



RTIA

Road Traffic Infringement Agency

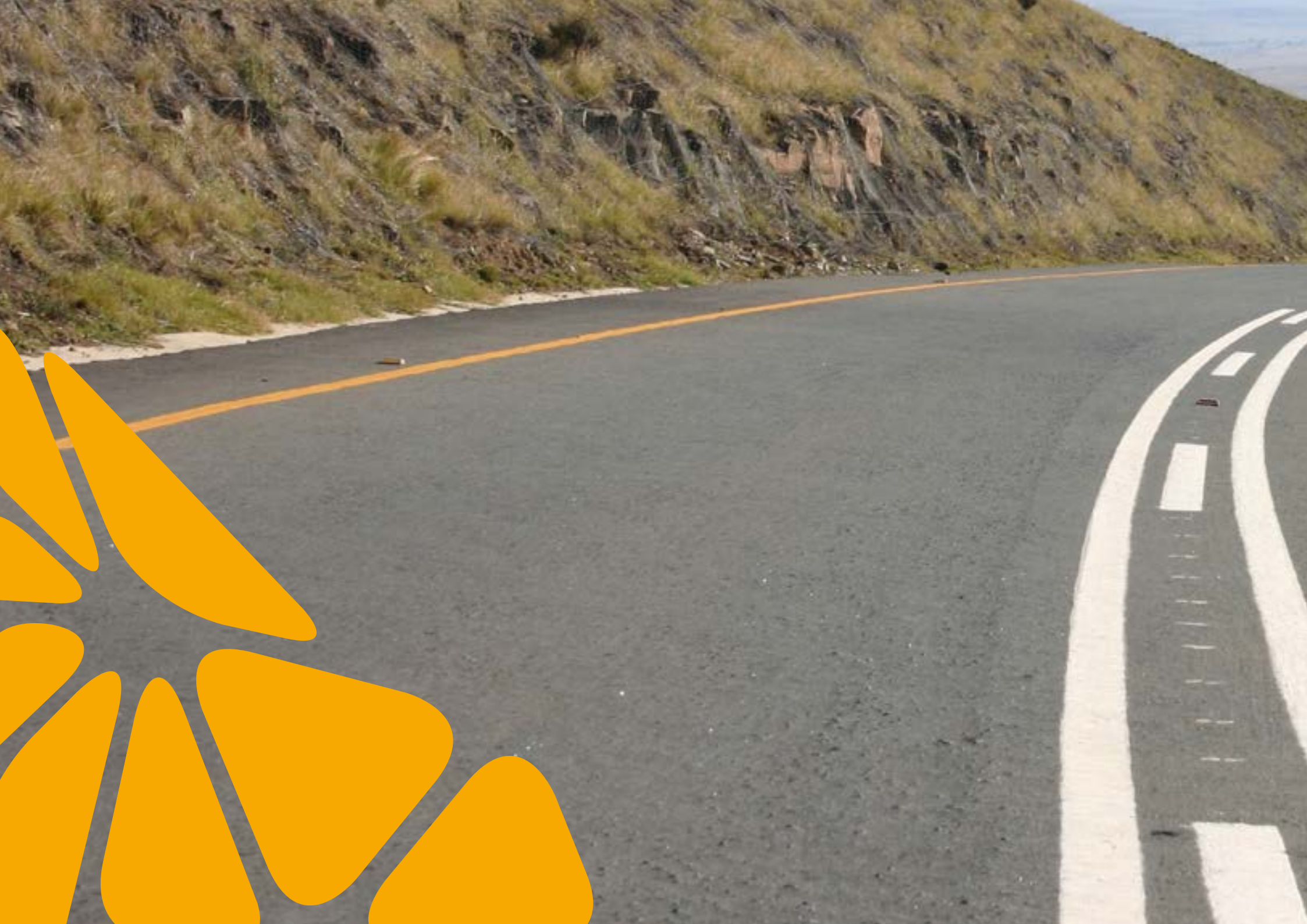
Justice in Adjudication

ANNUAL REPORT

2020/2021

FINANCIAL YEAR







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PART A:

**GENERAL
INFORMATION**



A1.1 PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Road Traffic Infringement Agency (RTIA)
REGISTRATION NUMBER (if applicable):	Not applicable
PHYSICAL ADDRESS:	Waterfall Edge B Howick Close Waterfall Park Bekker Road Midrand
POSTAL ADDRESS:	P O Box 6341 Halfway House 1685
TELEPHONE NUMBER/S:	(+27) 87 285 0500
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



RTIA
Road Traffic Infringement Agency
Justice in Adjudication





A1.2 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	Infringement notice completed by hand at the roadside and placed on the vehicle in respect of an unattended 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 RTIA
AMIP	AARTO Master Implementation Plan
APP	Annual Performance Plan
RTIA	Road Traffic Infringement Agency
AGSA	Auditor General of South Africa
ARC	Audit and Risk Committee
BBBEE	Broad Based Black Economic Empowerment
CA(SA)	Chartered Accountant South Africa
CFO	Chief Financial Officer
CL/s	Courtesy Letter/s
COVID 19	Corona Virus Disease
CPA	Criminal Procedures Act
CRM	Customer Relations Management
DLTC	Driving Licence Testing Centre
DoJ & CD	Department of Justice & Constitutional Development
EFT	Electronic Funds Transfer



NaTIS	National Traffic Information System
EO/s	Enforcement Order/s
EXCO	Executive Committee of the RTIA
FAR	Fixed Asset Register
FB	Facebook
GRAP	Generally Recognised Accounting Practise
GDoCS	Gauteng Department of Community Safety
IA/s	Issuing Authority/ies
ICT	Information Communication Technology
IT	Information Technology
JMPD	Johannesburg Metropolitan Police Department
MEC	Member of Executive Council
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NATIS	National Traffic Information System
NCR	National Contraventions Register
NEDLAC	National Economic Development and Labour Council
NDOT/DoT	National Department of Transport
NICD	National Institute for Communicable Diseases
NRTA	National Road Traffic Act
NRTLEC	National Road Traffic Law Enforcement Code
NT	National Treasury
OHS	Occupational Health and Safety



PDS	Points Demerit System
PFMA	Public Finance Management Act
PPP	Public Private Partnerships
PrDP	Professional Driving Permit
RO/s	Representation Officer/s
RTMC	Road Traffic Management Corporation
RSA	Republic of South Africa
SAPO	South African Post Office
SAPS	South African Police Service
SCM	Supply Chain Management
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprises
SMS	Short Messaging System
SWOT	Strengths, Weaknesses, Opportunities and Threats
TETA	Transport Education and Transport Authority
TMPD	Tshwane Metropolitan Police Department
TOR	Terms of Reference
TR	Treasury Regulations
UNDoARS	United Nations Decade of Action for Road Safety
VTS	Vehicle Testing Station
WSP	Workplace Skills Plan

A1.3. FOREWORD BY THE CHAIRPERSON



Ms B Zulu

RTIA: Board Chairperson.

The Agency has implemented a highly successful business programme, which has brought it closer to the national Administrative Adjudication of Road Traffic Offences (AARTO) Roll Out than ever before. Everyone had to pull every string to ensure that the business of the Agency is properly navigated in order to achieve the desired business outcomes, starting from the Board, its Committees in the form of the Audit and Risk Committee, HR and Remuneration Committee as well as the Technical Committee, to the Executive Committee.

The Board members took up the challenges of their tasks with military precision, particularly because all members of the Board were new (having been appointed on 06 August 2020), and the Agency had been without a Board in the previous two years, and as a result thereof, there was no handover or member retention for continuity, as would ideally be the process. The Board made an informed decision to retain the three independent committee members who had been retained by the Registrar while acting as a section 49(2) (b) Accounting Authority, in order for them to provide some form of handover during the transition, albeit limited. The challenges brought by the COVID-19 lockdown restrictions meant that the Board operated remotely for the duration of the reporting period, without any contact. It was an uncharted situation, which required everyone to exercise a great deal of leadership to overcome this challenge, whilst remaining focused on the challenges which came with steering a new business model, which most of the members were unaccustomed to.

High Level Review of Strategy and Performance

I recognise and applaud the collective efforts of the Board and its committees and management, for managing to move the Agency from a disclaimer audit opinion from the previous financial year, to the qualified audit which the entity has obtained during this reporting period, in the midst of all the reported anomalies. The Agency also managed to achieve a performance outcome of 71%, which, though a decline from the Agency's performance in the past, is appreciable given again, all the challenges that the business was faced with during this particular reporting period. The Board will in future be focusing on strengthening the adequacy and effectiveness of the Agency's control environment, as well as the usefulness of its technical indicators, in a bid to turn around the business to new levels of performance excellence.

The Agency remains committed to creating a compliance environment and a change in the road user behaviour, which will result in meeting the objectives of the United Nations Decade of Action for Road Safety 2021 – 2030 target of reducing road traffic fatalities and injuries by 50% in 2030. During this process, the Agency will endeavour to provide thought leadership and strategic direction in the implementation of its demerits points and rehabilitation programmes, not only in South Africa, but also to the rest of the Southern African Development Community (SADC).

Strategic Relationships

The Agency continued to engage in its monthly engagements with the AARTO National Task Team, in order to draw critical lessons from Issuing Authorities, as it prepares for the Roll Out of the AARTO programme nationally, and to ensure that the programme is driven from the ethos of a "bottom up" approach. The partners in this forum have assisted the Agency in shaping the composition of the various concepts that it seeks to implement with the national Roll Out of its programme.

A1.3. FOREWORD BY THE CHAIRPERSON

The Agency also finalised its engagements with South African Post Office (SAPO) in respect to the implementation of the much-awaited electronic service, which is one of the methods of serving of notices, which has been prescribed in the AARTO Amendment Act. The Agency continues to finalise its engagements with the Government Printing Works for the introduction of the AARTO stationery to its artworks, to ensure that all law enforcement Agencies around the country have access to the AARTO books at the commencement of AARTO Roll Out. The Road Traffic Management Corporation (RTMC) has been phenomenal in its commitment to ensure that all the system developments and system optimisations, which are required on the National Contraventions Register (NCR) prior to the AARTO Roll Out, are finalised.

Challenges faced by the Board

It was indeed without doubt an extremely challenging year for the Board to provide oversight at the Agency, particularly because just two months after being appointed into the Agency, the Board had to deal with the findings by the Auditor-General (AG) in issuing the disclaimer audit opinion, together with various whistle blower reports against senior officials at the Agency. The allegations fashioned against Management were based on various counts of maladministration; which left the Board with no other option but to immediately and without further delay commence with forensic investigations in order to get to the bottom of such allegations. During the process, the Board had to place the Chief Executive Officer/ Registrar, Chief Financial Officer & Supply Chain Manager on precautionary suspension, in order to protect the integrity of the ensuing investigation processes. In the midst of these processes, the Board found itself without a Chief Executive/Registrar, and had to seek the assistance of the Department for a secondment of a competent candidate to act in the interim, pending the finalisation of the forensic and other investigations. The Board, being new, also had to grapple with the fact that the seconded candidate was also new to the environment, and despite these challenges, the Acting Registrar as the Accounting Officer, transitioned well into the position.

Section 50 (1) of the PFMA requires the Accounting Authority amongst others to:

- (i) Exercise the duty of utmost care to ensure reasonable protection of the assets and records of the public entity;
- (ii) On request, disclose to the executive authority responsible for that public entity or the legislature to which the public entity is accountable, all material facts, including those reasonably discoverable, which in my way may influence the decisions or actions of the executive authority or that legislature;

- (iii) Seek, within the sphere of influence of that accounting authority, to prevent any prejudice to the financial interests of the state.

It is in the discharge of its duties as required by section 50 of the PFMA that the Board ended up spending an inordinate amount of time at the business of the Agency, attending to a number of issues, which were occasioned by such investigations as well as other governance challenges which “were spilling out of the pot” on a daily basis. The Board, during the process, spent time in briefing meetings with the Minister and the Deputy Minister in respect to the emerging challenges that it was facing at the Agency.

The Board also faced mounting challenges in respect to the implementation of the organisational structure, which has been redesigned to align to the national AARTO Roll Out. The inability to implement the organisational structure resulted in the overstretch of the very thin human resources at the management level, and with all the complex engagements which the Agency had to undergo in the preparation of the AARTO Roll Out. The Board would like to, once again applaud the tenacity of the management team in amassing all the strength that it could, in measuring up to the challenges that the AARTO Roll Out brought with it.

The year ahead

For the year ahead, the Agency will focus on finalising all the loose ends in preparation for the AARTO Roll Out process. The Agency has planned to implement the AARTO Roll Out in four phases, with the much-awaited Points Demerit System and Rehabilitation Programmes coming during the fourth phase of the Roll Out programme. The Agency will also be focussing on setting up its branch network across the country as well as the establishment of service outlets in the various municipalities around the country.

The Agency will once again place strong emphasis on education and awareness campaigns. It will therefore, amongst others, seek to intensify efforts in the area of legislative workshops with different stakeholders in the country, because we would like to have a situation where everyone, from a schoolchild to a farmworker in the outskirts of the country, possess intricate knowledge of AARTO during the course of its Roll Out. The Agency will also utilise the mobile buses, social networks, different Information and Communications Technology (ICT) applications, community radio stations and e-Enterprises, to derive the outcomes of this drive.

The Agency’s timing of rolling out the four phases have however been temporarily tampered by the High Court ruling, which declared the AARTO legislation



A1.3. FOREWORD BY THE CHAIRPERSON

unconstitutional. The Agency and the Minister of Transport have taken a resolution to challenge this court ruling through an appeal at the Constitutional Court. The lodgement of the appeal effectively suspends the operation of the court judgement. Which means that the activities of the Agency will continue as if there was no court judgement until such time that the Constitutional Court makes a final pronouncement on the matter. The Agency has, whilst not affected by the High Court ruling, however decided to take a cautious approach to its business, such as halting the process of the proclamation of the AARTO Amendment Act as well as the other phases of Roll Out, as they are linked to the proclamation process. The rest of the other business activities in the Annual Performance Plan will continue as planned

A handwritten signature in black ink, appearing to read 'B Zulu'.

Ms B Zulu
Board Chairperson

Date: 31 October 2021

Acknowledgments / Appreciation

Allow me to express the Board's heartfelt appreciation for the unwavering support and guidance that the Agency enjoyed under the leadership of the following key figures; Honourable Fikile Mbalula, MP and the Honourable Deputy Minister Ms Dikeledi Magadzi, MP, as well as the Director – General Mr Alec Moemi, the leadership of the Roads Branch at the Department of Transport, and the weight that they put in ensuring the finalisation of the various preparations for the AARTO Roll Out.

A1.4. ACTING REGISTRAR'S OVERVIEW



Ms MM Mabula

RTIA: Acting Registrar

The year 2020 - 2021 under review has been unprecedented, where private sector and government have had to deal first hand, with the social and economic impact and restrictions of COVID-19. The consequent results of such disruptions to the RTIA, are multifaceted across operations, economic and governance functions of the organisation. This was made worse by commencing the financial year without critical governance and oversight structures, such as an appointed Board. This happened in the backdrop of a disclaimer audit opinion by the Auditor General of South Africa (AGSA) for the 2019-2020 financial year. This resulted in a number of serious deficiencies in governance, financial management and compliance issues needing to be addressed urgently.

Mitigation of Organisational Challenges

The timely intervention by the Minister of Transport, who alleviated the situation by appointing a Board of Directors for the RTIA on Thursday, 06 August 2020. To remedy the deficiencies emanating from the adverse audit findings by the AGSA for the 2019-2020 financial year, the Board instituted an investigation and placed the Registrar, Chief Financial Officer and Senior Manager: Supply Chain Management on precautionary suspension.

These suspensions left a serious gap in executive management required to provide guidance in the Agency to address all the compliance and governance matters raised by the AGSA. I was seconded by the Department of Transport on 12 February 2021 to the RTIA as the Acting Registrar/CEO, to fill the executive management gap and provide leadership whilst the investigations unfolded.

All these challenges occurred as the Agency was gearing up for the AARTO National Roll Out Programme, which the Minister of Transport had agreed to postpone to Thursday, 01 July 2022, with preparations at an advanced stage. Meticulous attention had to be paid to mitigate all the 2019-2020 financial year audit findings under the guidance of the Board, Senior Management and staff.

Annual Performance for the Year Under Review 2020/21

Under stringent conditions of economic, social and organisational challenges, it is pleasing to report that the RTIA performed at 71% in obtaining all its organisational objectives in the financial year under review. However, it must be noted that by end of the first quarter, the Agency had recorded 6.6% performance, perpetuated by the Level 5 COVID-19 lockdown, mandated by the Disaster Management Regulations.

Key stakeholder implementation partners in the AARTO process, such as the South African Post Office (SAPO), could not execute their legislated function to deliver Courtesy Letters and Enforcement Orders. This adversely affected the AARTO process resulting in unserved notices and a backlog in the National Contravention Register (NCR).

Realising the operational challenges brought about by social distancing and drastic changes in the working environment, the RTIA had to reconfigure its operating model to complement the new normal and sought approval to amend the 2020-2021 Annual Performance Plan targets which was granted by Section 49(2)(b) Accounting Authority and Minister of Transport. The accomplishments under review are as a result of the approved COVID-19 Risk Adjusted 2020-2021 Annual Performance Plan.



A1.4. ACTING REGISTRAR'S OVERVIEW

It must be noted that the adverse 2019-2020 financial year audit findings and subsequent precautionary suspensions of the Registrar, Chief Financial Officer and the Manager: Supply Chain Management pending investigations caused serious reputational damage to the RTIA and eroded trust among its implementation partners and stakeholders.

AARTO National Roll Out Programme

The AARTO National Roll Out Programme is highly dependent on the cooperation among its implementation partners and key stakeholders in the AARTO transactional or business process. To this end, the RTIA is highly appreciative of the continued support by all its key stakeholders such as the AARTO National Steering Committee (ANSC), representing all nine provinces, provincial communicators and law enforcement officials from districts, metros and municipalities.

At the time of reporting, preparations for the AARTO National Roll Out Programme are at an advanced stage. Several innovations to make AARTO services accessible such as the AARTO Mobile Application and enhanced AARTO website, have been made responsive to public needs to exercise their legislated elective options within easy, convenient reach on digital platforms. The AARTO mobile application, functional at the close of the financial year under review, is a milestone in bringing services closer to the public through smartphones. The Agency has taken note of the High Court case on the unconstitutionality and invalidity of AARTO and aligns itself to the statement issued by the Minister of Transport to challenge the High Court ruling at the Constitutional Court.

Organisational Structure

The finalisation of the organisational structure, matching and placing of employees, remains a critical success factor for the AARTO National Roll Out Programme alluded to above, accompanied by a recruitment process for vacant key positions.

Hence it is an opportune moment to thank senior management and staff for all the hard work under difficult and challenging circumstances of ongoing investigations. The commitment by staff to realise a successful national Roll Out programme in a pressured environment, speaks volumes on the skill sets available, though spread thin operationally. Hence the need to fast track the recruitment process of new talent to meet the needs of the Roll Out programme deliverables.

Personnel and COVID-19 Pandemic

The RTIA has not been spared the tragic loss of human capital due to the global COVID-19 pandemic. Firm steps have been taken by senior management to curb the spread of the virus by introducing weekly rotational schedules of staff in the office, to ensure business continuity. A COVID-19 Crisis Committee has been established to

ensure that all COVID-19 protocols are observed in the workplace with the provision of essential PPE's to all staff, including the implementation of a Life Risk Register to monitor symptoms and possible rates of infections among staff. This enables the RTIA to manage the risk of infections among staff and the community they serve.

Representations and Revenue Collection

Despite the challenges faced by the RTIA as outlined above, revenue collection improved in the year 2020-2021 financial year under review. The innovation and aggressive marketing of online payment platforms paid dividends for collecting Issuing Authorities and payment platforms.

The representation process, a cornerstone of the AARTO process, suffered a serious setback during the 2020-2021 financial year, caused by the strict level 5 COVID-19 lockdown in the first quarter. A total of 278 441 representations were received in 2020-2021, this represents an increase of 60 626, which is 27.83% compared to the previous financial year 2019-2020. This resulted in major backlogs in the adjudication process. Whilst consulting with SAPO as a key service partner in the AARTO process, the Agency has put measures in place to deal with the backlog, by requesting the Representations Unit officials to work overtime. Solutions are currently being worked out with SAPO, such as electronic service to deal with deficiencies in the AARTO process.

This has been a very challenging year for the RTIA, the timed interventions provided by the Department of Transport in the appointment of the Board, has alleviated the situation. My heartfelt thanks to the Board for their support during this difficult transition period in the Agency. Appreciation also goes to the Minister of Transport for providing critical interventions when needed and ensuring that there is business continuity even in turbulent times.

The management and staff of the Agency are the winning team, who have persevered through troubled times and have made my transition into the organisation much easier by their hard work. The performance results obtained may not have been possible if it was not their dedication and commitment.

Ms MM Mabula

RTIA: Acting Registrar

Date: 31 October 2021

A1.5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT



Ms B Zulu

RTIA: Board Chairperson.

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

All information and amounts disclosed in the annual report is 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 Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.

The Accounting Authority is responsible for establishing, and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2021.

Yours faithfully



Ms B Zulu
Chairperson: Board

Date: 31 October 2021



A1.6. STRATEGIC OVERVIEW

Vision

"A safe road user community".

Mission

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


Values

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


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

The RTIA's value statements are reflected in the Table on page 19.


A1.6. STRATEGIC OVERVIEW

- 


1 **ACCESSIBILITY**

Being available to serve and be reached by all our stakeholders across the country in line with our purpose and mandate.
- 


2 **ACCOUNTABILITY**

Being responsible and answerable for our actions and decisions.
- 

3 **TRANSPARENCY**

Being open with stakeholders and communicating the basis upon which decisions are made and actions taken.
- 

4 **INTEGRITY**

Being truthful, uncompromising, and acting impartially, without fear or favour in our relationships with all stakeholders.
- 

5 **INNOVATION**

To embrace a disruptive and innovative approach in all that we do in order to deliver exceptional quality of services and deliver on our mandate within a rapidly changing external and internal environment.



A1.7. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandate

The RTIA is a Schedule 3A (PFMA) Public Entity and is subject to various legislations in its daily operations. It 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.

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

A1.7. 1.7. LEGISLATIVE AND OTHER MANDATES

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

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.
Criminal Procedures Act, 1977 (Act No. 51 of 1977)	<ul style="list-style-type: none"> To make provision for procedures and related matters in criminal proceedings.
Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)	<ul style="list-style-type: none"> To provide for the strengthening of measures to prevent and combat corruption and corrupt activities; To provide for the offence of corruption and offences relating to corrupt activities; To provide for investigative measures in respect of corruption and related corrupt activities; To provide for the establishment and endorsement of a Register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts; To place a duty on certain persons holding a position of authority to report certain corrupt transactions; To provide for extraterritorial jurisdiction in respect of the offence of corruption and offences relating to corrupt activities; and To provide for matters connected therewith.

A1.7. 1.7. LEGISLATIVE AND OTHER MANDATES

Name of Act	Purpose
Public Finance Management Act, 1999 (Act No. 1 of 1999) – PFMA	<ul style="list-style-type: none"> To regulate financial management in the national government and provincial government; To ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; To provide for the responsibilities of persons entrusted with the financial management in those governments; And to provide for matters connected therewith
Electronic Communications and Transactions Act, 2000 (Act No. 25 of 2000)	<ul style="list-style-type: none"> To provide for the facilitation and regulation of electronic communications and transactions; To provide for the development of a national e-strategy for the Republic; To promote universal access to electronic communications and transactions and the use of electronic transactions by SMMEs; To provide for human resource development in electronic transactions; to prevent abuse of information systems; To encourage the use of e-government services; and To provide for matters connected therewith
Protection of Personal Information Act, 2013 (Act No. 4 of 2013)	<ul style="list-style-type: none"> To promote the protection of personal information processed by public and private bodies; To introduce information protection principles so as to establish minimum requirements for the processing of personal information; To provide for the establishment of an Information Protection Regulator; To provide for the issuing of codes of conduct; to provide for the rights of persons regarding unsolicited electronic communications and automated decision making; To regulate the flow of personal information across the borders of the Republic; and to provide for matters connected therewith
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	<ul style="list-style-type: none"> To give effect to section 217 (3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217 (2) of the Constitution; And to provide for matters connected therewith
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	<ul style="list-style-type: none"> To establish a legislative framework for the promotion of black economic empowerment; To empower the Minister to issue codes of good practice and to publish transformation charters; To establish the Black Economic Empowerment Advisory Council; and To provide for matters connected therewith



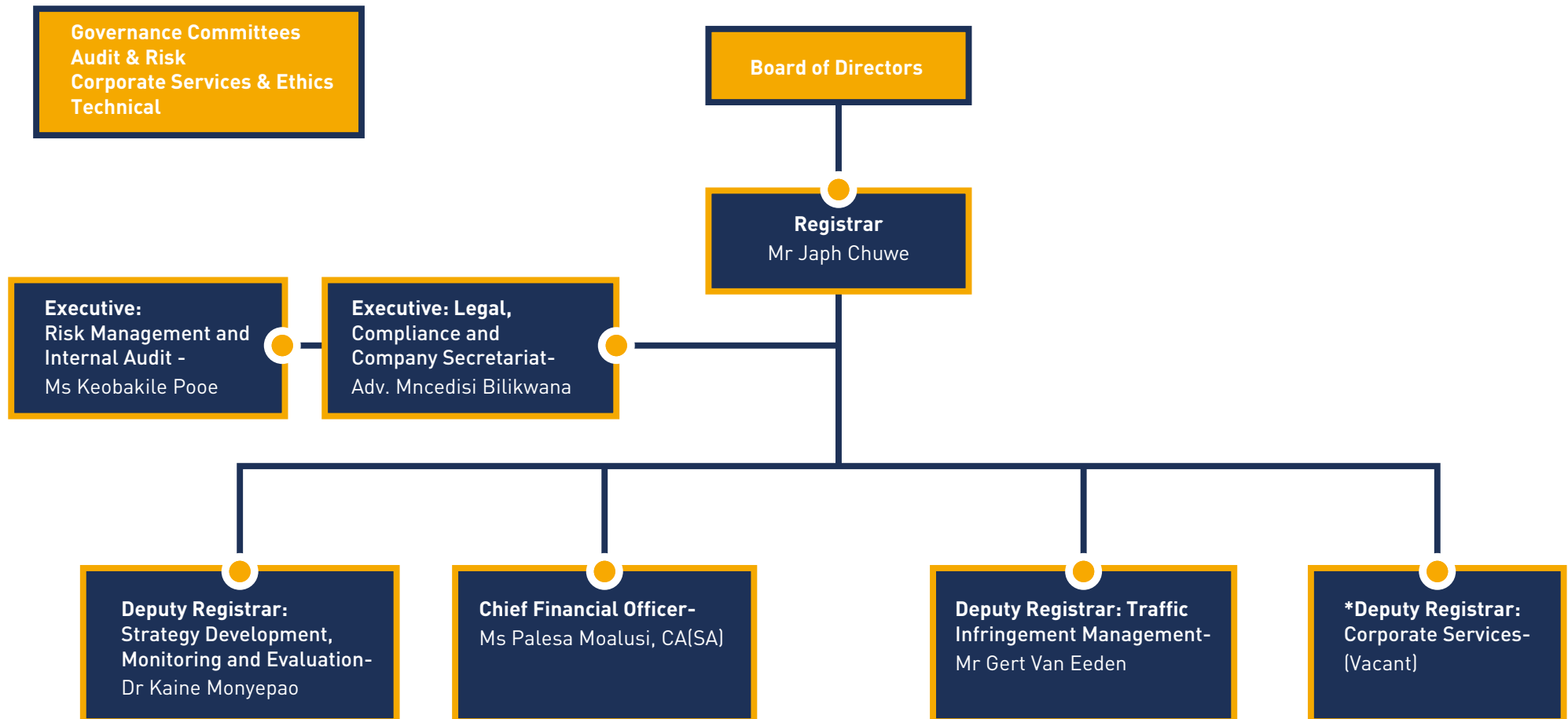
A1.7. 1.7. LEGISLATIVE AND OTHER MANDATES

Policy Mandate

National Legislation provides a platform for policy development in the Republic which guides government business, in particular, the Department of Transport develops policies to guide among others its public entities, provincial and local government activities related to traffic management and road safety. The aforementioned is guided by other national policies including but not limited to the following:

Constitution	Description
National Development Plan	The NDP is the country's national long term plan which sets government targets to guide individual departments including the Department of Transport and its service delivery intervention.
National Road Safety Strategy	NRSS flows from the UNDA and sets out short, medium and long term road safety interventions aimed at a 50% reduction of road fatalities by 2030.
Medium Term Strategic Framework	The MTSF sets out medium term strategic goals towards the achievement of vision 2030, which amongst others includes the tackling of the triple challenges of poverty, inequality and unemployment through economic growth interventions.
United Nations Decade of Action for Road Safety	UNDoARS is an international treaty to which RSA is a signatory. It sets out international and member states road safety targets to reduce road fatalities by 50% in 2030.

A1.8 ORGANISATIONAL STRUCTURE





RTIA

Road Traffic Infringement Agency

Justice in Adjudication



STAGE 1
AFTER RECEIVING AN INFRINGEMENT NOTICE

- PAY THE DISCOUNTED AMOUNT (50%)
- NOMINATE A DRIVER
- MAKE A REPRESENTATION
- ARRANGE TO PAY IN INSTALMENTS
- ELECT TO BE TRIED IN COURT

32 DAYS AFTER

STAGE 2
AFTER RECEIVING A COURTESY LETTER

- PAY FULL AMOUNT AND ADMIN FEE
- MAKE A REPRESENTATION
- ARRANGE TO PAY IN INSTALMENTS
- ELECT TO BE TRIED IN COURT

64 DAYS AFTER

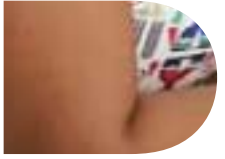
STAGE 3
AFTER RECEIVING AN ENFORCEMENT ORDER

- PAY FULL AMOUNT AND ADMIN FEE
- APPLY TO HAVE AN

RTIA
Road Traffic Infringement Agency

PART B:

PERFORMANCE INFORMATION





B2 PERFORMANCE INFORMATION

2. SECTION 1: AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Report on the audit of the annual performance report

Introduction and scope

1. In accordance with the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
2. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
3. 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 programmes presented in the public entity's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the Annual Performance Report
Programme 1: AARTO administration and education	39
Programme 2: Adjudication and AARTO support	40 - 41
Programme 3: AARTO information and analytics	42 - 43
Programme 4: Governance and sustainability	43 - 44
Programme 5: AARTO Roll Out programme	44 - 46

4. 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.
5. The material findings on the usefulness of the performance information of the selected programme are as follows:

Programme 4 - Governance and sustainability

Implementation of the re-aligned organisation structure



B2 PERFORMANCE INFORMATION

6. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined evidence and method of collection to be used when measuring the actual achievement for the indicator. This was due to insufficient measurement definitions and processes. I was unable to test whether the indicator was well-defined by alternative means.

Programmes with no material findings

7. I did not identify any material findings on the usefulness and reliability of the reported performance information for these programmes:
- Programme 1: AARTO administration and education
 - Programme 2: Adjudication and AARTO support
 - Programme 3: AARTO information and analytics
 - Programme 5: AARTO Roll Out programme

Other matters

8. I draw attention to the matter below.

Achievement of planned targets

Refer to the annual performance report on pages **27** to **46** for information on the achievement of planned targets for the year and management explanations provided for the under/overachievement of targets. This information should be considered in the context of the material finding on the usefulness of the reported performance information in paragraphs 17 of this report.

Adjustment of material misstatements

9. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 1: AARTO administration and education and programme 2: Adjudication and AARTO support. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

2.1. SECTION 2: SITUATIONAL ANALYSIS

2.1.1 Service Delivery Environment

The RTIA is a Schedule 3A (PFMA) Public Entity and is subject to various legislations in its daily operations. It 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.

The 2020-2021 financial Year unlike other years faced significant challenges emanating from the Disaster Management Regulations which witnessed the complete closure of business including that of the RTIA. The aforesaid closure compelled the revision of Agency's annual performance targets. The first quarter of the financial year recorded 6.6% performance resulting from COVID-19 level 5 national lockdown. This development affected RTIA operations to the extent to which affected the Agency's revenue collection ability. The anticipated National AARTO Roll Out was significantly affected and had to be deferred and will be implemented in phases which will be 1st July 2021, second phase 1st October 2021 and last phase 1st July 2022. However the Agency will be guided by the ruling of the Constitutional Court on the validity and constitutionality of AARTO.



B2 PERFORMANCE INFORMATION

The AARTO business model is premised on a stakeholder dependency which requires full participation of South African Post Office (SAPO) during which was also on total shutdown during the same period. SAPO's inactivity negatively affected the compulsory printing and posting of infringement notices, Courtesy Letters, Enforcement Orders and other AARTO correspondence central to the value chain. The Agency was as a result forced to stop the AARTO clock resulting in non-accountability of road traffic infringers and loss of revenue for Issuing Authorities.

