



**ANNUAL PERFORMANCE
PLAN 2024/2025
FINANCIAL YEAR**



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STATEMENTS AND SIGN-OFF

EXECUTIVE AUTHORITY STATEMENT

I am delighted to present the Annual Performance Plan (APP) of the Road Accident Fund (RAF) for the 2024/25 financial year. By definition, this APP serves as the last for the Medium-Term Strategic Framework (MTSF) and for the term of the 6th Administration. The APP also marks the last year of implementation of the RAF Strategic Plan 2020 – 2025.

In today's world road and transport has become an integral part of every human being. Every body is a road user in one shape or the other. The present transport system has minimised the distances but it has on the other hand increased the risk to life. Every year road crashes result in loss of lives and serious injuries. RAF comes in as a consoling arm of Government to those that have lost their lives in the form of funeral and injury benefits. In the last four years RAF paid over R122 billion personal claims to the claimants.

The current RAF legislation still remains inadequate for the RAF to efficiently deliver on its mandate and to ensure its financial sustainability. The process of amending the Act remains my priority to finally eradicate some of RAF's historic challenges and simplify the claims process, thus preventing third parties from Benefiting from the Fund at the expense of claimants.

In an effort to build resilience and respond to the impacts of climate change the President, in his State of the Nation Address, earlier this year, emphasised government's support of electric vehicle manufacturing in South Africa to grow the automotive sector. The introduction of electronic vehicles may potentially impact RAF's revenue, which is solely generated from fuel levies. Notwithstanding the fact that the fuel levy remained unchanged for the past 3 years and remains unchanged in the 2024/25 period as per the announcement by the Minister of Finance in his 2024 budget speech.

The RAF's new business model currently implemented by the RAF is already showing positive results, over the last 4 years RAF cumulatively saved over R20 billion in legal costs. Claims are administered, investigated and settled within 120 days. The automation and digitisation of the claims process is progressing well, with the go live of the Integrated Claims Management System (ICMS) planned for the 2024/25 financial period.

On the 17th November 2023, I handed over a revamped Rehabilitation Centre and Accident & Emergency Unit to the Alexandra Community Health Centre (Masakhane Clinic) together with (RAF) Executives and Board members. The RAF, through its Corporate Social Responsibility (CSR) division, facilitated the renovations, with both facilities receiving state-of-the-art medical

equipment. The donation is one of many RAF programmes aimed at re-integrating accident victims back into society after life changing car accidents.

In the 2023/24 financial year the RAF launched the Customer Relationship Management Solution (CRM), which is certainly a very important step in the repositioning of the RAF. Our service delivery mandate across all modes requires a customer-centric approach to ensure responsiveness to the needs of our people. The hard work RAF has placed in transforming its operating model, places the interest of the claimants at the centre of its operations. Through CRM, the RAF will be able to centralise all customer interactions, regardless of the channel used by the Claimant or stakeholder.

I want to take this opportunity to welcome the newly appointed Board and trust that they will continue with the journey of transforming the RAF into a sustainable entity. I also wish to thank RAF executive and staff for their commitment in putting the claimant first and upholding the RAF ICARE² values (Integrity, Compassion, Accountability, Respect, Excellence and Empathy).



MS. SINDISIWE CHIKUNGA
MINISTER OF TRANSPORT

ACCOUNTING AUTHORITY STATEMENT

The RAF Annual Performance Plan for the 2024/25 Financial Year outlines how the organisation will implement its mandate over the MTEF period. The RAF is committed to become a centre of excellence in discharging its mandate to provide appropriate benefits to all qualifying road users within the borders of South Africa and support safe use of roads.

As the newly appointed Board, it gives me great pleasure to be part of the RAF as it continues to work towards the organisational turnaround. As we end our 2020-2025 FY Strategy, it is vital to take stock and note that the RAF has faced numerous challenges. These include an increase in the number of claims and claims backlog, exponential growth in liability, incorrect accounting treatment for the claims liability, unsupported direct claims regime (not supported by legislation), high administrative costs (legal, medical, and actuarial), manual claims processing, fraud and corruption, and the need to streamline our processes to ensure timely assistance to our claimants.

Despite these challenges, the RAF has made significant progress in improving operations and enhancing service delivery. To ensure efficient claims administration process and improve financial sustainability, it is important to note that the RAF Act Amendments proposals were submitted to DoT for public comments. These proposals will amongst others see the RAF ultimately able to settle its claims in annuities instead of lump sum payments, and improve administration of the claims process.

The APP for the 2024/25 FY builds upon these achievements and outlines our key commitments for the MTEF. These include the improvement and implementation of our stakeholder management initiatives and enhancing road safety initiatives. It is of importance that we work closely with relevant stakeholders to develop and implement road safety initiatives aimed at reducing the incidence of road accidents and promoting safer driving behavior. Taking a tune from the 2023/24 festive season road traffic statistics, released by the Minister of Transport Ms. Sindisiwe Chikunga in January 2024, it is paramount that more work on road safety still needs to be done.

The Minister indicated that about 1 427 road fatalities were recorded in 2023/24 festive season. Human factors contributed 80.8% of the crashes, environmental factors contributed 10.4% due to heavy rainfall and storms, while vehicle factors contributed about 8.8%. Moreover, the statistics indicates that 40.9% of those who died were pedestrians, passengers accounted for 33.6%, drivers accounted for 24.6% and cyclists accounted for 0.8%. Hence, during the 2024/25 FY the RAF will continue to implement the road safety programmes and embark on projects to improve trauma care and rehabilitation centres for road accident victims.

Therefore, working together with various stakeholders is essential. As the saying goes, *"United efforts unlock boundless potential. Together, we transcend limits and achieve greatness."*-
Unknown.

During this financial year, the newly appointed Board will continue to support the RAF strategic projects on its transformation journey. These include the Customer Relationship Management (CRM) project, which consists of the Digital Customer Engage (DCE) configuration for the Walk-in Centre (WIC) and Customer Service Centre (CSC). These are vital areas focusing on making it possible for all clients who interact with RAF employees at any office that handles walk-in clients in person to have their interactions logged on the customer relationship management (CRM) system, the DCE. Thus, the main aim is to enhance customer satisfaction and services rendered.

In conclusion, it is with great delight to present the APP of the RAF for the 2024/25 FY. On behalf of my fellow Board members, we remain committed to supporting the RAF in ensuring the full implementation and achievement of the outputs and targets set in this Plan. This plan reflects our commitment to delivering efficient and effective services to those who have been affected by road accidents in our country. Thus, we are confident that by implementing the objectives outlined in this 2024/25 APP, we will further strengthen the RAF's ability to deliver on its mission and make a positive impact on the lives of those we serve.



L Z FRANCOIS (Mar 8, 2024 21:46 GMT+2)

MS. LORRAINE FRANCOIS
CHAIRPERSON OF THE BOARD

ACCOUNTING OFFICER STATEMENT

I am pleased to present the RAF Annual Performance Plan for the 2024/25 Financial Year. The 2024/25 FY Annual Performance Plan is the fifth (5th) and final APP contributing towards achieving the outcomes of the RAF and realising the impact as outlined in the 2020-2025 Strategic Plan. The newly appointed RAF board remains committed to continue implementing the turnaround strategy that was adopted by its predecessors in order to realise the intended goal of a financial sustainable and equitable motor vehicle benefit scheme.

RAF management is committed in executing the mandate and Minister's priorities of:

- Reducing operating costs and improving efficiencies.
- Maximising internal capacity – by involving in-sourced legal work and directly employing attorneys to process the caseload to reduce legal costs.
- Revisions of the current RAF structure and business processes.
- An integrated claims assessment system to improve on performance management;
and
- Revision of supply chain management structures.

When the RAF board and management took charge in 2019/20 financial year the amount owed to claimants on settled claims, Requested But Not Yet Paid (RNYP) /short term liability, had increased to R16,2 billion, with annual revenue of just over R43 billion. The actuarial projections in 2019 indicated that if the RAF were to continue on the same strategic trajectory, the short-term liability would increase to R51 billion for the financial year ended 31 March 2023. This would have been a disastrous scenario since at that point, the annual fuel levy revenue income would not have been sufficient to cover the Fund's short-term liability. These projections assumed at least an inflationary adjusted fuel levy.

Four (4) years into the implementation of the RAF 2020-25 strategy, significant progress has been made to turnaround the Fund. It should be noted that, despite not receiving fuel levy increases for three (3) consecutive years, the RAF managed to reduce the amount owed to claimants on finalised claims (RNYP/short term liability) to R9.3billion for the period ending 31 March 2023, as opposed to the initially projected R51 billion.

In a quest to continue prioritising the needs of our claimants, we declared the past financial year "*the year of claimant*" followed by the inclusion of the "*empathy*" as an addition to the Fund's values. This was born by concerns from my interaction with various stakeholders who

were facing challenges accessing the RAF services and the unresponsiveness by RAF officials. To show our commitment to the claimants, the RAF launched a contact centre aimed at providing a platform for RAF claimants to have access to their claims information without having to rely only on their legal representatives. One of the key programmes implemented through the contact centre is the *"know your rights campaign"*, which affords claimants opportunity to verify the payments made by RAF to their legal representatives. In addition, it is our intention to continue improve the customer experience for RAF claimants through the implementation of a customer relationship management solution.

The claims backlog has been a major challenge. Most of these claims were poorly handled, and in some cases, overinflated offers were made. However, the most significant challenge was the insufficient information on these claims that made it impossible for the RAF to settle, resulting in high volumes of summonses against the Fund. This vicious cycle of receiving invalid claims, which resulted in summonses, extended claim settlement periods, and a continued increase in claims liability, was finally resolved by the introduction of the RAF Minimum Requirements, which took effect in July 2022 through the introduction of the new RAF Form 1. This is evidenced by the fact that only 3% of all claims that underwent the required pre-assessment for Minimum Requirements were found to be compliant. This is significant because, 97% of these non-compliant claims would have resulted in summonses, and perpetuated the vicious litigation cycle. This will not only assist to reduce legal costs for the RAF but also help reduce the caseload burden on the courts. It is however concerning that the lawyers have decided to challenge these positive changes in court. I remain confident that the courts will see reason in the RAF's contentions of ensuring that all claims are adequately supported to enable investigations and settlements.

Furthermore, I am delighted that the RAF has achieved its five-year strategic objective of reducing legal costs by 75%. The legal costs have cumulatively reduced by just over R20 billion over the 4 years of the 2020-25 strategy period. Additionally, the medical costs reduced from R3.6 billion in the 2019/20 financial year to R2.1 billion in the 2023/24 financial year. This was because of the introduction of the RAF medical tariffs and improved medical management.

In order to improve efficiencies, during the 2024/25 FY the RAF will continue to prioritise digital transformation and investment in ICT infrastructure. This is in line with our strategic outcome of modernisation of the RAF systems. It is worth noting that despite some delays, Project Bokamoso remains on track to go live during 2024. Implementation of the Integrated Claims

Management Systems remains key to the Fund, and will assist the RAF to move away from manual processes.

We have made a significant progress in the implementation of the organisational structure. This is in line with the RAF 2020/25 Strategy. The RAF aims to implement about 80% of the planned organisational structure initiatives during the 2024/25 FY.

As we move into the final year of the 2020-25 strategy, the revenue outlook risks remains a concern. In his budget speech, the Minister of Finance confirmed a 4th consecutive year without RAF fuel levy adjustments. Yet despite this, the RAF has demonstrated commendable financial resilience over the period. We remain concerned that we still continue to pay tax as a social security Fund and despite the provisions of Section 16 of the RAF Act. the further extensions of diesel rebates to food manufacturers and those intimated to be extended to Eskom and Transnet will only aggravate the revenue outlook.

