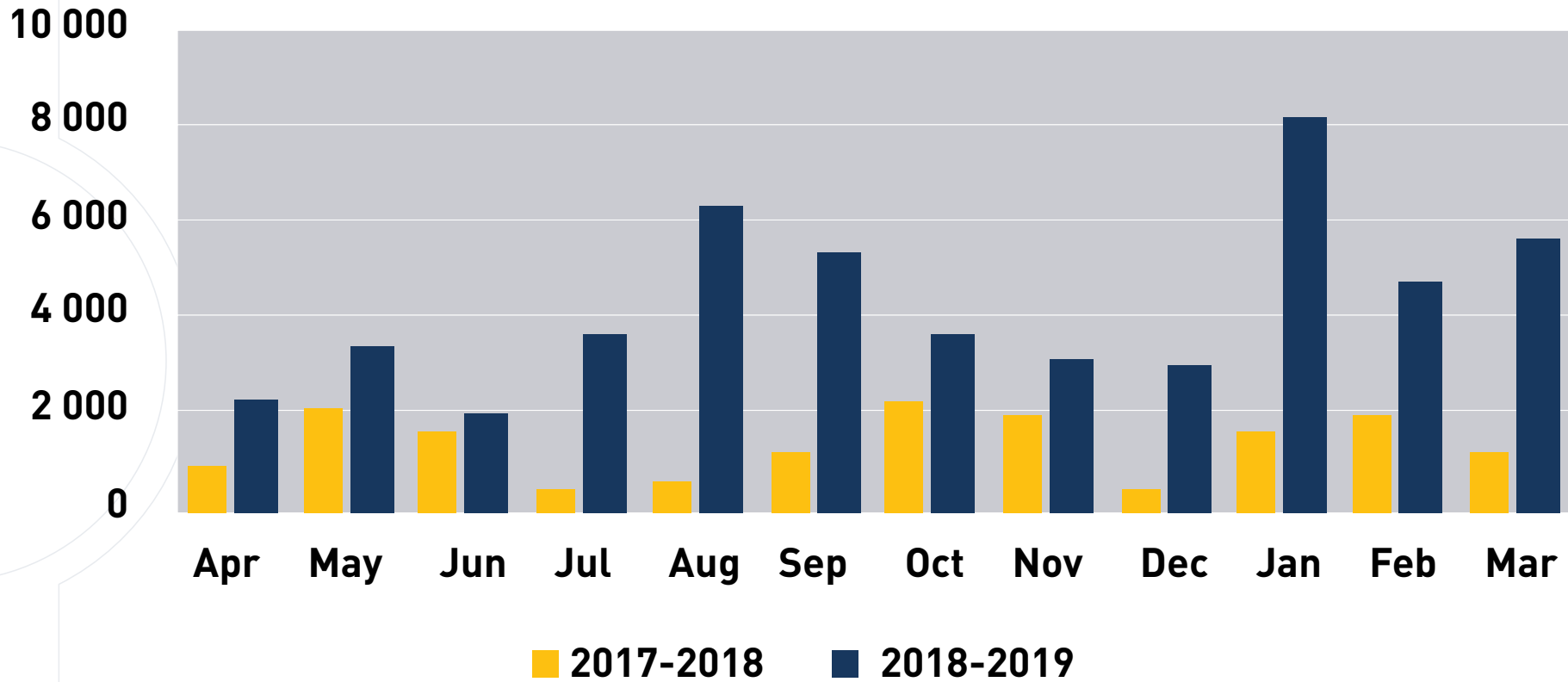
The change in the number of notices captured from 2017-2018 to 2018-2019 financial year is shown in the table below.

Change in Number of Notices Captured per Type : RTMC						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2017-2018	17 632	0	0	0	0	17 632
2018-2019	51 919	0	0	0	0	51 919
Change	34 287	0	0	0	0	34 287
% change	194.46%	0.00%	0.00%	0.00%	0.00%	194.46%

The information in the table above shows an increase of 34 287, which is 194.46% more in number of AARTO 01 notices captured, from 17 632 in 2017-2018 to 51 919 in 2018-2019.

The graph below shows the month on month comparison of notices captured in 2017-2018 and 2018-2019 financial years.

Number of Notices Captures per Month



The information in the graph above shows that for 12 months in 2018-2019, there is an increase in the number of notices captured with January having the highest of 8 159.

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 discounted penalty amount, 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 was 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 change in number of notifications to make payments in instalments submitted using the AARTO 04 form for the financial year under review in comparison with the previous financial year.

Notifications to Pay In Instalments				
Month	2017-2018	2018-2019	Change	% Change
Apr	53	17	-36	-67.92%
May	48	33	-15	-31.25%
Jun	32	38	6	18.75%
Jul	27	17	-10	-37.04%
Aug	43	27	-16	-37.21%
Sep	36	23	-13	-36.11%
Oct	66	62	-4	-6.06%
Nov	68	84	16	23.53%
Dec	27	20	-7	-25.93%
Jan	42	49	7	16.67%
Feb	16	26	10	62.50%
Mar	16	20	4	25.00%
Total	474	416	-58	-12.24%

The table above shows that the total number of notifications to pay in installments have declined from 474 in 2017-2018 to 416 in 2018-2019.

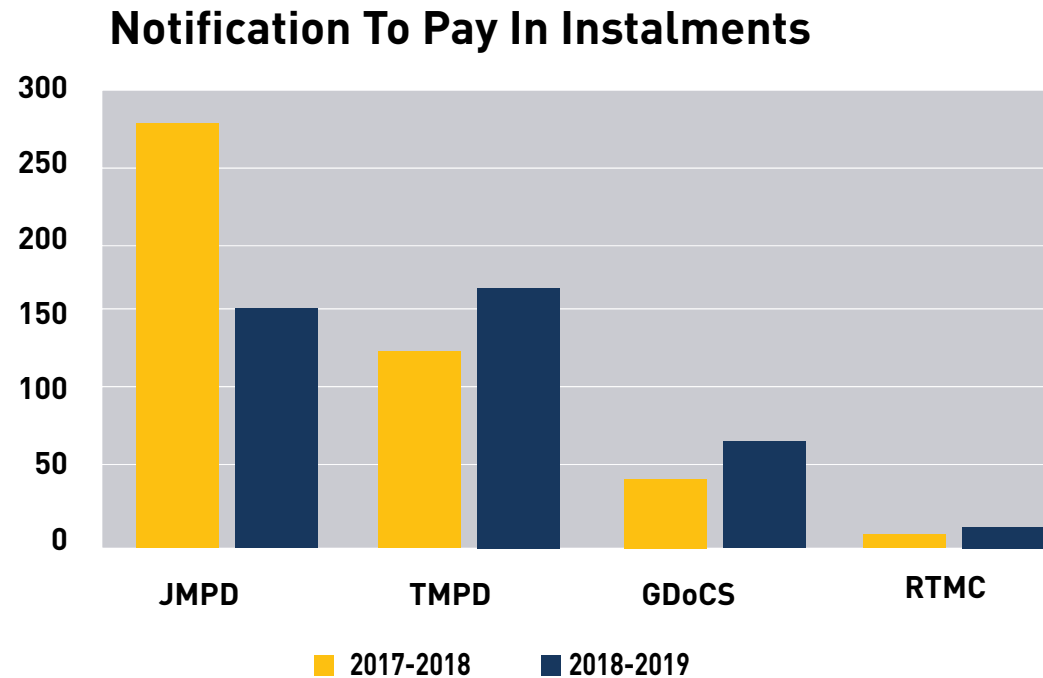
The information is also reflected in the table below per IA.

Change in Number of Notifications to Pay in Instalments					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2017-2018	285	133	48	8	474
2018-2019	163	177	65	11	416
Change	-122	44	17	3	-58
% change	-42.81%	33.08%	35.42%	37.50%	-12.24%

The table above shows that there is a decrease of 58 notifications, which is 12.24% change between 2017-2018 and 2018-2019 financial years.

The table further shows that JMPD is the only IA that have decreased from 285 to 163 in 2018-2019, which is 122 (42.81%) less than in 2017-2018 financial year. The number of notifications to pay in instalments for TMPD, GDoCS and RTMC has increased in 2018-2019 financial year with 33.08%, 35.42% and 37.50% respectively.

The data is also reflected in the graph below.



C. Submission of Representations

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

Number of Representations Submitted					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2018	5 552	3 000	619	154	9 325
May 2018	7 564	3 787	885	213	12 449
Jun 2018	11 339	4 469	794	206	16 808
Jul 2018	10 774	3 681	975	192	15 622
Aug 2018	12 355	3 743	814	179	17 091
Sep 2018	9 092	4 261	1 043	190	14 586
Oct 2018	12 613	5 392	1 428	294	19 727
Nov 2018	9 123	5 375	1 285	298	16 081
Dec 2018	5 154	2 999	684	152	8 989
Jan 2019	3 655	4 921	1 195	237	10 008
Feb 2019	3 838	4 703	1 056	251	9 848
Mar 2019	4 239	5 033	1 267	273	10 812
Year Total	95 298	51 364	12 045	2 639	161 346
% of Total	59.06%	31.83%	7.47%	1.64%	100.00%

The information in the table above shows that 161 346 representation applications were submitted in 2018-2019 financial year.

The table is summarised per IA as follows:

- JMPD : There were 95 298 applications for representations submitted, which is 59.06% of the total applications submitted;
- TMPD : There were 51 364 applications for representations submitted, which is 31.83% of the total applications submitted;
- GDoCS : There were 12 045 applications for representations submitted, which is 7.47% of the total applications submitted; and
- RTMC : There were 2 639 applications for representations submitted, which is only 1.64% of the total applications submitted.

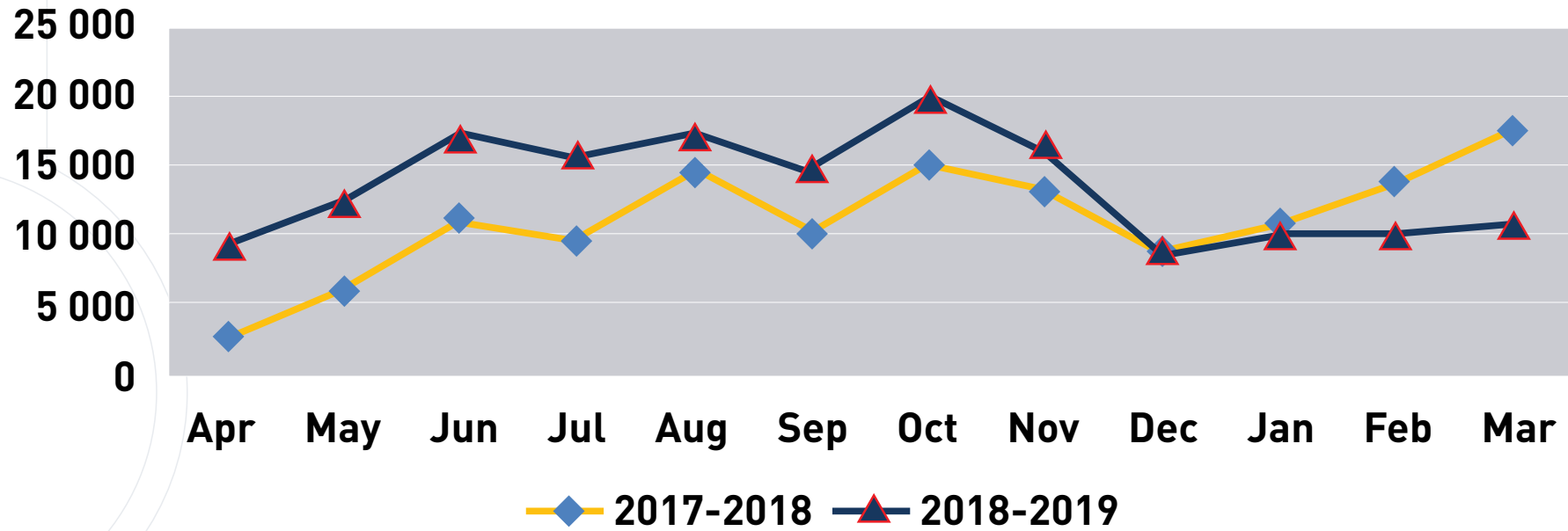
The change in the total number of representations submitted during 2018-2019 in comparison with the 2017-2018 financial year is shown in the table below.

Change in Number of Representations Submitted				
Month	2017-2018	2018-2019	Change	% Change
Apr	2 965	9 325	6 360	214.50%
May	6 250	12 449	6 199	99.18%
Jun	11 197	16 808	5 611	50.11%
Jul	9 660	15 622	5 962	61.72%
Aug	14 500	17 091	2 591	17.87%
Sep	10 276	14 586	4 310	41.94%
Oct	14 892	19 727	4 835	32.47%
Nov	13 111	16 081	2 970	22.65%
Dec	8 836	8 989	153	1.73%
Jan	10 884	10 008	-876	-8.05%
Feb	13 701	9 848	-3 853	-28.12%
Mar	17 518	10 812	-6 706	-38.28%
Total	133 790	161 346	27 556	20.60%

The table above shows that the change in number of representations submitted in 2018-2019 have increased with 27 556 applications from 161 346 to 133 790 in 2017-2018.

The information is also reflected in the graph below

Number of Notices Captured per Month



The graph above shows an increase in number of applications submitted for the representations from April 2018 to December 2018 and the number started to decline from January 2019 to March 2019, this is in comparison with 2017-2018 financial year.

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 2018	903	354	0	0	1 257
May 2018	956	300	0	0	1 256
Jun 2018	960	289	1	0	1 250
Jul 2018	809	322	0	0	1 131
Aug 2018	1 390	429	0	0	1 819
Sep 2018	1 369	621	0	0	1 990
Oct 2018	1 543	475	0	0	2 018
Nov 2018	1 175	497	0	0	1 672
Dec 2018	721	475	0	0	1 196
Jan 2019	572	394	0	0	966
Feb 2019	1 623	917	1	1	2 542
Mar 2019	1 090	532	0	0	1 622
Year Total	13 111	5 605	2	1	18 719

The information in the table above shows that in February 2019, the highest number for driver nominations of 2 542 were recorded; The JMPD have recorded the highest number of driver nominations of 13 111 during the year under review. There are two driver nominations for GDoCS and one for RTMC recorded in the 2018-2019 financial year.

Number of Driver Nominations					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2018	903	354	0	0	1 257
May 2018	956	300	0	0	1 256
Jun 2018	960	289	1	0	1 250
Jul 2018	809	322	0	0	1 131
Aug 2018	1 390	429	0	0	1 819
Sep 2018	1 369	621	0	0	1 990
Oct 2018	1 543	475	0	0	2 018
Nov 2018	1 175	497	0	0	1 672
Dec 2018	721	475	0	0	1 196
Jan 2019	572	394	0	0	966
Feb 2019	1 623	917	1	1	2 542
Mar 2019	1 090	532	0	0	1 622
Year Total	13 111	5 605	2	1	18 719

The information in the table above shows that in February 2019, the highest number for driver nominations of 2 542 were recorded; The JMPD have recorded the highest number of driver nominations of 13 111 during the year under review. There are two driver nominations for GDoCS and one for RTMC recorded in the 2018-2019 financial year.

The table below shows the change in number of driver nominations between 2017-2018 and 2018-2019 financial years.

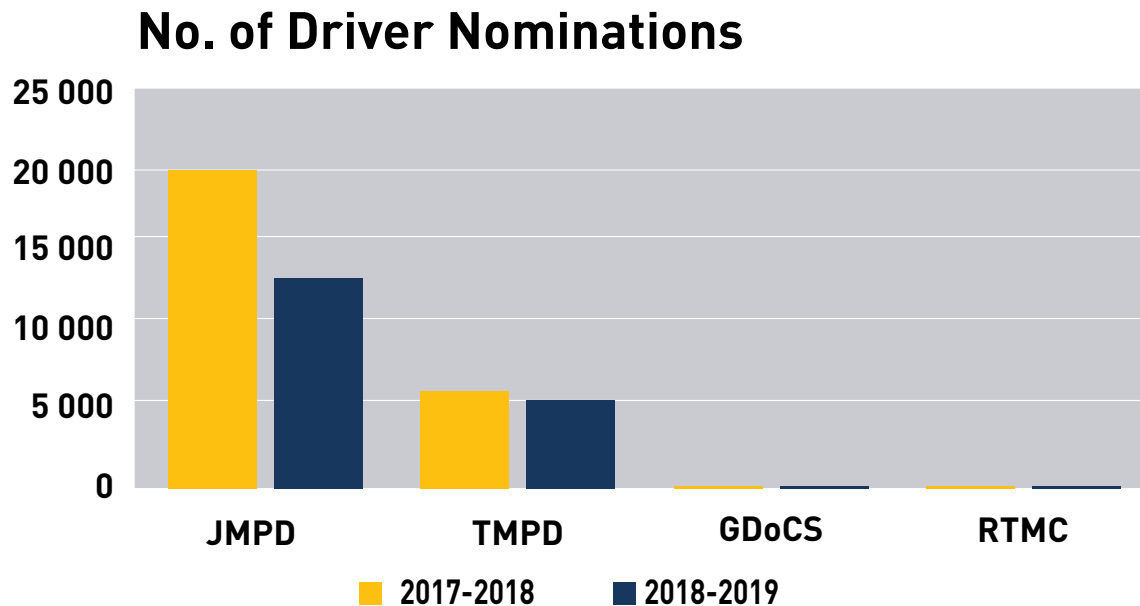
Change in Number of Driver Nominations					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2017-2018	20 012	6 359	4	1	26 376
2018-2019	13 111	5 605	2	1	18 719
Change	-6 901	-754	-2	0	-7 657
% change	-34.48%	-11.86%	-50.00%	0.00%	-29.03%

The table above amongst others shows that:

The total number of driver nominations for 2018-2019 have decreased by 7 657, which is 29.03% from 26 376 in 2017-2018 to 18 719 in 2018-2019;

The JMPD have recorded 6 901 less in number of applications for driver nominations from 20 012 in 2017-2018 to 13 111 in 2018-2019; followed by TMPD with 754 less from 6 359 in 2017-2018 to 5 605 in 2018-2019.