The primary mandate of the RTIA comprise adjudication and about 95% of received representations during the period under review were adjudicated within the prescribed timeframe. Representations adjudicated outside the timeframe were as a result of under capacitation of Representation Officers versus increased representation demand because of increased number of Enforcement Orders on NaTIS. The appointment of the Accounting Authority has to date embarked on an expeditious organisational structure review aimed at increasing requisite adjudication capacity.

In an attempt to bring service delivery closer to communities the RTIA established 12 service outlets which increased road user interface with the AARTO process. During the first quarter of the financial year, similarly, they also faced a total shutdown in compliance with Disaster Management Regulations. For the year under the review, the RTIA has improved its virtual interface with its stakeholders through the implementation of RTIA mobile application/app and revamped the AARTO web portal.

2.1.2 Organisational environment

As alluded to above, the RTIA performed at 71% towards the achievements of its organisational objectives for the year under review. The outbreak of COVID-19 impacted negatively towards the establishment of CRM, the procurement of media buying as well as marketing and advertising. The appointment of a new Board and its committees contributed significantly to management accountability, risk management and control.

While significant strides have been made towards the organisational structure review, process delays had adverse effect on the achievement of APP targets, capacitation of the Agency, filling of the positions as well as matching and placing of staff. The suspension of key staff, particularly the Registrar and the CFO further exacerbated challenges faced by the Agency during this period.

2.1.3 Key policy developments and legislative changes

The AARTO Amendment Act was assented into law by the President of the RSA during October 2019. The precursor for the proclamation of the Amendment Act required the development and publication of the succeeding AARTO Regulations. The AARTO Regulations 2020 were published for public comments during October 2020 with the closing date of 02 December 2020. Over 10 500 public comments were received from the market for consideration by the Minister of Transport. The comments were processed and ventilated with The National Economic Development and Labour Council (NEDLAC) for stakeholder engagement and further amplification of same. It is envisaged that the regulations will be promulgated for implementation in the following financial year of 2021/2022.

B2 PERFORMANCE INFORMATION

2.1.4 Progress towards Achievement of institutional Impacts and Outcomes

The Agency made changes to APP as a result of the outbreak of COVID-19 during the first quarter of 2020-21 financial year. The changes had direct impact on implementation timeframes of some of the set targets as reflected in the originally approved APP. Through the revised COVID-19 risk adjusted APP, some of the milestones were either postponed for implementation to the next financial year while others were implemented through application of virtual and online platforms to ensure continued provision of public education and awareness of AARTO services. The table below depicts the progress towards achievement of institutional impact and outcomes:

2.1.5 Measuring the Impact

Impact Statement	Progress Statement
<p>Building Safer Road Communities</p> <p>Enhance road-user behaviour, sustained enforcement of road traffic laws & standards through procedurally fair, reasonable, and lawful administrative processes.</p>	<p>The AARTO Master Implementation Plan has been developed and monitored with 21 work packages. The plan facilitates all efforts required to ensure a national AARTO Roll Out. Amongst the key tenets of the AARTO Roll Out includes the PDS aimed at discouraging irresponsible and reckless driver behaviour. It is envisaged that the successful implementation of PDS will encourage positive driver behaviour and accountability.</p>
<p>Enhance Socio-Economic Infrastructure</p> <p>Build relevant capacity as road traffic infringement regulator, adjudicator & integrator to stimulate economic growth and support social-economic development goals.</p>	<p>The RTIA has embarked and concluded an organisational structure review aimed at stimulating the economy and creating jobs through capacitation of, among others, adjudication and front-line service delivery staff. The revised organisational structure envisages the creation of no less than 25 service outlets with about 50 new job opportunities with a bias towards youth, women and people living with disabilities.</p>
<p>Partner For Economy And Employment</p> <p>Generate virtuous cycle of rising confidence, rising investment, higher employment, rising productivity and incomes through effective partnerships across society.</p>	<p>Through the Agency's stakeholder management programs, the Issuing Authorities were engaged to assess the status of readiness for AARTO Roll Out. The deployment of virtual platforms has enabled the Agency to fulfil the role of continued assessment of Issuing Authorities preparedness to implement AARTO Roll Out in the next financial year. Similarly, it is envisaged that the revised organisational structure will create additional jobs.</p>

Table 4: Impact Measurement



B2 PERFORMANCE INFORMATION

2.1.6 Measuring Outcomes

Outcome	Outcome Statement	Outcome Indicator	Progress Statement
Improve RTIA Accessibility & Voluntary Compliance	Improve RTIA accessibility & administrative efficiencies to enable voluntary compliance to infringement notices	RTIA Footprint & Reach —Service Outlets, Regional Offices and Digital Channels	<p>The RTIA has approved a business and operating model during the reporting period. The model provides for the national footprint and multiple service centres including digital platforms. The most successful project for the year under review includes a functional RTIA Mobile App and a revamped AARTO Web Portal.</p> <p>Convenience for business has been heightened through the Vehicle Fleet Management Notification System (VFMNS).</p>
Cultivate Good Road User Behaviour	Cultivate an informed and complaint road user to reduce road law infringement, crashes and fatalities	Transport safety and security index/ Impact of AARTO Public Awareness and Legislative Education	<p>About 39 public awareness and education campaigns were activated during the year under review, themed AARTO Friday, Interfaith and Know Your AARTO Status at taxi ranks. Significant coverage on national and community radio stations was enjoyed, particularly in Mpumalanga, Limpopo, North West, Free State, KZN and Gauteng.</p> <p>During the launch of the Randburg service outlet, the Agency benefitted through national TV coverage on bringing services to the people. Whilst the above is the case, a lot still needs to be done.</p>



B2 PERFORMANCE INFORMATION

2.1.6 Measuring Outcomes *

Outcome	Outcome Statement	Outcome Indicator	Progress Statement
Efficient & Fair Adjudication Process	Improve RTIA adjudication efficiencies to ensure compliance with Enforcement Orders	Adjudication turnaround time & success rate—reduction in court hearings	<p>The Annual performance statistics has revealed an increase in the option to elect to be tried in court. While the above is a positive indication of the AARTO awareness and education campaigns, some elect these option maliciously in order to evade accountability. The new Amendment Act has amplified the adjudication process through the Appeals Tribunal and requisite internal controls should intercede the increased opt for court elective.</p> <p>The Amendment Act further introduces electronic service of AARTO correspondence to reduce opt for court resulting from late service.</p>
Integrated Point Demerit Ecosystem	Enable an integrated & efficient point demerit ecosystem to improve the quality of road infringement information, analytics & knowledge	Reduction of infringements/contravention through world class demerit point system	The draft AARTO Regulations will be promulgated for implementation during 2021-2022 financial year. Central to the Regulations is the three phased approach to the PDS implementation with priority on offences which cause fatal crashes.
Reliable Road User Research & Analytics	Establish the prescribed information management system connected with the National Contraventions Register and other relevant road safety systems, to create, process and maintain records with regard to RTIA mandate	Provision of AARTO research & analytics	The revised organisational structure has made provision for research capacity within the RTIA. Collaboration efforts with Institutions of Higher Learning and Research are underway to augment the existing relationship with MUARC.

Table 5: Measuring Outcomes



B2 PERFORMANCE INFORMATION

2.2. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

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

Summary of Strategic Objective Achievements			
Programme	Sub-Programmes	Main programme targets	Status: Achieved/ Not Achieved
1		Develop the RTIA Mobile APP	Achieved
2	2.1	Implementation plan for the electronic service of CL and EO	Achieved
	2.2	100% of representations adjudicated within 21 days of date of receipt	Achieved
3		Revamp AARTO Web Portal	Achieved
4		Implement organisational structure	Not Achieved
5	5.1	24 AARTO public education and awareness campaigns	Achieved
	5.2	360 AARTO digital public awareness and education campaigns	Not Achieved

Table 6: Strategic Objective Achievements

B2 PERFORMANCE INFORMATION

2.3. Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table

Table: Originally tabled APP

3.1.1.1 Programme/ Sub programme: AARTO administration and support

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21 Until Date Of Re-Tabling	Deviation From Planned Target To The Actual Achievement 2020/21	Reasons For Deviations	Reasons For Revisions To The Output/ Output Indicators/ Annual Targets
Improve RTIA Accessibility & Voluntary Compliance	Implement mobile Application supported by a digital campaign	Implementation of RTIA Mobile App.	N/A	N/A	Design and develop RTIA Mobile APP	None	As per the original APP	N/A	N/A
Cultivate Good Road User Behaviour	Encourage compliance with the national, provincial laws and municipal by-laws relating to road traffic and to promote road traffic safety	The number of workshops held to disseminate AARTO related information to key stakeholders to improve road user behaviour	32 AARTO Workshops conducted	55 AARTO Support workshops conducted nationally as per the targeted stakeholders	50 AARTO support workshops conducted nationally as per the targeted stakeholders	None	Amendment of the original APP	Unavailability of stakeholders for planned workshops resulting from compulsory discouragement of face to face interactions.	Unavailability of stakeholders as a result of Disaster Management Regulations Compulsory Lockdown
Integrated Point Demerit Ecosystem	National Roll Out and implement of points demerit system	Implementation of fully functional national point demerit system	N/A	N/A	Functional national point demerit system	None	Amendment of the original APP	Negative impact of COVID-19 and Lockdown restrictions	Deferment of the AARTO Roll Out due to delayed promulgation of the AARTO Regulations.

B2 PERFORMANCE INFORMATION

PROGRAMME 2: ADJUDICATION AND AARTO SUPPORT

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Output/ Output Indicators/ Annual Targets
Improve RTIA Accessibility & Voluntary Compliance	Improve RTIA efficiencies to ensure compliance with AARTO processes	Implementation plan for electronic service to issue Courtesy Letters and Enforcement Orders	N/A	N/A	Develop the implementation plan of the electronic service of CL and EO	N/A	N/A	N/A	N/A
Cultivate Good Road User Behaviour	Stimulate and encourage positive change in road user behaviour	% of received representations adjudicated within 21 days	100% of representations adjudicated within 21 days of date of receipt	100% of representations adjudicated within 21 days of date of receipt	100% representations adjudicated within 21 days of receipt	100% representations adjudicated within 21 days of receipt	N/A	N/A	N/A
Integrated point demerit ecosystem	To facilitate the readiness and support of key stakeholders in the national implementation of AARTO	% of transactional partners and IA's readiness for AARTO Roll Out based on the RTIA Readiness checklist	94% of transactional partners and IA's readiness for AARTO Roll Out based on the RTIA Readiness checklist	99% of transactional partners and IA's readiness for AARTO Roll-out based on the RTIA Readiness checklist	100% of transactional partners and IA's readiness for AARTO Roll Out based on the RTIA Readiness checklist	None	Amendment of the original APP	Domestic travel and face to face interactions were discouraged through the Disaster Management Regulations.	Outcome indicator was deferred to the Operational Plans. Readiness activities were conducted remotely.



B2 PERFORMANCE INFORMATION

PROGRAMME 3: AARTO INFORMATION AND ANALYTICS

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Output/ Output Indicators/ Annual Targets
Improve RTIA Accessibility & Voluntary Compliance	AARTO Web Portal to be developed	Implementation of integrated service channels	Existing AARTO website	N/A	Phase 1 System design and phased implementation.	None	Indicator remains the same however reworded in the COVID-19 adjusted APP.	N/A	N/A
Efficient & Fair Adjudication Process	Functional Interface between RTIA information management systems	Implementation of integrated RTIA information management systems	N/A	N/A	Develop specifications for interface between information management systems and National Road Traffic Offences Register (NRTOR)	None	Output indicator was permanently removed from the APP.	N/A	NDoT's directive that only one NCR will be utilised for road traffic management.



B2 PERFORMANCE INFORMATION

ROGRAMME 4: GOVERNANCE AND SUSTAINABILITY

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Output/ Output Indicators/ Annual Targets
Improve RTIA Accessibility & Voluntary Compliance	Expand RTIA Footprint & Service Channels	Number of added payment & service channels increase	N/A	N/A	3 additional payment & service channels	None	Sufficient payment channels exist.	Outcome indicator was abandoned due to unavailability of service providers for additional payment channels.	On further analysis, it was established that sufficient payment channels are in existence. Further payment channels would be impossible to establish during lockdown.
Efficient & Fair Adjudication Process	Implement automated and integrated operating environment	Implementation of AARTO administration electronic services	N/A	N/A	Implement AARTO administration workflows for prioritised back-office process for the year	None	Indicator remains however renamed in the COVID-19 adjusted APP.	N/A	N/A
Organisational Re-alignment	Re-aligned organisation structure	Implementation of the re-aligned organisation structure	N/A	N/A	Implement the re-aligned organisational structure	None	Not achieved	Organisational structure not approved	N/A

B2 PERFORMANCE INFORMATION

PROGRAMME 5: AARTO NATIONAL Roll Out PROGRAMME

Outcome	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21 Until date of re-tabling	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations	Reasons for revisions to the Output/ Output Indicators/ Annual Targets
Improve RTIA Accessibility & Voluntary Compliance	Placement of new AARTO service outlets	Implementation of fully operational new AARTO service outlets	9 New AARTO Service Outlets established	5 New AARTO Service Outlets established	50 New AARTO Service Outlets established	None	Outcome indicator was deferred to the Operational Plans. Continued engagements with provincial stakeholder on the establishment of service outlets.	Outcome indicator was deferred to the Operational Plans. Continued engagements with provincial stakeholder on the establishment of service outlets.	Outcome indicator was deferred to the Operational Plans. Continued engagements with provincial stakeholder on the establishment of service outlets.
Improve RTIA Accessibility & Voluntary Compliance	Increased economic participation by historically disadvantaged individuals	Number of youth, women and people living with disabilities appointed for AARTO Service Outlets	N/A	New	100 youth, women and people living with disabilities recruited for AARTO Service Outlets	None	Outcome indicator was deferred to the Operational Plans	Outcome indicator was deferred to the Operational Plans	Outcome indicator was deferred to the Operational Plans
Cultivate Good Road User Behaviour	Influence change in driver behaviour	Implementation of Rehabilitation Model	N/A	N/A	Approved partnerships model and Signed SLAs for Rehabilitation Model	None	Outcome indicator abandoned due to Disaster Management Regulations.	Outcome indicator abandoned due to Disaster Management Regulations.	Outcome indicator abandoned due to Disaster Management Regulations.
Efficient & Fair Adjudication Process	Reliable standardized systems and processes in accordance with the legislated AARTO business processes	Number of public awareness and education campaigns implemented to influence change in road user behaviour	144 AARTO public awareness and education campaigns implemented	123 AARTO public awareness and education campaigns conducted	120 AARTO public awareness and education campaigns	None	Indicator remained in the APP however renamed resulting from COVID -19 adjusted APP.	Negative impact of COVID-19 and Lockdown restrictions	Negative impact of COVID-19 and Lockdown restrictions

Table 7: AARTO Administration and Support

B2 PERFORMANCE INFORMATION

2.4. Programme 1: AARTO Administration & Education Indicator

- Implementation plan of RTIA Mobile App.

Description of each indicator

- Implementation plan of RTIA Mobile App.

Development of the RTIA Mobile App to have significant penetration across mobile phones in RSA within 3 years of launching the App to amongst other things improve RTIA accessibility. During the year under review the RTIA successfully developed the RTIA Mobile App.

Outcome, Output, Output Indicators, Targets and Actual Achievements

Outcomes	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations
Improve RTIA Accessibility & Voluntary Compliance	Implement mobile Application supported by a digital campaign.	Implementation plan of RTIA Mobile App.	N/A	N/A	Develop the RTIA Mobile APP.	Target achieved. RTIA Mobile App developed.	N/A	N/A

Table 8: Performance on Implementation Plan of AARTO Mobile App.

Strategy to overcome areas of under performance

None

Changes to planned targets

None

Linking performance with budgets

Programme 1	2020/2021			2019/2020		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	21 477	11 254	10 223	44 303	83 754	-39 451
Operating expenses	55 313	10 008	45 305	23 544	27 315	-3 771
Total	76 790	21 262	55 528	67 847	111 069	-43 222

Table 9: Linking Performance to Budget



B2 PERFORMANCE INFORMATION

2.5. Programme 2: Adjudication & AARTO Support

Indicators

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

- % of received representations adjudicated within 21 days; and
- Implementation plan for electronic service to issue Courtesy Letters and Enforcement Orders

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 sub-programme has to ensure that all operational activities in line with the provisions of the AARTO Act are implemented. Without timeous adjudication, administrative justice prescripts will not be complied with.

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

- Successful + Unsuccessful + Cancelled + Pending within 21 days = Achieved
- Pending outside 21 days = Not Achieved
- Achieved + Not Achieved = 100% of received representations
- Any % achieved from 95% will be accepted as an achievement.

Implementation plan for electronic service to issue Courtesy Letters and Enforcement Orders

This indicator measures progress made for the development of the implementation plan of electronic service to issue Courtesy Letters and Enforcement Orders. The electronic service platform will enable ease of access to RTIA services without placing complete reliance only on registered mail.

Outcome, Output, Output Indicators, Targets and Actual Achievements Table: Re-tabled APP

Outcomes	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations
Improve RTIA Accessibility & Voluntary Compliance	Improve RTIA efficiencies to ensure compliance with AARTO processes	Implementation plan for electronic service to issue Courtesy Letters and Enforcement Orders	N/A	N/A	Develop the implementation plan of the electronic service of CL and EO	Target achieved. The Implementation Plan developed and approved.	N/A	N/A

B2 PERFORMANCE INFORMATION

Outcome, Output, Output Indicators, Targets and Actual Achievements Table: Re-tabled APP (continued)

Outcomes	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations
Cultivate Good Road User Behaviour	Stimulate and encourage positive change in road user behaviour	% of received representations adjudicated within 21 days	100% of representation s adjudicated within 21 days of date of receipt	100% of representation s adjudicated within 21 days of date of receipt	100% representations adjudicated within 21 days of receipt	Target achieved. 95% representations adjudicated within 21 days of receipt.	N/A	N/A

Table 10: % Received Representations Adjudicated within 21 days

Strategy to overcome areas of under performance

The processes to capacitate the Adjudication capability of the RTIA are underway and envisaged to be finalised by 2021/22 financial year.

Changes to planned targets

None

Linking performance with budgets

Programme 2 Expenditure Item	2020/2021			2019/2020		
	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	59 557	19 683	39 874	46 071	27 036	19 035
Operating expenses	64 304	15 863	48 441	92 790	91 930	860
Total	123 861	35 546	88 315	138 861	118 966	19 895

Table 11: Programme 2 Budget



B2 PERFORMANCE INFORMATION

2.6. Programme 3: AARTO Information & Analytics

Indicators

- Implementation of integrated service channels

Description of each indicator

- Implementation of integrated service channels

Through this indicator the RTIA endeavours to improve administration and business support, information & data integration, quality and integrity across all its service channels.

During the year under review, the Agency undertook to revamp the AARTO Web Portal. The project was carried out successfully through the assistance of the RTMC.

Outcome, Output, Output Indicators, Targets and Actual Achievements Table: Re-tabled APP

Outcomes	Output	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations
Improve RTIA Accessibility & Voluntary Compliance	AARTO Web Portal developed	Implementation of integrated service channels	N/A	N/A	Revamp AARTO Web Portal	Target achieved AARTO Web Portal revamped.	N/A	N/A

Table 12: Implementation of Integrated Service Channel

Strategy to overcome areas of under performance

N/A

Changes to planned targets

N/A

Linking performance with budgets

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Programme 3	2020/2021			2019/2020		
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	6 010	4 181	1 829	14 610	8 127	6 483
Operating expenses	490	-	490	3 280	2 935	345
Total	6 500	4 181	2 319	17 890	11 062	6 828

Table 13: Programme 3 Performance linked to Budget

2.7. Programme 4: Governance & Sustainability

Indicators

- Implementation of the realigned organisation structure

Description of each indicator

- Implementation of the realigned organisation structure

This indicator will ensure improved performance, increased efficiency, improved turnaround times and ultimately improved service delivery through implementation of the realigned organisational structure.

Outcome, Output, Output Indicators, Targets and Actual Achievements Table: Re-tabled APP

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations
Organisational Re-alignment	Re-aligned organisational structure	Implementation of the realigned organisational structure	N/A	New	Implement organisational structure	Target not achieved.	N/A	N/A

Table 12: Implementation of Integrated Service Channel

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Strategy to overcome areas of under performance

The realigned structure was and it is awaiting the concurrence of the Minister of Transport. The process has experienced budget limitations to populate the entire organisation structure as envisaged. Matching, placing and job grading are underway to fill funded positions in the new financial year. Engagements with TETA are underway to explore prospects of funding entry level positions through the graduate and internship programmes. The adjudication positions have received priority for filling in the 1st semester of the financial year.

Changes to planned targets

N/A

Linking performance with budgets

Programme 4 Expenditure Items	2020/2021			2019/2020		
	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	74 102	50 143	23 959	10 140	9 812	328
Operating expenses	34 961	34 680	281	22 370	19 903	2 467
Total	109 063	84 823	24 240	32 510	29 715	R 2 795

Table 15: Implementation of the re-aligned organisation structure Budget

Programme 5: AARTO Roll Out Programme

Indicators

- Number of public awareness and education campaigns implemented to influence change in road user behaviour
- Number of AARTO Digital public awareness and education campaigns implemented (online social media, RTIA and AARTO websites)

Description of each indicator

- Number of public awareness and education campaigns implemented to influence change in road user behaviour

This critical indicator measures the number of education and awareness campaigns conducted. A campaign is any activity that interacts with the public by means of outreach programs, AARTO Mobile Office, traditional media, social media, and community based organisations (particularly youth, women and people living with disability) as well as Interfaith special programmes. Through these AARTO Roll Out campaigns the RTIA seeks to raise awareness about its services.

During the year under review, the RTIA has implemented 39 campaigns against a set target of 24 public awareness and education campaigns which comprised of AARTO Friday programs, Interfaith programs, Know Your Traffic Fines Status campaigns and launches of AARTO Service Outlets in Gauteng and Mpumalanga. Amongst all the campaigns

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conducted by the RTIA there was support provided to the Department of Transport and its other entities during the Festive Season Road safety campaigns and the build-up to the Easter Campaigns.

- Number of AARTO Digital public awareness and education campaigns implemented (online social media, RTIA and AARTO websites)**

The 4th IR and the COVID-19 pandemic expedited business transformation towards virtual business operations. The traditional way of doing business changed overnight to push for deviation of manual face to face interactions to a more convenient, virtual and augmented arrangement. To this end the RTIA heightened its social media client base by improvising innovative social media education and awareness campaigns. Education programs including but not limited to PDS, Rehabilitation Programme, Elective options and road safety were packaged and communicated on multiple social media platforms. The increased benefit of this intervention is the maximum coverage of the youth and middle class who are active participants in the road traffic and transport economy.

The Agency planned to implement 360 digital social media campaigns and managed to achieve 1259 campaigns. The total number of campaigns posted on the 4 media platforms exceeded the set target of 72 posts per annum. While the target was exceeded, no sufficient posts could be achieved on the RTIA website mainly owing to system development challenges.

Outcome, Output, Output Indicators, Targets and Actual Achievements Table: Re-tabled APP

Outcomes	Outputs	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations
Efficient & Fair Adjudication Process	Influence change in driver behaviour	Number of public awareness and education campaigns implemented to influence change in road user behaviour	144 AARTO public awareness and education campaigns implemented	123 AARTO public awareness and education campaigns implemented	24 AARTO public awareness and education campaigns	Target achieved. 39 public awareness and education campaigns.	+ 15 public awareness and education campaigns implemented due to Minister's Festive season campaigns and build-up to Easter campaigns.	Additional campaigns made possible through virtual engagements with stakeholders.

continued on next page

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Outcomes	Outputs	Output Indicator	Audited Actual Performance 2018/19	Audited Actual Performance 2019/20	Planned Actual Target 2020/21	Actual Achievement 2020/21	Deviation from planned target to the actual Achievement 2020/21	Reasons for deviations
Efficient & Fair Adjudication Process	Influence change in driver behaviour	Number of AARTO Digital public awareness and education campaigns implemented (on line social media, RTIA website and aarto.gov.za)	N/A	N/A	360 AARTO Digital public awareness and education campaigns (on line social media, AARTO websites)	Target not achieved The limitation in this regard was as a result of shortage of system developers to enhance the system to accommodate more than 10 digital posts at a time	The RTIA website could not accommodate more than 10 digital posts at a time with archiving capabilities. The website could not be updated because of the shortage of system developers in the RTIA.	Lack of system development capabilities in the RTIA.

Table 16: AART Roll Out Programme Indicators

Strategy to overcome areas of under performance

The RTIA is exploring other social media platforms outside the existing websites including LinkedIn, WhatsApp Business, Pinterest, Quora, YouTube, Business Blogging and Webinars. The RTIA organisational structure is awaiting the Minister of Transport's concurrence and allows for initiating the process of capacitating the organisation during the 2021/22 financial year to include social media expertise.

Changes to planned targets

None

Linking performance with budgets

Programme 5 Expenditure Items	2020/2021			2019/2020		
	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	9 734	8 060	1 674	-	-	-
Operating expenses	45 507	6 023	39 484	-	-	-
Total	55 241	14 083	41 158	-	-	-

Table 17: AART Roll Out Programme Indicators Budget

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Progress on Institutional Response to the COVID -19 Pandemic
COVID-19 Table:

Programme / Sub-Programme	Intervention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Governance & Sustainability (applicable to all programs)	Working off-site	Gauteng	123 employees	Not applicable	R7.5 million	R7.2 million	Offsite operations contributed to the 71% achievement of the APP.	Increased productivity of the RTIA
	Increased occupational and safety through procurement of the PPE Description <ul style="list-style-type: none"> Provision sanitation services Deep Cleaning; Disinfection and Sanitisation Sanitiser and Disinfectant, Digital Thermometer, Disposable Apron Reception sneeze Guards Face shield mask one size fit all 	Gauteng and Mpumalanga	123 employees and stakeholders	Over 9 provinces	R0.00	R440,630	Achievement of 39 Public awareness campaign during the period under review.	Increased communication marketing interventions
	Procurement of Online Life risk App	Gauteng	123 employees	Gauteng	R0.00	R41 400	The life risk tool assisted with healthy staff compliment which contributed to the 71% achievement of the App.	Increased monitoring and healthy staff in a safe working environment

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Programme / Sub-Programme	Intervention	Geographic location (Province/District/local municipality) (Where Possible)	No. of beneficiaries (Where Possible)	Disaggregation of Beneficiaries (Where Possible)	Total budget allocation per intervention (R'000)	Budget spent per intervention	Contribution to the Outputs in the APP (where applicable)	Immediate outcomes
Governance & Sustainability (applicable to all programs)	Establishment of the crisis committee to manage all COVID-19 related cases	Gauteng	All personnel and stakeholders	Gauteng and Mpumalanga	N/A	N/A	The crisis committee contributed towards the 71% achievement of the APP targets through the management of all COVID-19 related cases.	
	Marketing and Communication Strategy	Gauteng	All RTIA stakeholders	Gauteng	R0.00	R0.00	Utilising Social Media Platforms (Twitter, FB, WhatsApp, IG and Website) for accessing RTIA services	Increased communication marketing interventions
	Enhanced compliance with OHS and COVID-19 lockdown regulations	Gauteng and Mpumalanga	All RTIA personnel and stakeholders	Gauteng	N/A	N/A	*Suspended all the walk-in services for the public; *Introduced working from home protocol for 60% of employees; *Conducted online platforms using virtual meetings *Regular communication to employees of COVID-19 information from NICD and Department of Health.	Increased monitoring and healthy staff and stakeholders in a safe working environment

Table 18: Institutional Response to COVID-19 Pandemic



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2.8. REVENUE COLLECTION

Programme 4 Sources of Revenue	2020/2021			2019/2020		
	Estimate	Actual	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Infringement Revenue	228 000	260 251	R 32 251	249 338	270 868	21 529
Total	228 000	260 251	R 32 251	249 338	270 868	21 529

Table 19: Revenue Collection

The increased collection of revenue materialised as a result of collaborative efforts arising from various stakeholders within the AARTO value chain. The SMS campaign was launched by JMPD in partnership with the RTIA to conscientise road users of their statuses of pending infringements. The RTIA also embarked on continuous engagements with communities on public awareness and education campaigns such as AARTO Fridays, Know Your Traffic Status as well as increased payment platforms.

2.9. SECTION 3: OVERVIEW OF THE ANNUAL ROAD TRAFFIC INFRINGEMENT STATISTICAL PRESENTATION

The RTIA mandate is premised on the adjudication role of road traffic offences, however, the adjudication process is dependent on the work of the Issuing Authorities. The first 32 days in the AARTO process is primarily the purview of Issuing and Law Enforcement Authorities. The rate of road traffic fine issuance affects the work rate of the RTIA through adjudication of representations and revocations. It may be of cardinal importance for the reader to appreciate the rate of notices issued in order to understand the proportion of all adjudications.

For the 2020-2021 financial year under review, the statistics listed in this section were derived from the National Contraventions Register (NCR), and are based on the records captured and uploaded thereto by the four Issuing Authorities (IA's) in the following AARTO jurisdictions which include Johannesburg Metropolitan Police Department (JMPD); Tshwane Metropolitan Police Department (TMPD); the Gauteng Department of Community Safety (GDoCS) and the Road Traffic Management Corporation (RTMC). The following statistics, particularly, notices issued and captured are in no way the output of the RTIA but an illustration of the preceding interventions to the adjudication process:

1.1	Number Of Infringement Notices Captured
1.2	Number Of Notices Captured Per Issuing Authority
1.3	Elective Options Exercised By Infringers
1.4	Adjudication Of Representations
1.5	Courtesy Letters Issued
1.6	Enforcement Orders Issued
1.7	Applications For The Revocation Of Enforcement Orders

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2.10. Number of Infringement Notices Captured

The number of notices captured by all the issuing authorities per month on the NCR during the 2020-2021 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 2020	7 772	0	87 940	465	0	96 177
May 2020	11 138	150	251 372	34	0	262 694
Jun 2020	15 756	172	382 193	131	0	398 252
Jul 2020	11 983	165	319 286	1 626	0	333 060
Aug 2020	27 392	247	490 648	1 680	0	519 967
Sep 2020	36 125	169	517 123	6 915	0	560 332
Oct 2020	42 369	167	563 343	14 586	0	620 465
Nov 2020	51 142	106	630 766	19 958	0	701 972
Dec 2020	45 322	95	482 503	10 965	0	538 885
Jan 2021	40 569	78	511 546	4 714	0	556 907
Feb 2021	51 944	110	276 839	10 744	0	339 637
Mar 2021	88 042	143	328 757	17 612	0	434 554
Year Total	429 554	1 602	4 842 316	89 430	0	5 362 902

Table 20: Number of Notices Captured

There was a total of 5 362 902 captured AARTO notices by all the issuing authorities in this 2020-2021 financial year

- AARTO 01** - handwritten infringement notices issued at the road side
 There was a total of 429 554 combined notices captured by all the issuing authorities; the capturing of handwritten issued notices is a labour intensive process and the RTIA in conjunction with the RTMC is planning for the introduction of a Handheld devices to record and issue infringement notices to alleged infringers, this will greatly enhance the speed and accuracy of information being recorded on the NCR.
- AARTO 02** - Weighbridge electronic infringement notices. (DonkerhEOk N4 Weighbridge)
 There was a total of 1 602 electronic notices captured by Gauteng Department of Community Safety or vehicle overload infringements; these notices were recorded directly onto the NCR.

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- **AARTO 03** - Camera captured infringement notice.
There was a total of 4 842 316 infringement notices captured, which is the highest of the total captured for all infringement notice types recorded on the NCR;
- **AARTO 31** – Unattended vehicle notice.
The total number of captured AARTO 31s is 89 430 by Johannesburg and Tshwane Metropolitan Police Department respectively; and
- **AARTO 32** – Offences captured at the roadside.
There were no AARTO 32s notices captured in 2020-2021.

The table below shows the changes in number of notices captured by all the IA's between 2019-2020 and 2020-2021 financial years.

Change in Number of Notices Captured per Type :						All IA's
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2019-2020	758 218	909	4 543 564	223 383	0	5 526 074
2020-2021	429 554	1 602	4 842 316	89 430	0	5 362 902
Change	-328 664	693	298 752	-133 953	0	-163 172
% change	-43,35%	76,24%	6,58%	-59,97%	-	-2,95%

Table 21: Changes in Number of Notices Captured 2019/20 & 2020/21

The table above shows a decline of 163 172 in capturing of notices from 5 526 074 to 5 362 902 in 2020-2021, which is 2.95% of the total capturing. The capturing of AARTO 01's and AARTO 31's has declined by 43.35% and 59.97% respectively. There was an increase in capturing of AARTO 02's and AARTO 03's with 76.24% and 6.58% respectively.