Fraud and corruption still hinders service delivery in the country, this is recognised in the NDP (2030) and the revised MTSF 2019/24 that fraud and corruption remains a key challenge facing South Africa. In supporting the government against fighting fraud and corruption within the RAF and externally, we have the Forensic Investigation Department which is responsible for the detection, investigation and reporting of fraud and corruption or any other criminal activities. The RAF has ensured that mechanisms for reporting fraud and corruption are embedded in the organisation. Management will continue to implement its initiatives in fighting fraud and corruption, and embark on fraud and corruption awareness campaigns to prevent such activities.

As the RAF, we are committed to serve our claimants and continue to uphold the RAF core Values. We have recorded commendable achievements and learned enormous lessons from previous years. Therefore, I look forward to continue to make a difference to the lives of our claimants, as we implement this 2024/25 FY APP, the final plan of our 2020/21 – 2024/25 strategy.

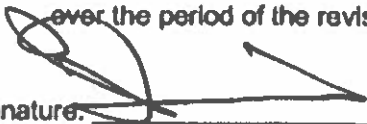


MR COLLINS P. LETSOALO
RAF CHIEF EXECUTIVE OFFICER

OFFICIAL SIGN-OFF

It is hereby certified that this 2024/25 FY Annual Performance Plan:

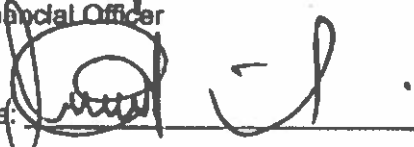
- Was developed by the Management of the Road Accident Fund (RAF) under the guidance of the RAF Board.
- Takes into account all the relevant policies, legislation, and other mandates for which the RAF is responsible.
- **Accurately reflects the outcomes, and outputs which the RAF will endeavour to achieve over the period of the revised 2020–2025 Strategic Plan.**

Signature:  _____


Mr Phathutshedzo Lukhwareni
Chief Strategy and Transformation Officer

Signature:  _____

Ms Bernice Potgieter
Chief Financial Officer

Signature:  _____

Mr Collins Phutjane Letsoalo
Chief Executive Officer

Signature: 
L Z FRANCOIS (Mar 8, 2024 21:46 GMT+2) _____

Ms LZ Francois
Chairperson of the Board

Signature:  _____

Ms SL Chikunga, MP
Minister of Transport

ACRONYMS AND ABBREVIATIONS

APP	Annual Performance Plan
B-BBEE	Broad-based Black Economic Empowerment
BEVs	Battery Electric Vehicles
B/F	Brought Forward
CEO	Chief Executive Officer
C/F	Carried Forward
CPI	Consumer Price Index
CRM	Customer Relationship Management
CRMP	Compliance Risk Management Plan
CSC	Customer Service Centre
CSSS	Comprehensive Social Security System
DTIC	Department of Trade, Industry and Competition DTIC
DoE	Department of Education
DoT	Department of Transport
EA	Enterprise Architecture
ECM	Enterprise Content Management
ENE	Estimates of National Expenditure
EV	Electric Vehicle
ESD	Enterprise Supplier Development
FCEVs	Fuel-Cell Electric Vehicles
GDP	Gross Domestic Product
HEVs	Hybrid Electric Vehicles
HSC	Hospital Service Centre
IBNR	Incurred But Not Recognised
ICE	Internal Combustion Engine
ICMS	Integrated Claims Management System
ICT	Information Communication Technology
IT	Information Technology
L&D	Learning and Development
LPC	Legal Practice Council
MoU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework

MTSF	Medium-Term Strategic Framework
NAAMSA	National Association of Automobile Manufacturers of South Africa
NDP	National Development Plan
NHI	National Health Insurance
NPA	National Prosecuting Authority
NRSS	National Road Safety Strategy
NT	National Treasury
ORC	Open Registered Claims
PCoT	Portfolio Committee on Transport
PESTEL	Political, Economic, Social, Technology, Environment & Legal
PHEVs	Plug-in Hybrid Electric Vehicles
POP	Patient Outreach Programme
PDPs	Public Driver Permits
PwC	Price Water Coopers
QLFS	Quarterly Labour Force Survey
RAF Act	Road Accident Fund Act, 1996
RNYP	Requested but Not Yet Paid
RTMC	Road Traffic Management Corporation
SAP	System Application and Products
SAPS	South African Police Service
SDGs	Sustainable Development Goals
SCM	Supply Chain Management
SOE	State-Owned Entity
SONA	State of the Nation Address
SOP	Standard Operating Procedure
SCA	Supreme Court of Appeal
SWOT	Strengths, Weaknesses, Opportunities and Threats
UN	United Nations
VO	Verification and Objection
VV	Verification and Validation
WHO	World Health Organisation

PART A: OUR MANDATE

PART A: OUR MANDATE

1. CONSTITUTIONAL MANDATE

The Fund was established in terms of the Road Accident Fund Act, 1996 (Act No. 56 of 1996), which outlines its mandate as the payment of compensation for loss or damage wrongfully caused by the negligent driving of a motor vehicle.

2. LEGISLATIVE AND POLICY MANDATES

The powers and functions of the Fund shall include:

- The stipulation of the terms and conditions upon which claims for the compensation contemplated in section 3 shall be administered.
- The investigation and settling, subject to the Act, of claims arising from loss or damage caused by the driving of a motor vehicle whether or not the identity of the owner or driver thereof, or the identity of both the owner and the driver thereof, has been established.
- The management and utilisation of the money of the Fund for purposes connected with or resulting from the exercise of its powers or the performance of its duties; and reinsurance for any risk undertaken by the Fund.

3. UPDATES TO INSTITUTIONAL POLICIES AND STRATEGIES OVER THE FIVE-YEAR PLANNING PERIOD

The institutional policies and strategies of the Fund shall be developed in line with the objectives, functions, and powers of the RAF Act. The RAF will further develop and implement policies that support the national agenda. Such policies include, but are not limited to:

- the RAF's B-BBEE Policy;
- Disability Policy; and
- Gender Policy.

4. UPDATES TO RELEVANT COURT RULINGS

Table 1: Updates to relevant court rulings

Matter:	Description:
<p>RAF vs LPC and 23 Others Legal Dispute: Fifth Extension of the 180 days moratorium</p>	<p>The RAF obtained an order to stay the execution of judgements that were granted prior to 09 April 2021 and for the payment of those judgement debts to be processed within a period of 180 days. This order was extended 4 times and is currently effective until the 7 February 2024.</p> <p>The RAF brought an application for a further extension of the order obtained in April 2021 and for the order to be applied to legal costs as well.</p>
<p>Discovery Health (PTY) Ltd v RAF and Minister of Transport Legal Dispute: Past Medical expenses settled by Medical Aids</p>	<p>Discovery Health (Pty) Ltd served the RAF with an urgent application wherein it sought the following orders:</p> <ul style="list-style-type: none"> • The directive issued by the Acting Chief Claims Officer of the RAF on 12 August 2022 to be declared unlawful. • The directive issued by the Acting Chief Claims Officer of the RAF to be reviewed and set aside. • The RAF to be interdicted and restrained from implementing the directive of 12 August 2022. <p>On 27 Oct 2022, the court made the following orders:</p> <ul style="list-style-type: none"> • The directive issued by the Acting Chief Claims Officer on 12 Aug 2022 was declared unlawful. • The said directive was reviewed and set aside. • The RAF was interdicted and restrained from implementing the directive. <p>Discovery Health launched an urgent application for contempt, indicating that the RAF is still applying the interdicted directive. The matter was enrolled on the urgent roll-on 5 Dec 2023.</p> <p>RAF is opposing this application, and it was agreed between the parties that the application set down on 5 December 2023 will be removed from the urgent roll and be referred to the DJP for allocation of a special hearing. A date for the special hearing is yet to be issued.</p>
<p>Adam Mudawo v Minister of Transport and the RAF Legal Dispute: Foreign Claimant refusing to submit Entry & Exist stamps</p>	<p>Adam Mudawo, the applicant in the matter, served the RAF an application which was set down for 07 September 2022 on an unopposed roll. The applicant sought the following orders:</p> <ul style="list-style-type: none"> • That the RAF 1 Form as amended and published by the Minister of Transport on 04 July 2022 is inconsistent with the constitution and invalid. This is because parts 6.1 and 12.1 of the RAF 1 Form require that if a claimant is a foreigner, proof of identity must be accompanied

Matter:	Description:
	<p>by documentary proof that the claimant was legally in South African at the time of the accident.</p> <ul style="list-style-type: none"> It was declared that the provisions of the RAF directive dated 21 June 2022 were unconstitutional and inconsistent with the Constitution. <p>The RAF opposed the application and records of proceedings were filed on 02 September 2022. Pleadings have closed and the matter has been allocated to a Full Court to be heard on 5 and 6 March 2024.</p>
<p>The National Council of and for Persons with Disabilities and Another v RAF and The Minister of Transport and Others</p> <p>Legal Dispute: Interdiction of Medical Tariffs</p>	<p>The National Council of and for Persons with Disabilities and Another had on 28 October 2022 served an urgent application on the RAF and Others in which they sought the following relief before court:</p> <p>Part A: Urgent application for an Interim Interdict</p> <ul style="list-style-type: none"> Pending the final determination of Part B of this application, that the operation of the medical tariffs promulgated by the Minister of Transport on 19 August 2022 in the Gazette be suspended with retrospective effect from 01 January 2021. <p>Part B: Review application in terms of Uniform Rule 53</p> <ul style="list-style-type: none"> That the impugned tariffs be reviewed, declared unlawful, and set aside, with retrospective effect from 01 January 2021. <p>The RAF opposed the application, and the matter was set down for hearing on 15 December 2022. Having heard the argument of all parties, the court ordered that pending the final determination of Part B of this application, the operation of the medical tariffs promulgated by the Minister of Transport on 19 August in GNR 2395 of Government Gazette 46747 be suspended with retrospective effect from 01 January 2021.</p> <p>This judgment was appealed and leave to appeal was heard on 21 February 2023, and the Funds application for leave to appeal was dismissed with costs. Papers to petition the SCA and also to suspend the execution of the interim order received on 15 December 2022 against the RAF were filed on 22 March 2023. A case management was held on 27 November 2023, and it was agreed that the matter be removed from the urgent roll of 28 November 2023.</p>
<p>Sara Lewis V The RAF</p> <p>Legal Dispute: Loss of support and loss of earnings</p>	<p>The plaintiff & claimant, Ms Sarah Lewis is an American National whose husband, was killed in a motor vehicle accident in Nov 2006 while he was in South Africa. The plaintiff submitted a claim for damages, as secondary shock victim, after she allegedly sustained psychiatric injury when she heard of the death of her husband due to the accident.</p> <p>The accident occurred prior to the enactment of Section 19(g) of the Road Accident Fund Amendment Act, No. 19 of 2005, hence the claim for damages, as a secondary shock victim, is permissible. The RAF offered to settle the matter at R25m after conducting actuarial calculations and tendered an interim</p>