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) and 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 authorisation of an Enforcement Order by the RTIA.

Number of Elections to be Tried in Court					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2018	8760	5507	529	82	14 878
May 2018	9936	7278	746	161	18 121
Jun 2018	7875	5622	752	141	14 390
Jul 2018	7191	4864	660	105	12 820
Aug 2018	7490	7094	970	131	15 685
Sep 2018	7073	5927	860	168	14 028
Oct 2018	7275	8624	1038	207	17 144
Nov 2018	5249	6515	826	130	12 720
Dec 2018	3810	4549	577	112	9 048
Jan 2019	2205	4736	786	214	7 941
Feb 2019	2065	3871	745	180	6 861
Mar 2019	1851	3636	633	161	6 281
Year Total	70 780	68 223	9 122	1 792	149 917

The table above shows that a total of 149 917 elections to be tried in court were recorded on the NCR during 2018-2019 financial year with JMPD recording the highest with 70 780, followed by TMPD, GDoCS and RTMC with 68 223, 9 122 and 1 792 respectively.

The change in number of elections to be tried in court is shown in the table below:

Change in Number of Elections to be Tried in Court					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2017-2018	173 455	102 308	8 952	1 675	286 390
2018-2019	70 780	68 223	9 122	1 792	149 917
Change	-102 675	-34 085	170	117	-136 473
% change	-59.19%	-33.32%	1.90%	6.99%	-47.65%

The table above shows that the number of elections to be tried in court have declined with 136 473 (47.65%) from 286 390 in 2017-2018 to 149 917 in 2018-2019 financial year. JMPD has a decline of 102 675 (59.19%) from 173 455 in 2017-2018 to 70 780 in this period under the review. TMPD have decreased from 102 308 in 2017-2018 to 68 223 in 2018-2019 financial year. GDoCS shows an increase from 8 952 to 9 122 which is 1.90% more elections to be tried in court. RTMC shows an increase from 1 675 in 2017-2018 to 1 792 in 2018-2019, which is 6.99%.

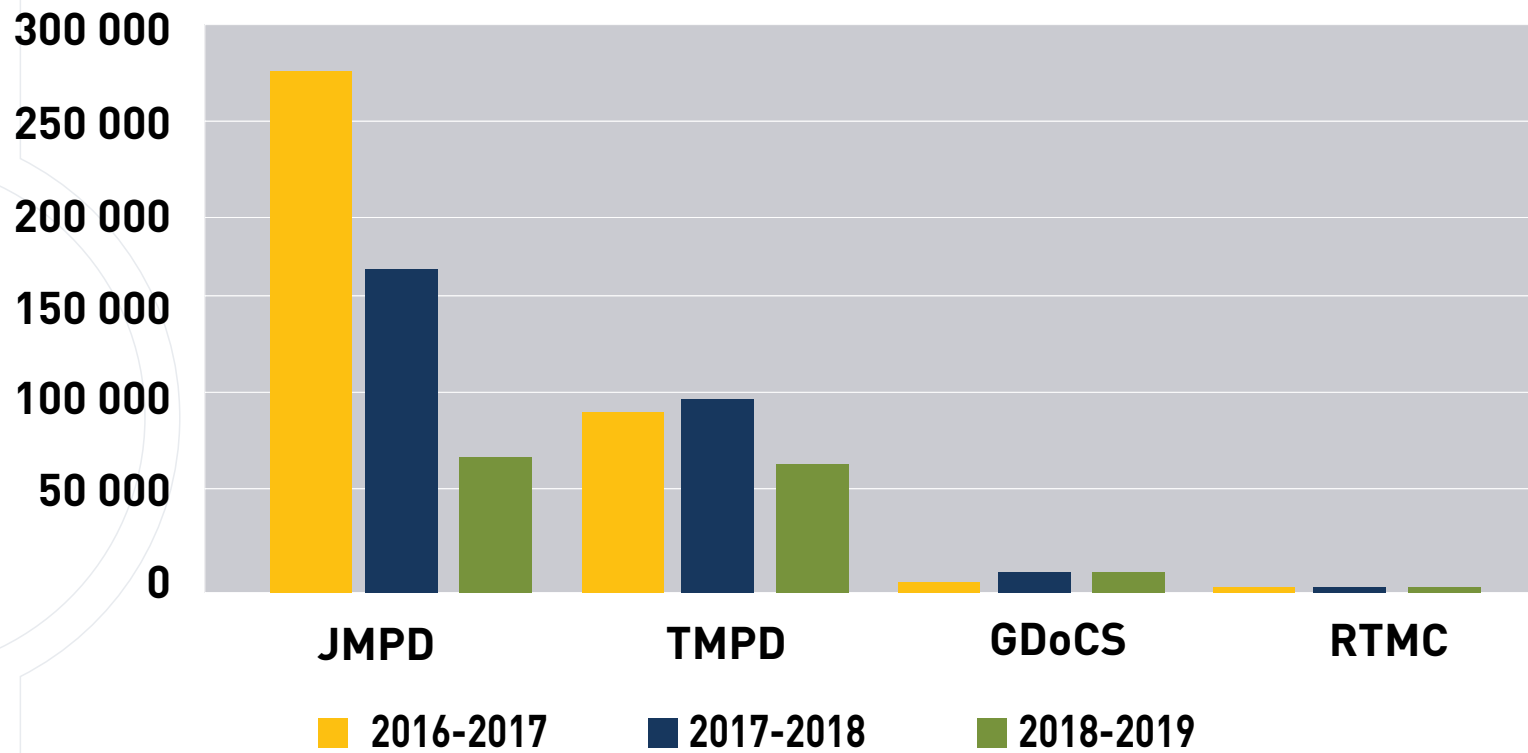
The table below reflects the changes from 2016-2017 to 2017-2018 and to 2018-2019 financial years per IA.

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
2018-2019	70 780	68 223	9 122	1 792	149 917

The table above shows that the number of elections to be tried in court have been declining per financial year from 2016-2017, 2017-2018 to 2018-2019 with 386 261, 286 390 and 149 917 respectively.

The information is also reflected in the graph below per IA.

No. of Elections to be Tried in Court



The table below show the changes in the number of elections to be tried in court between 2017-2018 and 2018-2019 financial years per month:

Number of Elections to be Tried in Court				
Month	2017-2018	2018-2019	Change	% Change
Apr	9 351	14 878	5 527	59.11%
May	16 454	18 121	1 667	10.13%
Jun	23 247	14 390	-8 857	-38.10%
Jul	28 130	12 820	-15 310	-54.43%
Aug	30 256	15 685	-14 571	-48.16%
Sep	28 020	14 028	-13 992	-49.94%
Oct	30 176	17 144	-13 032	-43.19%
Nov	30 540	12 720	-17 820	-58.35%
Dec	25 668	9 048	-16 620	-64.75%
Jan	24 360	7 941	-16 419	-67.40%
Feb	20 346	6 861	-13 485	-66.28%
Mar	19 842	6 281	-13 561	-68.34%
Total	286 390	149 917	-136473	-47.65%

The table above shows the decline in number of elections to be tried in court from June to March, the numbers have been decreasing with the highest decrease recorded in March by 68.34%. In April and May an increase has been recorded on the NCR by 59.11% and 10.13% respectively.

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

Number of Elections to be Tried in Court										
Month	Court Hearings	Main Charge		Alternative Charge		Failure to appear in	Case Postponed	Remove From Court Roll	Warrant of Arrest	Cases Pending
		Guilty	Not Guilty	Guilty	Not Guilty					
Apr 2018	4	0	0	0	0	0	0	0	0	1
May 2018	3	0	0	0	0	0	0	0	0	1
Jun 2018	2 328	0	0	0	0	0	0	213	0	1 996
Jul 2018	1 771	0	0	0	0	0	0	505	0	1 045
Aug 2018	178	4	0	0	0	0	0	61	2	73
Sep 2018	145	0	0	0	0	0	0	0	0	145
Oct 2018	0	0	0	0	0	0	0	0	0	0
Nov 2018	0	0	0	0	0	0	0	0	0	0
Dec 2018	0	0	0	0	0	0	0	0	0	0
Jan 2019	0	0	0	0	0	0	0	0	0	0
Feb 2019	1	1	0	0	0	0	0	0	0	0
Mar 2019	0	0	0	0	0	0	0	0	0	0
Year Total	4 430	0	0	0	0	0	0	779	2	3 261

The table above shows that:

- There was a total of 4 430 court hearings recorded on the NCR in 2018-2019 financial year.
- There were no cases for Failure to appear in court, Cases postponed and only 2 warrant of arrest recorded in August 2018.
- A total of 3 261 cases are pending and 779 struck from the court roll were recorded on the NCR in this period under the review.

The table below shows the change in number of court hearings between 2017-2018 and 2018-2019 financial year:

Change in Monthly Number of Court Hearings				
Month	2017-2018	2018-2019	Change	% Change
Apr	3 578	4	-3 574	-99.89%
May	2 459	3	-2 456	-99.88%
Jun	2 742	2 328	-414	-15.10%
Jul	1 953	1 771	-182	-9.32%
Aug	2 814	178	-2 636	-93.67%
Sep	3 197	145	-3 052	-95.46%
Oct	2 234	0	-2 234	-100.00%
Nov	1 118	0	-1 118	-100.00%
Dec	1 399	0	-1 399	-100.00%
Jan	98	0	-98	-100.00%
Feb	110	1	-109	-99.09%
Mar	3 441	0	-3 441	-100.00%
Year Total	25 143	4 430	-20 713	-82.38%

The information in the table above shows the following:

- There is a total of 4 430 court hearings recorded during the year under review, which is a decrease of 82.38% from 25 143 reported in 2017-2018 financial year. The highest number of hearings recorded in 2018-2019, was in June 2018 with a total of 2 328.

The table below shows the change in number of Court Hearings, Outcomes, Failure to Appear, Cases Postponed and Warrants of arrests issued:

Number of Elections to be Tried in Court										
Month	Court Hearings	Main Charge		Alternative Charge		Failure to appear in	Case Postponed	Remove From Court Roll	Warrant of Arrest	Cases Pending
		Guilty	Not Guilty	Guilty	Not Guilty					
2017-2018	25 143	8	0	0	0	0	0	4 012	0	19 676
2018-2019	4 430	5	0	0	0	0	0	779	2	3 261
Change	-20 713	-3	0	0	0	0	0	-3 233	2	-16 415
% Change	-82.38%	-37.50%	0.00%	0.00%	0.00%	0.00%	0.00%	-80.58%	0.00%	-83.43%

The information in the table above shows the change in the number of court hearings and outcomes from the previous year as follows:

- The court hearings have declined from 25 143 in 2017-2018 to 4 430 in 2018-2019, which is 82.38% change.
- The number of cases struck from the court roll has decreased from 4 012 in 2017-2018 to 779 in 2018-2019, which is a 80.58% decrease;
- The warrants of arrest authorised has increased by 100% from 0 to 2; and
- The number of cases pending have decreased by 16 415 (83.43%) from 19 676 in 2017-2018 to 3 261 in 2018-2019.

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:

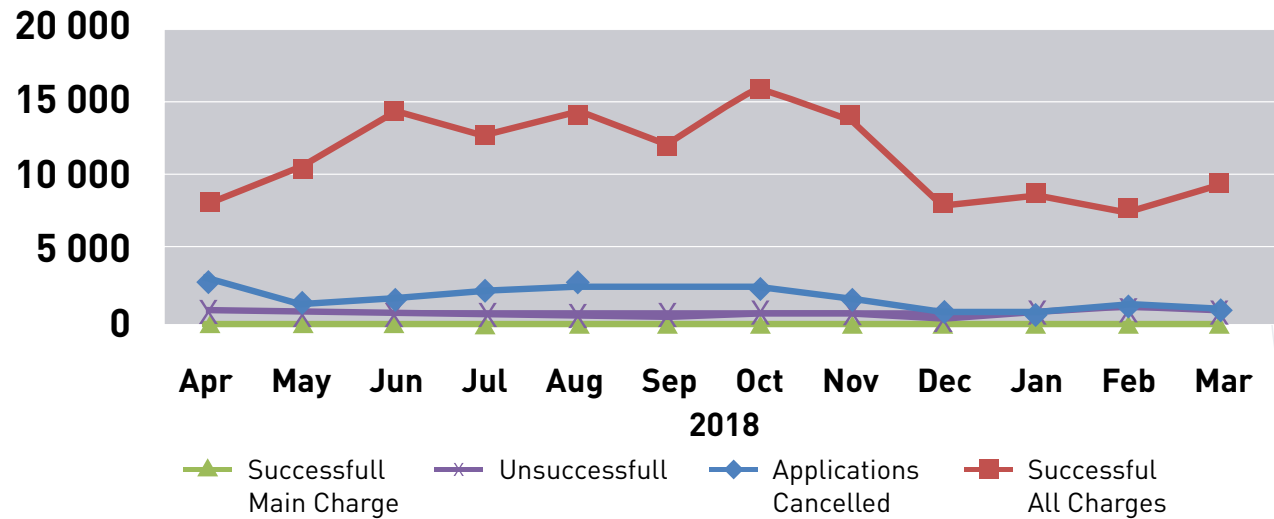
Number of Representations Adjudicated per Month					
Month	Applications Received	Applications Cancelled	Successful All Charges	Successful Main Charge	Unsuccessful
Apr 2018	9 325	2 703	8 280	45	811
May 2018	12 449	1 440	10 418	61	633
Jun 2018	16 808	1 562	14 312	38	539
Jul 2018	15 622	2 144	12 744	40	479
Aug 2018	17 091	2 835	14 143	53	500
Sep 2018	14 586	2 234	11 992	37	469
Oct 2018	19 727	2 468	15 752	50	748
Nov 2018	16 081	1 618	13 967	33	717
Dec 2018	8 989	814	8 018	39	366
Jan 2019	10 008	696	8 768	63	678
Feb 2019	9 848	1 095	7 683	43	930
Mar 2019	10 812	951	9 439	45	798
Year Total	161 346	20 560	135 516	547	7 668

The information in the table above indicates the following:

- A total number of 161 346 applications for representations was received; of which 20 560 were cancelled, 135 516 were successful on all charges, 547 were successful on the main charge, and 7 668 were unsuccessful.

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

Number of Representation Adjudication per Month



The information in the graph above shows that the month with the highest number of successful applications was October 2018 with 15 752 and the lowest in February 2019 with 7 683. The representations results of successful on all charges are high for all the months in the financial year with a total of 135 516.

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

Some charges on which representations are based		
Infringement Category	2017-2018	2018-2019
Vehicle registration & licencing	6 750	10 798
Vehicle number plates	256	516
Learner & driving licences	3 119	6 190
Professional driving permits	2 130	5 727
Vehicle roadworthiness - general	2 660	5 733
Vehicle - Brakes	377	722
Vehicle - Lights	1 705	3 489
Vehicle - Tyres	843	1 445
Seatbelts	4 118	9 277
Passenger carrying vehicles	572	940
Road signs, signals & markings	7 128	9 261
Exceeding speed limits	92 800	88 416
Rules of the road & driving signals	7 230	12 524
Driving under the influence	111	309

The information in the table above indicates that:

- Non-wearing of seatbelt infringements were 4 118 in 2017-2018 and increased to 9 277 in 2018-2019 based on representations submitted; and
- There is a decrease from 92 800 in 2017-2018 to 88 416 in 2018-2019 representations submitted for exceeding speed limit offences.