The table and bar graph below compares the financial years 2018-2019, 2019-2020 and 2020-2021 on the number of notices captured per type.

Change in Number of Notices Captured per Type :						All IA's
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2018-2019	823 857	856	2 264 247	324 685	1	3 413 646
2019-2020	758 218	909	4 543 564	223 383	0	5 526 074
2020-2021	429 554	1 602	4 842 316	89 430	0	5 362 902

Table 22: Changes in Number of Notices Captured 2018/19, 2019/20 & 2020/21



Number of Notices Captured per Type

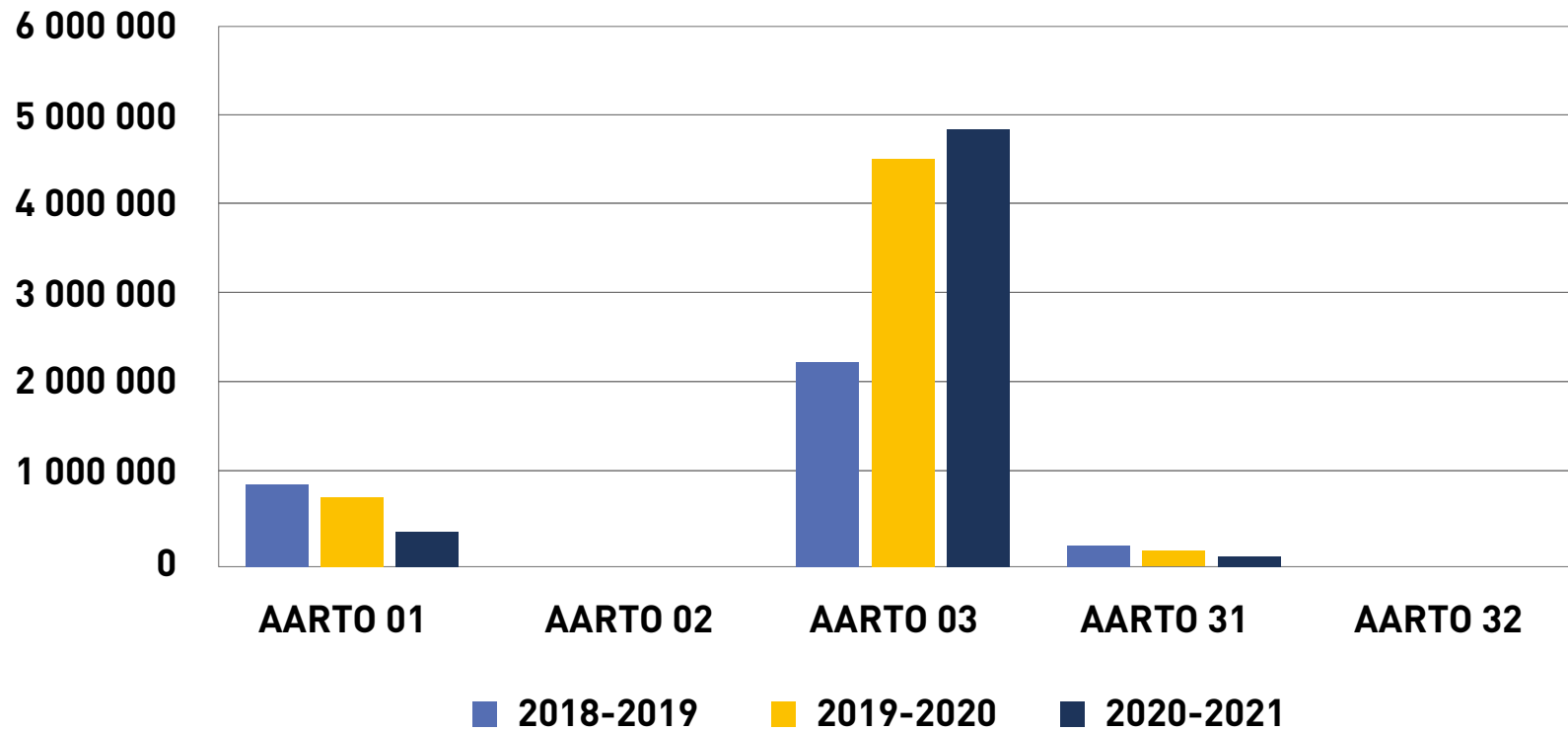


Figure 2: Number of Notices Captured Per type

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The comparisons of the three financial years can be summarised as follow:

- There has been a decrease in capturing of AARTO 01's and AARTO 31's for the past three financial years whereas the AARTO 02's and AARTO 03's shows an increase in capturing of the notices on year to year and the decline can be contributed to the Level 5 Lockdown period announced and implemented in April 2020 when severe limitations were placed on the movement of vehicles and people.

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

Number of Notices Captured : All IA's

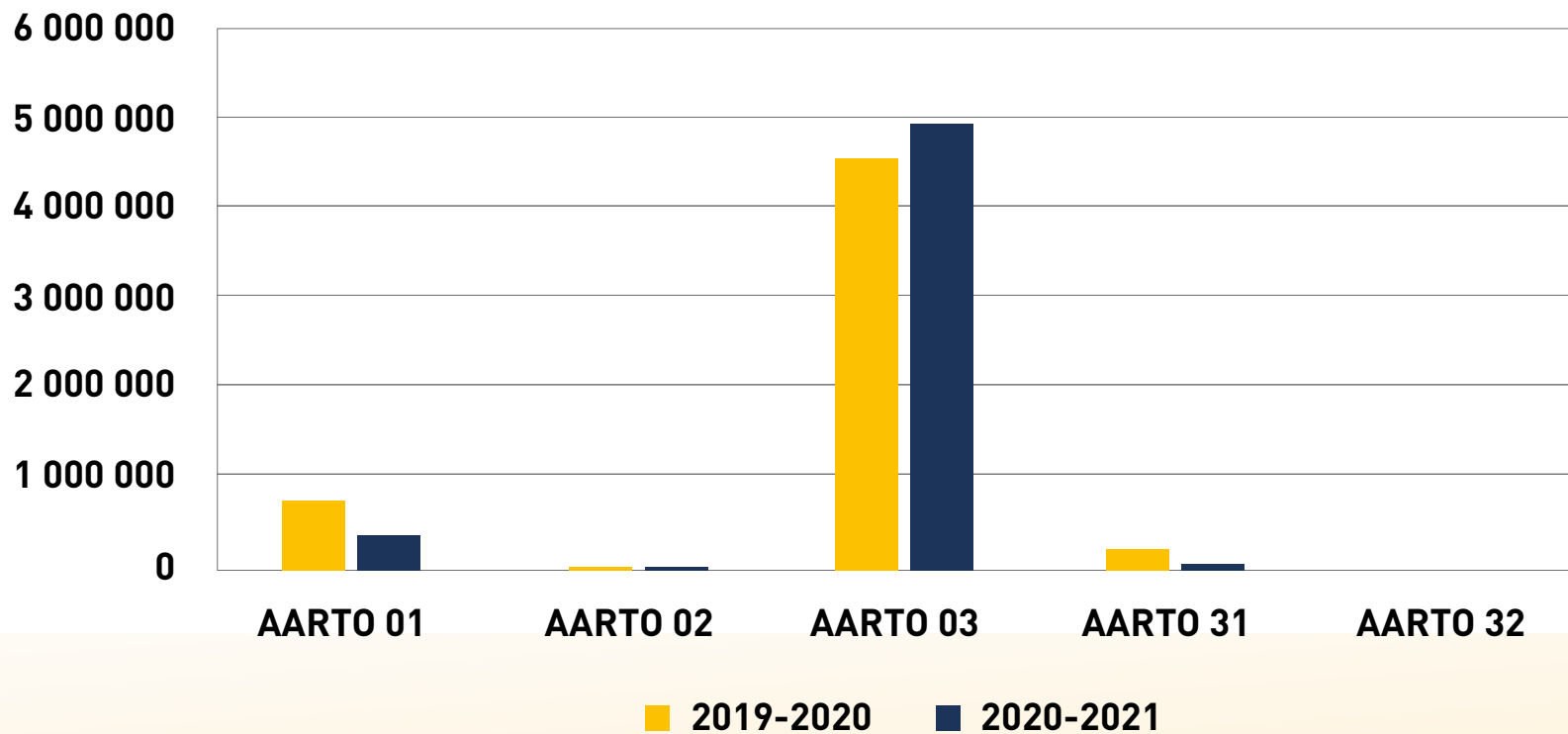


Figure 2: Number of Notices Captured Per type



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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	
Apr 2020	87 940	2 345	5 550	342	96 177	
May 2020	251 372	793	9 854	675	262 694	
Jun 2020	366 739	17 832	11 570	2 111	398 252	
Jul 2020	309 708	13 159	5 012	5 181	333 060	
Aug 2020	489 333	6 208	16 163	8 263	519 967	
Sep 2020	519 672	11 302	15 373	13 985	560 332	
Oct 2020	573 940	24 566	14 379	7 580	620 465	
Nov 2020	654 632	22 729	20 276	4 335	701 972	
Dec 2020	496 698	18 828	22 142	1 217	538 885	
Jan 2021	528 705	5 381	21 632	1 189	556 907	
Feb 2021	293 673	10 645	32 877	2 442	339 637	
Mar 2021	354 796	20 996	54 747	4 015	434 554	
Year Total	4 927 208	154 784	229 575	51 335	5 362 902	

Figure 4: Notices Captured per IA

The table above shows that JMPD has captured more AARTO notices with 4 927 208 followed by GDoCS with 229 575 then TMPD with 154 784 and lastly RTMC with 51 335.

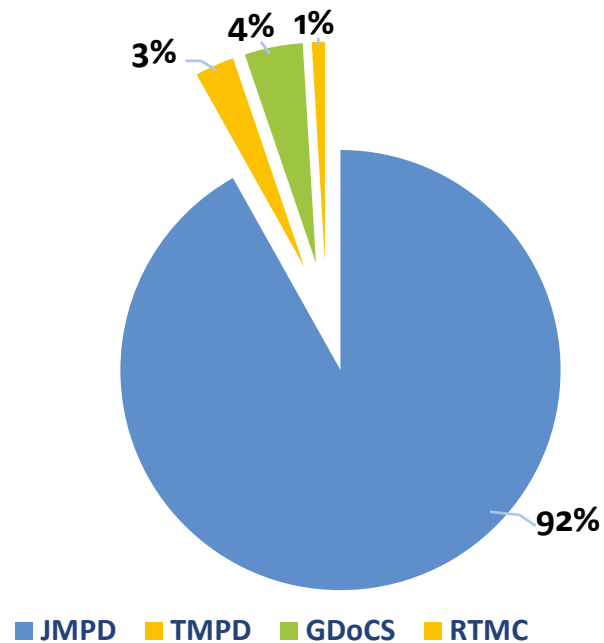
The pie chart below reflects the information above in percentages.

B2 PERFORMANCE INFORMATION

The table above shows that JMPD has captured more AARTO notices with 4 927 208 followed by GDoCS with 229 575 then TMPD with 154 784 and lastly RTMC with 51 335.

The pie chart below reflects the information above in percentages.

% of All Notices Captured per Issuing Authority



The pie chart above shows in percentage the performance of capturing notices by the issuing authorities with JMPD having captured more notices in 2020-2021 which is 92% of the total captured followed by GDoCS, TMPD and RTMC with 4%,3% and 1% respectively.



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2.11. Number of Notices captured per Issuing Authority

Change in Number of Notices Captured per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2019-2020	4 349 210	863 332	273 158	40 374	5 526 074
2020-2021	4 927 208	154 784	229 575	51 335	5 362 902
Change	577 998	-708 548	-43 583	10 961	-163 172
% change	13,29%	-82,07%	-15,96%	27,15%	-2,95%

Table 23: Changes in Notices Captured per IA

The information in the table above shows that the number of notices captured in 2020-2021 declined by 163 172, which is 2.95% from 5 526 074 in 2019-2020 to 5 362 902 in 2020-2021. The JMPD and RTMC have increased in number of notices captured in 2020-2021 with 577 998 (13.29%) and 10 961 (27.15%) respectively. There has been a decline in capturing of notices for TMPD of 708 548 from 863 332 to 154 784 and GDoCS declined from 273 158 to 229 575 in 2020-2021. It must be noted that the substantial decline in the number of notices captured by TMPD can mainly be contributed to TMPD not having issued camera related notices for almost the full reporting period.



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Johannesburg Metropolitan Police Department (JMPD)

In this financial year, JMPD have captured a total of 4 927 208 notices. The information is reflected in the table below.

Number of Notices Captured per Type :						JMPD
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2020	0	0	87 940	0	0	87 940
May 2020	0	0	251 372	0	0	251 372
Jun 2020	5	0	366 734	0	0	366 739
Jul 2020	581	0	307 501	1 626	0	309 708
Aug 2020	1 252	0	486 571	1 510	0	489 333
Sep 2020	3 226	0	511 996	4 450	0	519 672
Oct 2020	6 233	0	561 961	5 746	0	573 940
Nov 2020	13 735	0	630 754	10 143	0	654 632
Dec 2020	8 418	0	482 503	5 777	0	496 698
Jan 2021	13 487	0	511 546	3 672	0	528 705
Feb 2021	9 526	0	276 839	7 308	0	293 673
Mar 2021	15 843	0	328 757	10 196	0	354 796
Year Total	72 306	0	4 804 474	50 428	0	4 927 208

Table 24: Number of JMPD Notices:

The highest number of notices captured by JMPD was AARTO 03s with a total of 4 804 474 followed by AARTO 01's with 72 306 and AARTO 31s with 50 428. There were AARTO 01's recorded by JMPD on the NCR for April and May and only 5 in June. There were no AARTO 31's recorded in April to June. The low numbers recorded from April – June 2021 can mainly be contributed to the COVID 19 restrictions being placed on the mobility of road users.



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The changes in number of notices captured by the JMPD from 2019-2020 to 2020-2021 are shown in the table below.

Change in Number of Notices Captured per Type :						All IA's
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2019-2020	204 442	0	4 064 664	80 104	0	4 349 210
2020-2021	72 306	0	4 804 474	50 428	0	4 927 208
Change	-132 136	0	739 810	-29 676	0	577 998
% change	-64,63%	-	18,20%	-37,05%	-	13,29%

Table 25: Changes in Notices Captured JMPD

The above table shows that there has been a decrease in AARTO 01's of 132 136, which is 64.63% from 204 442 in 2019-2020 to 72 306 in 2020-2021 for JMPD. The AARTO 31's also has decreased from 80 104 to 50 428 in 2020-2021. The AARTO 03's has increased with 739 810, which is 18.20% from 4 064 664 to 4 804 474.

The change in capturing of notices is reflected in bar chart below.

Number of Notices Captured : JMPD

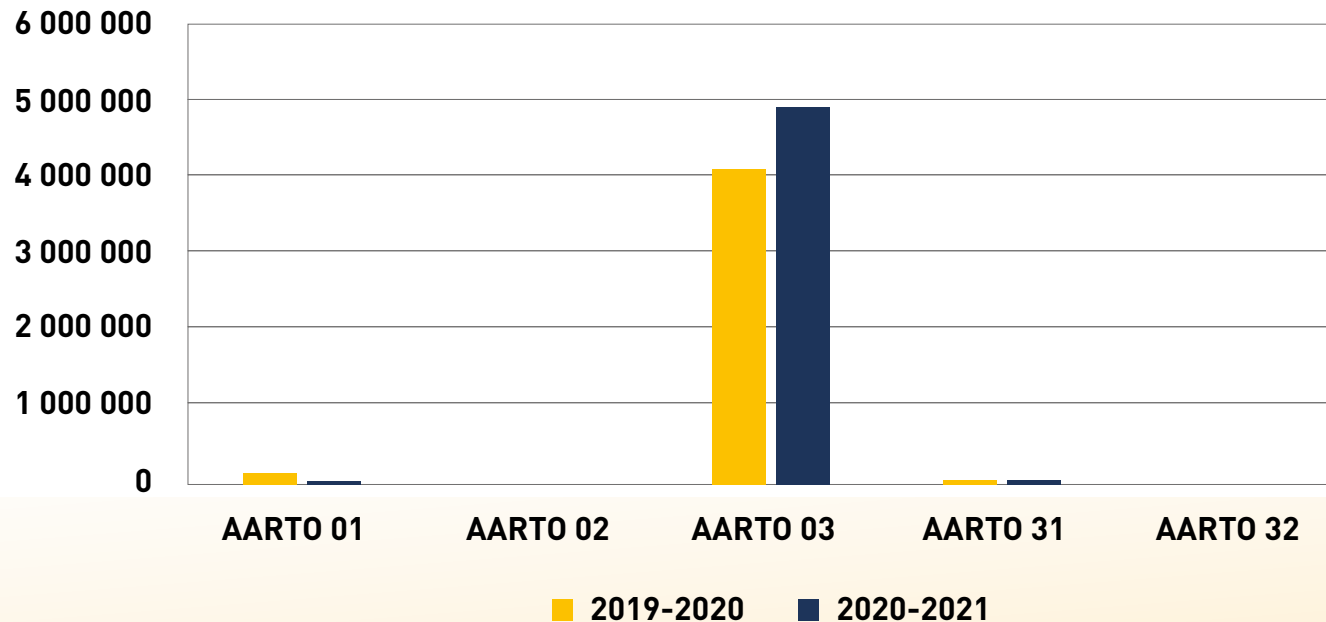


Figure 5: JMPD Notices Captured

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The graph below shows the month to month comparison of notices captured between 2019-2020 and 2020-2021 financial years.

Number of Notices Captured per Month

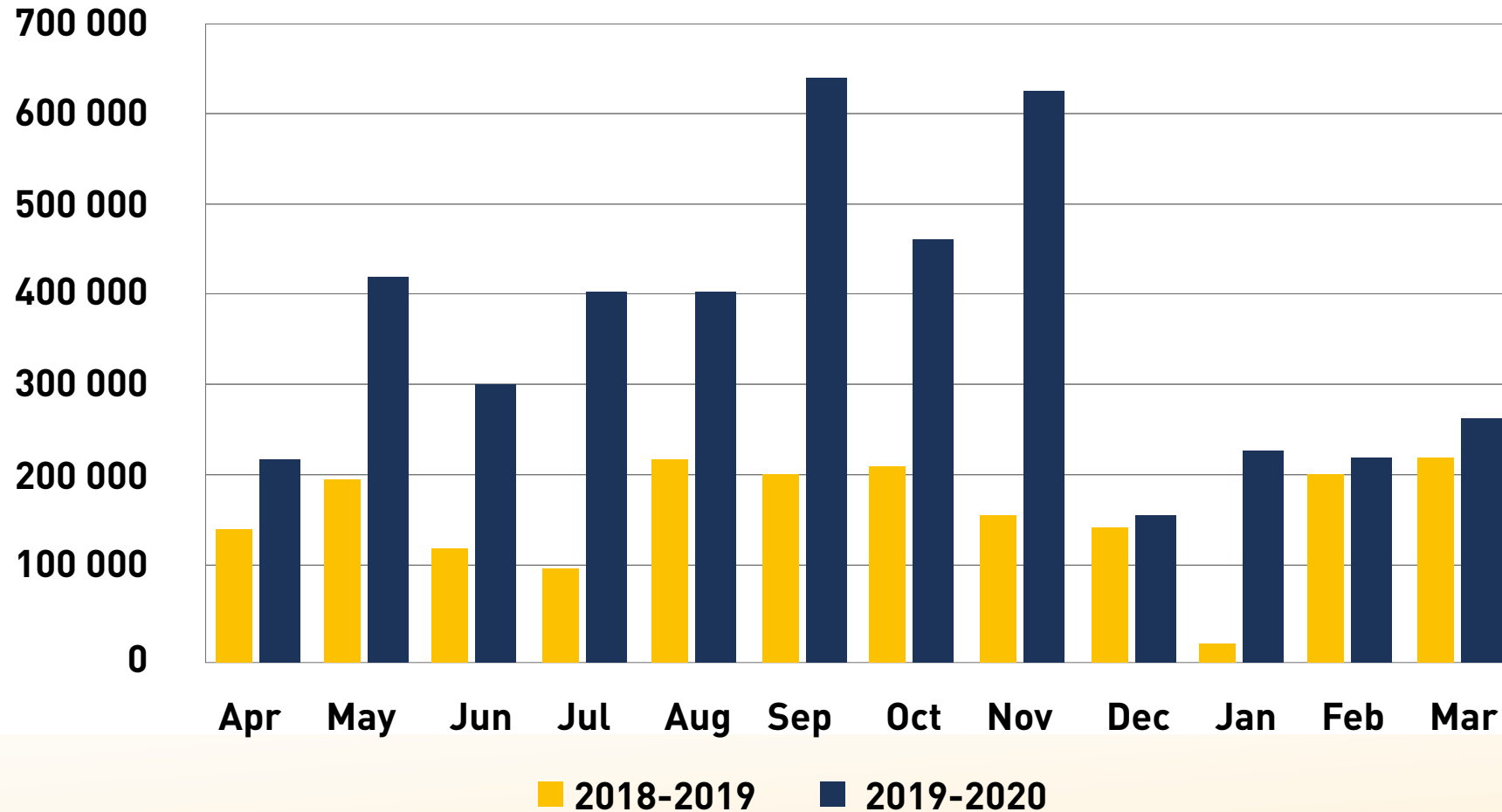


Figure 6: JMPD Notices Captured per Month

The chart above shows that there has been an increase in capturing of notices for every month in 2020-2021.



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Tshwane Metropolitan Police Department (TMPD)

The table below shows the number of notices per type captured by TMPD on the NCR during the 2020-2021 financial year.

Number of Notices Captured per Type :						JMPD
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2020	1 880	0	0	465	0	2 345
May 2020	759	0	0	34	0	793
Jun 2020	2 242	0	15 459	131	0	17 832
Jul 2020	1 374	0	11 785	0	0	13 159
Aug 2020	1 961	0	4 077	170	0	6 208
Sep 2020	3 710	0	5 127	2 465	0	11 302
Oct 2020	14 344	0	1 382	8 840	0	24 566
Nov 2020	12 902	0	12	9 815	0	22 729
Dec 2020	13 640	0	0	5 188	0	18 828
Jan 2021	4 339	0	0	1 042	0	5 381
Feb 2021	7 209	0	0	3 436	0	10 645
Mar 2021	13 580	0	0	7 416	0	20 996
Year Total	77 940	0	37 842	39 002	0	154 784

Table 26 TMPD Notices Captured:

The table above shows that TMPD have captured a total of 154 784 notices in the 2020-2021 financial year. The highest number was recorded for the AARTO 01's with a total of 77 940 followed by AARTO 31's and AARTO 03s with 39 002 and 37 842 respectively. TMPD has not captured any camera infringement notices for 6 of the 12 months for the reporting period, this contributed to a substantial decrease in the total number of notices recorded by TMPD.

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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
2019-2020	241 153	0	478 900	143 279	0	863 332
2020-2021	77 940	0	37 842	39 002	0	154 784
Change	-163 213	0	-441 058	-104 277	0	-708 548
% change	-67,68%	-	-92,10%	-72,78%	-	-82,07%

Table 27: Changes in Notices Captured TMPD

The changes in number of notices captured equals to 708 548 from 863 332 in 2019-2020 to 154 784 in 2020-2021 financial year, which is 82.07%.

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

Number of Notices Captured : TMPD

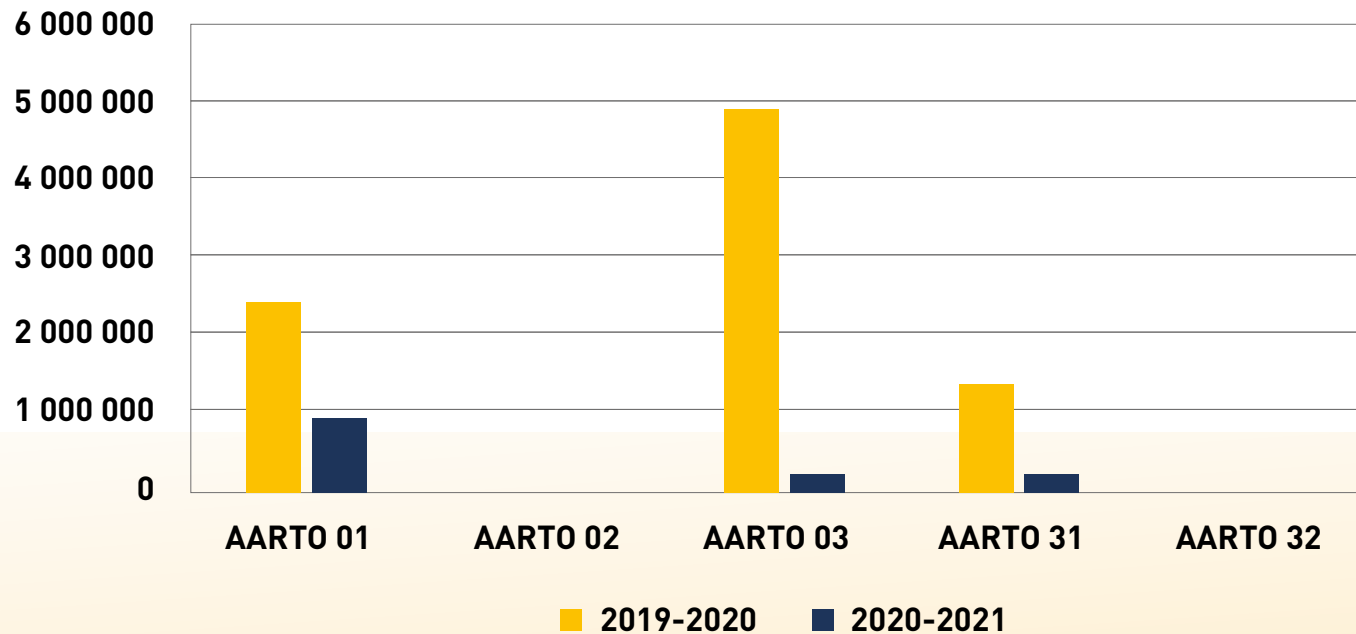


Figure 7: Notices Captured TMPD



B2 PERFORMANCE INFORMATION

The chart below shows the month to month comparison of notices captured in 2019-2020 and 2020-2021 financial years.

Number of Notices Captured per Month

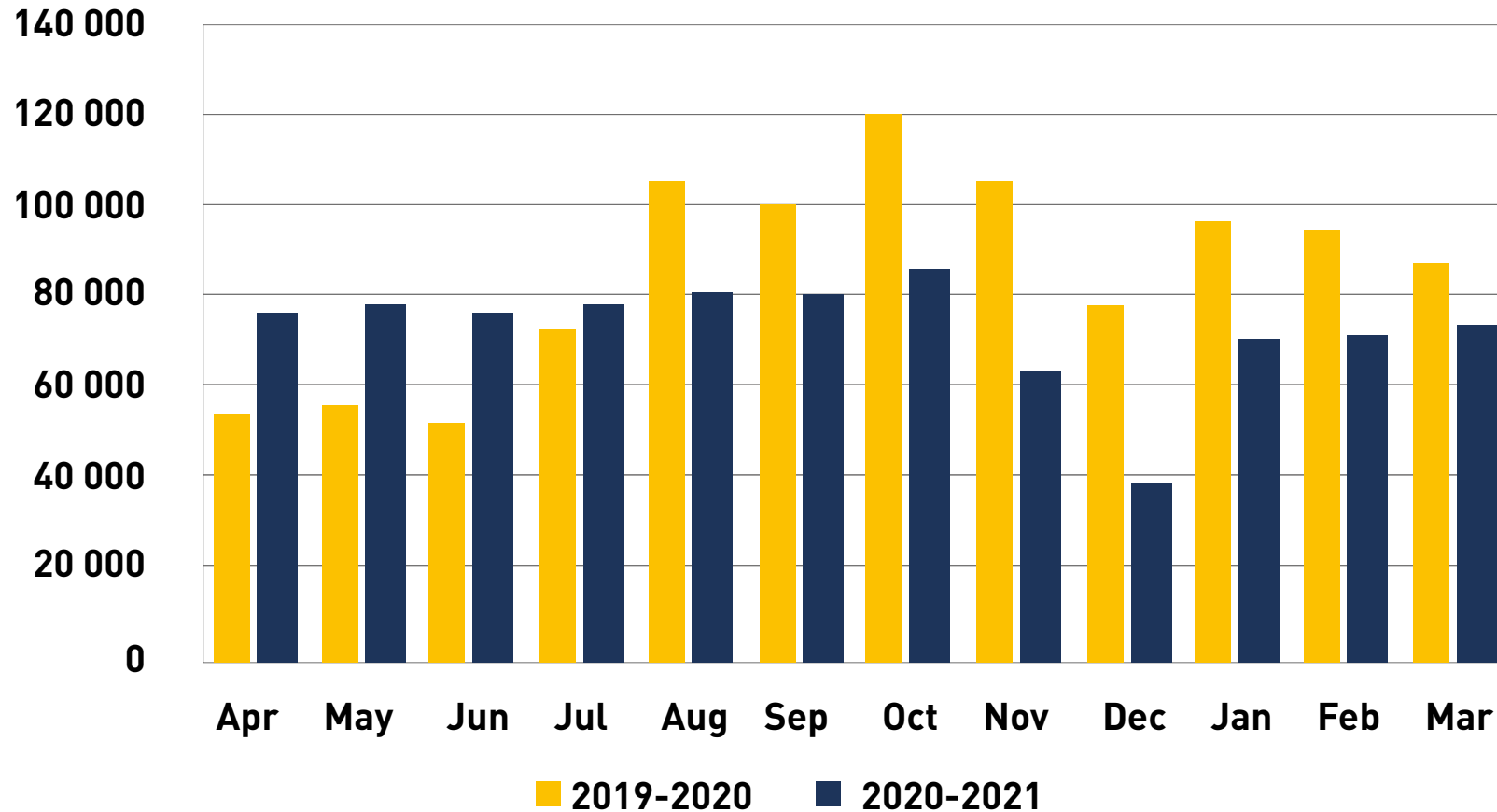


Figure 8: TMPD Notices per Month

B2 PERFORMANCE INFORMATION

An increase in the number of notices captured per month in 2020-2021 financial year were recorded between April and July and the numbers started to decline monthly for the rest of the financial year.

Gauteng Department of Community Safety (GDoCS)

The number of infringements notices captured per type on the NCR during the financial year 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 2020	5 550	0	0	0	0	5 550
May 2020	9 704	150	0	0	0	9 854
Jun 2020	11 398	172	0	0	0	11 570
Jul 2020	4 847	165	0	0	0	5 012
Aug 2020	15 916	247	0	0	0	16 163
Sep 2020	15 204	169	0	0	0	15 373
Oct 2020	14 212	167	0	0	0	14 379
Nov 2020	20 170	106	0	0	0	20 276
Dec 2020	22 047	95	0	0	0	22 142
Jan 2021	21 554	78	0	0	0	21 632
Feb 2021	32 767	110	0	0	0	32 877
Mar 2021	54 604	143	0	0	0	54 747
Year Total	227 973	1 602	0	0	0	229 575

Table 28: GDoCS Notices Captured

The information in the table above shows that a total number of 229 575 notices were captured during the year under the review, and it is summarised as follows:

- Only AARTO 01s and AARTO 02s were captured with a total of 227 973 and 1 602 respectively; and
- There were no AARTO 03s, AARTO 31 and AARTO 32 captured by the GDoCS.

It must be noted that GDoCS does not provide for the prosecution of any camera or unattended vehicle infringements.

The change in the number of notices captured per type between 2019-2020 and 2020-2021 financial years is shown in the table below.



B2 PERFORMANCE INFORMATION

Change in Number of Notices Captured per Type :						GDoCS
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2019-2020	272 249	909	0	0	0	273 158
2020-2021	227 973	1 602	0	0	0	229 575
Change	-44 276	693	0	0	0	-43 583
% change	-16,26%	76,24%	-	-	-	-15,96%

Table 29: GDoCS Notices Captured per Type

The information in the table above shows that:

- There was a decline in total number of notices captured of 43 583, which is 15.96% of the total notices captured.
- The AARTO 01s have decreased by 44 276, which is 16.26% from 272 249 in 2019-2020 to 227 973 in 2020-2021; and
- AARTO 02 shows an increase of 693 from 909 to 1 602 in 2020-2021 which is 76.24% of the captured AARTO 02's notices.

