



RTIA

Road Traffic Infringement Agency

Justice in Adjudication

ANNUAL REPORT

2021 / 2022





RTIA

Road Traffic Infringement Agency
Justice in Adjudication

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PART A:

GENERAL INFORMATION

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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





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

AARTO 08

Representation

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

2. LIST OF ABBREVIATIONS/ACRONYMS

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

ANSC

AARTO National Steering Committee

APP

Annual Performance Plan

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

ECTA

Electronic Communications and Transactions Act

EFT

Electronic Funds Transfer

ENE

Estimates of National Expenditure

EO/s

Enforcement Order/s

EXCO

Executive Committee of the RTIA

2. LIST OF ABBREVIATIONS/ACRONYMS

FAR

Fixed Asset Register

FB

Facebook

GRAP

Generally Recognised Accounting Practise

GDoCS

Gauteng Department of Community Safety

GCIS

Government Communication Information System

IA/s

Issuing Authority/ies

ICT

Information Communication Technology

IT

Information Technology

JMPD

Johannesburg Metropolitan Police Department

KPI

Key Performance Indicator

MEC

Member of Executive Council

MOU

Memorandum of Understanding

MTEF

Medium Term Expenditure Framework

NaTIS

National Traffic Information System

NCR

National Contraventions Register

NDP

National Development Plan

NEDLAC

National Economic Development and Labour Council

NDOT/DoT

National Department of Transport

NICD

National Institute for Communicable Diseases

NRSS

National Road Safety Strategy

NRTA

National Road Traffic Act

NRTLEC

National Road Traffic Law Enforcement Code

NT

National Treasury

OHS

Occupational Health and Safety

2. LIST OF ABBREVIATIONS/ACRONYMS

PDS

Points Demerit System

PFMA

Public Finance Management Act

PMO

Project Management Office

POPIA

Protection of Personal Information Act

PPP

Public Private Partnerships

PrDP

Professional Driving Permit

RTIA

Road Traffic Infringement Agency

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



Ms B Zulu
Board Chairperson

3. FOREWORD BY THE CHAIRPERSON

It is my absolute pleasure to present the Agency's 12th annual report for 2021/2022 financial year.

The Agency experienced an interesting year in its business strategy when it finally managed to realise the dream, which had eluded it many times in the previous years, when we kick started Phase I of the AARTO Roll Out programme, beyond the two municipalities, which formed part of the pilot programme since 2010.

The AARTO Roll Out was strategically structured as a four-phased approach. The Agency launched Phase I roll out package in order to allow itself to assess the market response and efficiencies of operations at the conclusion of each phase. The Roll Out programme commenced with Phase I on 01 July 2021, the Minister endorsed Government's position to Roll Out the AARTO programme nationally. This phase further culminated with the establishment of seven additional service outlets; incorporating ENaTIS capability to enable the facilitation of payments at the outlets. Phase 2 was planned to be rolled out in 67 Local and Metropolitan municipalities on 01 October 2021. Phase 3, was planned to be rolled out in the remaining 144 municipalities on 01 January 2022 and Phase 4, would have seen the introduction of the demerit points system and the rehabilitation programme on 01 July 2022.

Included in the above plan, was also a planned parallel process for the finalisation of public comments on the supporting AARTO Regulations and the ultimate promulgation thereof, in terms of section 34 of the AARTO Act, as well as the ultimate proclamation of the AARTO Amendment Act once the promulgation of the supporting AARTO Regulations was finalised. The process of the finalisation of the supporting AARTO Regulations, took longer than expected.

The Agency unfortunately received a massive setback to its plans of finalising the remaining phases of the AARTO Roll Out programme, when the High Court pronounced a judgement on 13 Jan 2022, which declared AARTO to be unconstitutional. At the heart of this judgement, is the finding by the court that the manner in which the Act was established, encroaches on the exclusive legislative autonomy of the Municipalities in terms schedule 5 of the Constitution.

This resulted in the Agency having to halt all its plans relating to the AARTO Roll Out programme and shift its focus towards preparation for the lodgement of an Appeal against the High Court ruling at the Constitutional Court. The Agency subsequently filed its notice of Appeal with the Constitutional Court on 07 February 2022. The court provided the directions on the matter, whereupon the Agency is expected to file its heads of argument on 22 September 2022. The matter has been set down for hearing on 15 November 2022. The agency is hopeful of positive appeal outcomes when the Constitutional Court makes the final ruling on the matter, hopefully before the end of the financial year. In the meantime, the Agency is conducting further studies to fine tune/refine implementation plans for an efficient roll-out, when it happens.

The Board sought legal counsel to advise on the effect the Constitutional Court on its business operations. The legal advice that it received confirmed that, the ruling by the High Court on the unconstitutionality of AARTO does not have any force and effect until such time that the Constitutional Court has made a final pronouncement on the appeal. It is against this background that the Board took a resolution to allow Management to continue with activities, which were not directly impacted by the High Court ruling in order to ensure that the Agency does not lose momentum and traction, which it had achieved in the marketplace, before the High Court ruling. The activities, which it continued with, as highlighted in the Acting Registrar's report, included areas of stakeholder management, AARTO activations, and continuous engagement with the Issuing Authorities around the country, adjudications processes and collection of infringement fees.

Elsewhere in the business, the Board managed to finally complete the forensic investigations, which had led to the termination of employment of the Registrar, the CFO and the resignation of the SCM Manager.

As per the media statements issued when the events occurred, the Registrar was summarily dismissed subsequent to disciplinary processes against him. The CFO was also dismissed as a consequent of disciplinary processes against her, wherein she was found guilty of misconduct on various charges, and the SCM Manager resigned just prior to the institution of disciplinary processes against him. The Board is currently implementing other recommendations emanating from the investigations report.

High Level Review of Strategy and Performance

The Board and the oversight committees did their utmost to manage the performance of the Agency and to ensure that the Agency was on course to a successful AARTO Roll Out.

The delays in the finalisation of the proclamation of the AARTO Amendment Act and the interruptions caused by the High Court ruling had a significant impact on the overall performance of the Agency. The Agency experienced an outright achievement of 10 out of its 19 performance targets resulting in 53% performance for the financial year. 6 performance targets were impacted by the non-institutionalisation of the rehabilitation programme, electronic service and the points demerit system. The appointment of members of Infringement Appeals Tribunal was finalised but the names could not be published because of the delays in the finalisation of the proclamation of the AARTO Amendment Act. Whereas the Roll Out of the AARTO programme in the metropolitan and municipal areas around the country was impacted by the High Court Ruling.

The Agency outperformed the greater number of the targets, which were not impacted by the court judgement, and such excellent performance occurred in the areas of social media campaigns and the AARTO Education and Awareness, where the Agency outperformed its targets by 231 and 200 campaigns respectively.

If the reader considers the fact that Management had done everything it needed to do in compliance with the technical indicators to complete the impacted 6 performance targets, save for the institutionalisation which was impacted by the High Court ruling and the delays in the proclamation of the AARTO Amendment Act, the performance of the Agency excluding the 6 performance targets translates to 84% (11 out of 13 performance targets achieved) for the year under review.

Strategic Relationships

The Agency managed to forge a strategic relationship with NEDLAC partners during the finalisation of complex public comments on the supporting AARTO Regulations, which the Agency would have struggled to finalise without this support. The partners brought in many insightful inputs to the process, particularly at the point when the Agency was experiencing severe capacity challenges. The National Department of Transport (NDoT) also continued to provide vital support to the process of the finalisation of the Regulations. It assisted with the co-ordination of the legal opinion on the AARTO Regulations from the Chief State Law Advisor and which is required as part of the legal processes for the certification of such Regulations. The Department further facilitated the concurrence on the AARTO Regulations by the Provincial MEC's of Transport in eight provinces, as prescribed in terms of 29 of the AARTO Act.

The Agency was also able to continue Chairing all AARTO National Steering Committee (ANSC) meetings, which is comprised of Issuing Authorities around the country, the South African Post Office, the RTMC and Government Printing Works. This committee assists the Agency with very useful insights of the operational dynamics of law enforcement, postage and printing in so far as it impacts on adjudication and administration of the AARTO programme. The members of the committee assisted in co-ordinating the implementation of phase II and phase III of the AARTO Readiness Assessment, which saw 213 Issuing Authorities around the country going through this assessment process. Such readiness assessment process provides insights to the Agency of the Issuing Authorities who may still be struggling in complying with the eligibility requirements of on boarding into the AARTO National Roll Out programme, so that the Agency can provide structured remedial interventions, to assist the struggling Issuing Authorities to comply with such eligibility requirements. SALGA was also one of the key participants at these ANSC meetings, as an umbrella body representing the municipalities.

The Agency continued with its lifelong partnership with the RTMC, where the latter provided vital and unrelenting technical support to the Agency in respect to systems development on ENaTIS, to establish business rules for the Points Demerit System, the Driver Rehabilitation programme and the Infringement Appeals Tribunal.

Challenges faced by the Board

Much of the Board's time was spent in the finalisation of the investigation, disciplinary and other related corrective processes for the members of Executive Management, some of whom were suspended on charges of maladministration, and the Board had to strive to ensure proper finalisation of these disciplinary processes.

The Board further spent an inordinate amount of time in overseeing the development and correction of control weaknesses, which led to the breach of governance systems in the past. One of the biggest challenges, which affected the systems of control, was caused by lack of finalisation of the organisational structure as well as the related capacitation in vital areas of the control environment.

The non-implementation or slow implementation of Board and oversight committees' resolutions remained a cause for concern, for which the Acting Registrar has committed to address with the same vigour as was the case with regards to implementing recommendations emanating from investigation reports.

In terms of the audit process, the Board spent protracted amount of time trying to resolve two contested external audit findings that lead to the qualified audit outcome, which was escalated to the AGSA in terms of the dispute resolution process. At the time of issuing the annual report, the dispute resolution process had not concluded with a further escalation to the Auditor General and as such the Board has not concurred with the qualified audit outcome relating to the completeness of irregular expenditure for the prior financial years (despite the fact that the assessment process as per the irregular expenditure framework had not concluded) and AARTO assets and liabilities (management was not provided with the opportunity to adequately respond to the finding). It must be emphasized that there were findings identified relating to irregular expenditure for the 2021/22 financial year. However, the AGSA acknowledged as an improvement on supply chain and contract management control environment, which was a major cause for concern to the Board given the outcomes of investigations.

As a way forward, the Board has emphasised the need for Management to ensure timeous implementation of Board resolutions and specifically directed Management to conclude the assessment, determination and investigation of historical irregular expenditure as a matter of urgency and improve the quality assurance processes on the preparation of interim and annual financial statements as part of an audit action plan aimed at improving the audit outcome for the next financial year.

The Board would like to thank the members of Management for working hard to achieve the targets of the organisation despite capacity challenges, management has strived to produce pleasing outcomes.

The year ahead

The Agency will focus on preparations for the lodgement of appeal at the Constitutional Court. It will also focus on the mobilisation of stakeholders in order to ensure that stakeholders are sufficiently informed about the progress of the appeal processes. The Agency also plans to intensify its education and awareness activities, through the development of structured education and awareness workshops that are tailored for stakeholders at varying levels of comprehension. This approach is aimed at ensuring that the momentum in the marketplace is not diffused by the uncertainty that is presented by the outcomes of the appeal processes.

Central to the work of the Agency in the short to medium term is the continuous strategic preparation work necessary for the envisaged National AARTO Rollout after the Constitutional Court hands down its judgement. The Agency will further participate in the processes on the Rationalization of Transport Entities in collaboration with the DoT and the RTMC, while capacitating the Agency to further improve the overall performance.

The Board would like to assure the stakeholders that the Agency remains resolute in its objective of rolling out the AARTO programme and deliver the first of its kind in the African continent, despite the setback that it suffered during the 2021/2022 financial year.

The Board also wishes to express its unwavering commitment to lead ethically, exercising due care, skill and diligence in all its decision-making processes, as prescribed in the PFMA and other governance prescripts.

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 Honourable Fikile Mbalula, MP and the Honourable Deputy Minister Ms Sindisiwe Chikunga. I would like to extend further words of gratitude to the senior management at the Roads Branch of the Department of Transport, Staff members of RTIA, members of South African Post Office (SAPO), Government Printing Works (GPW), Road Traffic Management Corporation (RTMC), South African Local Government Association (SALGA) and members of the (provincial and local) Issuing Authorities for availing yourselves, in ensuring the finalisation of the various preparations for the AARTO Roll Out.



Ms B Zulu
RTIA: Chairperson
Date: 18 August 2022



RTIA
Road Traffic Infringement Agency

Journeys in Adjudication



transport

Department
Transport
REPUBLIC OF SOUTH AFRICA



RTIA
Road Traffic Infringement Agency

transport

Department
Transport
REPUBLIC OF SOUTH AFRICA



Mr M Moloi
Acting Registrar

4. ACTING REGISTRAR'S OVERVIEW

The Road Traffic Infringement Agency remains resolute in implementing its five-year strategy to ready the traffic fraternity for an administrative adjudication of road traffic offences and alleviate the Courts of increasing burden of traffic offences that require consistent adjudication. To this end, the courts would be able to prioritise hard core crimes for improved safety in the Republic. Through resilience and determination, the journey towards the building blocks of a seamless AARTO process continues to be in sharp focus of the Agency's work.

The Agency continues to prepare itself and stakeholders for the AARTO National Rollout despite the adverse Pretoria High Court Judgement on the Constitutionality of the AARTO Legislation during January 2022. Through the best legal advice available, the Agency supports the Transport Ministry in challenging the High Court's decision through a Constitutional Court process scheduled to commence in November 2022.

In its endeavour to provide support to Issuing Authorities, the Agency in collaboration with the RTMC has conducted a further readiness assessment in the 213 Municipalities in order to determine the level of support required to ensure a successful AARTO Rollout. Sufficient IT, training and administrative support has been accorded to the identified and insufficiently resourced municipalities during this process. While more work needs to be done, the Agency knows and understands which areas need urgent intervention and which require long term support.

The operating expenditure was negatively impacted in the year under review owing to reduced revenue collection in the first two quarters of the financial year as well as delays in the release of the AARTO grant. This impacted negatively on the planned supply chain projects resulting in declaration of a significant surplus against the budget. The adverse ramifications of the Covid 19 pandemic on the economy continued to be felt during this period with a sharp 32% reduction of revenue collected from infringement fees. A slight increase on staffing costs was witnessed given the recruitment of 59 women and youth at AARTO service outlets in order to expand service delivery across major cities in the Republic.

The pending concurrence of the Organizational Structure continued to impact negatively on the organization's staffing requirements, particularly in the adjudication value chain as well as the timeous implementation of Board and oversight resolutions as well as the audit action plan. During the period under review, the adjudications capacity continued to dwindle by 20% against the previous year staffing level. Capacity challenges are pervasive in the Agency though with the support of the Accounting Authority, it is foreseen that capacitating the Agency in the new financial year would receive priority. The staffing capacity has further affected the ICT performance of the Agency in that the requisite complement for a comprehensive provision of the much needed service in the Agency could have been improved.

During 2022/2023, the Agency will focus on the production of a diagnostic assessment report on the lessons learned in the AARTO Pilot Project within metropolitan areas, The Socio Economic Impact assessment of AARTO in the aforesaid Communities as well as the production of an actuarial analysis that would inform AARTO fees. The Agency has further planned increased AARTO Education and Awareness of the public on the benefits of administrative adjudication of road traffic offences. Most importantly AARTO legislative training material development is already underway with the view to train AARTO stakeholders before the end of the new financial year.

Despite the improvement in governance and internal control environment compared to prior years, the Auditor General of South Africa has issued the Agency with qualified audit opinion/modified audit opinion, owing to identified discrepancies in the quantification of irregular expenditure and reconciliation of AARTO Assets. At the time of issuing the annual report, the dispute resolution process had not concluded with a further escalation to the Auditor General and as such the Board has not concurred with the qualified audit outcome relating to opening balance of irregular expenditure for the prior financial years (despite the fact that the assessment process as per the irregular expenditure

framework had not concluded) and AARTO assets and liabilities (management was not provided with the opportunity to adequately respond to the finding).

Infringement fees collected during the period under review dropped by a significant 32% compared to the prior financial year. The decline is attributed to delayed IA activities in appointing back office supporting service providers. Agency envisions to collect more revenue due during 2022/2023 through the deployment of electronic pay facilities across its AARTO Service Outlets and mobile service centres in the Republic. Plans are underway to implement the payment gateway on the AARTO website in order to improve convenience and compliance by infringers who prefer modern online transacting.

Significant strides have been made relating to SCM processes which have led to a decline in cases of non-compliance, reported cases of irregular expenditure, fruitless and wasteful expenditure. The agency has strengthened compliance regiments particularly in dealing with SCM by reviewing policy, the related standard operating procedures, ensuring alignment with the National Treasury practice notes and SCM instruction notes. The agency is in the process of appointing SCM head following the resignation of the former Senior Manager.

The Agency's going concern status demonstrates a healthy financial picture that enables the organization to honour its financial obligations despite the impact of the court case and challenging global economic times. The agency has received National Treasury approval for retention of cash surplus for the previous financial year (2020/21), the RTIA has good prospect of being able to fund its operations despite decline in revenue collection.

I would like to extend sincere words of gratitude and thanks to the Honourable Minister of Transport, Mr Fikile Mbalula, and the Honourable Deputy Minister of Transport, Ms Sindisiwe Chikunga for the continued support, guidance and oversight. I extend heartfelt appreciation to the Board who provided guidance during tempestuous times and firm leadership in building the internal control environment. I also thank the Director General and his team within the Department of Transport.

It is befitting that I single out Ms Dalian Mabula, the erstwhile acting Registrar for the sterling job well done in steering the Agency during the year under review. The RTIA Management team has been awesome in discharging its strategic mandate. I further extend my appreciation and thanks to the RTIA staff for their demonstrable commitment and reported organizational performance.



Mr M Moloi

RTIA: Acting Registrar

Date: 18 August 2022

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

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

All information and amounts disclosed in the annual report 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 2022.

Yours faithfully



Ms B Zulu

RTIA: Chairperson

Date: 18 August 2022

6. STRATEGIC OVERVIEW

6.1. Vision

“A safe road user community”.

6.2. Mission

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

6.3. Values

The RTIA's Values reflect traits or qualities that represent the requirements of the Constitution of South Africa, in particular Chapter 10 – Public Administration and Batho Pele principles. This emphasises certain basic values and principles governing Public Administration and requires that Public Administration be governed by the democratic values and principles enshrined in the Constitution.

The RTIA's values are grounded in strong ethical considerations. RTIA staff members are required to maintain the highest standards of proper conduct and integrity at all times and to ensure that there is no doubt as to what actions are required of them, guided by a set of core values.

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

The RTIA's value statements are reflected in the figure below:

VALUE

DESCRIPTION

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.

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 mandate 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> <p>Everyone has the right of access to:</p> <ul style="list-style-type: none"> a) Any information held by the state; and b) Any information that is held by another person and that is required for the exercise or protection of any rights. <p>National legislation must be enacted to give effect to this right, and may provide for reasonable measures to alleviate the administrative and financial burden on the state.</p>
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: <ul style="list-style-type: none"> a. Provide for the review of administrative action by a court, or, where appropriate, an independent and impartial tribunal; b. Impose a duty on the state to give effect to the rights in subsections (1) and (2); and c. Promote an efficient administration.
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>

Table 1: RTIA's Constitutional Mandate

7. LEGISLATIVE AND OTHER MANDATES

Legislative Mandate

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)	<p>To promote road traffic quality by providing a scheme to discourage road traffic contraventions;</p> <p>To facilitate the adjudication of road traffic infringements;</p> <p>To support the prosecution of offences in terms of the national and provincial laws relating to road traffic;</p> <p>To implement a points demerit system;</p> <p>To provide for the establishment of an Agency to administer the scheme; and</p> <p>To provide for the establishment of the Board to represent the Agency.</p>
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.

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

Table 2: Legislative Mandate

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	UNDA 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

Table 3: Policy Mandate

8. ORGANISATIONAL STRUCTURE

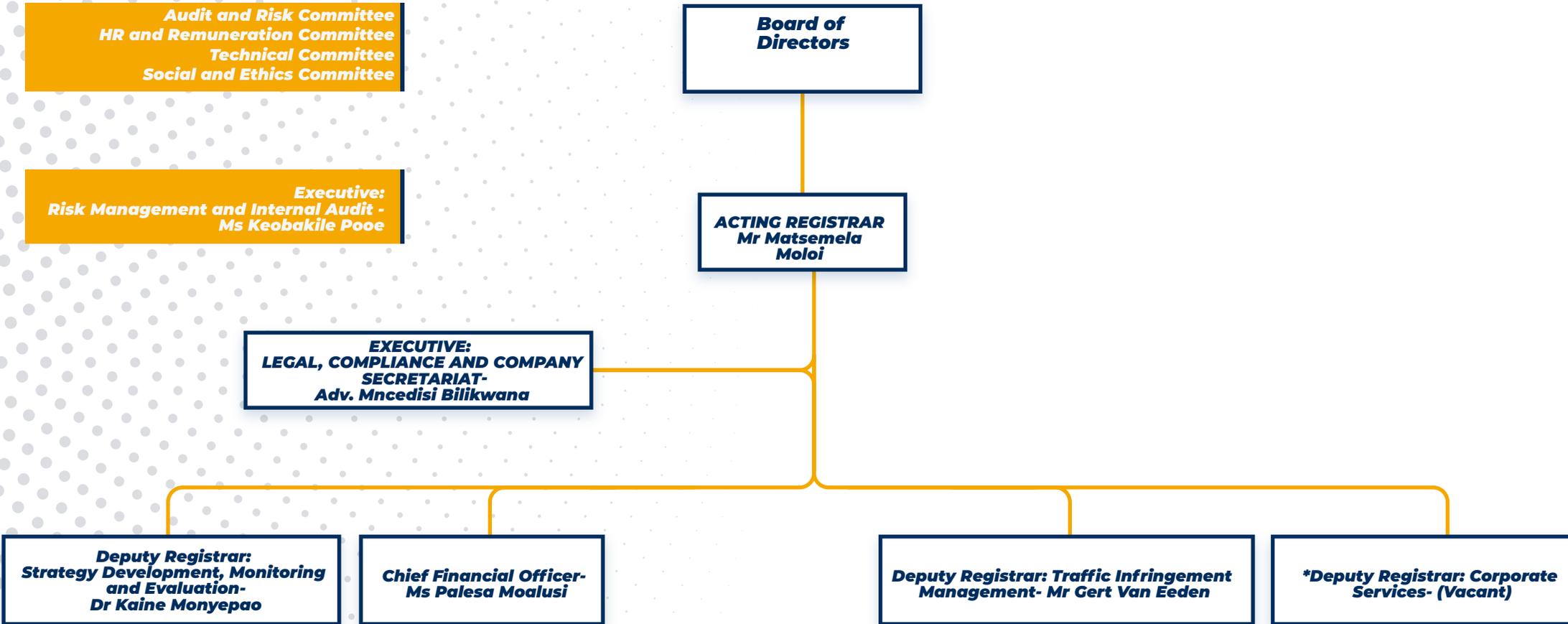


Figure 1: Organisational Structure



TIA
ment Agency

RTM
Road Trans



PART B:

PERFORMANCE INFORMATION

2. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Introduction and scope

14. In accordance with the Public Audit Act 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.
15. 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.
16. 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 programme presented in the public entity's annual performance report for the year ended 31 March 2022.

Programme	Pages in the annual performance report
Programme 1: AARTO administration and education	46 – 49

17. 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.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
- a. Programme 1: AARTO administration and education

2. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 37 to 58 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 18 of this report.

2. OVERVIEW OF PERFORMANCE

2.1. Service Delivery Environment

During the year under review, the RTIA planned to implement AARTO National Rollout through a phased approach, the programme which has been outlined in the revised 2021-2022 annual performance plan. The changes to the originally approved APP were necessitated by the non-proclamation of AARTO Amendment Act and the promulgation of the AARTO Regulations. The anticipated National AARTO Rollout was significantly affected and had to be deferred from July 2021 to a date to be determined soon after the proclamation of the AARTO Act has been determined.

The Agency had set to achieve 19 performance targets and only managed to achieve ten (10). Of the targets not achieved, six (6) related to the AARTO National Rollout which were impacted by the non-proclamation of the Amendment Act and the subsequent adverse North Gauteng High Court judgement. The remaining three (3) performance targets were governance related including but not limited to the Agency's inability to conclude the development of the ICT Strategy.

The National rollout date can only be determined once the Constitutional Court (CC) makes a determination on the judgement by the North Gauteng High Court. The RTIA in collaboration with the National Department of Transport (DoT) has devised possible scenarios on what course of action would ensue once a CC judgement is pronounced. In anticipation of the best case scenario, it is envisaged that the National Rollout would be finalised within 24 months from the pronouncement of the CC judgement.

In an attempt to bring service delivery closer to SA communities the RTIA established 25 additional AARTO service outlets in all provinces which increased road user interface with the AARTO process and the RTIA National footprint. AARTO Services are now available in all the 9 provinces as opposed to previously when services were only available in Gauteng and Mpumalanga province(s) alone.

For the year under review, the RTIA in collaboration with the GCIS has improved its virtual interface with its stakeholders through the implementation of social media and traditional outreach interventions. Central to some of the significant external developments to the public entity involves shrinkage in disposable income and acute unemployment rate resulting from the impact of COVID-19. This is demonstrable in the lower payment rate of accepted infringements as well as dwindling collection rate of the Agency. This has a significant impact on the ability of the RTIA to discharge its mandate.

During the year under review, it emerged that a number of Issuing Authorities required support in order to effect the AARTO rollout in their respective jurisdictions. Assistance and support required included internet connectivity, IT equipment, training, funding for procurement of notice books and management of back office support. The compromised state of readiness of some of the jurisdictions may have had an impact of the seamless rollout of the AARTO solution.

2.2. Organizational environment

The organizational environment has stabilised following the leadership provided by the Board to ensure that the negative audit findings of 2020/2021 financial year are progressively eradicated through implementation of good governance practices across the Agency. The secondment of the DoT official, Ms Dalian Mabula in the position of Acting Registrar was terminated at the end of January 2022.

The Board has subsequently appointed Mr Matsemela Moloj, from the RTMC as the Acting Registrar since the 1st of February 2022. The implementation of the approved APP was realised despite the challenges encountered with the High Court judgement on constitutionality and validity of the AARTO Act. To this effect, the Board followed the path established by the Minister of Transport to appeal the judgement at the Constitutional Court and to enhance implementation of government policy in terms of providing continuous public education and awareness about AARTO and Road Safety across all provinces and district municipalities of South Africa.

The entity's ability to expand in its service delivery mandate is hamstrung by the critical shortage of personnel in key functions including but not limited to Corporate Services, Information technology, supply chain management and adjudications to mention a few. In order to address this limitation, the Board has approved an organizational structure and awaiting concurrence from the DoT.

The delayed release of the ring-fenced AARTO rollout budget and the uncertainty regarding the AARTO Amendment Act post 1 July 2021 contributed to the subdued expenditure during the year under review. The aforesaid delays after the final release of the budget allocation further affected the commitment of the earmarked AARTO Funds.

2. OVERVIEW OF PERFORMANCE

2.3. 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 which was finalised in 2021. The publication of the AARTO Regulations and the AARTO Amendment Act became affected by the North Gauteng High Court judgement which declared the AARTO Act unconstitutionally invalid. Any further action on the implementation of aspects of the Act having bearing on AARTO Rollout would be revisited soon after the Constitutional Court judgement as it were.