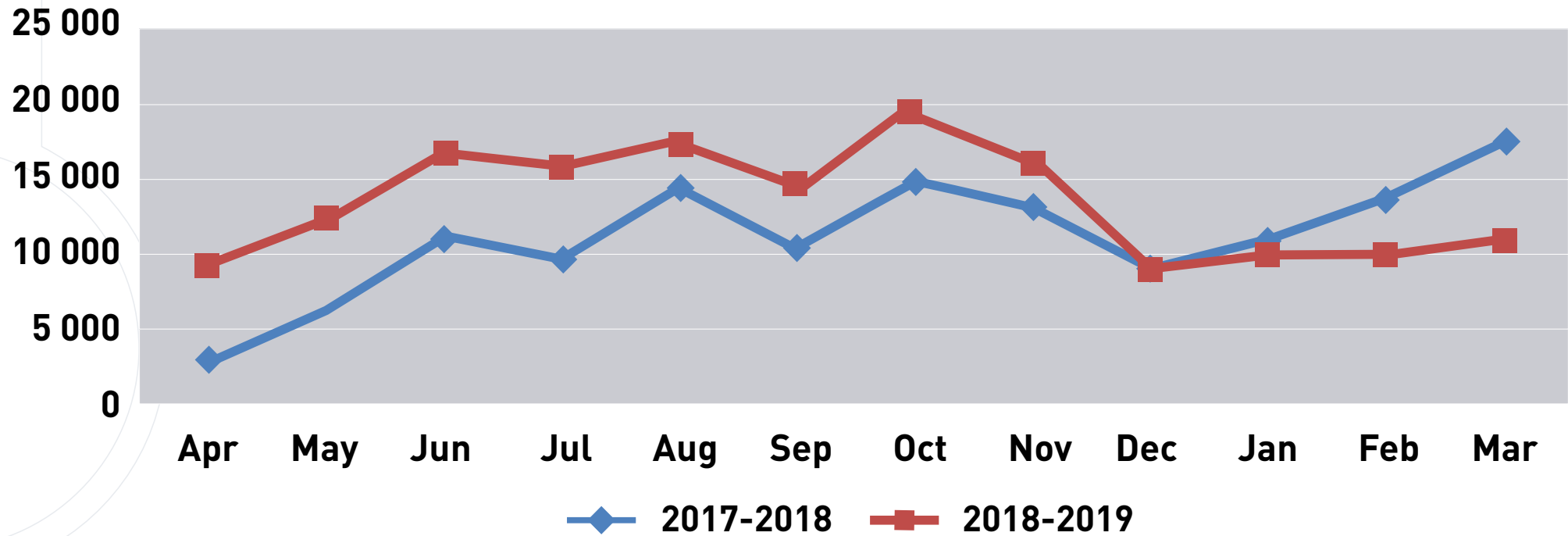
The information in the table below shows the number of representations adjudicated per month during 2017-2018 in comparison with the 2018-2019 financial year:

Change in Number of Representations Submitted				
Month	2017-2018	2018-2019	Change	% Change
Apr	2 965	9 325	6360	214.50%
May	6 250	12 449	6199	99.18%
Jun	11 197	16 808	5611	50.11%
Jul	9 660	15 622	5962	61.72%
Aug	14 500	17 091	2591	17.87%
Sep	10 276	14 586	4310	41.94%
Oct	14 892	19 727	4835	32.47%
Nov	13 111	16 081	2970	22.65%
Dec	8 836	8 989	153	1.73%
Jan	10 884	10 008	-876	-8.05%
Feb	13 701	9 848	-3853	-28.12%
Mar	17 518	10 812	-6706	-38.28%
Total	133 790	161 346	27556	20.60%

- In 2018-2019, April has recorded the highest change in percentage of representations submitted with 9 325 as compared with 2 965 in 2017-2018 April, which is 214.50% change.
- In 2018-2019, October has recorded the highest number of representations submitted of 19 727 as compared to 14 892 in October 2017-2018.

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

Number of Representations Adjudicated per Month



The graph above shows that in 2018-2019 there were more representations adjudicated from April to December as compared to 2017-2018; and the number of representations adjudicated started to decline from January to March in 2018-2019 as compared to 2017-2018 financial year.

1.1.5 Courtesy Letters Issued

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

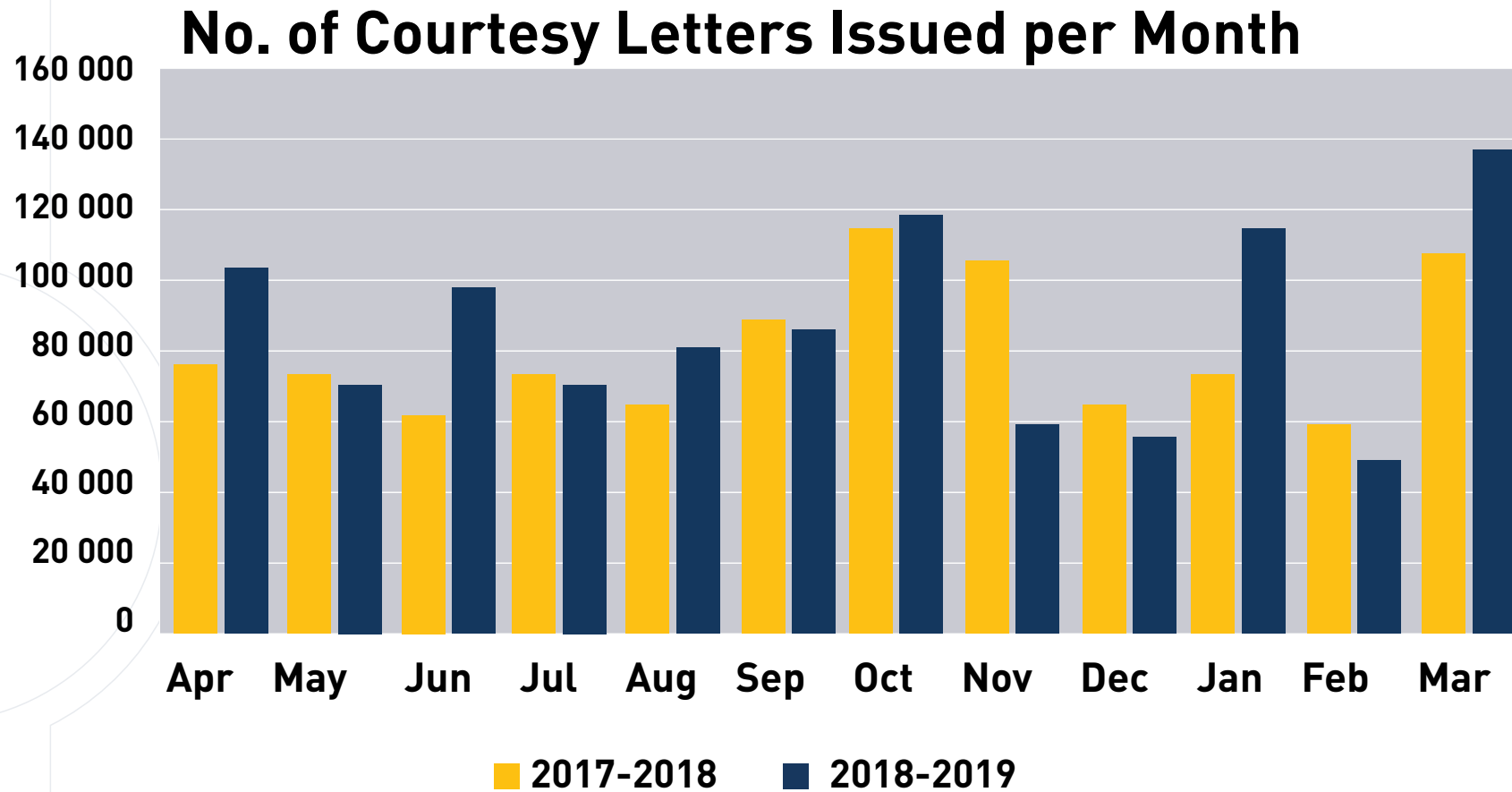
- some Courtesy Letters and Enforcement Orders may never be posted due to incomplete and incorrect postal addresses and postal codes not correlating to the name and code of the receiving post office, with incomplete information as contained in the NaTIS;
- although it may be delivered to the intended 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 infringers on a comparative basis.

Number of Courtesy Letters Issued per Month				
Month	2017-2018	2018-2019	Change	% change
Apr	79 414	111 019	31 605	39.80%
May	73 790	71 341	-2 449	-3.32%
Jun	62 671	101 331	38 660	61.69%
Jul	74 693	72 194	-2 499	-3.35%
Aug	66 105	81 944	15 839	23.96%
Sep	91 813	88 956	-2 857	-3.11%
Oct	123 064	126 774	3 710	3.01%
Nov	110 263	59 253	-51 010	-46.26%
Dec	70 971	57 100	-13 871	-19.54%
Jan	74 674	51 146	-23 528	-31.51%
Feb	61 559	47 148	-14 411	-23.41%
Mar	113 852	145 051	31 199	27.40%
Year Total	1 002 869	1 013 257	10 388	1.04%

The table above shows that there were 1 013 257 courtesy letters issued in 2018-2019 with 10 388 more courtesy letters compared to 1 002 869 issued in 2017-2018. March 2019 has the highest number of courtesy letters issued totalling 145 051.

The number of Courtesy Letters issued per month during 2018-2019 in comparison with 2017-2018 is reflected in the graph below.



The table below shows the number of courtesy letters issued per IA.

Number of Courtesy Letters Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2018	33 948	54 063	21 699	1 309	111 019
May 2018	32 280	18 389	18 788	1 884	71 341
Jun 2018	35 750	45 819	16 754	3 008	101 331
Jul 2018	33 276	17 045	20 051	1 822	72 194
Aug 2018	22 332	31 764	24 677	3 171	81 944
Sep 2018	20 381	40 381	22 387	5 807	88 956
Oct 2018	64 726	46 969	10 031	5 048	126 774
Nov 2018	23 511	21 869	11 164	2 709	59 253
Dec 2018	16 606	19 152	18 274	3 068	57 100
Jan 2019	12 464	15 862	18 484	4 336	51 146
Feb 2019	13 421	12 510	16 381	4 836	47 148
Mar 2019	24 285	96 227	20 045	4 494	145 051
Year Total	332 980	420 050	218 735	41 492	1 013 257
% of Total	33%	41%	22%	4%	100%

The majority of the courtesy letters issued were for TMPD with a total 420 050, which amounts to 41% of the total followed by JMPD with 332 980 (33%). The number of courtesy letters for GDoCS and RTMC was 218 735 (22%) and 41 492 (4%) respectively.

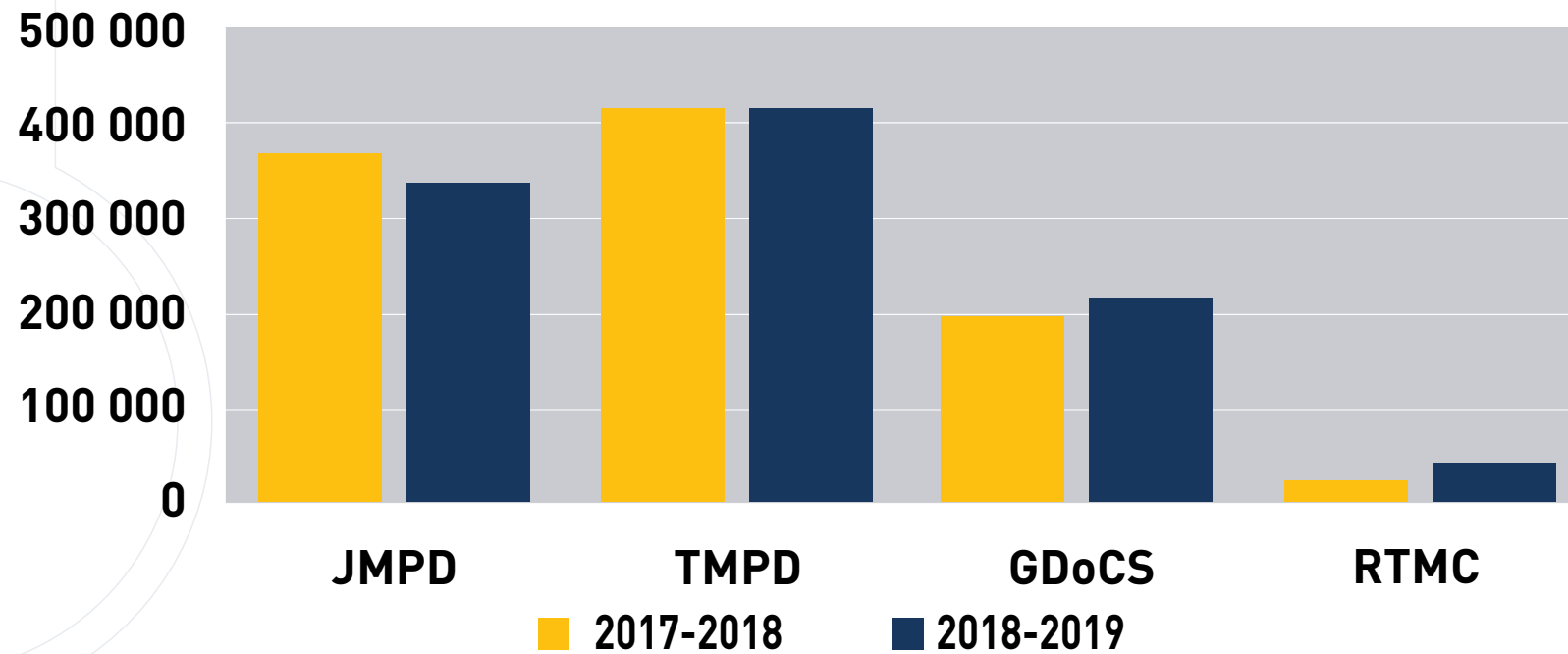
The table below shows the change in number of courtesy letters issued per IA.

Change in Number of Courtesy Letters Issued per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2017-2018	365 694	420 632	199 074	17 469	1 002 869
2018-2019	332 980	420 050	218 735	41 492	1 013 257
Change	-32 714	-582	19 661	24 023	10 388
% change	-8.95%	-0.14%	9.88%	137.52%	1.04%

- The number of courtesy letters JMPD issued has declined by 32 714(8.95%) from 365 694 in 2017-2018 to 332 980 in 2018-2019.
- The courtesy letters TMPD issued also declined by 582, which is 0.14% of the total courtesy letter issued.

- The summary information on the table above shows that there was an overall increase in the number of courtesy letters issued during the year. The bar chart below reflects on the changes for the Issuing Authorities in the 2017-2018 and 2018-2019 financial years.

Number of Courtesy Letters Issued Per IA



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

Number of Courtesy Letters Issued per Notice Type						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
Apr 2018	73 110	44	25 531	1 657	10 677	111 019
May 2018	70 141	68	764	56	312	71 341
Jun 2018	69 438	61	23 588	692	7 552	101 331
Jul 2018	66 636	44	1 431	983	3 100	72 194
Aug 2018	64 865	53	10 997	1 031	4 998	81 944
Sep 2018	67 840	37	15 257	876	4 946	88 956
Oct 2018	52 499	31	64 702	1 414	8 128	126 774
Nov 2018	48 615	43	9 783	132	680	59 253
Dec 2018	57 050	45	5	0	0	57 100
Jan 2019	51 093	51	0	0	2	51 146
Feb 2019	47 123	23	2	0	0	47 148
Mar 2019	55 236	20	76 671	3 106	10 018	145 051
Year Total	723 646	520	228 731	9 947	50 413	1 013 257
% of Total	71.42%	0.05%	22.57%	0.98%	4.98%	100%

The number and percentage of Courtesy Letters issued per infringement notice type are as follows :

- A total of 723 646 of courtesy letters issued were for AARTO 01's, which is 71.42% of the total issued;
- The courtesy letters issued for AARTO 02's were 520, which is 0.05% of the total;
- Courtesy letters issued for AARTO 03's, AARTO 03a's and AARTO 03b's were 228 731(22.57%), 9 947(0.98%) and 50 413(4.98%) respectively;

The change in the Number of Courtesy Letters issued in 2017-2018 and 2018-2019 financial years is shown in the table below.

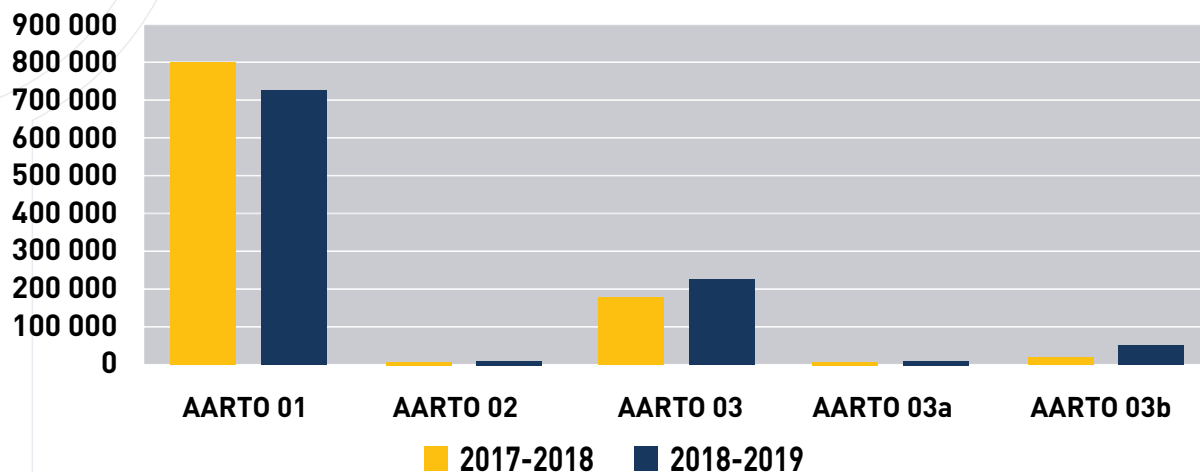
Change in Number of Courtesy Letters Issued per Notice Type						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
2017-2018	794 800	635	173 989	8 445	25 000	1 002 869
2018-2019	723 646	520	228 731	9 947	50 413	1 013 257
Change	-71 154	-115	54 742	1 502	25 413	10 388
% change	-8.95%	-18.11%	31.46%	17.79%	101.65%	1.04%

The information in the table above shows as follows:

- The total number of Courtesy Letters issued has increased by 10 388 from 1 002 869 in 2017-2018 to 1 013 257 in 2018-2019;
- The number of courtesy letters issued for AARTO 01's in 2018-2019 had declined by 71 154 from 794 800 in 2017-2018;
- AARTO 02's have decreased from 635 in 2017-2018 to 520 in 2018-2019, which is 18.11%.
- AARTO 03's, AARTO 03a's and AARTO 03b's have increased in 2018-2019 by 54 742(31.46%), 1 502(17.79%) and 25 413(101.65%) respectively from 2017-2018

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

No. of Courtesy letters Issued per Notice Type



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)(ii) 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 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 2018	17 528	12 884	16 476	788	47 676
May 2018	861	966	1 032	33	2 892
Jun 2018	60 456	29 305	38 927	3 045	131 733
Jul 2018	16 348	216 163	8 604	865	241 980
Aug 2018	15 861	11 502	8 347	931	36 641
Sep 2018	7 016	16 911	3 818	967	28 712
Oct 2018	23 423	17 395	15 366	2 135	58 319
Nov 2018	1 330	1 457	1 429	208	4 424
Dec 2018	0	0	0	0	0
Jan 2019	0	1	0	0	1
Feb 2019	0	0	0	0	0
Mar 2019	53 714	77 509	56 189	11 129	198 541
Year Total	196 537	384 093	150 188	20 101	750 919

The table above, shows that no enforcement orders were issued in December 2018 and February 2019. Only one enforcement order was issued for TMPD in January 2019. A total of 241 980 enforcement orders were issued in July 2018, which is the highest for the 2018-2019 financial year.