Number of Notices Captured : GDoCS

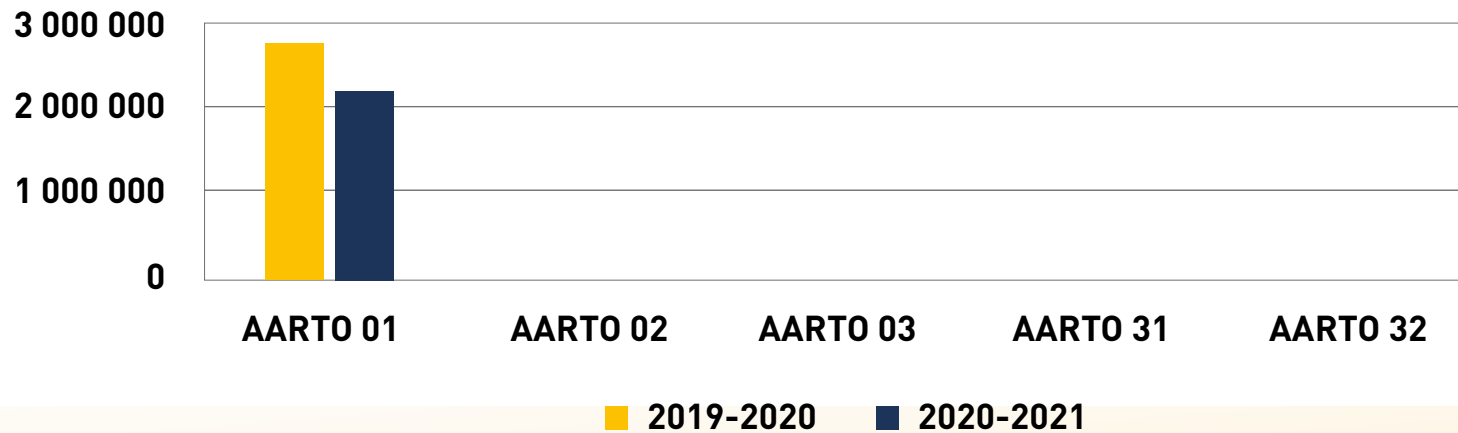


Figure 9: Number of Notices Captured GDoCS

B2 PERFORMANCE INFORMATION

The chart below shows the month-to-month comparison of notices captured between 2019-2020 and 2020-2021 financial years.

Number of Notices Captured per Month

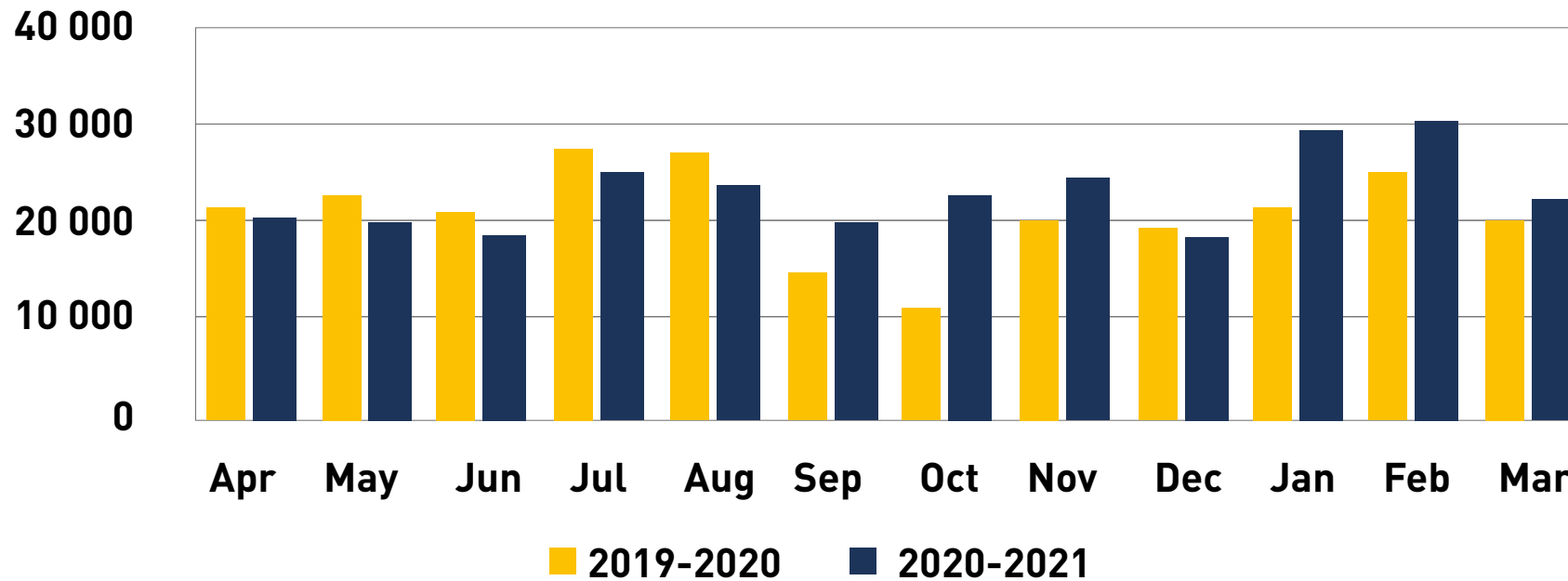


Figure 10: GDoCS Notices Captured per Month

An Increase in the number of notices captured per month were recorded between September and November and again in January to March. The other months were lower in 2020-2021 as compared with 2019-2020.



B2 PERFORMANCE INFORMATION

Road Traffic Management Corporation (RTMC)

The total number of notices captured per month on the NCR during the 2020-2021 financial year by the RTMC is shown in the table below per AARTO type.

Number of Notices Captured per Type :						RTMC
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2020	342	0	0	0	0	342
May 2020	675	0	0	0	0	675
Jun 2020	2 111	0	0	0	0	2 111
Jul 2020	5 181	0	0	0	0	5 181
Aug 2020	8 263	0	0	0	0	8 263
Sep 2020	13 985	0	0	0	0	13 985
Oct 2020	7 580	0	0	0	0	7 580
Nov 2020	4 335	0	0	0	0	4 335
Dec 2020	1 217	0	0	0	0	1 217
Jan 2021	1 189	0	0	0	0	1 189
Feb 2021	2 442	0	0	0	0	2 442
Mar 2021	4 015	0	0	0	0	4 015
Year Total	51 335	0	0	0	0	51 335

Table 30: RTMC Notices Captured

The information in the table above shows that only the AARTO 01s were captured by RTMC with a total number of 51 335. It must be noted that the RTMC does not make provision for the prosecution of any camera and unattended vehicle infringements. The change in the number of notices captured between 2019-2020 and 2020-2021 financial years is shown in the table below.

Change in Number of Notices Captured per Type :						RTMC
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2019-2020	40 374	0	0	0	0	40 374
2020-2021	51 335	0	0	0	0	51 335
Change	10 961	0	0	0	0	10 961
% change	27,15%	-	-	-	-	27,15%

Table 31: RTMC Notices Captured per Type



B2 PERFORMANCE INFORMATION

The information in the table above shows a change in capturing of the AARTO notices between 2019-2020 and 2020-2021 with an increase of 10 961, which is 27.15%.

The information is also reflected in the chart below.

Number of Notices Captured : RTMC

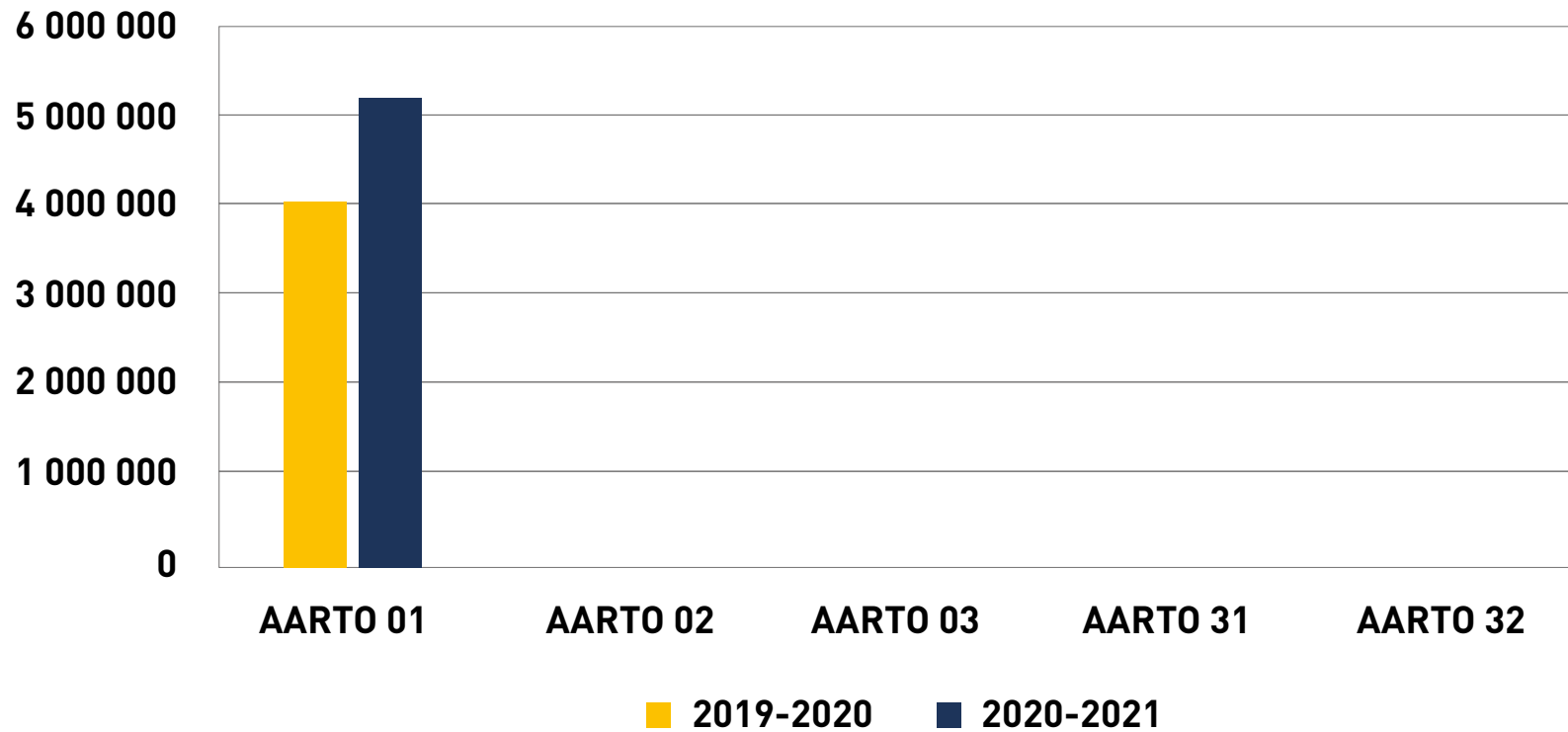


Figure 11: RTMC Notices Captured per type



B2 PERFORMANCE INFORMATION

The chart below shows the month to month comparison of notices captured in 2019-2020 and 2020-2021 financial years.

Number of Notices Captured per Month

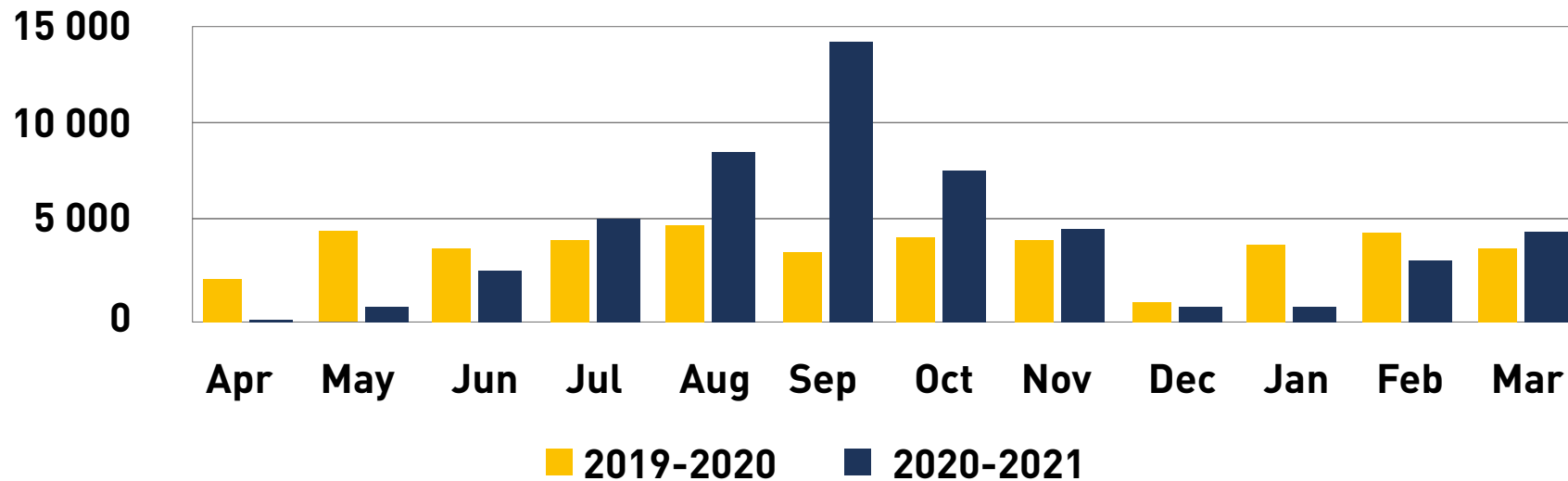


Figure 12: RTMC Notices Captured per Month

The information in the graph above shows an increase in the number of notices captured between July and November and again in March.

2.12. Elective options exercised by Infringers

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

- **Payment of the penalty discounted by 50%**, 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 indicating the number of instalments applied for; or
- **Submit a Representation**, in which case the infringer has to submit a completed form AARTO 08 to the RTIA providing sufficient motivation that S/he should not be held liable for the violation committed; 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:



B2 PERFORMANCE INFORMATION

AARTO 03 (camera) and AARTO 31 (issued as an AARTO 03b notice for an unattended vehicle), 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 will be cancelled once the nomination has been made successful and a new Infringement Notice will be served on the nominated driver / person; or

- **Elect to be tried in court**, in which case the infringer has to submit a completed AARTO 10 application form for the infringement notice to be dealt with in a Criminal Court of Law.

The Agency has also provided for alleged infringers to submit elective options through an online portal (www.aarto.gov.za), this method of submission has greatly contributed to the high number of elective options processed on the NCR. The Agency will continue to promote online submissions in order to streamline and improve service offerings to alleged infringers.

In addition to online submission platforms, the Agency launched a number of AARTO Service Outlets within the Johannesburg and Metropolitan areas, that provided an in person platform for alleged infringers not just to query infringement matters, but to also submit directly to the AARTO Service Outlet operators their respective elective option application forms.

It must also be mentioned that between the Agency, the various IA's Back Offices and online provided portal, a total number of 692 614 elective option applications were processed for the 2020-2021 reporting period vs 594 309 for the 2019-2020 reporting period that represents an increase of 98 305 (14.19%).

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 in 2020-2021 in comparison with the 2019-2020.

B2 PERFORMANCE INFORMATION

Notifications to Pay In Instalments					
Month	2019-2020	2020-2021	Change	% Change	
Apr	8	5	-3	-37,50%	
May	42	11	-31	-73,81%	
Jun	24	33	9	37,50%	
Jul	76	6	-70	-92,11%	
Aug	76	6	-70	-92,11%	
Sep	34	22	-12	-35,29%	
Oct	61	55	-6	-9,84%	
Nov	56	59	3	5,36%	
Dec	35	25	-10	-28,57%	
Jan	74	20	-54	-72,97%	
Feb	99	6	-93	-93,94%	
Mar	31	7	-24	-77,42%	
Total	616	255	-361	-58,60%	

Table 32: Notifications to Pay

The number of notifications to pay instalment has decreased by 361 in 2020-2021 from 616 to 255 in 2019-2020. The month to month comparison shows that only in June and November there was an increase of 9 and 3 respectively. Payment in instalments have over the reporting years shown that it is not a very popular option being selected by alleged infringers, mainly due to the forfeiting of the discounted portion by the applicant upon approval of the application by the Agency.

The information is also reflected in the table below categorised by issuing authority

Change in Number of Notifications to Pay in Instalments						
Year	JMPD	TMPD	GDoCS	RTMC	Total	
2019-2020	360	198	43	15	616	
2020-2021	188	39	20	8	255	
Change	-172	-159	-23	-7	-361	
% change	-47,78%	-80,30%	-53,49%	-46,67%	-58,60%	

Table 33: Change in Number of Notice to Pay

B2 PERFORMANCE INFORMATION

The table above show that there is a decrease of 361 notifications, which is 58.60%.

There was a decrease for all the issuing authorities in 2020-2021 financial year as compared with the previous financial year. The data is also reflected in the graph below.

Notifications to Pay Instalments

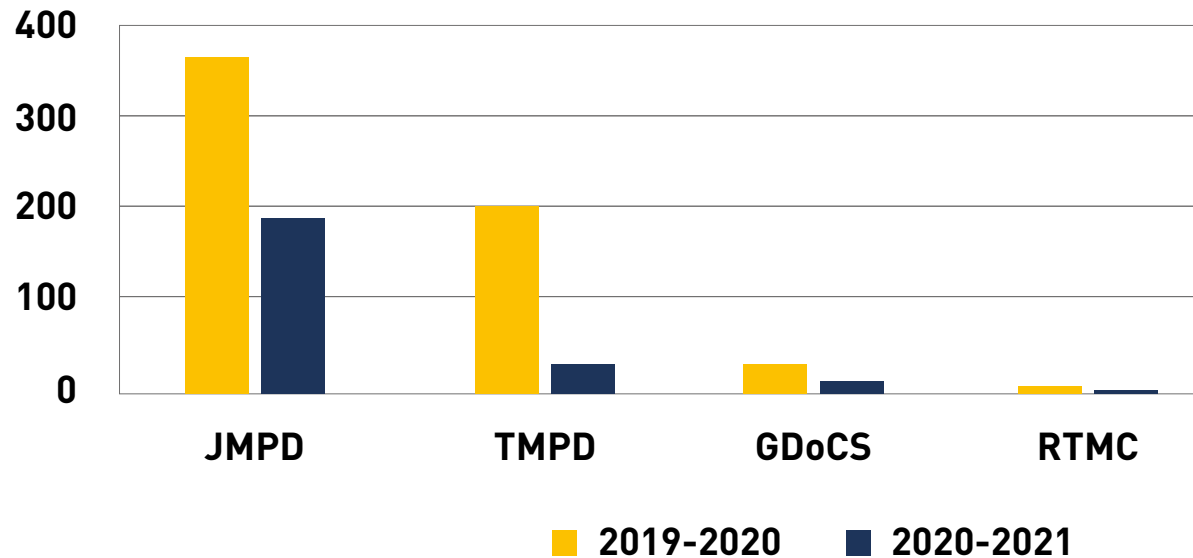


Figure 13: Notice to Pay

(c) Submission of Representations

The table below shows the number of representation applications submitted for consideration by 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.



B2 PERFORMANCE INFORMATION

Number of Notices Captured per Issuing Authority						
Month	JMPD	TMPD	GDoCS	RTMC	Total	
Apr 2020	8 568	2 432	296	87	11 383	
May 2020	1 741	932	105	9	2 787	
Jun 2020	7 620	2 776	213	35	10 644	
Jul 2020	14 600	3 024	301	57	17 982	
Aug 2020	15 483	3 441	494	123	19 541	
Sep 2020	18 099	4 583	866	254	23 802	
Oct 2020	25 660	5 644	870	208	32 382	
Nov 2020	28 473	5 320	861	304	34 958	
Dec 2020	20 773	2 870	602	193	24 438	
Jan 2021	25 106	4 472	723	194	30 495	
Feb 2021	28 029	5 295	948	236	34 508	
Mar 2021	29 680	4 640	936	265	35 521	
Year Total	223 832	45 429	7 215	1 965	278 441	

Table 34: Number of Representations Submitted

The information in the table above shows that 278 441 representation applications were submitted for consideration by the RTIA during the year based on notices issued by the various IA's. A total of 223 832 representations were submitted for infringement notices issued by JMPD followed by TMPD with 45 429, GDoCS with 7 215 and RTMC with 1 965 applications;

The change in the total number of representations submitted during 2020-2021 is given in the table below in comparison with the 2019-2020 financial year:



B2 PERFORMANCE INFORMATION

Change in Number of Representations Submitted				
Month	2019-2020	2020-2021	Change	% Change
Apr	9 877	11 383	1 506	15%
May	13 123	2 787	-10 336	-79%
Jun	10 282	10 644	362	4%
Jul	16 421	17 982	1 561	10%
Aug	14 195	19 541	5 346	38%
Sep	18 886	23 802	4 916	26%
Oct	25 095	32 382	7 287	29%
Nov	27 376	34 958	7 582	28%
Dec	13 920	24 438	10 518	76%
Jan	20 478	30 495	10 017	49%
Feb	26 706	34 508	7 802	29%
Mar	21 456	35 521	14 065	66%
Year Total	217 815	278 441	60 626	28%

Table 35: Change in Number of Representations Submitted

The table above shows an increase in the number of submissions of representations with a total of 278 441 in 2020-2021 compared with 2019-2020 at 217 815. This is a total increase of 60 626, which is 28%. In May, the number of submissions of the representations had declined by 79% due to a hard COVID-19 lockdown. In March there were 66% more applications received as compared to last financial year.

The information is also reflected in the graph below.



Representations Submitted per month

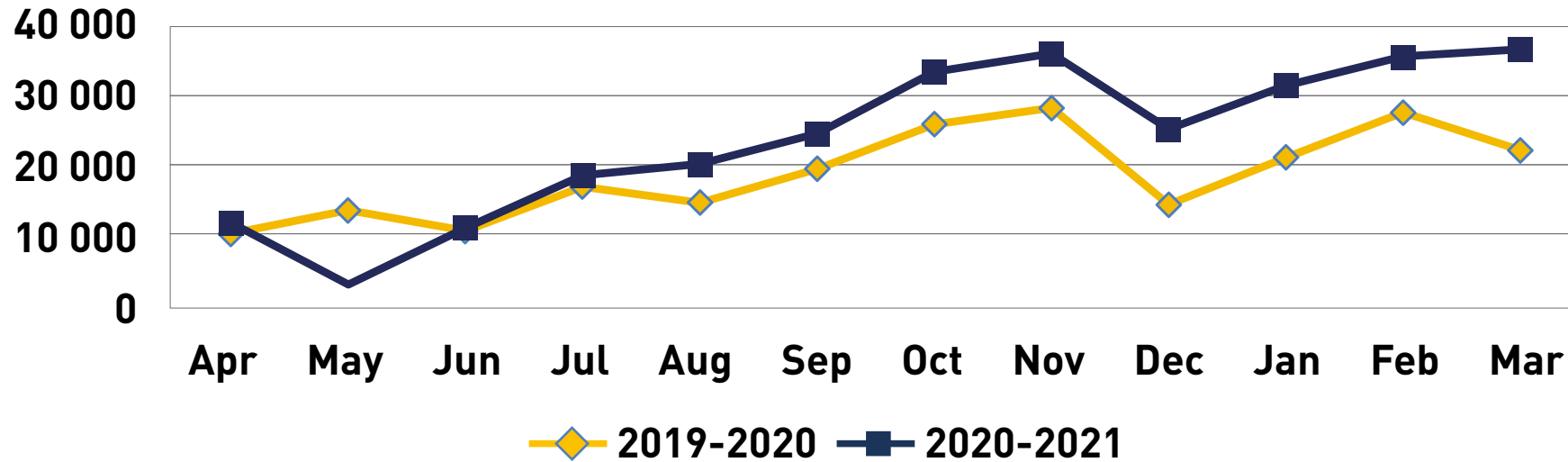


Figure 14: Representations Submitted per Month

2.13. CHALLENGES

The following are the challenges that exist within representations:

- There is a lot of paperwork still involved in the current distribution of work method and it becomes a cumbersome process to track the progress of matters that were distributed and processed or not processed.

Potential future improvements

- There is a need to increase the number of Representations Officers and Enforcement Orders Officers to match the influx of applications received on a daily basis.
- The National Contraventions Register must automatically cancel AARTO 01s that are not captured within the timeframes that are stipulated on the Issuing Authority's Standard Operating Procedures
- The postage challenges, especially those related to registered mail should be resolved before the AARTO Act is rolled-out nationally. There is also a need to introduce electronic service in line with the AARTO Amendment Act, 04 of 2019. The draft regulations also extend the period to serve to infringement notice to 60 days.
- Automation of the distribution of work process on the National Contraventions Register with the capability of tracking the number of distributed and processed matters.

B2 PERFORMANCE INFORMATION

2.14. Measures that are being implemented .

- The Representations Officers and Enforcement Orders Officers are currently working on overtime basis as an intervention to minimise the backlog.
- The RTIA is continuously engaging with SAPO in order to come up with interventions to improve postal services as well ensuring the electronic service solution is implemented when the AARTO Act is rolled-out nationally.
- The RTIA is engaging regularly with the RTMC regarding the systems developments geared for the National Roll Out. Automation of the distribution of work process is one of the developments being prioritised for AARTO National Roll Out.

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.

The table below shows the number of driver nominations per issuing authority:

Number of Driver Nominations						
Month	JMPD	TMPD	GDoCS	RTMC	Total	
Apr 2020	1 069	99	0	0	1 168	
May 2020	739	14	0	0	753	
Jun 2020	1 179	114	0	0	1 293	
Jul 2020	3 527	164	2	0	3 693	
Aug 2020	4 288	130	0	0	4 418	
Sep 2020	4 081	89	0	0	4 170	
Oct 2020	4 768	131	2	0	4 901	
Nov 2020	3 483	89	1	0	3 573	
Dec 2020	2 209	70	0	0	2 279	
Jan 2021	2 942	65	0	0	3 007	
Feb 2021	4 824	77	0	0	4 901	
Mar 2021	3 755	143	5	0	3 903	
Year Total	36 864	1 185	10	0	38 059	

Table 36: Number of Driver Nominations



B2 PERFORMANCE INFORMATION

The information in the table above shows a total of 38 059 driver nominations for 2020-2021. JMPD has recorded the highest nominations with 38 864, followed by TMPD and GDoCS with 1 185, 10 respectively and RTMC did not record any driver nominations in this financial year.

Change in Number of Notifications to Pay in Instalments					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2019-2020	26 768	5 473	43	11	32 295
2020-2021	36 864	1 185	10	0	38 059
Change	10 096	-4 288	-33	-11	5 764
% change	37,72%	-78,35%	-76,74%	-100,00%	17,85%

Table 37: Changes in Driver Nominations

The table above shows that JMPD has recorded 10 096 more nominations which is 37.72%, from 26 768 in 2019-2020 to 36 864 in 2020-2021 financial year. The number of driver nominations for TMPD, GDoCS and RTMC shows a decline of 4 288 (78.35%), 33 (76.74%) and 11 (100%) respectively in 2020-2021. The Agency also embarked on providing fleet management companies the opportunity to apply for an online pre-direction process that limits the need for physical paper redirections to be submitted. This innovation will provide fleet managers with a secure and effective method of providing the details of the driver or person in control of the vehicle at the time of the infringement being committed.

The information is also reflected in the bar chart below.

No. of Driver Nominations

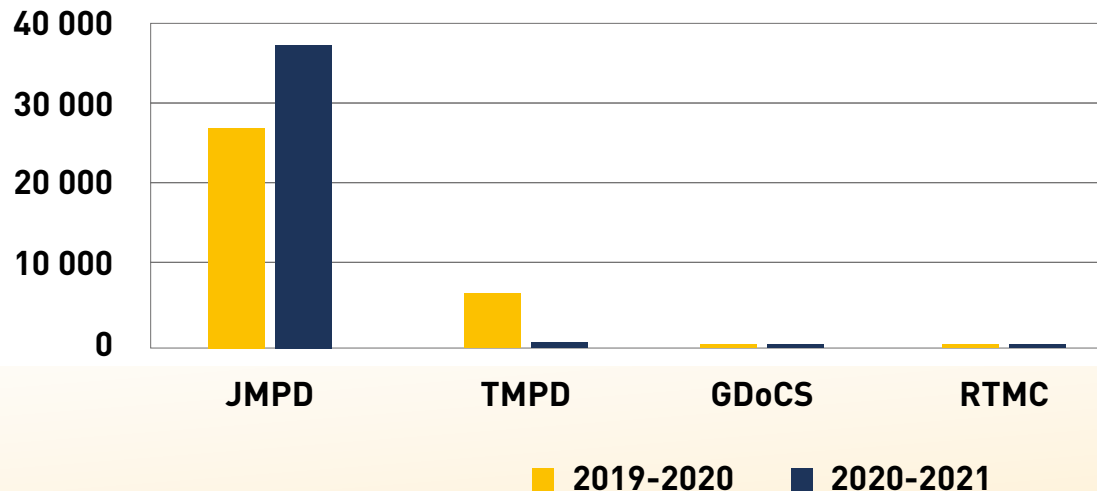


Figure 15: Number of Driver Nominations

B2 PERFORMANCE INFORMATION

(e) Elections to be Tried in Court

In terms of sections 17(1)(f)(iv) or 18(7) of the principal Act, an infringer may elect to be tried in for alleged infringements being committed. This elective option may be submitted to any Issuing Authority for the processing thereof. This must be done by completing the prescribed AARTO 10 application form. The responsible IA must then ensure to issue and serve a Section 54 Summons in terms of the Criminal Procedure Act, 1977 (Act No. 51 of 1977) and the failure of the applicant to appear in court on the date stipulated in the summons will result in the Agency authorising serving of an Enforcement Order.

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

Number of Elections to be Tried in Court						
Month	JMPD	TMPD	GDoCS	RTMC	Total	
Apr 2020	251	683	109	15	1 058	
May 2020	1 306	1 649	131	37	3 123	
Jun 2020	9 245	3 759	527	74	13 605	
Jul 2020	14 362	4 119	539	89	19 109	
Aug 2020	13 939	3 991	584	118	18 632	
Sep 2020	15 251	4 487	992	257	20 987	
Oct 2020	21 041	6 431	1205	328	29 005	
Nov 2020	21 559	5 023	916	288	27 786	
Dec 2020	19 696	3 481	622	148	23 947	
Jan 2021	17 607	2 304	603	125	20 639	
Feb 2021	21 508	2 794	723	135	25 160	
Mar 2021	21 303	3 765	944	249	26 261	
Year Total	177 068	42 486	7 895	1 863	229 312	

Table 38: Number of Elections Tried in Court

The table above shows that a total of 229 312 elections to be tried in court were recorded with JMPD having a total of 177 068, followed by TMPD, GDoCS and RTMC with 42 486, 7 895 and 1 863 respectively. The table that follows shows the change in number of elections to be tried in court between 2019-2020 and 2020-2021.

B2 PERFORMANCE INFORMATION

Change in Number of Elections Tried in Court					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2019-2020	103 230	72 209	9 823	2 453	187 715
2020-2021	177 068	42 486	7 895	1 863	229 312
Change	73 838	-29 723	-1 928	-590	41 597
% change	71,53%	-41,16%	-19,63%	-24,05%	22,16%

Table 39: Change in Number of Elections Tried in Court

The tables above show there were more infringers who elected to be tried in court in 2020-2021 as compared to 2019-2020 financial year. The number of elections to be tried in court for TMPD, GDoCS and RTMC have declined in 2020-2021. The total number of 229 312 elections to be tried in court were recorded on the NCR in 2020-2021, which is 22.16% more than the previous financial year. The election to be tried in court will in terms of the Amended AARTO Act, 2019 (Act No.4 of 2019) be repealed and replaced by a process where the alleged infringer must first be unsuccessful on a representation application submitted and then have the right to submit either an appeal or review application to the Appeals Tribunal. The Agency is confident that this new process will further lesson the burden on the magistrate courts designated to hear and decide on traffic offences placed before the court.

The chart below reflects the changes between 2019-2020 and 2020-2021 financial years.