The proposed changes in the Amendment Act and related Regulations introduce electronic service and limit the reliance on registered post which has become very expensive and unreliable. It also includes the Appeals Tribunal, Rehabilitation programmes as well as the appeals and review applications to the courts when motorists are not happy with decisions by the Appeals Tribunal. Elective options to elect to approach the Courts earlier in the process has also been reviewed.

2.4. Progress towards Achievement of institutional Impacts and Outcomes

The Agency made changes to the 2021/2022 APP as a result of the non-proclamation of the AARTO Act during the first quarter of 2021-22 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 APP, a rebase lined approach was adopted to ensure AARTO was implemented through a phased approach starting from July 2021 until July 2022. The table below depicts the progress towards achievement of institutional Impacts and Outcomes:

Measuring the Impact

Impact Statement		Progress Statement
Building Safer Road Communities	Enhance road-user behaviour, sustained enforcement of road traffic laws & standards through procedurally fair, reasonable, and lawful administrative processes.	The Revised 2021/2022 APP introduced a phased approach towards AARTO National Rollout Model. Through this model 25 AARTO Service Outlets were established in various provinces across the country to ensure sustained provision of services and strengthened collaborations with the district municipalities in making AARTO services conveniently accessible to the public. Further, that the aforesaid establishment has created 50 additional jobs across the 8 provinces.
Enhance Socio-Economic Infrastructure	Build relevant capacity as road traffic infringement regulator, adjudicator & integrator to stimulate economic growth and support social-economic development goals	The Agency has appointed 59 youth, women and people living with disabilities in positions designed to operate the AARTO Service Outlets established in provinces. The organisational structure review process was finalised and approved by the Board which further recommended the document for Minister's concurrence. This process will ultimately yield positive results in ensuring a contribution to reduce unemployment statistics of youth, women and people living with disabilities in South Africa especially during the full implementation of AARTO National Rollout.
Partner For Economy And Employment	Generate virtuous cycle of rising confidence, rising investment, higher employment, rising productivity and incomes through effective partnerships across society.	An assessment of 213 jurisdictions was conducted to ascertain the state of readiness to implement AARTO nationally. Owing to the Court ruling on the AARTO Act, the Rollout could not take place as envisaged.

Table 4: Impact Measurement

2. OVERVIEW OF PERFORMANCE

Measuring Outcomes

Outcome	Outcome Statement	Outcome Indicator	Progress Statement
Improve RTIA Accessibility & Voluntary Compliance	Improve RTIA accessibility & administrative efficiencies to enable voluntary compliance to road traffic laws.	RTIA Footprint & Reach —Service Outlets, Regional Offices and Digital Channels	The RTIA has approved a AMIP Rollout plan which has a phased approach towards implementing AARTO in the 213 municipal jurisdiction areas, though the national footprint was achieved through presence in all 9 provinces.
Cultivate Good Road User Behaviour	Cultivate an informed and complaint road user to reduce road infringements, crashes and fatalities	Transport safety and security index/ Impact of AARTO Public Awareness and Legislative Education	<p>The Agency has expanded its communication channels through the multiple social media accounts. During the year under review the RTIA has deployed 263 AARTO Education and Awareness Social Media Campaigns and 224 AARTO Education and Awareness Traditional Media Campaigns.</p> <p>Education and awareness performance increased significantly due to deployment of national radio, TV and print media campaigns through a collaborative effort with GCIS to educate and dispel uncertainty caused by the North Gauteng High Court Ruling on AARTO Constitutional invalidity.</p>
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 provision of extended services to road users continues to take place through the AARTO Service Outlets and visits to the rural communities, taxi ranks and shopping centres as well as participating in road blocks set up by the traffic authorities or law enforcement officers.</p> <p>Processes to capacitate the adjudication function are underway through fixed term contracting pending the CC decision.</p>
Integrated Point Demerit Ecosystem	Enable an integrated & efficient points demerit ecosystem to improve the quality of road infringement information, analytics & knowledge	Reduction of infringements/contraventions through world class points demerit system	Efforts to advance the long awaited points demerit system have been temporarily derailed by the North Gauteng High Court Judgement on the AARTO Act.

2. OVERVIEW OF PERFORMANCE

Measuring Outcomes

Outcome	Outcome Statement	Outcome Indicator	Progress Statement
Reliable Road User Research & Analytics	Establish the prescribed information management system connected to 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	<p>Collaboration efforts with Institutions of Higher Learning are underway to conduct research on AARTO.</p> <p>An AARTO Operations Report on the analysis of the AARTO system and internal environment has been developed and identified shortcomings with the view to improve system and internal controls.</p>

Table 5: Measuring Outcomes

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The RTIA annual performance information report is premised on the revised approved annual performance plan for the 2021/2022 financial year. The first quarter performance was aligned to the originally approved annual performance plan which became necessary for the Board to request its review owing to untenable policy and legislative factors.

The Agency began to implement the approved re-tabled annual performance plan which was more responsive to the effected adjustments. Amongst other compelling reasons for the revision of the APP, was the rebase lined AARTO Implementation approach which sought to introduce the phased AARTO rollout plan. Furthermore, the Agency needed to ensure alignment of the APP with the ENE budget which would accommodate the implementation of a phased AARTO rollout as well as to accommodate the anticipated promulgation of the AARTO Regulations and Proclamation of the AARTO Amendment Act.

At the beginning of the fourth quarter of the financial year under review, the Agency experienced yet another drawback when the North Gauteng High Court passed judgement which declared the AARTO Act as unconstitutional and invalid. The impact of this judgement was severe and brought a complete halt to the six annual AARTO related performance targets found in the revised annual

2. OVERVIEW OF PERFORMANCE

Measuring Outcomes

Outcome	Outcome Statement	Outcome Indicator	Progress Statement
Integrated Point Demerit Ecosystem	Enable an integrated & efficient points demerit ecosystem to improve the quality of road infringement information, analytics & knowledge	Reduction of infringements/ contraventions through world class points demerit system	Efforts to advance the long awaited points demerit system have been temporarily derailed by the North Gauteng High Court Judgement on the AARTO Act.
Reliable Road User Research & Analytics	Establish the prescribed information management system connected to 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	<p>Collaboration efforts with Institutions of Higher Learning are underway to conduct research on AARTO.</p> <p>An AARTO Operations Report on the analysis of the AARTO system and internal environment has been developed and identified shortcomings with the view to improve system and internal controls.</p>

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3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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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	1.1	AARTO Appeals Tribunal Established	Not Achieved
	1.2	32 AARTO Education & Awareness Social Media Campaigns	Achieved
	1.3	24 AARTO Education & Awareness Traditional Media Campaigns	Achieved
	1.4	PDS System Developed	Not Achieved
	1.5	Driver Rehabilitation Programme Developed	Not Achieved
2	2.1	AARTO Electronic Service Implemented	Not Achieved
3	3.1	ICT Strategy Developed	Not Achieved
	3.2	Annual State of the AARTO Operations Report Developed	Achieved
4	4.1	% Decrease in the number of negative audit findings	Not Achieved
	4.2	100% AMIP Budget Committed	Not Achieved
	4.3	100% Responses to parliamentary questions within the stipulated timelines	Achieved
	4.4	95% Resolution of reported incidents of corruption	Achieved
	4.5	Operations of Social & Ethics Committees Monitored	Achieved
	4.6	100% reduction of Fruitless & Wasteful Expenditure	Not Achieved
	4.7	% Reduction of Cases of Irregular Expenditure	Achieved
	4.8	100% Compliance to 30 day payment requirement	Achieved
5	5.1	25 New AARTO Service Outlets Deployed	Achieved
	5.2	213 Metro/local Municipal areas implementing AARTO	Not Achieved
	5.3	50 positions filled targeting youth, women and people living with disabilities for AARTO Service Outlets	Achieved

Table 6: Strategic Objective Achievements

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.1 Originally tabled APP

Outcome, Output, Output Indicators, Targets and Actual Achievements Table
Programme 1: AARTO Administration and Support

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21 2021/22	Actual Achievement 2021/22 Until date of re-tabling	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations	Reasons For Revisions To The Output/ Output Indicators/ Annual Targets
Improve RTIA Accessibility & Voluntary Compliance	AARTO Mobile Application commissioned	Functional AARTO Mobile Application	N/A	Design and develop RTIA Mobile APP	AARTO Mobile APP implemented	AARTO Mobile App implemented on Google App Store (Play Store). There are still challenges on obtaining rights from Apple iStore.	As per the original APP Back Office Service Offering could not be verified	Requirements of the TID not fully implemented	TID to be revised to exclude Back-Office service offerings
Efficient and fair adjudication processes	Appeals Tribunal established	Functional Appeals Tribunal	New	New	Appeals Tribunal Facilitated	DOT advertised for Appeals Tribunal nominees on 15 Feb 2021 and Short listing was done on the 7th May 2021. HR vetting of nominees to the Tribunal was done by RTIA HR Appeals Tribunal Policy and Rules drafted	N/A	N/A	N/A
Integrated Points Demerit System	Functional Points Demerit System	Functional Points Demerit System implemented	N/A	N/A	PDS Phase 1 implemented	Business requirements have been finalised and submitted to the RTMC	No peculiar PDS consultations held during the quarter under review	PDS implementation date has been deferred to July 2021	PDS implementation date has been deferred to July 2021

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21 2021/22	Actual Achievement 2021/22 Until date of re-tabling	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations	Reasons For Revisions To The Output/ Output Indicators/ Annual Targets
Improve AARTO Accessibility & Voluntary Compliance	Driver Rehabilitation Programmes developed	Number of Driver Rehabilitation Programmes Implemented	N/A	N/A	Two (2) driver Rehabilitation Programmes Developed	International Bench marking Report developed on 30 April 2021	N/A	N/A	N/A
Cultivate Good Road User Behaviour	Driver Rehabilitation Programmes developed	Number of Driver Rehabilitation Programmes Implemented	New	New	1 Driver Rehabilitation Programme Implemented	Business requirements have been finalised and submitted to the RTMC.	Business requirements have been finalised and submitted to the RTMC.	Implementation date for Rehabilitation Programme is deferred to July 2022 as per AMIP Rebaseline Plan. Owing to Sec 38(1) (J) intervention by the DoT, requisite AMIP funds withheld.	Implementation date for Rehabilitation Programme is deferred to July 2022 as per AMIP Rebaseline Plan.
Improve RTIA Accessibility & Voluntary Compliance	AARTO Education and Awareness Campaigns	Number of AARTO Education and Awareness Social Media Campaigns Deployed	N/A	Target not Achieved	32 AARTO Education and Awareness Social Media Campaigns	50 AARTO Education and Awareness Social Media Campaigns conducted	Quarterly target exceeded by 42 AARTO Education and Awareness Social Media	Due to Covid-19 infringers are being rerouted to our online platforms through social media campaigns	N/A
Improve RTIA Accessibility & Voluntary Compliance	AARTO Education and Awareness Campaigns	Number of AARTO Education and Awareness Traditional Media Campaigns Deployed	123 Education and Awareness Campaigns implemented	39 Education and Awareness Campaigns implemented	24 AARTO Education and Awareness Traditional Media Campaigns	None	Amendment of the original APP	Unavailability of Stakeholders for planned workshops resulting from compulsory discouragement of face to face interactions.	N/A
Improve RTIA Accessibility & Voluntary Compliance	RTIA Brand and Reputation Survey Report	Number of RTIA Brand and Reputation Surveys Conducted	N/A	N/A	One (1) RTIA Brand and Reputation Survey Conducted	Draft concept document on the RTIA Brand and Reputation Survey developed	Stakeholder Consultation not conducted	Consultation delayed by uncertainty on funding	N/A

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21 2021/22	Actual Achievement 2021/22 Until date of re-tabling	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations	Reasons For Revisions To The Output/ Output Indicators/ Annual Targets
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PROGRAMME 2: ADJUDICATION AND AARTO SUPPORT

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
Efficient and Fair Adjudication processes	Effective AARTO VFMNS System	Number of Operators on the VFMNS	N/A	N/A	125 Operators Registered on the VFMNS	0	-125 Operators Registered on VFMNS	NATIS system settings changed and the rectification process is slow.	AMIP Project Rebaselined
Cultivate Good Road User Behaviour	National AARTO Rollout	% of IA's Implementing AARTO	N/A	N/A	Assessment of AARTO National Roll- out Readiness	No Readiness Assessment Performed	0	AMIP Project Rebaselined.	AMIP Project Rebaselined
Cultivate Good Road User Behavior	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	95% of representations adjudicated within 21 days of date of receipt	100% representations adjudicated within 21 days of receipt	80.75% representations adjudicated within 21 days of receipt	-19.25	Intermittent NATIS system errors. Demand in the reporting quarter exceeded the capacity of the Representation unit emanating from successful revocations.	Deferred to Operational Plan

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21 2021/22	Actual Achievement 2021/22 Until date of re-tabling	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations	Reasons For Revisions To The Output/ Output Indicators/ Annual Targets
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PROGRAMME 3: AARTO INFORMATION AND ANALYTICS

Improve RTIA Accessibility & Voluntary Compliance	AARTO Web Portal to be developed	Revamped AARTO Web Portal	Existing AARTO website	N/A	Phase 1 System design and phased implementation	AARTO web portal operationalised at the beginning of April 2021. Formal launch was conducted on the 1st July 2021 in line with the AARTO roll out date. Web penetration was conducted during the reporting period	Web Portal launched outside the reporting period	Minister of Transport could only launch on the 1st July 2021	Deferred to the Operational Plan
Efficient & Fair Adjudication Process	Functional Interface between RTIA information management systems	NRTOR System Developed	N/A	N/A	Develop specifications for interface between information management systems and National Road Traffic Offences Register (NRTOR)	Directive to stop implementation from DoT not to commission any work towards the output indicator.	Directive to stop implementation from DoT not to commission any work towards the output indicator.	Directive to stop implementation from DoT not to commission any work towards the output indicator.	Directive to stop implementation from DoT not to commission any work towards the output indicator.
Reliable Road User Research and Analytics	Enhanced Road Traffic Offences adjudication processes and services	RTIA Research Agenda developed ¹	N/A	N/A	1 Research Agenda Developed	Submission and Specifications for acquisition of Research Service Providers was developed and awaiting approval.	Consultations with institution happened prior the reporting period.	SCM discouraged contact with service providers prior formal appointment. Funding Uncertainty of the project.	Deferred to the Operational Plan

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21 2021/22	Actual Achievement 2021/22 Until date of re-tabling	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations	Reasons For Revisions To The Output/ Output Indicators/ Annual Targets
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PROGRAMME 4: GOVERNANCE AND SUSTAINABILITY

Efficient & Fair Adjudication Process	Implement automated and integrated operating environment	% Occupancy rate maintained	N/A	Not achieved	Implementation of the Organizational Structure and maintain 90% occupancy rate	35% occupancy rate maintained	50% variance	Delayed concurrence on the approval of the organisational structure	Delayed concurrence on the approval of the organisational structure
RTIA IT Business Enablement	ICT Strategy Developed	ICT Strategy Developed	N/A	N/A	ICT Strategy Developed	Submission of ICT Strategy Development Services and BID Specifications were developed and approved.	COBIT 2019 Assessment & Definition of Architecture not conducted.	Non-Availability of funds. The rate of collection is lower than projected.	N/A
Clean governance	Unqualified Audit Opinion	Unqualified Audit Opinion	New	New	% decrease in number of negative audit findings	% decrease in number of negative audit findings not achieved however audit outcome improved from disclaimer to a qualification	% decrease in number of negative audit findings not achieved	Number of negative audit findings in 2019/2020 were higher than in 2020/2021	N/A

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21 2021/22	Actual Achievement 2021/22 Until date of re-tabling	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations	Reasons For Revisions To The Output/ Output Indicators/ Annual Targets
Prudent Financial management	100% AMIP Budget Spent	% AMIP Allocated Budget Spent	New	New	100% AMIP Budget Committed	R2.1 million/ 3.9 % budget Committed. (based on: R53.8 million AMIP budget Committed)	96.1% under achievement of the target	Delayed release of the AMIP Budget by the DoT, The non- proclamation of the AARTO Amendment Act and Adverse judgement by the Pretoria North Gauteng High Court on the AARTO Legislation	N/A
	Adequacy of responses to Parliamentary questions	% Responses to Parliamentary questions within stipulated timelines	New	New	100% responses to parliamentary questions within stipulated timelines	100% responses to parliamentary questions within the stipulated timelines (Total of 5 PQs responded to)	None	None	N/A
	Resolution of reported incidents of corruption	% Resolution of reported incidents of corruption	New	New	95% Resolution of reported incidents of corruption	95% Resolution of reported incidents of corruption Disciplinary process underway for the pending matter	None	None	N/A

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21 2021/22	Actual Achievement 2021/22 Until date of re-tabling	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations	Reasons For Revisions To The Output/ Output Indicators/ Annual Targets
Improved governance and strengthened control environment	Social & Ethics Committees established and operationalized	Social & Ethics Committees established and operationalized	New	New	Operations of Social and Ethics Committees Monitored	Operations of Social and Ethics Committees Monitored	None	None	N/A
Improved governance and strengthened control environment	Reduction of cases of Fruitless and Wasteful expenditure	% Reduction of cases of Fruitless and Wasteful expenditure	New	New	100% reduction of Wasteful and Fruitless Expenditure	100% reduction of Wasteful and Fruitless Expenditure	-15%	Policy and Regulatory Frameworks not adhered to.	N/A
Improved governance and strengthened control environment	Reduction of cases of irregular expenditure	% Reduction of cases of irregular expenditure	New	New	75% Reduction of Cases of Irregular Expenditure	95% of Cases of Irregular Expenditure reduced	None	None	N/A
Compliance to 30-day payment requirement	Percentage compliance to 30-day payment requirement	% compliance to 30-day payment requirement	New	New	Compliance to 30-day Payment Requirement	100% of valid invoices paid within 30 days	None	None	N/A

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome	Output	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2020/21 2021/22	Actual Achievement 2021/22 Until date of re-tabling	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations	Reasons For Revisions To The Output/ Output Indicators/ Annual Targets
PROGRAMME 5: AARTO NATIONAL ROLLOUT PROGRAMME									
Improve RTIA Accessibility & Voluntary Compliance	Placement of new AARTO service outlets	Implementation of fully operational new AARTO service outlets	5 New AARTO Service Outlets established	5 New AARTO Service Outlets established	50 New AARTO service outlets implemented	Project Rebaseline plan developed	Project Rebaseline plan developed	Section 38(1)(J) intervention by the DoT resulting in the withholding of the AMIP budget.	Project to be Rebase lined
	AARTO Self Service Kiosk Deployed	Number of Self Service Kiosk Deployed	New	New	50 Self Service Kiosks / PC Panels Deployed	0 self-service kiosks deployed	0 self-service kiosks deployed	Section 38(1)(J) intervention by the DoT resulting in the withholding of the AMIP budget.	Project to be Rebase lined
	Established RTIA National Footprint in the Republic	Number of RTIA Provincial Offices Established	New	New	Nine (9) RTIA Provincial Offices Established	No Provincial office established.	Non-establishment of the 9 Provincial Offices.	Section 38(1)(J) intervention by the DoT resulting in the withholding of the AMIP budget.	Project to be Rebase lined
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	No job offers availed during the reporting period resulting from impending recruitment processes	No job offers availed during the reporting period resulting from impending recruitment processes	Section 38(1)(J) intervention by the DoT resulting in the withholding of the AMIP budget	Project to be Rebase lined

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.2 Re- tabled APP

3.2.1 Programme 1: AARTO Administration & Education

- **Provide the purpose of the programme:**

The programme exists to facilitate and ensure systems and processes for responsive AARTO administration, education and awareness interventions

- **List the sub-programmes:**

- 3.1.1 Functional Appeals Tribunal Implemented
- 3.1.2 Number of AARTO Education and Awareness Social Media Campaigns Deployed
- 3.1.3 Number of AARTO Education and Awareness Traditional Media Campaigns Deployed
- 3.1.4 Points Demerit System Developed
- 3.1.5 Number of Driver Rehabilitation Programmes Developed

- **List the purpose and description of the sub programmes**

Functional Appeals Tribunal

Chapter IVA, Section 29A to 29I of the AARTO Act, 1998 (as Amended by Act No 4 of 2019) establishes the Appeals Tribunal which amongst others shall have jurisdiction throughout the Republic, be a juristic person, be a tribunal of record and also exercise its function in accordance with the Act or any other applicable legislation. The Tribunal shall consist of a chairperson and eight other persons as recommended by the Minister and appointed by the President on a part time basis. The Tribunal will adjudicate on any matter brought to it by an infringer who is aggrieved by a decision taken by the representation officer in terms of the Act. Furthermore, the administrative work of the Appeals Tribunal must be performed by the employees designated for that purpose by the Registrar.

The Agency could not achieve the annual target set due to the non-proclamation of the AARTO Amendment Act and the High Court Judgment handed down on 13 January 2022, the High Court, Gauteng Division, Pretoria (Case No: 32097/2020) declared the principal AARTO Act, 1998, and the AARTO Amendment Act, 2019 “unconstitutional and invalid”.

Number of AARTO Education and Awareness Traditional Media Campaigns Deployed

This performance 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 as well as Interfaith special programmes. A number of twenty-four (24), (6 per quarter) Traditional AARTO Public awareness and education campaigns conducted through print media platforms and radio stations (commercial / national / community) to heighten AARTO awareness defines a campaign. Depending on the level of importance, a campaign can be repeated in a different quarter. During the year under review, the RTIA has deployed 224 campaigns against a set target of 24 Traditional AARTO Public awareness and education campaigns

Number of AARTO Education and Awareness Social Media Campaigns Deployed

The RTIA heightened its social media client base by improvising innovative social media education and awareness campaigns. A campaign is defined by the number social media engagements / posts/ activities designed to communicate one message. Eight (8) Education and Awareness Campaign themes deployed per quarter on social media platforms. Depending on the level of importance, a campaign can be repeated in a different quarter. A campaign should have a minimum of eight (8) posts. 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 32 AARTO Education and Awareness Social Media Campaigns and managed to deploy 263 AARTO campaigns. The total number of campaigns deployed exceeded the set target to achieve 231 campaigns.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Points Demerit System Developed

The performance indicator is defined as an NCR based activity on which a Points Demerit System is informed by phase 1 as per RTMC Road Traffic Information that includes the Top 10 Vehicle & Driver Offences. The RTIA in collaboration with the RTMC would define the Top 10 Offences as per recent RTI. The means of verification will amongst other things include an NCR Progress Report on PDS Functions Developed on NCR (Dry-Run). During the year under review the Points Demerit System target was not achieved as a result of external dependency on system development and the adverse North Gauteng High Court Judgement on the AARTO Legislation. Progress work performed was abandoned by stakeholders on announcement of the judgement.

Number of Driver Rehabilitation Programmes Implemented

The implementation of Driver Rehabilitation Programme is a critical aspect in the AARTO value chain. Implementation of the programme must be preceded by the proclamation notice of the AARTO Amendment Act and the promulgation of AARTO Regulations. For the year under review, the programme was designed to accomplish these four milestones; which include Q1: International Benchmarking Report Developed, Q2: Stakeholder Consultation Report, Q3: Driver Rehabilitation Concept Document Developed and Q4: Development of Driver Rehabilitation Programme. The target was negatively impacted by the non-proclamation of the Amendment Act and North Gauteng High Court Judgement on the AARTO legislation. The desktop international benchmark report was developed, concept developed, however given stakeholder reluctance on the proclamation, the consultation efforts were not successful.

- **List the institutional outcomes that each programme contributes towards:**

Efficient & Fair Adjudication Process
Improve RTIA Accessibility & Voluntary Compliance
Cultivate Good Road User Behaviour

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome, Output, Output Indicators, Targets and Actual Achievements Table

Table: re-tabled APP

Outcome	Outputs	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to the actual Achievement 2020/21	Reasons For Deviations
Efficient & Fair Adjudication Process	Appeal Tribunal established	Functional Appeals Tribunal	N/A	N/A	AARTO Appeals Tribunal established	AARTO Appeals Tribunal not established	AARTO Appeals Tribunal not established	Non-Proclamation of the AARTO Act North Gauteng High Court Judgement on the AARTO Act
Efficient & Fair Adjudication Process	Influence change in driver behaviour	Number of AARTO Education and Awareness Social Media Campaigns Deployed	N/A	Target not achieved	32 AARTO Education and Awareness Social Media Campaigns	263 AARTO Education and Awareness Social Media Campaigns deployed.	Annual target exceeded by 231 social Media Campaigns	The annual performance experienced an increase due to engaging services of GCIS to utilise services of a panel of experts to increase social media posts
Efficient & Fair Adjudication Process	Influence change in driver behaviour	Number of AARTO Education and Awareness Traditional Media Campaigns Deployed	123 Public awareness and education campaigns	39 Public awareness and education campaigns	24 AARTO Education and Awareness Traditional Media Campaigns	224 AARTO Education and Awareness Traditional Media Campaigns Deployed.	Annual target surpassed by 200 Traditional Media Campaigns	Performance increased significantly due to deployment of national radio, TV and print media campaigns through GCIS to educate and dispel uncertainty caused by the North Gauteng High Court Ruling on AARTO
Improve RTIA Accessibility and Voluntary Compliance	Points Demerit System	Points Demerit System Developed	N/A	N/A	PDS System Developed	PDS System not updated and fully developed	Natis functionality system not updated to demerit only 10 critical road traffic offences	North Gauteng High Court Judgement on the AARTO Act External dependency on system development
Cultivate Good Road User Behaviour	Driver Rehabilitation Programme Implemented	Driver Rehabilitation Programmes Implemented	N/A	N/A	Driver Rehabilitation Programme Developed	Driver Rehabilitation Programme not developed	Driver Rehabilitation Program not developed	Non proclamation of the AARTO Amendment Act and North Gauteng High Court Judgement on the AARTO Act

Table 07: AARTO Rollout Programme Indicators

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Strategy to overcome areas of under performance

The RTIA has joined the Minister of Transport in appealing the North Gauteng High Court Judgement on the AARTO Amendment Act through the Constitutional Court. The process of providing enhanced Education and Public Awareness programmes on AARTO and Road Safety across all provinces of South Africa is receiving the highest priority. The programme of establishing AARTO Service Outlets is at an advanced stages and will provide leverage for the Agency to partner with provinces and District Municipalities towards changing behaviour of road users.

Changes to planned targets

None

Linking performance with budgets

Programme 1	2021/2022			2020/2021		
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	8 375	8 285	90	11 743	3 194	8 549
Operating expenses	42 400	15 941	26 459	9 806	3 985	5 821
Total	50 775	24 226	26 549	21 549	7 179	14 370

Table 08: AARTO Rollout Programme Indicators Budget

3.2.2 Programme 2: Adjudication & AARTO Support

- Provide the purpose of the programme:
This programme exists to ensure adjudication and AARTO stakeholder management activities in line with the provisions of the AARTO Act.
- List the sub-programmes:

3.2.1 AARTO Electronic Services Implemented

- **List the purpose of the sub programme**
The purpose of this sub programme is the implementation of an electronic service to issue courtesy letters and enforcement orders. This indicator measures progress made towards 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.
- **List the institutional outcomes that each programme contributes towards:**
Improve RTIA Accessibility & Voluntary Compliance

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome, Output, Output Indicators, Targets and Actual Achievements

Table: re-tabled APP

Outcome	Outputs	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to the actual Achievement 2021/22	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	The Implementation Plan developed and approved	AARTO Electronic Service Implemented	Electronic Service Implementation Report not developed	Consultation with the RTMC on a possible Pilot implementation project	North Gauteng High Court Judgement on the AARTO Act Non- Proclamation of the AARTO Act

Table 09 :AARTO Electronic Services Implemented

Strategy to overcome areas of under performance

The Agency has challenged the Pretoria North Gauteng High Court judgement on the AARTO legislation validity. The Agency has set up systems in place to implement the electronic service as per rollout plan on positive pronouncement of the CC decision.