Matter:	Description:
	<p>payment of R5m toward the LOS claim. The plaintiff rejected the settlement but accepted the interim payment. The RAF proceeded with an application for reconsideration in Nov 2023, the plaintiff is opposing this application.</p>
<p>Mautla & 8 others Legal Dispute: Interdiction of Minimum requirements for lodging a claim</p>	<p>Mautla & 6 Others issued an urgent application against RAF and 4 Other Respondents to seek relief from Court on the following basis;</p> <ul style="list-style-type: none"> • That RAF be interdicted and be restrained from implementing the Management Directive dated 8th March 2021. • Further that RAF be interdicted and be restrained from refusing, declining and/or rejecting lodgement of claims documents due to non-compliance with Management Directive dated 8th March 2021. • RAF be ordered to cease from enforcing Management Directive dated 8 March 2021. • That the abovementioned reliefs be declared as interim interdicts with immediate effect pending finalisation of an application to review and set aside Management Directive. The Review Application was to be issued within 10 days from the date of this order. <p>The application was opposed; however, the court granted an order in favour of the Applicants (Mautla & Others) at the urgent court. Subsequently the review application following the urgent application was issued against RAF. The review was granted, and the directives set aside. RAF approached the full bench for leave to appeal. Leave to appeal was denied by the Full Court. An application for special leave to appeal to the SCA has been prepared and signed off on 19 December 2023.</p>
<p>RAF v AGSA Legal Dispute: Accounting Policy.</p>	<p>RAF issued an urgent application in Jan 2022 against Auditor General of South Africa (AGSA) seeking from court the relief in two parts:</p> <ol style="list-style-type: none"> 1. Part A – Pending the final determination of the review application set out in Part B, the AGSA be interdicted and restrained from publishing an audit report issued on the 20 December 2021 to the Parliament or to any other person. 2. Part B – Declaring that the decision of AGSA is invalid and/or unlawful and therefore be reviewed and set aside. Alternatively, the declaration of its invalidity be suspended for a period of 6 months in order to allow for the AGSA to immediately engage with RAF to remedy the defect. <p>AGSA opposed the application and the matter proceeded for argument on Part A on 10 February 2022 and the judgment was reserved. The court had handed down the judgment on the 24 February 2022 and ruled, amongst others, that</p>

Matter:	Description:
	<p>RAF's argument on grounds of irreparable harm if the relief is not granted are not considered, therefore the application was dismissed with costs to be reserved.</p> <p>RAF had subsequently launched Leave to Appeal the judgment and Leave to Appeal was heard on the 21 April 2022 with judgment having been reserved. Judge Collis granted RAF leave to appeal on the 04 May 2022. Notice to Appeal was subsequently filed on 24 May 2022 and records for proceedings are due to be filed on the 24 August 2022. On the review application (Part B), the first respondent (AGSA) filed its answering affidavit on 02 September 2022.</p> <p>The AGSA requested the DJP for an amendment to the directives to allow them to file Heads of Argument by 30 November 2023, and that the Joint Practice Note then be filed by 5 December 2023.</p>

PART B: OUR STRATEGIC FOCUS

PART B: OUR STRATEGIC FOCUS

5. VISION, MISSION, AND VALUES

OUR VISION

An equitable and sustainable compensation system for motor vehicle accident victims.

OUR MISSION

To provide appropriate benefits to all qualifying road users within the borders of South Africa and support safe use of roads.

OUR VALUES

In the pursuit of its mandate, vision, and mission, the RAF upholds the following values:

ICARE²

VALUES	DESCRIPTION
Integrity	We will conduct ourselves in a manner that is fair, transparent and ethical, honouring our commitments and communicating honestly.
Compassion	We care for and support our customers. We care for and support each other.
Accountability	We will account for our activities/actions, accept responsibility for them and disclose in a transparent manner.
Respect	We will treat our stakeholders impartially and with respect, recognising our responsibility to them.
Excellence	In the performance of our duties, we will consistently apply our knowledge, experience and best effort to deliver relevant and professional service of an exceptional standard.
Empathy	We will demonstrate the ability to understand and share the emotions, ideas, challenges, experiences, and perspectives of both our internal and external clients and stakeholders

6. UPDATED SITUATIONAL ANALYSIS

The updated situational analysis of RAF is conducted using the Political, Economic, Social, Technological, Environmental and Legal analysis (PESTEL) and Strengths, Weaknesses, Opportunities and Threats (SWOT) as a planning tool to identify key external and internal factors that may have an influence on the achievement of RAF mandate.

6.1. EXTERNAL ENVIRONMENT ANALYSIS

A comprehensive assessment of the external environment is crucial for strategy execution. The analysis enables the organisation to scan the horizon for changes and emerging trends which may influence the strategy. A PESTEL analysis is a strategic tool used by the RAF to scan the external environment. The RAF will have to implement the strategy against the backdrop of uncertain political environment, tough economic conditions, increasing levels of unemployment, inequality and poverty. Furthermore, the motor vehicle accident rate remains unacceptably high.

6.1.1. Political Perspective

South Africa is gearing towards the election in 2024, which will bring about the seventh administration. Elections as a cornerstone of democratic societies shapes the political environment which may result in a change in the political leadership. This can result in a shift in policy priorities, legislative agendas, and the overall direction of government, which may have an impact to RAF due to possible changes in economic policy, social welfare, foreign relations, and environmental regulations.

Unstable local government and political environment brings about instability and affects the service delivery. Political instability and poor service delivery triggers civil unrest, protests and public demonstrations. This often leads to a lack of investor confidence and hinder the economic growth.

President Ramaphosa indicated in the 2023 State of the Nation Address that crime and corruption are still areas of concern in South Africa. In line with the Government's priority of fighting corruption, the RAF has put in place measures to prevent fraud and corruption and is in the process of implementing the integrated claims management system (ICMS) that will be key in detecting and prevent fraud. Fraud, corruption and unethical behavior is one of the key strategic risk, hence the resolution of incidences of fraud and corruption remains as a priority

in the 2024/25 financial year, with the RAF targeting to resolve 85% of fraud and corruption incidences. It is worth noting that during the period from 2021 to 2023 financial year RAF referred 891 cases to SAPS, 424 referrals to NPA and 102 attorneys were referred to the Legal Practice Council (LPC). Internal capacity was enhanced with the roll out of the new RAF Business Operating Model in 2021, the claims investigation and actuarial department was established to investigate claims, calculate and validate claims quantum.

6.1.2. Economic Perspective

South Africa still suffers from the high levels of unemployment, poverty and inequality. The National Development Plan (2030) was introduced with the aim to eliminate poverty and reduce inequality by 2030. The 2023 quarter three of Quarterly Labour Force Survey (QLFS) shows 31.9% unemployment rate¹. Government has put interventions in place through the President's Economic Reconstruction and Recovery Plan, the Jobs Summit and the Investment Conferences towards rebuilding confidence and stimulate investment to respond to the country's fiscal constraints.

Statistics South Africa reported that the gross domestic product (GDP) of South Africa decreased by 0.2% in the third quarter of 2023. This follows a 0.5% increase in the second quarter of 2023. Five industries such as agriculture; manufacturing; construction; mining and trade; catering and accommodation recorded negative growth in the third quarter of 2023². During his address at the 5th South Africa Investment Conference, President Cyril Ramaphosa indicated that the Investment Conference affirms local and international investor confidence in the structural reforms towards improving the business environment. Thus, of importance, is the impact of these investments has on the lives of South Africans who are now able to earn a decent living and care for their families.

According to Price Water Coopers (PwC), petrol and diesel prices have been among the largest drivers (alongside food and electricity costs) of consumer price inflation over the past two years. The 2023 South Africa Economic Outlook by PwC looked at the shifting costs of fuel and recorded that currently diesel costs 41% more than it did two years ago. Furthermore, PwC's forecasts show that petrol and diesel prices should on average be lower in the first three months of 2024, and Petrol and diesel are also projected to cost on average 0.6% more and 0.6% less respectively, in 2024 compared to 2023. The PwC's modelling indicates that fuel prices could be lower in quarter 1 of 2024. The projection by PwC shows that petrol price

¹ Statistics South Africa (StatsSA), 2023. Quarterly Labour Force Survey, Third Quarter Report.

² Statistics South Africa (StatsSA), 2023. Gross Domestic Product, Third Quarter Report.

is expected to decline from an average of R24.13/litre in quarter 4 of 2023 to a mean of R23.02/litre in quarter 1 of 2024. Diesel is expected to ease from R23.72/litre to R21.21/litre. Nonetheless, based on current assumptions, petrol and diesel prices are expected to slowly increase during the remaining quarters of 2024 and into 2025³. Notably, the international economic conditions and geopolitical events influence fuel prices globally and have potential to have an impact on RAF's budget. Thus, fuel price volatility and significant changes in pricing can pose challenges for financial planning and forecasting within the RAF.

The government introduced the National Strategic Plan in 2022. President Cyril Ramaphosa highlighted on his 2023 State of the Nation Address that a key aspect to the National Strategic Plan is the economic empowerment of women. He alluded that since announcing determination to direct at least 40% of public procurement to women-owned businesses, an enabling environment has been established to support women entrepreneurs. The President indicated that more than 3 400 women-owned enterprises have been trained to prepare them to take up procurement opportunities. Furthermore, the MTSF 2019-24 aims to expand government spend on women, youth and persons with disabilities through preferential procurement with the minimum 40% target for Women, 30% for Youth and 7% for persons with disabilities. Thus, through the government institutions support, these interventions can be achieved. The RAF continues to support the government initiatives by prioritising empowering women-owned enterprises through its procurement processes. Thus, during the 2024/25 FY 40% of the budget on Enterprise Supplier Development is committed towards the women-owned enterprises.

Statistics South Africa's Quarterly Labour Force Survey indicated the unemployment rate decreased by 0,7% from 32,6% in the second quarter of 2023 to 31,9% in the third quarter of 2023. The 2023 quarter two (2) Quarterly Labour Force Survey recorded a decrease of unemployed people by 11 000 in Quarter 2 of 2023, following an increase of 179 000 in quarter 1 of 2023. Given the above, the triple challenges, that is unemployment, poverty and inequality remains the threats to the vulnerable people's livelihood. In supporting the government, the RAF has implemented an internship programme targeting youth, to provide skills and workplace experience.

³ Price Water Coopers, 2023. The South Africa Economic Outlook. Fuel price forecasts: Recent declines coming to an end in 2024 Quarter 1

6.1.3. Social Perspective

The NDP aims that by 2030, investments in the transport sector should bridge geographic distances affordably, foster reliably and safely so that all South Africans can access previously inaccessible social spaces, economic opportunities, and other services. Investments in the transport sector will further support economic development by allowing the transport of goods from points of production to where they are consumed. This will also facilitate regional and international trade. It will promote a low-carbon economy by offering transport alternatives that minimise environmental harm. The NDP notes that even though rail is the ideal mode of transport for mainly large freight travelling further than 400km, about 69% of all freight transport activity is conveyed by road. This put a strain on road network that is already suffering from huge maintenance backlogs and thus, contributes to poor road safety⁴.

Poor roads have an impact on road accidents. South Africa's high accident rate places an enormous burden on society, both in terms of the financial costs of damaged and lost cargo, health costs of death and injury, and emotionally. Many people still travel long distances to access services, particularly the poor. Therefore, providing suitable means for the safe, cost-effective and efficient transport to people and goods is vital. Such mobility broadens social and economic access.

The NDP advocates for the improvement of road infrastructure, and calls for transport authorities to plan and invest in road and transport infrastructure construction and maintenance. Furthermore, the plan supports the integration of public services using technology such as intelligent traffic which is signaling the traffic flow. Thus, there is a need to strengthen institutional capacity to manage road traffic including upgrading safety mechanisms, thoroughly enforcing compliance with road-safety rules and wide-scale road-safety education. In an effort to support the government initiatives, the RAF continues to embark on the road safety initiatives which comprise and not limited to road safety awareness programmes such as bus driver wellness programme, youth programmes, Promotion of Tyre Safety and Practical Safety Training for Motorcyclists.