No. of Elections to be Tried in Court

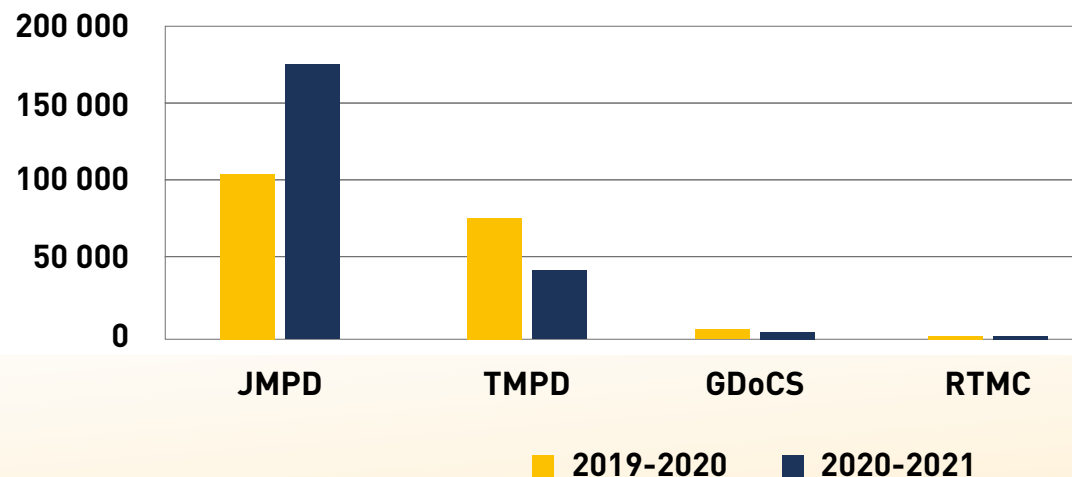


Figure 16: Number of Elections Trid in Court

B2 PERFORMANCE INFORMATION

The table below show the changes in number of elections to be tried in court between 2019-2020 and 2020-2021 financial years:

Change in Number of Elections to be Tried in Court Submitted				
Month	2019-2020	2020-2021	Change	% Change
Apr	6 188	1 058	-5 130	-82,90%
May	8 323	3 123	-5 200	-62,48%
Jun	9 835	13 605	3 770	38,33%
Jul	13 457	19 109	5 652	42,00%
Aug	16 586	18 632	2 046	12,34%
Sep	12 990	20 987	7 997	61,56%
Oct	19 293	29 005	9 712	50,34%
Nov	20 361	27 786	7 425	36,47%
Dec	16 249	23 947	7 698	47,38%
Jan	20 449	20 639	190	0,93%
Feb	21 018	25 160	4 142	19,71%
Mar	22 966	26 261	3 295	14,35%
Year Total	187 715	229 312	41 597	22,16%

Table 40: Number of Elections to be Tried in Court

The table above shows that the number of elections to be tried in court declined in April and May with 82.90% and 62.48% respectively.

2.15. 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 the 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.



B2 PERFORMANCE INFORMATION

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

Number of Representation Adjudicated per Month					
Month	Applications Cancelled	Successful All Charges	Successful Main Charge	Unsuccessful	Applications Adjudicated
Apr-20	1 835	8 349	5	160	10 349
May-20	1 130	1 893	3	65	3 091
Jun-20	2 591	8 034	3	66	10 694
Jul-20	3 309	13 154	3	157	16 623
Aug-20	3 844	15 740	10	706	20 300
Sep-20	3 180	13 941	8	467	17 596
Oct-20	3 418	15 873	16	986	20 293
Nov-20	7 762	20 515	5	737	29 019
Dec-20	4 956	21 502	14	729	27 201
Jan-21	3 807	24 792	13	663	29 275
Feb-21	4 438	27 499	14	781	32 732
Mar-21	8 091	31 257	22	1022	40 392
Year Total	48 361	202 549	116	6 539	257 565

Table 41: Number of Representations Adjudicated per Month

The information in the table above indicates the following:

- A total number of 257565 applications for representations were considered by the RTIA; of which 48 361 were cancelled, 202 549 were successful on all charges, 116 were successful on the main charge, and 6 539 were unsuccessful.

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



Number of Representation Adjudicated

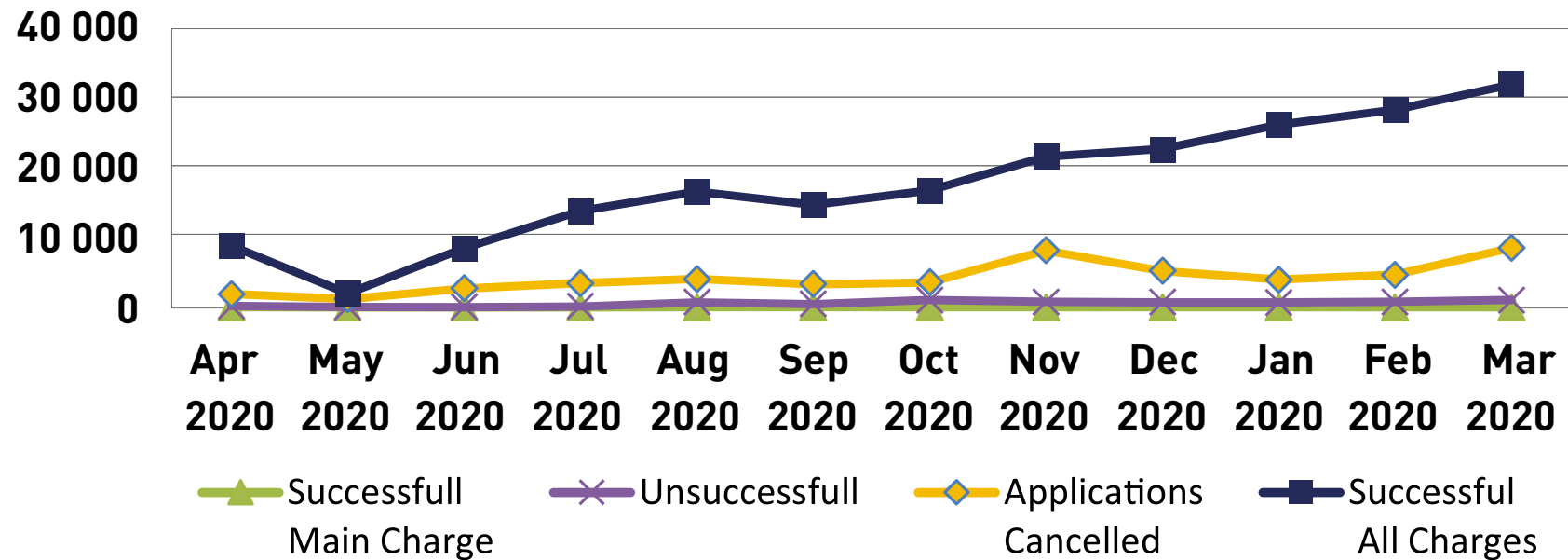


Figure 17: Number of Representations Adjudicated

The information in the graph above show that there were more representations with an outcome of successful on all charges with March 2021 having the highest number of successful applications and the lowest number being in May 2020. Representations with an outcome of successful on all charges are the highest for all the months in the financial year followed by the cancelled applications.



B2 PERFORMANCE INFORMATION

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	2019-2020	2020-2021
Exceeding speed limits	144 827	237 741
Rules of the road & driving signals	12 201	7 241
Road signs, signals & markings	9 906	6 125
Vehicle registration & licencing	10 558	5 949
Seatbelts	8 108	3 473
Learner & driving licences	6 266	2 811
Vehicle roadworthiness - general	5 595	2 708
Professional driving permits	5 964	2 123
Vehicle - Lights	2 945	1 330
Vehicle - Tyres	1 357	641
Passenger carrying vehicles	771	246
Vehicle - Brakes	630	238
Vehicle number plates	459	237

Table 42: Changes to Representation

The information in the table above shows an increase in representations submitted for alleged exceeding speed limits offences whereas all other changes shows a decreased in 2020-2021 financial year.



B2 PERFORMANCE INFORMATION

The number of representations received per month during 2019-2020 in comparison with the 2020-2021 financial year is given in the table and reflected in the graph below.

Number of Representation Received per month				
Month	2019-2020	2020-2021	Change	% Change
Apr	9 877	11383	1 506	15%
May	13 123	2787	-10 336	-79%
Jun	10 282	10644	362	4%
Jul	16 421	17982	1 561	10%
Aug	14 195	19541	5 346	38%
Sep	18 886	23802	4 916	26%
Oct	25 095	32382	7 287	29%
Nov	27 376	34958	7 582	28%
Dec	13 920	24438	10 518	76%
Jan	20 478	30495	10 017	49%
Feb	26 706	34508	7 802	29%
Mar	21 456	35521	14 065	66%
Total	217 815	278441	60 626	28%

Table 43" Number of Representations Received per month

The information in the table above shows that:

- In 2020-2021 there were more representations received with a total of 278 441 in 2020-2021 compared to 217 815 in 2019-2020. In this financial year, the highest number of representations received was in March with a total of 35 521, and April and May recorded less numbers as compared to last financial year.

B2 PERFORMANCE INFORMATION

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

Representations Submitted per month

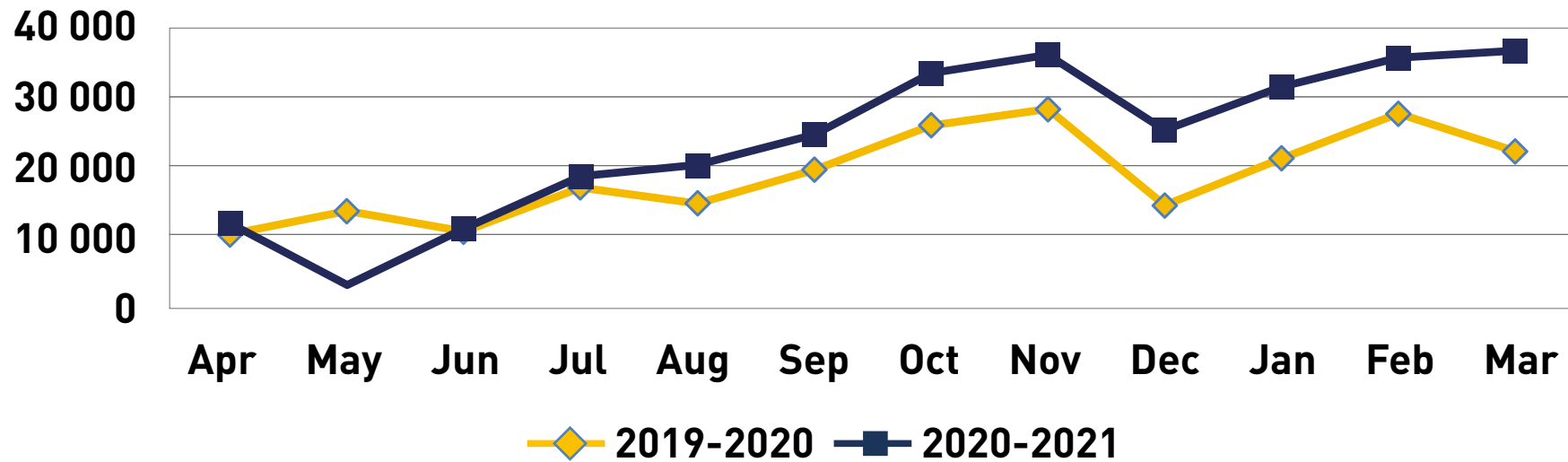


Figure 18: Number of Representations per month

2.16. Courtesy Letters Issued

With regard to the serving of Courtesy Letters and Enforcement Orders, note must be taken of the following facts that impacts heavily on the status of basically all AARTO documents in the registered/secure mailing process; as well as the 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, which incorrect/incomplete information in this regard is that 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 failure of SAPO to upload and update the NCR on the posting status of registered/secure mail items;
- the failure of SAPO to upload and update the NCR on the delivery and collected status of mailed items; and



B2 PERFORMANCE INFORMATION

- the failure of SAPO to post and deliver documents within the required time frames;
- 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.

The table below shows the comparison of the number of Courtesy Letters that were issued during the 2019-2020 and 2020-2021 financial years.

Number of Courtesy Letters Issued per Month				
Month	2019-2020	2020-2021	Change	% change
Apr	42 292	12 875	-29 417	-69,56%
May	120 360	105 663	-14 697	-12,21%
Jun	483 309	90 855	-392 454	-81,20%
Jul	409 780	56 042	-353 738	-86,32%
Aug	350 612	59 342	-291 270	-83,07%
Sep	388 247	32 140	-356 107	-91,72%
Oct	392 251	128 008	-264 243	-67,37%
Nov	286 222	0	-286 222	-100,00%
Dec	241 821	155 265	-86 556	-35,79%
Jan	348 493	36 732	-311 761	-89,46%
Feb	209 379	40 296	-169 083	-80,75%
Mar	377 062	69 135	-307 927	-81,66%
Year Total	3 649 828	786 353	-2 863 475	-78,46%

Table 44: Number of Courtesy Letters Issued

The information in the table above shows that the change in issuing of Courtesy Letters between 2019-2020 and 2020-2021 has decreased by 2 863 475 which is 78.46%.

B2 PERFORMANCE INFORMATION



In comparison of month to month, the information shows a decrease a whole year around and it is reflected in the graph below.

No. of Courtesy Letters Issued per Month

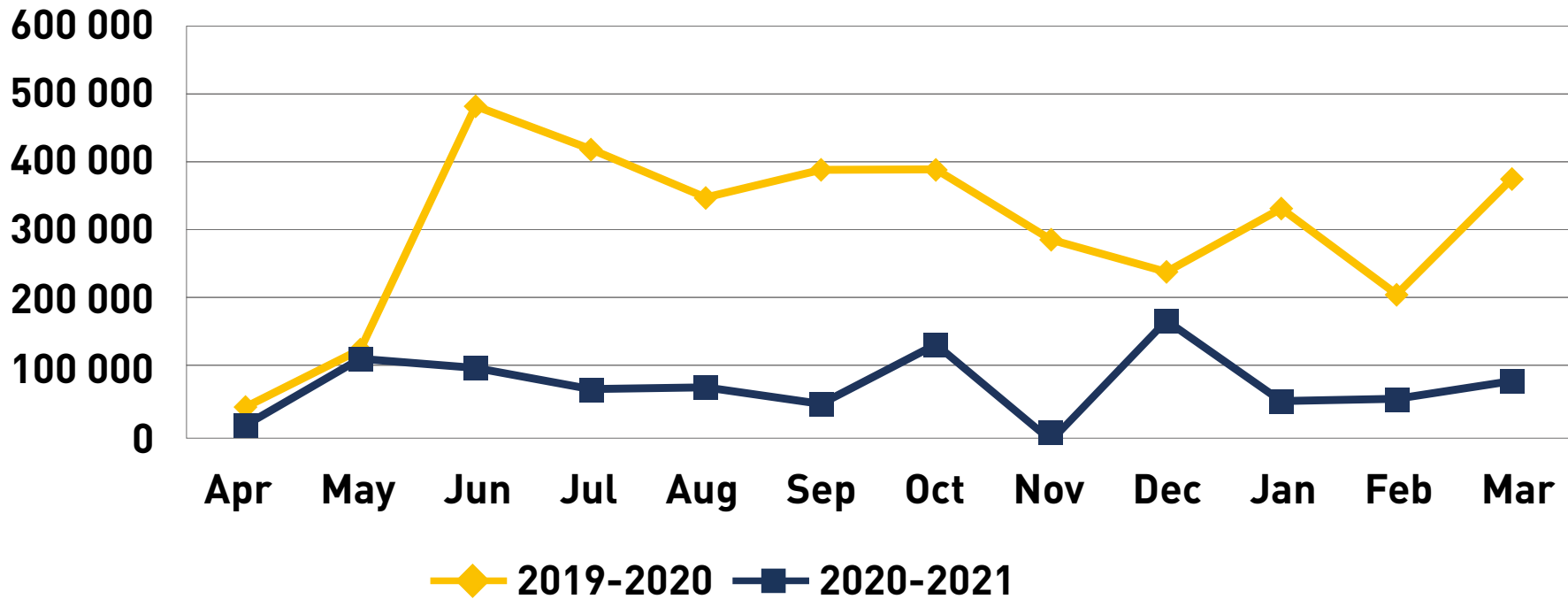


Figure 19: Courtesy Letters Issued



B2 PERFORMANCE INFORMATION

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

Number of Courtesy Letters Issued per IA						
Month	JMPD	TMPD	GDoCS	RTMC	Total	
Apr 2020	6 194	3 799	2 587	295	12 875	
May 2020	47 480	33 581	21 787	2 815	105 663	
Jun 2020	53 499	33 652	3 383	321	90 855	
Jul 2020	23 493	21 832	9 069	1 648	56 042	
Aug 2020	4 740	9 877	34 349	10 376	59 342	
Sep 2020	5 306	5 026	11 655	10 153	32 140	
Oct 2020	108 992	5 530	10 163	3 323	128 008	
Nov 2020	0	0	0	0	0	
Dec 2020	74 571	32 143	41 180	7 371	155 265	
Jan 2021	9 763	6 230	19 836	903	36 732	
Feb 2021	6 690	4 252	28 589	765	40 296	
Mar 2021	11 555	6 647	48 865	2 068	69 135	
Year Total	352 283	162 569	231 463	40 038	786 353	
% of Total	44,80%	20,67%	29,43%	5,09%	100,00%	

Table 45: Courtesy Letters Issued per IA

The table above shows that more Courtesy Letters were issued for JMPD with a total of 352 283 which makes a total of 44.80% of the total issued followed by GDoCS with a total of 231 463 which is 29.43% of the total. There were no Courtesy Letters issued in November 2020 for all the issuing authorities due to NaTIS related challenges. In the third place is TMPD with a total of 162 569 which is 20.67% of the total and lastly, RTMC with a total of 40 038 which equals 5.09% of the total issued Courtesy Letters.



B2 PERFORMANCE INFORMATION

The table below shows the change in number of Courtesy Letters issued per issuing authority:

Change in Number of Courtesy Letters Issued					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2019-2020	2 698 986	687 628	227 498	35 716	3 649 828
2020-2021	352 283	162 569	231 463	40 038	786 353
Change	-2 346 703	-525 059	3 965	4 322	-2 863 475
% change	-86,95%	-76,36%	1,74%	12,10%	-78,46%

Table 46: Change in Courtesy Letters Issued

The information in the table above shows that there was a total of 786 353 Courtesy Letters issued in 2020-2021 and this a decrease of 2 863 475 from 3 649 828 in 2019-2020. The issuing of Courtesy Letters for JMPD has a decrease of 2 346 703 from 2 698 986 to 352 283 in 2020-2021, followed by TMPD with a decrease of 525 059 from 687 628 to 162 569 in 2020-2021. The issuing of Courtesy Letters for GDoCS and RTMC has increased with 3 965 and 4 322 respectively.

The bar chart below reflects on the changes for the issuing authorities in the 2019-2020 and 2020-2021 financial years.

Change in Number of Courtesy Letters Issued per IA

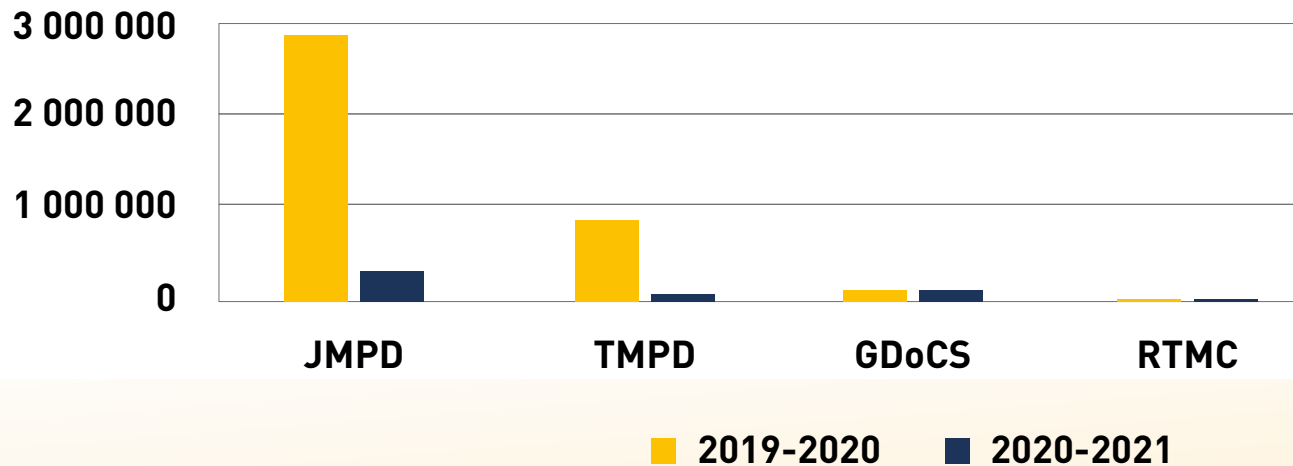


Figure 20: Change in Courtesy Letters Issued

B2 PERFORMANCE INFORMATION

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

Number of Courtesy Letters Issued per Notice Type						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
Apr 2020	7 547	7	5 196	28	97	12 875
May 2020	50 150	56	50 725	1 145	3 587	105 663
Jun 2020	3 651	0	71 420	2 440	13 344	90 855
Jul 2020	10 526	43	37 622	2 136	5 715	56 042
Aug 2020	48 823	328	7 326	1 086	1 779	59 342
Sep 2020	24 783	144	6 273	164	776	32 140
Oct 2020	21 049	110	105 887	408	554	128 008
Nov 2020	0	0	0	0	0	0
Dec 2020	97 391	190	53 265	1 805	2 614	155 265
Jan 2021	36 652	70	10	0	0	36 732
Feb 2021	40 232	48	14	0	2	40 296
Mar 2021	69 064	70	1	0	0	69 135
Year Total	409 868	1 066	337 739	9 212	28 468	786 353
% of Total	52,12%	0,14%	42,95%	1,17%	3,62%	100,00%

Table 47: Courtesy Letters issued per Type

- The number and percentage of Courtesy Letters issued per infringement notice type are as follows:
- A total of 409 868 of the Courtesy Letters issued were of AARTO 01's, which is 52.12% of the total issued;
- The Courtesy Letters issued for the AARTO 02s were 1 066, which is only 0.14% of the total;
- Courtesy Letters for AARTO 03, AARTO 03a and AARTO 03b were issued with 337 739 (42.95%), 9 212(1.17%) and 28 468(3.62%) respectively.

B2 PERFORMANCE INFORMATION

The change in the Number of Courtesy Letters issued between 2019-2020 and 2020-2021 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
2019-2020	646 245	503	2 837 578	29 027	136 475	3 649 828
2020-2021	409 868	1 066	337 739	9 212	28 468	786 353
Change	-236 377	563	-2 499 839	-19 815	-108 007	-2 863 475
% change	-36,58%	111,93%	-88,10%	-68,26%	-79,14%	-78,46%

Table 48: Change in Courtesy Letters Issued per type

The information in the table above shows an increase in number of Courtesy Letters for AARTO 02's with a change of 111.93% and a decrease for AARTO 01's, AARTO 03's, AARTO 03a's, and AARTO 03bs with 36.58%, 88.10%, 68.26% and 79.14% respectively.

No. of Courtesy Letters Issued per Notice Type

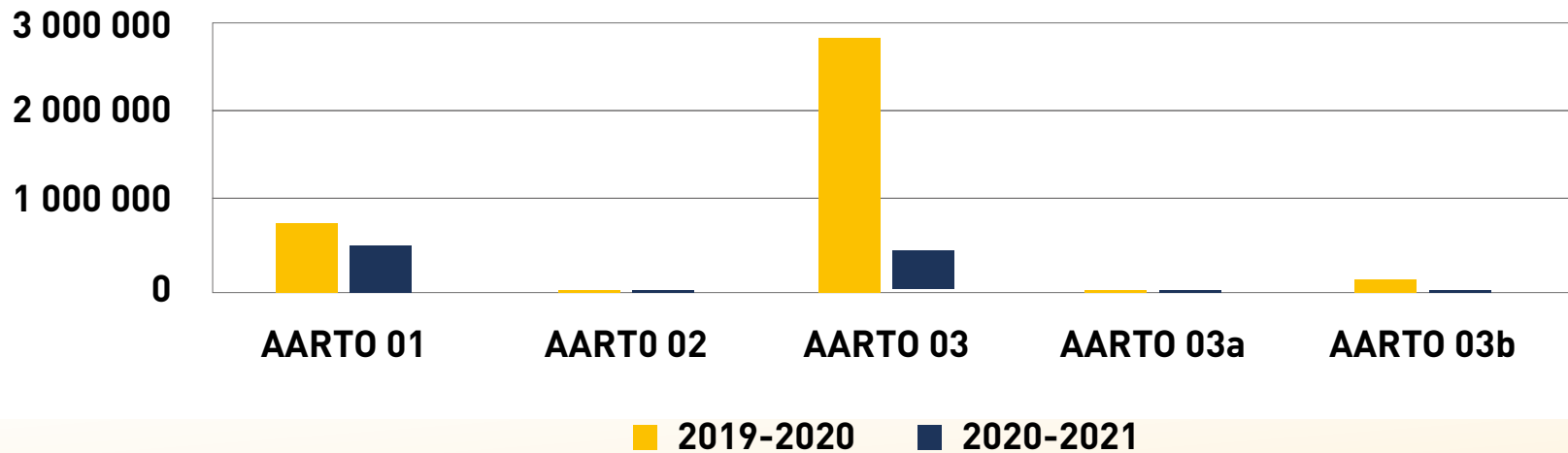


Figure 21: Courtesy Letters issued per type



B2 PERFORMANCE INFORMATION

2.17. Enforcement Orders Issued

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

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

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

The number of Enforcement Orders issued during this 2020-2021 financial year is given in the table below. The information presented in this table below 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 2020	0	0	0	0	0
May 2020	0	0	0	0	0
Jun 2020	0	0	0	0	0
Jul 2020	0	0	0	0	0
Aug 2020	66 978	5 696	101	41	72 816
Sep 2020	195 860	32 775	9 030	1 120	238 785
Oct 2020	7 205	6 851	13 707	3 759	31 522
Nov 2020	0	0	0	0	0
Dec 2020	0	0	0	0	0
Jan 2021	0	0	0	0	0
Feb 2021	0	0	0	0	0
Mar 2021	0	0	0	0	0
Year Total	270 043	45 322	22 838	4 920	343 123

Table 49: Number of Enforcement Orders Issued

The information in the table above shows the total number of 343 123 Enforcement Orders were issued by the Issuing Authorities, which is a substantial decline of 1 332 612 from 2019-2020 as shown in the table below. Enforcement Orders were not authorised from April to July due to COVID-19 pandemic hard lockdown related challenges. Enforcement Orders were not authorised from April to July to COVID-19 pandemic hard lockdown related challenges. The Enforcement Orders could not be issued from November 2020 and March 2021 due to NaTIS related challenges as well as the dispute between RTIA and SAPO which was resolved in March 2021.



B2 PERFORMANCE INFORMATION

The change in the number of Enforcement Orders issued between 2019-2020 2020-2021 financial years is shown in the table below:

Change in Number of Enforcement Orders Issued					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2019-2020	1 066 235	434 592	144 599	30 309	1 675 735
2020-2021	270 043	45 322	22 838	4 920	343 123
Change	-796 192	-389 270	-121 761	-25 389	-1 332 612
% change	-74,67%	-89,57%	-84,21%	-83,77%	-79,52%

Table 50: Change in Enforcement Order Issued per IA

The information below summarises changes between 2019-2020 and 2020-2021 financial years per Issuing Authority as follows:

- JMPD has a total of 270 043 Enforcement Orders recorded in 2020-2021 which is a decrease of 796 192 (74.67%) from 1 066 235 in 2019-2020;
- TMPD recorded a decline of 389 270 which is 89.57% Enforcement Orders in 2020-2021 from 434 592 to 45 322;
- GDoCS has recorded a decline of 121 761 (84.21%) Enforcement Orders in 2020-2021 financial year as compared with 144 599 in the previous year; and
- RTMC has also declined with 25 389 Enforcement Orders issued from 30 309 in 2019-2020.to 4 920 in 2020-2021, which is 83.77%.

The information in the tables above is also reflected in the graph below with a massive decline for all the Issuing Authorities.



Number of Enforcement Orders Issued per IA

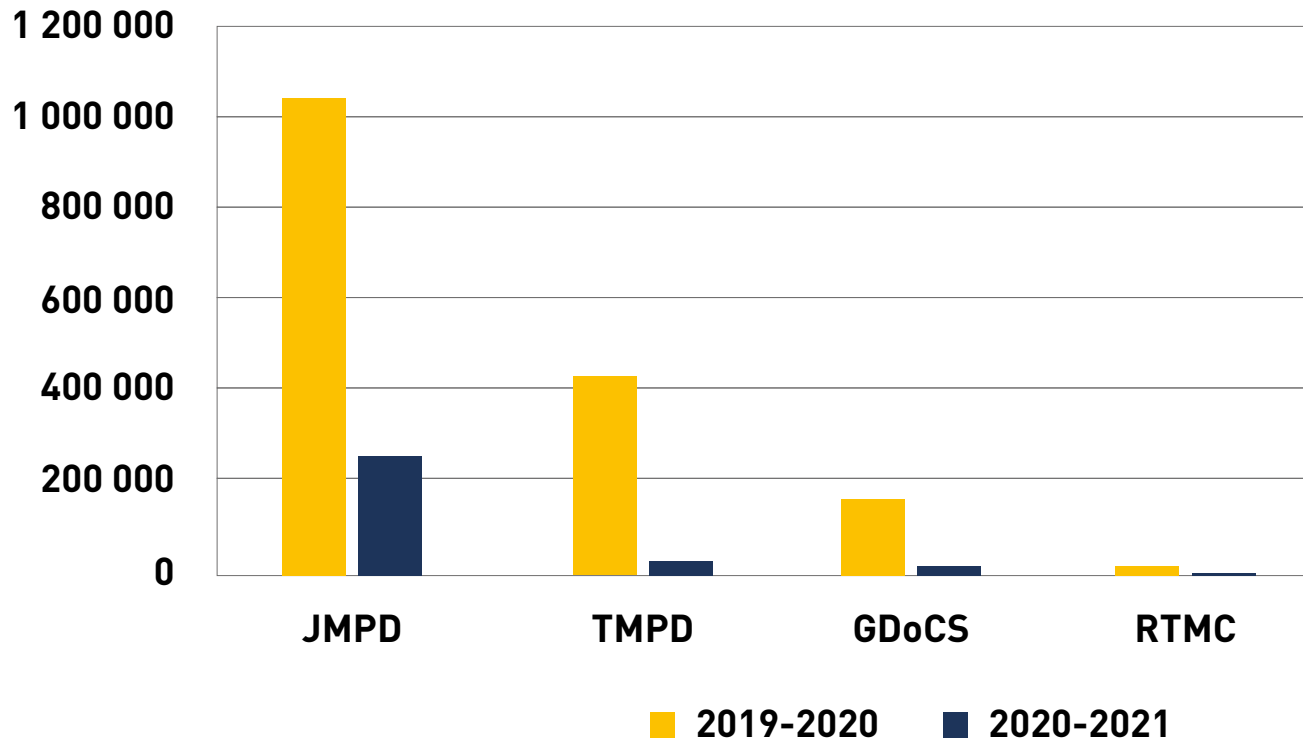


Figure 22: Number of Enforcement Orders Issued per IA



B2 PERFORMANCE INFORMATION

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

Number of Enforcement Orders Issued per Month				
Month	2019-2020	2020-2021	Change	% change
Apr	119 166	0	-119 166	-100,00%
May	163 057	0	-163 057	-100,00%
Jun	21 599	0	-21 599	-100,00%
Jul	37 953	0	-37 953	-100,00%
Aug	153 305	72 816	-80 489	-52,50%
Sep	144 827	238 785	93 958	64,88%
Oct	163 624	31 522	-132 102	-80,74%
Nov	78 298	0	-78 298	-100,00%
Dec	2 576	0	-2 576	-100,00%
Jan	270 469	0	-270 469	-100,00%
Feb	345 227	0	-345 227	-100,00%
Mar	175 634	0	-175 634	-100,00%
Year Total	1 675 735	343 123	-1 332 612	-79,52%

Table 51: Number of Enforcement Orders per Month

B2 PERFORMANCE INFORMATION



The table clearly shows that Enforcement Orders were authorised for only three months in 2020-2021 which was in August, September and October 2020-2021. The information is reflected in the graph below with month-to-month comparison with 2019-2020 financial year.