The table below shows the change between 2017-2018 and 2018-2019 in the issuing of enforcement orders:

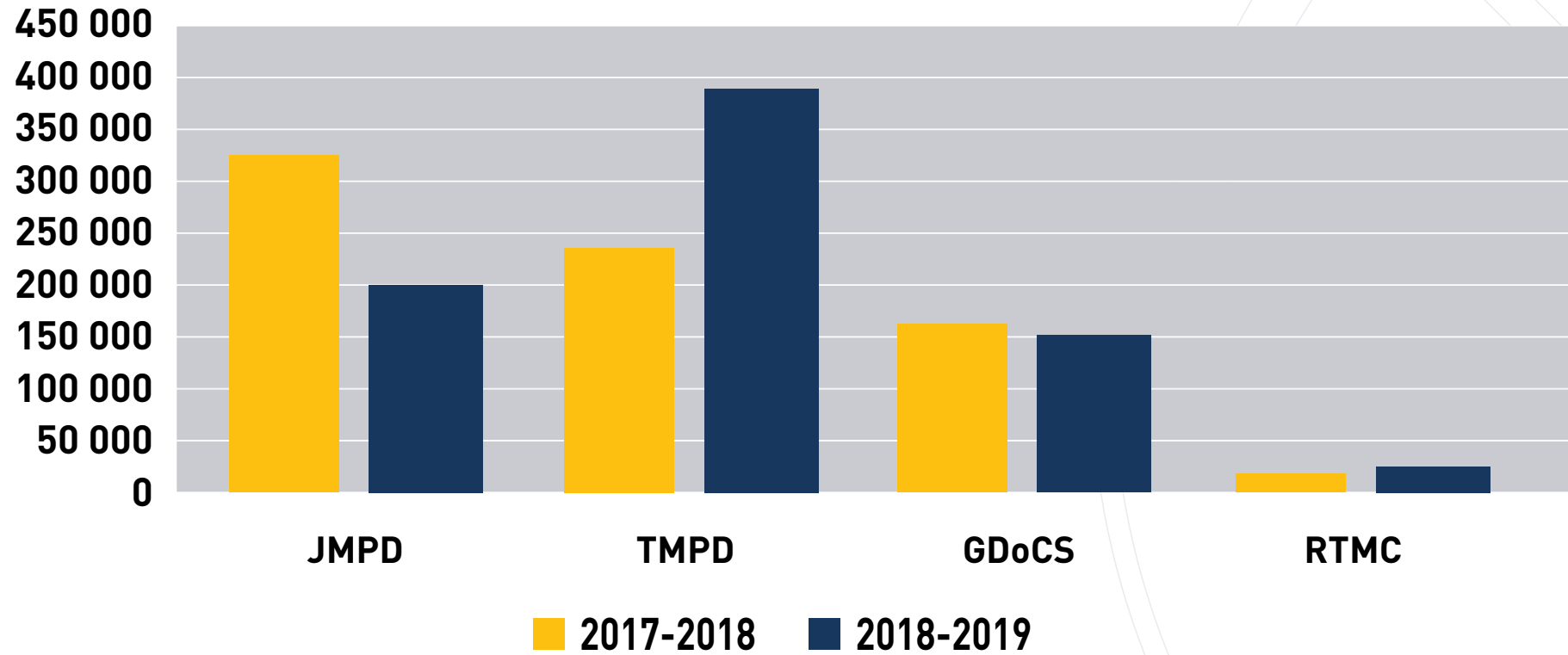
Change in No. of Enforcement Orders Issued					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2017-2018	328 628	233 000	161 786	16 485	739 899
2018-2019	196 537	384 093	150 188	20 101	750 919
Change	-132 091	151 093	-11 598	3 616	11 020
% change	-40.19%	64.85%	-7.17%	21.94%	1.49%

The information in the table above shows that the total number of 750 919 Enforcement Orders were issued by the Issuing Authorities as follows:

- JMPD: A total of 196 537 enforcement orders were issued in 2018-2019 which is a decrease of 132 091 (40.19%) from 328 628 in 2017-2018;
- TMPD: There were 384 093 enforcement orders issued in 2018-2019, which is an increase of 151 093 (64.85%) from 233 000 in 2017-2018;
- GDoCS: There was a decrease of 11 598 (7.17%) from 161 786 enforcement orders Issued in 2017-2018 to 150 188 in 2018-2019; and
- RTMC: There was an increase of 3 616 (21.94%) of the enforcement orders issued from 16 485 in 2017-2018 to 20 101 in 2018-2019.

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

Number of Enforcement Orders Issued per IA



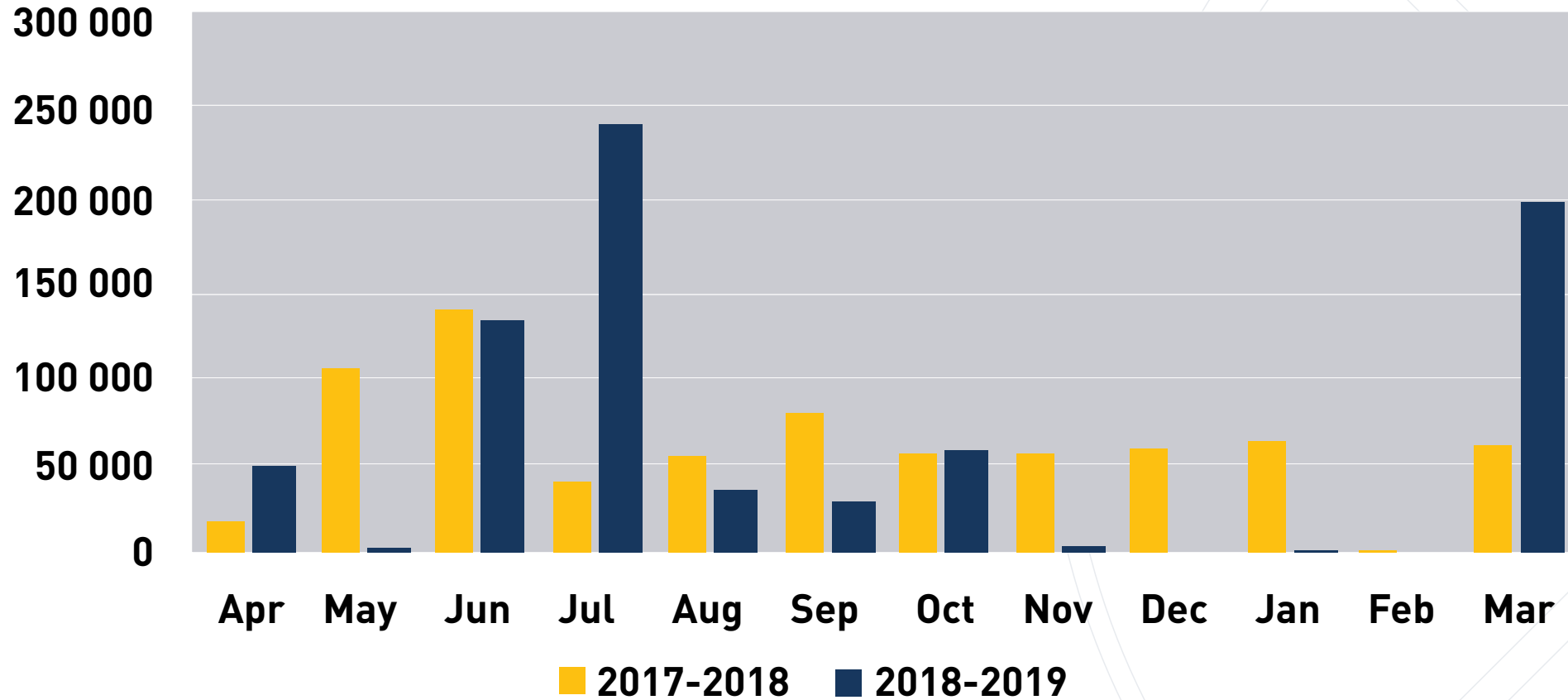
The change in number of Enforcement Orders issued per month for 2018-2019 in comparison with 2017-2018 is reflected in the graph below:

Number of Enforcement Orders Issued per Month				
Month	2017-2018	2018-2019	Change	% change
Apr	22 569	47 676	25 107	111.25%
May	103 168	2 892	-100 276	-97.20%
Jun	138 289	131 733	-6 556	-4.74%
Jul	41 998	241 980	199 982	476.17%
Aug	54 883	36 641	-18 242	-33.24%
Sep	79 735	28 712	-51 023	-63.99%
Oct	56 428	58 319	1 891	3.35%
Nov	57 240	4 424	-52 816	-92.27%
Dec	60 235	0	-60 235	-100.00%
Jan	63 215	1	-63 214	-100.00%
Feb	442	0	-442	-100.00%
Mar	61 697	198 541	136 844	221.80%
Year Total	739 899	750 919	11 020	1.49%

From the table above, July in 2018-2019 has the widest margin in the number of enforcement orders issued totalling 199 982, which is an increase of 476.17%. This change is from 41 998 in 2017-2018 to 241 980 in 2018-2019; The second highest change is recorded in March with a 136 844 increase from 61 697 in 2017-2018 to 198 541 in 2018-2019, which is 221.80% increase. There were no enforcement orders issued in December and February of 2018-2019 financial year and only one enforcement order issued in January in 2018-2019.

The information is also shown in the bar chart below.

No. of Enforcement Orders Issued per Month



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:

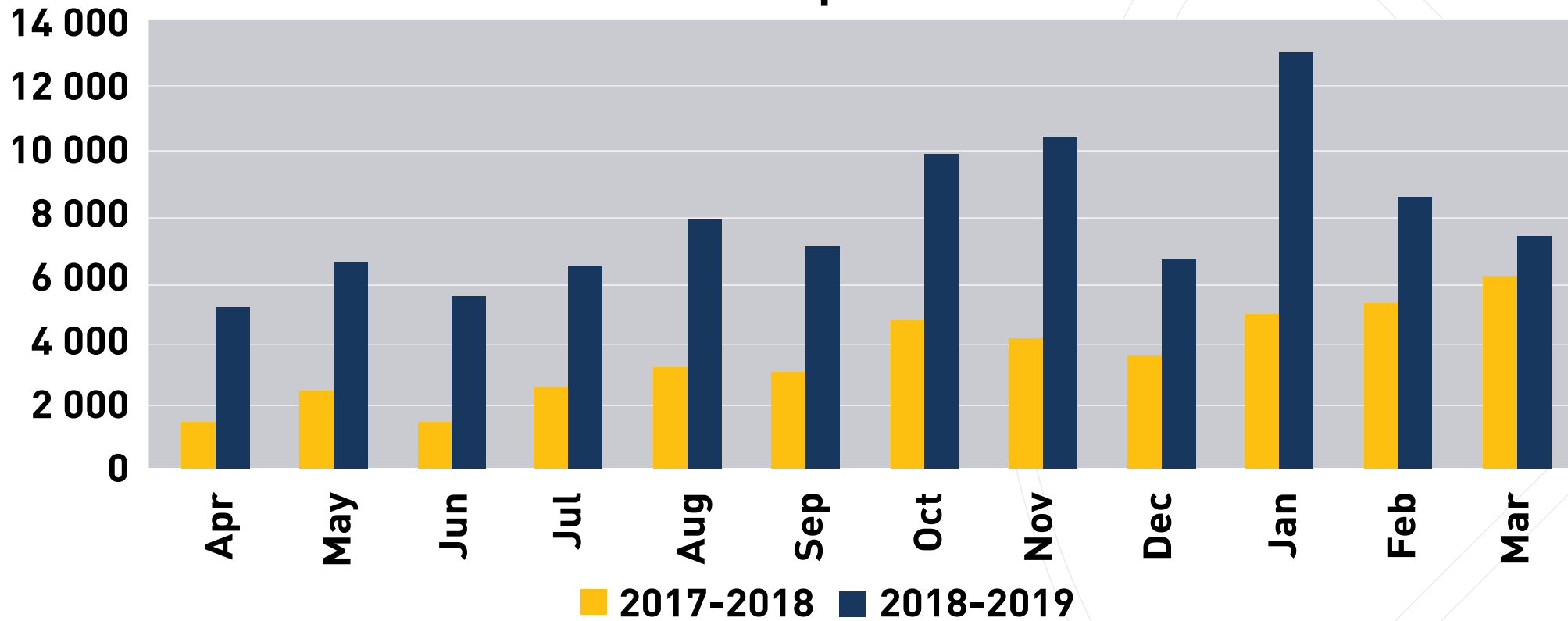
Change in Number of Revocation of EO Applications				
Month	2017-2018	2018-2019	Change	% Change
Apr	1 394	5 033	3639	261.05%
May	2 319	6 402	4083	176.07%
Jun	1 360	5 332	3972	292.06%
Jul	2 453	6 320	3867	157.64%
Aug	3 182	7 694	4512	141.80%
Sep	2 955	6 871	3916	132.52%
Oct	4 556	9 812	5256	115.36%
Nov	4 018	10 268	6250	155.55%
Dec	3 417	6 511	3094	90.55%
Jan	4 697	12 967	8270	176.07%
Feb	5 086	8 449	3363	66.12%
Mar	6 014	7 286	1272	21.15%
Total	41 451	92 945	51 494	124.23%

The information above shows as follows:

- The number of revocation applications has increased by 51 494(124.23%) from 41 451 in 2017-2018 to 92 945 in this period under review;
- All the months in 2018-2019 have increased numbers of revocation of enforcement order applications compared to the previous financial year.
- During 2018-2019, the highest percentage change in the number of applications were recorded in June 2018 with a total of 3 972 applications followed by April 2018 with 3 639 applications.

The information is depicted in the bar chart below.

No. of Revocation of Enforcement Order Applications Submitted per Month



The number of applications that were considered during 2018-2019 financial year with the results of the outcomes is given in the table below:

Total Number of EO Revocation Applications			
Month	Applications Received	Successful	Unsuccessful
Apr-18	5 033	3 700	902
May-18	6 402	4 333	982
Jun-18	5 332	4 449	1 070
Jul-18	6 320	4 019	1 482
Aug-18	7 694	5 455	1 450
Sep-18	6 871	5 545	1 146
Oct-18	9 812	7 128	2 000
Nov-18	10 268	6 789	1 945
Dec-18	6 511	4 914	1 285
Jan-19	12 967	6 398	2 707
Feb-19	8 449	6 030	2 936
Mar-19	7 286	7 070	3 049
Total	92 945	65 830	20 954

The information in the table above shows the total number of applications for revocations received in 2018-2019 to be 92 945. A total of 65 830 of these applications were successful and 20 954 were unsuccessful.