According to the Global Plan for the Decade of Action for Road Safety 2021-2030 by World Health Organisation and United Nations, road traffic crashes cause nearly 1.3 million preventable deaths and an estimated 50 million injuries each year, making it the leading killer

⁴ South Africa's National Development Plan, 2030

of children and young people worldwide⁵. The plan aims to reduce road deaths and injuries by at least 50% during the 2021-2030 period. It further calls on different stakeholders and governments to take a new path that prioritises and implements an integrated safe system approach that positions road safety as a key driver of sustainable development. Notably, South Africa is committed to and is participating in this United Nation's campaign of "Decade of Action for Road Safety 2021-2030". The key focus areas of this campaign are enforcement, education, engineering, and evaluation (4Es).

According to the 2023-2028 , more than 12,500 people lost their lives on South African roads during 2021. The National Road Safety Strategy (NRSS) 2016-2030 set a target of reducing fatalities in the country by 50% by 2030 from 13,967 fatalities that were recorded in 2010. In addition, NRSS aims to reduce serious injuries by 50% by 2030. To date, the country's road fatalities and traffic accidents levels are among the worst in the world, and show no significant reduced trend. Safe road infrastructure is crucial to reduce road trauma. The United Nations has noted that drunk driving, speeding, distracted driving, driver fatigue, child restraints and helmets, and non-use of safety belts are among the key behaviours contributing to road injury and death. While traffic laws play an important role of ensuring safe road user behaviours, these laws must be highly enforced and prioritisation of issuing appropriate penalties to deter road traffic violations.

Post-crash care and survival are extremely time sensitive. Delays of minutes can make the difference between life and death. The UN thus states that appropriate, integrated and coordinated care should be provided as soon as possible after a crash occurs. Moreover, the WHO and UN indicate that rehabilitation is an important component of post-crash response and care systems, as these services can greatly reduce lifelong disability among those injured in a road traffic crash and to bring them back to society, thus reducing the financial burden on the state. Mechanisms to strengthen the provision of, and access to rehabilitation services for crash victims should be put in place⁶. RAF is committed to make a difference, and through its social responsibility programme has made strides and embarked on supporting the rehabilitation service centres. During the 2023/24 FY, RAF refurbished 2 rehabilitation service centres in Gauteng and Eastern Cape Province to support victims of motor vehicle accidents. Furthermore, the RAF continues to provide a comprehensive support system for motor vehicle accident victims and their families, financially by providing compensation to road accident victims and social support to ensure that they are not pushed into poverty because of the large

⁵ United Nations & World Health Organisation, 2022. Global Plan for the Decade of Action for Road Safety 2021-2030

⁶ United Nations & World Health Organisation, 2022. Global Plan for the Decade of Action for Road Safety 2021-2030

costs sometimes associated with prolonged treatment and rehabilitation, or the loss of a breadwinner. The RAF paid a total of R137.5 billion social benefits to claimants from 2020 to 2023 financial year. Total income support benefits paid in the same period amounted to R88.4 billion and R439 million paid towards funeral expenses. A total of R9.6 billion was paid for medical expenses incurred by the claimant and R39.6 billion paid towards General Damages.

6.1.4. Technological Perspective

Technology has become an essential part of the workplace and has transformed the way businesses operate. Its impact is enormous as it assists in increasing efficiency, enhances communication and overall productivity and thus, cloud-based tools enable employees to collaborate on projects in real time, fostering a more dynamic and flexible work environment. The Fourth Industrial Revolution (4IR) airs into digital technologies and is driven by Artificial Intelligence (AI). Thus, this drives towards automation of many things and various forms of AI can extensively contribute to the improvement of quality of life. The speed, breadth and depth of this revolution are forcing countries and organisations to rethink how to develop and how to create value. The 2020 Report of the Presidential Commission on the 4th Industrial Revolution alludes that the 4IR must become a citizens' initiative, rooted in communication among sectors of society, to ensure awareness, inclusive participation, and collaborative efforts⁷.

The COVID-19 pandemic brought lessons for many organisations to relook at the utilisation of new technologies in their operations. During the pandemic organisations had to find various ways of doing business in an effort to continue providing services to the public, and this led to organisations relying strongly on technologies that allow access to services. Notably, the pandemic has encouraged a general technological improvement and innovative approach to operations and delivery of services across various sectors. However, technology brings good and makes things easier, it also brings some challenges such as cyber security risks. It is therefore crucial to plan towards the mitigation of such risks.

The RAF continues to prioritise the use of technology through the roll-out of Integrated Claims Management System (ICMS). This system modernisation is meant to take advantage of the digital transformation initiatives that seeks to improve efficiencies of claims settlement. However, the RAF must ensure that this system modernisation is safeguarded by strengthening cybersecurity capacity and capabilities. The RAF is as well progressing with the

⁷ Department of Communications and Digital Technologies, 2020. The Presidential Commission on the Fourth Industrial Revolution.

migration to cloud-based cybersecurity solutions. This includes transitioning to Microsoft Defender for antimalware protection and enhancing Internet and Web Security Solutions.

The transition from ICE vehicles to EVs will have multifaceted as well as macroeconomic implications for the country's economy. President Cyril Ramaphosa on his 2024 State of the Nation Address alluded that the government supports electric vehicles manufacturing in South Africa to grow automotive sector, which has potential to create jobs for the unemployed. Echoing President Ramaphosa's remarks, the Minister of Finance, Mr. Enoch Godongwana on his 2024 Budget Speech stated that to encourage the production of electric vehicles in South Africa, government will introduce an investment allowance for new investments at the beginning 1 March 2026. He indicated that this will allow producers to claim 150% of qualifying investment spending on electric and hydrogen-powered vehicles in the first year. Therefore, the incentive will be implemented in addition to the existing support under the Automotive Production Development Programme. About R964 million has been prioritised by the government over the medium term to support the transition to electric vehicles. The Minister of Finance further alluded that there will be no increases to the general fuel levy for 2024/25 FY, whilst the carbon fuel levy will increase to 11 cents per litre for petrol and 14 cents per litre for diesel effective from 3 April 2024.

The Electric Vehicles White Paper by the Department of Trade, Industry and Competition notes the potential benefits, and potential risks which include the decrease in petrol/diesel consumption would lead to a reduction in government revenue, with a material decrease in the revenues collected from the fuel levies. In 2022/23 FY, fuel levies contributed R89 billion to the government's revenues⁸. This would also impact the Road Accident Fund (RAF) levy, a source of revenue for the Fund that is responsible for compensating victims of motor vehicle accidents.

6.1.5. Environmental Perspective

Goal 13 of the Sustainable Development Goals (SDGs) by United Nations which deals with climate action, urges countries to take urgent action to combat climate change and its impacts. Thus, the global automotive landscape is undergoing transformations prompted by climate change and its mitigations, legislations and the new technological disruptions. As a result, the demand and supply patterns are changing from a dominance of internal combustion engine (ICE) vehicles to a mix that incorporates battery electric vehicles (BEVs); plug in hybrid electric vehicles (PHEVs); hybrid electric vehicles (HEVs) and fuel-cell electric vehicles (FCEVs).⁹

⁸ National Treasury: <https://www.treasury.gov.za/documents/national%20budget/2023/review/FullBR.pdf>

⁹ Department of Trade, Industry and Competition, 2023. Electric Vehicles White Paper

Now more than ever, it is eminent that there is an urgent need to reduce greenhouse gas emissions and combat climate change. Thus, on its 2021 Nationally Determined Commitments, South Africa committed to reduce greenhouse gas emissions. The transport industry in South Africa is regarded as the 3rd largest source of emissions, accounting for 11% of the total.¹⁰

The Department of Transport developed and published the Green Transport Strategy (2018 - 2050) which intends to minimise the adverse impact of transport on the environment while addressing current and future transport demands. The Green Transport Strategy further aims to contribute to economic development, build a safe, efficient, reliable, and affordable transport system, and drive the goals of the National Transport Master Plan 2050. The country plans to reduce transport greenhouse gas emissions to 5% by 2050.¹¹ However, the Department of Transport also notes that the transition will be influenced by numerous factors such as the energy shortage and power availability that has led to loadshedding. This will impact on South Africa's adoption of EVs in the short-term due to the need to avoid a sharp rise in energy demand on the grid from EVs whilst the grid capacity is rebuilt.

South Africa continues to feel the effects of climate change. Changes in climate have aggravated as increased temperatures, heavy rainfall, increased coastal storms and rising sea levels have impacted on South Africa's natural resources and infrastructures, including road infrastructure. Recent floods experienced by South Africa have damaged road infrastructure around the country. Furthermore, these heavy rainfalls have a huge impact on road visibility, together with damaged road infrastructures lead to motor vehicle accidents. As the country experience high number of motor vehicle accidents, high volumes of claims are lodged with the RAF. During his 2024 SONA, the President indicated that government has decided to establish a Climate Change Response Fund to address the persistent effects of global warming.

6.1.6. Legal Perspective

In a democracy the amendments and development of new laws are continuous. Newly amended acts or legislations require interpretation, training, stakeholder engagement and drafting. Both in-house training and stakeholder engagement workshops should be conducted after the issuing of a directive. In terms of policy changes, courts may interpret laws in a way that requires the RAF to make significant policy changes. This could include adjustments to coverage limits, eligibility criteria, or the types of accidents covered. Such changes could have

¹⁰ National GHG Inventory Report, 2021

¹¹ Department of Trade, Industry and Competition, 2023. Electric Vehicles White Paper

far-reaching effects on the Fund's operations and its role in compensating victims. Court rulings may challenge the constitutionality or legality of certain laws or regulations governing the RAF. This could lead to changes in the legal framework or require the Fund to adapt its policies and procedures, potentially affecting its operations and financial sustainability.

Notably, the RAF has proposed changes to the RAF Act in a quest to enable the Fund to pay in annuity payments for certain products, such as loss of income, loss of support and general damages that are vital for the financial and institutional sustainability of the Fund. The proposed legislative changes to the current RAF Act are also intended to simplify the claims process and move towards defined benefits and away from lump sum compensation.

The issue of unfavourable court rulings remains a huge challenge. If a court rules in favor of claimants and determines that the RAF is responsible for a larger share of damages or compensation than anticipated, it could strain the financial resources of the Fund. This might lead to financial challenges and affect the Fund's ability to fulfill its obligations. Adverse court rulings may impose financial burdens on the RAF, affecting its ability to meet its obligations

6.2. INTERNAL ENVIRONMENT ANALYSIS

As part of analysing the internal environment, a SWOT analysis is critical to understand the RAF's strengths, Weaknesses, Threats, and Opportunities. It is a useful tool for analysing the organisation's position in an environment within which it operates.

6.2.1. Capacity of the RAF

The RAF continues to implement its organisational structure which came into effect on 01 April 2022. This is to ensure that the Fund is capacitated with competent employees who contribute to increasing productivity, a positive work culture, drive innovation, and play a key role in achieving strategic goals of RAF, in the changing operational environment. Importantly, sufficient capacitation of the Fund remains a crucial priority to ensure that the RAF continues to deliver on its mandate effectively and efficiently.

During the 2022/23 Financial Year, the total number of RAF employees was 3 059 including temporary employees, fixed-term contracts and interns. The RAF continues to support the implementation of Government policies and ensures that they are embedded in its operations. These include, among others, the National Youth Policy (2020–2030) which is a cross-sectoral policy aimed at making change for the youth at national, provincial, and local levels.¹² It focuses on redressing the wrongs and injustices of the past, while addressing persistent, emerging, and current challenges of South African diverse youth. This is done through considering youth in the recruitment processes. This includes the internship programme provided by RAF. During the 2022/23 FY, RAF provided workplace skills and experience to 175 interns and 33 learners.