No. of Enforcement Orders Issued per Month

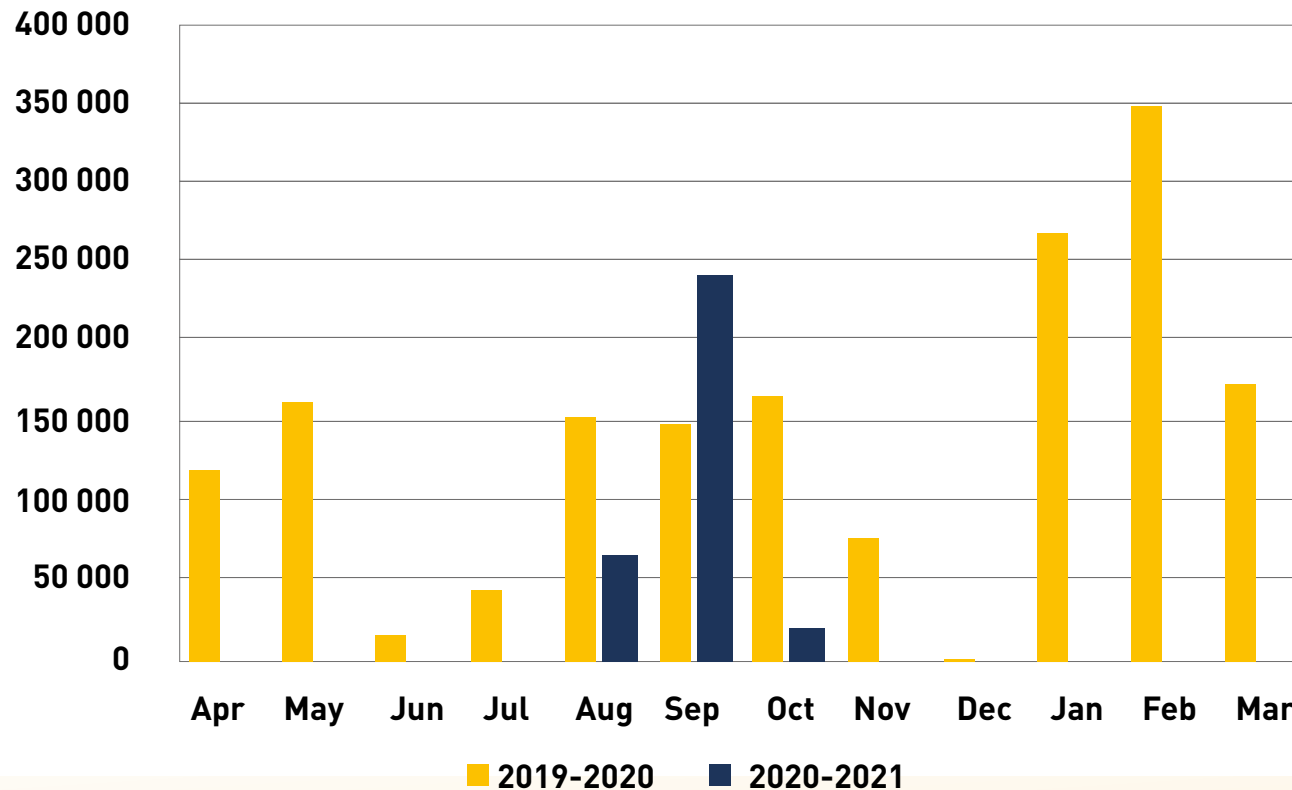


Figure 23: Number of Enforcement Orders Issued per month



B2 PERFORMANCE INFORMATION

2.18. Applications for the revocation of Enforcement Orders

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

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

The applications for revocation of Enforcement Orders can either be allowed (successful), rejected (unsuccessful) or not considered (cancelled) if it is not made in the prescribed manner. In case of a successful application for revocation of enforcement order the alleged infringer is not liable for the payment of the prescribed enforcement order fee linked to the infringement that was committed, the prescribed courtesy letter fee and the prescribed enforcement order fee. In case of an unsuccessful application for revocation of enforcement order the infringer is liable for the infringement notice penalty, the prescribed courtesy letter fee, the prescribed Enforcement Orders fee and the prescribed unsuccessful application for revocation of enforcement order fee.

In case of a cancelled application for revocation of enforcement order, the infringer is still liable for the infringement penalty plus applicable fees and is given another chance to submit a corrected application for the revocation of an enforcement order. The outcomes for successful applications for revocation of Enforcement Orders are served via ordinary mail and the outcomes for unsuccessful applications for revocation of Enforcement Orders are served via registered mail to the alleged infringer.



B2 PERFORMANCE INFORMATION

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

Number of Submitted Applications for Revocation of Enforcement Orders per Month				
Month	2019-2020	2020-2021	Change	% change
Apr	8 958	493	-8 465	-94,50%
May	10 037	1 572	-8 465	-84,34%
Jun	9 468	8 449	-1 019	-10,76%
Jul	12 723	12 387	-336	-2,64%
Aug	10 415	12 783	2 368	22,74%
Sep	15 149	15 278	129	0,85%
Oct	16 932	23 126	6 194	36,58%
Nov	13 634	22 875	9 241	67,78%
Dec	10 565	18 261	7 696	72,84%
Jan	15 633	10 510	-5 123	-32,77%
Feb	15 086	10 500	-4 586	-30,40%
Mar	17 268	12 305	-4 963	-28,74%
Total	155 868	148 539	-7 329	-4,70%

Table 52: Change in Revocation of EO Applications



Number of Revocation of E0 Applications

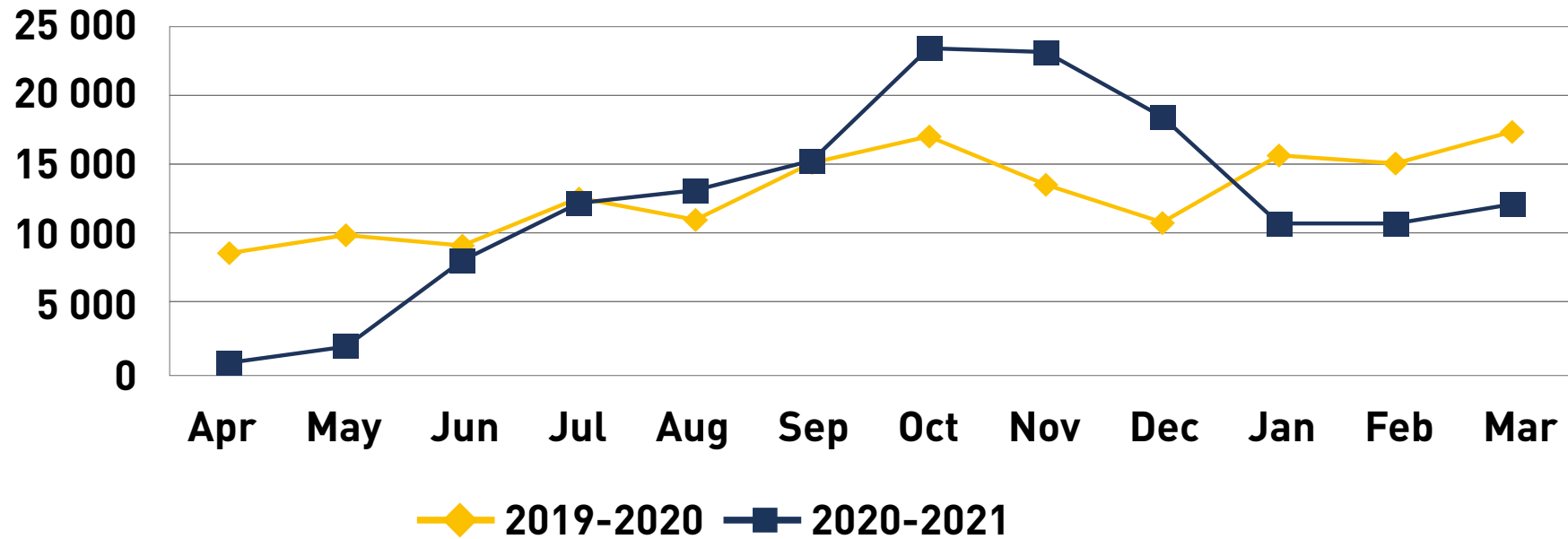


Figure 24: Number of E0 Application Revocations

The information above shows as follows:

- The number of revocation applications has decreased by 7 329, which is only 4.70% from 155 868 in 2019-2020 to 148 539 in 2020-2021 financial year;
- In the financial year 2020-2021, October shows the highest number of applications were recorded with a total of 23 126 and the lowest recorded in April with 493;

The table below shows the change in number of processed revocation of Enforcement Orders applications. The number of processed Enforcement Orders in 2020-2021 were 3 849 less than in 2019-2020 with 11 916 applications.

B2 PERFORMANCE INFORMATION

Number of Processed Applications for Revocation of Enforcement Orders per Month				
Month	2019-2020	2020-2021	Change	% Change
Apr	8 056	5 223	-2 833	-35,17%
May	9 964	1 426	-8 538	-85,69%
Jun	7 708	4 176	-3 532	-45,82%
Jul	10 446	7 129	-3 317	-31,75%
Aug	8 407	7 976	-431	-5,13%
Sep	10 148	18 707	8 559	84,34%
Oct	17 871	19 462	1 591	8,90%
Nov	23 715	23 341	-374	-1,58%
Dec	11 392	18 994	7 602	66,73%
Jan	13 960	21 869	7 909	56,65%
Feb	14 911	11 769	-3 142	-21,07%
Mar	19 259	11 916	-7 343	-38,13%
Total	155 837	151 988	-3 849	-2,47%

Table 53: Changes in EO Application Processed

The number of applications considered by the RTIA during 2020-2021 with their outcomes is given in the table below.

Total Number of EO Revocation Applications			
Month	Applications Received	Successful	Unsuccessful
Apr-20	493	3 891	1 207
May-20	1 572	902	339
Jun-20	8 449	3 296	467
Jul-20	12 387	5 662	992
Aug-20	12 783	7 543	17
Sep-20	15 278	15 944	659
Oct-20	23 126	14 610	3 358
Nov-20	22 875	17 312	4 219
Dec-20	18 261	13 944	3 449
Jan-21	10 510	15 142	3 336
Feb-21	10 500	7 893	3 054
Mar-21	12 305	7 770	3 365
Total	148 539	113 909	24 462

Table 54: Number of EO Revocation Applications



B2 PERFORMANCE INFORMATION

The information in the table on page 99 shows a total of 148 539 applications for revocation received in 2020-2021, with a total of 113 909 being successful and a total of 24 462 being unsuccessful.

The reasons for applications being successful during 2019-2020 in comparison with the number in 2020-2021 are given in the table below.

Reasons for Successful EO Revocation Applications		
Reasons	2019-2020	2020-2021
Proof of payment received	15	27
Instalment application proof received	3	16
Representation proof received	32 398	47 407
Proof of nomination received	31	49
Court election notice received	271	112
Proof of court appearance received	11	348
Affidavit received	55	6 538
Other:	76 179	59 412
Total	108 963	113 909

Table 55: Reasons for Revocation Application

The information in the table above shows some of the reasons why the Enforcement Orders were successful;

- The number of applications that were successful based on the submission of proof of representations submitted has increased from 15 in 2019-2020 to 27 2020-2021;
- 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 271 to 112 in 2020-2021 financial year;
- The number of applications that were successful based on the submission of affidavit has increased from 55 to 6 538 in 2020-2021;
- The number of applications that were successful based on nomination of a driver has increased;
- The number of applications that were successful based on “other” reasons has decreased from 76 179 to 59 412 in this financial year under review.

B2 PERFORMANCE INFORMATION



The graph below shows the comparisons of month to month for the successful applications for revocation of Enforcement Orders for 2019-2020 and 2020-2021

Number of Revocation of EO Applications

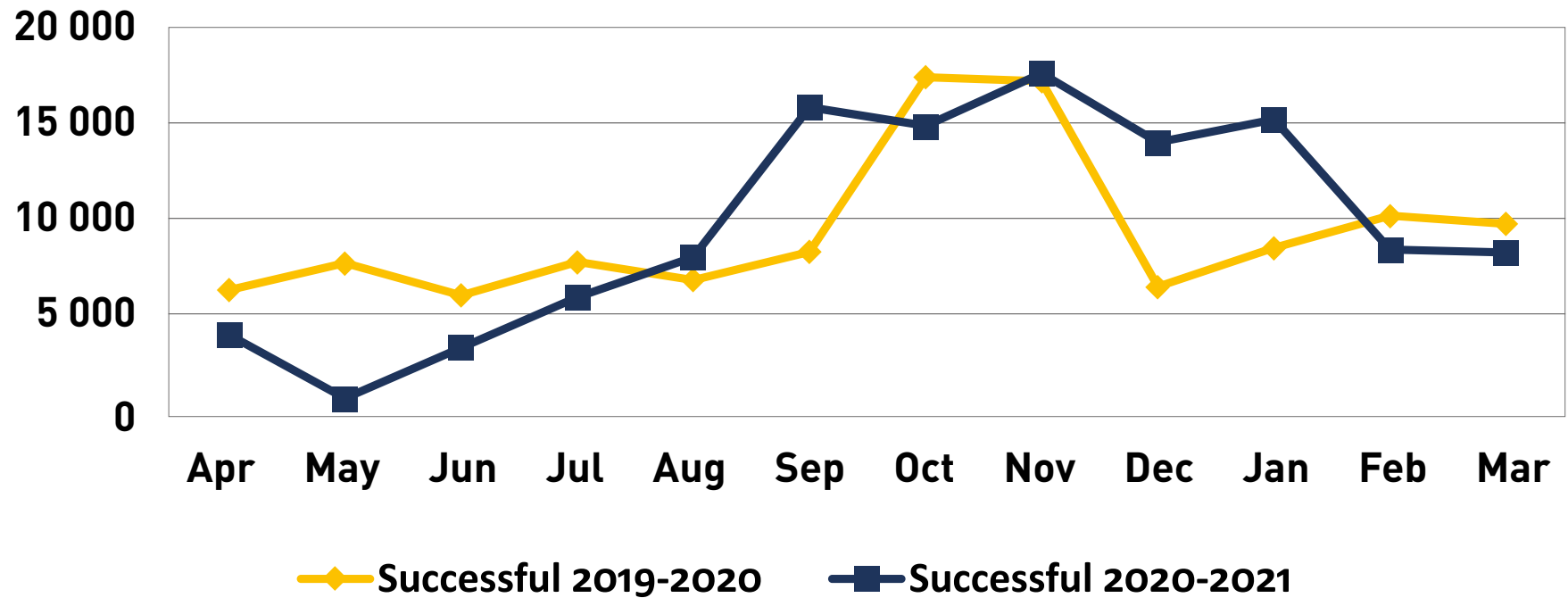


Figure 25: Successful EO Revocation Applications

B2 PERFORMANCE INFORMATION

The reasons for revocation applications being unsuccessful during 2020-2021 in comparison with the number during the previous year are given in the table below.

Reasons for Unsuccessful EO Revocation Applications		
Reasons	2019-2020	2020-2021
No proof for not appearing in court	17	3
No proof of new driver/person in control	747	1 492
No proof of representation application	0	37
AARTO 14 form not completed	66	651
No proof of non-service of infringement notice	2 009	2 226
No proof of court option	24	9
No proof of payment	1	6
Other	30 298	20 038
Total	33 162	24 462

Table 56: Reasons for Unsuccessful EO Revocations

The information in the table above shows as follows:

- The number of applications that were unsuccessful based on no proof of submitting a representation application was recorded 37 in 2020-2021 as compared with 2019-2020 with nothing on record;
- The number of applications with no proof of new driver/person in control have increased from 747 to 1 492 in 2020-2021;
- The number of applications that were unsuccessful based on no proof submitted of the court option elected decreased from 24 to 9 in 2020-2021; and
- The number of applications that were unsuccessful based on “other” reasons have decreased from 30 298 to 20 038 in 2020-2021.

B2 PERFORMANCE INFORMATION



In summary, all the number of reasons for unsuccessful enforcement order revocation applications has decreased, with the total from 33 162 in 2019-2020 to 24 462 in 2020-2021. The graph below shows a month-to-month comparison of the unsuccessful Enforcement Order revocation applications for 2019-2020 and 2020-2021:

Revocation of EO Unsuccessful Applications

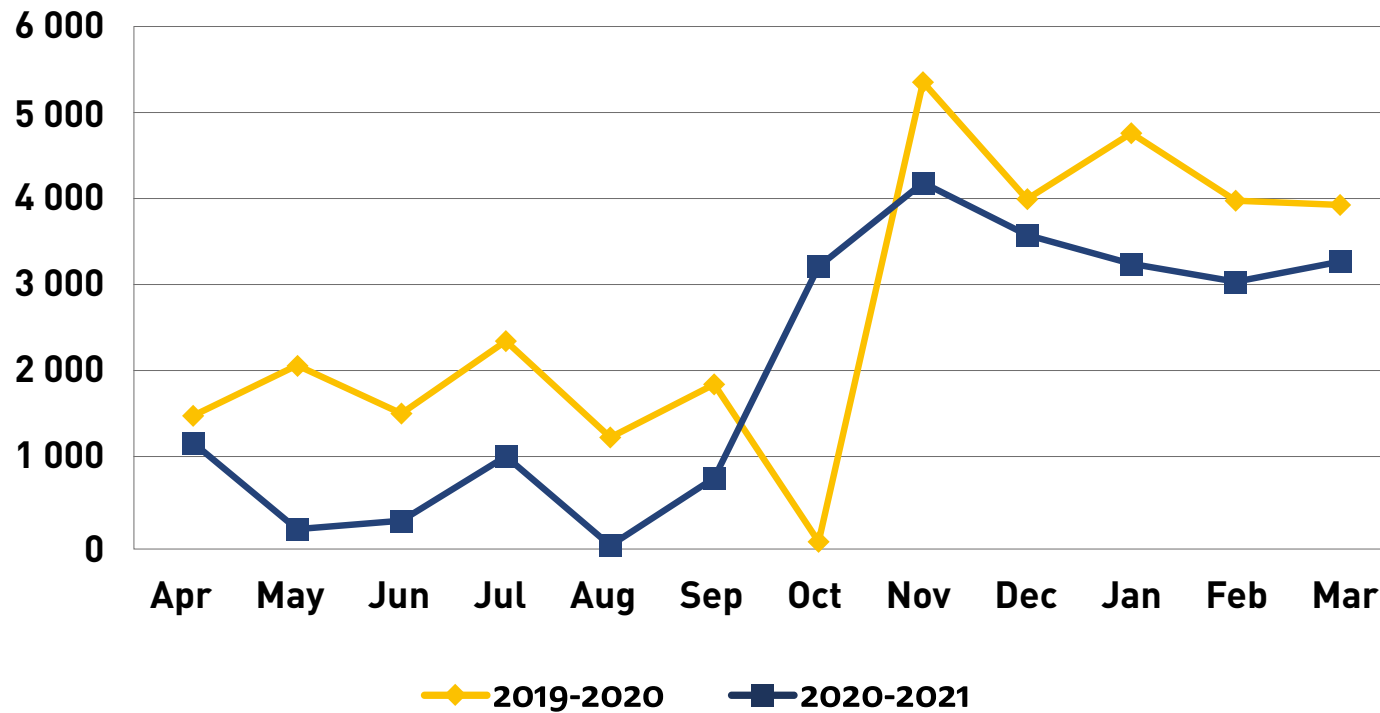


Figure 26: Reasons for Unsuccessful Revocations

The challenges, potential future improvements and measures that are being implemented with regard to the revocation of Enforcement Orders are similar to those listed under the representations part of this document.



PART C:

GOVERNANCE

C



C3 GOVERNANCE

3.1 INTRODUCTION

The RTIA is committed to ensuring full compliance with all the corporate governance requirements, processes and systems by which public entities are directed, controlled and held accountable. In addition to legislative requirements based on a public entity's enabling legislation and the corporate governance with regard to public entities is applied through the prescripts of the Public Finance Management Act (PFMA).

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

3.2 PORTFOLIO COMMITTEES

The Agency did not appear before the Portfolio Committee during the reporting period and it was mainly because of the disruptions which were caused by the COVID-19 lockdown situation, which resulted in the complete shutdown of all economic activities and government programmes.

3.3 EXECUTIVE AUTHORITY

Oversight by the Executive Authority rests by and large on the prescripts of the PFMA. The Executive Authority has the powers to appoint and dismiss the Board of a public entity and also to ensure that the appropriate mix of executive and non-executive directors is appointed with the necessary skills to guide the public entity.

The reports to the Executive Authority were all submitted timeously in line with the amended PFMA reporting schedule, owing to the COVID-19 disruptions. The main issues that were raised on the reports were the performance targets which could not be achieved because of the disruptions which were caused by the COVID -19 lockdown pandemic, thus the Agency submitted a request for the amendment of the APP. Such request was duly approved by the office of the Minister of Transport and the Agency is now reporting against such amended APP.

The normal reporting cycles which are contracted by the Agency with the Minister were impacted by the COVID-19 pandemic because of the related national lockdown and the associated disruption to the business environment. The Agency submitted its quarterly reports during the following dates:

- Quarter One report: 31 August 2020.
- Quarter Two report: 31 October 2020.
- Quarter Three report: 31 January 2021.
- Quarter Four report: 30 April 2021.

3.4 THE ACCOUNTING AUTHORITY / Board

Introduction

The Agency continued with the section 49(2) (b) governance arrangements during the first quarter of the reporting period. The activities of the section 49(2) (b) were guided by the charter which was approved during 2019. The Registrar as the delegated section 49(2) (b) Accounting Authority, exercised the ordinary functions of the Board in terms of section 7 of the AARTO Act as well as the delegations provided in terms of section 49 (2) (b) charter and appointed the Audit and Risk Committee and the Corporate Services Committee.



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

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

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

- Assumes all the functions which are ordinarily reserved for the Board, until such time that the Board is appointed by the Minister.
- S/he constitutes the fundamental base of corporate governance within the RTIA and heads all the Agency's constituent structures.
- S/he has 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, 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, also communicates with its shareholder and relevant stakeholders openly and promptly with substance prevailing over form.
- Has developed and implements an ICT Governance Framework aligned with the performance and sustainability objectives of the Agency. He/she delegates the responsibilities of ICT oversight to the Audit and Risk Committee.
- He, in conjunction with the Audit and Risk Committee oversaw the appointment, approval of fees and terms of engagement of the external auditor.
- The Accounting Authority may, if necessary, solicit independent professional advice at the expense of the RTIA. This process is followed in accordance with the RTIA's Procurement Processes and Procedures except in cases where it would prove untenable to do so.
- In terms of its fiduciary duties, ensures that the Shareholder's performance objectives are achieved and that same can be measured in terms of the performance of the RTIA. Also ensures that the RTIA prepares annual budgets against which, its performance can be measured.

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

- Prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct and expenditure not complying with the operational policies of the RTIA;
- Manage available working capital efficiently and economically;
- Institute disciplinary steps against any employee of the RTIA who:
 - Contravenes or fails to comply with a provision of the 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.

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- Assumes the functions of a Board during the annual general meeting and ensure that all items prescribed by the PFMA are tabled for discussion during that meeting.
- 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 subsequently reviewed during the Accounting Authority meeting on 25 October 2019 as part of the annual review procedure. The charter covers the following governance universe:

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

The Board was appointed by the Minister on the 6th August 2020, to provide strategic direction and leadership to the entity. The Board participated in the induction workshops which were scheduled on the 14th and 16th September as well as during 22 and 23 September 2020. The Board further provided leadership in the development of annual performance and strategy of the Agency during the strategic sessions of 12- 13 January 2021 as well as on the 15 – 16 January 2021. The Board took a decision to absorb some of the members of the committees which had been appointed by the section 49(2)(b) Accounting Authority, for the purpose of ensuring continuity in the oversight structures of the Agency. To this end, the Board appointed Ms Yvonne Mbane to continue in her role as the Chairperson of the Corporate Services Committee and further appointed Mr Bryan Chaplog as the Chairperson of the Audit and Risk Committee and Ms Shelley Thomas as a member of the Audit and Risk Committee

The Board continued to work co-operatively with all its Committees and ensured that it timeously received all the Committee reports on the functions assigned to them.

The role of the Board is as follows:



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- the Board constitutes the fundamental base of corporate governance within the RTIA. Accordingly, the RTIA's constituent structures is headed and controlled by an effective and efficient Board, comprising of executive and non-executive Directors, of whom the majority should be non-executive Directors in order to ensure independence and objectivity in decision making.
- as the Accounting Authority, the Board has the absolute responsibility for the effective performance of the Agency and is accountable to the Executive Authority for such performance. As a result, the Board gives strategic direction to RTIA and, in concurrence with the Minister or Executive Authority, ensures that an effective continuity plan is in place and adhered to for all Directors and key executives.

The Board –

- retains full and effective control over the RTIA and monitors management in implementing Board decisions, plans and strategies.
- ensures that the RTIA has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions prescribed in terms of the Companies Act and sections 76 and 77 of the 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. The Board therefore delegates its responsibilities to implement IT requirements to the Audit and Risk Committee.
- The Board further delegates the task of the assessment of the audit fee and strategy to the Audit and Risk Committee and finalises the appointment of the external auditors based on the recommendations it receives from the committee to that end.
- all Board members ensure that they have unrestricted access to accurate, relevant and timely information concerning or held by the RTIA and act on a fully informed basis, in good faith, with diligence, skill and care and in the best interest of the RTIA, whilst taking account of the interests of the Shareholder and other stakeholders, including employees, creditors, suppliers and local communities. To this end, the Board must monitor the process of disclosure and communication and exercise objective judgment on the affairs of the RTIA, independent of management. In so doing, each individual member of the Board must keep confidential all confidential matters of the RTIA.
- the Board, as a whole and/or individual Board members may, if necessary, solicit independent professional advice at the expense of the RTIA. This process is followed in accordance with the RTIA's Procurement Processes and Procedures except in cases where it would prove untenable to do so. The Chairman of the Board ensures that all Board members are familiar with such procedure and comply with it.
- The Board ensures that the Shareholder's performance objectives are achieved and that same can be measured in terms of the performance of the RTIA. In addition, the Board ensures that the RTIA prepares annual budgets against which, its performance can be measured.



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The Board takes appropriate and effective steps to –

- prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct and expenditure not complying with the operational policies of the RTIA;
- manage available working capital efficiently and economically;
- institute disciplinary steps against any employee of the RTIA who –
 - contravenes or fails to comply with a provision of the 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.
- the Board develops a clear definition of the levels of materiality or sensitivity in order to determine the scope of delegation of authority and ensures that it reserves specific powers and authority to itself. Delegated authority is in writing and evaluated on a regular basis.
- Board members attend annual general meetings and ensure that all items prescribed by the PFMA are tabled for discussion at such meetings.
- The Board ensures that financial statements are prepared for each financial year, which fairly presents the affairs of the RTIA. In addition, must maintain adequate accounting records, ensure that suitable accounting policies are consistently applied and supported by reasonable and prudent judgment and estimates, as well as having been used in the preparation of the financial statements and that relevant accounting standards are applied.
- The Board appraises its performance and that of the Chairman on an annual basis. The Board decided not to conduct the external Board appraisal process, owing to the fact that it commenced its duties in the middle of this reporting period. It however dedicated time in overseeing the implementation of the recommendations of the previous Board appraisal process, which the Agency had received during January 2020. The Agency had managed to implement 85% of recommendations at the end of the financial year.
- The Board has always maintained the highest standard of integrity, responsibility and accountability and endeavoured to find a fair balance between conforming to corporate governance principles and the performance of the RTIA.



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Board Charter

The Board charter of the Agency covers the following areas:

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

Composition of the section 49(2)(b) Accounting Authority

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Mr JR Chuwe	Registrar & Executive Director	March 2010	N/A	BA Law; BA (Honours); Certificate Programme in Project Management	Strategic management; Operational management; Transport Information Systems, including eNaTIS, Project management, Legislation	N/A	None	6

- The total number of Board engagements were broken down in the following manner:
 - 3 Ordinary meetings of the Section 49(2) Accounting Authority.
 - 3 engagement meetings between Section 49 (2) (b) Accounting Authority and the executive assessment service provider.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Ms B Zulu	Non- Executive Chairperson	06 August 2020	N/A	B.Proc, MBA	Corporate Governance Legal Advisory, compliance management and strategy development	Board Member – KZN Growth Fund, Board Member – CIDB,		33
Mr JR Chuwe	Registrar & Executive Director	01 March 2010	N/A	BA Law, Advanced diploma in Project Management	Strategic management; Operational management; Transport Information Systems, including eNaTIS, Project management, Legislation	N/A	EXCO	23
Dr Prittish Dala	Non-Executive Director	06 August 2020	N/A	PhD (Information Technology), Masters (Information Technology) and BSc Hons (Computer Science), Bachelor of Information Technology, Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001 (LA ISO 27001), Certified in the Governance of Enterprise Information Technology (CGEIT), Certified in Risk and Information Systems Control (CRISC), Certified Ethical Hacker (CEH), Computer Hacking Forensic Investigator (CHFI) and Certified Data Privacy Solutions Engineer (CDPSE).	Information Technology, Cyber Security and Privacy, Project Governance and Management, Information Technology Audit, Internal Auditing, Risk Management, Governance, Compliance, Forensics and Research.	Durban Marine Theme Park Exponential Enterprises Gautrain Management Agency.	Technical Committee, Audit & Risk Committee	33

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Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Date resigned	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees (e.g: Audit committee)	No. of Meetings attended
Mr B Ramokhele	Non- Executive Director	06 August 2020	N/A	B Acc Sci, HDip Acc, CA (SA),	Finance and Auditing	RTIA Board Member Audit Committee member, Finance Committee member and Innovations and Linkages Committee member – Central Johannesburg College. Finance Committee Chairperson and Audit Committee member – Gauteng CET College. Board Member and served in various committees – Black Business Council.	Audit & Risk Committee, Corporate Services Committee	33
Adv. Ivy Thenga	(Ex Officio) Non- Executive Director	06 August 2020	01 March 2021	B.luris, LLB	Public Prosecutions	N/A	Technical committee	7
Dr D Khosa	Non-Executive Director	06 August 2020	N/A	B. Tech & Master's degree – Policing, (TUT), D.Litt. et Phil- Police Science (UNISA).	Traffic Law Enforcement	N/A	Corporate Services Committee, Technical Committee	33
Mr O Mtsetweni	Non - Executive	06 August 2020	N/A	B.Tech – Traffic Municipal Police Management, National Diploma B.Admin, National Diploma – Traffic Municipal Police Management	Traffic Law Enforcement	N/A	Technical Committee, Corporate Services Committee	33
Ms MM Mabula	Executive Director	12 February 2021	None	National Diploma: Public Finance, Postgraduate Diploma: Public Finance Management, Postgraduate Certificate: Executive Leadership	Strategy, Budgeting, Financial Analysis, Internal Control and Project Management	N/A	Exco	7

- The total number of Board engagements were broken down in the following manner:
 - 11 Ordinary Board meetings
 - 22 Special meetings
 - 9 Engagements with the Minister, Deputy Minister, special events at the DoT (Which were calculated into the schedule of meetings in the above table)
- Adv Ivy Thenga resigned from the Board during the first week of March 2021 .

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Committees

Committee	No. of meetings held	No. of Members	Names of Members	No. of Attendance
No. of Attendance	26 meetings	4	Mr BS Chaplog (Chair)	26
			Ms S Thomas	26
	8 Ordinary meetings		Dr P Dala	19
	18 Special meetings		Mr B Ramokhele	19
			Ms T Mjoli	13
			Mr M Dondolo	13
			Ms Y Mbane	13
Technical Committee	3 meetings	4	Dr P Dala (Chair)	3
			Mr O Mtsetweni	3
	3 Ordinary meetings		Dr D Khosa	3
			Adv I Thenga	1
Corporate Services Committee	14 meetings	4		
			Ms Y Mbane (Chair)	13
	5 Ordinary meetings		Dr D Khosa	7
	9 Special meetings		Mr B Ramokhele	7
			Mr O Mtsetweni	7
			Adv T Maphike	9
		Mr G Blöse	9	

- Adv Ivy Thenga resigned from the Technical committee during the first week of March 2021 .

Legend:

- Absent with apology
- Resigned from Board membership & Committee

Remuneration of Board members

Board members

- The Board remuneration is determined by the Minister of Finance through the normal annual adjustments in April of each year
- Ms B Zulu is remunerated as a Chairperson of the Board



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- Dr P Dala is remunerated as a member of the Board, Chairperson of the Technical Committee, and member of the Audit and Risk Committee.
- Mr B Ramokhele is remunerated as a member of the Board, member of the Audit and Risk Committee, and member of the Corporate Services Committee.
- Mr O Mtsetweni is remunerated as a member of the Board, member of the Corporate Services Committee, and Technical Committee.
- Dr D Khosa is remunerated as a member of the Board, member of the Corporate Services Committee and as a member of Technical Committee.
- Adv Ivy Thenga is an ex officio member of the Board by virtue of secondment from NPA.
- Mr JR Chuwe is remunerated through his salary as the Executive Director.
- Ms Maggie Mabula is remunerated through her salary as an Acting Registrar.
- Members are remunerated for the time and effort spent on the RTIA's business, they are not paid for their travel and related expenditure.

Independent members of Board Sub-Committees

- Mr B Chaplog is remunerated as the Chairperson of the Audit and Risk Committee.
- Ms S Thomas is remunerated as an independent member of the Audit and Risk Committee.
- Ms Y Mbane is remunerated as the Chairperson of the Corporate Services Committee.

3.5 RISK MANAGEMENT

The 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 Accounting Authority. Quarterly Risk Monitoring and Analysis Reports were submitted to 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 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. A strategic risk assessment workshop is conducted annually aligned to Strategy review and APP development to develop a Strategic Risk Register. The Registrar have appointed an Operational Risk Committee that manages and monitors the risks in the agency and report to the Executive Management Committee. The ARC have received quarterly reports on how risks are managed and mitigated for the 2020/2021 financial year and reported such progress to the Accounting Authority. With the agency preparing for National AARTO Roll Out, it has developed a Project AARTO Roll Out Risk Register to closely monitor the risks that can hamper the successful Roll Out. The risk owners for the risks in the register are both internal and external stakeholders who manages and monitors the risks through the AARTO steering committees.

3.6 INTERNAL CONTROL UNIT

The 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, as the organisation does not have a dedicated internal control unit. Both Management and the Internal Audit function, closely monitor the controls and actions are taken to correct deficiencies as they are identified.