Changes to planned targets

None

Linking performance with budgets

Programme 2	2021/2022			2020/2021		
	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
Expenditure Items	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	63 130	22 298	40 832	59 557	19 683	39 874
Operating expenses	79 944	82 283	(2 339)	64 304	15 863	48 441
Total	143 074	104 581	38 493	123 861	35 546	88 315

Table 10: Programme 2 Budget

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

3.2.3 Programme 3: AARTO Information & Analytics

- Provide the purpose of the programme:**

This existence of this programme is the institutionalization of information management in line with the provisions of the AARTO legislative framework. Key functions and outputs include but are not limited to research, digital technologies and data management.

- List the sub-programmes:**

ICT Strategy Developed
Annual State of AARTO Operations Report developed

- List the purpose and description of the sub programmes**

ICT Strategy Developed

The strategy will enhance organisational efficiencies and integration of organisational functions. Through this indicator the RTIA endeavours to produce a 3-year ICT strategy document. Strategy development will be preceded by COBIT 2019 assessment. Emphasis of strategy to focus on enterprise architecture development and system integration.

Annual State of AARTO Operations Report developed

The purpose of this indicator is to improve the use of the AARTO business intelligence results as a descriptive and diagnostic tool for improving fair adjudication and ensuring accountability on payments of the infringement notices issued. This is achieved by reflecting on the effectiveness of each stage of the value chain and the role of various stakeholders in the AARTO process.

- List the institutional outcomes that each programme contributes towards:**

Improve RTIA Accessibility & Voluntary Compliance

Outcome, Output, Output Indicators, Targets and Actual Achievements Table

Table: re-tabled APP

Outcome	Outputs	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations
Improve RTIA Accessibility & Voluntary Compliance	ICT Strategy Developed	ICT Strategy Developed	N/A	N/A	ICT Strategy Developed	Draft ICT Strategy developed but not approved	Enterprise Architecture incomplete at the time of reporting	Challenges in Procurement process
	State of the AARTO Operations Report	Number of AARTO Operations Report developed	N/A	N/A	Annual State of AARTO Operations Report developed	Annual State of AARTO Operations Report has been developed	None	None

Table 11: Implementation of Integrated Service Channel

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Strategy to overcome areas of under performance

Appointed Service Provider in the process to finalise the Enterprise Architecture development and strategy refinement.

Changes to planned targets

N/A

Linking performance with budgets

Programme 3		2021/2022			2020/2021		
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	8 176	5 504	2 672	6 010	4 181	1 829	
Operating expenses				490	0	490	
Total	8 176	5 504	2 672	6 500	4 181	2 319	

Table 12: Programme 3 Performance linked to Budget

3.2.4 Programme 4: Governance & Sustainability

- **Provide the purpose of the programme:**

The programme exists to provide strategic leadership and support to the RTIA for the successful implementation of its legislative mandate through efficient and sustainable provision of resource solutions and services. The programme consists of the office of the Registrar, Financial Management, Corporate Services, ICT, Legal Services, Compliance and Risk Management.

- **List the sub-programmes:**

- % decrease in number of negative audit findings
- 100% AMIP Budget Committed
- 100% responses to parliamentary questions within stipulated timelines
- 95% Resolution of reported incidents of corruption
- Operations of Social and Ethics Committees Monitored
- 100% reduction of Wasteful and Fruitless Expenditure
- 75% Reduction of Cases of Irregular Expenditure
- 100% Compliance to 30-day Payment Requirement

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

List the purpose of the sub-programmes:

- % decrease in number of negative audit findings
 - The RTIA to adhere and monitor the audit action plan and achieve unqualified audit opinion.
- 100% AMIP Budget Committed
 - Monitoring and reporting on budget committed.
- 100% responses to parliamentary questions within stipulated timelines.
 - The ability of the RTIA to formally respond to official parliamentary questions within the time stipulated in each question
- 95% Resolution of reported incidents of corruption
 - The cases of corruption differ in complexity and require different competencies, which may not always be within the Agency. The agency is required to report on a Bi-annual basis on the status of each case of corruption reported in line with the RTIA Fraud prevention policy and fraud prevention plan.
- Operations of Social and Ethics Committees Monitored
 - The RTIA to establish and operationalise internal Committees that focus on ethics. The RTIA has sufficient skilled human resources that can establish and maintain ethics committee meetings. This is premised on the increased importance of integrity in government institutions
- 100% reduction of Wasteful and Fruitless Expenditure
 - Entity to put internal control measures in place to maintain 0% wasteful and Fruitless expenditure.
- 75% Reduction of Cases of Irregular Expenditure
 - Entity to put internal control measures in place to reduce irregular expenditure by 75% during the year under review 100% Compliance to 30-day Payment Requirement.
- 100% Compliance to 30-day Payment Requirement
 - The Entity to put controls in place to ensure suppliers are paid within 30 days from date of invoicing.

List the institutional outcomes that each programme contributes towards:

- Clean governance
- Prudent Financial management
- Improved governance and strengthened control environment
- Compliance to 30-day payment requirement

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

Outcome	Outputs	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations
Clean governance	Unqualified Audit Opinion	Unqualified Audit Opinion	New	New	% decrease in number of negative audit findings	% decrease in number of negative audit findings not achieved however audit outcome improved from disclaimer to a qualification	% decrease in number of negative audit findings not achieved	Number of negative audit findings in 2019/2020 were higher than in 2020/2021
Prudent Financial management	100% AMIP Budget Spent	% AMIP Allocated Budget Spent	New	New	100% AMIP Budget Committed	R2.1 million/= 3.9 % budget Committed. (based on: R53.8 million AMIP budget Committed)	96.1% under achievement of the target	Delayed release of the AMIP Budget by the DoT, The non-proclamation of the AARTO Amendment Act and Adverse judgement by the Pretoria North Gauteng High Court on the AARTO Legislation
	Adequacy of responses to Parliamentary questions	% Responses to Parliamentary questions within stipulated timelines	New	New	100% responses to parliamentary questions within stipulated timelines	100% responses to parliamentary questions within the stipulated timelines (Total of 5 PQs responded to)	None	None
	Resolution of reported incidents of corruption	% Resolution of reported incidents of corruption	New	New	95% Resolution of reported incidents of corruption	95% Resolution of reported incidents of corruption Disciplinary process underway for the pending matter	None	None
	Social & Ethics Committees established and operationalized	Social & Ethics Committees established and operationalized	New	New	Operations of Social and Ethics Committees Monitored	Operations of Social and Ethics Committees Monitored	None	None
	Percentage reduction of cases of irregular expenditure	% Reduction of cases of irregular expenditure	New	New	100% reduction of Wasteful and Fruitless Expenditure	100% of Wasteful and Fruitless Expenditure reduced	-15%	Policy and Regulatory Frameworks not adhered to.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Outcome	Outputs	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations
Improved governance and strengthened control environment	Reduction of cases of irregular expenditure	% Reduction of cases of irregular expenditure	New	New	75% Reduction of Cases of Irregular Expenditure	95% of Cases of Irregular Expenditure reduced	None	None
Compliance to 30-day payment requirement	Percentage compliance to 30-day payment requirement	% compliance to 30-day payment requirement	New	New	Compliance to 30-day Payment Requirement	100% of valid invoices paid within 30 days	None	None

Table 13: Programme 4: Governance & Sustainability

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Strategy to overcome areas of under performance

Enforcement of policy and other regulatory frameworks mostly in supply chain management and all business processes. To further engage the DoT on the review of imposed performance indicators to conform to the SMART Principle.

Changes to planned targets

N/A

Linking performance with budgets

Programme 4 Expenditure Items	2021/2022			2020/2021		
	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	81 843	57 262	24 581	74 102	50 143	23 959
Operating expenses	37 070	33 166	3 904	34 961	34 680	281
Total	118 913	90 428	28 485	109 063	84 823	24 240

Table 14: Implementation of the re-aligned organisation structure Budget

3.2.5 Programme 5: AARTO National Rollout

Provide purpose of the programme:

The programme exists to position the RTIA to address seamless and coordinated implementation of AARTO by all key stakeholders countrywide. The Office of the Registrar and PMO are responsible actors in the programme.

List the sub-programmes:

25 New AARTO Service Outlets Deployed

213 Metro/Local Municipal Areas Implementing AARTO

50 positions filled targeting youth, women and people living with disabilities for AARTO Service Outlets

List the purpose of the sub-programme:

- **25 New AARTO Service Outlets Deployed**

An AARTO Service outlet is a workstation located in the Registering Authority, Driver Licence and Testing Centre (DLTC), Provincial Office, Issuing Authority, Court and any other community centre that the community can access government services that provide limited AARTO services. *establishment implies: Physical structure with RTIA branding, AARTO service outlet operator with a computer, printer and scanner for identified sites to be accessible to the public.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

- **213 Metro/Local Municipal Areas Implementing AARTO**

A total number of 213 Metro/Local Municipal Areas to effectively implement and enforce provisions of the AARTO Legislation within their immediate municipal jurisdiction.

- **50 positions filled targeting youth, women and people living with disabilities for AARTO Service Outlets**

Creation of 50 job opportunities by the RTIA targeting women, youth and people living with disabilities. There is sufficient number of unemployed and talented individuals who are available to take up new employment.

List the institutional outcomes that each programme contribute towards:

- Improve RTIA Accessibility and Voluntary Compliance
- Efficient and Fair Adjudication Processes

Outcome, Output, Output Indicators, Targets and Actual Achievements

Outcome	Outputs	Output Indicator	Audited Actual Performance 2019/20	Audited Actual Performance 2020/21	Planned Actual Target 2021/22	Actual Achievement 2021/22	Deviation from planned target to the actual Achievement 2021/22	Reasons For Deviations
Improve RTIA Accessibility & Voluntary Compliance	AARTO National Footprint through Service Outlets	Number of AARTO Service Outlets Deployed	N/A	N/A	25 New AARTO service outlets Deployed	25 New AARTO Service Outlets have been deployed	None	None
Efficient and Fair Adjudication Processes	National AARTO Roll-out	Number of Metro/ Local Municipal areas implementing AARTO	New	New	213 Metro/Local Municipal Areas implementing AARTO	213 Metro/Local Municipal Areas were unable to implement AARTO	213 Metropolitan and Local Municipal Areas were unable to implement AARTO	North Gauteng High Court Judgement on the AARTO Act Non- Proclamation of AARTO Act
Organisational Re-Alignment	Employment Opportunities Created for historically disadvantaged individuals	Number of job opportunities targeting youth, women and people living with disabilities recruited for AARTO Service Outlets	N/A	Organisational Structure not implemented	50 positions filled targeting youth, women and people living with disabilities recruited for AARTO Service Outlets	50 positions filled targeting youth, women and people living with disabilities for AARTO Service Outlets	None	None

Table 15: Performance on Implementation Plan of AARTO Mobile App.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Strategy to overcome areas of under performance

The Agency is in the process to appeal the Pretoria North High Court Judgement which will create space for the National AARTO Rollout. The Agency will initiate a process to assess and review the AARTO Act and Regulations to amplify its provisions for seamless national rollout.

Changes to planned targets

None

Linking performance with budgets

Programme 1	2021/2022			2020/2021			
	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	R'000
Personnel	52 273	3 235	49 038	9 734	8 060	1 674	
Operating expenses	145 376	9 380	135 996	45 507	6 023	39 484	
Total	197 649	12 615	185 034	55 241	14 083	41 158	

Table 16: Linking Performance to Budget

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

4. Progress on Institutional Response to COVID- 19 Pandemic

Table 17: Institutional Response to COVID-19 Pandemic

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	43 employees	Not applicable	R0.00	Laptops: R498 384.70	Offsite operations contributed to the achievement of the APP targets.	Increased productivity of the RTIA
	Increased occupational and safety through procurement of the PPE Description <ul style="list-style-type: none"> Provision of sanitation services Deep Cleaning; Disinfection and Sanitization Provision of sanitizers and Disinfectant, Digital Thermometer, Reception Perspex shields, Working remotely and institutionalisation of rotational work; Face shield mask one size fit all 	All provinces	175 employees and stakeholders	Not Applicable	R0.00	R336,953.88	Achievement of 39 Public awareness campaign during the period under review.	Increased communication marketing interventions
	Procurement of Online Life risk APP	All provinces	175 employees	Not Applicable	R0.00	R41 400	The life risk tool assisted with healthy staff compliment which contributed to the achievement of the APP.	Increased monitoring and healthy staff in a safe working environment
	Institutionalisation of the crisis committee to deal and attend to all Covid-19 related requirements	Gauteng	All personnel and stakeholders	Not Applicable	N/A	N/A	The crisis committee contributed towards the achievement of the APP targets through the management of all Covid-19 related matters and decision making.	
	Marketing and Communication Strategy	All provinces	All Employees	Not Applicable	R0.00	R0.00	Utilising Social Media Platforms (Twitter, FB, WhatsApp, IG and Website) for accessing RTIA services	Increased communication marketing interventions

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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)	Enhanced compliance with OHS and Covid- 19 lockdown regulations	All provinces	All RTIA personnel and stakeholders	Not Applicable	N/A	N/A	<ul style="list-style-type: none"> *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 on COVID-19 information from NICD and Department of health. 	Increased monitoring and healthy staff and stakeholders in a safe working environment

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

5. REVENUE COLLECTION

Sources of Revenue	2021/2022			2020/2022		
	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		R423 310			575 966	
Total		R423 310			575 966	

Table 18: Revenue Collection

During the year under review the Agency collected less revenue in comparison to the previous financial year. The decline in revenue collection can be attributed to the negative impact as a result of the North Gauteng High Court Judgement on AARTO Act in January 2022. The RTIA enhanced engagements with communities on public awareness and education campaigns such as AARTO Fridays, Know-Your-Traffic-Statuses, Road Safety Campaigns as well as the establishment of AARTO Service Outlets in various provinces.

6. OVERVIEW OF THE ANNUAL ROAD TRAFFIC INFRINGEMENT STATISTICAL PRESENTATION

Subsection Topic

- 6.1 Number of Infringement Notices Captured
- 6.2 Number of Notices Captured per Issuing Authority
- 6.3 Elective options exercised by Infringers
- 6.4 Adjudication of Representations
- 6.5 Courtesy Letters Issued
- 6.6 Enforcement Orders Issued
- 6.7 Applications for the Revocation of Enforcement Orders

For the 2021-2022 financial year under review, the statistics listed in this section were derived from the National Contraventions Register (NCR), and are based on the records captured and uploaded thereto by the four Issuing Authorities (IA's) in the AARTO jurisdictional area which include Johannesburg Metropolitan Police Department (JMPD); Tshwane Metropolitan Police Department (TMPD); the Gauteng Department of Community Safety (GDoCS) and the Road Traffic Management Corporation (RTMC).

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

6.1 Number of Infringement Notices Captured

The number of notices captured by all the issuing authorities per month on the NCR during the 2021-2022 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 2021	81 487	105	565 645	16 448	0	663 685
May 2021	85 407	130	524 395	22 121	0	632 053
Jun 2021	77 277	218	407 783	23 912	0	509 190
Jul 2021	55 034	180	229 849	13 916	0	298 979
Aug 2021	57 363	116	0	12 917	0	70 396
Sep 2021	65 175	142	257	25 664	0	91 238
Oct 2021	69 369	148	0	34 774	0	104 291
Nov 2021	76 966	138	0	29 487	0	106 591
Dec 2021	54 333	177	0	27 420	0	81 930
Jan 2022	65 146	65	0	43 147	0	108 358
Feb 2022	61 532	72	0	39 474	0	101 078
Mar 2022	68 575	119	0	41 747	0	110 441
Year Total	817 664	1 610	1 727 929	331 027	0	2 878 230

Table 19: Number of Notices Captured per Type per month on NCR_2021/22 FY

There was a total of 2 878 230 captured AARTO notices by all the issuing authorities in this 2021-2022 financial year

- AARTO 01 - handwritten infringement notices issued at the road side
There was a total of 817 664 notices captured by all the issuing authorities;
- AARTO 02 - Weighbridge electronic infringement notices. (Donkerhoek N4 Weighbridge)
There was a total of 1 610 electronic notices captured by Gauteng Department of Community Safety;
- AARTO 03 - Camera captured infringement notices.
There was a total of 1 727 929 infringement notices captured, which is the highest of the total captured for all infringement notices captured;
- AARTO 31 – Unattended vehicle notices.
The total number of captured AARTO 31's is 331 027 by Johannesburg Metropolitan Police Department and Tshwane Metropolitan Police Department respectively; and
- AARTO 32 – Offences captured at the roadside.
There were no AARTO 32 notices captured in 2021-2022.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The table below shows the changes in number of notices captured by all the IA's between 2020-2021 and 2021-2022 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
2020-2021	429 554	1 602	4 842 316	89 430	0	5 362 902
2021-2022	817 664	1 610	1 727 929	331 027	0	2 878 230
Change	388 110	8	-3 114 387	241 597	0	-2 484 672
% change	90,35%	0,50%	-64,32%	270,15%	-	-46,33%

Table 20: Number of Notices per Type per financial year

The table below shows the changes in number of notices captured by all the IA's between 2020-2021 and 2021-2022 financial years.

The table above shows a decrease in number of notices captured with a difference of 2 484 672 from 5 362 902 in 2020-2021 to 2 878 230 in 2021-2022, which is 46.33% of the total captured. There has been an increase in capturing of AARTO 01's, AARTO 02's and AARTO 31's from 2020-2021 to 2021-2022. There was a massive decrease of 64.32% in capturing the AARTO 03's which is a difference of 3 114 387. The bar chart below shows the notices captured per AARTO type:

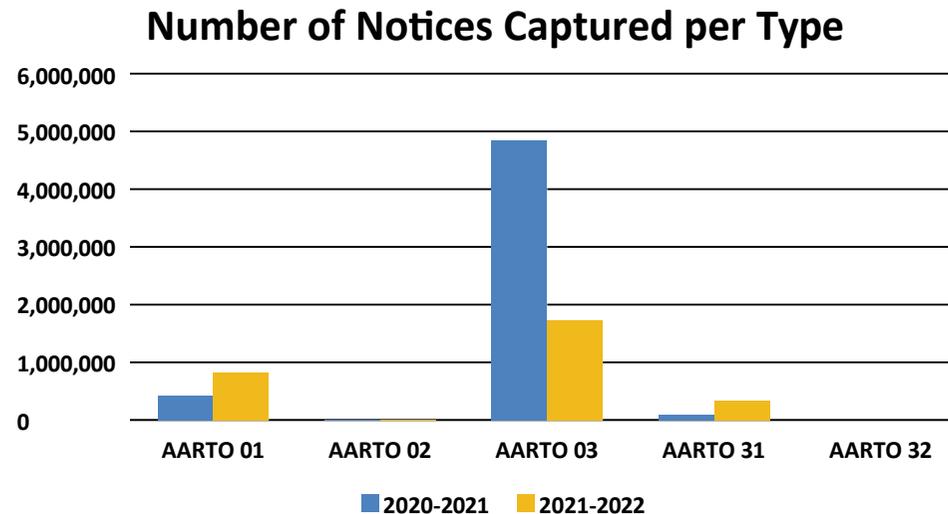


Figure 2: Number of Notices Captured Per Type

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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 2021	584 695	30 849	44 218	3 923	663 685
May 2021	549 889	36 149	39 201	6 814	632 053
Jun 2021	412 914	51 935	38 585	5 756	509 190
Jul 2021	240 808	26 960	26 182	5 029	298 979
Aug 2021	19 094	17 794	24 950	8 558	70 396
Sep 2021	18 595	49 353	16 413	6 877	91 238
Oct 2021	18 156	53 285	27 666	5 184	104 291
Nov 2021	17 313	42 972	42 983	3 323	106 591
Dec 2021	15 076	31 035	32 430	3 389	81 930
Jan 2022	18 114	55 408	33 059	1 777	108 358
Feb 2022	12 534	51 708	31 944	4 892	101 078
Mar 2022	16 536	58 728	29 125	6 052	110 441
Year Total	1 923 724	506 176	386 756	61 574	2 878 230

Table 21: Number of Notices Captured per Issuing Authority

The table above shows that JMPD has captured more AARTO notices with 1 923 724 followed by TMPD with 506 176 then GDoCS and RTMC with 386 756 and 61 574 respectively.

6.2 Number of Notices captured per Issuing authority

The change in the number of notices captured per Issuing Authority from between 2020-2021 and 2021-2022 is shown in the table below.

Change in Number of Notices Captured per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2019-2020	4 927 208	154 784	229 575	51 335	5 362 902
2020-2021	1 923 724	506 176	386 756	61 574	2 878 230
Change	-3 003 484	351 392	157 181	10 239	-2 484 672
% change	-60,96%	227,02%	68,47%	19,95%	-46,33%

Table 22: Change in Number of Notices Captured per IA per year

The information in the table above shows that a number of notices captured in 2021-2022 has declined with 2 484 672, which is 46.33% change. The JMPD is the only IA that recorded a decrease in number of notices captured in 2020-2021 with a difference of 3 003 484, which is 60.96%. TMPD have increased in number of notices captured in 2021-2022 with 351 392, which is 227.02% change. GDoCS and RTMC have recorded an increase in this period under the review with 68.47% and 19.95% respectively.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

6.2.1 Johannesburg Metropolitan Police Department (JMPD)

In the financial year under review, JMPD have captured a total of 1 923 724 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 2021	13 496	0	565 645	5 554	0	584 695
May 2021	18 988	0	522 655	8 246	0	549 889
Jun 2021	12 711	0	393 262	6 941	0	412 914
Jul 2021	12 584	0	222 448	5 776	0	240 808
Aug 2021	11 930	0	0	7 164	0	19 094
Sep 2021	11 751	0	0	6 844	0	18 595
Oct 2021	12 447	0	0	5 709	0	18 156
Nov 2021	11 986	0	0	5 327	0	17 313
Dec 2021	8 443	0	0	6 633	0	15 076
Jan 2022	11 930	0	0	6 184	0	18 114
Feb 2022	7 091	0	0	5 443	0	12 534
Mar 2022	10 513	0	0	6 023	0	16 536
Year Total	143 870	0	1 704 010	75 844	0	1 923 724

Table 23: Number of Notices Captured per type: JMPD

The highest number of notices captured by JMPD were AARTO 03's (camera infringements) with a total of 1 704 010 followed by AARTO 01's with 143 870 and AARTO 31's with 75 844. JMPD has captured the AARTO 03's only for four months, i.e. April to July 2021.

The changes in number of notices captured by the JMPD from 2020-2021 to 2021-2022 are shown in the table below

Change in Number of Notices Captured per Type :						JMPD
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2020-2021	72 306	0	4 804 474	50 428	0	4 927 208
2021-2022	143 870	0	1 704 010	75 844	0	1 923 724
Change	71 564	0	-3 100 464	25 416	0	-3 003 484
% change	98,97%	-	-64,53%	50,40%	-	-60,96%

Table 24: Change in Number of Notices Captured per Type: JMPD

The above table shows that there has been an increase of 98.97% in capturing the AARTO 01's followed by the AARTO 31's with 50.40%. The AARTO 03's have declined with 64.53%.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

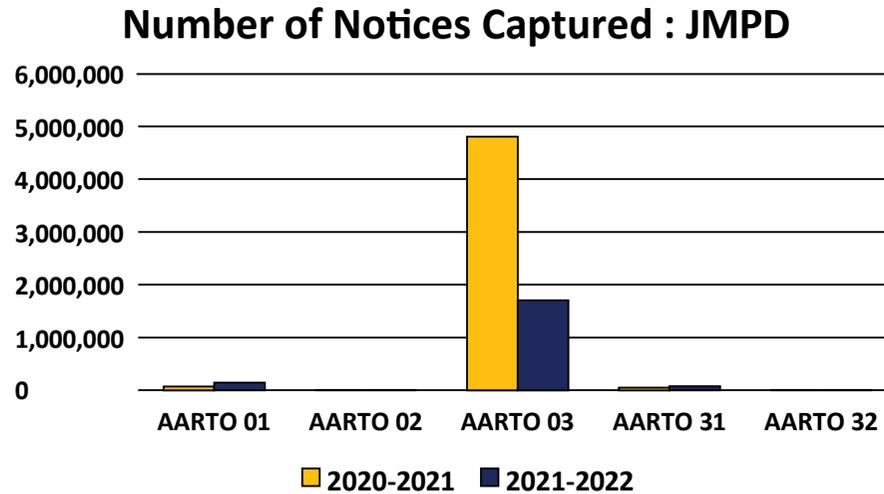


Figure 3: Number of Notices Captured: JMPD

The graph below shows the month-to-month comparison of notices captured between 2020-2021 and 2021-2022 financial years.

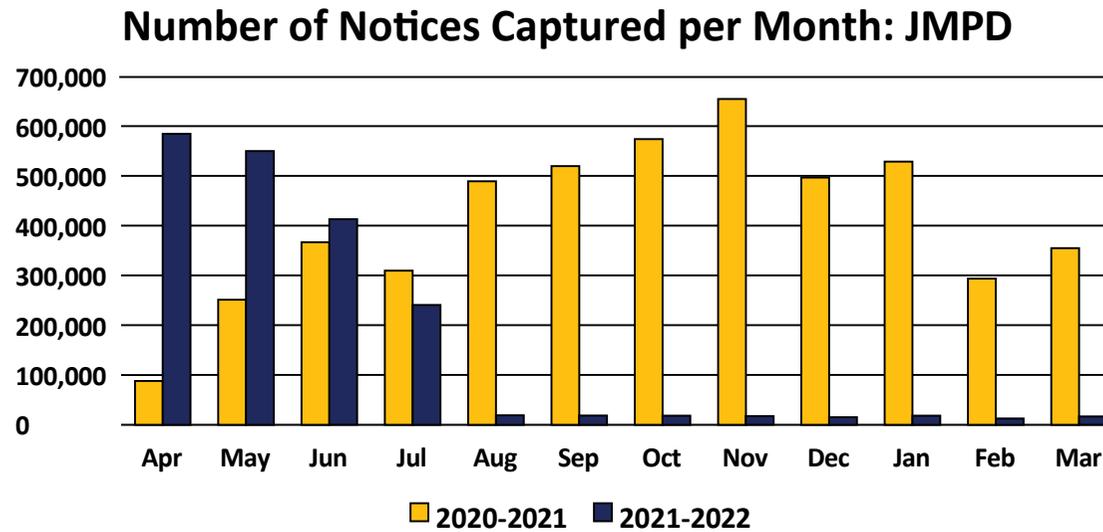


Figure 4: Number of Notices Captured Per Month: JMPD

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

6.2.2 Tshwane Metropolitan Police Department (TMPD)

The table below shows the number of notices per type captured by TMPD on the NCR during the 2021-2022 financial year.