The South African National Policy Framework for Women's Empowerment and Gender Equality (2000), aims to ensure that the process of achieving gender equality is prioritised and placed at the forefront of the transformation process in South Africa, within all the institutions, structures, policies, practices, procedures, and programmes of Government as well as the private sector.¹³ In addition, the Department of Social Development's White Paper on the Rights of Persons with Disabilities (WPRPD) aims to provide a mainstreaming trajectory for realising the rights of persons living with disabilities through the development of targeted interventions that remove barriers and apply the principles of universal design.¹⁴ In providing

¹² Department of Women, Youth and Persons with disabilities, 2020. The 2020–2030 National Youth Policy

¹³ Department of Women, Youth and Persons with disabilities, 2000. The South African National Policy Framework for Women's Empowerment and Gender Equality

¹⁴ Department of Social Development, 2016. White Paper on the Rights of Persons with Disabilities

support to government and making a difference, the RAF continue to prioritise equity. During the 2022/23 FY female representation was at 58% (1 766) compared to 42% (1 293) male representation. At management level, female representation was 51% (260/512) while male representation was 49% (252/512). This is continuously monitored through recruitment to ensure that the workforce remains representative. The RAF had 69 employees living with disabilities, representing 2.26% of the overall total number of RAF employees of 3 059 during the 2022/23 FY. The RAF continues to empower and prioritise the previously disadvantaged groups on the recruitment processes as well as in line with the employment equity plan.

During the 2022/23 FY, the focus was on the design, development and implementation of the Learning and Development (L&D) Training Plan. The Training Plan drives the implementation of the strategy in support of the RAF's transformation journey into the New Operating Model. This is to ensure that the Fund is sufficiently capacitated and equipped with the relevant skills. The Training Plan seeks to address the skills gaps in the organisation. During the 2022/23 FY 8 374 training interventions were conducted throughout the organisation. The RAF also provides bursaries to employees to further their studies, and donations to top matric learners with special educational needs towards tertiary support. During the 2024/25 FY, the RAF will continue to support and empower its employees by offering skills and development opportunities to enhance their knowledge and skills.

6.2.2. Curbing fraud and corruption

The country faces high levels of corruption within the public and private sectors, which undermine the rule of law and impede government's efforts to achieve its socio-economic development and service-delivery objectives. The cost of corruption is enormous and is degrading the quality and accessibility of the public service. The NDP 2030 enjoins the building of a resilient anti-corruption system, premised on a whole-of-society approach, to successfully detect and investigate cases of alleged corruption with a view to prosecute, convict and incarcerate perpetrators. The likelihood and occurrence of fraud and corruption incidents can have significant and far-reaching effects on various levels, including economic, social, political, and organisational.

The RAF has adopted a zero tolerance to fraud and corruption approach. Efforts to combat fraud and corruption involve reviewing and implementing robust Fraud Prevention Plan, enhancing transparency and accountability, promoting ethical behavior, and fostering a culture of integrity in the organisation. In an effort to promote a culture of professional ethics and good governance, the RAF continues to implement the fraud hotline through the external service provider to administer the Fraud and Ethics Tip-offs hotline. The service provider receives any

allegations of fraud, corruption and/or ethical behaviours including anonymous whistleblowers. The RAF also has a fraud e-mail address for reporting fraud activities, Referral Form and Protected Disclosures.

The RAF has a dedicated Forensic Investigating Department (FID) responsible for detecting, investigating, and reporting of fraud, corruption or any other criminal activities. Furthermore, the Fund has a strict policy of low-risk appetite and zero tolerance towards any form of dishonesty, fraud, internal collusion and theft. This policy guides the RAF's strategic approach to effectively manage and mitigate fraud and corruption risks. During the 2024/25 FY, the RAF remains committed to continuously enhancing the fraud detection and prevention strategies, using advanced technology and data analytics, strengthening internal and external fraud awareness programmes and adapting approaches to respond to emerging fraud patterns and trends.

In pursuit to eliminate conflict of interest and promotion of ethical culture, public employees are precluded from conducting business with the State, and those who have businesses are required to declare such to assess the risk of conflict of interest. The RAF developed the Ethics policy that acts as the code of conduct to promote an ethical culture within the organisation. During the 2024/25 FY, the Fund will continue to conduct awareness and training sessions on matters of conflict of interest, encourage employees to adhere to the policies and submit their Declaration of Interest forms timeously. These measures aim to mitigate the negative effects and to promote an environment conducive for all employees.

6.2.3. Business Continuity Management

Business Continuity Management (BCM) is a comprehensive framework that organisations implement to ensure essential business operations continue when faced with disruptions or disasters. The primary goal of BCM is to enhance the RAF resilience and proactively minimise the impact of potential threats on its ability to function.

The lessons from the advent of COVID-19 pandemic, load-shedding and threats of cyber security breach have awakened organisations to ensure that necessary measures for business continuity are put in place. Thus, RAF has made strides to ensure business continuity and operational resilience to interruptions in the past financial years, and will continue to be a priority during the 2024/25 FY to avoid adverse impact on service delivery.

6.2.1. Financial Management resources

The RAF's funding through the fuel levy provides a consistent revenue stream. However, the stability of this revenue depends on factors such as fuel consumption and government policies. Efficient and effective management of claims is crucial. Timely and accurate assessment and settlement of claims enables the RAF to manage its liabilities. Although there was a slight increase in net fuel levy in 2022/23FY, the fuel levy did not increase and it remained stagnant at 218c, which translate to a real decrease in net fuel levy. However, the investment income increased by 27% owing to RAF investment strategy and liquidity improvement presented by the rule 45A court order granted in favour of the Fund, to pay court orders within 180 days instead of the standard 14 days.

The RAF's reliance on the fuel levy makes it susceptible to fluctuations in fuel consumption and potential changes in government policies related to the levy. Moreover, a significant backlog of claims can strain the Fund's financial resources. Therefore, addressing this backlog efficiently is critical to prevent a negative impact on financial sustainability. Notably, changes in legal or regulatory frameworks can impact the Fund's liabilities and obligations. Economic downturns can affect the Fund's revenue from the fuel levy and may lead to an increase in claims, putting pressure on its financial resources.

It is therefore the intention of the RAF over the MTSF period to continue to optimise its operating model, pay-out models to ensure operational and financial sustainability. The RAF strategic initiatives include the reduction of operational and administrative costs; reviewing of operating model to improve efficiencies; Implementation of asset liabilities matching strategies and payments in annuities; the introduction of RAF tariffs to improve on the settlement efficiencies; enhancement of claims administration process; and introduction of an integrated claims management system.

6.2.2. Service delivery

At the outset of the 2020–25 Strategic Plan, the RAF was confronted with a myriad of challenges, key amongst which was the risk to its financial and operational sustainability. It is important to indicate that these were not prevailing challenges which started in 2019, but in fact dated back to the Fund's establishment on 1 May 1946, as a compulsory insurance scheme under the Motor Vehicle Assurance Act 29 of 1942. The Fund's legislative framework has undergone six variations over the years, with no less than seven commissions of enquiries being established to enquire into the structural defects in its funding and operating models.

Following the 1998 white paper, the Satchwell Commission was subsequently established in order to avert what was clearly considered a crisis at the time. The main challenges were clearly articulated in the problem statement for the commission:

- The present system is financially unsustainable, and measures need to be taken to achieve a system that will be affordable and stable in the long term and yet be able to offer a reasonable set of benefits.
- The system needs to be made more efficient, thus reducing the present high cost in terms of time, effort and expertise incurred in the process of delivering the benefits.
- The system should be more effective, thus avoiding the present shortcomings, anomalies and inequities.

The 2020-2025 Strategy

It is against this backdrop that the RAF 2020–25 Strategic Plan identified as one of its strategic outcomes, the settlement of claims within 120 days. The AGSA, in the RAF 2022/23 Audit and Management Reports acknowledged the RAF for not only its strategic focus on the settlement of claims within 120 days, but also for achieving this target for the first time. Although the RAF is still a long way from settlement of all claims within 120 days, the overall turnaround time has shown good signs of improvement.

The biggest impediment to this target remains the 90% of claims in the RAF backlog which were lodged without the required minimum information to enable the Fund to make a settlement offer. The introduction of the new RAF 1 Form will go a long way in addressing this challenge. The RAF 2020–25 Strategic Plan was therefore developed to effect the turnaround and to finally put the Fund on a sustainable financial and operational path. The RAF 2020–25 Strategy was mainly intended to address long turnaround time to settle claims.

As opposed to the RAF in 2015–2017 strategy wherein the RAF planned to settle claims within 1,400 days. This was the undertaking notwithstanding the legislative requirement to do so within 120 days. This consequently resulted in a claims backlog, which had snowballed to over 300, 000 claims in 2019.

The 2024/25 Annual Performance Plan is the fifth (5th) APP contributing towards achieving the outcomes of the RAF and realising the impact as outlined in the 2020-2025 Strategic Plan. Notably, over the past four financial years, the RAF has been implementing its strategic plan aimed at achieving a robust and financially sustainable organisation. The RAF strategy is designed to ensure that the Fund not only remains operational, but also becomes more

responsive to the needs of accident victims and claimants. The organisation's performance against its predetermined objectives showed a steady improvement from 57% in 2019/20 to 91% in the 2022/23 FY. Thus, the overall audit outcome of the Fund improved to an adverse audit opinion compared to prior years' disclaimer.

The RAF has recorded commendable achievements since the implementation of its 2020/25 Strategy. The Fund has created internal capacity and moved away from a model outsourcing actuarial function. To ensure the quality of accident investigations, the organisation has established internal Claims Investigation Unit which was previously outsourced for many years without any value for money. During the 2022/23 FY, the RAF achieved the target to settle claims within 120 days. Although the claims backlog remains a challenge, during the 2024/25 FY the RAF continues to work hard and put efforts towards reducing valid backlog claims.

The minimum Information Requirements for claims lodgment were gazetted and new RAF 1 Form was published for implementation during the 2022/23 FY. The implementation of the new RAF 1 form has shown a significant improvement in the quality of claims registered. The digital transformation remains key in the implementation of the Fund strategy. During the 2024/25 FY, the RAF will continue with the implementation of the Integrated Claims Management Systems. Key to the 2023/24 FY was the establishment of contact centre and implementing customer relationship management process to improve the customer experience and easy access to services for the RAF claimants. The organisation will continue to prioritise the claimants and ensure that information and services are accessible.

6.2.3. Information Communications and Technology

Information Communication and Technology (ICT) plays a vital role in ensuring the achievement of the RAF Strategy. The planned RAF initiatives such as the integrated claims management system are dependent on the transformation of the ICT environment to function optimally and gain competitive advantage. This is to enable the automation of business processes, ensure data integrity and protection, and ensure maturity of IT governance in the organisation. ICT aims to evolve from simply being a business enabler to an essential component in implementing the RAF's business strategy and executing its mandate. Thus, the RAF's Technology and Digital (T&D) Department has developed a Digital Business Strategy to enhance operational efficiency and align with the organisation's broader goals. The table below depicts the summary of the SWOT analysis for the RAF.

Table 2: Summary of the SWOT Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"> • New operating model • Fit for purpose organisational structure • Reliable revenue stream • Board support • Enhanced customer experience 	<ul style="list-style-type: none"> • Fraud and corruption • Manual based claims process • Complex claims process
Opportunities	Threats
<ul style="list-style-type: none"> • Technology and innovation • New operating model • Strategic partnerships 	<ul style="list-style-type: none"> • Cyber security • Fraud and corruption • Litigation against the new model • Political change • Inadequate legislative framework • Diesel rebate for food manufacturers • The impact of Electric Vehicles on RAF's revenue • Political and judiciary overreach

**PART C:
MEASURING OUR PERFORMANCE**

PART C: INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

7. OUTCOMES, OUTPUTS, PERFORMANCE INDICATORS, AND TARGETS

7.1. OUTCOME 1: A TRANSFORMED AND SUSTAINABLE RAF

Purpose: To optimise the processing of claims in the early stage of a claim and minimise unnecessary further complications with a claim.