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The Risk Management Unit has developed a Control Self-Assessment Tool used by management to continuously assess the effectiveness of controls they have implemented to mitigate the risks 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.

3.7 INTERNAL AUDIT AND AUDIT COMMITTEES

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 purpose, authority and responsibility of the internal audit function is defined in the internal audit charter approved by the Audit Committee annually. The Audit and Risk Committee annually approves the annual audit plan which 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, management, 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 on a quarterly basis.

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;
- Reviewing compliance with laws and regulations; and
- Analysing operations and confirming information.

The Internal Audit Function completed 16 of the 22 audits as per the approved audit plan with one audit being deferred to the 2021/2022 financial year. See below information pertaining to Audit Committee members:

Remuneration of Audit and Remuneration Committee members

- The Board remuneration is determined by the Minister of Finance through the normal annual adjustments in April of each year
- Mr B Chaplog is remunerated as an Independent Chairperson of the Committee.
- Dr P Dala is remunerated as a Non-Executive member of the Board and the Committee.
- Mr B Ramokhele is remunerated as a Non-Executive member of the Board and Committee.
- Ms S Thomas is remunerated as an Independent member of the Committee.
- Members are remunerated for the time and effort spent on the RTIA's business, they are not paid for their travel and related expenditure.



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3.8 COMPLIANCE WITH LAWS AND REGULATIONS

The Agency developed the compliance universe, comprising 14 Regulatory issues, which cover the full spectrum of the Agency's business. A compliance committee has been in existence since 2018 and its main task is to exercise an oversight role and guidance in the implementation of various compliance in respect to the Agency's compliance universe. This committee reports directly to the Executive committee and upwards to the Audit and Risk committee.

The Agency achieved a performance of 71% against targets which were set in terms of its compliance universe. The areas which contributed to variance between 71% and 100% has been due to Disaster Management Regulations and the hard lock down which led to inactivity in operations of the RTIA.

3.9 FRAUD AND CORRUPTION

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

3.10 MINIMISING CONFLICT OF INTEREST

The Board, Committee members as well as EXCO members completed financial disclosure forms during the reporting period. Declaration of interest is formalised at the beginning of the meeting of each committee; so that the Chairperson of the meeting can provide guidance on whether the nature of the conflict with the matter of discussion warrants that the member should be recused from the meeting.

3.11 CODE OF CONDUCT

The code of conduct was still in a draft format at the end of the reporting period, it will be finalised and approved in the new financial year.

3.12 HEALTH SAFETY AND ENVIRONMENTAL ISSUES

For the year under review the RTIA through the Facilities Unit established the Occupational Health and Safety Committee in line with section 17 of the Occupational Health and Safety Act, (Act 85 of 1993). The Committee discharges its duties and responsibilities as outlined in section 18 of the OHS Act, 1993. In addition, the Committee complies with the OHS Regulations to ensure the health and safety of RTIA Employees. The RTIA ensured vigorous training of the committee members to discharge of their responsibilities to assist the Registrar as the ultimate responsible person in line with section 16 of the OHS Act, 1998. To guide their responsibilities an OHS Action plan has been revised and implemented by the OHS representatives.

In the wake of COVID-19, the Registrar/ CEO established a Crisis Committee to advice and take the lead in implementing measures to deal with this pandemic in the workplace. As a result, a COVID-19 response Plan was drafted and approved by the governing structures to guide RTIA Employees and its management through all the alert levels.



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3.13 COMPANY SECRETARY/ EXECUTIVE HEAD: CORPORATE GOVERNANCE & LEGAL SERVICES

In terms of Section 14(1) and (3) of the Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998) and Section 40(1)(c) and (d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), I certify that for the financial year ended 31 March 2021, the Road Traffic Infringement Agency has lodged with the Minister of Transport and the National Treasury, the required audited annual financial statements, audited performance information and the annual report as prescribed.

3.14 SOCIAL RESPONSIBILITY

The Agency engaged in the development of the social and ethics strategy, which it plans to implement in the new financial year. The social responsibility will be premised on the stakeholder analysis which has been drafted in the social and ethics strategy.

3.15 AUDIT AND RISK COMMITTEE REPORT

The Road Traffic Infringement Agency (RTIA) Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2021.

Audit and Risk Committee Responsibility

The ARC reports that it has complied with its responsibilities arising from Sections 51(1) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act (PFMA) as well as Treasury Regulation 27.1. Furthermore, the ARC has adopted an ARC Charter and has regulated its affairs in compliance with this Charter as well as discharged all its responsibilities as contained therein.

Membership

In terms of membership, the ARC is currently comprised of two external independent members and two additional members from the RTIA Board. A list of the members and their respective qualifications as well as a record of their attendance is provided below:

Name of Member	Qualifications	Date Appointment	Date Resigned	No. of Meetings Attended
Mr Bryan Chaplog	CA (SA)	26 Sep 2019	14 Jan 2022	26
Ms Shelley Thomas	CA (SA)	26 Sep 2019	14 Jan 2022	26
Dr Prittish Dala	BSc (Computer Science), Masters (Information Technology), Doctorate (Information Technology)	15 Sep 2020	N/A	19
Mr Bonolo Ramokhele	B Acc Sci, HDip Acc, CA (SA),	15 Sep 2020	N/A	19
Ms Tembeka Mjoli	B Acc Sci, HDipCompAud	26 Sep 2019	13 Nov 2020	19
Mr Mzikayise Dondolo	BAdmin, MBA,	26 Sep 2019	13 Nov 2020	19
Ms Yvonne Mbane	BAdmin, MBA,	26 Sep 2019	13 Nov 2020	19



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The Effectiveness of Internal Controls

An assessment of the findings identified by the Internal Audit (overall assessment of the control environment) as well as the management and audit reports presented to the ARC by Auditor-General of South Africa (AGSA), reveals that the control environment requires significant improvement. In particular, the ARC is concerned with the lack of improvement in the internal control, risk management and governance environment. This is primarily as a result of management not adequately addressing the root cause of the findings identified by the internal and external auditors as well as the non-implementation of recommendations provided by governance oversight structures such as the ARC and the Board.

An audit action plan was in place, however, the management structures and monitoring thereof was ineffective as independent assurance by internal and external auditors identified that specific audit findings were not adequately resolved.

Accordingly, the ARC can report that the system of internal control, governance and risk management was generally inadequate and ineffective and has identified the following key areas of concern that should be addressed:

- Quality of the annual financial statements and performance information;
- Capacity and skills within the Finance department;
- Supply chain and contract management;
- Irregular expenditure;
- Asset management;
- Policies and procedures;
- Record keeping;
- ICT and cyber security;
- Enterprise risk management (Risk management, business continuity management, compliance and combined assurance); and
- Audit action plan and the non-implementation of recommendations by various assurance providers (internal audit, external audit, ARC and the Board).

The ARC has raised concern that the work of Internal Audit in terms of control, governance, and risk management is hampered by repeated instances of scope limitations and tardiness of management to submit information.

In-Year Management and Monthly/Quarterly Reports

The RTIA has reported to the National Treasury and the Department of Transport in accordance with the requirements of the PFMA. The ARC as well as assurance providers provided management with recommendations to improve the quality of performance information and financial reporting.

Evaluation of Financial Statements

The ARC has:

- Reviewed the unaudited financial statements with due consideration of the management assurance provided (supported by a Generally Recognised Accounting Practice (GRAP) review by a service provider engaged by management) as well as the independent assurance from Internal Audit which included a scope limitation. During the review the ARC raised specific concerns in relation to the financial position, high risk of recurring audit findings, quality of the unaudited annual financial statements;
- Reviewed changes in accounting policies and practices;

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- Reviewed the AGSA audit and management reports;
- Reviewed and discussed the audited financial statements to be included in the annual report, with management and reported to the Accounting Authority;
- Reviewed the information on predetermined objectives to be included in the annual report and raised specific concern with accuracy and reliability of the performance information;
- Reviewed compliance with legal and regulatory provisions; and
- Reviewed the audited financial statements for any significant adjustments resulting from the audit report;
- The ARC did not recommend the AFS and APR to the Board before 31 May 2021 due to the significant material misstatements and errors in the AFS and APR;
- The ARC requested that an independent service provider be contracted to assist management with the compilation of the AFS according to the standards;
- The ARC requested that an independent quality assurance provider be contracted to issue a QAR on the AFS and APR.

B-BBEE Compliance Performance Information

Has the Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	Response Yes / No	Discussion (include a discussion on your response and indicate what measures have been taken to comply)
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	RTIA was established in terms of Act of Parliament
Developing and implementing a preferential procurement policy?	Yes	Implemented in line with national treasury guidelines and and the preferential procurement policy
Determining qualification criteria for the sale of state-owned enterprises?	Yes	This requirement criteria is always stipulated in the applicable tenders issued by the RTIA to the public
Developing criteria for entering into partnerships with the private sector?	Yes	There is existing partnership with private institutions.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	There is existing partnership with private institutions



Adv. MLT Bilikwana
Company Secretary

Date: 31 October 2021

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RTIA Board



Ms B Zulu



Dr D Khosa



Mr B Ramokhele



Dr P Dala



Mr Japh Chuwe



Adv. M Bilikwana



Ms MM Mabula



Mr OT Mtsetweni

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RTIA Executives



Mr Japh Chuwe
Registrar



Ms MM Mabula
Acting Registrar



Dr Kaine Monyepao
Deputy Registrar: Strategy Development,
Monitoring and Evaluation



Ms Amogelang Matebese, CA(SA)
Acting Chief Financial Officer



Ms Palesa Moalusi, CA(SA)
Chief Financial Officer



Ms Keobakile Pooe
Risk Management and
Internal Audit



Adv. M Bilikwana
Legal, Compliance and Company
Secretariat



Mr Gert van Eeden
Deputy Registrar: Traffic
Infringement Management

PART D:

HUMAN RESOURCE MANAGEMENT





D4 HUMAN RESOURCE MANAGEMENT

4.1 INTRODUCTION

For the year under review the Human Resources Management Unit achieved 100% of its workplace skills plan (WSP) in which learning interventions for RTIA staff were prioritised to ensure adequate skills development in the Agency. The Agency prioritised Learning and development interventions that will support its mandate in preparation for the national AARTO Roll Out. In terms of the head-count for the year under review, the Agency recorded a total 123 employees at the end of the year 31 March 2021, with five (5) terminations as a consequence of death, resignation and termination of contract.

The Human Resources Management unit faced unprecedented challenges brought about by the global coronavirus pandemic, which required for the adoption of new employment compliance practices for the health and safety of employees. In order to ensure business continuity, the Agency had to adapt to conducting business virtually, which presented an opportunity to innovate and manage employees remotely during the national lockdown. With the relaxation of COVID-19 regulations as a matter of compliance, the RTIA put in place measures to accommodate phased return of employees to the workplace. Stringent health protocols were put in place to curb the spread of the coronavirus, unfortunately, the RTIA recorded twelve (12) positive cases and two (2) deaths as a result of the pandemic.

Amongst some of the plans put in place to manage the spread of this virus the RTIA implemented the following:

Employee Health and Wellness Services in relation to COVID-19

- The Agency has appointed a wellness service provider (CAREWAYS) to provide employee health and wellness in respect of COVID-19;
- The Agency continuously encouraged employees to adhere to health tips and minimise the spread of the virus; and
- The Agency has implemented a LIFERISK tool to conduct health screenings as well as monitor employee symptoms on daily basis.

4.2 HUMAN RESOURCES OVERSIGHT STATISTICS

The tables below will also provide an overview of human resources operations within the Agency for the year under review.

Table 2.1: Personnel Cost by Programme

Table 2.1	Personnel Cost by Programme				
Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
1	3 985	3 194	80%	10	319
2	15 863	19 683	124%	11	1789
3	0	4 181	0%	10	418
4	34 680	50 143	145%	74	678
5	6 023	8 060	134%	18	448
TOTAL	60 551	85 261	141%	123	3652



D4 HUMAN RESOURCE MANAGEMENT

Table 2.2: Employee Costs by Salary Band

Salary Bands	Personnel Cost by Programme		
	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees
Top Management (Level 15-16)	14 418	17%	7
Senior Management (Levels 13-14)	19 197	23%	15
Professional Qualified (Levels 9-12)	30 134	35%	38
Skilled (Levels 6-8)	20 573	24%	57
Semi-skilled (Levels 3-5)	939	1%	6
TOTAL	85 261	100%	123

For the year under review the Agency recorded 123 staff members comprised of all occupational levels excluding external bursary holders that received a stipend with a total cost of R 24 480 for the 2020-2021 financial year. The financial implications of other levels are illustrated in table 2.2.

In line with the appreciation that individual employee performance is an essential element towards the attainment of the Agency's strategic objectives, the Agency has continued to implement a performance management system that advocates for high levels of performance by all RTIA employees by prioritising, the setting of objectives and performance dialogues, clear ratings scales as well recognition of performance. The framework adopted by the RTIA aims to serve as a motivating and developmental tool used by RTIA employees to incite hard work. This link takes into account the developmental approach to performance management. For the year under review, there were no performance incentives paid.

D4 HUMAN RESOURCE MANAGEMENT

For the year under review the RTIA was able to achieve 100% implementation of the annual workplace skills plan (WSP) aimed at empowering RTIA staff to deliver on the AARTO mandate, specifically for the reporting period the Agency implemented learning and development interventions to ensure that Agency employees are capacitated to deliver on the national AARTO Roll Out. In addition to the learning and development priorities, the Agency also continued implementing the internal bursary programme to further ensure lifelong learning to meet future Agency knowledge requirements. Below is a cost illustration of the learning and development interventions for the year under review.

Table 2.3: Training Costs per Business unit

Table 2.3 Training Costs per Business Unit						
Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of Employees Trained	Avg Training Cost per Employee (R'000)	
Office of the Registrar	62 870	60	0.10%	9	7	
AARTO Operations	1 887	7	0.37%	1	7	
Finance	4 627	47	1.029%	7	7	
Information Management	4 180	0	0.00%	0	0	
Adjudications	11 697	74	0.639%	11	7	
TOTAL	85 261	188	0.22%	28	7	

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

Table 2.4 Employment and Vacancies per Occupational Band

Table 2.4 Employment and Vacancies per Occupational Band					
Programme	2019 / 2020 No. of Employees	2020 / 2021 Filled Vacancies	2020 / 2021 No. of Employees	2020 / 2021 Vacancies	% of vacancies
1	51	5	54	5	100%
2	5	0	5	0	0
3	20	1	21	1	100%
4	11	0	10	0	0
5	31	1	33	1	100%
TOTAL	118	7	123	7	100%

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Table 2.5: Changes in Employee Numbers and Movements

Table 2.5	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)	4	2	0	7
Senior Management (Levels 13-14)	15	0	0	15
Professional Qualified (Levels 9-12)	39	1	2	38
Skilled (Levels 6-8)	57	3	3	57
Semi-skilled (Levels 3-5)	3	3	0	6
Unskilled (Levels 1-2)	0	0	0	0
TOTAL	118	9	5	123

For the period under review only five (5) employees terminated their employment with the Agency through resignation, death, end of contract respectively.

Table 2.6: Reasons for staff leaving

Table 2.6	Reasons for Staff Leaving	
Reason	Number	% of total no. of staff leaving
Death	2	1.64%
Resignation	1	0.82%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	2	1.64%
Other	0	0%
Total	5	4.10%

The RTIA has recorded four (4) suspensions. These disciplinary measures are in line with the approved policy on discipline in the RTIA. By the end of the financial year under review, one suspension was lifted. The investigations were concluded at the end of June 2021, and the disciplinary processes are underway for the three who were placed under precautionary suspension. Subsequently the employment contracts of two were terminated.

D4 HUMAN RESOURCE MANAGEMENT

Table 2.7: Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	0
Final Written warning	0
Suspension	4
Dismissal	0
Total	4

Employment Equity Status and Equity Targets

Below is outline of the employment equity landscape of the Agency, although not much recruitment took place for the financial year 2020-2021 in the Agency. The RTIA still strives to recruit prospective employees from the designated groups namely, women and people living with disabilities. As and when the Agency embarks on recruitment drives it will prioritise the above-mentioned groups to ensure representation in the Agency. The current headcount depicts over representation on African males and under-representation from other demographics across all occupational levels. See the tables below.

Table 2.8(a) Employment Equity and Targets

Table 2.8 a	Labour Relations : Equity Target and Employment Equity Status - Male									
Race Group	African		Coloured		Asian		White		Total Male	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	0	0	0	0	0	1	0	4	0
Senior Management	10	0	0	1	0	1	1	0	11	2
Professional qualified	20	0	1	0	0	1	0	1	21	2
Skilled	25	0	1	0	0	1	0	1	26	2
Semi-skilled	4	0	0	0	0	0	0	0	4	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	62	0	2	1	0	3	2	2	66	6

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The table below depicts over-representation of African females in the Agency however, it should be noted that the over-representation is on non-managerial roles. In view of that the RTIA still has to ensure equitable representation of all racial groups across all occupational levels. The RTIA has to embark on recruitment processes that will target people from designated groups in line with the Employment Equity of the RTIA, which clearly specifies that Women in general must be earmarked for management positions, employment of female Indians, Coloureds and Whites. With the planned recruitment drives the RTIA through its HR Unit will ensure employment of designated groups across all occupational levels in the RTIA.

Table 2.8(b) Employment Equity and Targets

Table 2.8 b Labour Relations : Equity Target and Employment Equity Status - Female										
Race Group	African		Coloured		Asian		White		Total Female	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	0	0	0	0	0	0	0	3	0
Senior Management	4	0	0	1	0	1	0	1	4	3
Professional qualified	14	0	2	0	0	1	1	0	17	1
Skilled	31	0	0	1	0	1	0	1	31	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	53	0	3	2	0	3	1	2	57	7

The table below depicts a complete scenario of the employment equity status of the RTIA and glaringly there is over-representation of African males and females as opposed to other demographics. This landscape needs to change if the RTIA is to reach its targets as indicated in the Employment Equity Plan (EEP). There is still a need to ensure representation across all occupational levels by under-represented groups namely Coloureds, Indians and White people. However, there is still under-representation of African females in senior management level.

Table 2.8(c) Employment Equity and Targets

Table 2.8 c Labour Relations : Equity Target and Employment Equity Status - Total										
Race Group	African		Coloured		Asian		White		Total Female	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	6	0	0	0	0	0	1	0	7	0
Senior Management	14	0	0	2	0	2	1	1	15	5
Professional qualified	34	0	3	0	0	2	1	1	38	3
Skilled	56	0	1	1	0	2	0	2	57	5
Semi-skilled	5	0	1	0	0	0	0	0	6	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	115	0	5	3	0	6	3	4	123	13



D4 HUMAN RESOURCE MANAGEMENT

The RTIA still struggles to attract people living with disabilities to take up employment opportunities. Although employment advertisements clearly indicate that under-represented groups in the RTIA will be given preference in employment opportunities, there has not been progress in this area. In the 2021-2022 the RTIA will have to be aggressive in its efforts to attract people living with disabilities to take up employment opportunities. It is imperative to ensure that the RTIA contributes to the increase in economically active persons (EAP) as required by Employment Equity Act, 1998. The table below indicates planned targets in respect of employment equity plan of the RTIA.

Table 2.8 d Gender	Disabled Staff					
	Male		Female		TOTAL	
	Current	Target	Current	Target	Current	Target
Occupational Bands						
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

PART E:

FINANCIAL INFORMATION

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

1. Accounting Authority's Responsibility and Approval	132
2. Audit and Risk Committee Report	133
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4. Statement of Financial Position	143
5. Statement of Financial Performance	144
6. Statement of Changes in Net Assets	145
7. Cash Flow Statement	146
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10. Notes to the Annual Financial Statements	163

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Accounting Authority is required in terms of the Public Finance Management (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 Accounting Authority's responsibility 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 are 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 place considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the Accounting Authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating

risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The 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 have reviewed the entity's cash flow forecast for the year to 31 March 2022 and, in light of this review and the current financial position, it is satisfied that the entity has or had 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.

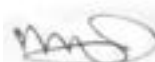
Although the accounting authority is primarily responsible for the financial affairs of the entity, it is supported by the entity's auditors.

The Auditor General is responsible for independently auditing and reporting on the entity's annual financial statements.

The annual financial statements set out on pages 4 to 38, which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 October 2021, and were signed on its behalf by:



Ms B. Zulu
Chairperson of the Board



Ms MM Mabula
Acting Registrar

AUDIT AND RISK COMMITTEE REPORT

Audit and Risk Committee Report

The Road Traffic Infringement Agency (RTIA) Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2021.

Audit and Risk Committee Responsibility

The ARC reports that it has complied with its responsibilities arising from Sections 51(1) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act (PFMA) as well as Treasury Regulation 27.1. Furthermore, the ARC has adopted an ARC Charter and has regulated its affairs in compliance with this Charter as well as discharged all its responsibilities as contained therein.

Membership

In terms of membership, the ARC is currently comprised of two external independent members and two additional members from the RTIA Board. A list of the members and their respective qualifications as well as a record of their attendance is provided below:

Name of Member	Qualifications	Date Appointment	Date Resigned	No. of Meetings Attended
Mr Bryan Chaplog	CA (SA)	26 Sep 2019	14 Jan 2022	26
Ms Shelley Thomas	CA (SA)	26 Sep 2019	14 Jan 2022	26
Dr Prittish Dala	BSc (Computer Science), Masters (Information Technology), Doctorate (Information Technology)	15 Sep 2020	N/A	19
Mr Bonolo Ramokhele	B Acc Sci, HDip Acc, CA (SA),	15 Sep 2020	N/A	19
Ms Tembeka Mjoli	B Acc Sci, HDipCompAud	26 Sep 2019	13 Nov 2020	19
Mr Mzikayise Dondolo	BAdmin, MBA,	26 Sep 2019	13 Nov 2020	19
Ms Yvonne Mbane	BAdmin, MBA,	26 Sep 2019	13 Nov 2020	19

The Effectiveness of Internal Control

An assessment of the findings identified by the Internal Audit (overall assessment of the control environment) as well as the management and audit reports presented to the ARC by Auditor-General South Africa (AGSA), reveals that the control environment requires significant improvement. In particular, the ARC is concerned with the lack of improvement in the internal control, risk management and governance environment. This is primarily as a result of management not adequately addressing the root cause of the findings identified by the internal and external auditors as well as the non-implementation of recommendations provided by governance oversight structures such as the ARC and the Board.

An audit action plan was in place, however, the management structures and monitoring thereof was ineffective as independent assurance by internal and external auditors identified that specific audit findings were not adequately resolved.

Accordingly, the ARC can report that the system of internal control, governance and risk management was generally inadequate and ineffective and has identified the following key areas of concern that should be addressed:



AUDIT AND RISK COMMITTEE REPORT

- Quality of the annual financial statements and performance information;
- Capacity and skills within the Finance department;
- Supply chain and contract management.
- Irregular expenditure;
- Asset management;
- Policies and procedures;
- Record keeping;
- ICT and cyber security;
- Enterprise risk management (Risk management, business continuity management, compliance and combined assurance); and
- Audit action plan and the non-implementation of recommendations by various assurance providers (internal audit, external audit, ARC and the Board).

The ARC has raised concern that the work of Internal Audit in terms of control, governance, and risk management is hampered by repeated instances of scope limitations and tardiness of management to submit information.

In-Year Management and Monthly/Quarterly Reports

The RTIA has reported to the National Treasury and the Department of Transport in accordance with the requirements of the PFMA. The ARC as well as assurance providers provided management with recommendations to improve the quality of performance information and financial reporting.

Evaluation of Financial Statements

The ARC has:

- Reviewed the unaudited financial statements with due consideration of the management assurance provided (supported by a Generally Recognised Accounting Practice (GRAP) review by a service provider engaged by management) as well as the independent assurance from Internal Audit which included a scope limitation. During the review the ARC raised specific concerns in relation to the financial position, high risk of recurring audit findings, quality of the unaudited annual financial statements.
- Reviewed changes in accounting policies and practices;
- Reviewed the AGSA audit and management reports;
- Reviewed and discussed the audited financial statements to be included in the annual report, with management and reported to the Accounting Authority;
- Reviewed the information on predetermined objectives to be included in the annual report and raised specific concern with accuracy and reliability of the performance information;
- Reviewed compliance with legal and regulatory provisions; and
- Reviewed the audited financial statements for any significant adjustments resulting from the audit report.
- The ARC did not recommend the AFS and APR to the board before 31 May 2021 due to the significant material misstatements and errors in the AFS and APR.
- The ARC requested that an independent service provider be contracted to assist management with the compilation of the AFS according to the standards
- The ARC requested that an independent quality assurance provider be contracted to issue a QAR on the AFS and APR.



AUDIT AND RISK COMMITTEE REPORT

Auditor-General's Report

The ARC notes with concern the qualified audit opinion and concurs as well as accepts the conclusions of the AGSA on the annual financial statements and is of the opinion that the audited annual financial statements be accepted and read together with the report of the AGSA.

Audit and Risk Committee Conclusion:

- The committee is not able to confirm that the system of internal control, governance and risk management in the agency is still adequate in identifying risks and allowing the management to understand the appropriate management of such risks.

A handwritten signature in black ink, appearing to read "Bryan Chaplog".

Bryan Chaplog
Audit and Risk Committee Chairperson



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ROAD TRAFFIC INFRINGEMENT AGENCY

Report on the audit of the financial statements**Qualified opinion**

1. I have audited the financial statements of the Road Traffic Infringement Agency (RTIA) set out on pages **143 to 186**, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and with 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, except for the effects of the matter described in the basis for qualified opinion section of this auditor's report the financial statements present fairly, in all material respects, the financial position of RTIA as at 31 March 2021, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

Basis for qualified opinion**Irregular Expenditure**

3. Section 55(2)(d)(i) of the PFMA requires the public entity to disclose in a note to the financial statements particulars of all irregular expenditure that occurred during the year. The public entity did not have an adequate system for identifying and disclosing all irregular expenditure and there were no satisfactory alternative procedures that I could perform to obtain reasonable assurance that all irregular expenditure has been properly recorded in note 22 to the financial statements. Consequently, I was unable to determine if any further adjustment was necessary to the irregular expenditure stated at R 95,12 million (2020: R 0) in the financial statements.

AARTO assets and liabilities

4. The public entity did not maintain adequate internal controls relating to the daily and monthly processing and reconciling of AARTO assets and liabilities disclosed in note 9. As a result, I was unable to obtain sufficient appropriate audit evidence that AARTO assets and liabilities are appropriately accounted for. I could not confirm the amounts by alternative procedures. Consequently, I was unable to determine whether any further adjustment was necessary to the AARTO assets and liabilities line item stated at R 60,77 million (2020: R57,15 million) in the financial statements.

Context for the opinion

5. 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 my report.
6. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
7. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibilities of the accounting authority for the financial statements

8. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ROAD TRAFFIC INFRINGEMENT AGENCY

financial statements that are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public 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

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. 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**

12. In accordance with the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
14. 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 programmes presented in the public entity's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the Annual Performance Report
Programme 1: AARTO administration and education	39
Programme 2: Adjudication and AARTO support	40 - 41
Programme 3: AARTO information and analytics	42 - 43
Programme 4: Governance and sustainability	43 - 44
Programme 5: AARTO Roll Out programme	44 - 46



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ROAD TRAFFIC INFRINGEMENT AGENCY

15. 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.

16. The material findings on the usefulness of the performance information of the selected programme are as follows:

Programme 4 - Governance and sustainability

Implementation of the re-aligned organisation structure

17. I was unable to obtain sufficient appropriate audit evidence that clearly defined the predetermined evidence and method of collection to be used when measuring the actual achievement for the indicator. This was due to insufficient measurement definitions and processes. I was unable to test whether the indicator was well-defined by alternative means.

Programmes with no material findings

18. I did not identify any material findings on the usefulness and reliability of the reported performance information for these programmes:

- Programme 1: AARTO administration and education
- Programme 2: Adjudication and AARTO support
- Programme 3: AARTO information and analytics
- Programme 5: AARTO rollout programme

Other matters

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages **27** to **46** for information on the achievement of planned targets for the year and management explanations provided for the under/overachievement of targets. This information should be considered in the context of the material finding on the usefulness of the reported performance information in paragraphs 17 of this report.

Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of programme 1: AARTO administration and education and programme 2: Adjudication and AARTO support. 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

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

Financial statements, performance and annual report

24. Financial statements were not submitted for auditing within the prescribed period after the end of financial year, as required by section 55(1)(c)(i) of the PFMA.
25. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1) (a) and (b) of the PFMA.
26. Material misstatements identified by the auditors in the submitted financial statements were not adequately corrected and the supporting records could not be provided subsequently, which resulted in the financial statements receiving a qualified opinion.

Procurement and contract management

27. Some of the goods and services with a transaction value below R500 000 were procured without obtaining the required price quotations, as required by Treasury Regulation 16A6.1 and paragraph 3.3.1 of Practice Note 8 of 2007/08.
28. Some of the goods and services of a transaction value above R500 000 were procured without inviting competitive bids and deviations were approved by the accounting authority but it was practical to invite competitive bids, as required by Treasury Regulation 16A6.1 and paragraph 3.4.1 of Practice Note 8 of 2007/2008 and TR 16A6.4
29. The preference point system was not applied in some of the procurement of goods and services above R30 000 as required by section 2(a) of the PPPFA and Treasury Regulation 16A6.3(b).
30. Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 56 of the PFMA and Treasury Regulations 8.2.1 and 8.2.2.

Other information

31. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the board chairman's report, the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report
32. Our 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 on it.



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ROAD TRAFFIC INFRINGEMENT AGENCY

33. 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 programmes presented in the annual performance report, or my knowledge obtained during the audit or otherwise appears to be materially misstated.
34. I did not receive the other information prior to the date of this report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

35. 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 the qualified opinion. The findings on the annual performance report and the findings on compliance with legislation included in this report.
36. Effective controls have not been adequately designed and implemented to ensure that all relevant laws and regulations are being complied with when procuring goods and services and prevent and detect irregular expenditure.
37. Effective controls relating to AARTO control accounts have not been adequately implemented to ensure that daily processing, reconciling and record keeping is performed to support the figures in the financial statements.
38. Management did not exercise their oversight responsibility effectively to ensure that the financial statements submitted for audit were in line with the reporting framework, and were accurate and complete and this resulted in non-compliance.
39. Management and the previous accounting authority did not conduct adequate reviews of the revised annual performance plan after it was amended to address the impact of COVID-19.
40. The instability in the accounting authority during the year hindered the implementation of an action plan to address all previously reported matters. The newly appointed accounting authority focused on the investigations that needed to be conducted to address the fraud risk relating to possible falsifying of National Treasury letters for the approval of the contract extensions that resulted in the previous years disclaimed opinion. As a result they did not fully address all the internal control deficiencies previously reported.



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ROAD TRAFFIC INFRINGEMENT AGENCY

Other reports

41. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
42. As at the date of the report, three investigations by external service providers on behalf of RTIA were brought to my attention. Two of the investigations commenced in February 2021 and were finalised by the end of June 2021. These investigations were in respect of Supply Chain Management processes, as well as employee related matters. The public entity is currently implementing consequence management where the reports indicated that this needed to be taken. The third investigation was commissioned and although the draft report has been made available, the accounting authority needs to assess the findings before the process can be concluded.