The reasons for applications being successful during 2018-2019 in comparison with the 2017-2018 financial years are given in the table below:

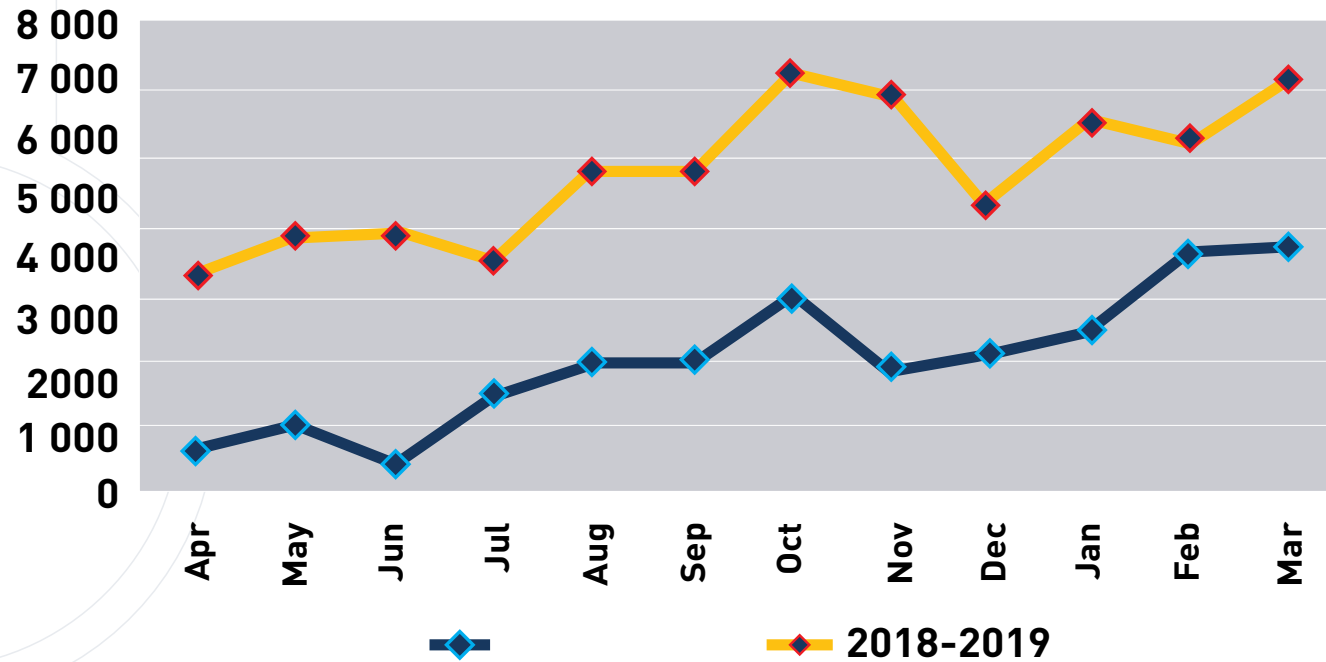
Reasons for Successful E0 Revocation Applications		
Reasons	2017-2018	2018-2019
Proof of payment received	7	13
Instalment application proof received	1	0
Representation proof received	6 794	22 351
Proof of nomination received	16	6
Court election notice received	164	94
Proof of court appearance received	5	5
Affidavit received	25	26
Other:	20 784	43 335
Total	27 796	65 830

The information in the table above shows as follows:

- The number of applications that were successful based on the submission of proof of representation submitted has increased from 6 794 in 2017-2018 to 22351 in 2018-2019;
- The number of applications that were successful based on the submission of proof that elections to be tried in court were submitted has decreased from 164 to 94 in 2018-2019;
- The number of applications that were successful based on nomination of a driver has declined from 16 in 2017-2018 to 6 in 2018-2019; and
- The number of applications that were successful based on “other” reasons increased from 20 784 in 2017-2018 to 43 335.

The graph below shows the comparison of month on month successful applications for revocation of enforcement orders for 2017-2018 and 2018-2019.

No. of Revocation of Enforcement Order Applications Successful



The graph shows that the results for the successful revocation for enforcement orders are higher for all the months in 2018-2019 as compared to 2017-2018.

The table below shows the reasons for unsuccessful enforcement order revocation applications for 2018-2019 in comparison with the 2017-2018:

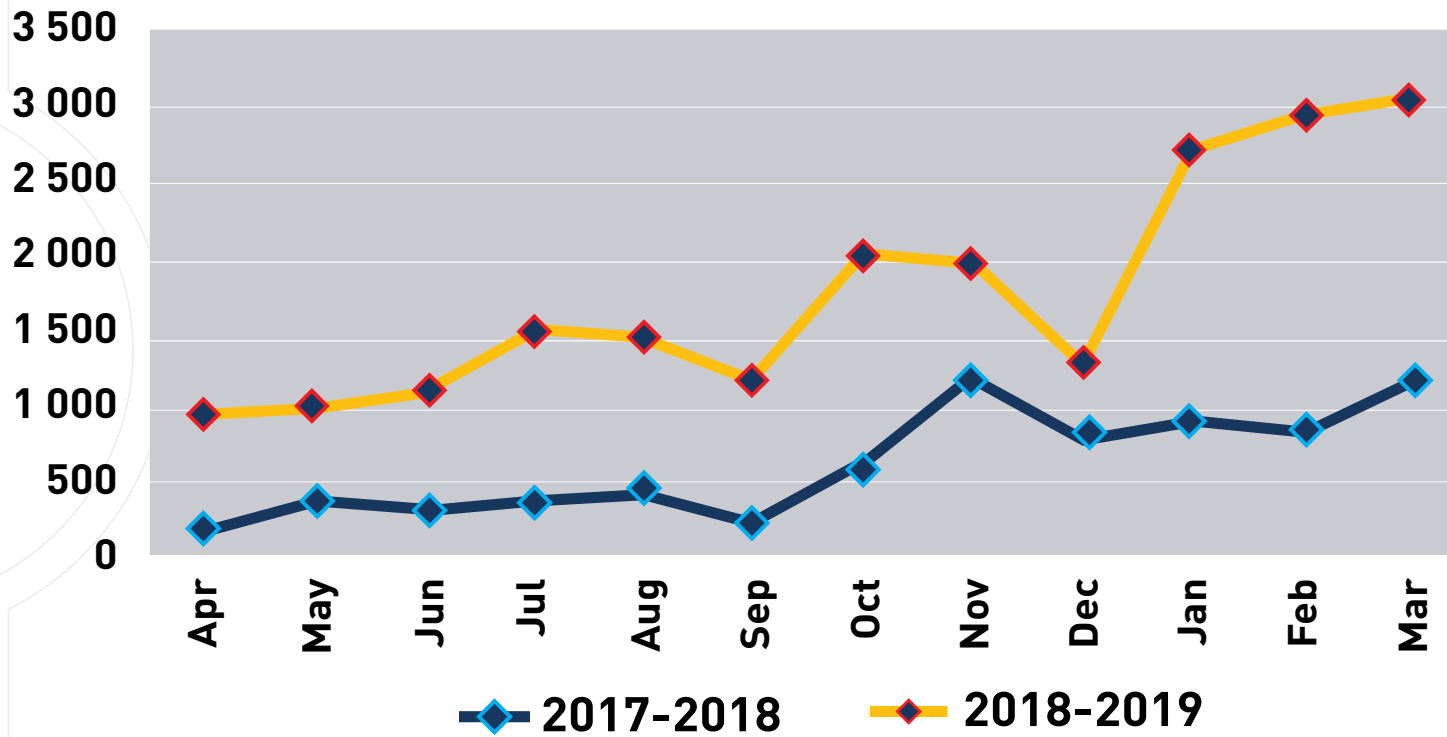
Reasons for Unsuccessful EO Revocation Applications		
Reasons	2017-2018	2018-2019
Applied for representation	-	-
No proof for not appearing in court	38	4
No proof of new driver/person in control	209	132
No proof of representation application	463	55
AARTO 14 form not completed	10	191
No proof of non-service of infringement notice	1 936	7 016
No proof of court option	156	40
No proof of payment	95	18
Other	4 149	13 498
Total	7 056	20 954

The information in the table above shows as follows:

- The number of reasons for unsuccessful Enforcement Order revocation applications has increased from 7 056 in 2017-2018 to 20 954 in 2018-2019.
- The number of applications that were unsuccessful based on no proof of submitting an application for representation has decreased from 463 in 2017-2018 to 55 in 2018-2019;
- The number of applications that were unsuccessful based on no proof submitted of the court option elected decreased from 156 in 2017-2018 to 40 in 2018-2019;
- The number of applications that were unsuccessful based on "other" reasons increased from 4 149 in 2017-2018 to 13 498 in 2018-2019; and
- The number of applications that were unsuccessful based on no proof of non-service of infringement notice has increased from 1 936 in 2017-2018 to 7 016 in 2018-2019.

The graph below shows the comparison of month on month unsuccessful applications for revocation of enforcement orders for 2017-2018 and 2018-2019:

No. of Revocation of Enforcement Order Applications Unsuccessful



The graph shows that results for unsuccessful revocation of enforcement orders are higher for all the months in 2018-2019 as compared to 2017-2018.

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
Objective statement	Alignment of resources to ensure efficiency and implementation of AARTO
Baseline	As at the end of October 2015, the Road Traffic Infringement Agency had 95 employees and 12 interns Basic ICT infrastructure is in place Key financial policies and procedures are in place
Justification	In line with Chapters 3 and 13 of the National Development Plan - contribute towards the reduction of the national unemployment rate from 24.9% in June 2012 to 14% by 2020 and 6% by 2030 and facilitate improved performance in delivery of service by ensuring that staff at all levels have the authority, experience, competence and support they need to do their jobs; 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 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 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
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
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 indicators 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 Agency to deliver on its mandate				100%
1.1	Approval of ERP Model	Pilot and Test ERP Model	Piloted and Tested ERP Model	100%	
1.2	% of Workplace Skills Plan implemented	80% Workplace Skills Plan implemented	100% of the Workplace Skills Plan implemented	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% representations adjudicated within 21 days of receipt	100%	
2.2	Develop alternative funding model to ensure Agency sustainability	Funding model approved	Funding model approved and submitted to the Minister for noting	100%	
3	Co-ordinate and facilitate readiness for national implementation of AARTO				100%
3.1	Dissemination of AARTO Information to IA's	27 AARTO support workshops conducted nationally	32 AARTO workshops conducted nationally	100%	
3.2	% of IA's assessed for readiness of AARTO Rollout in 2018-2019	80% of IA Offices' assessed for readiness of AARTO roll-out in 2018-2019	94% of IA's assessed for readiness of AARTO Rollout	100%	
4	Influence change in road user behaviour				100%
4.1	Number of campaigns implemented to influence change in road user behaviour	100 campaigns conducted	144 campaigns conducted	100%	
4.2	Number of new AARTO service outlets established	5 new AARTO service outlets established	5 new AARTO service outlets established	100%	

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

Summary of Strategic Objective Achievements		
No.	Main programmes	
1	Effective administration and resourcing of the Agency to deliver on its mandate	100%
2	Discourage 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	100%
Overall Agency Performance		100%

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

2.1 PERFORMANCE INFORMATION BY PROGRAMME

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
Objective statement	Alignment of resources to ensure efficiency and implementation of AARTO
Baseline	As at the end of October 2015, the Road Traffic Infringement Agency had 95 employees and 12 interns Basic ICT infrastructure is in place Key financial policies and procedures are in place
Justification	In line with Chapters 3 and 13 of the National Development Plan - contribute towards the reduction of the national unemployment rate from 24.9% in June 2012 to 14% by 2020 and 6% by 2030 and facilitate improved performance in delivery of service by ensuring that staff at all levels have the authority, experience, competence and support they need to do their jobs; 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.

Indicators

This programme consists of two indicators, namely:

- Approval of ERP Model
- % of Workplace Skills Plan implemented

Description of Each Indicator

2.1.1 Approval of ERP Model

Enterprise Resource Planning (ERP) software system is designed to improve productivity, increase efficiencies, decrease costs and streamline processes.

The following include some of the most common benefits of ERP:

- **Integrated Information.** Instead of having data distributed throughout a number of separate databases, all information is now located in a single system. Data is also kept consistent and up-to-date.
- **Reporting. ERP** software helps make reporting easier and more customizable. 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.

2.1.2 % of Workplace Skills Plan implemented

Learning and development is an essential element of an organisation's HR strategy framework. Built against the underlying skills development strategy, learning and development for the RTIA provides a practical alignment between strategic plan execution and the people management practices. To this end, an employee bursary and training programme supports studies that will enhance employee's skills and competencies.

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 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
2.1.1 Approval of ERP Model	Feasibility Study Report on ERP developed	Pilot and Test ERP Model	Piloted and Tested ERP Model	None	None
2.1.2 % of Workplace Skills Plan implemented	107% of Workplace Skills Plan implemented	80% Workplace Skills Plan implemented	100% of the Workplace Skills Plan implemented	+20% Workplace Skills Plan implemented	The Agency was able to implement additional 20% of priority programmes as indicated in the WSP to realise the objective of skills development Act



Strategy To Overcome Areas Of Under Performance

None.

Changes To Planned Targets

None.

Linking Performance With Budgets

Programme 1	2018/2019			2017/2018		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	61 802	41 149	20 653	66 229	39 499	26 730
Operating expenses	45 965	28 239	17 726	80 044	39 281	40 763
TOTAL	107 767	69 388	38 379	146 273	78 780	67 493

Programme 2: Discourage Contravention of Road Traffic Laws

Strategic objective 2	Discourage 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 road traffic laws
Justification	Commitment for the 50% reduction of road crashes and fatalities made in terms of the United Nations Decade of Action For Road Safety 2011 - 2020
Links	Reduction of fatalities and increased compliance with road traffic laws

Indicators

This programme consists of two indicators, namely:

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

Description of Each Indicator

% of received representations adjudicated within 21 days

The indicator measures the percentage of representations adjudicated that falls within the 21 day window period from received date. This indicator 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 2019 are considered as valid applications regarding the indicator. All applications after 15 March 2019 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 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.

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.

Strategic Objectives, Performance Indicators Planned Targets and Actual Achievements

Programme 2 Strategic Objective: Discourage contravention of road traffic laws					
Key Performance Indicators (KPIs)	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
% of received representations adjudicated within 21 days	100% of representations adjudicated within 21 days of receipt	100% of representations adjudicated within 21 days of receipt	100% representations adjudicated within 21 days of receipt	None	None
Develop alternative funding model to ensure Agency sustainability	Funding Model developed	Funding model approved	Funding model approved and submitted to the Minister for noting.	None	None

Linking Performance With Budgets

Programme 2	2018/2019			2017/2018		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	33 776	24 546	9 230	46 892	22 795	24 097
Operating expenses	1 746	978	768	40 419	3 341	37 078
Postage of AARTO notices	40 818	35 545	5 273	83 284	33 417	49 867
Total	76 340	61 069	15 271	170 595	59 553	111 042

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)

Indicators

This programme consists of two indicators, namely:

- Dissemination of AARTO Information to IA's .
- % of IA's assessed for readiness of AARTO Rollout in 2018-2019.

Description of Each Indicator

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 2018-2019 financial year the Agency planned to conduct 27 AARTO support workshops and eventually achieved 32 AARTO support workshops.

% of IA's assessed for readiness of AARTO Rollout in 2018-2019

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 94% of IA's readiness against a set target of 80%.

Strategic Objectives, Performance Indicators Planned Targets And Actual Achievements

Programme 3 Co-ordinate and facilitate readiness for national implementation of AARTO					
Key Performance Indicators (KPIs)	Actual Achievement 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Dissemination of AARTO Information to IA's	21 AARTO support workshops conducted nationally	27 AARTO support workshops conducted nationally	32 AARTO support workshops conducted nationally	+5 AARTO support workshops conducted nationally	The Agency conducted additional AARTO workshops in response to the overwhelming demand for information on AARTO by the stakeholders in the AARTO value chain versus our planned workshops.
% of IA's assessed for readiness of AARTO Rollout in 2018-2019	93% of IA's assessed for readiness of AARTO Rollout in 2017-2018	80% of IA's Offices' assessed for readiness of AARTO roll-out in 2018-2019	94 % of IA's Offices assessed for readiness of AARTO Rollout in 2018-2019	+14% of IA's Offices assessed for readiness of AARTO Rollout in 2018-2019	As a result of the recent finalisation of the AARTO Amendment Bill by Parliament, the Agency responded by performing additional assessments as requested by IAs.

Strategy To Overcome Areas Of Under Performance

None

Changes To Planned Targets

None

Linking Performance With Budgets

Programme 3	2018/2019			2017/2018		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	7 550	6 471	1 079	21 518	6 088	15 430
Roll-out expenses	1 475	3 136	(1 661)	5 000	1 248	3 752
Operating expenses	321	290	31	704	135	569
TOTAL	9 346	9 897	(551)	27 222	7 471	19 751

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)

Indicators

This programme consists of two indicators, namely:

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

Description of Each Indicator

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

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 exceeded the set target of 100 campaigns by 44 campaigns during the year under review. The target was exceeded mainly as a result of increased efforts to provide public awareness and education on AARTO and road safety through interactions with various stakeholders.

Number of new AARTO Service Outlets Established

This indicator describes the efforts by the RTIA to bring services closer to the infringers in both urban and rural areas to ensure ease of access of its services to the users. As a result, visits to the AARTO service outlets, 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 2017/2018	Planned Target 2018/2019	Actual Achievement 2018/2019	Deviation from planned target to Actual Achievement for 2018/2019	Comment on deviations
Number of campaigns implemented to influence change in road user behaviour	104 campaigns conducted	100 campaigns conducted	144 campaigns conducted	+44 campaigns conducted	<p>There was high demand of AARTO public awareness and education outreach campaigns in most of the communities.</p> <p>The AARTO Mobile offices received a lot of added support from the AARTO National Steering Committee.</p> <p>The Agency proactively went to provinces and municipalities to conduct "Know Your Traffic Fines status", campaigns in the DLTCs.</p>
Number of new AARTO service outlets established	None	5 new AARTO service outlets established	5 new AARTO service outlets established	None	None

Strategy to Overcome Areas of Under Performance

None

Changes to Planned Targets

None

Linking Performance With Budgets

Programme 4	2018/2019			2017/2018		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	12 039	9 541	2 498	16 095	9 042	7 053
Marketing and communications	71 500	68 219	3 281	66 000	64 412	1 588
Mobile Busses	11 000	10 401	599	12 00	11 665	335
Operating expenses	988	746	242	8 736	1 134	7 602
Total	95 527	88 907	6 620	90 831	74 588	16 243

GOVERNANCE

PART C

Road Traffic Infringement Agency Annual Financial Statements for the year ended 31 March 2019





1. INTRODUCTION

The RTIA is committed to ensuring full compliance with all corporate governance requirements, processes and systems by which public entities are directed, controlled and held accountable. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and implemented in tandem with the principles contained in the King Report on Corporate Governance. Parliament, the Executive and the Accounting Authority, are through various mechanisms, responsible for the overall entity's corporate governance.