Table 3: Outcomes, outputs, performance indicators and targets

INDICATOR NO.	OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
				AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD			
				2020/21	2021/22		2022/23	2023/24	2024/25	2025/26
1.1	A transformed and sustainable RAF	Claims processed within 120 days	Percentage of all new personal claims settled within 120 days	0.30 %	0.21%	9.78%	10%	15%	20%	25%
1.2		Claims validated and verified within 60 days	Percentage of all new personal claims validated and verified within 60 days	59.0 %	52.69%	88.95%	80%	95%	95%	95%

INDICATOR NO.	OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
				AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD			
				2020/21	2021/22		2022/23	2023/24	2024/25	2025/26
1.3		Reduction of three-year-old open claims	Percentage reduction of three-year-old open claims	44% Increase	14.45%	16.77%	20%	25%	30%	35%
1.4		Reduction of legal costs	Percentage reduction of legal costs	27.74%	60.33%	60.17%	55%	80%	-	-
1.5		Improved Medical Management	Pre-authorisation Framework implemented	-	-	-	Level 1 Pre-authorisation Framework implemented	Level 2 Pre-authorisation Framework implemented	Level 3 Pre-authorisation Framework implemented	-
1.6			Percentage of new undertakings issued with basket of care	-	-	-	80%	95%	95%	100%
1.7		Improved Medical Management	Case Management	-	-	-	Development of Case	Phase 1 of Case Management	Phase 2 of Case Management	Phase 3 of Case Management

INDICATOR NO.	OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS								
				AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD					
				2020/21	2021/22		2022/23	2023/24	2024/25	2025/26	2026/27	
			Framework implemented				Management Framework	Framework implemented	Framework implemented	Framework implemented	Framework implemented	Framework implemented
1.8			Percentage reduction of medical costs	-	-	23.67%	10%	10%	10%	10%	10%	10%
1.9			Number of projects to improve trauma care and rehabilitation centres for road accident victims implemented	-	-	-	50%	3	3	3	3	3
1.10		Road safety programmes implemented	Number of road safety programmes implemented	-	-	-	75%	3	3	3	3	3

INDICATOR NO.	OUTCOME	OUTPUTS	OUTPUT INDICATOR	AUDITED/ACTUAL PERFORMANCE				ANNUAL TARGETS			
				PERFORMANCE				ESTIMATED PERFORMANCE	MTEF PERIOD		
				2020/21	2021/22	2022/23	2023/24		2024/25	2025/26	2026/27
1.11		Improved financial sustainability	Asset and Liability Strategy implemented	Asset and Liability Strategy developed and approved	Asset and Liability Strategy implemented	Asset and Liability Strategy initiatives implemented	Asset and Liability Strategy initiatives implemented	Asset and Liability Strategy initiatives implemented	Asset and Liability Strategy initiatives implemented	Asset and Liability Strategy initiatives implemented	

Table 4: Output indicators, annual and quarterly targets for 2024/25 financial year

Indicator No	Output Indicator	Annual Targets 2024/25	Quarterly Targets			
			Q1	Q2	Q3	Q4
1.1	Percentage of all new personal claims settled within 120 days	15%	15%	15%	15%	15%
1.2	Percentage of all new personal claims validated and verified within 60 days	95%	95%	95%	95%	95%
1.3	Percentage reduction of three-year-old open claims	25%	7.5%	15%	20%	25%
1.4	Percentage reduction of legal costs	80%	80%	80%	80%	80%
1.5	Pre-authorisation Framework implemented	Level 2 Pre-authorisation Framework implemented	-	-	-	Level 2 Pre-authorisation Framework implemented

Indicator No	Output Indicator	Annual Targets 2024/25	Quarterly Targets			
			Q1	Q2	Q3	Q4
1.6	Percentage of new undertakings issued with basket of care (injury specific)	95%	-	-	-	95%
1.7	Case Management Framework Implemented	Phase 1 of Case Management Framework implemented	-	-	-	Phase 1 of Case Management Framework implemented
1.8	Percentage reduction of medical costs	10%	2.5%	2.5%	2.5%	2.5%
1.9	Number of projects to improve trauma care and rehabilitation centres for road accident victims implemented	3	-	-	2	1
1.10	Number of road safety programmes implemented	3	-	1	1	1
1.11	Asset and Liability Strategy implemented	Asset and Liability Strategy initiatives implemented	-	-	-	Asset and Liability Strategy initiatives implemented

7.2. OUTCOME 2. SYSTEM MODERNISATION

Purpose: The improved efficiency of claim settlement that will ensure reduction of administrative costs and ensure a transformed and sustainable RAF.

Table 5: Outcomes, outputs, performance indicators and targets

INDICATOR NO	OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
				AUDITED/ACTUAL PERFORMANCE	ESTIMATED PERFORMANCE	MTEF PERIOD				
				2023/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
2.1	System modernisation	Integrated Claims Management System (ICMS)	ICMS rolled-out	Planned initiatives not achieved	Phase 1 of the ICMS initiatives completed (i.e. On-boarding of the implementing partner)	Phase 2 of the ICMS initiatives implemented	Release 1 of ICMS Rolled-out	Release 2 of ICMS Rolled-out	Release 3 of ICMS Rolled-out	-

Table 6: Outcomes, outputs, performance indicators and targets

Indicator No	Output Indicator	Annual Targets				
		2024/25	Quarterly Targets			
		2024/25	Q1	Q2	Q3	Q4
2.1.	ICMS rolled-out	Release 2 of ICMS rolled-out	-	-	-	Release 2 of ICMS rolled-out

7.3. OUTCOME 3. IMPROVED GOVERNANCE AND STRENGTHENED CONTROL ENVIRONMENT

Purpose: Ensure compliance to standards and improve governance and accountability.

Table 7: Outcomes, outputs, performance indicators and targets

INDICATOR NO.	OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
				AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD			
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
3.1.	Improved governance and strengthened control environment	Adequate responses to Parliament questions	Percentage responses to Parliament questions	-	100%	100%	100%	100%	100%	100%
3.2		Resolution of reported incidents of fraud and corruption	Percentage resolution of reported incidents of fraud and corruption	-	100%	91.65%	85%	85%	90%	95%
3.3		Functionality of ethics structures and adequate capacity	Report on the status and operations of the Ethics Committee submitted to DOT	-	Report on the status and operations of the Ethics Committee	Report on the status and operations of the Ethics Committee submitted to the DoT	Report on the status and operations of the Ethics Committee submitted to the DoT	Report on the status and operations of the Ethics Committee submitted to the DoT	Report on the status and operations of the Ethics Committee submitted to the DoT	Report on the status and operations of the Ethics Committee submitted to the DoT

INDICATOR NO.	OUTCOME	OUTPUT S	OUTPUT INDICATOR	ANNUAL TARGETS							
				AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD				
				2020/21	2021/22		2022/23	2024/25	2025/26	2026/27	
3.4		Action plan to address audit findings implemented	Percentage of action plans to address audit findings implemented	67.74%	Target could not be assessed for performance due to the pending Auditor-General of South Africa (AGSA) Report	submitted to the DoT	submitted to the DoT	75%	80%	85%	90%

INDICATOR NO.	OUTCOME	OUTPUT S	OUTPUT INDICATOR	ANNUAL TARGETS						
				AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD			
				2020/21	2021/22		2022/23	2023/24	2024/25	2025/26
3.5		Unqualified Audit Report	Regulatory Audit Outcome by the AGSA	-	Target not assessed for performance due to pending litigation with the AGSA	Disclaimer audit outcomes	Unqualified Audit Report	Unqualified Audit Report	Unqualified Audit Report	Clean Audit
3.6		Reduction of fruitless and wasteful expenditure	Report on cases of fruitless and wasteful expenditure	-	Target not assessed for performance due to the low base reported on the 2021 financial year	Report on cases of fruitless and wasteful expenditure was submitted to DoT	Report on cases of fruitless and wasteful expenditure	Report on cases of fruitless and wasteful expenditure	Report on cases of fruitless and wasteful expenditure	Report on cases of fruitless and wasteful expenditure

INDICATOR NO.	OUTCOME	OUTPUT S	OUTPUT INDICATOR	ANNUAL TARGETS							
				AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD				
				2020/21	2021/22		2022/23	2023/24	2024/25	2025/26	2026/27
3.7		Reduction of irregular expenditure	Report on cases of irregular expenditure	-	88.89%	Report on cases of irregular expenditure submitted to DoT	Report on cases of irregular expenditure	Report on cases of irregular expenditure Submitted to DoT	Report on cases of irregular expenditure Submitted to DoT	Report on cases of irregular expenditure Submitted to DoT	Report on cases of irregular expenditure Submitted to DoT
3.8		Compliance to 30 days supplier payment requirements	Percentage compliance to 30 days supplier payment requirements	-	75.57%	Report on steps taken to ensure compliance with the 30-day payment requirement was submitted to DoT	100% compliance to 30 days supplier payment requirements	100% compliance to 30 days supplier payment requirements	100% compliance to 30 days supplier payment requirements	100% compliance to 30 days supplier payment requirements	100% compliance to 30 days supplier payment requirements

INDICATOR NO.	OUTCOME	OUTPUT S	OUTPUT INDICATOR	ANNUAL TARGETS						
				ESTIMATED PERFORMANCE						
				AUDITED/ACTUAL PERFORMANCE		MTEF PERIOD				
2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27				
3.9		Organisational structure implemented	Percentage of organisational structure implemented	Conceptual model and functional structure endorsed at Board level	Work study and organisational structure developed	100% Initiatives implemented	60% Planned initiatives implemented	80%	95%	100%
3.10.		Outcome of the Skills Audit Report implemented	Outcome of Skills Audit Report implemented	Skills Audit Assessment Report approved by the CEO	Skills Audit finalised and approved	Report indicating Year 1 outcomes implemented and signed off by 31 March 2023	Year 2 implementation of Skills Audit Report Outcomes	Year 3 implementation of Skills Audit Report outcomes as per the Training Plan	Learning and Development Training Plan reviewed	Roll out recommended interventions as per the reviewed training plan.

INDICATOR NO.	OUTCOME	OUTPUT S	OUTPUT INDICATOR	AUDITED/ACTUAL PERFORMANCE				ANNUAL TARGETS			
								ESTIMATED PERFORMANCE			
				2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	MTEF PERIOD
3.11		Enterprise Supplier Development (ESD) committed on women-owned enterprises	Percentage ESD committed on women-owned enterprises	-	ESD Plan spent/committed for women empowerment developed	40.84%	35%	40%	45%	50%	

Table 8: Output indicators, annual and quarterly targets for 2024/25 financial year

Indicator No	Output Indicator	Annual Targets 2024/25	Quarterly Targets			
			Q1	Q2	Q3	Q4
3.1.	Percentage responses to Parliament questions	100%	-	-	100%	100%
3.2	Percentage resolution of reported incidents of fraud and corruption	85%	-	-	85%	85%
3.3	Report on the status and operations of the Ethics Committee submitted to the DoT	Report on the status and operations of the Ethics Committee	-	-	Report on the status and operations of the Ethics Committee	Report on the status and operations of the Ethics Committee submitted to the DoT

Indicator No	Output Indicator	Annual Targets 2024/25	Quarterly Targets			
			Q1	Q2	Q3	Q4
		submitted to the DoT			submitted to the DoT	
3.4	Percentage implementation of action plans to address audit findings	80%	-	-	-	80%
3.5	Regulatory Audit Outcome by the AGSA	Unqualified Audit	-	-	-	Unqualified Audit
3.6	Report on cases of fruitless and wasteful expenditure	Report on cases of fruitless and wasteful expenditure	-	-	Report on cases of fruitless and wasteful expenditure	Report on cases of fruitless and wasteful expenditure
3.7	Report on cases of irregular expenditure	Report on cases of irregular expenditure	-	-	Report on cases of irregular expenditure	Report on cases of irregular expenditure
3.8	Percentage of compliance to 30 days supplier payment requirements	100% compliance to 30 days supplier payment requirements	-	-	100% compliance to 30 days supplier payment requirements	100% compliance to 30 days supplier payment requirements
3.9	Percentage of organisational structure implemented	80%	-	-	-	80%
3.10	Outcome of Skills Audit Report implemented	Year 3 implementation of Skills Audit Report outcomes as per the Training Plan	-	-	-	Year 3 implementation of Skills Audit Report outcomes as per the Training Plan
3.11	Percentage of ESD committed on women-owned enterprises	40%	-	-	-	40%

7.4. OUTCOME 4: IMPROVED CLAIMANT FOCUS

Purpose: Increase accessibility to the RAF's services through various channels to improve service delivery by increasing the reach of the Fund's service offerings to all motor vehicle accident victims.