Number of Notices Captured per Type :						TMPD
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2021	19 955	0	0	10 894	0	30 849
May 2021	20 534	0	1 740	13 875	0	36 149
Jun 2021	20 443	0	14 521	16 971	0	51 935
Jul 2021	11 419	0	7 401	8 140	0	26 960
Aug 2021	12 041	0	0	5 753	0	17 794
Sep 2021	30 276	0	257	18 820	0	49 353
Oct 2021	24 220	0	0	29 065	0	53 285
Nov 2021	18 812	0	0	24 160	0	42 972
Dec 2021	10 248	0	0	20 787	0	31 035
Jan 2022	18 445	0	0	36 963	0	55 408
Feb 2022	17 677	0	0	34 031	0	51 708
Mar 2022	23 004	0	0	35 724	0	58 728
Year Total	227 074	0	23 919	255 183	0	506 176

Table 25: Number of Notices Captured per Type: TMPD

TMPD have captured a total of 506 176 notices in the 2021-2022 financial year. The highest number was recorded for the AARTO 31's with a total of 255 183 followed by the AARTO 03's with 23 919. TMPD has captured camera infringement notices for only 4 months during this period.

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
2020-2021	77 940	0	37 842	39 002	0	154 784
2021-2022	227 074	0	23 919	255 183	0	506 176
Change	149 134	0	-13 923	216 181	0	351 392
% change	191,34%	-	-36,79%	554,28%	-	227,02%

Table 26: Change in Number of Notices Captured per Type per year: TMPD

The change in number of notices captured adds up to 351 392, which is 227.02% from 154 784 in 2020-2021 to 506 176 in 2021- 2022 financial year.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The information is reflected in the bar chart below.

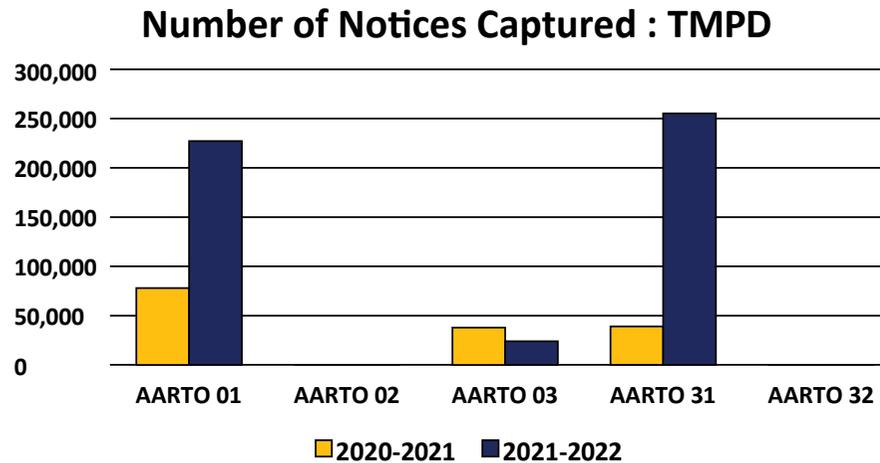


Figure 5: Number of Notices Captured: TMPD

The chart below shows the month-to-month comparison of notices captured in 2020-2021 and 2021-2022 financial years by TMPD

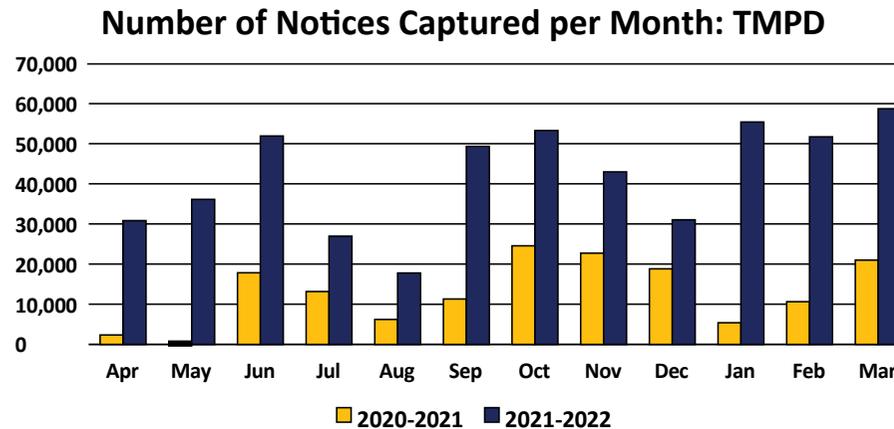


Figure 6: Number of Notices Captured Per Month: TMPD

The chart above shows an increase in number of notices captured monthly comparing the two reporting financial years. TMPD has captured more notices for all the months in 2021-2022 as compared to 2020-2021.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

6.2.3 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 2021	44 113	105	0	0	0	44 218
May 2021	39 071	130	0	0	0	39 201
Jun 2021	38 367	218	0	0	0	38 585
Jul 2021	26 002	180	0	0	0	26 182
Aug 2021	24 834	116	0	0	0	24 950
Sep 2021	16 271	142	0	0	0	16 413
Oct 2021	27 518	148	0	0	0	27 666
Nov 2021	42 845	138	0	0	0	42 983
Dec 2021	32 253	177	0	0	0	32 430
Jan 2022	32 994	65	0	0	0	33 059
Feb 2022	31 872	72	0	0	0	31 944
Mar 2022	29 006	119	0	0	0	29 125
Year Total	385 146	1 610	-	-	-	386 756

Table 27: Number of Notices Captured per Type: GDoCs

The information in the table above shows that a total of 386 756 notices were captured by GDoCS in 2021-2022. Only AARTO 01's and AARTO 02's were captured with a total of 385 146 and 1 610 respectively. There were no AARTO 03, AARTO 31 and AARTO 32 captured by the GDoCS.

It must be noted that GDoCS do not prosecute any camera or unattended vehicle infringements.

The change in the number of notices captured per type between 2020-2021 and 2021-2022 financial years is shown in the table below.

Change in Number of Notices Captured per Type :						GDoCS
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2020-2021	227 973	1 602	0	0	0	229 575
2021-2022	385 146	1 610	0	0	0	386 756
Change	157 173	8	0	0	0	157 181
% change	68,94%	0,50%	-	-	-	68,47%

Table 28: Change in Number of Notices Captured per Type per year: GDoCs

The information in the table above shows the number of notices captured by GDoCS has increased from 229 575 to 386 756, which is 68.47%. The AARTO 01's and AARTO 02's recorded an increase of 68.94% and 0.50% respectively.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The information is also reflected in the chart below.

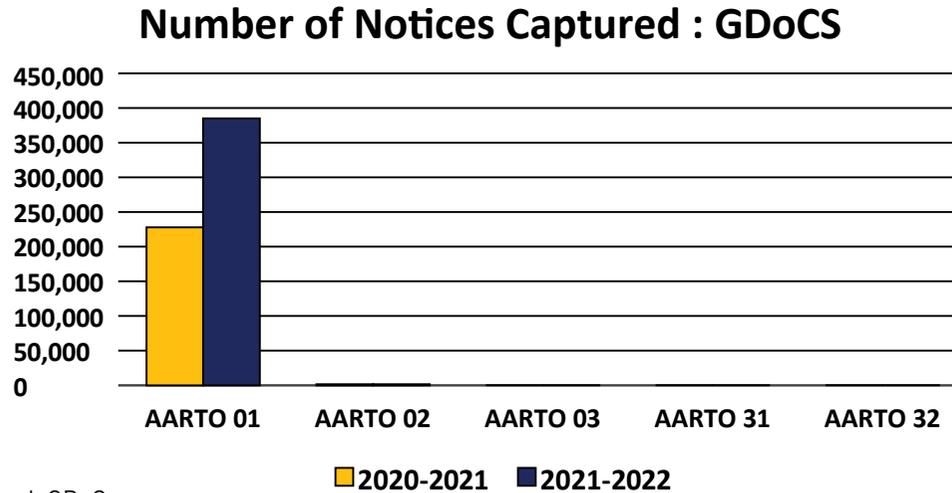


Figure 7: Number of Notices Captured: GDoCs

The chart below shows the month-to-month comparison of notices captured between 2020-2021 and 2021-2022 financial years.

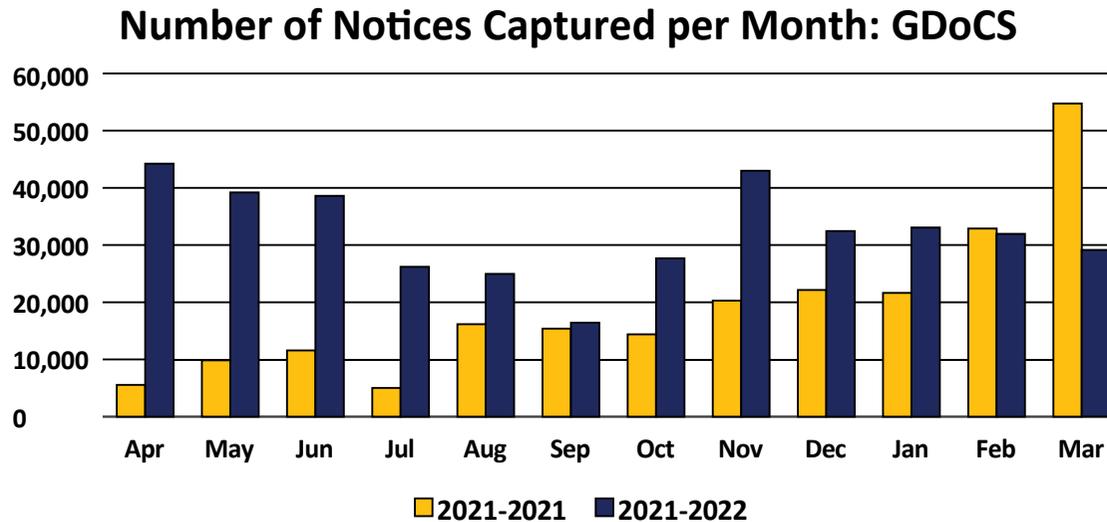


Figure 8: Number of Notices Captured Per Month: GDoCs

The GDoCS has recorded high number of notices from April to January in 2021-2022 financial year as compared to 2020- 2021 months and dropped in February and March 2021-2022.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

6.2.4 Road Traffic Management Corporation (RTMC)

The total number of notices captured per month on the NCR during the 2021-2022 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 2021	3 923	0	0	0	0	3 923
May 2021	6 814	0	0	0	0	6 814
Jun 2021	5 756	0	0	0	0	5 756
Jul 2021	5 029	0	0	0	0	5 029
Aug 2021	8 558	0	0	0	0	8 558
Sep 2021	6 877	0	0	0	0	6 877
Oct 2021	5 184	0	0	0	0	5 184
Nov 2021	3 323	0	0	0	0	3 323
Dec 2021	3 389	0	0	0	0	3 389
Jan 2022	1 777	0	0	0	0	1 777
Feb 2022	4 892	0	0	0	0	4 892
Mar 2022	6 052	0	0	0	0	6 052
Year Total	61 574	0	0	0	0	61 574

Table 29: Number of Notices Captured per Type: RTMC

The information in the table above shows that only the AARTO 01's were captured by RTMC with a total number of 61 574. It must be noted that the RTMC does not prosecute for camera and unattended vehicle infringements.

The change in the number of notices captured between 2020-2021 and 2021-2022 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
2020-2021	51 335	0	0	0	0	51 335
2021-2022	61 574	0	0	0	0	61 574
Change	10 239	0	0	0	0	10 239
% change	19,95%	-	-	-	-	19,95%

Table 30: Change in Number of Notices Captured per Type: RTMC

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The information in the table above shows a change in capturing of the AARTO notices between 2020-2021 and 2021-2022 with an increase of 10 239, which is 19.95%.The information is also reflected in the chart below.

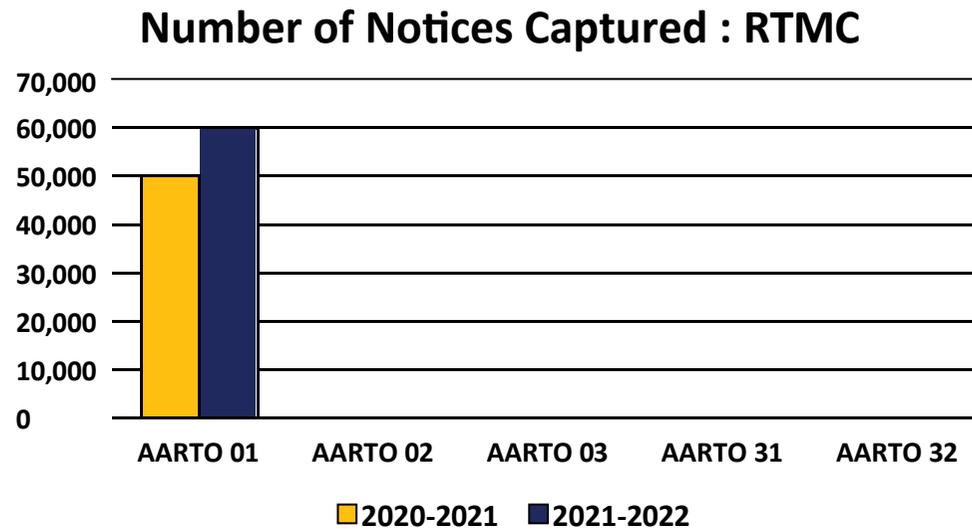


Figure 9: Number of Notices Captured Per Month: RTMC

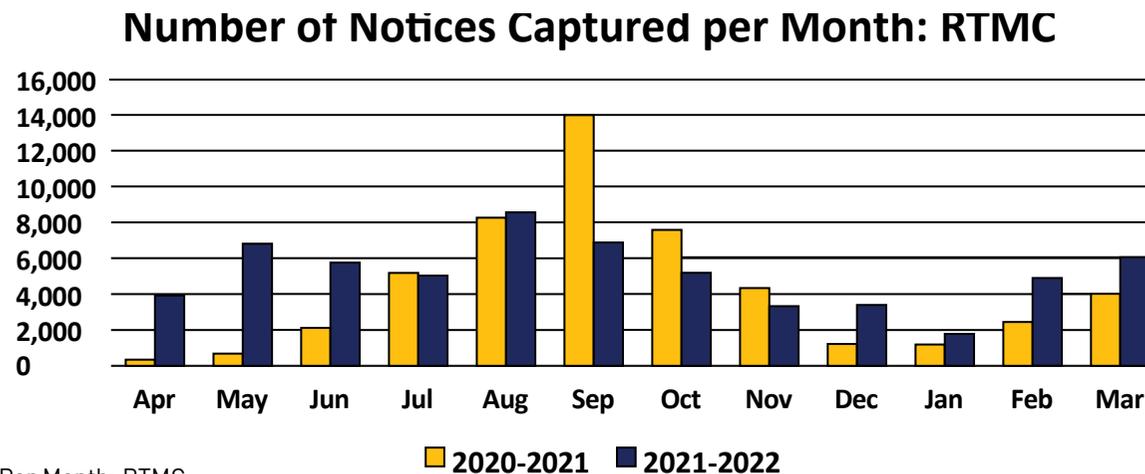


Figure 10: Number of Notices Captured Per Month: RTMC

The RTMC capturing performance has not been consistent when comparing the month to month statistics for the two financial years.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

6.3 Elective options exercised by infringers

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

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

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

(a) Payment of the Penalty

Details on the payment of penalties are provided under Part E: Financial Information, subsection 2: **“Annual Financial Statements”**.

(b) Notifications to make payment in Instalments

The table below shows the change in number of notifications to make payments in instalments submitted using form AARTO 04 in 2021-2022 in comparison with the 2020-2021

Notifications to Pay In Instalments				
Month	2020-2021	2021-2022	Change	% Change
Apr	5	101	96	1920,00%
May	11	128	117	1063,64%
Jun	33	148	115	348,48%
Jul	6	138	132	2200,00%
Aug	6	202	196	3266,67%
Sep	22	87	65	295,45%
Oct	55	96	41	74,55%
Nov	59	62	3	5,08%
Dec	25	158	133	532,00%
Jan	20	69	49	245,00%
Feb	6	117	111	1850,00%
Mar	7	67	60	857,14%
Total	255	1 373	1 118	438,43%

Table 31: Notifications to Pay in Instalments

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The number of notifications to pay in installments has increased with a total of 1 118 from 255 in 2020-2021 to 1 373 in 2021-2022. The month-to-month comparison shows an increase for all the months. 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
2020-2021	188	39	20	8	255
2021-2022	1 184	147	34	8	1 373
Change	996	108	14	0	1 118
% change	529,79%	276,92%	70,00%	0,00%	438,43%

Table 32: Change in Number of Notifications to Pay in Instalments

The table above show that an increase for the three IA's with RTMC remaining the same with 8 notifications to pay in instalments. The change is from 255 in 2020-2021 to 1 373 2021-2022, which is 438.43%. JMPD recorded a massive increase of 539.79% in 2021-2022.

The data is also reflected in the graph below.

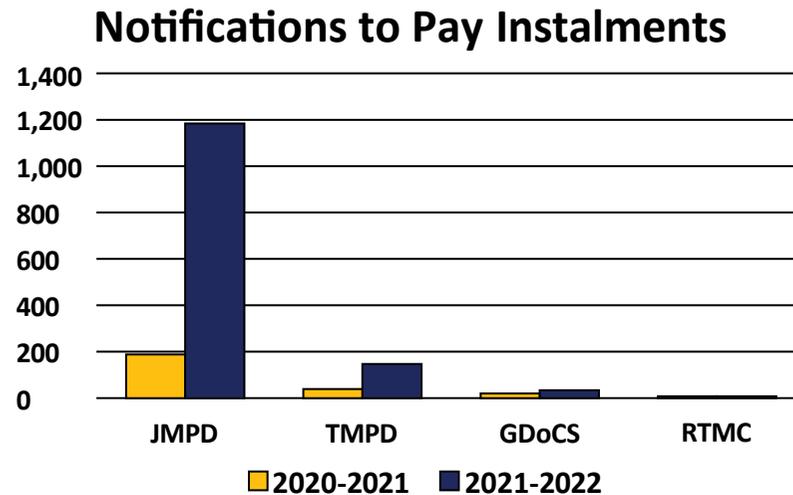


Figure 11: Notifications to Pay in Instalments

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

(a) 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 process.

Number of Representations Submitted					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2021	17 552	3 146	677	208	21 583
May 2021	21 234	3 596	883	224	25 937
Jun 2021	17 517	2 756	885	193	21 351
Jul 2021	17 548	4 154	805	167	22 674
Aug 2021	24 187	3 321	884	166	28 558
Sep 2021	25 748	2 790	816	220	29 574
Oct 2021	25 619	3 416	843	211	30 089
Nov 2021	23 010	3 219	766	194	27 189
Dec 2021	16 630	2 363	677	119	19 789
Jan 2022	13 035	1 947	609	128	15 719
Feb 2022	12 644	2 635	565	129	15 973
Mar 2022	19 466	2 865	910	150	23 391
Year Total	234 190	36 208	9 320	2 109	281 827

Table 33: Number of Representations Submitted

The information in the table above shows a total of 281 827 representation applications were submitted for consideration by the RTIA in 2021-2022. These applications are based on notices issued by the various IA's. JMPD has submitted the highest number of representations with a total of 234 190 , followed by TMPD with 36 208, GDoCS with 9 320 and RTMC with 2 109.

The change in the total number of representations submitted during 2021-2022 is given in the table below in comparison with the 2020-2021 financial year.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Change in Number of Representations Submitted				
Month	2020-2021	2021-2022	Change	% Change
Apr	7 939	21 583	13 644	171,86%
May	2 787	25 937	23 150	830,64%
Jun	10 782	21 351	10 569	98,02%
Jul	17 896	22 674	4 778	26,70%
Aug	19 580	28 558	8 978	45,85%
Sep	23 869	29 574	5 705	23,90%
Oct	32 189	30 089	-2 100	-6,52%
Nov	35 122	27 189	-7 933	-22,59%
Dec	24 412	19 789	-4 623	-18,94%
Jan	30 748	15 719	-15 029	-48,88%
Feb	34 604	15 973	-18 631	-53,84%
Mar	36 521	23 391	-13 130	-35,95%
Year Total	276 449	281 827	5 378	1,95%

Table 34: Change in Number of Representations Submitted

The table above shows an increase in number of submissions of the representations for six consecutive months from April to September and declined for the last six months, October to March. The total change between the two financial years is 5 378, which is 1.95%.

The information is also reflected in the graph below.

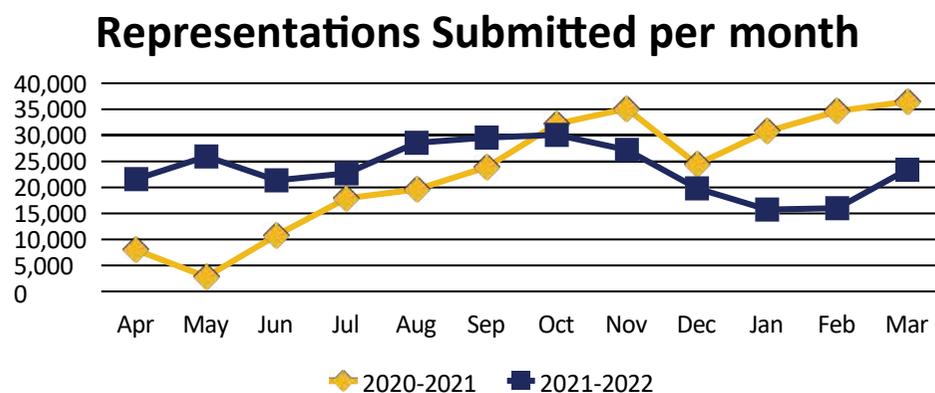


Figure 12: Representations submitted per month

Detail on the adjudication of representations is provided under subsection **“Adjudication of Representations”**.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

(b) 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 2021	8 668	131	2	-	8 801
May 2021	7 418	116	1	-	7 535
Jun 2021	6 512	201	-	-	6 713
Jul 2021	4 553	126	-	-	4 679
Aug 2021	2 164	110	-	-	2 274
Sep 2021	2 602	140	-	-	2 742
Oct 2021	2 147	123	-	-	2 270
Nov 2021	1 139	67	-	-	1 206
Dec 2021	1 016	67	-	-	1 083
Jan 2022	774	64	-	-	838
Feb 2022	635	44	5	-	684
Mar 2022	623	44	6	1	674
Year Total	38 251	1 233	14	1	39 499

Table 35: Number of Driver Nominations

The information in the table above shows a total of 39 499 driver nominations for 2021-2022. There were high number of nominations based on JMPD issued notices with a total of 38 251, followed by TMPD and GDoCS with 1 233 and 14 respectively and RTMC recorded 01 nomination in the 2020-21 financial year.

Change in Number of Notifications to Pay in Instalments					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2020-2021	36 864	1 185	10	0	38 059
2021-2022	38 251	1 233	14	1	39 499
Change	1 387	48	4	1	1 440
% change	3,76%	4,05%	40,00%	-	3,78%

Table 36: Change in Number of Driver Nominations

The table above shows that JMPD has recorded 1 387 more nominations which is 3.76%, from 36 864 in 2020-2021 to 38 251 in 2021-2022 financial year. The number of driver nominations for TMPD, GDoCS and RTMC shows an increase of 48 (4.05%), 4 (40.00%) and 1 respectively in 2021-2022.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The information is also reflected in the bar chart below.

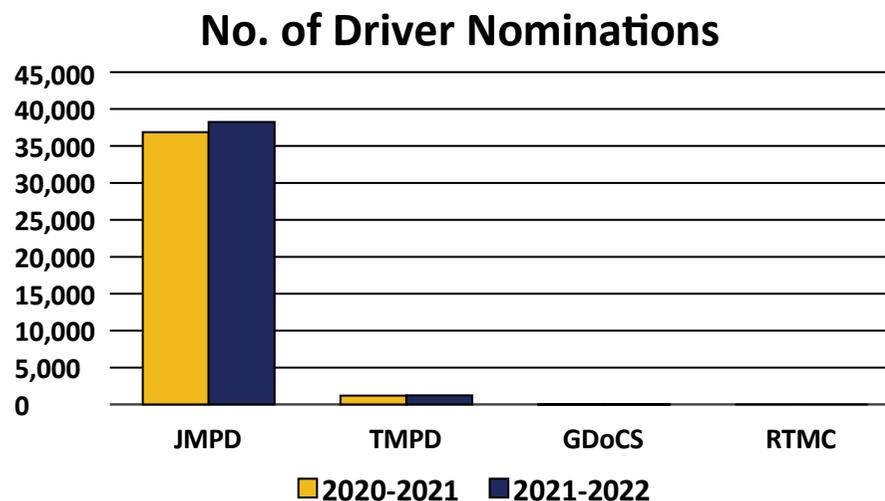


Figure 13: Number of Driver Nominations

The table below shows change in number of driver nominations.

Number of Driver Nominations				
Month	2020-2021	2021-2022	Change	% Change
Apr	1 168	8 801	7 633	653,51%
May	753	7 535	6 782	900,66%
Jun	1 293	6 713	5 420	419,18%
Jul	3 693	4 679	986	26,70%
Aug	4 418	2 274	-2 144	-48,53%
Sep	4 170	2 742	-1 428	-34,24%
Oct	4 901	2 270	-2 631	-53,68%
Nov	3 573	1 206	-2 367	-66,25%
Dec	2 279	1 083	-1 196	-52,48%
Jan	3 007	838	-2 169	-72,13%
Feb	4 901	684	-4 217	-86,04%
Mar	3 903	674	-3 229	-82,73%
Total	38 059	39 499	1 440	3,78%

Table 37: Number of Driver Nominations

The change in number of driver nominations has increased from 38 059 in 2021-2022 to 39 499 in 2021-2022 with a difference of 1 440, which is 3.78%. The month to month comparison of the two financial years shows an increase from April to July and the numbers started to decrease month on month from August to March.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The information is also reflected on the graph below.

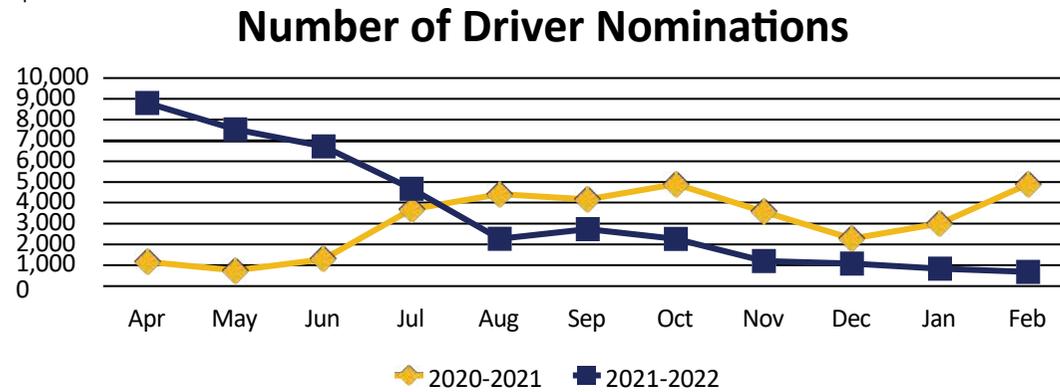


Figure 14: Number of Driver Nominations per month

3. INSTITUTIONAL PROGRAMME 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 court on the charge of having committed the infringement(s) as stated on the Infringement Notice. These elections are submitted to the Issuing Authority who issued the Infringement Notice on form AARTO 10 and are captured on the NCR. Failure to appear in court on the date stipulated in the summons served on the infringer and which follows on these elections will result in the serving of an Enforcement Order by the RTIA. The table below shows the number of elections to be tried in court:

Number of Elections to be Tried in Court					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2021	18 287	2 779	728	176	21 970
May 2021	22 555	3 042	964	166	26 727
Jun 2021	21 158	3 024	1037	202	25 421
Jul 2021	20 571	3 471	1077	242	25 361
Aug 2021	25 565	3 547	1250	283	30 645
Sep 2021	35 238	4 350	1390	358	41 336
Oct 2021	18 263	3 825	962	239	23 289
Nov 2021	17 777	3 075	1015	253	22 120
Dec 2021	16 930	2 796	822	184	20 732
Jan 2022	19 183	3 144	1067	195	23 589
Feb 2022	11 276	3 277	970	195	15 718
Mar 2022	15 419	3 904	1 130	249	20 702
Year Total	242 222	40 234	12 412	2 742	297 610

Table 38: Number of Elections to be tried in Court

The table above shows that a total of 297 610 number of elections to be tried in court were recorded. The highest number of elections were recorded based on the notices issued by the JMPD having a total of 242 222, followed by TMPD, GDoCS and RTMC with 40 234, 12 412 and 2 742 respectively.