2. PORTFOLIO COMMITTEES

The Agency appeared before the Portfolio Committee on seven occasions to deliberate on the Strategic Plan and Annual Performance Plans as well as, together with the Department of Transport, to respond to Public Comments on the AARTO Amendment Bill.

The breakdown and dates of such meetings are as follows:

AARTO Amendment Bill –

- 24 April 2018.
- 08 May 2018.
- 15 May 2018.
- 12 February 2019

Presentation of the Annual Performance Plan –

- 07 April 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 Agency performed all its obligations in accordance with the performance agreement that it signed with the Department of Transport. The Agency focused on its targets during the cumulative reporting quarters of the financial year, which culminated in the 100% achievement of its targets.

4. THE ACCOUNTING AUTHORITY

Introduction

All the Board members of RTIA resigned on 31 July 2018 owing to the fact that their term had already ended on 30 November 2017 and was thereafter extended on three short term renewals until their resignation date. The Accounting officer did, by virtue of the resignation and as a consequence of the non-existence of the Board therefore become a Section 49 (2)(b) Accounting Officer and took responsibility for providing strategic direction and leadership to the entity. The Agency was therefore governed by the Board Charter, subsequently by the Accounting Authority charter during the reporting period, as a consequence of the resignation of the Board members at the end of July 2018 and automatic assumption of their functions by the Accounting Officer in terms of Section 49 (2)(b).

The Accounting Officer did by virtue of the authority vested in respect of Section 49 (2)(b), appointed Corporate Services Committee in order to backstop matters related to human capital management. He continued to work with the Audit and Risk Committee, which was appointed by the Shareholder during the previous Annual General Meeting. In conjunction with the Corporate Services Committee and Audit and Risk Committee, he provided leadership in the development of annual performance and strategy of the Agency during its sessions on 25 – 26 January 2019.

The Chairpersons of the Audit and Risk Committee and Corporate Services Committee were appointed as advisors to the Accounting Officer, when he assumed the duties under Section 49 (2)(b) and as such constituted part of all the meetings of the Accounting Authority.

The Section 49 (2)(b) Accounting Authority continued to ensure that he receives advisory reports from the two committees and that all Committees develop their independent work-plans in order to guide their scope of operations.

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

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

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

- Ensures that the RTIA has and maintains a system of internal audit under the control and direction of an audit 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 PFMA.
- 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. He delegates the responsibilities to implement IT requirements to the Audit and Risk Committee.
- He in conjunction with the Audit and Risk Committee oversaw the appointment, fees and terms of engagement of the external auditor.
- The Accounting Authority may, if necessary, solicit independent professional advice at the expense of the RTIA. This process is followed in accordance with the RTIA's Procurement Processes and Procedures except in cases where it would prove untenable to do so.
- In terms of its fiduciary duties, ensures that the Shareholder's performance objectives are achieved and that same can be measured in terms of the performance of the RTIA. Also ensures that the RTIA prepares annual budgets against which, its performance can be measured.

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

- Prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct and expenditure not complying with the operational policies of the RTIA;
- Manages 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 PFMA;
 - 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.
- 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.

- Assumes the functions of a Board during the annual general meetings and ensure that all items prescribed by the Companies Act and the PFMA are tabled for discussion at such meetings.
- 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 and that suitable accounting policies are consistently applied and supported by reasonable and prudent judgment and estimates, as well as having been used in the preparation of the financial statements and that relevant accounting standards are applied.
- Ensures that he appoints people in the committees with the required mix of skills and experience to implement the tasks of such committees.
- Ensures that there are appropriate and effective induction, education and training programmes offered to new committee members.
- Ensure that an external effectiveness assessment of the committees is conducted as well as the individual of each committee director during their term of office.
- Maintain the highest standard of integrity, responsibility and accountability and endeavoured to find a fair balance between conforming to corporate governance principles and the performance of the RTIA.

Section 49 (2)(b) Accounting Authority Charter

The charter was written and established by the Company Secretary at the beginning of August 2018 and approved by the Accounting Officer, who was assuming the duties of the Board in terms of Section 49 (2)(b), after it came to the knowledge of the Agency that the previous Board was no longer prepared to accept the short term extension of their term by the Minister of Transport and had as a consequence, tendered its resignation en masse.

The charter specifies the following:

- Fiduciary responsibilities.
- Role of the Accounting Authority.
- Role of Management.
- Roles of Non-Executive and Executive Directors.
- Role of the Company Secretary.
- Remuneration of Directors.
- Relationship with the Shareholder.
- Relationship between the Accounting Authority and External advisers.
- Mandate of the Accounting Authority.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Other Board Directorships	Other Committees (e.g: Audit committee)	No. of Meetings attended
Ms NE Rapoo	Non- Executive Chairperson	01 August 2010	31 July 2018	BCom (Law); LLB degree; Certificate Corporate Governance;	Corporate Governance Legal Advisory; Internal Audit, risk and compliance management	N/A		4
Mr JR Chuwe	Registrar & Executive Director	01 March 2010	N/A	BA Law; BA (Honours); Certificate Programme in Project Management	Operational management; Transport Information Systems, including eNaTIS, Project management, Legislation	Global Road Safety Partnership (GRSP-ZA)	HR & REMCO Committee Audit Committee	7
Dr ZN Qunta	Non-Executive Director	1 December 2014	31 July 2018	BAdmin, BCom (Hons), MCom(Economics), MBA, Cert (Corp Governance) PhD (Public Entity Governance)	Strategy Development and Finance	ZBQ Consulting, Audit Committee (Parliament) Chairperson of Railway Safety Regulator	HR & Remuneration Committee, Audit & Risk Committee	3
Mr BS Chaplog	Non-Executive Director	1 December 2014	N/A	CA (SA)	Accounting & Taxation	N/A	Audit & Risk Committee	7
Prof. Mokgoro	Non-Executive Director	1 December 2014	21 June 2018	BSc (Chemistry), MA (Public Admin), PhD (Public Amin)	Strategy Development	N/A	Technical Committee, HR & Remuneration Committee	2

Committees

Committee	No. of Meetings Held	No. of Members	Names of Members	No. of Attendance
Board/ Accounting Authority	7 Meetings	6	Ms NE Rapoo	4
			Mr JR Chuwe	7
			Mr BS Chaplog	7
			Dr NZ Qunta	3
			Mr B Matinise	4
			Prof Mokgoro	2
Audit and Risk Committee	5 Meetings	6	Mr BS Chaplog	5
			Ms S Thomas	5
			Ms T Mjoli	5
			Dr NZ Qunta	4
			Ms H Makhathini	1
Technical Committee	1 Meeting	4	Mr Matinise	1
			Ms N Lugisani	1
			Mr K Mayedwa	1
			Mr K Mashugane	0
HR and Remuneration Committee	6 Meetings	5	Prof Mokgoro	1
			Dr NZ Qunta	1
			Adv L Madikizela	1
			Ms S Hlapolosa	0
Corporate Services Committee	5 Meetings	3	Yvonne Mbane	5
			Gregory Blose	5
			Adv. Tlhoriso Maphike	5

Legend:

The governing body resigned from office on 31 July 2018, resulting in the automatic assumption of duty as the Section 49 (2)(b) Accounting Authority by the Accounting Authority as stipulated by the PFMA.

- Ms Hlengiwe Makhathini resigned from the Audit Committee on 10 September 2018.
- The following independent non-executive members were appointed onto the Corporate Services committee in September 2018, which replaced the HR & REMCO committee:
- Ms Yvonne Mbane (Chairperson)
- Mr Gregory Blose
- Adv. Thhoriso Maphike

Corporate Services Committee**Role and Responsibilities of the Committee**

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

The Committee considers:

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

The Committee Shall Perform the Following Functions:

- Moderate annual performance assessments of management levels 15 and 16 and make recommendations to the Board for approval;

- Approve performance assessment rewards as recommended by Management for levels 3 to 14;
- Approves the remuneration framework of the Agency.
- Ensure commensurate resources of the Corporate Services function for the Agency;

5. RISK MANAGEMENT

The Board / Accounting Authority is responsible for ensuring that a comprehensive and effective risk management process is in place. RTIA is committed to building a risk intelligent culture across the organisation and its employees. As such the Risk Management Enablers including the Risk Management Strategy and Fraud Prevention Plan were reviewed and approved by the Board / Accounting Authority. During the year under review the concepts of Risk Appetite and Risk Tolerance were work shopped to all levels of management in the Agency. Quarterly Risk Monitoring and Analysis Reports were submitted to Board / Accounting Authority 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 were approved by the Board / Accounting Authority.

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

Preventable risks are defined as:

- Internal risk to the agency
- Controllable risk
- No strategic benefits for taking these types of risk
- Low tolerance

Strategic risks are defined as:

- Internal or external to the agency
- Agency can voluntarily take risks in order to generate superior returns from its strategy
- Moderate tolerance

External risks defined as:

- External to the agency;
- Beyond agency's influence or control; and
- Focus on business resilience strategy so that if the risk occurs the agency can deal with the consequences.

6. INTERNAL CONTROL UNIT

The Board / Accounting Authority has ultimate responsibility for establishing a framework for internal controls, including an appropriate procurement and provisioning system. RTIA has internal control systems whose responsibility is that of the relevant Executives. Both Management and the Internal Audit function closely monitor the controls, and actions are taken to correct deficiencies as they are identified.

The Internal Audit function evaluates the existing controls in terms of their adequacy and effectiveness, assessing the change in the likelihood of any risk materialising and develops recommendations for their improvement. Recommendations add value, and are measured against the reduction of the likelihood that a risk can materialise.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

7.1 Internal Audit

The RTIA internal audit function 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 Audit and Risk Committee approves the internal audit charter, the strategic and annual audit plan of the RTIA internal audit function to maintain its independence. The annual audit plan is based on the key risks to the agency, the outcome of the enterprise risk assessment conducted by management, as well as specific areas highlighted by internal audit, external audit and the Audit and Risk Committee. The annual audit plan is flexible to ensure that it is responsive to changes in the risk landscape. Comprehensive reports on internal audit findings are presented to management regularly and to the Audit and Risk Committee quarterly.

The Internal Audit function is responsible for the following:

- Evaluating controls, including assessing the tone and risk management culture of the organisation and reporting on the effectiveness and efficiency of the implementation of management controls;
- Evaluating risks by identifying key activities and relevant risk factors and assessing their significance.

7.2 Audit and Risk Committee

ROLES AND RESPONSIBILITIES

The Committee is accountable to the Board / Accounting Authority for the exercise of its responsibilities. The Committee will at all times, recognise that the primary responsibility for management of RTIA rests with the Board / Accounting Authority. The committee will carry out the following responsibilities:

FINANCIAL STATEMENTS

- Review the appropriateness of accounting policies;
- Review and recommend financial statements for approval to the Board / Accounting Authority;
- Review the appropriateness of assumptions made by Management in preparing the financial statements;
- Review the significant accounting and reporting issues, and understand their impact on the financial statements;
- Review significant financial statement variances from the approved budget;
- Review the annual financial statements, and consider whether they are complete, consistent with prescribed accounting and information known to Committee members;
- Obtain assurance from Management with respect to the accuracy of the financial statements;
- Review pending litigations, contingencies, and claims or assessments, and the presentation of such matters in financial statements;
- Enquire about the existence and substance of significant accounting accruals, reserves or estimates that have a material effect on financial statement;
- Review with management and the external auditors the results of external audit, including any significant issues identified; and
- Review the annual report and related regulatory filings before release and consider the accuracy and completeness of the information.

PERFORMANCE MANAGEMENT

- Review the Institution's compliance with the performance management and reporting systems;
- Review whether performance management systems reflect the Agency's purpose and objectives; and
- Review whether the performance reporting and information uses appropriate targets and benchmarks.

COMPLIANCE WITH LAWS AND REGULATIONS

- Review whether Management has considered legal and compliance risks as part of the Agency's risk assessments;
- Review the effectiveness of the system for monitoring compliance with laws and regulations;
- Review the findings of any examinations by regulatory agencies, and any auditor observations;
- Review the process for communicating the code of conduct to the Agency's personnel, and for monitoring compliance therewith; and
- Obtain quarterly updates from Management regarding compliance matters.

8. FRAUD AND CORRUPTION

A fraud policy and fraud prevention plans are reviewed annually by the Board / Accounting Authority to ensure that they are still relevant to the agency's business. An anti-fraud hotline which is manned by an independent service provider is available for anyone wishing to report any unethical behaviour. The board also approved a Whistle Blowing policy which aims to protect the rights of whistle-blowers from being victimised. No cases of fraud were reported during the financial year.

9. MINIMISING CONFLICT OF INTEREST

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

10. CODE OF CONDUCT

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

11. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Agency commissioned an external OHS audit towards the end of the 2017-2018 financial year, in order to get assurance of the compliance of its office facility to the best practice standards in this area. An action list emanated from the aforementioned audit process and its implementation is being monitored by the legal and compliance unit on monthly basis.

COMPANY SECRETARY & HEAD: CORPORATE GOVERNANCE & LEGAL SERVICES

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



Adv. MLT Bilikwana
Company Secretary
Date: 2019 / 07 / 31





Mr Japh Chuwe
Registrar/ CEO



Ms Palesa Moalusi
CA(SA)
Chief Financial Officer



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

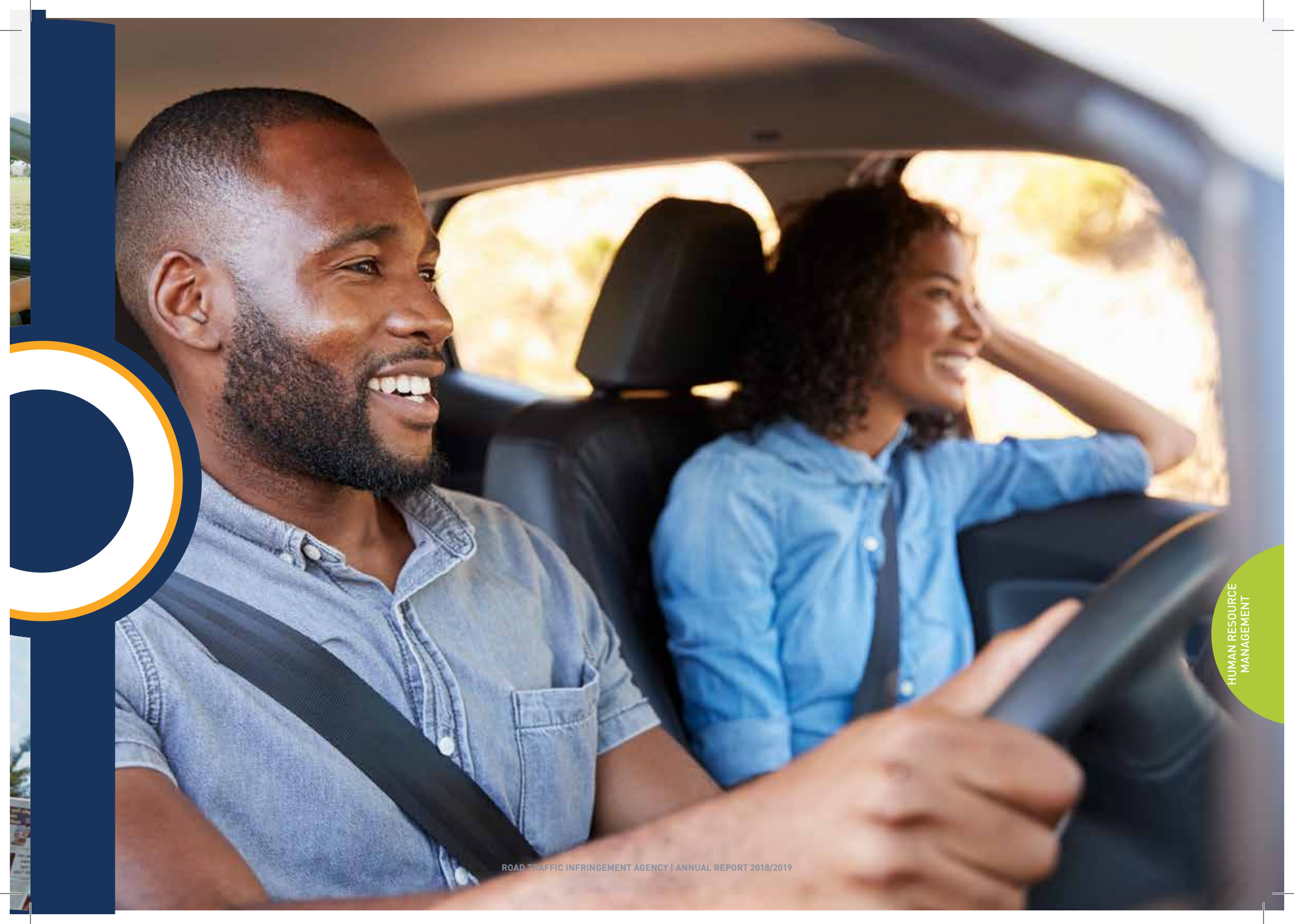


Ms Keobakile Pooe
Chief Audit Executive

HUMAN RESOURCE MANAGEMENT

PART D





HUMAN RESOURCE
MANAGEMENT

1. INTRODUCTION

The annual report presents an opportunity to account for performance of the 2018/2019 financial year and reflect on the operational environment. The Annual Performance Plan (APP) served as a primary source when accounting for performance. For the 2018/2019 financial year the Road Traffic Infringement Agency (RTIA) outlined key performance indicator relating to human resource management, implemented in line with Strategic Objective 1: Effective administration and resourcing of the Agency to achieve its mandate, the performance indicator was set out as follows:

Table 1.1:

Programme Performance Indicator	Target for 2018/2019
% of Workplace Skills Plan (WSP) implemented	80% of the Workplace Skills Plan (WSP) Implemented.