Table 9: Outcomes, outputs, performance indicators and targets

INDICATOR NO.	OUTCOME	OUTPUTS	OUTPUT INDICATOR	AUDITED/ACTUAL PERFORMANCE				ANNUAL TARGETS		
								ESTIMATED PERFORMANCE	MTEF PERIOD	
				2020/21	2021/22	2022/23	2023/24		2024/25	2025/26
4.1	Improved Claimant Focus	Stakeholder Management Strategy Initiatives implemented	Percentage of Stakeholder Management Strategy initiatives implemented	50%	100%	100%	85%	95%	100%	100%
4.2		Improved responsiveness to claimants	Percentage of First Contact Resolution (FCR) of claimants enquiries	-	-	-	Established customer relationship management solution	80%	85%	90%

INDICATOR NO.	OUTCOME	OUTPUTS	OUTPUT INDICATOR	ANNUAL TARGETS						
				AUDITED/ACTUAL PERFORMANCE		ESTIMATED PERFORMANCE	MTEF PERIOD			
				2020/21	2021/22		2022/23	2023/24	2024/25	2025/26
4.3		Customer servicing model initiatives implemented	Customer servicing model initiatives implemented	-	-	Customer servicing model initiatives implemented	Customer servicing model initiatives implemented	Customer servicing model initiatives implemented	Customer servicing model initiatives implemented	Customer servicing model initiatives implemented

Table 10: Output indicators, annual and quarterly targets for 2024/25 financial year

Indicator No	Output Indicator	Annual Targets 2024/25	Quarterly Targets			
			Q1	Q2	Q3	Q4
4.1	Percentage of Stakeholder Management Strategy initiatives implemented	95%	-	-	-	95%
4.2	Percentage of First Contact Resolution (FCR) of claimants enquiries	80%	-	-	-	80%
4.3	Customer servicing model initiatives implemented	Customer servicing model initiatives implemented	-	-	-	Customer servicing model initiatives implemented

8. EXPLANATION OF PLANNED PERFORMANCE OVER THE MEDIUM-TERM PERIOD

a) The contribution of outputs towards achieving the outcomes and impact aligned to the mandate of the institution.

The outputs on the 2024/25 APP contribute to the outcomes of the RAF, which are:

- i) Outcome 1: A transformed and sustainable RAF.
- ii) Outcome 2: System Modernisation.
- iii) Outcome 3: Improved governance and strengthened controls.
- iv) Outcome 4: Improved claimants focus.

The aim is to optimise the processing of claims in the early stage of a claim and minimise unnecessary further complications with a claim. The outputs further contribute to the achievement of the outcomes to ensure compliance to standards and improve governance and accountability. Increase accessibility to the RAF's services through various channels to improve service delivery by increasing the reach of the Fund's service offerings to motor vehicle accidents victims. The outputs directly contribute to the achievement of the outcome and contribute to the impact the RAF aims to achieve, which is "a sustainable and equitable motor vehicle accident benefit scheme". To realise a sustainable and equitable motor vehicle accident benefit scheme, the RAF must improve efficiency of claim settlement that will ensure reduction of administration costs and including relevant efficient systems in place.

b) A description of planned target performance in relation to the outputs

Achievement of targets set for the 2024/25 FY will contribute to the outcomes of the RAF, and ultimately lead the organisation towards realising its impact as outlined on the 2020/21 – 2024/25 Strategic Plan. To achieve a transformed and sustainable RAF, the organisation will ensure that new personal claims are verified and validated within 60 days, and are processed within 120 days. Moreover, the RAF aims to reduce the three-year-old open claims, legal costs and reduction of medical costs. Other enablers of a transformed and sustainable RAF are the implementation of projects to improve trauma care and rehabilitation centres for road accident victims, the implementation of the road safety programmes, organisational structure and asset and liability strategy. As part of modernisation and digitalisation initiatives to improve efficiencies, the RAF will continue to roll out the Integrated Claims Management System.

The RAF has adopted a zero tolerance to fraud and corruption. The organisation will continue to manage fraud and corruption risks by ensuring that the incidents of reported fraud and corruption are investigated and resolved. Furthermore, the RAF will continue to ensure adequate capacity and the functionality of the ethics structures and ensure compliance to the

relevant prescripts. The achievement of these performance targets is envisaged to contribute towards improving governance and strengthen internal controls. The RAF is further focusing on increasing accessibility of its services improve service delivery and responsiveness to its claimants. Thus, prioritising the resolution of claimants enquiries.

9. UPDATED KEY RISKS AND MITIGATIONS

Table 11: Updated key risks and mitigations

Outcome	Key Risks	Risk Mitigation
Outcome 1: A transformed and sustainable RAF	<ul style="list-style-type: none"> • Claims Management Risk • Financial Sustainability Risk 	<ul style="list-style-type: none"> • Implementing a comprehensive and integrated claims management system that combines streamlined processes, advanced technology solutions, and robust training programs to ensure consistency, efficiency, and accuracy in handling claims throughout the RAF. • Develop and execute a sustainable funding model, monitor financial performance regularly, and implement cash management and investment strategies to ensure long-term financial stability.
Outcome 2: System modernisation	<ul style="list-style-type: none"> • Information And Communication Technology Risk. 	<ul style="list-style-type: none"> • Implement the ICT & Digital Business Strategy, including thorough testing, user training, and change management processes to minimise disruptions and ensure the smooth transition to the updated ICT infrastructure.
Outcome 3: Improved governance and strengthened control environment	<ul style="list-style-type: none"> • Fraud And Corruption Risk • Regulatory Framework Risk • People Management Risk • Governance And Leadership Risk 	<ul style="list-style-type: none"> • Strengthen internal controls, implement regular audits, and enforce a zero-tolerance policy against fraudulent activities. • Stay updated with relevant laws and regulations, including monitoring the progress of the bill submitted to Parliament to amend the RAF Act, and establish robust processes for regulatory adherence. • Implement effective recruitment and retention strategies, invest in employee development and engagement initiatives, and foster a positive workplace culture.
Outcome 4: Improved claimant focus	<ul style="list-style-type: none"> • Reputational Risk 	<ul style="list-style-type: none"> • Implement and monitor the effectiveness of the Stakeholder Engagement Strategy. • Implement the Corporate Communications Strategy.

Table 12: Strategic Risks Profile

Risk Name	Impact	Likelihood	Risk Rating	Risk Level	Risk Response
Risk 1 – Claims Management Risk	4.20	4.30	18.06	High	Treat
Risk 2 – Fraud and Corruption Risk	4.30	4.20	18.06	High	Treat
Risk 3 – Information technology and Communication Risk	4.00	4.20	16.80	High	Treat
Risk 4 – Regulatory Framework Risk	3.80	3.80	14.44	Medium	Treat
Risk 5 – Financial Sustainability Risk	3.70	3.70	14.43	Medium	Treat
Risk 6 – Reputational Damage Risk	3.40	3.40	11.56	Medium	Treat
Risk 7 – People Management Risk	2.30	2.70	7.56	Low	Treat
Risk 8 – Governance and Leadership Risks	2.90	2.50	7.25	Low	Treat

10. RESOURCE CONSIDERATIONS: BUDGET (ENE)

	Income Statement				
	2023	2024	2025	2026	2027
Revenue from non-exchange transactions	48,495	48,974	49,340	49,588	49,467
Net fuel levies	48,495,307	48,974,319	49,339,536	49,587,625	49,467,121
Fl bf	10,709,911	10,735,857	10,827,423	10,910,252	10,970,259
Fl Received	48,469,361	48,882,753	49,256,707	49,527,616	49,478,091
Fl of	10,735,857	10,827,423	10,910,252	10,970,259	10,959,288
Revenue from exchange transactions					
Other income	1,499	-	-	-	-
Reinsurance revenue	578	-	-	-	-
Allowance for credit losses adjustment	-	-	-	-	-
Gains on disposal of assets	-	-	-	-	-
Investment revenue	284,167	240,332	78,335	626,392	1,822,524
	286,244	240,332	78,335	626,392	1,822,524
LESS EXPENSES					
Claims expenditure	52,032,933	45,392,315	35,850,470	34,139,245	37,447,512
Claims Paid	45,693,041	44,794,658	44,466,512	21,307,449	17,293,643
Claims bf	76,839,479	22,987,703	24,659,512	20,659,620	16,048,748
Reqt not paid bf	9,127,930	9,317,592	8,243,440	3,358,783	-
Installment Liability bf	-	-	-	2,381,507	21,069,989
Claims of	22,987,703	24,659,512	20,659,620	16,048,748	16,048,748
Installment Liability of	-	-	2,381,507	21,069,989	41,223,959
Reqt not paid of	9,317,592	8,243,440	3,358,783	-	-
Reinsurance premiums	4,376	4,645	4,868	5,097	5,331
Employee costs	2,248,566	2,417,793	2,578,199	2,749,045	2,931,012
General expenses	668,252	1,111,043	1,180,131	1,204,889	1,104,221
Depreciation and amortisation	45,557	105,678	104,916	73,417	64,688
Loss on disposal of assets and liabilities	-	-	-	-	-
Loan Facility	-	-	-	-	-
Finance costs	298,076	283,172	241,442	183,056	155,598
Deficit for the year	(6,516,209)	(99,995)	9,457,846	11,859,269	9,581,283

	Balance Sheet				
	2023	2024	2025	2026	2027
Assets					
Current Assets					
Cash and cash equivalents	629,867	904,314	1,661,356	26,290,595	56,023,856
Receivables from non-exchange transactions	10,735,857	10,827,423	10,910,252	10,970,259	10,959,288
Receivables from exchange transactions	29,688	31,469	33,357	35,359	37,480
Other financial assets	231,735	245,639	260,377	276,000	292,560
Consumable stock	5,545	5,878	6,230	5,604	7,000
	11,632,692	12,014,722	12,871,573	37,578,817	67,320,186
Non-Current Assets					
Property, plant & equipment	171,938	196,467	219,007	248,636	284,067
Intangible assets	73,462	323,495	380,479	434,914	499,520
	245,400	519,962	599,486	683,550	783,587
Total Assets	11,878,152	12,534,684	13,471,059	38,262,366	68,103,773
Liabilities					
Current Liabilities					
Payables from exchange transactions	280,664	297,504	315,354	334,275	354,332
Other financial liabilities	135,419	143,544	152,157	161,286	170,963
Claims liabilities	32,305,295	32,902,952	24,286,910	37,118,707	57,272,576
Other provisions	1,006,312	1,066,691	1,130,692	1,198,534	1,270,446
	33,727,690	34,410,691	25,885,113	38,812,802	59,068,317
Non-Current Liabilities					
Loan Facility	-	-	-	-	-
Other financial liabilities	3,493	3,703	3,925	4,160	4,410
Claims liabilities	-	-	-	-	-
Employee benefit obligation	57,827	61,297	64,974	68,873	73,005
	61,320	64,999	68,899	73,033	77,415
Total Liabilities	33,789,010	34,475,690	25,954,012	38,885,835	59,145,732
Net Deficit	(21,910,858)	(21,941,006)	(12,482,954)	(623,469)	8,958,040
Net Deficit					
Reserves	-	-	-	-	-
Revaluation Reserve	108,729	108,729	108,729	108,729	108,729
Accumulated surplus	(22,019,587)	(22,049,735)	(12,591,683)	(732,198)	8,849,311
Total Net Deficit	(21,910,858)	(21,941,006)	(12,482,954)	(623,469)	8,958,040

11. TECHNICAL INDICATOR DESCRIPTION

Note: Some of the MoC's may be impacted by the changes brought about by the RAF operating model. When required, the minor adjustments effected will be approved by the Accounting Officer and brought to the attention of the Accounting Authority.