The table below shows the change in number of elections to be tried in court between 2020-2021 and 2021-2022

Change in Number of Elections to be Tried in Court					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2020-2021	177 068	42 486	7 895	1 863	229 312
2021-2022	242 222	40 234	12 412	2 742	297 610
Change	65 154	-2 252	4 517	879	68 298
% change	36,80%	-5,30%	57,21%	47,18%	29,78%

Table 39: Change in Number of Elections to be Tried in Court

The tables above show there were more infringers who elected to be tried in court in 2021-2022 as compared to 2020-2021 financial year. TMPD is the only IA that shows a decline of 5.30% with a

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

difference of 2 252. The number of elections to be tried in court for JMPD, GDoCS and RTMC have increased in 2021-2022 with 36.80%, 57.21% and 47.18% respectively. The total number of elections to be tried in court in 2021-2022 were recorded at 297 610 from 229 312 in 2020-2021, which is 29.78% more than the last financial year.

The chart below reflects the changes between 2020-2021 and 2021-2022 financial years.

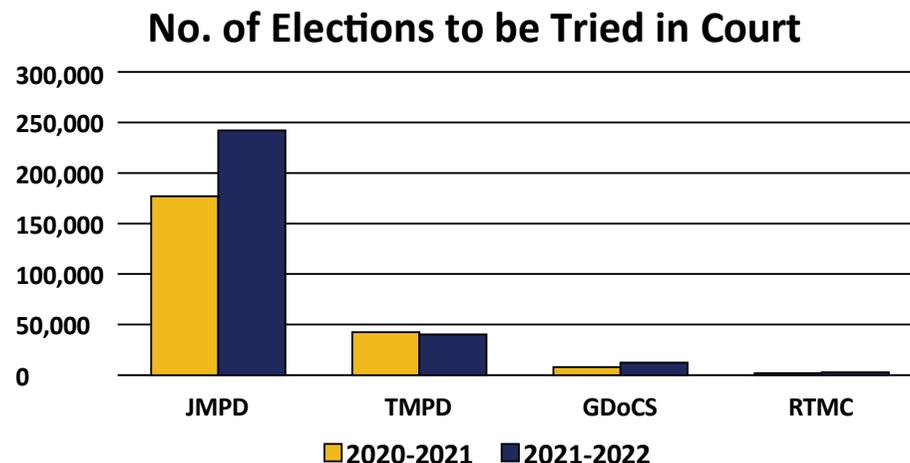


Figure 15: Number of Election to be tried in Court

The table below show the changes in number of elections to be tried in court between 2020-2021 and 2021-2022 financial years.

Number of Elections to be Tried in Court				
Month	2020-2021	2021-2022	Change	% Change
Apr	1 058	21 970	20 912	1976,56%
May	3 123	26 727	23 604	755,81%
Jun	13 605	25 421	11 816	86,85%
Jul	19 109	25 361	6 252	32,72%
Aug	18 632	30 645	12 013	64,48%
Sep	20 987	41 336	20 349	96,96%
Oct	29 005	23 289	-5 716	-19,71%
Nov	27 786	22 120	-5 666	-20,39%
Dec	23 947	20 732	-3 215	-13,43%
Jan	20 639	23 589	2 950	14,29%
Feb	25 160	15 718	-9 442	-37,53%
Mar	26 261	20 702	-5 559	-21,17%
Total	229 312	297 610	68 298	29,78%

Table 40: Number of Elections to be Tried in Court

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The table above shows that the number of elections to be tried in court declined from October to December and again in February and March. April and May had recorded the highest numbers with a change of 20 912 (1976,56%) and 23 604 (755,81%) respectively.

6.4 Adjudication of Representations

Adjudication of representations is done in terms of Section 18 of the AARTO Act, 1998 (Act. No 46 of 1998). In terms of this section any infringer may, if reasonable grounds are present, submit a representation to the RTIA in which evidence is presented that indicates that such infringer must not be held liable for the contravention as charged. A duly appointed representations officer may then consider the facts presented and make an appropriate outcome known to the alleged infringer, which may include that the representation is allowed and the infringer is not liable for payment; or the representation is rejected due to a lack of evidence and the infringer is liable for the penalty and/or any additional administrative fees payable to the RTIA or the applicable Issuing Authority. The infringer may on rejection of the representation elect to be tried in a court of law in order for the court to consider the facts presented.

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

Number of Representation Adjudicated per Month					
Month	Applications Received	Applications Cancelled	Successful All Charges	Successful Main Charge	Unsuccessful
Apr 2021	21 583	3 311	14 519	6	395
May 2021	25 937	6 931	26 392	5	636
Jun 2021	21 351	5 605	21 340	18	612
Jul 2021	22 674	5 296	17 004	25	546
Aug 2021	28 558	6 916	13 259	18	427
Sep 2021	29 574	6 081	15 426	10	498
Oct 2021	30 089	6 555	20 067	10	374
Nov 2021	27 189	5 958	15 849	21	582
Dec 2021	19 789	4 127	14 549	5	399
Jan 2022	15 719	4 602	16 074	13	406
Feb 2022	15 973	4 453	13 935	12	668
Mar 2022	23 391	4 855	16 079	11	662
Year Total	281 827	64 690	204 493	154	6 205

Table 41: Number of representation Adjudicated per Month

The table above shows a total number of 281 827 applications for representations were received by the RTIA . Out of the total received, 64 690 were cancelled, 204 493 were successful on all charges, 154 were successful on the main charge, and 6 205 were unsuccessful.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

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

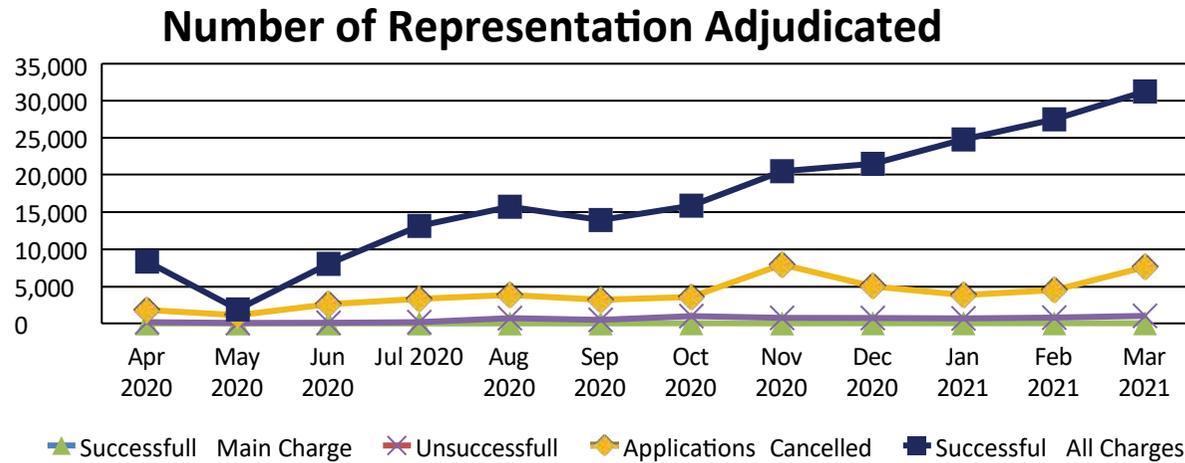


Figure 16: Number of Representations Adjudicated

The graph above shows that the representation results with the outcome of successful on all charges were higher than other outcomes on a month-to-month comparisons. The numbers in May dropped and after there was an increase month on month. The second highest results were the cancelled applications.

3. INSTITUTIONAL PROGRAMME 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	2020-2021	2021-2022
Passenger carrying vehicles	2 708	3 171
Professional driving permits	2 708	3 171
Vehicle registration & licencing	1 330	1 688
Exceeding speed limits	641	889
Learner & driving licences	641	889
Seatbelts	334	372
Vehicle - Brakes	334	372
Rules of the road & driving signals	246	311
Vehicle - Lights	237	301
Vehicle roadworthiness - general	238	275
Road signs, signals & markings	176	174
Vehicle - Tyres	92	113
Vehicle number plates	92	113

Table 42: Some Charges on which representations are based

The information in the table above shows an increase in all the categories and the representations submitted based on exceeding speed limit recorded the highest.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The number of representations adjudicated per month during 2020-2021 in comparison with the 2021-2022 financial year is given in the table below.

Change in Number of Representations Adjudicated per Month				
Month	2020-2021	2021-2022	Change	% Change
Apr	7 939	21 583	13 644	172%
May	2 787	25 937	23 150	831%
Jun	10 782	21 351	10 569	98%
Jul	17 896	22 674	4 778	27%
Aug	19 580	28 558	8 978	46%
Sep	23 869	29 574	5 705	24%
Oct	32 189	30 089	-2 100	-7%
Nov	35 122	27 189	-7 933	-23%
Dec	24 412	19 789	-4 623	-19%
Jan	30 748	15 719	-15 029	-49%
Feb	34 604	15 973	-18 631	-54%
Mar	36 521	23 391	-13 130	-36%
Total	276 449	281 827	5378	2%

Table 43: Change in Number of Representations Adjudicated per Month

The table above shows that in 2021-22 there were more representations adjudicated at a total of 281 827 compared to 276 449 in 2020-21. The number of representations adjudicated increased for six months between April and September and declined from October for the last six months.

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

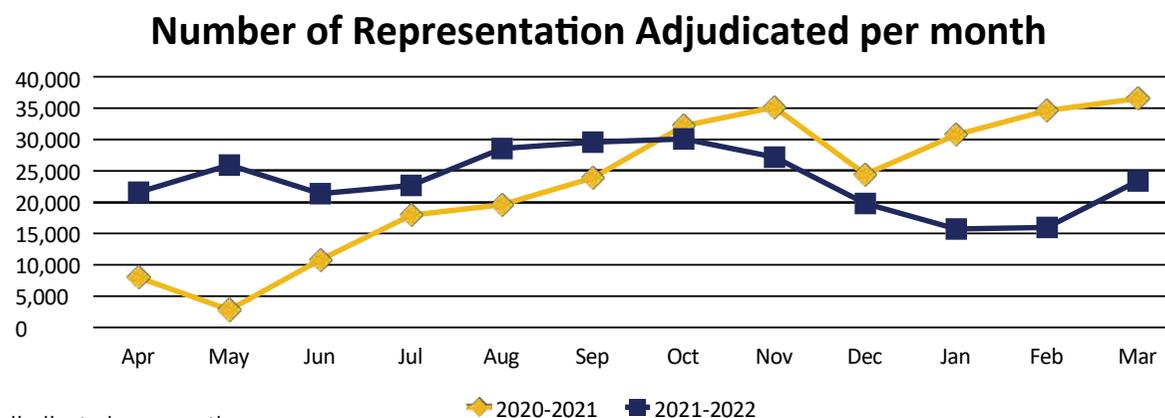


Figure 17: Number of Representations Adjudicated per month

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

6.5 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 contained in the e-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
- the failure of SAPO to post and deliver documents within the required time frames;

The table below shows the comparison of the number of courtesy letters that were issued during the 2020-2021 and 2021-2022 financial years.

Change in Number of Courtesy Letters Issued per Month				
Month	2020-2021	2021-2022	Change	% change
Apr	12 875	69 159	56 284	437,16%
May	105 663	79 028	-26 635	-25,21%
Jun	90 855	53 479	-37 376	-41,14%
Jul	56 042	72 183	16 141	28,80%
Aug	59 342	50 123	-9 219	-15,54%
Sep	32 140	167 600	135 460	421,47%
Oct	128 008	563 065	435 057	339,87%
Nov	0	323 136	323 136	-
Dec	155 265	438 843	283 578	182,64%
Jan	36 732	539 797	503 065	1369,56%
Feb	40 296	174 833	134 537	333,87%
Mar	69 135	63 541	-5 594	-8,09%
Total	786 353	2 594 787	1 808 434	229,98%

Table 44: Change in Number of Courtesy Letters Issued per Month

The information in the table above shows that the change in number of courtesy letters issued between 2020-2021 and 2021-2022. There is a massive increase of 1 808 434 from 786 353 in 2020-2021 to 2 594 787 in 2021-2022.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

In a month to month comparison, the graph below shows the changes between the two financial years under the review.

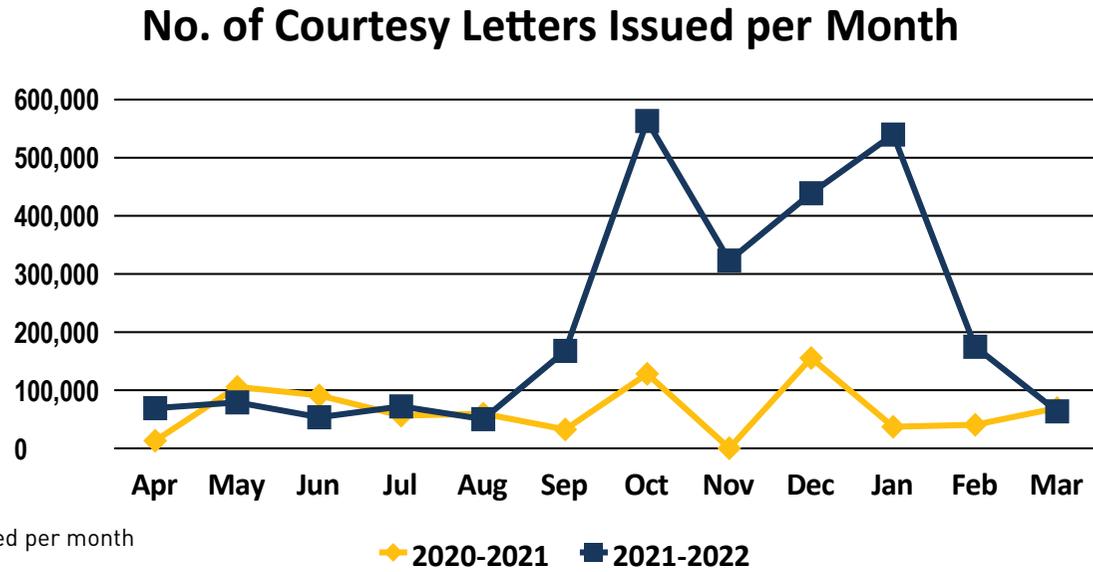


Figure 18: Number of Courtesy Letters Issued per month

3. INSTITUTIONAL PROGRAMME 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 Enforcement Orders Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2021	13 919	14 314	37 825	3 101	69 159
May 2021	16 054	20 304	38 307	4 363	79 028
Jun 2021	11 653	14 147	24 154	3 525	53 479
Jul 2021	15 657	18 211	32 504	5 811	72 183
Aug 2021	10 475	12 911	22 504	4 233	50 123
Sep 2021	122 064	20 626	17 453	7 457	167 600
Oct 2021	493 105	37 685	26 239	6 036	563 065
Nov 2021	267 996	19 517	31 717	3 906	323 136
Dec 2021	340 909	65 810	29 078	3 046	438 843
Jan 2022	485 235	27 135	25 275	2 152	539 797
Feb 2022	111 600	32 982	28 424	1 827	174 833
Mar 2022	10 733	17 846	30 698	4 264	63 541
Year Total	1 899 400	301 488	344 178	49 721	2 594 787
% of Total	73,20%	11,62%	13,26%	1,92%	100,00%

Table 45: Number of Courtesy Letters Issued per IA

The table above shows that, out of the total of 2 594 787 courtesy letters issued, JMPD recorded 1 899 400, the highest number of which the courtesy letters were issued based on the notices issued. The second highest was TMPD with 301 488, followed by GDoCS and RTMC with 344 178 and 49 721 respectively.

The table below shows the change in number of courtesy letters issued per issuing authority:

Change in Number of Notifications to Pay in Instalments					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2020-2021	352 283	162 569	231 463	40 038	786 353
2021-2022	1 899 400	301 488	344 178	49 721	2 594 787
Change	1 547 117	138 919	112 715	9 683	1 808 434
% change	439,17%	85,45%	48,70%	24,18%	229,98%

Table 46: Change in Number of Courtesy Letters Issued per year per IA

The information in the table above shows that there was a total of 2 594 787 courtesy letters issued in 2021-2022 and this is an increase of 1 808 434 from 786 353 in 2020-2021. JMPD has a big change of 439.17%, which is the difference of 1 547 117, followed by TMPD, GDoCS and RTMC with 85.45% , 48.70% and 24.18% respectively.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The bar chart below reflects on the changes for the issuing authorities in the 2020-2021 and 2021-2022 financial years.

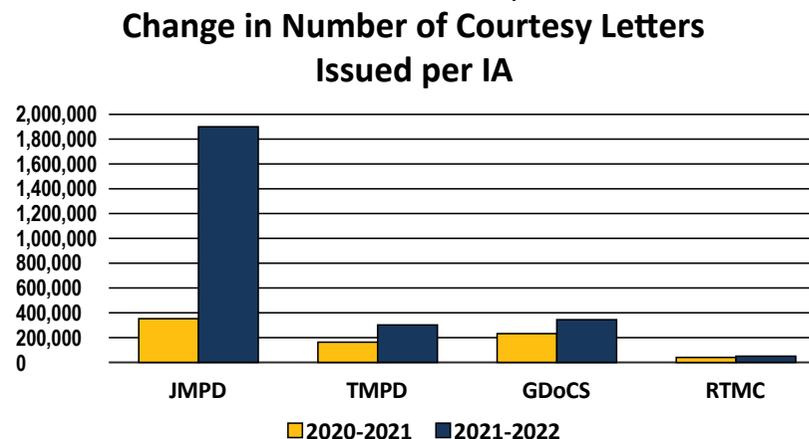


Figure 19: Change in Number of Courtesy Letters Issued per IA

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 2021	69 065	85	8		1	69 159
May 2021	78 350	74	5	105	494	79 028
Jun 2021	52 897	58	474	18	32	53 479
Jul 2021	72 014	153	15		1	72 183
Aug 2021	42 991	106	811	1 147	5 068	50 123
Sep 2021	52 249	78	112 528	1 078	1 667	167 600
Oct 2021	65 563	103	477 678	2 448	17 273	563 065
Nov 2021	65 102	97	257 169	145	623	323 136
Dec 2021	55 852	91	313 558	11 653	57 689	438 843
Jan 2022	47 614	117	473 351	3 101	15 614	539 797
Feb 2022	50 460	48	95 861	5 399	23 065	174 833
Mar 2022	63 499	40			2	63 541
Year Total	715 656	1 050	1 731 458	25 094	121 529	2 594 787
% of Total	27,58%	0,04%	66,73%	0,97%	4,68%	100,00%

Table 47: Number of Courtesy Letters Issued per Notice Type

The table above clearly shows that 66.73% of the courtesy letters issued emanated from the AARTO 03's followed by the AARTO 01's with 27.58%. The AARTO 02's, AARTO 03a's and AARTO 03b's adds to less than 10% of the total issued courtesy letters.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The change in the Number of Courtesy Letters issued between 2020-2021 and 2021-2022 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
2020-2021	409 868	1 066	337 739	9 212	28 468	786 353
2021-2022	715 656	1 050	1 731 458	25 094	121 529	2 594 787
Change	305 788	-16	1 393 719	15 882	93 061	1 808 434
% change	74,61%	-1,50%	412,66%	172,41%	326,90%	229,98%

Table 48: Change in Number of Courtesy Letters Issued per Notice per Type

The information in the table above shows an increase in number of courtesy letters for the AARTO types except for AARTO 02 with only 1.5% decrease from 2020-2021 to 2021-2022. The AARTO 03's recorded the highest change of 412.66% followed by AARTO 03b with 326.90% then AARTO 03a and AARTO 01 with 172.41% and 74.61% respectively.

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

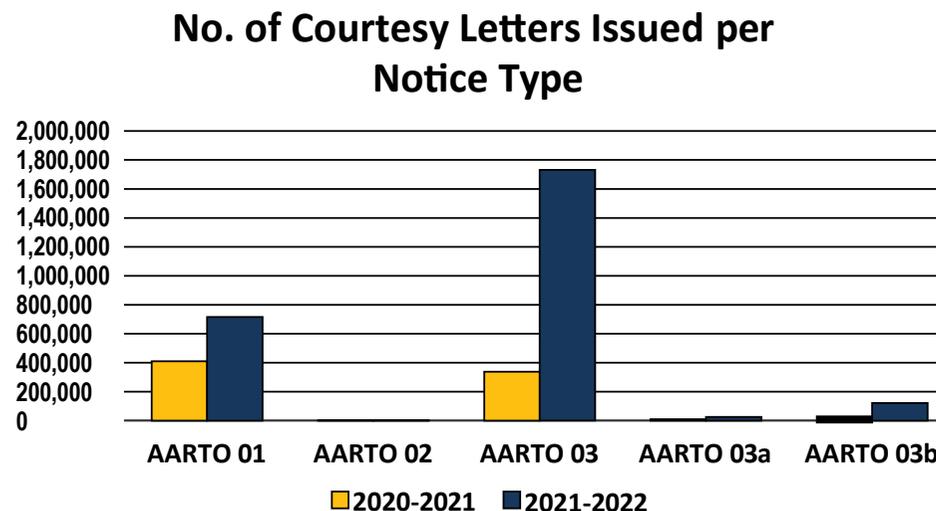


Figure 20: Number of Courtesy Letters Issued per Type

6.6 Enforcement Orders Issued

6.6.1 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.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

In line with section 20 of the AARTO Act, the adjudication process entails that upon receipt of applications for revocation of enforcement orders from the alleged infringers the Enforcement Orders Officers as delegated by the Registrar must perform the following:

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

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

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

Change in Number of Revocation of EO Applications				
Month	2020-2021	2021-2022	Change	% Change
Apr	493	9 931	9 438	1914,40%
May	1 572	10 769	9 197	585,05%
Jun	8 449	8 084	-365,00	-4,32%
Jul	12 387	8 794	-3593,00	-29,01%
Aug	12 783	10 636	-2147,00	-16,80%
Sep	15 278	12 890	-2388,00	-15,63%
Oct	23 126	8 020	-15106,00	-65,32%
Nov	22 875	8 349	-14526,00	-63,50%
Dec	18 261	6 468	-11793,00	-64,58%
Jan	10 510	7 577	-2933,00	-27,91%
Feb	10 500	7 048	-3452,00	-32,88%
Mar	12 305	7 254	-5051,00	-41,05%
Year Total	148 539	105 820	-42719,00	-28,76%

Table 49: Change in Number of Revocation of EO Applications

The table above shows that the change in number of revocations of EO applications has decreased from 148 539 in 2020-2021 to 105 820 in 2021-2022, which is 28.76% change. The increase only happened in April and May and thereafter it was declining month to month as compared to last financial year.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The information is also reflected in the graph below.

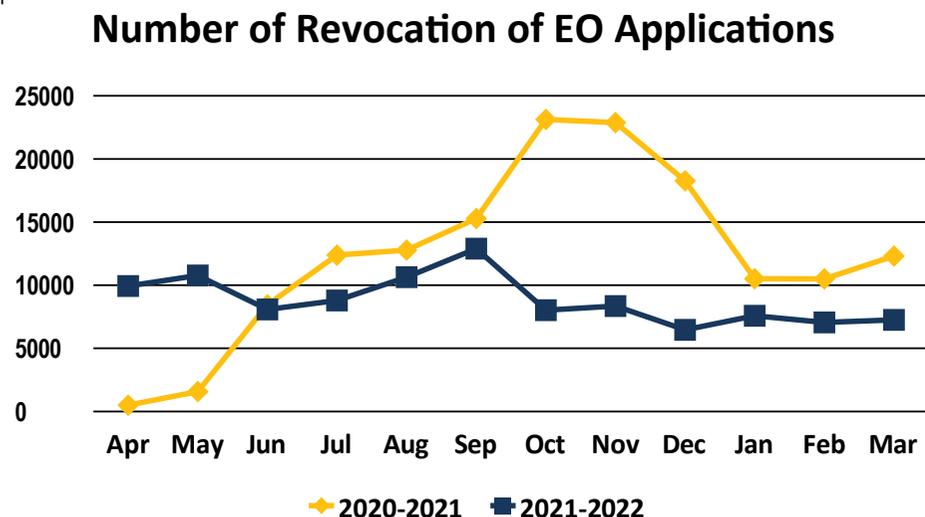


Figure 21: Number of Revocations of Enforcement Order Applications

The table below shows the change in number of processed revocation of enforcement orders applications.

Change in Number of Revocation of EO Applications Processed				
Month	2020-2021	2021-2022	Change	% Change
Apr	5 223	10 184	4 961	94,98%
May	1 426	11 019	9 593	672,72%
Jun	4 176	8 094	3 918	93,82%
Jul	7 129	8 684	1 555	21,81%
Aug	7 976	10 450	2 474	31,02%
Sep	18 707	11 267	-7 440	-39,77%
Oct	19 462	9 733	-9 729	-49,99%
Nov	23 341	7 928	-15 413	-66,03%
Dec	18 994	6 156	-12 838	-67,59%
Jan	21 869	7 098	-14 771	-67,54%
Feb	11 769	5 792	-5 977	-50,79%
Mar	11 916	7 492	-4 424	-37,13%
Total	151 988	103 897	-48 091	-31,64%

Table 50: Change in Number of Revocations of EOs processed

The number of processed enforcement orders in 2021-2022 were 103 897 which is less than in 2020-2021 with 151 988 processed. The difference is 48 091 (31.64%). There was an increase between April and August and thereafter the number processed started to decrease from September until March.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The number of applications considered by the RTIA during 2021-2022 with their outcomes is given in the table below.

Total Number of EO Revocation Applications			
Month	Applications Received	Successful	Unsuccessful
Apr-21	9 931	7 268	2 315
May-21	10 769	7 025	3 389
Jun-21	8 084	5 423	2 342
Jul-21	8 794	5 855	2 169
Aug-21	10 636	7 445	2 093
Sep-21	12 890	8 454	2 111
Oct-21	8 020	7 401	1 644
Nov-21	8 349	5 894	1 413
Dec-21	6 468	4 848	1 052
Jan-22	7 577	5 733	1 205
Feb-22	7 048	4 864	811
Mar-22	7 254	6 582	789
Total	105 820	76 792	21 333

Table 51: Total number of EO Revocation Applications

The information in the table above shows that 105 820 applications for revocation were received in 2021-2022, and out of the total, 76 792 were successful and 21 333 were unsuccessful.