Auditor-General

Pretoria
3 November 2021



REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE 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 programmes and on the 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 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 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 relating to events or conditions that may cast significant doubt on the ability of RTIA 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 my 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 public entity to cease operating as a going concern
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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 provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

Figures in Rand	Note	2021	2020 Restated *
Assets			
Current Assets			
Receivables from exchange transactions	3	36,045,793	44,349,523
Cash and cash equivalents	4	249,164,376	39,938,312
AARTO assets	9	60,773,912	57,154,659
		345,984,081	141,442,494
Non-Current Assets			
Property, plant and equipment	5	8,046,903	2,977,743
Intangible assets	6	868,725	682,090
		8,915,628	3,659,833
Total Assets		354,899,709	145,102,327
Equity and Liabilities			
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	14,130,599	15,322,450
Provisions	8	37,778,628	35,922,096
AARTO liabilities	9&28	60,773,912	57,154,659
		112,683,139	108,399,205
Total Liabilities		112,683,139	108,399,205
Net Assets			
Accumulated surplus		242,216,570	36,703,122



STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note	2021	2020 Restated *
Transfer revenue			
Infringement fees – exchange transactions	10	260,251,474	270,867,825
Grants non-exchange transactions	10	88,214,000	7,770,000
		348,465,474	278,637,825
Other income			
Sundry income		303,365	401,880
Operating expenses			
Employment costs		(85,261,475)	(129,120,415)
Depreciation and amortisation on assets	5 & 6	(4,893,413)	(2,963,455)
Other operating expenses		(49,287,734)	(123,184,046)
Rental mobile busses		(5,603,349)	(13,262,054)
Repairs and maintenance		(766,584)	(405,517)
		(145,812,555)	(268,935,487)
Operating surplus	11	202,956,284	10,104,218
Interest received non-exchange transactions	10	2,557,164	1,049,636
Surplus for the year		205,513,448	11,153,854



STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	2021	2020 Restated *
Balance at 1 April 2019 as previously reported Adjustments	28,501,903	28,501,903
Prior period error net adjustments	(2,952,635)	(2,952,635)
Restated* Balance at 1 April 2019	25,549,268	25,549,268
Restated* Surplus for the year	11,153,854	11,153,854
Total changes	11,153,854	11,153,854
Restated* Balance at 1 April 2020	36,703,122	36,703,122
Surplus for the year	205,513,448	205,513,448
Total changes	205,513,448	205,513,448
Balance at 31 March 2021	242,216,570	242,216,570
Note	27	



CASH FLOW STATEMENT

Figures in Rand	Note	2021	2020 Restated *
Cash flows from operating activities			
Receipts			
Infringement receipts		263,097,274	264,195,011
Grants allocated		88,214,000	7,770,000
Interest income		2,557,164	1,049,636
Other receipts		303,365	401,880
AARTO collections		335,738,284	309,373,476
		<u>689,910,087</u>	<u>582,790,003</u>
Payments			
Employee costs		(83,428,537)	(110,455,836)
Suppliers		(51,329,202)	(130,534,957)
AARTO Disbursements		(335,738,284)	(309,373,476)
		<u>(470,496,024)</u>	<u>(550,364,269)</u>
Net Cash Flows from operating activities	12	<u>219,414,063</u>	<u>32,425,734</u>
Cash flows from investing activities			
Purchases of property, plant and equipment		(7,567,470)	(1,140,774)
Purchases of intangible assets		(2,620,529)	(2,305,210)
Net cash flows from investing activities		<u>(10,187,999)</u>	<u>(3,445,984)</u>
Net increase in cash and cash equivalents		209,226,064	28,979,750
Cash and cash equivalents at the beginning of the year		39,938,312	10,958,562
Cash and cash equivalents at the end of the year	4	<u>249,164,376</u>	<u>39,938,312</u>

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis						
Figures in Rand	Original Budget	Final adjustments	Final Budget budget	Actual amounts on comparable	Difference between final budget and actual	Ref
Statement of Financial Performance						
Revenue						
Infringement fees	228,000,000	-	228,000,000	260,251,474	32,251,474	N1
Grant	8,197,000	80,017,000	88,214,000	88,214,000	-	
	236,197,000	80,017,000	316,214,000	348,465,474	32,251,474	
Other income						
Sundry income	-	-	-	303,365	303,365	N1
Transfer revenue	236,197,000			348,768,839	32,554,839	
Expenditure						
Employment costs	(161,146,000)	-	(161,146,000)	(85,261,475)	75,884,525	N2
Administrative & other expenses	(90,068,000)	-	(90,068,000)	(37,360,135)	52,707,865	N2
Expenditure of AARTO issued notices	(60,000,000)	-	(60,000,000)	(15,913,817)	44,086,183	N2
Operating leases	(5,000,000)	-	(5,000,000)	(3,301,352)	1,698,648	N2
				-	-	
Total Expenditure	(316,214,000)		(316,214,000)	(141,836,779)	174,377,221	
Total Net Surplus/(Deficit)	(80,017,000)	-	(316,214,000)	206,932,060	206,932,060	
Reconciling items						
Impairments of statutory receivables	-	-	-	(3,975,776)	(3,975,776)	
Interest received	-	-	-	2,557,164	2,557,164	
Net Surplus as per statement of financial performance				205,513,448	205,513,448	



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Cash Basis					
Figures in Rand	Original Budget	Final adjustments	Final Budget budget	Actual amounts on comparable	Difference between final budget and actual
Statement of Financial Performance (continued)					
Capital expenditure and Balance sheet					
Total assets	(12,900,000)	-	(12,900,000)	(10,187,999)	2,712,001
Total liabilities	-	-	-	-	-
	(12,900,000)		(12,900,000)	(10,187,999)	2,712,001

Ref

NOTES

The approved original budget was submitted to the Executive Authority in line with the Public Finance Management Act, 1999, Chapter 6 Public Entities Part 2, Par 53. The budget was approved by the Accounting Authority.

N1 - The infringement fees collected exceeded the anticipated target, although the number of issued notices decreased overall by 0.2% and the number of notices paid decreased by 5%. This amount increased by 14% above anticipated budget target.

N2 - Overall spending of the budget was behind and was not achieved for all planned projects, which consequently resulted in the variances for the year under review: Employment associated costs decreased, administrative & operating expenses declined resulting in the underspending and lastly, spending on AARTO notices was behind significantly as a result of the impact of COVID-19 on the SAPO operations and reduction in the number of notices posted. The following category of expenses exceeded the actual planned budget: Board fees (161%) and consultancy fees (9%).

N3 - The budget allocated for capital expenditure spending was R12.9 million resulted in inherent cost savings as a result of the deferral of the major planned projects that were aligned with the implementation of the National Roll Out of AARTO.



ACCOUNTING POLICIES

Presentation of Annual Financial Statements

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

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

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

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

1. Significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below.

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.

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.

1.1 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.

1.2 Comparative information Budget

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



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.

1.3 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation, which is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation. A provision is used only for expenditures for which the provision was originally recognised.

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. 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.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
 - the business or part of a business concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for terminating their services;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and



ACCOUNTING POLICIES

- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:

- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 16, unless the possibility of flow of resources is remote. If the disclosures of contingencies may seriously prejudice the entity then the general nature of the contingency is disclosed, together with the reason as to why further information is not disclosed.

1.4 Significant judgements and sources of estimation uncertainty

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

Judgements

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

Estimates

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

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

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

Impairment testing

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



ACCOUNTING POLICIES

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

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

Provisions

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

Impairment for statutory receivables

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

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

RTIA acts as an agent to the Issuing Authorities

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

Statutory receivables

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

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

1.5 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.



ACCOUNTING POLICIES

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.

Depreciation rates

Item	Average Useful life
Furniture and fixtures	5 - 10 years
Motor vehicles	5 - 8 years
Office equipment and appliances	1 - 5 years
Computer equipment	3 - 5 years
Leasehold improvements	lease term or 25 years

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

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

1.6 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.



ACCOUNTING POLICIES

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 rates

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

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

1.7 Financial instruments Initial recognition

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

Trade and other receivables

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

Trade and other receivables are carried at cost less provision made for impairment of these receivables and it is assessed at least annually for possible impairment. The



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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 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.

1.8 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).

1.9 Leases

Finance Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership. When a lease includes both land and buildings elements, the entity assesses the classification of each element separately. Finance leases - lessee Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability. Any contingent rents are expensed in the period in which they are incurred. The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

Operating leases

Leases where the lessor retains the risk and rewards of ownership of the underlying asset are classified as operating leases. Lessee operating lease payments are recognised as expense on a straight-line basis over the term of the lease where these leases are multi-year and subject to price escalations. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease asset or liability in the Statement of Financial Position. The operating lease liability is derecognised



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when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset. The objective of the financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of such transactions.

1.10 Impairment

Financial assets

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

Assets carried at amortised cost

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

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

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.

1.11 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.



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

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

Defined contribution plans

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

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

1.12 Revenue recognition

Revenue from non-exchange transactions

Non exchange transaction is any transaction other than an exchange transaction. In a non-exchange transaction, the entity received value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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.

Non-refundable transactions

When services are being delivered over a period of time and the agreement includes a clause stipulating that the fee payable is non-refundable, the entity should defer the revenue to be recognised, therefore the revenue will be recognised based on a percentage of completion basis (or other method as appropriate). The revenue should be recognised in surplus and deficit as the service is provided.

Unclaimed liabilities

Liabilities that are unclaimed for a period of 5 years are written off and recognised as revenue.



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Revenue from exchange transactions

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Revenue includes only the gross inflow of economic benefits or service potential that are received or receivable by the entity on its own account. Revenue is not intended to include amounts collected on behalf of others.

Infringement fees

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

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

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

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

1.13 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.

1.14 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.



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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.

1.15 Irregular expenditure

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

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

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

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

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

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

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

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

1.16 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.



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Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period. The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate. Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

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 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.

1.17 Services received in kind

An entity shall recognise services in-kind that are significant to its operations and/or service delivery objectives when they meet the definition of an asset and satisfy the criteria for recognition as assets and shall recognise the related revenue. Where service in-kind is/are not significant to the entity's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the entity shall disclose the nature and type of service in-kind received during the period. The standards further state that public entities may, but are not required to recognise services in-kind as revenue and as an asset due to the uncertainties surrounding services in-kind, including the ability to exercise control over the service, and measuring the fair value of the services, entities are not required to recognise services in-kind. However entities are required to disclose the nature and type of services in-kind that are material.

1.18 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash that are not reported as liabilities



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as of the reporting date. Disclosures are required in respect of unrecognised contractual commitments. Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non cancellable or only cancellable at significant cost; and
- Contracts should relate to something other than the routine, steady, state business of the entity, therefore salary commitments relating to employment contracts or social security benefit commitments are specifically excluded.

Management will use its own judgement when determining commitments to be disclosed in the notes.

1.19 Transfer of functions between entities under common control

Definitions Transfers of functions between entities under common control are accounted for by the transferor by derecognising assets and liabilities at their carrying amounts at the date of transfer. Any difference between the assets and liabilities derecognised and consideration paid, if any, is recognised in accumulated surplus or deficit.

1.20 Assets held for distribution

All assets held for disbursement and / or sale will be recognised and disclosed under current assets in the Statement of Financial Position as these items will most likely be disbursed and/or sold within a twelve-month period. These assets will be carried at their book value and depreciated in line with the Property, Plant and Equipment accounting policy, if in use. Should the assets not be in use, it will not be depreciated.

1.21 Post balance sheet events

Events after the end of the reporting period are those events, favourable and unfavourable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. There are two types of events:

- those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the end of the reporting period); and
- those that are indicative of conditions that arose after the end of the reporting period (non-adjusting events after the end of the reporting period)

Events after the end of the reporting period include all events up to the date when the financial statements are authorised for issue, even if those events occur after the public announcement of profit or loss or other selected financial information.

Recognition and measurement

Adjusting events after the end of the reporting period

An entity shall adjust the amounts recognised in its financial statements, including related disclosures, to reflect adjusting events after the end of the reporting period.

Non-adjusting events after the end of the reporting period

An entity shall not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the end of the reporting period.



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2. New standards and interpretations**2.1 Standards and interpretations effective and adopted in the current year**

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

Standard/ Interpretation:

GRAP 34: Separate Financial Statements

GRAP 35: Consolidated Financial Statements

GRAP 36: Investments in Associates and Joint Ventures

GRAP 37: Joint Arrangements

GRAP 38: Disclosure of Interests in Other Entities

Effective: Years beginning on or after

01 April 2020

01 April 2020

01 April 2020

01 April 2020

01 April 2020

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods but are not relevant to its operations:

Standard/ Interpretation:

GRAP 104 (amended): Financial instruments

Effective: Years beginning on or after

Not yet determined by Minister of Finance.



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3. Receivables from exchange transactions

AARTO statutory receivables	39,545,649	42,391,449
Impairment of receivables	(6,486,215)	(2,510,439)
Receivables from exchange transactions	33,059,434	39,881,010
Deposits	1,426,128	1,426,128
Reclassified payables into receivables	82,742	498,600
Other receivables	198,388	-
Defined Contribution Plan	3,309	3,309

Non-financial instruments:

Staff receivables	97,822	15,725
Prepayments	1,177,970	2,524,751
Total trade and other receivables	36,045,793	44,349,523

Reconciliation of AARTO statutory receivables:

AARTO statutory receivables	39,545,649	42,391,449
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AARTO statutory receivables past due but not impaired



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3. Receivables from exchange transactions (continued)

AARTO statutory receivables which are less than 90 days past due and owing from collecting agencies are not considered to be impaired. Management have assessed the recoverability of receivables and there are indications that the balance is impaired arising from the impact of COVID-19 on the collecting agents who are administered under the Municipal Finance Management Act, Act No. 56 of 2003 (MFMA), municipalities that have been placed under interventions in terms of sections 100 or 139 of the Constitution, and those that were implicated under the VBS Mutual Bank that was placed into final liquidation by the North Gauteng High Court on 13 November 2018. The impairment that has been provided for is R 6,486,215.

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

1 month past due	23,273,143	31,721,161
2 months past due	42,284	3,764,125
3 months past due	9,744,002	4,395,724
	33,059,429	39,881,010

Reconciliation of provision for impairment of statutory receivables

Opening balance	2,510,439	-
Impairment	6,486,215	2,510,439
Written back	(2,510,439)	-
	6,486,215	2,510,439

4. Cash and cash equivalents

Cash and cash equivalents consist of

Bank balance - operational account	249,089,598	39,495,343
Bank balance - salaries account	74,778	442,969
	249,164,376	39,938,312



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5. Property, plant and equipment

	2021			2020 Restated*		
	Cost or revaluation	Accumulated depreciation	Carrying value	Cost or revaluation	Accumulated depreciation	Carrying value
Furniture and fixtures	2,854,264	(1,901,726)	952,538	2,854,264	(1,614,855)	1,239,409
Motor vehicles	2,384,041	(2,197,370)	186,671	-	288,660	288,660
Office equipment	1,425,373	(636,022)	789,351	1,421,093	(520,112)	900,981
IT equipment	8,134,559	(2,016,216)	6,118,343	4,927,541	(4,378,848)	548,693
Total	14,798,237	(6,751,334)	8,046,903	9,202,898	(6,225,155)	2,977,743

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Retired assets carrying value	Depreciation	Total
Furniture and fixtures	1,239,409	-	-	(286,871)	952,538
Motor vehicles	288,660	-	-	(101,989)	186,671
Office equipment	900,981	169,998	-	(281,628)	789,351
IT equipment	548,693	7,397,472	(38,792)	(1,789,030)	6,118,343
	2,977,743	7,567,470	(38,792)	(2,459,518)	8,046,903

The value of fully depreciated assets of the Agency at the end of the financial year was R 6.6 million. The Agency had no intention to keep these assets beyond their initially intended useful life, however due to the COVID-19 pandemic the replacement could not be fully realised at year end.

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5. Property, plant and equipment (continued)**Reconciliation of property, plant and equipment - 2020**

	Opening balance	Additions	Retired assets carrying value	Depreciation	Total
Furniture and fixtures	1,523,972	5,000	-	(289,563)	1,239,409
Motor vehicles	531,991	-	(48,846)	(194,485)	288,660
Office equipment	607,802	596,435	-	(303,256)	900,981
IT equipment	243,029	539,339	-	(233,675)	548,693
	2,906,794	1,140,774	(48,846)	(1,020,979)	2,977,743

6. Intangible assets

	2021			2020 Restated*		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Computer software	2,620,530	(1,751,805)	868,725	2,305,211	(1,623,121)	682,090

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Retired - cost	Retired - accumulated depreciation	Amortisation	Total
Computer software	682,090	2,620,529	2,305,210	(2,305,210)	(2,433,894)	868,725

Reconciliation of intangible assets - 2020

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



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7. Payables from exchange transactions		
Trade payables	2,101,600	1,864,080
Reclassified to trade receivables	82,742	498,600
Suspense - AARTO	11,576,373	12,803,191
Payroll accrual	360,523	147,667
Suspense - Payroll	9,361	8,912
	14,130,599	15,322,450

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

8. Provisions

Reconciliation of provisions - 2021	Opening balance	Additions	Utilised/ Reversals	Total
Leave Provision	2,920,251	4,037,180	(2,920,251)	4,037,180
Bonus Provision	33,001,845	33,741,448	(33,001,845)	33,741,448
	35,922,096	37,778,628	(35,922,096)	37,778,628
Reconciliation of provisions - 2020	Opening balance	Additions	Utilised/ Reversals	Total
Leave Provision	1,706,805	2,920,251	(1,706,805)	2,920,251
Bonus Provision	15,774,092	33,001,845	(15,774,092)	33,001,845
	17,480,897	35,922,096	(17,480,897)	35,922,096

Employees entitlement to annual leave is recognised when it accrues from 1 January to 31 December which will be forfeited on the 30 June of the following year. A provision is raised on the estimated liability for annual leave arising from the obligation to honour the services rendered by employees at reporting date.



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The bonus provision is based on the approved estimates in terms of the Performance Management Framework of the Agency. The provision becomes due and payable provided the performance bonus qualification criteria is met, subject to the performance measurement assessments or at the discretion of the Board based on the outcome of the investigation. Payment of performance bonuses is at the sole discretion of the Board. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date assuming that all employees qualify in terms of the performance measurement criteria. These estimates are based on judgements made by management and these judgements are supported by experience of similar transactions in the past.

9. 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 total AARTO collections for the year is R335 million.

AARTO assets due from:

Other AARTO net assets	16,775,241	25,550,007
Other statutory receivable collecting agents	40,847,772	27,177,832
Road Traffic Management Corporation	1,084,094	1,084,094
Road Traffic Infringement Agency	-	882,260
Tshwane Metropolitan Police Department	2,066,805	2,460,466
	60,773,912	57,154,659



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9. AARTO assets and liabilities (continued)

AARTO liabilities due to various role-players

Gauteng Department of Community Safety

3,861,971

3,759,172

Johannesburg Metropolitan Police Department

15,084,171

8,599,569

Road Traffic Management Corporation

185,860

308,209

Road Traffic Infringement Agency

41,641,910

44,487,709

60,773,912**57,154,659****10. Revenue**

Grants

88,214,000

7,770,000

Infringement fees – exchange transactions

260,251,474

270,867,825

348,465,474**278,637,825**

Interest received

2,557,164

1,049,636

11. Operating surplus

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

Advertising and marketing

Advertising and AARTO Awareness

501,000

834,943

Remuneration, other than to employees

Auditors remuneration

2,974,140

2,626,826

Operating lease charges

Premises

3,301,352

3,050,159



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11. Operating surplus (continued)

Amortisation on intangible assets	2,433,894	1,942,475
Depreciation on property, plant and equipment	2,459,518	1,020,979
Postage	15,068,685	92,018,138
Consulting fees	2,126,766	2,291,365
Impairment of assets		
Impairment of accounts receivable impairment	6,486,215	2,510,439
Reversal of accounts receivable impairment	(2,510,439)	-
Write off of assets	38,792	48,847
Write off of prepayment	1,407,528	-

Defined Contribution Plan

The RTIA belongs to a defined contribution plan. The percentage contribution by employer is 13% and employee is 7.5%. The amounts included in the employee costs are as follows;

Contributions paid to defined contribution plan	11,741,327	10,160,818
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12. Reconciliation of net cash flows from operating activities to surplus

Surplus for the period	205,513,448	11,153,854
Adjustments for non-cash items:		
Depreciation and amortisation	4,893,412	2,963,455
Impairment/(Reversal)	3,975,776	2,510,439
Write off of assets	38,792	48,847
Prepayment write off	1,407,528	-
Non-cash (net prior period adjustments)	1,102,912	(2,952,637)
Changes in working capital:		
Receivables from exchange transactions	1,957,787	(6,911,974)
Payables from exchange transactions	(1,332,124)	7,172,551
Provisions	1,856,532	18,441,199
AARTO assets	335,738,284	309,373,476
AARTO liabilities	(335,738,284)	(309,373,476)
	219,414,063	32,425,734



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13. Financial instruments disclosure**Categories of financial instruments Financial assets****2021****Financial assets**

	Note	Loans and receivables	Non-financial instruments	Total
Trade and other receivables	3	1,808,389	33,059,434	34,867,823
Prepaid expenses	3	-	1,177,970	1,177,970
Cash and cash equivalents	4	249,164,376	-	249,164,376
AARTO assets	9	60,773,912	-	60,773,912
Property, plant and equipment	5	-	8,046,903	8,046,903
Intangible assets	6	-	868,725	868,725
		311,746,677	43,153,032	354,899,709

2020

	Note	Loans and receivables	Non-financial instruments	Total
Trade and other receivables	3	1,940,381	39,884,391	41,824,772
Prepaid expenses	3	-	2,524,751	2,524,751
Cash and cash equivalents	4	39,938,312	-	39,938,312
AARTO assets	9	57,154,659	-	57,154,659
Property, plant and equipment	5	-	2,977,743	2,977,743
Intangible assets	6	-	682,090	682,090
		99,033,352	46,068,975	145,102,327



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13. Financial instruments disclosure (continued)**Financial liabilities****2021**

	Note	Financial instruments carried at amortised cost	Non-financial instruments	Total
Payables from exchange transactions.	7	14,130,599	-	14,130,599
Provisions	8	-	37,778,628	37,778,628
AARTO liabilities		60,773,912	-	60,773,912
Accumulated surplus		-	242,216,570	242,216,570
		74,904,511	279,995,198	354,899,709

2020

	Note	Financial instruments carried at amortised cost	Non-financial instruments	Total
Payables from exchange transactions.	7	15,322,450	-	15,322,450
Provisions	8	-	35,922,096	35,922,096
AARTO liabilities		57,154,659	-	57,154,659
Accumulated surplus		-	36,703,122	36,703,122
		72,477,109	72,625,218	145,102,327



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13. Financial instruments disclosure (continued)**Financial risk management****Overview**

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.

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.

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					14,130,599	15,322,450
AARTO liabilities					60,773,912	57,154,659
Provisions					37,778,628	35,922,096

Market risk

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



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14. Operating lease commitments**Operating leases – as lessee (expense)****Minimum lease payments due**

- within one year	-	4,830,000
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Operating lease rentals of the Agency comprise of Mobile office bus rentals, rental machines and rental of offsite storage. The mobile bus contract commenced from 01 December 2016 ending 30 August 2020. Amendments that came into effect from 1 April 2018 increased the VAT rate –standard rate of VAT from 14% to 15%. VAT is levied on the supply of most goods and services and on the importation of goods. The Standards of GRAP do not prescribe any guidance in terms of VAT rates. Management has subsequently disclosed the effect of the VAT rate relating to the mobile busses lease.

The current office space lease rental of the premises for RTIA refers to the building together with the parking bays namely: Waterfall Edge, Bekker Road, Midrand. Pursuant to the Board resolution on 30 January 2013, the Board resolved that the Agency shall enter into a five year lease agreement in respect of leased premises. On this premise, a three year lease agreement was concluded. Upon its expiry in August 2016, the month to month clause was activated. No provision was made for an option to renew the lease on expiry.

Within one year	3,623,909	3,324,687
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The rental of printers is through a transversal contract of National Treasury and is disclosed as follows

- within one year	450,832	488,402
- in second to fifth year inclusive	413,263	864,095
	864,095	1,352,497

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

15. Commitments

For the year ended, the RTIA committed towards the Postage costs contract.

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 R75 million for the next twelve months with anticipated National Roll Out on the 1st of July 2021.



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16. Contingencies**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. The Parties are still exchanging papers and the hearing has only taken place in relation to interlocutory application. The main matter is waiting the allocation of a date for hearing.

OUTA Matter

The litigation has been brought by OUTA based on allegations that the national legislature trumped on the exclusive functional areas of the provincial legislature by enacting the AARTO Act which seeks to regulate traffic and parking and alternatively that, the AARTO Amendment Act is unconstitutional in that it relaxes the serving methods of infringement notices by introducing the electronic serve.

Other Former Employee Matters

The applicant referred an automatic unfair dismissal dispute to the CCMA. The matter is due for trial at the Labour Court. Parties are required to re-conduct a pre-trial conference due to amendment to pleadings by the applicant.

The applicant is challenging unfair dismissal for poor performance at the CCMA. The matter has been heard, and the CCMA is still going to make a ruling on whether to proceed with the matter ended or to commence with the proceedings from the start.

Acting Allowance for the Acting Registrar.

The Department of Transport (Department) seconded an official in the capacity of the Acting Registrar after the suspension of the senior officials. As part of the institutional arrangements between the Agency and the Department the secondment agreement raises a valid expectation of obligation on the part of the RTIA to pay the seconded official the acting allowance. Although a present obligation exists, a sufficient and reliable estimate of the quantum of the obligation cannot be determined and other suspensive conditions in relation to the agreement were not concluded.

Contingent Assets**Justice Project South Africa ("JPSA")**

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

Dembovsky Matter

The judgement was handed down on 15 September 2020, wherein the application was dismissed with costs including the costs of two counsels. A bill of costs was subsequently drawn up and served on the 10th of February 2021, of which a notice of withdrawal was received from Dembovsky's attorneys.



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17. 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.

Relationships

Holding company

Department of Transport

Related party balances**Amounts owed to related parties**

South African Post Office

44,357

1,066,462

Related party transactions**Revenue**

Department of Transport

88,214,000

7,770,000

Postage costs

South African Post Office

15,068,685

92,018,138

Remuneration paid to related parties

Executives

14,108,989

27,177,168

Fees paid to:

Board members

3,853,243

-

2,683,947

2,245,101

Independent Committees members

6,537,189**2,245,101**



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18. Remuneration disclosure**Executive****2021**

	Earnings	Cash Allowance	Total cost to company	Total cost
JR Chuwe	4,370,330	222,882	4,593,212	4,593,212
P Moalusi	2,282,173	-	2,282,173	2,282,173
MLT Bilikwana	2,280,816	-	2,280,816	2,280,816
K Pooe	2,282,615	-	2,282,615	2,282,615
JK Monyepao	1,356,535	-	1,356,535	1,356,535
G Van Eeden	1,142,610	-	1,142,610	1,142,610
MM Mabula	171,028	-	171,028	171,028
	13,886,107	222,882	14,108,989	14,108,989

2020

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



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

Non-executive fees

The Board members serve as members of the Board and members of the Board committees. The remuneration below includes all services that were rendered by the Board in the various committees in which they served.

Adv. I Thenga received no remuneration for services as a Board member. Adv. I Thenga is a representative of the National Prosecuting Authority.

2021

		Total
B Zulu	767,304	767,304
Dr. D Khosa-Shikwambana	717,600	717,600
BM Ramokhele CA(SA)	865,454	865,454
TO Mtetsweni	667,074	667,074
Dr. P Dala	835,811	835,811
	3,853,243	3,853,243



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18. Remuneration disclosure (continued)**Committees fees****2021**

	Audit and Risk Committee	Accounting Authority	Corporate Services Committee	Total
BS Chaplog CA(SA)	929,795	40,925	-	970,720
S Thomas CA(SA)	514,279	-	-	514,279
T Mjoli	157,691	-	-	157,691
M Dondolo	142,529	-	-	142,529
Y Mbane	83,653	40,925	600,354	724,932
G Blose	-	-	79,289	79,289
T Maphike	-	-	94,507	94,507
	1,827,947	81,850	774,150	2,683,947

2020

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



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19. 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.

20. Events after the reporting period

The following events occurred after year end:

- In respect of the Dembovsky matter, the taxation costs were lodged against the estate of the deceased Dembovsky. The matter was expected to sit down in a court of law on the 11th of October 2021 to which the related anticipated bill of costs is estimated at R1.1 million; and
- In respect of the OUTA matter, the expected date to sit down for the hearing was the 18th of October 2021.

21. Fruitless and wasteful expenditure

The Agency incurred fruitless and wasteful expenditure concerning the expired hand sanitisers of R55 000 which could not be re-used that were purchased in response to the COVID-19 pandemic prevention. Fruitless and wasteful expenditure was also incurred concerning the previously unutilised balance of R1.4 million that arose from the Birchwood agreement that could not be utilised, the pandemic and its restrictions made it burdensome and difficult for the Agency to host public events.

Reconciliation of fruitless and wasteful expenditure

Opening balance	-	-
Prior period	-	-
As restated	-	-
Add: Fruitless and wasteful expenditure - current year	1,462,528	-
Add: Fruitless and wasteful expenditure - prior year	-	-
Less: Condoned or written off by relevant authority	-	-
Less: Transfer to receivables for recovery	-	-
Fruitless and wasteful expenditure closing balance	1,462,528	-



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22. Irregular expenditure

During the audit of contract management in the 2019/2020, fraud risk factor was identified by the Auditor General where the National Treasury letters approving the contract extensions was disaffirmed by the National Treasury, who consequently ordered for an investigation by the public entity to the extensions that were previously alleged to have been approved. The irregular expenditure arose as a result of non-compliance with legislation under the Supply Chain Management: Contract Management. This was in relation to the extension of contracts without obtaining the prior approval of National Treasury for the contracts that were varied by more than 15% or R15 million (including VAT) in line with the Treasury Instruction No.03 of 2016/2017 and deviation from the National Treasury Practice Note No.08 of 2007/2008.

Irregular expenditure arose out of the various contracts in relation to the occupation of office space, provision of security services, provision of the ISDN service agreement and the provision fleet tracking services, events management, organisational structure and the contravention of Section 13 of the AARTO Act. Management further looked into allegations raised in respect of the organisational structure and other whistle-blower matters which have been included as part of irregular expenditure.

Reconciliation of irregular expenditure

Opening balance	-	-
Prior period	-	-
As restated	-	-
Add: Irregular expenditure current year	13,910,037	-
Add: Irregular expenditure prior year	81,209,482	-
Irregular expenditure awaiting condonement	95,119,520	
Analysis of closing balance		
Current year	95,119,520	-
Total	95,119,520	-



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22.1 Details of irregular expenditure

Incident	Corrective steps taken	Amount
Deviation Extension without National Treasury approval for office building	Irregular expenditure confirmed	17,212,584
Deviation Extension without National Treasury approval for security	Irregular expenditure confirmed	2,744,694
Deviation Extension without National Treasury approval for ISDN provision	Irregular expenditure confirmed	1,466,688
Deviation Extension without National Treasury approval for fleet tracking services	Irregular expenditure confirmed	43,277
No SCM documents in place	Irregular expenditure confirmed	451,850
No competitive bidding process or quotations was followed	Irregular expenditure confirmed	3,524,713
Contravention of section 13 of the AARTO Act	Irregular expenditure confirmed	22,744,615
Irregular procurement contracts not approved	Irregular expenditure confirmed	46,931,099
	-	95,119,520

22.2 Possible Irregular expenditure

There is possible irregular expenditure in respect of certain appointments of personnel, this is still under investigation.

23. Retention of cash surplus

An application for surplus retention for the 2020-21 financial year will be made after the audit. However, the application for the previous financial year reporting March 2020 is still pending from the National Treasury.



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24. Non-Adjusting Post Balance Event

The followings are the non-adjusting transactions that occurred after year-end:

- The resignation of the Board member representation from the National Prosecuting Authority from Adv. Ivy Thenga;
- There is an investigation that has commenced relating to an HR matter; and
- The proclamation of the National Roll Out onto phased approach from the 01st of July 2021 by the Minister of Transport.

25. Change in estimated useful life of assets Property, plant and equipment

Management during the current year conducted an assessment of the useful life of the motor vehicles asset category and a review was undertaken based on all factors and circumstances of at the time extend the useful life of the current fleet by a further three years from 5 years to 8 years.

26. Investigations

Prior to year-end, the Board placed three senior officials under precautionary suspension and appointed a forensic investigating company to investigate various allegations that were brought to the attention of the Board against the Agency. The investigations were concluded after year end but before the submission of the annual financial statements on 31 July 2021.

Management was made aware of the investigation report that was conducted in 2017, that brought new substantial information in relation to the matter of Birchwood Hotel and Conferencing.

27. Prior period error

During the 2020/21 financial period, the public entity's management resolved to correct prior period errors that arose as a result of processing errors in transactions, useful life assessment of assets and uncorrected audit misstatements. Due to the nature of the errors being material in nature, the errors have been adjusted for retrospectively.



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The effect of the error on the individual line items in the financial statements is as follows:		
		2020
Statement of Financial position	-	-
Decrease (increase) in Payables from exchange transactions	-	(1,369,781)
Increase (decrease) in Receivables from exchange transactions	-	5,465
Increase (decrease) in Property, plant and equipment	-	288,660
Statement of Financial performance	-	-
Increase (decrease) in other operating expenses	-	(1,979,648)
Increase (decrease) in depreciation	-	(288,660)
Increase (decrease) in employment costs	-	391,328
Statement of Changes in Net Assets	-	-
Net decrease (increase) in opening accumulated surplus	-	1,075,658
	-	-
Reclassification of provisions from Payables from exchange transactions		35,922,096

28. Services in kind

In terms of the AARTO Act section 4 (6), the Agency must establish an information management system and database which is connected to the national contraventions register to create, process and maintain records. Upon the establishment of the Agency, an arrangement was made by the Department of Transport that granted the right of use to the Agency to utilise the services of the Natis system as the national key point system for all the AARTO related transactions without establishing its own system. The RTIA continues to receive the benefit of the services in kind from the Road Traffic Management Corporation (RTMC) for the shared utilisation of the Natis system, the system was transferred to RTMC in terms of section 42 by the Department of Transport.

During the year the RTIA extended further services to be developed by the RTMC to include the AARTO Application and the AARTO website which are utilised as no cost to the RTIA.

29. Approval of financial statements

The annual financial statements were tabled for approval to the Accounting Authority on 31 October 2021.

Notes



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