

RTIA BOARD MEDIA RESPONSE STATEMENT ON SUNDAY TIMES ARTICLE

The Road Traffic Infringement Agency (RTIA) Board has noted with concern inaccurate information in the media relating to board fees and executive pay. The Board implores the media to verify information received, the credibility of sources to provide accurate and impartial reporting. This is in light of the number of disgruntled past and current employees as a result of measures implemented to stabilise the Agency.

The fees earned by the Board and independent members was in accordance with the approved board remuneration policy. The amounts disclosed in the audited annual financial statements is the total amount paid for all meetings attended by the respective Board and independent members which includes sub-committee meetings, as supported by page 180 of the 2020/21 annual report, which states, "The Board members serve as members of the Board and members of the Board committees. The remuneration includes all services that were rendered by the Board in the various committees in which they served". Therefore, it is inaccurate to associate the Board fees with only ordinary and special Board meetings and this second inaccuracy relates to the financial year end that is at the end of March as opposed to February within the public sector. The fees earned by the Board are within the norm in the transport sector, despite the myriad of challenges experienced in the RTIA. In addition, Board members who are employees of the state are not entitled to remuneration.

The number of meetings held were necessary given the dysfunctional nature of the Agency inherited by the current Board and therefore it is concerning that private sector organisations are consulted and assist the media to provide a view without any due diligence and understanding of the unique circumstances that confronted the Board. The Board has diligently executed its fiduciary duties in discharging its oversight responsibilities.

Shortly after appointment, the Board quickly acknowledged that due to the absence of a Board for approximately 18 months, the culture, accountability and oversight from a governance perspective required major improvement to change the tone from a "tick box" approach to one underpinned by compliance, control, quality and integrity of information to guide decision making, improve overall performance and allow the Board to execute its oversight responsibilities. As such, all the meetings were held with the specific objective to provide oversight in response to a myriad of governance-related issues facing the Agency not limited to the following:

- Significant audit matters in terms of fraudulent letters purporting to be approved deviations from National Treasury that eventually led to the "disclaimed" audit opinion as AGSA could not place any reliance on the information for audit purposes;
- Number of allegations from various sources including the Public Protector, whistle blower reports as well as NUMSA and other Union allegations of impropriety in the Agency;

- Multiple precautionary suspensions of key executives as well as allegations relating to other executives leading to the lack of effective leadership;
- Independent forensic investigations overseen by the Board and its sub-committees given that all the executives were mentioned in one or more allegations;
- Lack of integrity and quality of financial and non-financial information whereby the Management team were not even in a position to provide the necessary assurance to the Board;
- A weak internal control environment, governance and risk management environment;
- Review and revision of the annual performance plan (APP) targets; and
- Re-baselining of the AARTO project and stakeholder management with key AARTO implementation partners.

It should also be noted that the Board fees were subjected to an Internal Audit review and also formed part of the Audit by the Auditor General South Africa (AGSA). The AGSA rating of the Board/Accounting Authority and Audit Committee, was associated with providing adequate assurance (green as opposed to yellow – some assurance or red – provides limited/no assurance) and was supported by the following statement, “Since the appointment of the accounting authority, they have made all the necessary appointments to all the committees including the audit and risk committee. This has provided stability at oversight level in the RTIA. We also take note of the actions taken by them to address the audit outcomes of the previous year [disclaimer audit opinion] and to investigate all allegations that they have become aware of. It is based on this that we feel in the short time they have been in office they have shown commitment to ensure that RTIA internal controls weaknesses are addressed and that proper consequence management takes place”.

The Board has also previously clarified, in response to inaccurate information, that since its appointment, no performance bonuses were approved and paid to date. In terms of the executive salary hikes that were approved prior to Board appointment, this formed part of the forensic investigations and subsequent consequence management processes.

To date, the Board has implemented consequence management against implicated executives and staff, which has resulted in suspensions, terminations, criminal cases being opened where relevant and recovery processes are underway.

It is inaccurate and misleading to report that the Agency has failed to implement the AARTO roll-out on 1 July 2021. Due to various factors, including the impact of Covid-19 and the resultant lockdown, the Agency, in consultation with the Department of Transport, resolved to revise the rollout of the AARTO programme in four phases as per the revised approach supported by a re-baselined plan for that purpose, in the following sequence:

- Phase 1 on 1 July 2021: The Roll-Out of 7 service outlets in 7 provinces.
- Phase 2 on 1 October 2021: The Roll-Out of 18 service outlets nationally and AARTO in 67 Municipal areas.
- Phase 3: The Roll-Out of AARTO in 144 Municipal areas.
- Phase 4: The implementation of the Demerit Points and Rehabilitation programme in all Municipal areas.

It is incorrect to assert that the Agency did not oppose the OUTA application in the High Court. Information is available in the public domain that the Agency and the Department of Transport did in fact oppose the OUTA application at the High Court and filed its papers on time, therefore there was no failure on the part of the Agency to defend the case. The Agency is confident that the relief sought will be granted by the Constitutional Court.

The improved audit outcome from a disclaimer to a qualification in less than a year in office is encouraging. The Board has set its expectations for the Agency to achieve an unqualified audit opinion underpinned by integrity and an adequate and effective control environment as well as improving the overall performance of the Agency. The Board remains committed to execute its mandate and is gearing for the National AARTO Rollout. Most importantly, the Board remains focused to address ongoing challenges experienced by the Agency and welcomes the appointment of the Acting Registrar to provide the necessary leadership to achieve the strategic objectives and mandate of the Agency.

Ends

Issued by the Board of the Road Traffic Infringement Agency

Date: 11 March 2022