The reasons for successful EO revocation applications for 2020-2021 in comparison with 2021-2022 are shown in the table below.

Reasons for Successful EO Revocation Applications		
Reasons	2020-2021	2021-2022
Proof of payment received	27	17
Instalment application proof received	16	5
Representation proof received	47 407	40 371
Proof of nomination received	49	32
Court election notice received	112	5
Proof of court appearance received	348	16
Affidavit received	6 538	195
Other:	59 412	36 151
Total	113 909	76 792

Table 52: Reasons for Successful EO Revocations

The information in the table above shows some of the reasons why the enforcement orders were successful. There has been a decrease in totals for all the reasons in 2021-2022 as compared to 2020-2021 financial years.

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The information is also reflected in the graph below shows.

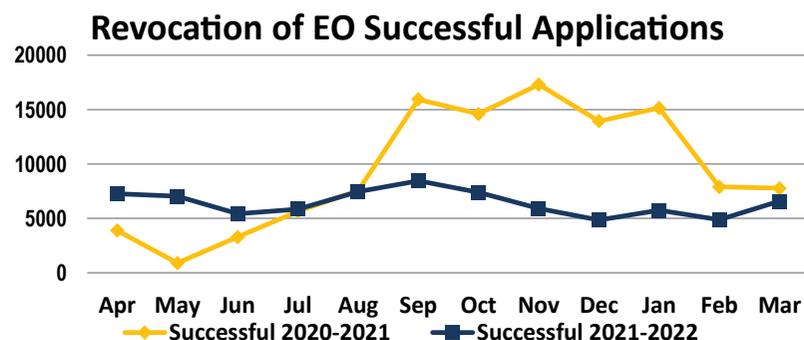


Figure 22: Revocation of EO Successful Applications

The reasons for revocation applications being unsuccessful during 2021-2022 in comparison with the number during the previous year are given in the table below.

Reasons for Unsuccessful EO Revocation Applications		
Reasons	2020-2021	2021-2022
Applied for representation	0	0
No proof for not appearing in court	3	10
No proof of new driver/person in control	1 492	567
No proof of representation application	37	1
AARTO 14 form not completed	651	28
No proof of non service of infringement notice	2 226	1 705
No proof of court option	9	2
No proof of payment	6	4
Other	20 038	19 016
Total	24 462	21 333

Table 53: Reasons for Unsuccessful EO Revocations

The information in the table above shows a decrease in total number of reasons from 24 462 in 2020-2021 to 21 333 in 2021-2022. There has been a decrease in uploading incomplete/blank AARTO 14 forms.

The graph below shows a month-to-month comparison of the unsuccessful Enforcement Order revocation applications for 2020-2021 and 2021-2022

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

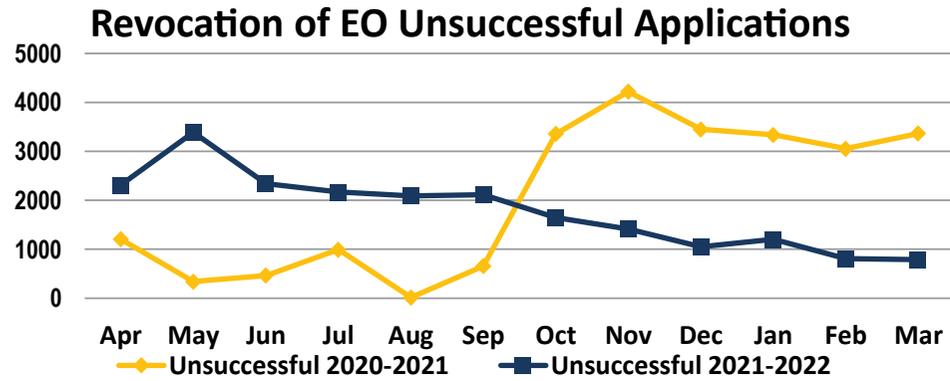


Figure 23: Revocation of EO Unsuccessful Applications

The graph below shows the comparison of successful and unsuccessful revocations of the enforcement orders between 2020-2021 and 2021-2022.

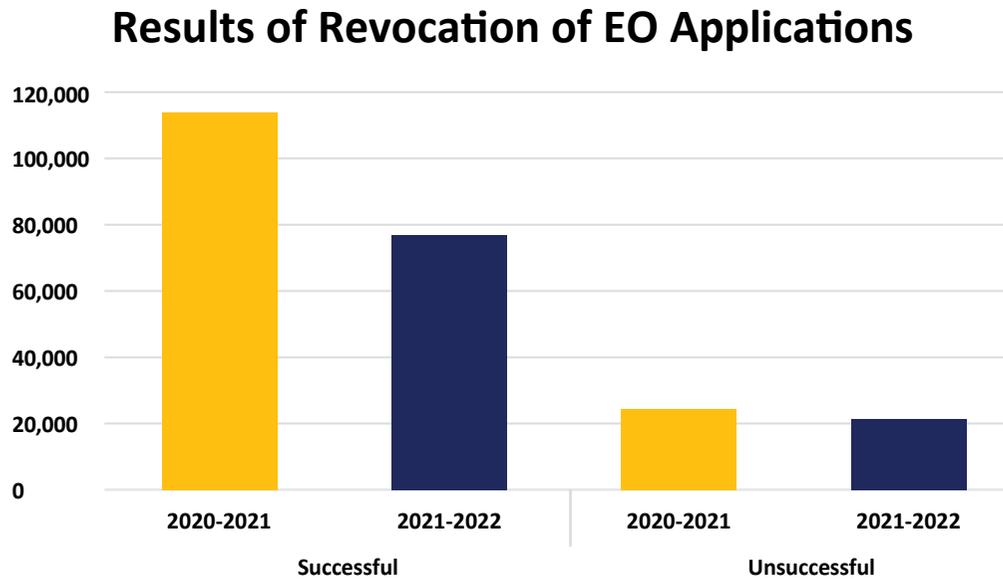


Figure 24: Results of Revocation of EOs

The successful and unsuccessful results of enforcement orders have declined in 2021-2022 as compared to 2020-2021.



Justice

STATUS

RTIA

NOW YOUR
FINE
STATUS

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TRAFFIC FINE
STATUS



RTIA
Road Traffic Interagency

ESL

Road
Giving

RTIA
Road Traffic Interagency



PART C:

GOVERNANCE

GOVERNANCE

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the prescripts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

2. PORTFOLIO COMMITTEES

The Board did not have any public engagements with the Portfolio Committee on Transport. The Agency made a presentation to the Portfolio Committee on 7 May 2021 regarding the 2021/2022 Annual Performance Plan. This was on invitation by the PCoT.

3. EXECUTIVE AUTHORITY

Nature of reports	Date of the Report	Response from Executive Authority
Postponement of Audit deadline	31/05/2021	Acknowledgement of the request and the request was finalized by National Treasury and the office of the AG.
Approval of Organizational structure in terms section 11 (2) of the AARTO Act	17/05/2021	The issue is still pending
Replacement of a candidate from NPA	02/08/2021	The Executive Authority engaged with the office of the National Director of Public Prosecution
Finalization of the section 38 (1) (J) of the PFMA	18/08/2021	Request approved and the section 38 (1) (J) restrictions uplifted from the ring-fenced budget
Issues in relation to the finalization of the AARTO Regulations by the State Law Adviser	05/10/2021	The Executive Authority engaged with all the Transport MEC's and the Minister of Justice and Constitutional Development to finalize their respective concurrences on the section 29 processes of the AARTO Act
Request for postponement of the Agency's AGM	29/10/2021	Request granted and the AGM postponed.
Report on the termination of the Registrar's contract	29/10/2021	Executive Authority acknowledged receipt
Request for the Revision of the Agency's APP	29/10/2021	Request could not be granted because it came after the deadline of the statutory cycle for approval. The Executive Authority however agreed to allow the Agency to report performance outside of the targets which were impacted by the High Court judgement on the unconstitutionality of AARTO
Report on the media issues in respect to the Board fees and other governance issues.	08/03/2022	Acknowledgement of receipt of the correspondence
Report on the appointment of the Acting Registrar from the RTMC	09/03/2022	Executive Authority approved the secondment

Table 54: Executive Authority Correspondence

GOVERNANCE

4. THE ACCOUNTING AUTHORITY / BOARD

4.1 The Board constitutes the fundamental base of corporate governance within the RTIA. Accordingly, as the Accounting Authority, the Board has the absolute responsibility for the effective performance and strategic direction of the Agency and is accountable to the Executive Authority for such performance. As a result, the Board provides strategic direction to RTIA and, in concurrence with the Minister or Executive Authority, ensure that an effective continuity plan is in place and adhered to for all Directors and key executives.

The role of the Board is as follows:

- Board is responsible and accountable for the public entity's performance and strategic direction.

4.2 Retain full and effective control over the RTIA and monitor management in effectively implementing Board decisions, plans and strategies.

4.3 Ensure 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 Treasury Regulations and sections 76 and 77 of the PMFA.

4.4 Ensure 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

4.5 Audit and Risk Committee provides oversight in terms of the development and implementation of an ICT Governance Framework aligned with the performance and sustainability objectives of the Agency.

4.6 Ensure that the Audit and Risk Committee does not reduce its functions and duties, except with respect to the appointment, fees and terms of engagement of the auditor.

4.7 Ensure that all board members 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.

4.8 The Board, as whole and/or individual Board members may, if necessary, solicit independent professional advice at the expense of the RTIA. This process should be followed in accordance with the RTIA's Procurement Processes and Procedures, except where good cause can be shown why the procurement of such services cannot be procured using the RTIA procurement system. The Chairperson of the Board should ensure that all Board members are familiar with such procedure and comply with it.

4.9 Without derogating from its fiduciary duties, the Board should ensure 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 should ensure that the RTIA prepares annual budgets against which, its performance can be measured.

4.10 The Board must take appropriate and effective steps to –

4.10.1 prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the RTIA;

4.10.2 manage available working capital efficiently and economically;

4.10.3 institute disciplinary steps against any employee of the RTIA who –

4.10.4 contravenes or fails to comply with a provision of the PFMA;

4.10.5 Commits an act which undermines the financial management and internal control system of the RTIA;

GOVERNANCE

Board Charter

The purpose of this Board Charter is to:

- 4.11** set out the vision, mission, roles and responsibilities of the Board of RTIA;
- 4.12** ensure that –
 - 4.12.1** all Board members are aware of their individual and collective duties and responsibilities;
 - 4.12.2** Board members are aware of the various legislation, regulations and policies affecting their conduct; and
 - 4.12.3** the principles of good corporate governance are applied in their dealings in respect of, and on behalf of the RTIA.

It 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

The Agency complied with the tenets of the charter in terms of its composition and schedule of meetings. The only challenge it experienced was with the absence of an Ex-Officio secondee from NPA, after the resignation of Adv. Thenga from the Board during the first term. The Executive Authority has been trying to negotiate with NPA for the replacement of the candidate.

GOVERNANCE

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit committee / Ministerial task team)
Ms Bongekile Zulu	Public Entity	06-08-2020	B.Proc, MBA	Corporate Governance Legal Advisory, compliance management and strategy development	Board Member – KZN Growth Fund, Board Member – CIDB,	Social & Ethics Committee
Mr Bonolo Ramokhele	Public Entity	06-08-2020	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 HR & Remuneration Committee
Dr Prittish Dala	Public Entity	06-08-2020	PHD (IT), M.IT, CDPSE, CEH, CGEIT, CHFI, CISA, CISM, CISSP, COBIT, CRISC, LA27001	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 Gautrain Management Agency. Exponential Enterprises.	Chairperson of Technical Committee Audit & Risk Committee Social & Ethics Committee
Dr Dorcas Khosa	Public Entity	06-08-2020	B. Tech & Master's degree – Policing, (TUT), D.Litt. et Phil– Police Science (UNISA).	Traffic Law Enforcement	RTIA	HR & Remuneration Committee Technical Committee
Mr Owen Mtsetweni	Public Entity	06-08-2020	B.Tech – Traffic Municipal Police Management, National Diploma B.Admin, National Diploma – Traffic Municipal Police Management	Traffic Law Enforcement	RTIA	HR & Remuneration Committee Technical Committee

Table 55: Composition of Board

GOVERNANCE

Committees

Composition of the Board Committees

Name	Designation (in terms of the Public Entity Board structure)
Audit & Risk Committee	Mr Suren Maharaj (Independent Chairperson) Ms Annabelle Mphahlele (Independent Member) Mr Bonolo Ramokhele Dr Prittish Dala
Technical Committee	Dr Prittish Dala (Chairperson) Ms Clancinah Baloyi (Independent Member) Dr Dorcas Khosa Mr Owen Mtsetweni Ms Bongekile Zulu (Invitee on special meetings dealing with AARTO Roll Out)
HR & Remuneration Committee	Mr Bongani Hlophe (Independent Member/Chairperson) Mr Themba Dlamini (Independent Member) Dr Dorcas Khosa Mr Bonolo Ramokhele
Social & Ethics Committee	Mr Bongani Hlophe (Chairperson) Dr Prittish Dala Ms Bongekile Zulu Mr Suren Maharaj

Table 56: Board Committees

GOVERNANCE

Board Fee Structure

The Board fee structure that was in place when the Board joined the Agency in August 2020 was reviewed by the Board on 31 July 2021 effective from 01 August 2021 for cost containment.

Item	Description	Previous Board Fee Structure (effective till 31 July 2021)	Revised Board Fee Structure (effective from 1 August 2021)
1	Ordinary RTIA Board and Sub Committee meetings / Board and Committee workshops and Strategy sessions.	1 x daily rate for meeting attendance (attendance fee) and 3 x daily rate for preparation (preparation fee). Double rate for preparation fee that falls on a weekend or public holiday.	1 x daily rate for meeting attendance (attendance fee) and 3 x daily rate for preparation (preparation fee).
2	Board and Sub Committee Special meetings	1 x daily rate for meeting attendance (attendance fee) and 3 x daily rate for preparation (preparation fee). Double rate for preparation fee that falls on a weekend or public holiday.	1 x daily rate for meeting attendance (attendance fee) and 1 x daily rate for preparation (preparation fee).
3	Emergency meetings	Hourly rate limited to daily rate.	Hourly rate limited to daily rate. Preparation fee of 1 x daily rate will only be paid if the members are given documents by the RTIA that will be discussed in that meeting. Time allocated should be recorded or be confirmed in the invitation.
4	Functions / Conferences / Seminars / Study tours / Consultative meetings / Training/Meetings / Lekgotla's with Parliament / Minister / Department	Speaking on behalf of the RTIA: Attendance will be remunerated using hourly rates limited to daily rate. Preparation fee of 1 Day will be paid. Where a member is invited as a guest and representing the RTIA the payment will be limited to daily rate or the time spent on the function. Reimburse travel Kilometres (The calculation of the mileage should be based on the official Distance Calculator). Number of days or hours in attendance, which ever rate is appropriate. Preparation Fee of 2 Days is payable if the activity is more than 5 hours and where there is evidence of documents which had to be prepared for the meeting.	1 x daily rate for each day in attendance (attendance fee) and 1 x daily rate for preparation (preparation fee).
5	Claims for kilometres travelled	Department of Transport's Kilometre rates shall be used for all reimbursive travel claims. Reimbursement on kilometres will be paid for distance travelled to a meeting outside Gauteng.	Department of Transport's Kilometre rates shall be used for all reimbursive travel claims. Reimbursement on kilometres will be paid for distance travelled to a meeting outside Gauteng.

GOVERNANCE

Item	Description	Previous Board Fee Structure (effective till 31 July 2021)	Revised Board Fee Structure (effective from 1 August 2021)
6	None Attendance of the Meeting	Members unable to attend meetings should submit meeting inputs to the Company Secretary within 12 hours before the meeting. The fees payable for this purpose will be limited to three days preparation time.	Members unable to attend meetings should submit meeting inputs to the Company Secretary within 12 hours before the meeting. The fees payable for this purpose will be limited to the preparation fee that is applicable to that particular meeting (ordinary or special meeting).
7	Successive Board and Committee meetings	Preparation Fee of 3 days will be given for each of the meeting as the member would have spent the equivalent amount of that time to prepare for each meeting. 1 day attendance fee applicable when meetings take place on the same day and are back to back	Preparation fee will be given for each of the meetings as the member would have spent the equivalent amount of that time to prepare for each meeting. However, the attendance fee will be limited to 1 x daily rate (attendance fee) when meetings take place on the same day and are back to back

GOVERNANCE

TOTAL ENGAGEMENTS, ACTIVITIES AND MEETINGS

Member	Previous Board Fee Structure (effective till 31 July 2021)		Revised Board Fee Structure (effective from 1 August 2021)		TOTAL ENGAGEMENTS, ACTIVITIES AND MEETINGS	Total Fees
	Total Meetings	Total Fees	Total Meetings	Total Fees		
Ms Bongekile Zulu	31	479 024	58	594 760	89	1 073 784
Dr Prittish Dala	38	592 192	56	496 879	94	1 089 071
Dr Dorcas Khosa	29	390 495	45	358 709	74	749 204
Mr Owen Mtsetweni	28	386 643	48	361 566	76	748 209
Mr Bonolo Ramokhele	33	489 204	46	393 726	79	882 930
Mr Suren Maharaj	0	0	35	337 343	35	337 343
Mr Bongani Hlophe	0	0	36	329 039	36	329 039
Mr Themba Dlamini	0	0	11	123 745	11	123 745
Ms Clancinah Baloyi	0	0	8	111 708	8	111 708
Ms Annabelle Mphahlele	0	0	18	211 860	18	211 860
Mr Bryan Chaplog	19	388 580	29	255 075	48	643 655
Ms Shelley Thomas	16	281 196	12	127 116	28	408 312
Ms Yvonne Mbane	10	188 500	23	208 955	33	397 455
Ms Thembeka Mjoli	0	0	0	126 154	0	126 154
Mr Mzikayise Dondolo	0	0	0	110 746	0	110 746
Total		3 195 834		4 147 381		7 343 215

GOVERNANCE

TOTAL ENGAGEMENTS, ACTIVITIES AND MEETINGS

Member	Board	Special Board ¹	Audit and Risk Committee ²	Human Resource and Remuneration Committee	Social and Ethics Committee	Technical Committee	AARTO Project Roll-Out ³	Forensic, Legal Consultations and Consequence Management ⁴	Other Engagements and Activities ⁵	TOTAL ENGAGEMENTS, ACTIVITIES AND MEETINGS	Total Fees
Ms Bongekile Zulu	4	24	N/A	N/A	3	4	7	10	37	89	1 073 784
Dr Prittish Dala	4	24	24	1	3	4	8	8	18	94	1 089 071
Dr Dorcas Khosa	4	24	N/A	8	N/A	4	8	9	17	74	749 204
Mr Owen Mtsetweni	4	26	N/A	8	N/A	4	8	9	17	76	748 209
Mr Bonolo Ramokhele	4	19	20	7	N/A	N/A	6	7	16	79	882 930
Mr Suren Maharaj	2	12	9	1	2	N/A	1	N/A	8	35	337 343
Mr Bongani Hlophe	2	13	N/A	5	2	N/A	1	N/A	13	36	329 039
Mr Themba Dlamini	1	2	N/A	5	N/A	N/A	N/A	N/A	3	11	123 745
Ms Clancinah Baloyi	N/A	2	N/A	N/A	N/A	2	N/A	N/A	4	8	111 708
Ms Annabelle Mphahlele	1	2	9	1	N/A	N/A	N/A	N/A	5	18	211 860
Mr Bryan Chaplog	3	7	19	1	1	N/A	5	2	10	48	643 655
Ms Shelley Thomas	1	3	19	1	N/A	N/A	N/A	2	2	28	408 312
Ms Yvonne Mbane	3	6	N/A	4	1	N/A	5	2	12	33	397 455
Ms Thembeke Mjoli	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	126 154
Mr Mzikayise Dondolo	N/A	N/A	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	110 746
Total											7 343 215

Note 1: Special Board Meetings – Review and approval of the financial statements and receipt of the audit outcomes, consideration of media queries, appointment of Acting CEO and approval of the organisational structure.

Note 2: Includes several Special Audit and Risk Committee meetings to deal with revised quarterly reports, the forensic investigations as well as the submission of the 2020/21 annual financial statements and annual performance report pre and post the external audit processes that ultimately resulted in an improvement in the audit outcome from a “disclaimer” to a “qualified” audit opinion.

Note 3: Oversight in relation to the implementation of the AARTO Project Roll-Out.

Note 4: Forensic investigations initiated due to various allegations and subsequent legal consultations to implement recommendation and consequence management.

Note 5: Engagements with the Minister and Deputy Minister, strategic planning sessions, annual general meeting, meetings with Auditor General South Africa, AARTO stakeholder engagements, launch events, interviews, performance contracting and assessment.

5. RISK MANAGEMENT

The RTIA as a public entity, is required to comply with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (‘PFMA’) by establishing and maintaining an effective, efficient and transparent risk management systems. The RTIA Board is responsible for ensuring that a comprehensive and effective risk management process is in place and has thus ensured that the agency have a Risk Management Policy and Strategy. The Audit and Risk Committee (ARC) has been delegated with the responsibility to oversee RTIA’s overall risk management and to ensure the effectiveness thereof.

The strategic risks assessment is conducted annually the agency reviews the strategic plan and annual performance plans to ensure that the risks are relevant and addressing the achievement of the of the agency’s strategic goals. The RTIA have appointed Risk Management Champions for each business unit who coordinates risk management activities within their respective units and reports to the Operational Risk Committee. They also ensure that emerging risks are ventilated and escalated to the relevant governance structures.

GOVERNANCE

The quarterly progress reports on management of risks is reported to the board through the ARC. For the period under review there was no significant impact made on the external risks owing to the non-proclamation of the AARTO act as it was planned for 01 July 2021 and also the High Court ruling in the last quarter of the year on the validity of the AARTO Act.

The RTIA underwent a risk maturity assessment and that revealed that the agency in implementing stage and have developed a risk improvement plan to ensure that the agency reaches the managing and optimising stages. With the agency preparing for National AARTO rollout, it has developed a Project AARTO Rollout Risk Register to closely monitor the risks that can hamper the successful rollout. 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.

6. INTERNAL CONTROL UNIT

Detailed internal audit reviews and testing was undertaken to assess the adequacy and effectiveness of controls relating to the specific audit activities. The objective was to ensure that management's control strategies are consistent with the organisation's activities and objectives. Recommendations relating to the adequacy and effectiveness of controls were made where required. All significant findings were reported to the ARC for monitoring.

There is constant communication between the risk management and internal audit functions to ensure that the risks identified are utilised by internal audit during audit planning and execution in order to provide assurance that mitigation strategies and controls are being implemented by management.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

Key activities and objectives of Internal Audit are:

In accordance with the definition of internal auditing, and the authority to establish and maintain an internal audit function as contained in the PFMA and its Treasury Regulations, the objectives of the RTIA internal audit function are to:

- provide professional, independent and objective assurance and consulting activities designed to add value and improve the operations of RTIA; and
- assist RTIA in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The key activities of Internal Audit are:

- to provide a written assessment of the effectiveness of the company's system of internal control, performance and risk management to the Agency; and
- to perform an objective assessment of the adequacy and effectiveness of risk management and all other elements of the internal control framework.
- to develop and implement a rolling three-year annual audit plan based on RTIA's key areas of risk, including any risks or control concerns identified by management, and submit the plan to the ARC for review and approval, as well as periodic updates;
- to build a professional audit staff with sufficient knowledge, skill, experience and professional certifications to meet the requirements of the Internal Audit Charter;
- to consider the scope of work of the external auditors and other assurance providers, as appropriate, for the purpose of providing optimal audit coverage;
- to provide independent assurance over governance, risk management and systems of internal control

Internal Audit completed 18 planned audits and 6 ad hoc assignments for the 2021/22 financial year. The internal audit function underwent an external quality assurance review after three years from the last assessment and received a "partial conformance". Areas of improvement were identified and a plan was developed to start addressing them.

The tabled below discloses relevant information on the audit committee members

GOVERNANCE

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned / Term ended	No. of Meetings attended
Mr Suren Maharaj	CA (SA)	External (Independent Member)	N/A	30/10/2021	N/A	9
Mr Bryan Chaplog	CA (SA)	External (Independent Member)	N/A	30/01/2011	11/11/2021	19
Dr Prittish Dala	PHD (IT), M.IT, CDPSE, CEH, CGEIT, CHFI, CISA, CISM, CISSP, COBIT, CRISC, LA27001	External (Board)	N/A	14/09/2020	N/A	24
Mr Bonolo Ramokhele	B Acc Sci, HDip Acc, CA (SA),	External (Board)	N/A	14/09/2021	N/A	20
Ms Shelley Thomas	CA (SA)	External (Independent Member)	N/A	17/10/2012	11/11/2021	19
Ms Annabelle Mphahlele	LLB, MBA	External (Independent Member)	N/A	30/10/2021	N/A	9

8. COMPLIANCE WITH LAWS AND REGULATIONS

The Agency has established the compliance universe, which contains a total of 21 legislative prescripts which impact on the operations of its business. The compliance by the Agency with the laws is monitored through monthly compliance meetings and the EXCO meetings. Such compliance reports are further tabled at the Audit and Risk committee meetings as well as at Board meetings.

The Agency also conducted the POPIA assessment process at the point when the legislation came into operation on the 1st July 2021 and later developed an action plan, which is monitored at the compliance meetings and EXCO, to ensure maximum compliance with the requirements of the legislation by the end of July 2022. The Agency further registered with the Information Regulator in order to lodge an application for the enrolment of its Information Officers with the structure.

9. FRAUD AND CORRUPTION

Policies that enable the RTIA to operate 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. For the period under review, there is a case that is in progress that is being investigated by internal audit.

10. MINIMISING CONFLICT OF INTEREST

The conflict is managed through formal declarations at the beginning of each meeting. Members of Management and members of oversight committees also provide written declarations at the beginning of each financial year. The Agency further has a gift register where staff at all levels is expected to formally register all gifts that they receive above an amount of R350.00.

11. CODE OF CONDUCT

The code of conduct at the Agency is managed through a code of conduct policy and ethics policy. The processes to deal with the contraventions of these policies are outlined in these policies.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The RTIA continues to implement the OHS Policy and has established an OHS Compliant Committee as per OHS Act. The responsibility of the OHS Committee is to have scheduled meeting to discuss any Health and Safety concerns within the RTIA. The committee consist of First Aiders, SHE Representatives, Fire Wardens and Evacuation Wardens. The main objective of the committee is to ensure the safety of the employees that the RTIA as well as to promote a safe and secure workplace. The OHS team has also conducted and awareness and education campaign with regard to an evacuation drill. It was decided that a planned evacuation drill would be conducted during the month 20th January 2022.

During the evacuation it was identified that most of the employees were working from home but the drill was a success with the employees who were at the office. The evacuation drill was a success because all protocol was followed and everyone assisted with the success of the evacuation drill. There have been no incidents or accidents reported at the Agency.