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 100% of the APP deliverables for 2018/2019 financial year; and
- Achieved 100% implementation of the WSP.

The employee headcount has not significantly increased during the period under review. The table below indicates personnel cost per salary band, compared to the last financial year the personnel cost declined by 1% for the period.

Table 1.2: Employee Costs by Salary Band

Table 1.2 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 12,958	15.92%	4	R 3,239
Senior Management (Levels 13-14)	R 21,987	27.01%	16	R 1,374
Professional Qualified (Levels 9-12)	R 31,753	39.00%	39	R 814
Skilled (Levels 6-8)	R 14,049	17.19%	37	R 379
Semi-skilled (Levels 3-5)	R 960	1.18%	3	R 320
Unskilled (Levels 1-2)	0	0.00%	0	-
TOTAL	R 81,707	100.00%	99	R 6,126

For the period under review, **R 12 916** was spent on performance rewards as shown in table below:

Table 1.3: Performance Rewards per Occupational Category

Table 1.3 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	3,405	12,958	4%
Senior Management	3,112	21,987	4%
Professional qualified	4,567	31,753	6%
Skilled	1,724	14,049	2%
Semi-skilled	108	960	0%
Unskilled	-	-	0%
TOTAL	12,916	81,707	16%

A number of programmes were implemented over the financial year and 87 employees were trained. For the period under review the RTIA spent **R 1 516** on learning and development initiatives. Table below depicts the learning and development activity and related expenditure.

Table 1.4: Training Costs per Business unit

Table 1.4 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	Average Training Cost per Business Unit (R'000)
Office of the Registrar	R 38,637	R 708	1.83%	31	R 23
Operations	R 10,568	R 213	2.02%	11	R 19
Finance	R 16,327	R 320	1.96%	19	R 17
Information Management	R 4,641	R 96	2.07%	11	R 9
Adjudications	R 11,534	R 179	1.55%	15	R 12
TOTAL	R 81,707	R 1,516	1.86%	87	R 80

Employee turnover has remained low with 7 terminations taking place across occupational levels. In total seven (7) employees exited (5 resignations and 2 dismissals) occurred during the financial year as indicated in Table below.

Table 1.5: Changes in Employee Numbers and Movements

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	1	4
Senior Management (Levels 13-14)	16	0	0	16
Professional Qualified (Levels 9-12)	41	1	3	39
Skilled (Levels 6-8)	33	6	2	37
Semi-skilled (Levels 3-5)	4	0	1	3
Unskilled (Levels 1-2)	0	0	0	0
TOTAL	99	7	7	99

Table 1.6: Reasons for staff leaving

Reason	Reasons for Staff Leaving	
	Number	% of total no. of staff leaving
Death	-	0%
Resignation	5	5%
Dismissal	2	2%
Retirement	-	0%
Ill health	-	0%
Expiry of contract	-	0%
Other	-	0%
TOTAL	7	7%

Table 1.7: Labour Relations: Misconduct and Disciplinary Action

The table below shows the number and nature of disciplinary actions that occurred in the 2018-2019 financial year. For the period under review and against the total staff compliment of 99, it shows that management was proactively managing employee behaviour and discipline.

Nature of disciplinary Action	Number
Verbal Warning	-
Written Warning	1
Final Written warning	1
Suspension	-
Dismissal	2
TOTAL	4

Employment Equity Status and Equity Targets

The information below shows representativeness across race groups, gender as well as occupational groups within the Agency. The Agency developed employment equity targets in line with the Economically Active Persons (EAP) nationally for the period under review. Also indicated in the table below is the target the Agency was pursuing.

Table 1.8 Employment Equity and Targets

Labour Relations : Equity Target and Employment Equity Status - Male										
Race Group	African		Coloured		Asian		White		Total Male	
	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Occupational Bands										
Top Management	2	0	0	0	0	0	0	0	2	0
Senior Management	10	0	1	0	0	0	1	0	12	0
Professional qualified	19	0	1	0	0	0	0	1	20	1
Skilled	15	0	1	0	0	0	0	2	16	2
Semi-skilled	1	0	0	0	0	0	0	0	1	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	47	0	3	0	0	0	1	3	51	3



Table 1.8(b) Employment Equity and Targets

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	2	0	0	0	0	0	0	0	2	0
Senior Management	4	0	0	0	0	2	0	2	4	4
Professional qualified	15	0	2	0	0	2	1	2	18	4
Skilled	22	0	0	1	0	1	0	1	22	3
Semi-skilled	1	0	1	0	0	0	0	0	2	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	44	0	3	1	0	5	1	5	48	11

Table 1.8(c) Employment Equity and Targets

The table shows the total number of personnel employed by the RTIA in accordance with occupational band and race group as well as the employment equity targets at the end of the financial year.

Labour Relations : Equity Target and Employment Equity Status - Total										
Race Group	African		Coloured		Asian		White		TOTAL	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	0	0	0	0	0	0	0	4	0
Senior Management	14	0	1	0	0	2	1	2	16	4
Professional qualified	34	0	3	0	0	2	1	3	38	5
Skilled	37	0	1	1	0	1	0	3	38	5
Semi-skilled	2	0	1	0	0	0	0	0	3	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	91	0	6	1	0	5	2	8	99	14

The table below indicates the Agency's desire to employ disabled persons to ensure employment in the designated groups as outlined in the EE Act. In its plans to ensure that the above takes place, the Agency has in the past financial year installed a permanent wheelchair ramp to increase accessibility not only for its clients but for people with disabilities.

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	1	0	0	0	1
Skilled	0	0	0	1	0	1
Semi-skilled	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0
TOTAL	0	1	0	1	0	2

FINANCIAL INFORMATION

PART E





General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Enforcement of road traffic laws
Accounting Authority members	Mr JR Chuwe
Business address	Waterfall Edge B Howick Close Waterfall Office Park Midrand 1685
Bankers	Standard Bank South Africa
External Auditors	Auditor General of South Africa
Secretary	Adv. MLT Bilikwana
Preparer	The annual financial statements were internally compiled

Index

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

Accounting Authority's Responsibilities and Approval	130
Audit and Risk Committee Report	131-132
Report of the Auditor-General	133-137
Accounting Authority's Report	138-140
Statement of Financial Position	141
Statement of Financial Performance	142
Statement of Changes in Net Assets	143
Cash Flow Statement	144-145
Statement of Comparison of Budget and Actual Amounts	146
Accounting Policies	147-158
Notes to the Annual Financial Statements	159-179

Accounting Authority's Responsibilities and Approval

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

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

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

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

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

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March 2020 and, in the light of this review and the current financial position, is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future. The entity is mostly dependent on infringement fees for continued funding of operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the RTIA has neither the intention, nor the need to liquidate or curtail materially the scale of the entity.

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

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

The annual financial statements set out on pages 141 to 179, which have been prepared on the going concern basis, were approved by the Accounting Authority on 29 July 2019 and were signed on its behalf by:



Mr JR Chuwe
Registrar and section 49(2)(b)
Accounting Authority

Audit and Risk Committee Report

We are pleased to present our report for the financial year ended 31 March 2019.

Audit committee members and attendance

The audit committee consists of the members listed hereunder and should meet at least 4 times per annum as per its approved terms of reference. During the current year 5 meetings were held.

Name	Status	Number of meetings attended
B Chaplog (Chairperson)	Active	5
S Thomas	Active	5
JT Mjoli	Active	5
H Makhathini	Resigned 10 September 2018	1
ZN Qunta	Resigned 31 July 2018	4

Audit committee responsibility

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

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

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King IV Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are effective and efficient. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

Audit and Risk Committee Report

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

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

Evaluation of annual financial statements

The audit committee has:

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

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

Internal audit

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

Auditor-General of South Africa

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

Mr BS Chaplog CA(SA)
Chairperson of the Audit and Risk Committee

Report of the Auditor-General to Parliament on Road Traffic Infringement Agency

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 pages 141 to 179 which comprise the statement of Financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.

2. 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 2019, 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 public entity in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants (IESBA code), parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) 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 codes.

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 and the requirements of the Public Finance Management Act, 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 going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

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 misstatements, 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.

Report of the Auditor-General to Parliament on Road Traffic Infringement Agency

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 2019:

Objectives	Pages in the annual performance report
Objective 2 - Discourage the contravention of road traffic laws	98 - 100
Objective 3 - Coordinate and facilitate readiness for national implementation of AARTO rollout	100 - 102
Objective 4 - Influence change in road user behaviour	103 - 105

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. I did not raise any material findings on the usefulness and reliability of the reported performance information for these objectives:

- Objective 2 - Discourage the contravention of road traffic laws
- Objective 3 - Coordinate and facilitate readiness for national implementation of AARTO rollout
- Objective 4 - Influence change in road user behaviour

Report of the Auditor-General to Parliament on Road Traffic Infringement Agency

Other matters

15. There were no other matters to report.

Achievement of planned targets

16. Refer to the annual performance report on pages 92 to 105 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a significant 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 to 15 of this report.

Adjustment of material misstatements

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Objective 4 – Influence change in road user behaviour. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

18. 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 schedule 3A public entity with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

19. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

20. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report [which includes the Registrar's report, Reported performance information, the Audit committee's report and Human resources management information. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

21. 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.

22. 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.

Internal control deficiencies

23. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for my opinion, the findings on the Annual performance report included in this report.

Report of the Auditor-General to Parliament on Road Traffic Infringement Agency

Financial and performance management

Regular, accurate and complete financial and performance reports

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

Auditor-General

Lefika House, Pretoria
2019/07/31



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Report of the Auditor-General to Parliament on Road Traffic Infringement Agency

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 schedule 3A public 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 schedule 3A public 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 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 a schedule 3A public 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.

Accounting Authority's Report

The Accounting Authority hereby submits its report for the year ended 31 March 2019.

1. Review of activities

Main business and operations

The entity is engaged in enforcement of road traffic laws and operates in South Africa. The operating results and state of affairs of the entity are fully set out in the attached annual financial statements. The entity's net deficit for the year was R 20,403,139 (2018: deficit R 30,307,525).

2. Going concern

We draw attention to the fact that as at 31 March 2019, the entity had an accumulated surplus of R 28,501,903 and that the entity's total assets exceeded its liabilities by R 28,501,903. The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Subsequent events

The Accounting Authority is not aware of any matter or circumstance arising since the end of the financial year.

4. Accounting policies

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

5. Accounting Authority

The Accounting Authority of the entity during the year and to the date of this report is as follows:

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

Accounting Authority's Report

JR Chuwe assumed the responsibilities of the Accounting Authority, in terms of Section 49 (2)(b) of the PFMA from 1 August 2018 after the term of the board came to an end on 31st July 2018. This was rectified by the executive authority at the Annual General Meeting held on the 10th of September 2018.

6. Secretary

The entity's secretary is Advocate MLT Bilikwana.

7. Non-Executive Directors Emoluments

Non-Executive

NE Rapoo

NZ Qunta

TJ Mokgoro

BS Chaplog

B Matinise

XN Khanyile

	Meeting fees 2019	Meeting fees 2018
	92,780	199,222
	28,634	97,006
	27,497	143,550
	69,118	97,893
	49,008	159,268
	-	10,732
	267,037	707,671

Accounting Authority's Report

8. Corporate governance

General

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

The entity confirms and acknowledges its responsibility relevant and applicable to compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa. The accounting authority discusses the responsibilities of management in this respect, at its meetings and monitors the entity's compliance with the code.

The salient features of the entity's adoption of relevant sections of the Code is outlined below:

Accounting Authority

The Accounting Authority:

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

Accounting Authority meetings

The accounting authority has met on 7 separate occasions during the financial year. The accounting authority schedules to meet at least 6 times per annum. Non-executive directors have access to all members of management of the entity.

Audit and risk committee

For the current financial year the chairperson of the audit committee was Mr. BS Chaplog, who is an independent audit committee member. The committee met 5 times during the financial year to review matters necessary to fulfil its role.

Internal audit

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

9. Auditors

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

Statement of Financial Position as at 31 March 2019

Figures in Rand	Note(s)	2019	2018 Restated*
Assets			
Current Assets			
Receivables	3	39,947,988	57,894,715
Cash and cash equivalents	4	10,958,562	132,886,563
AARTO assets	8	43,222,236	33,092,058
		94,128,786	223,873,336
Non-Current Assets			
Property, plant and equipment	5	2,906,794	4,207,505
Intangible assets	6	319,355	626,912
		3,226,149	4,834,417
		97,354,935	228,707,753
Liabilities			
Current Liabilities			
Payables	7	25,630,796	29,065,124
National Treasury Surplus Retention		-	69,696,261
AARTO liabilities	8	43,222,236	33,092,058
		68,853,032	131,853,443
Total Liabilities		68,853,032	131,853,443
Net Assets		28,501,903	96,854,310
Accumulated surplus		28,501,903	96,854,310

Statement of Financial Performance

Figures in Rand	Note(s)	2019	2018 Restated*
Revenue			
Infringement fees – exchange transactions	9	160,059,586	166,036,656
Grants	9	11,722,000	17,696,000
		171,781,586	183,732,656
Other income			
Sundry income		374,337	10,300
Operating expenses			
Employment costs		(81,707,074)	(82,216,347)
Depreciation and amortisation on assets	5&6	(3,309,358)	(3,372,228)
Other operating expenses	10	(103,664,051)	(125,157,324)
Rental mobile busses		(10,401,000)	(11,664,698)
Repairs and maintenance		(78,535)	(296,280)
		(199,160,018)	(222,706,877)
Operating deficit	10	(27,004,095)	(38,963,921)
Interest received		6,600,956	8,656,396
Deficit for the year		(20,403,139)	(30,307,525)

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	194,685,046	194,685,046
Prior year adjustments	2,173,050	2,173,050
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 surrender	(69,696,261)	(69,696,261)
Total changes	(100,003,786)	(100,003,786)
Opening balance as previously reported	96,854,310	96,854,310
Prior year adjustments	(440,631)	(440,631)
Balance at 01 April 2018 as restated*	96,413,679	96,413,679
Deficit for the year	(20,403,139)	(20,403,139)
National Treasury surplus surrender	(47,508,637)	(47,508,637)
Total changes	(67,911,776)	(67,911,776)
Balance at 31 March 2019	28,501,903	28,501,903

Cash Flow Statement

Figures in Rand	Note(s)	2019	2018 Restated*
Cash flows from operating activities			
Receipts			
Infringement receipts		213,751,383	156,348,965
Grants allocated		11,722,000	17,696,000
Interest income		6,600,956	8,656,396
AARTO collections		176,520,383	181,269,518
		<u>408,594,722</u>	<u>363,970,879</u>
Payments			
Employee costs		(81,707,074)	(82,216,347)
Suppliers		(153,357,929)	(142,706,236)
National Treasury payments		(117,204,898)	-
AARTO disbursements		(176,520,383)	(181,269,518)
		<u>(528,790,284)</u>	<u>(406,192,101)</u>
Net cash flows from operating activities	11	<u>(120,195,562)</u>	<u>(42,221,222)</u>

Cash Flow Statement

Figures in Rand

2019

2018

Cash flows from investing activities

Purchase of property, plant and equipment	5	(407,845)	(632,648)
Purchase of other intangible assets	6	(1,324,594)	(1,237,661)
Net cash flows from investing activities		(1,732,439)	(1,870,309)
Net increase/(decrease) in cash and cash equivalents		(121,928,001)	(44,091,531)
Cash and cash equivalents at the beginning of the year		132,886,563	176,978,094
Cash and cash equivalents at the end of the year	4	10,958,562	132,886,563

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

Figures in Rand	Note(s)	Actual amounts on comparable basis	Approved budget	Difference between final budget and actual
Statement of Financial Performance				
Revenue				
Income				
Infringement fees		160,059,586	277,258,000	(117,198,414)
MTEF allocation		11,722,000	11,722,000	-
		171,781,586	288,980,000	(117,198,414)
Expenditure				
Personnel Cost		81,707,074	115,167,000	(33,459,926)
Operating Expenses		28,735,679	38,520,000	(9,784,321)
Postage		35,544,555	40,818,000	(5,273,445)
Mobile Buses		10,401,000	11,000,000	(599,000)
Reversal of Impairment		(37,077,676)	-	(37,077,676)
Aarto Roll out		3,136,753	1,475,000	1,661,753
Capital expenditure spending		1,408,437	8,000,000	(6,591,563)
HR Projects		110,397	2,500,000	(2,389,603)
Advertising and Aarto Awareness		68,218,506	71,500,000	(3,281,494)
Total expenditure	24	192,184,725	288,980,000	(96,795,275)
Net deficit		(20,403,139)	-	(20,403,139)

Accounting Policies

1. Presentation of Annual Financial Statements

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

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

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

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

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 2018 to 31 March 2019. The financial statements and budget are prepared on the same basis of accounting, comparative information is not required.