GOVERNANCE

13. COMPANY /BOARD SECRETARY

- The Company secretary is appointed by the Board. His/her role is to provide the Board and individual Directors with guidance as to the nature and extent of their duties and responsibilities, and how such duties and responsibilities should be properly discharged in the best interests of RTIA and the Shareholder.
- The Company secretary's role also entails the induction of new and inexperienced Directors and, together with the Chairperson of the Board, developing mechanisms for providing continuous education and training for all Board members in order to improve and maintain the effectiveness of the Board.
- The Company secretary should assist the Chairperson and the Registrar in determining the annual Board plan and other issues of an administrative nature.
- The Company should provide guidance to the Board and Committees on legislative compliance.
- The Company secretary should provide a central source of guidance and advice to the Board on matters of business ethics and good governance. The Company secretary's appointment should be subject to the same "fit and proper test" to which a new Director's appointment is subject. The Company secretary's performance should also be appraised in the same manner as that for the Directors of RTIA. The Chairperson (Acting on behalf of the Board) and will review the performance of the Company secretary in accordance with the performance management policies and procedures of RTIA, in consultation with the Board.
- The company secretary can be dismissed by the Board on the grounds of poor performance or other dismissible misconduct subject to being given prior notice for such.
- 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 2015, 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.

14. SOCIAL RESPONSIBILITY

During the period under review a sub-committee of the board on social and ethics committee was established which met three (3) times before the end of the financial year. The development of Social and Ethics strategy was finalised and approved by the committee during the year under review. The Agency plans to implement strategy in the new financial year among which a corporate social responsibility strategy would be developed and implemented. The social responsibility plans will be premised on the stakeholder analysis which has been drafted in the social and ethics strategy.

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 2022.

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:

GOVERNANCE

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned / Term ended	No. of Meetings attended
Mr Suren Maharaj	CA (SA)	External (Independent Member)	N/A	30/10/2021	N/A	9
Mr Bryan Chaplog	CA (SA)	External (Independent Member)	N/A	30/01/2011	11/11/2021	19
Dr Prittish Dala	PHD (IT), M.IT, CDPSE, CEH, CGEIT, CHFI, CISA, CISM, CISSP, COBIT, CRISC, LA27001	External (Board)	N/A	14/09/2020	N/A	24
Mr Bonolo Ramokhele	B Acc Sci, HDip Acc, CA (SA),	External (Board)	N/A	14/09/2021	N/A	20
Ms Shelley Thomas	CA (SA)	External (Independent Member)	N/A	17/10/2012	11/11/2021	19
Ms Annabelle Mphahlele	LLB, MBA	External (Independent Member)	N/A	30/10/2021	N/A	9

The Effectiveness of Internal Control

The ARC performed its oversight role in ensuring reliability and accuracy of financial reporting, performance management. Effective governance, business continuity, and ethics management, as well as risk and compliance. Furthermore, the ARC exercised Its oversight over performance of ICT function, Internal audit which also facilitated the implementation of the combined assurance model.

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 improvement. In particular, the ARC is concerned with the lack of improvement in the internal control, risk management and governance environment.

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 partially adequate and effective and has identified the following key areas of concern that should be addressed:

- Quality of the annual financial statements;
- Capacity and skills within the Finance department;
- Record keeping;
- Deficiency of ICT and cyber security governance;
- Enterprise risk management (Risk management, business continuity management, compliance and combined assurance); and
- Audit action plan partial implementation of the recommendations

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 provided management with recommendations to improve the quality of performance information and financial reporting.

GOVERNANCE

Evaluation of Financial Statements

The ARC has:

- Reviewed the unaudited financial statements with due consideration of the independent assurance service provider by Internal Audit;
- 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;
- Reviewed the audited financial statements for any significant adjustments resulting from the audit report.
- The ARC did recommend the unaudited AFS and APR to the board before 31 May 2022.
- The ARC requested that an independent quality assurance provider be contracted to issue a QAR on the AFS.

AGSA Audit Report

The ARC notes with concern the qualified audit opinion from AGSA.

ARC has escalated the audit dispute regarding the audit report outcomes for the 2021-22 financial year in accordance with sections 77 and 78 of the engagement letter, specifically relating to the following two audit findings rating of the Board, qualification of irregular expenditure and qualification of AARTO assets and liabilities.

Conclusion

The ARC was able to confirm the system of internal control, governance and risk management in the Agency as partially adequate in identifying risk and allowing the management to understand the management of such risks.



Suren Maharaj CA(SA)

Audit and Risk Committee Chairperson

Date: 18 August 2022

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

GOVERNANCE

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / 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	The RTIA is Established in terms of an Act of Parliament
Developing and implementing a preferential procurement policy?	Yes	Implemented in line with Treasury guidelines 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 an 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 an existing partnership with private institutions

GOVERNANCE

RTIA Board



Ms B Zulu



Dr D Khosa



Mr B Ramokhele



Dr P Dala



Mr M Moloi



Adv. M Bilikwana



Mr OT Mtsetweni

GOVERNANCE

RTIA Executives



Mr Matsemela Moloji
Acting Registrar



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



Caiphus Matjie
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

 **RTIA**
Road Traffic Infringement Agency
Justice in Adjudication

KNOW YOUR
TRAFFIC FINE
STATUS

 **RTIA**
Road Traffic Infringement Agency
Justice in Adjudication

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PART D:

HUMAN RESOURCE MANAGEMENT

HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

For the year under the review the Unit achieved 100% of its annual performance plan (APP) which was in respect of the creation and filling of 50 positions targeting youth, women and people living with disabilities. Firstly, the target was aimed at creating employment opportunities for young people across all demographics. Secondly, to create a national AARTO foot-print to institutionalise the RTIA mandate and ensure service delivery.

In order to achieve its objectives, the RTIA has the responsibility to empower and to equip its Employees with the requisite skills to render their services. In this regard, the Agency through its HR Unit continued to implement its Workplace Skills Plan (WSP) to equip its Employees with knowledge and skills to perform their functions. By the end of the financial year, 100% of the WSP priorities was achieved and the Agency duly submitted the annual training report (ATR) for the said financial year to Transport Education and Training Authority (TETA) by the legislated date.

The Agency continued to manage the spread of Covid-19 throughout the year through with its aggressive measures to curb the pandemic. The RTIA continued to manage all activities that may be affected by the pandemic, for the most part of the year, a 10% staff compliment was maintained to minimise the spread of the disease in the Agency, Employees were provided with work-tools to enable remote working, applicable policies were reviewed and amended to make provision for the new normal.

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.

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	15 941	8 285	52%	18	460
2	82 283	22 298	27%	7	3 185
3	0	5 504	0%	11	500
4	33 166	57 262	173%	122	440
5	9 380	3 235	34%	17	190
TOTAL	140 770	96 584	69%	175	4 806

The table above provides the Employee costs for the year under review, the Agency was able to fill 50 positions aimed at creating employment for youths, people living with disabilities and women. The employment opportunities created was distributed across all provinces to assist the Agency to create a national-footprint in preparation for the AARTO national roll-out.

The table below outlines the Employee costs associated with different occupational categories applicable in the RTIA. The slight increase in Employees costs compared to the previous year, is in respect of the employment created for the capacitation of the AARTO Service Outlet Operators

HUMAN RESOURCE MANAGEMENT

Table 2.2 Personnel Cost by Programme				
Salary Bands	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management (Level 15-16)	21 040	22%	6	3 507
Senior Management (Levels 13-14)	18 893	20%	14	18 893
Professional Qualified (Levels 9-12)	29 491	31%	36	819
Skilled (Levels 6-8)	25 394	26%	105	242
Semi-skilled (Levels 3-5)	1 766	2%	14	126
Unskilled (Levels 1-2)	0	0%	0	0
TOTAL	96 584	100%	175	6 043

The Agency closed the financial year with a staff compliment of 175 Employees with a personnel expenditure of R96 million see table 2.2 above.

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. However, for the year under review, there were no performance incentives paid

For the year under review the Agency continued to achieve 100% implementation of its workplace skills plan (WSP) aimed at empowering RTIA staff to deliver on the its mandate. In addition to the learning and development priorities, the Agency also continued implementing the internal and external bursary programmes 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					
Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of Employees Trained	Avg Training Cost per Employee
Office of the Registrar	53 376	140	0.25%	24	5
AARTO Operations	10 692	126	1.18%	23	5
Finance	15 591	38	0.24%	7	5
Information Management	5 504	22	0.40%	4	6
Adjudications	11 421	60	0.53%	11	5
TOTAL	96 584	377	2.59%	69	27

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

HUMAN RESOURCE MANAGEMENT

Table 2.4 Employment and Vacancies per Occupational Band					
Table 2.4	Employment and Vacancies per Occupational Band				
Programme	2020/2021 No. of Employees	2020 / 2021 Filled Vacancies	2021/2022 No. of Employees	2021 / 2022 Vacancies	% of vacancies
1	54	9	18	9	100%
2	5	0	7	0	0
3	21	0	11	0	100%
4	10	51	122	51	0
5	33	0	17	0	100%
TOTAL	123	60	175	60	100%

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)	7	0	1	6
Senior Management (Levels 13-14)	15	0	1	14
Professional Qualified (Levels 9-12)	38	1	3	36
Skilled (Levels 6-8)	57	50	2	105
Semi-skilled (Levels 3-5)	6	9	1	14
Unskilled (Levels 1-2)	0	0	0	0
TOTAL	123	60	8	175

For the period under review only eight (8) employees terminated their employment with the Agency through resignation, death and dismissal.

HUMAN RESOURCE MANAGEMENT

Table 2.6: Reasons for staff leaving

Table 2.6		
Reasons for Staff Leaving		
Reason	Number	% of total no. of staff leaving
Death	1	
Resignation	5	
Dismissal	1	
Retirement	1	
Ill health	0	
Expiry of contract	0	
Other	0	
Total	8	

The RTIA has recorded four (4) suspensions for the period under review. These disciplinary measures are in line with the approved policy on discipline in the RTIA. By the end of the financial year under review, two (2) suspensions resulted in a resignation and dismissal. The remaining two (2) precautionary suspensions were still active at the end of the financial year

Table 2.7: Labour Relations: Misconduct and disciplinary action

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 an outline of the employment equity landscape of the Agency. For the period under review, the Agency was able to attract people from previously disadvantaged groups as well as people living with disabilities. The Agency is pleased to report that, there was an increase in the creation of employment for women from all races as well as people living with disabilities in line with the Employment Equity Plan of the Agency. The Agency was also able to create a comfortable and reasonable accommodation for an Employee with a disability to ensure effective and efficiency without compromising their abilities. The RTIA was able to attract a white and coloured females to form part of the personnel establishment.

HUMAN RESOURCE MANAGEMENT

Table 2.8 Employment Equity and Targets										
Table 2.8a	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	2	0	0	0	0	0	1	0	3	0
Senior Management	9	0	1	1	0	1	1	0	11	2
Professional qualified	18	0	1	0	0	1	0	1	19	2
Skilled	40	0	2	0	0	1	0	1	42	2
Semi-skilled	9	0	0	0	0	0	0	0	9	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	78	0	4	1	0	3	2	2	84	6

The table below shows an improvement from the previous financial years where, the Agency was able to create employment opportunities from previously disadvantaged groups in that, female whites and coloureds were employed as part of the Agency's drive to create employment and create representation across all races. There is still room for employment on the professionally qualified and management echelon where there is still under-representation of women.

Table 2.8(b) Employment Equity and Targets										
Table 2.8b	Labour Relations : Equity Target and Employment Equity Status - Female									
Race Group	African		Coloured		Asian		White		Total Female	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	2	0	0	0	0	0	0	0	2	0
Senior Management	4	0	0	1	0	1	0	1	4	3
Professional qualified	14	0	2	0	0	1	1	0	17	1
Skilled	58	0	4	1	0	1	1	1	63	3
Semi-skilled	4	0	1	0	0	0	0	0	5	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	82	0	7	2	0	3	2	2	91	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.

HUMAN RESOURCE MANAGEMENT

Table 2.8(c) Employment Equity and Targets										
Table 2.8c	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	4	0	0	0	0	0	1	0	5	0
Senior Management	13	0	1	2	0	2	1	1	15	5
Professional qualified	32	0	3	0	0	2	1	1	36	3
Skilled	98	0	5	1	0	2	2	2	105	5
Semi-skilled	13	0	1	0	0	0	0	0	14	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	160	0	11	3	0	6	4	4	175	13

The RTIA is pleased to report that it was able to attract a person living with a disability to take up employment opportunity and actually created an enabling environment and reasonable accommodation to make them comfortable. This was achieved through an aggressive approach where the Agency partnered with Disabled People of South Africa (DPSA) to make opportunities available to qualified young people living with disabilities. As a result, the Agency is actually ensuring reasonable accommodation by putting in place work tools that will make rendering services easier and without prejudice.

Table 2.8 d						
Table 2.8 d	Disabled Staff					
Gender	Male		Female		TOTAL	
Occupational Bands	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Professional qualified	0	1	0	0	0	1
Skilled	1	0	0	1	1	1
Semi-skilled	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0
TOTAL	1	1	0	1	1	2



1 49

59

53

8

10

170 920,76

4 386,59

574 328,48

83

1 004 697,85

4 144,54

15 466,76

13 848,51

6 541,23

1 419

1 419



PART E:

FINANCIAL INFORMATION

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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) as set out on pages **132** to **180** which comprise the statement of financial position as at 31 March 2022 the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual information for the year then ended, as well as 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 the Road Traffic Infringement Agency as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with South African Generally Recognised Accounting Practice (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)(b)(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. In the prior year the public entity did not have an adequate system for identifying and disclosing all irregular expenditure as a result the opening balance is still effected by this deficiency and remains unresolved. There were no satisfactory alternative procedures that I could perform to obtain sufficient appropriate evidence that all irregular expenditure has been properly recorded in note 24 to the financial statements. Consequently, I was unable to determine if any further adjustment was necessary to the irregular expenditure stated at R 111,47 million (2021: R 95,12 million) 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 to the financial statements. 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 62,03 million (2021: R 60,77 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.

Material uncertainty relating to going concern

8. I draw attention to the matter below. My opinion is not modified in respect of this matter.

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

9. As disclosed in note 21 to the financial statements, a material uncertainty may exist in relation to the High Court judgement relating to AARTO Act as disclosed under note 22. Sufficient mitigating actions were taken by management to address the uncertainties to conclude that the agency is able to continue as a going concern. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the public entity’s ability to continue as a going concern.

Responsibilities of the Accounting Authority for the financial statements

10. 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 GRAP and the requirements of the PFMA, and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
11. 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

12. 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 financial statements.
13. 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

14. In accordance with the Public Audit Act 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.
15. 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.
16. 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 programme presented in the public entity’s annual performance report for the year ended 31 March 2022.

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

17. 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.
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

Other matter

19. I draw attention to the matter below.

Achievement of planned targets

20. Refer to the annual performance report on pages 37 to 58 for information on the achievement of planned targets for the year and management's explanations provided for the under/over achievement of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 18 of this report.

Report on the audit of compliance with legislation

Introduction and scope

21. 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.
22. The material findings on compliance with specific matters in key legislation are as follows:

Annual financial statements and annual report

23. 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.
24. Material misstatements of revenue, current assets and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and/or supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure Management

25. Effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. As reported in the basis for the qualified opinion, the R 111, 47 million disclosed in note 24 of the financial statements does not reflect the full extent of the irregular expenditure incurred and full extent of the irregular expenditure could not be quantified. The majority of the irregular expenditure disclosed in the financial statements was caused by management not following competitive bidding and quotation process.

Other information

26. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report which includes the accounting authority'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 in this auditor's report.

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

27. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
28. 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 in the audit, or otherwise appears to be materially misstated.
29. 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

30. 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.
31. 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.
32. The accounting authority 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 resulting in the financial statements containing material errors and omissions.
33. The accounting authority did not appropriately implement the action plan to address all previously reported matters relating to completeness of irregular expenditure and obtaining the necessary supporting evidence to substantiate the AARTO assets.
34. Effective controls relating to AARTO control accounts have not been adequately implemented to ensure that daily processing, reconciling is performed to support the figures in the financial statements.

Other reports

35. 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.
36. Investigation commenced in 16 February 2021 and were finalised by the end of 29 May 2021. These investigations were in respect of Supply Chain Management processes, as well as employee related matters. The public entity has implemented consequence management based on the recommendations of the report.

Auditor-General

Pretoria
18 August 2022



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 the 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.

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.

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the year ended 31 March 2022

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

Figures in Rand	Note	2022	2021
Assets			
Current Assets			
Cash and cash equivalents	4	346 890 528	249 164 376
Receivables from exchange transactions	3	42 616 170	36 045 793
AARTO assets	9	62 027 403	60 773 912
		451 534 101	345 984 081
Non-Current Assets			
Property, plant and equipment	5	7 969 162	8 046 903
Intangible assets	6	2 417 264	868 725
		10 386 426	8 915 628
Total Assets		461 920 527	354 899 709
Liabilities			
Current Liabilities			
Payables from exchange transactions	7	11 269 415	14 130 599
Provisions	8	39 000 775	37 778 628
AARTO liabilities	9&31	62 027 403	60 773 912
		112 297 593	112 683 139
Total Liabilities		112 297 593	112 683 139
Net Assets		349 622 934	242 216 570
Accumulated surplus		349 622 934	242 216 570

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the year ended 31 March 2022

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note	2022	2021
Revenue			
Revenue from exchange transactions			
Infringement fees	10	178 234 749	260 251 474
Interest received	10	6 811 236	2 557 164
Sundry income		240 582	303 365
		<u>185 286 567</u>	<u>263 112 003</u>
Revenue from non-exchange transactions			
Grants	10	159 445 949	88 214 000
		<u>159 445 949</u>	<u>88 214 000</u>
Total revenue		<u>344 732 516</u>	<u>351 326 003</u>
Operating expenses			
Employment costs	11	(96 584 582)	(85 261 475)
Depreciation and amortisation on assets	5 & 6	(6 057 838)	(4 893 413)
Other operating expenses	12	(134 168 046)	(49 254 241)
Rental mobile busses		-	(5 603 349)
Repairs and maintenance		(544 085)	(800 077)
Total expenditure		<u>(237 354 551)</u>	<u>(145 812 555)</u>
Surplus for the year	13	<u>107 377 965</u>	<u>205 513 448</u>

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the year ended 31 March 2022

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Note	Accumulate surplus	Total net assets
Restated* Balance as 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
Prior year adjustments (Note:30)		28 400	28 400
Restated* Balance as at 1 April 2021		242 244 969	242 244 969
Surplus for the year		107 377 965	107 377 965
Total changes		107 377 965	107 377 965
Balance as at 31 March 2022		349 622 934	349 622 934

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the year ended 31 March 2022

CASH FLOW STATEMENT

Figures in Rand	Note	2022	2021
Cash flows from operating activities			
Receipts			
Infringement receipts		175 437 512	263 097 274
Grants		159 445 949	88 214 000
Interest income		6 811 236	2 557 164
Other receipts		240 582	303 365
AARTO collections		283 823 638	335 738 284
		<u>625 758 917</u>	<u>689 910 087</u>
Payments			
Employee costs		(96 708 666)	(83 428 537)
Suppliers		(139 967 781)	(51 329 202)
AARTO Disbursements		(283 823 638)	(335 738 284)
		<u>(520 500 085)</u>	<u>(470 496 024)</u>
Net Cash Flows from operating activities	14	105 258 832	219 414 063
Cash flows from investing activities			
Purchases of property, plant and equipment	5	(3 244 961)	(7 567 470)
Purchases of intangible assets	6	(4 287 719)	(2 620 529)
Net cash flows from investing activities		(7 532 680)	(10 187 999)
Net increase in cash and cash equivalents		97 726 152	209 226 064
Cash and cash equivalents at the beginning of the year		249 164 376	39 938 312
Cash and cash equivalents at the end of the year	4	346 890 528	249 164 376

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the year ended 31 March 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
Figures in Rand	Original Budget	Final adjustment budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref
Statement of Financial Performance						
Revenue						
Infringement fees	294 185 000	-	294 185 000	178 234 749	115 950 251	N1
Grant	224 408 000	(6 000)	224 402 000	159 445 949	64 956 051	N1
Grant -MTEF	8 648 000	-	8 648 000	8 648 000	-	
Grant - AARTO rollout (ring fenced)	215 760 000	-	215 760 000	150 797 949	(64 962 051)	
	518 593 000	(6 000)	518 587 000	337 680 698	180 906 302	
Other income						
Sundry income	-	-	-	240 582	240 582	N1
Transfer revenue	518 593 000	(6 000)	518 587 000	337 921 280	181 146 884	
Expenditure						
Employment Costs	(213 797 160)	-	(213 797 160)	(96 584 582)	(117 212 578)	N2
Administrative & other expenses	(48 458 639)	(6 000)	(48 452 639)	(36 708 857)	(11 743 782)	N2
Advertising and Marketing	(40 395 550)	-	(40 395 550)	(7 154 157)	(33 241 393)	N2
Consultants	(3 500 000)	-	(3 500 000)	(7 162 576)	3 662 576	N2
Legal costs	(3 200 000)	-	(3 200 000)	(4 200 139)	1 000 139	N2
Operating leases	(45 600 000)	-	(45 600 000)	(3 728 786)	(41 871 214)	N2
Expenditure of AARTO issued notices	(79 943 551)	-	(79 943 551)	(82 284 516)	2 340 965	N2
Appeals and Tribunal	(24 544 000)	-	(24 544 000)	-	(24 544 000)	N3
Rehabilitation	(24 986 300)	-	(24 986 300)	-	(24 986 300)	N3
Service outlets and Kiosks	(24 798 800)	-	(24 798 800)	-	(24 798 800)	N3
Research costs	(9 369 000)	-	(9 369 000)	-	(9 369 000)	N3

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the year ended 31 March 2022

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis						
Figures in Rand	Original Budget	Final adjustment budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref
Reconciliation						
Basis difference						
Impairment of statutory receivables				473 106	(473 106)	
Interest received				6 811 236	(6 811 236)	N4
Write off of property, plant and equipment				(4 044)	4 044	
Total expenditure	(518 593 000)	6 000	(518 587 000)	(230 543 315)	(288 043 685)	
Net surplus as per statement of financial performance		-		(107 377 965)	(107 377 965)	
Capital expenditure and Balance sheet						
Total assets	(20 900 000)	-	(20 900 000)	(5 938 935)	(14 961 065)	N5

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Statement of budget narrative for the reference 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 is below the anticipated target by 39% as a result of the reduction of the number of notices issued overall by the Issuing Authorities participating under the AARTO implementation. From the allocated grant with conditions related to the AARTO roll-out (ring fenced amount of R215 million), R150 million (70% of the allocation) was received during the year. Of the received funds, R25 million (17% of received funds) has been spent and committed towards roll-out projects at year end.

N2 - Overall spending of the budget was behind and was not achieved for all planned projects especially the AARTO rollout program, which consequently resulted in the variances for the year under review in most expenditure line items. The following line items were below the budget allocation which resulted in underspending overall: Employment associated costs were 57%, administrative & operating expenses 17%, advertising 82% and operating leases 92% respectively. The following category of expenses exceeded the actual planned budget: AARTO notices (2%), legal costs (31%) and consultancy fees (104%) respectively.

N3 - The budget allocated for these expenditure line items was not spent due to the proclamation of National rollout that was not announced, and the eventual impact of the high court judgement, resulting in underspending of the budget.

N4 - The investment income arises from interest generated on a positive cash balance from the cheque account, there is no budget item allocated since the return is depended on the balance held and the account is not investment.

N5 - The budget allocated for capital expenditure spending was R20.9 million resulted in inherent cost savings 71% as a result of the deferral of the major planned projects that were aligned with the implementation of the National Rollout of AARTO.

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the year ended 31 March 2022

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).

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

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

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

These accounting policies are consistent with the previous period.

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.

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.

Comparative figures

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 annual financial statements and budget are prepared on the same basis of accounting, comparative information is not required.

Prior year comparatives

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

ACCOUNTING POLICIES

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

1. Significant accounting policies

1.1 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 annual financial statements.

Determination of useful lives for property, plant and equipment

The nature of the RTIA's operations results in difficulties in determining the useful lives of items of property, plant and equipment. The asset lives exceed industry norms for similar assets. In re-assessing useful lives, the depreciation charge in the Statement of Financial Performance is adjusted.

Adequacy of the leave pay provision

The leave provision is based on actual days leave due to employees at their rate of remuneration. Remuneration increases take effect at the discretion of the negotiated rates with the bargaining council of the DPSA and these are announced by the Minister of Finance as and when negotiations have been concluded. In determining the provision, it is assumed that no leave will be forfeited, the assumption is based on past history.

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 annual 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

1.1 Significant judgements and sources of estimation uncertainty (continued)

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.

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.

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.

Impairment of 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 1.4 and 1.5.

ACCOUNTING POLICIES

1.1 Significant judgements and sources of estimation uncertainty (continued)

Leave provision

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

RTIA acts as an agent to the Issuing Authorities

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

Statutory receivables

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

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

RTIA acts as a principal to the Collecting Agents

RTIA is a principal to the Collecting Agents for the purposes of the collection of the penalties on behalf of the Issuing Authorities this is in terms of Section 5(1) of the AARTO Act. The role of the relationship is managed through the legislation or binding agreements concluded between the RTIA and the collecting agents in terms of the subcontracting relationship. Where binding agreement is not concluded which is the case mainly for the municipalities the legislation prevails. The collecting agents provide a payment platform facility to collect all AARTO notices, and as such the funds collected are required to be deposited onto the AARTO accounts by a legislated timeframe of which all collecting agents are required to conform. Not all collecting agents meet the definition of an agent in terms of the standard, therefore will be excluded from the provisions of this standard. Those collecting agents who do meet the definition will be treated in terms of the standard.

1.2 Provisions

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential 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.

ACCOUNTING POLICIES

1.2 Provisions (continued)

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 is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is 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 surplus (deficit).

If an entity has a contract that is onerous, the present obligation under the contract is 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
- 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.

1.3 Contingencies

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 15, 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.

After their initial recognition contingent liabilities recognised in entity 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.

1.4 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.

ACCOUNTING POLICIES

1.4 Property, plant and equipment (continued)

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

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

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

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

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

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

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.

1.5 Intangible assets

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

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

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

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

ACCOUNTING POLICIES

1.5 Intangible assets (continued)

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.

Item	Average 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.

1.6 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.

Receivables from exchange transactions

Receivables from exchange transactions 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.

Receivables from exchange transactions 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.

Payables from exchange transactions

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

Payables from exchange transactions are initially measured at fair value.

ACCOUNTING POLICIES

1.6 Financial instruments (continued)

Cash and cash equivalents

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

Offsetting

Assets and liabilities, revenue and expenses are not permitted to be offset but rather reported separately. Offsetting for RTIA is only in respect of the AARTO assets and liabilities where the substance of the transaction is reflected.

Derecognition

Assets are derecognised upon disposal or when it is evident that no future economic benefits or service potential are expected from its use or disposal. The carrying amount of the assets is the portion that is derecognised.

Financial assets

Offsetting is only allowed if the RTIA has the intention to settle on a net basis and has a legal enforceable right to set off the amounts.

Financial liabilities

Offsetting is only allowed if the RTIA has the intention to settle on a net basis and has a legal enforceable right to set off the amounts.

1.7 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). The RTIA is exempt from the payment of Value Added Tax (VAT) on the transfer received. However, the RTIA is liable to pay VAT on imported services received. VAT paid by the RTIA for other goods and services is not refundable by SARS. As a result, some of the items of revenue and expenditure and assets and liabilities include VAT.

1.8 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.

ACCOUNTING POLICIES

1.8 Leases (continued)

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 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 annual financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of such transactions.

1.9 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.

1.10 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.

ACCOUNTING POLICIES

1.10 Employee benefits (continued)

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.

1.11 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 percentage of completion basis (or other method as appropriate). The revenue should be recognised in surplus and deficit as the service is provided.

ACCOUNTING POLICIES

1.11 Revenue recognition (continued)

Unclaimed liabilities

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

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.

1.12 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.

1.13 Fruitless and wasteful expenditure

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

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

ACCOUNTING POLICIES

1.14 Irregular expenditure

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 annual 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 annual 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 annual 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 annual financial statements must be updated with the amount condoned.

1.15 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. 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 annual 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.

ACCOUNTING POLICIES

1.16 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. The RTIA recognises services received in kind in the statement of financial performance at the fair value of these services received, when they are significant to the RTIA's operations, and to the extent that a fair value can be determined reliably. Where the services are not significant and/or the fair value cannot be determined reliably, the nature and type of services received are disclosed. Services received in kind include national contravention register with the Road Traffic Management Corporation through the Department of Transport. While these services are important for the RTIA's operations, they are not significant and therefore not recognised.

1.17 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash. 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 annual 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.

1.18 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.

1.19 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.

1.20 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 annual 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)

ACCOUNTING POLICIES

1.20 Post balance sheet events (continued)

Events after the end of the reporting period include all events up to the date when the annual 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 annual 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 2021
01 April 2021
01 April 2021
01 April 2021
01 April 2021

2.2 Standards and interpretations not yet effective or relevant

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2022 or later periods:

Standard/ Interpretation:

- GRAP 25 (as revised): Employee Benefits
- GRAP 104 (as revised): Financial Instruments
- iGRAP 21: The Effect of Past Decisions on Materiality
- iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction

Effective: Years beginning on or after

Effective date not yet set by Minister
01 April 2025
01 April 2023
Effective date not yet set by Minister

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3. Receivables from exchange transactions

AARTO statutory receivables	42 010 894	39 545 649
Impairment of receivables	(6 013 109)	(6 486 215)
Receivables from exchange transactions	35 997 785	33 059 434
Deposits	1 426 128	1 426 128
Reclassified payables into receivables	142 121	82 742
Other receivables	404 551	198 388
Defined Contribution Plan	-	3 309
Staff receivables	88 123	97 822
Non-financial instruments		
Prepayments	4 557 462	1 177 970
	42 616 170	36 045 793

Reconciliation of AARTO statutory receivables:

AARTO statutory receivables	42 010 894	39 545 649
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AARTO statutory receivables past due but not impaired

AARTO statutory receivables which are less than 90 days past due and owing from collecting agencies are not considered to be impaired. Management have assessed the recoverability of receivables and there are indications that the balance is impaired. This is a result of the impact of the covid-19 pandemic 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 6 013 109 (2021 R 6 486 215).

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3. Receivables from exchange transactions (continued)

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

1 month past due	18 540 996	23 273 148
2 months past due	2 358 059	42 284
3 month past due	15 098 730	9 744 002
	<u>35 997 785</u>	<u>33 059 434</u>

Reconciliation of provision for impairment of trade and other receivables

Opening balance	6 486 215	2 510 439
Impairment of receivables from exchange transactions	6 013 109	6 486 215
Reversal of impairment	(6 486 215)	(2 510 439)
	<u>6 013 109</u>	<u>6 486 215</u>

4. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balance - operational account	346 301 592	249 089 598
Bank balance - salaries account	588 936	74 778
	<u>346 890 528</u>	<u>249 164 376</u>

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5. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	2 575 558	(1 894 787)	680 771	2 854 264	(1 901 726)	952 538
Motor vehicles	2 384 041	(2 299 359)	84 682	2 384 041	(2 197 370)	186 671
Office equipment	1 655 476	(730 829)	924 647	1 425 373	(636 022)	789 351
IT equipment	10 907 716	(4 628 654)	6 279 062	8 134 559	(2 016 216)	6 118 343
Total	17 522 791	(9 553 629)	7 969 162	14 798 237	(6 751 334)	8 046 903

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Retired assets carrying value	Depreciation	Closing balance
Furniture and fixtures	952 538	-	-	(271 767)	680 771
Motor vehicles	186 671	-	-	(101 989)	84 682
Office equipment	789 351	413 128	-	(277 832)	924 647
IT equipment	6 118 343	2 831 833	(4 044)	(2 667 070)	6 279 062
	8 046 903	3 244 961	(4 044)	(3 318 658)	7 969 162

The value of fully depreciated assets of the Agency at the end of the financial year was R 461 000 (2021: R 6.6 million). The Agency had no intention to keep these assets beyond their initially intended useful life.

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5. Property, plant and equipment (continued)**Reconciliation of property, plant and equipment - 2021**

	Opening balance	Additions	Retired assets carrying value	Depreciation	Closing balance
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

6. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	4 287 720	(1 870 456)	2 417 264	2 620 530	(1 751 805)	868 725

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Retired - cost	Retired - accumulated depreciation	Amortisation	Total
Computer software, other	868 725	4 287 719	2 620 529	(2 620 529)	(2 739 180)	2 417 264

Reconciliation of intangible assets - 2021

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

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7. Payables from exchange transactions

Trade payables	6 407 481	2 101 600
Reclassification to trade receivables	142 121	82 742
Suspense - AARTO	3 090 771	11 576 373
Accrued expenses	626 877	-
Payroll accrual	1 002 165	369 884
	11 269 415	14 130 599

* Suspense-payroll for the year ended 2021 was reallocated to Payroll accrual in the current year.

The suspense account for AARTO relates to infringers paying into RTIA's bank account and not the AARTO designated bank accounts, the amounts are required to be allocated first to the paid infringement notices

8. Provisions**Reconciliation of provisions - 2022**

	Opening balance	Additions	Utilised/ Reversals	Closing balance
Legal proceedings	-	1 987 832	-	1 987 832
Leave Provision	4 037 180	4 155 768	(4 037 180)	4 155 768
Bonus Provision	33 741 448	32 857 175	(33 741 448)	32 857 175
	37 778 628	39 000 775	(37 778 628)	39 000 775

Provision for legal proceedings relates to ongoing disciplinary process and legal consultation in relation to investigative services that are currently ongoing with the appointed legal consultant.

Provision for leave pay relates to leave balance due to employees at the end of the financial year.

Provision for bonus relates to obligation that Agency is exposed for the year, that arose from the constructive obligation as a result of past practices.

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8. Provisions (continued)

Reconciliation of provisions - 2021

	Opening balance	Additions	Utilised/ Reversals	Closing balance
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

9. AARTO assets and liabilities

Agent-principal relationship

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, therefore RTIA is an agent to the Issuing Authorities. 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 is R283 million (2021: R335 million).

AARTO assets due from:

Other AARTO net assets	20 607 043	16 775 241
Other statutory receivable collecting agents	39 805 253	40 847 772
Road Traffic Management Corporation	1 084 094	1 084 094
Tshwane Metropolitan Police Department	531 013	2 066 805
	62 027 403	60 773 912

AARTO liabilities due to various role-players

Gauteng Department of Community Safety	4 247 177	3 861 971
Johannesburg Metropolitan Police Department	13 352 095	15 084 171
Road Traffic Infringement Agency	44 276 233	41 641 910
Road Traffic Management Corporation	151 898	185 860
	62 027 403	60 773 912

Included under the other net asset is the AARTO banks' balance of R 98 110 410 (2021: R 81 413 226).

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10. Revenue

Grants non-exchange transactions	159 445 949	88 214 000
Infringements fees - exchange transactions	178 234 749	260 251 474
	337 680 698	348 465 474
Interest received	6 811 236	2 557 164

11. Employee cost

Secondments costs	5 396 255	171 028
Salaries	57 873 310	56 643 810
Leave expense	430 350	1 182 988
Medical aid contribution	329 939	249 030
Bonuses	3 457 538	3 102 660
Allowances benefits	16 288 126	11 905 141
Company contribution expenses	11 791 083	10 125 114
Other employee related expenses	1 017 981	1 881 704
	96 584 582	85 261 475

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12. Operating expenses

Sundry expenses	8 032 656	7 972 777
Advertising and marketing	7 381 370	603 500
Fuel and Fleet	313 460	195 743
Stationery, courier and consumables	1 044 714	305 867
Impairment and write offs	4 043	5 422 096
Catering	219 700	57 760
Software license	1 638 873	1 807 450
Consulting	7 178 216	2 589 381
Travel	5 008 177	466 402
Rental	4 191 048	4 210 124
Insurance	375 224	496 779
Telecommunication	4 469 782	3 205 064
Bursaries and Training	993 145	529 508
Sanitation and safety	739 384	661 454
Postage	82 284 516	15 068 685
Audit Fees	4 828 287	2 974 140
Legal Fees	4 200 139	1 510 246
Security	953 329	994 225
Workmens's Compensation	311 983	183 040
	134 168 046	49 254 241

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13. Operating surplus

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

Advertising and marketing

Advertising and AARTO Awareness

7 154 157

501 000

Remuneration, other than to employees

Auditors remuneration

4 828 287

2 974 140

Operating lease charges

Premises

3 058 535

3 301 352

Amortisation on intangible assets

2 739 180

2 433 895

Depreciation on property, plant and equipment

3 318 658

2 459 518

Postage

82 284 516

15 068 685

Consulting fees

7 162 576

2 126 766

Write off assets

4 044

38 792

Impairment of assets

Impairment of accounts receivable

(6 013 109)

(6 486 215)

Reversal of accounts receivable

6 486 215

(2 510 439)

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

11 065 157

11 741 327

ROAD TRAFFIC INFRINGEMENT AGENCY

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14. Net cash flows from operating activities

Surplus for the year	107 377 965	205 513 448
Adjustments for non-cash items:		
Depreciation and amortisation	6 057 838	4 893 412
Impairment	6 013 109	3 975 776
Write off of assets	4 044	38 792
Prepayment write off	(6 486 215)	1 407 528
Non-cash (net prior period adjustments)	501 505	1 102 912
Changes in working capital:		
Receivables from exchange transactions	(6 570 377)	1 957 787
Payables from exchange transactions	(2 861 184)	(1 332 124)
Provisions	1 222 147	1 856 532
AARTO assets	283 823 638	335 738 284
AARTO liabilities	(283 823 638)	(335 738 284)
	105 258 832	219 414 063

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15. Financial instruments disclosure**Categories of financial instruments****2022****Financial assets**

	Note	Loans and receivables	Non-financial instruments	Total
Receivables from exchange transactions	3	2 060 923	35 997 785	38 058 708
Prepaid expense	3	-	4 557 462	4 557 462
Cash and cash equivalents	4	346 890 528	-	346 890 528
AARTO Assets	9	62 027 403	-	62 027 403
Property, Plant and Equipment	5	-	7 969 162	7 969 162
Intangible assets	6	-	2 417 264	2 417 264
		<u>410 978 854</u>	<u>50 941 673</u>	<u>461 920 527</u>

Financial liabilities

	Note	Financial instruments carried at amortised cost	Non-financial instruments	Total
Payables from exchange transactions	7	11 269 415	-	11 269 415
Provisions	8	-	39 000 775	39 000 775
AARTO liabilities	9	62 027 403	-	62 027 403
Accumulated surplus		-	349 622 934	349 622 934
		<u>73 296 818</u>	<u>388 623 709</u>	<u>461 920 527</u>

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15. Financial instruments disclosure (continued)**Categories of financial instruments****2021****Financial assets**

	Note	Loans and receivables	Non-financial instruments	Total
Receivables from exchange transactions	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
		<u>311 746 677</u>	<u>43 153 032</u>	<u>354 899 709</u>

Financial liabilities

	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	9	60 773 912	-	60 773 912
Accumulated surplus		-	242 216 570	242 216 570
		<u>74 904 511</u>	<u>279 995 198</u>	<u>354 899 709</u>

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15. 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 from exchange transactions	11 269 415	14 130 599
AARTO liabilities	62 027 403	60 773 912
Provisions	39 000 775	37 778 628

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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16. Operating lease commitments**Operating leases – as lessee (expense)**

Operating lease rentals of the Agency comprise of office rental premises, office rental machines, rental of offsite storage and the rental of standing breeze coolers respectively.

Office rental premises

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. The contract has been on a month to month since the initial lease expiry in August 2016. Following the financial year end a lease extension agreement was concluded for six months.

Within one year	1 264 062	3 623 909
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Printer rental machines

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

Within one year	413 263	450 832
-in second to fifth year inclusive	-	413 263
	413 263	864 095

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.

17. Commitments

For the year ended, the Agency had a firm committed towards the serving of AARTO notices. The South African Post Office is a strategic 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. This relationship is managed through the renewable three-year service level agreement to serve AARTO notices. The value of this agreement is forecasted at R95 million for the next twelve months based on historic performance outcome.

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18. Contingencies**Contingent liabilities****Defamation Matter**

The applicant instituted proceedings against the RTIA in the High Court of South Africa Gauteng Local Division alleging malicious, frivolous and vexatious precautionary suspension and disciplinary hearing on a fabricated charge of misrepresentation brought by the RTIA. The applicant is suing the Agency in a defamation claim to an amount of R3 million following the charge related to falsification. The applicant instituted proceedings against the RTIA in the High Court of South Africa Gauteng Local Division alleging malicious, frivolous and vexatious precautionary suspension and disciplinary hearing on a fabricated charge of misrepresentation brought by the RTIA.

Employee Matter

The employee referred the matter to the CCMA based on section 186(1)(a) of the Labour Relations Act on the basis that the applicant should be paid an acting allowance although the acting appointment was terminated. The matter has been set down for Con/Arb hearing on 10 June 2022.

Employee Matter

The Applicants referred the matter to the Labour Court in terms section 6(4) of the Employment Equity Act, 55 of 1998. The Applicants allege that that they are not paid equally compared to other employees performing the same or substantially work of the same value. They are asking the Court to make a ruling as to the retrospective parity order of their salaries which is the difference between what they are earning and what their comparators are earning. The matter has been set down for hearing on 24 November 2022.

Other Former Employee Matters

The applicant referred an automatic unfair dismissal dispute to the Commission for Conciliation Mediation and Arbitration ("CCMA"). The matter was subsequently referred to the Labour Court for trial to be conducted. The Parties were subsequently required to re-conduct a pre-trial conference as a result of the amendments to the pleadings by the applicant. The matter has been set down for hearing on 30 June 2022.

The Organisation Undoing Tax Abuse Matter

Litigants are challenging the constitutional validity of the AARTO Act and the AARTO Amendment Act. In that AARTO Act encroaches on the exclusive jurisdiction of provinces and municipalities to prescribe for traffic and parking in accordance with Schedule 5 of the Constitution, 1996. Further that the Amendment Act replaced the Registered mail and which is going cause inconvenience to a large population of infringers who are still using the traditional mechanism of receiving postage. The High Court gave a positive ruling to the applicant and which declared the Principal AARTO Act and the AARTO Amendment Act unconstitutional in its entirety. The judgement will be automatically referred for confirmation by the Constitutional Court. Fresh arguments will be entered into by the parties. Pleadings are likely to close by end of April and the Constitutional Court likely to finalise its judgement by end of September 2022.

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18. CONTINGENCIES (CONTINUED)**Retention of cash surplus**

An application for surplus retention of R Nil for the 2021-22 financial year will be made after the audit. The surplus retention of the previous years being 2020-21 has been approved on 24 June 2022 by National Treasury.

Contingent Assets**Other Former Employee Matter**

Urgent application was brought by employee and the matter was struck from urgent roll and subsequently dismissed. The former employee has brought application for rescission, coupled with urgent application to stay the execution of the costs order granted against her. Rescission application pleadings have closed and matter is awaiting a hearing date. RTIA has obtained a costs order in excess of R400 000 against the former employee which will be executable once rescission application is finalised.

Civil Litigation Process

Pursuant to the investigation processes that were conducted, a process was followed to institute civil proceedings of the recovery of the damages and losses that arose from the irregular expenditure arising from the contravention of section 13 of the AARTO Act. The process is still ongoing.

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19. 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 Africa Post Office	744 236	44 357
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Related party transactions**Revenue**

Department of Transport	159 445 949	88 214 000
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AARTO Notices

South African Post Office	82 284 516	15 068 685
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Remuneration paid to related parties

Executives	17 476 098	14 108 989
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Fees paid to:

Board members	4 543 198	3 975 452
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Independent Committee members	2 800 017	2 683 947
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	7 343 215	6 659 399
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20. REMUNERATION DISCLOSURE**EXECUTIVE****2022**

	Earnings	Cash Allowance	Total cost to company	Total
JR Chuwe (Contract ended: 31-10-2021)	3 560 652	130 015	3 690 667	3 690 667
MLB Moloi (Effective start date: 28-02-2022)*	199 832	-	199 832	199 832
P Moalusi CA(SA)	2 285 679	-	2 285 679	2 285 679
MLT Bilikwana	2 288 159	-	2 288 159	2 288 159
K Pooe	2 286 208	-	2 286 208	2 286 208
JK Monyepao (Dr.)	2 445 361	-	2 445 361	2 445 361
G Van Eeden	2 285 504	-	2 285 504	2 285 504
MM Mabula (Contract ended: 31-01-2022)**	1 994 688	-	1 994 688	1 994 688
	17 346 083	130 015	17 476 098	17 476 098

The acting allowance for the Chief Financial Officer role was R303 772, for the year C Matjie acted from 01 April 2021 to date.

* MLB Moloi is seconded from the the Road Traffic Management Corporation.

** MM Mabula was seconded from the Department of Transport, with effective start date : 12 February 2021.

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20. REMUNERATION DISCLOSURE (CONTINUED)**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 CA(SA)	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 (Dr.)	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

Non-executive**Member's fees**

	Total
B Zulu	1 073 784
Dr. D Khosa-Shikwambana	749 204
BM Ramokhele CA(SA)	882 930
TO Mtetsweni	748 209
Dr. P Dala	1 089 071
	4 543 198
	3 975 452

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20. REMUNERATION DISCLOSURE (CONTINUED)

The Board members serve as members of the Board and members of the board committees. The fees above include all services that were rendered by the Board in the various committees in which they served.

*P. Dala fees for 2020/21 was restated to R958 020 to include an accrual of R122 209. The 2021/22 amount for fees also includes an accrual amount of R33 702. Both accrual amounts is due to the member issuing invoices in the following month.

Committees fees**2022**

	Audit and Risk Committee	HR and REMCO	Technical Committee	Total
BS Chaplog CA(SA)	643 655	-	-	643 655
S Thomas CA(SA)	408 312	-	-	408 312
T Mjoli*	126 154	-	-	126 154
M Dondolo*	110 746	-	-	110 746
S Maharaj CA(SA)	337 343	-	-	337 343
MA Mphahlele	211 860	-	-	211 860
Y Mbane	-	397 455	-	397 455
B Hlophe	-	329 039	-	329 039
TTC Dlamini	-	123 745	-	123 745
MC Baloyi	-	-	111 708	111 708
	1 838 070	850 239	111 708	2 800 017

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20. REMUNERATION DISCLOSURE (CONTINUED)**COMMITTEES FEES****2021**

	Audit and Risk Committee	Accounting Authority	HR and REMCO	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

* Members were terminated on the 13th November 2020, their member fees that were accrued in the previous year were paid during the current year.

21. 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.

A material uncertainty may exist in relation to the High Court judgement relating to AARTO Act as disclosed under note 22. Sufficient mitigating actions were taken by management to address the uncertainties to conclude that the Agency is able to continue as a going concern.

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22. EVENTS AFTER THE REPORTING DATE

Constitutionality of the AARTO Act by the High Court

During the year, the court declared the AARTO Act unconstitutional as an Act of Parliament because in so doing the Act infringed on the exclusive legislative rights or autonomy of municipalities in terms of section 5 of the Constitution. In response, the Agency and the Minister of Transport lodged their respective appeal papers with the Constitutional Court prior to year-end on the 7th of February, for which a month later the RTMC also filed its application as a party with substantial interest. Thereafter, OUTA filed opposing papers to the RTMC's intervention application, on the grounds that RTMC was raising new issues which were never raised at the High Court and on further grounds that the RTMC should have raised the issue of non-joinder during the High Court proceedings. Subsequent to year end, OUTA filed an answering affidavit in support of its opposing papers to the RTMC on the 7th April 2022.

23. FRUITLESS AND WASTEFUL EXPENDITURE

The Agency incurred fruitless and wasteful expenditure arising from a contract that was terminated to the value of R206 163 as well as penalties incurred from the late submission of annual labour returns forms of R25 197. The fruitless and wasteful expenditure for the prior year is pending condonement.

Reconciliation of fruitless and wasteful expenditure

Opening balance	1 462 528	-
Add: Fruitless and wasteful expenditure identified - current	231 706	1 462 528
Fruitless and wasteful expenditure awaiting condonement	1 694 234	1 462 528

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24. IRREGULAR EXPENDITURE**Irregular expenditure current year**

For the current year irregular expenditure arose typically from the two remaining contracts that were not terminated and failure to follow SCM processes. The Agency has received deviation approval in respect of the office space premises which will become effective from 01 March 2022.

Irregular expenditure prior year

The irregular expenditure of the prior year arose mainly from 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. This amount has not been condoned pending the various consequence management processes that are taking place.

The irregular expenditure for the previous year is pending the finalisation of the consequence management process and thereafter the application for condonement to the National Treasury. After year-end, management instituted a process to investigate the irregular expenditure completeness of the opening balance of R95 million. This process has been concluded and is awaiting the audit process that will be conducted in the following financial year.

Opening balance	95 119 520	-
Add: Irregular Expenditure - current	16 353 835	13 910 037
Add: Irregular Expenditure - prior period	-	81 209 483
Irregular expenditure awaiting condonement	111 473 355	95 119 520

Analysis of closing balance

Prior year	95 119 520	-
Current year	16 353 835	95 119 520
Total	111 473 355	95 119 520

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24.1 DETAILS OF IRREGULAR EXPENDITURE

Incident	Corrective steps taken	Amount
Deviation Extension without National Treasury approval for office building	Irregular expenditure confirmed	3 829 353
Deviation Extension without National Treasury approval for ISDN provision	Irregular expenditure confirmed	590 185
No competitive bidding process or quotations	Irregular expenditure confirmed	8 102 636
Contravention of section 13 of the AARTO Act	Irregular expenditure confirmed	3 831 661
		<u>16 353 835</u>

24.2 POSSIBLE IRREGULAR EXPENDITURE

There is a possible irregular expenditure in respect of certain appointments of personnel, the investigation to the matter has been concluded and it is awaiting further enquiry processes.

25. INVESTIGATIONS

For the current year under review there were no known investigations at year end that were instituted, with the exception of the following internal investigations: alleged fraud indicator within the adjudications process; the inappropriate appointment of the service provider for supply chain processes; and the improper conduct of an employee. The investigation relating to the HR appointments that arose from previous year was concluded and the recommendations were made by the lead investigators to the Board.

26. CONSEQUENCE MANAGEMENT

The Agency has taken the process of consequence management in relation to the previous year investigation processes and two matters were concluded as at year end. This resulted in the termination of the contract of the Registrar and the resignation of the SCM Manager. Various matters remain pending at year end, and they are anticipated to be finalised within the 2022-23 financial year.

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27. NON ADJUSTING POST BALANCE SHEET EVENT

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

- The allocation of budget for 2022/23 decreased from R174 million to R159 million in anticipation of the new revenue streams once AARTO is fully implemented.
- The Minister of Transport had announced that AARTO rollout will be implemented in four phases and the activities could not be completed and were put on hold pending the decision to appeal at the Constitutional Court.
- The Agency intends to establish 37 AARTO service outlets and to procure mobile busses in all nine provinces.
- The Department of Transport has embarked on the process of rationalisation of the overlapping entity mandates within the transport fraternity to build one common entity.

28. CHANGE IN ESTIMATE

Management reached a conclusion to not extend any of the useful life of the assets as a result that the assets have been fully utilised beyond their current economic form and do not warrant any value that is beyond what is currently reflected. The intentions to dispose are highly probable.

29. SERVICE 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 the establishment of the Agency 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. Additional services that have been added include the AARTO Application and the AARTO website, both of which are utilised at no cost to the RTIA.

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30. PRIOR PERIOD ERROR

During the 2021/22 financial period, the public entity's management resolved to correct prior period errors that arose as a result of processing errors in transactions. The error is not material quantitatively however; it warrants a retrospective adjustment in order to faithfully represent the financial information.

The effect of the error on the individual line items in the financial statements is as follows:

2021

Statement of financial position

Increase in payables from exchange transactions

(28 400)

Statement of changes in net assets

Net decrease in opening accumulated surplus

28 400

-

Reclassification

Reclassification of the accrual for non-executive member fees

122 209

30.1 PRIOR PERIOD ERROR FOR AARTO ASSETS AND LIABILITIES

In the previous year, the auditors made findings to the AARTO accounts which were materially misstated through the Nedbank bank balance and the unallocated receipts account respectively. In the current year after the correction was made, management did not comply with the provisions of GRAP 3 on the Correction of Prior Period Errors relating to the recording of the Nedbank account that was corrected in the previous year. The Agency needed to correct its financial statements to comply with the standard. The overall net effect of the error has been determined by management as follows:

Statement of Financial Position**2020**

Increase in cash and cash equivalents

8 171 947

Increase in unallocated receipts

(4 396 522)

Increase in other payables

(3 775 425)

-

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31. PRINCIPAL-AGENT RELATIONSHIP

The RTIA is a principal to all the Collecting Agents for the purposes of the collection of the AARTO penalties on behalf of the Issuing Authorities in terms of section 5(1) of the AARTO Act. These relationships are managed through the AARTO Act legislation and various legal forms such as service level agreement. In terms of the standard not all the collecting agents that are participating under the AARTO Act section 5(1) meet the definition of a principal agent arrangement. The collecting agents are entitled to a 3% collection fee only which is retained by the collecting agents as compensation fee for the services rendered, and the remaining funds collected are deposited onto the nominated AARTO bank account. The collecting agents are not entitled to the funds collected and therefore they do not have a right or recourse to the funds either than the collection fee which is due and payable after the collections of the funds. The purpose of the relationship is purely to manage the collection of funds in terms of section 5(1) of the AARTO Act. In the event that the relationship is terminated for whatsoever reason, such shall have no cost implications in this relationship.

These collecting agents that meet the definition of the principal-agent arrangement include the Road Traffic Management Corporation ("RTMC") and the Gautrain Management Agency ("GMA"), both of which are public-entities in terms of the PFMA. The Agency has concluded an agreement with RTMC and is managing the relation with GMA through the provisions of the AARTO Act. Below is the impact of this relationship for the current year which reflects the compensation fee paid to the agent:

Road Traffic Management Corporation	243 150	-
Gautrain Management Agency	7 874	-
	251 024	-

The other collecting agents that are excluded from the standard that the RTIA has in terms of the AARTO Act include the AARTO bank accounts; the South African Post Office; payment service channels (namely Payfine, Pay@ and Paymyfine); Issuing Authorities; municipalities; registering authorities; motor vehicle registration or licensing office and driver's testing centres. The following collecting agents are classified as service organisation due to the nature of the transactions that are undertaken for commercial trading purposes: AARTO bank accounts; the South African Post Office and payment service channels. All the above mentioned relationships are managed through concluded service level agreements and the AARTO Act legislation provisions. Below is the impact of this relationship for the current year which reflects the compensation fee paid to the agent:

Other collecting agents	12 448 291	17 279 035
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