Accounting Policies

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. 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.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

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 or deficit when there is objective evidence that it is impaired. The impairment loss 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 loss on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment loss on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance, the estimates are made about the probability of recovery of the debtors based on their past payment history and risk profile.

The Agency assesses its receivables for impairment loss 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.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

RTIA acts as an agent to the Issuing Authorities

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

1.6 Property, plant and equipment

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

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

Property, plant and equipment is initially measured at cost.

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

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The depreciation method used reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Agency.

The useful life of an asset and residual values are reviewed annually and if expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates. Depreciation on all property, plant and equipment commences when the items are available for use. Depreciation is recognised on a straight basis to write off the cost of the assets to their residual values over the estimated useful lives. The depreciable amount of an asset is allocated on a systematic basis over its useful life. Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

Accounting Policies

1.6 Property, plant and equipment (continued)

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

1.7 Intangible assets

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

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

Intangible assets are derecognised in disposal or when no future economic benefits are expected from its use or disposal. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit as incurred.

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

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

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

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

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

Accounting Policies

1.8 Financial instruments (continued)

Trade and other receivables

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

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

Trade and other payables

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

Trade and other payables are initially measured at fair value.

Cash and cash equivalents

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

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

1.9 Taxation

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

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.

Accounting Policies

1.11 Impairment (continued)

Assets carried at amortised cost

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses) discounted at the asset's original effective interest rate. Objective evidence that financial assets are impaired can include default or delinquency by a debtor or indications that a debtor will enter into bankruptcy or that one or more events have had a negative effect on the estimated future cash flows of that asset. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in surplus or deficit. Significant financial assets should be tested for impairment on an individual basis and the remaining financial assets should be assessed collectively into groups of similar credit risk characteristics. 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. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Under a defined contribution plan fixed contributions are payable by the Agency and members. The Agency has no legal or constructive obligation to pay any further contributions other than these fixed contributions.

Accounting Policies

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 virements received

Government grants are recognised when there is reasonable assurance that:

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

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

Infringement fees

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

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

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

Accounting Policies

1.14 Revenue recognition (continued)

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 at the amount that is expected to be recovered and are de-recognised when settled or written-off as irrecoverable.

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

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

Accounting Policies

1.17 Irregular expenditure (continued)

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

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

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

1.18 Related parties

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

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

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

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

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

1.19 Services received in kind

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

Notes to the Annual Financial Statements

Figures in Rand Figures in Rand

2019

2018

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:

Effective date: Years beginning on or after

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

01 April 2018

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 2019 or later periods:

Standard/ Interpretation:

Effective date: Years beginning on or after

- GRAP 20: Related Party Disclosures

01 April 2019

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2019 or later periods but are not relevant to its operations:

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

Standard/ Interpretation:

- GRAP 32: Service Concession Arrangements: Grantor
- GRAP 34: Separate Financial Statements
- GRAP 35: Consolidated Financial Statements
- GRAP 36: Investments in Associates and Joint Ventures
- GRAP 37: Joint Arrangements
- GRAP 38: Disclosure of Interests in Other Entities
- GRAP108: Statutory Receivables
- GRAP109: Accounting Principles and Agents
- GRAP 110: Living and Non-living Resources
-

Effective date: Years beginning on or after

- 01 April 2019
- Not determined by Minister of Finance yet
- Not determined by Minister of Finance yet
- Not determined by Minister of Finance yet
- Not determined by Minister of Finance yet
- Not determined by Minister of Finance yet
- Not determined by Minister of Finance yet
- 01 April 2019
- 01 April 2019
- 01 April 2019

Notes to the Annual Financial Statements

Figures in Rand 2019 2018

3. Receivable

Deposits	1,426,128	1,426,128
AARTO receivables	35,718,340	52,332,461
Prepayments	2,049,332	3,334,836
Reclassified payables into receivables	754,188	801,290
	39,947,988	57,894,715

Reconciliation of AARTO receivables:

AARTO Banks	35,718,340	52,332,461
-------------	------------	------------

Other receivables past due but not impaired

Other receivables which are less than 90 days past due and owing from collecting agencies are not considered to be impaired. Management have assessed the recoverability of receivables and there are 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:

0 - 60 days	23,772,792	16,737,148
60 - 90 days	2,039,042	2,039,042
90 + days	9,906,506	33,226,202
	35,718,340	52,332,461

Reconciliation of provision for impairment of trade and other receivables

Opening balance	37,077,676	37,077,676
Recovered provision	(37,077,676)	-
	-	37,077,676

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balance - operational account	10,913,905	132,834,130
Bank balance - salaries account	44,657	52,433
	10,958,562	132,886,563

5. Property, plant and equipment

	2019			2018		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Office equipment	2,071,821	(1,464,019)	607,802	1,691,516	(1,080,797)	610,719
Furniture and fixtures	2,863,702	(1,339,730)	1,523,972	2,953,420	(1,334,988)	1,618,432
IT equipment	5,441,191	(5,198,162)	243,029	5,760,627	(4,954,680)	805,947
Motor vehicles	3,183,538	(2,651,547)	531,991	3,183,538	(2,011,131)	1,172,407
Total	13,560,252	(10,653,458)	2,906,794	13,589,101	(9,381,596)	4,207,505

Reconciliation of property, plant and equipment -2019

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

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

Reconciliation of property, plant and equipment - 2018 - Restated

	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)	-
	6,141,564	632,648	(432,150)	(2,134,553)	4,207,505

Depreciation rates

Item

Furniture and fixtures
 Motor vehicles
 Office equipment and appliances
 Computer equipment
 Leasehold improvements

Average useful life

5 - 10 years
 5 - 6 years
 1 - 5 years
 3 - 5 years
 shorter of lease term or 25 years

Notes to the Annual Financial Statements

Figures in Rand 2019 2018

6. Intangible Assets

	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	1,324,595	1,005,240	319,355	(2,771,951)	(2,145,039)	626,912

Reconciliation of intangible assets - 2019

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

Reconciliation of intangible assets -2018

	Opening balance	Additions	Amortisation	Total
Computer software	626,926	1,237,661	(1,237,675)	626,912

Amortisation rates

Item

Computer software and licences
Web development costs

Useful life

1 - 4 years
1 - 4 years

Notes to the Annual Financial Statements

Figures in Rand

7. Payables

	2019	2018
Trade payables	4,439,740	8,484,195
General accruals	2,955,971	-
Leave pay accrual	1,706,805	2,125,767
Bonus accrual	15,774,092	17,653,872
Reclassified to trade receivables	754,188	801,290
	25,630,796	29,065,124

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

8. AARTO assets and liabilities

The assets and liabilities are managed in terms of the Administrative Adjudication of Road Traffic Offences ("AARTO") Act. The AARTO Act requires the issuing authorities and collecting agencies to deposit all the money collected into the AARTO bank accounts managed by the Road Traffic Infringement Agency ("RTIA") by the 7th of each following month. The deposits are in turn required to be appropriately disbursed to the issuing authorities within 21 days from the date of last receipt in accordance with the AARTO Act. The amounts collected are not for the benefit of the Agency. In terms of section 32 read together with section 13 (1)(b) of the AARTO Act, any penalty received by the Agency must be paid to the Issuing Authority that originated or issued the infringement notice. The collection of penalties in terms of the AARTO Act is a service rendered to the Issuing Authority. The collective AARTO bank balances is R176 million.

AARTO assets due from:

Other AARTO net assets	21,795,982	13,145,233
Other collecting agents	14,843,885	7,430,549
RTMC	1,084,095	1,084,095
RTIA	882,260	882,260
TMPD	-	1,816,326
JMPD	4,616,014	8,733,59
	43,222,236	33,092,058

AARTO liabilities due to Issuing Authorities:

TMPD	1,991,741	-
GDOCS	3,018,690	2,846,232
RTMC	413,851	327,133
RTIA	37,797,954	29,918,693
	43,222,236	33,092,058

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

9. Revenue

Grants	11,722,000	17,696,000
Infringement fees – exchange transactions	160,059,586	166,036,656
	171,781,586	183,732,656
Interest received - investment	6,600,956	8,656,396

10. Operating deficit

Operating deficit for the year is stated after accounting for the following:

Advertising and AARTO Awareness	68,218,506	54,937,748
Auditors' remuneration		
Audit fee	2,187,067	1,858,055
Operating lease charges		
Premises		
• Contractual amounts	3,050,120	3,023,636
Amortisation on intangible assets	1,632,151	1,237,674
Depreciation on property, plant and equipment	1,677,207	2,134,554
Employee costs	81,707,07	82,216,347
Postage	35,544,555	33,417,923
Consulting fees	1,729,622	3,187,886

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
Impairment of financial assets per class		
Reversal of accounts receivable impairment	37,077,676	-
11. Reconciliation of net cash flows from operating activities to surplus		
Deficit for the period	(20,403,139)	(30,307,525)
Adjustments for non-cash items:		
Depreciation and amortisation	3,309,358	3,372,228
Reversal of impairment	(37,077,676)	-
Changes in working capital:		
Receivables	17,946,727	(124,990)
Payables	(83,970,832)	(15,160,935)
AARTO assets	176,520,383	181,269,518
AARTO liabilities	(176,520,383)	(181,269,518)
	(120,195,562)	(42,221,222)

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

12. Financial instruments disclosure

Categories of financial instruments

2019

Financial assets

	Loans and receivables	Non-financial instruments	Total
Trade and other receivables	37,898,656	-	37,898,656
Prepaid expenses	-	2,049,332	2,049,332
Cash and cash equivalents	10,958,562	-	10,958,562
AARTO assets	43,222,236	-	43,222,236
Property, plant and equipment	-	2,906,794	2,906,794
Intangible assets	-	319,355	319,355
	92,079,454	5,275,481	97,354,935

Financial assets

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

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

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
AARTO Assets	132,886,563	-	132,886,563
Property, plant and equipment	33,092,058	-	33,092,058
Intangible assets	-	4,207,505	4,207,505
	-	626,912	626,912
	220,538,500	8,169,253	228,707,753
Financial liabilities			
	Loans and receivables	Non-financial instruments	Total
Trade and other payables	29,065,124	-	29,065,124
National Treasury surplus retention	69,696,261	-	69,696,261
AARTO liabilities	33,092,058	-	33,092,058
Accumulated surplus	-	96,854,310	96,854,310
	131,853,443	96,854,310	228,707,753

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
13. Operating lease commitments		
Operating lease commitments		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	11,491,200	11,491,200
- in second to fifth year inclusive	4,788,000	16,279,200
	16,279,200	27,770,400

Operating lease rentals of the Agency comprise of Mobile office bus rentals, rental machines and rental of offsite storage. The mobile bus contract commenced from 01 December 2016 ending 30 August 2020.

The current office space lease rental of the premises for RTIA refers to the building together with the parking bays namely: Waterfall Edge, Bekker Road, Midrand. Pursuant to the Board resolution on 30 January 2013, the Board resolved that the Agency shall enter into a five year lease agreement in respect of leased premises. On this premise a three year lease agreement was concluded, upon its expiry the month to month clause was activated. The lease commitments on a month to month are as follows:

- within one year	3,050,171	3,023,636
-------------------	-----------	-----------

The rental of printer machines is through a transversal contract with National Treasury. The value in respect of rental of printer machines and offsite 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.

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
-----------------	------	------

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 disk in respect of various vehicles under the circumstances where the Applicant has been served with an enforcement order. Matlala Attorneys was appointed to oppose this matter on behalf of the Agency. Before the date of set down, the parties agreed to settle the matter out of court on the basis that the Applicant has rendered his application academic by paying for the enforcement order. After paying for the enforcement order, the Applicant could transact on Natis by renewing his driving licence and licence disc.

The Applicant has lodged an application in terms of Promotion of Access to Information in terms of which he is seeking access to his infringement history and documents related thereto.

Employees Matter

This matter is lodged to the Labour Court in terms of Employment Equity Act. The Applicants allege that they are not paid equally compared to other employees performing same work of same value.

Demborvsky Matter

The Applicant has lodged the application to, amongst others; contest the constitutionality of some of the provisions in the AARTO Act as well as 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. A firm of attorneys has been appointed to defend the matter.

Contingent Asset

Justice Project South Africa ("JPSA")

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

15. Related parties

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

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
Related party balances		
Amounts owed to related parties		
South African Post Office	4,480,056	598,413
Related party transactions		
Revenue		
Department of Transport	11,722,000	17,696,000
Postage costs		
South African Post Office	35,544,555	33,417,923
Remuneration paid to related parties		
Non-executive directors and executives	13,381,295	23,648,856

Notes to the Annual Financial Statements

Figures in Rand	2019	2018
16. Remuneration Disclosure		
Non-Executive Directors		
NE Rapoo	92,780	199,222
NZ Qunta	28,634	97,006
TJ Mokgoro	27,497	143,550
BS Chaplog	69,118	97,893
B Matinise	49,008	159,268
XN Khanyile	-	10,732
	267,037	707,671

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

Committees 2019

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

Notes to the Annual Financial Statements

Figures in Rand	2019			2018
Committees 2018				
	Audit and 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

Notes to the Annual Financial Statements

16. Remuneration Disclosure (continued)

Executive committee

2019	Earnings	Cash Allowances	Performance Bonus	Total cost to company
JR Chuwe	1,995,497	208,183	1,179,636	3,383,316
TAP Tsholetsane*	1,693,432	-	578,548	2,271,980
P Moalusi	1,572,640	-	546,407	2,119,047
MLT Bilikwana	1,581,878	-	602,655	2,184,533
K Pooe	1,565,520	-	498,194	2,063,714
	8,408,967	208,183	3,405,440	12,022,590

*TAP Tsholetsane resigned on 06 March 2019. During the current year, the executive committee was restructured to comprise of five members that have been listed in the table above, to deal with strategic key issues of the Agency.

Notes to the Annual Financial Statements

2018

	Earnings	Cash Allowances	Performance Bonus	Total cost to company
JR Chuwe	2,160,920	196,458	676,135	3,033,513
TAP 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 Nqcwabe	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
JS 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

17. Risk management

Financial risk management

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

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

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

17. Risk management (continued)

Liquidity risk

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

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

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

Trade and other payables	25,630,796	29,065,124
National Treasury surplus retention	-	69,696,261
AARTO liabilities	43,222,236	33,092,058

Credit risk

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

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

Market risk

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

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

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

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

21. Irregular expenditure

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

Irregular expenditure for the prior year:

Add: Irregular Expenditure - current year

Add: Irregular expenditure incurred in prior year but identified in current year

Less: Amounts condoned

-	453,601
-	578,739
-	(1,032,340)
-	-

22. Retention of cash surplus

The RTIA has made an application to National Treasury for the retention of the surplus at the end of May 2019. The outcome is pending.

23. Approval of financial statements

The final annual financial statements were tabled for approval to the Accounting Authority on 29 July 2019.

24. Budget differences

Total expenditure resulted in the following variance for the year under review:

Employment costs grew in line with the previous year and the headcount movement increased marginally as a result the planned vacant positions not been filled during the year

Notes to the Annual Financial Statements

Figures in Rand

2019

2018

under review. Operating expenses resulted in a cost saving due to some of the planned expenditures (such as advertising and AARTO awareness; mobile busses, HR project and IT related expenses) not being achieved during the financial year. Capital expenditure spending resulted in cost saving due to some of the planned spending not being achieved during the financial year. Postage actual costs were behind anticipated budget as a result of decreased notices posted for the year by the Issuing Authorities. The AARTO rollout expenses increased in response to the overwhelming demand received. The infringement fees collected were below the anticipated target as a result of decreased issued notices for the year.

25. Commitments

For the year ended, the RTIA had the following firm commitments at 31 March 2019, including the disclosure under note 13:

Operational expenditure - Approved and contracted

Postage costs is a key driver in serving of AARTO related documents by registered mail in terms of section 30 of the AARTO Act read in conjunction with regulation 21 of the AARTO Regulations. The RTIA entered into a three year agreement with the South African Post Office to serve AARTO notices. The value of this agreement is forecasted at R35 million for the next twelve months.

Capital expenditure - Approved but not yet contracted

During the financial year, RTIA has advertised a tender for the replacement of IT related equipment that had reached its operating lifespan and was operating beyond its useful life to the value of R2.4 million. At reporting date a supplier has been approved by the accounting officer, but the award is pending the finalisation of SITA's transversal contract.

26. Non-adjusting post balance event

There were no non-adjusting transactions at year end.

27. Prior period errors

Prior period error related to invoices that was received during the current year. The correction of the error(s) results in adjustments as follows:

	2018 Restated
Restated Statement of Financial Position	
Increase in Trade payables	(440,631)
Statement of Financial Performance	
Increase/(Decrease) in Operating expenses	(107,268)

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

 Facebook: Rtia-Aarto

RP292/2019

ISBN: 978-0-621-47769-6