OUTCOME 1: A TRANSFORMED AND SUSTAINABLE RAF

Indicator Title	1.1. Percentage (%) of all new personal claims settled within 120 days
Definition	<p>This indicator aims to measure the time it takes settle a claim using a product-based approach. Settlement is when a claim is processed, offer issued and accepted.</p> <p>New personal claims are defined as all personal claims lodged from 1 December (previous financial year) and registered from 1 April (current FY) until 31 March (end of FY).</p> <p>The following criteria is used as a proxy for claim settlement:</p> <ul style="list-style-type: none"> • fully compliant claim • Offer accepted date for all capital offers; and <p>Exclusions</p> <ul style="list-style-type: none"> • Repudiated claims • Non-compliant claims • Future Medical • Public Holidays and official approved RAF office closure dates. • GD's that are rejected – "that do not qualify" • GD's where there is no RAF 4 form • Past Medical Expenses that are paid by medical aid • Funeral benefit first offer (in instances where the maximum cap is offered)
Source of data	Claims system database
Method of Calculation / Assessment	$\frac{\text{Number of all new compliant personal claim products settled within 120 working days of compliance date}}{\text{Number of all new compliant personal claims products}} \times 100$
Means of Verification	Claim system database
Assumptions	Not applicable
Disaggregation of Beneficiaries (where applicable)	Not applicable

Indicator Title	1.1. Percentage (%) of all new personal claims settled within 120 days
Spatial Transformation (where applicable)	Not applicable
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	15% of all new personal compliant claims settled within 120 days.
Indicator Responsibility	Chief Claims Officer

Indicator Title	1.2. Percentage (%) of all new personal claims validated and verified within 60 days
Definition	<p>This indicator aims to measure the number of days to validate and verify new personal claims.</p> <p>New personal claims are defined as all personal claims lodged from 1 December (previous financial year) and registered from 1 April (current FY) until 31 March (end of FY).</p> <p>The claim must be fully compliant in terms of the RAF1 form and be categorised a fully compliant on the claims system.</p> <p>Exclusions</p> <ul style="list-style-type: none"> • Non-compliant claim. • Public Holidays and official approved RAF office closure dates.
Source of data	Claims system
Method of Calculation / Assessment	$\frac{\text{Number of new compliant personal claims verified and validated within 60 working days of compliance date}}{\text{Number of all new compliant personal claims verified and validated (fully compliant)}} \times 100$
Means of verification	Claims database
Assumptions	<ul style="list-style-type: none"> • Summons can be legally issued after 120 days if no objection to the validity thereof, was not raised in 60 days. • Litigation on claims validated within 60 days and validity objected to, are at the costs of the plaintiff.

Indicator Title	1.2. Percentage (%) of all new personal claims validated and verified within 60 days
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	95% of all new compliant personal claims verified and validated by objecting or accepting within 60 days.
Indicator Responsibility	Chief Claims Officer

Indicator Title	1.3. Percentage (%) reduction of 3-year-old open claims
Definition	<p>This indicator aims to measure the rate at which the RAF reduces back-log claims or claims that have been on the system for 3-years or more.</p> <p>For purposes of measuring old claims, the target refers to:</p> <ul style="list-style-type: none"> Open claims older than or equal to 3 years prior to 1 April (beginning of the new financial year, and the baseline remains constant). <p>Exclusions:</p> <ul style="list-style-type: none"> Re-opened Claims Claims over 15 years Claims lodged before 01 April 2008. Requested but Not Yet Paid (RNYP) claims
Source of data	Claim system
Method of Calculation / Assessment	$\frac{(\text{Net open claims older or equal to 3 years}) - (\text{older or equal to 3 years claims settle})}{\text{Net open claims older or equal to 3 years}} \times 100$
Means of Verification	Claims database
Assumptions	Not Applicable

Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	25% reduction in the number of claims that are 3 years or older by year-end.
Indicator Responsibility	Chief Claims Officer

Indicator Title	1.4. Percentage (%) reduction of legal costs
Definition	<p>This indicator aims to reduce legal costs.</p> <p>Legal costs are all costs attributed to attorneys and advocates dealing with RAF matters excluding other costs such as disbursement to assessors, experts and actuaries.</p>
Source of data	Claims database
Method of Calculation / Assessment	<p>The below conditions will be applied:</p> <ul style="list-style-type: none"> • All actual plaintiff legal cost paid • Forecasted legal costs (takes into account average historic increase in legal cost for both plaintiff & panel) that RAF would have incurred by 31 March 2025. <p><u>Calculation (Percentage (%) change against forecasted costs:</u></p> $\frac{\text{Forecasted legal Cost LESS actual costs}}{\text{Forecasted legal cost}} * 100$
Means of Verification	Claims report
Assumptions	Abandoning the panel litigation strategy
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation	Not applicable

Indicator Title	1.4. Percentage (%) reduction of legal costs
(where applicable)	
Calculation type	Cumulative
Reporting Cycle	Quarterly
Desired performance	80% reduction of legal costs from the original baseline
Indicator Responsibility	Chief Claims Officer

Indicator Title	1.5. Pre-authorisation Framework Implemented
Definition	<p>This indicator aims to monitor the implementation of pre-authorised framework in the RAF.</p> <p>The implementation of a Level 2 Pre-authorisation Framework will assist the RAF in improving assessment and compensation of claims and therefore lead to a transformed and financially sustainable RAF.</p>
Source of data	<ul style="list-style-type: none"> • Pre-authorisation Framework • Initiatives as per the approved Operational Plan.
Method of Calculation / Assessment	Qualitative
Means of Verification	Level 2 Pre-authorisation framework implementation report approved by responsible executive
Assumptions	Commitment to payment of services and products at the time when the pre-authorisation is issued.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Level 2 Pre-authorisation Framework Implemented
Indicator Responsibility	Chief Claims Officer

Indicator Title	1.6. Percentage (%) of new undertakings issued with basket of care
Definition	<p>This indicator measures the Percentage (%) of all new undertakings with serious injuries issued with provision of basket of care.</p> <p>An undertaking is a contract between an accident victim and the Road Accident Fund where the RAF pays back incurred medical expenses in accordance with the applicable legislation, due to the injuries sustained in the motor vehicle accident.</p> <p>New serious injury undertakings refer to undertakings lodged, 1 December (previous FY), registered and issued from 1 April (current FY) until 31 March (current FY).</p> <p>Basket of care refers to pre-determined treatment for specific injuries sustained by the accident victim.</p>
Source of data	<ul style="list-style-type: none"> • Claims system • SharePoint
Method of Calculation / Assessment	<p>Quantitative</p> <p><i><u>Total number of undertakings issued with provision of basket of care</u></i> <i><u>Total number of injury undertakings issued</u></i></p> <p>X100</p>
Means of Verification	Claims database
Assumptions	Not applicable
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	95% of new undertakings issued with basket of care (injury specific).
Indicator Responsibility	Chief Claims Officer

Indicator Title	1.7. Case management framework implemented
Definition	<p>This indicator aims to implement Case Management Framework that will assist the RAF in improving assessment and compensation of claims and therefore lead to a transformed and financially sustainable RAF.</p> <p>Case management is a process that connects patients with health care providers, resources, and services. Directed toward ensuring that patients receive the best possible care, case management requires case managers to maneuver different health care systems and collaborate with stakeholders, including patients, medical professionals, and health insurers.</p>

Source of data	Case Management Framework and implementation report
Method of Calculation / Assessment	Qualitative
Means of Verification	Case Management Framework implementation report approved by the responsible executive
Assumptions	Approved RAF medical tariff and treatment protocols Procurement of the case management system
Disaggregation of Beneficiaries (where) Applicable	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Case Management Framework implemented
Indicator Responsibility	Chief Claims Officer

Indicator Title	1.8. Percentage (%) reduction in medical costs
Definition	<p>This indicator aims to quantify the medical costs to be saved through the implementation of the new operating model.</p> <p>Medical costs are all costs attributed to the medical profession related expenses required due to injuries sustained by claimants during a motor vehicle accident. With reference to RAF liability as stated in Sec 17 (4B) (a) of the RAF Act subsection (4)(a), (5) and (6).</p> <p>This target measures and considers medical invoices:</p> <p>For baseline All medical Cost (Future and Past medical) Lodged and paid from 1 April (previous FY) and 31 March (previous FY). Reduced against medical cost lodged between 1 April (current FY) and reporting date and paid on between 1 April (current FY) and reporting date.</p>

Source of data	Claims database
Method of Calculation / Assessment Means of Verification	Quantitative Total medical costs = (Past medical Cost + Future medical Cost adjusted for inflation) - 10% (Previous Year Total Medical Cost)
Means of verification	Claims database / excel spreadsheet / sharepoint
Assumptions	Legislation and regulations are proclaimed for the medical tariffs. A clinical engine that can host the Tariffs and Protocols, Medication Formulary made accessible
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not Applicable
Calculation Type	Cumulative
Reporting Cycle	Quarterly
Desired performance	Reduce medical costs by 10% at the end of financial year
Indicator Responsibility	Chief Claims Officer

Indicator Title	1.9. Number of projects to improve trauma care unit and rehabilitation centres for road accident victims implemented
Definition	This indicator aims to monitor implemented trauma care and rehabilitation centre initiatives. Rehabilitation is a treatment or treatments designed to facilitate the process of recovery from injury, illness, or disease to as normal of a condition as possible. Implemented initiatives aim to improve trauma care and rehabilitation centers for road accident victims and will assist the RAF in improving assessment and compensation of claims that will lead to a transformed and financially sustainable RAF.
Source of data	Approved operational plan
Method of Calculation / Assessment	Quantitative Simple count
Means of Verification	Report on the implementation of trauma care unit and rehabilitation centre initiatives for road accident victims.
Assumptions	Agreement reached with all stakeholders to improve trauma care and rehabilitation centers.
Disaggregation of Beneficiaries (where) Applicable	Not applicable

Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Bi-annual
Desired performance	Trauma care unit and rehabilitation center initiatives for road accident victims implemented
Indicator Responsibility	Chief Claims Officer & Head: Office of the CEO

Indicator Title	1.10. Number of road safety programmes implemented
Definition	This indicator aims to measure the road safety initiatives implemented. Road safety initiatives refers to methods and measures used to prevent crashes and road users from being killed or seriously injured.
Source of data	Approved Road Safety plan
Method of Calculation / Assessment	Qualitative Simple count
Means of Verification	Road safety programmes implementation report
Assumptions	Availability of budget Agreement with the relevant stakeholders
Disaggregation of Beneficiaries (where Applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Quarterly
Desired performance	Road safety programmes successfully implemented
Indicator Responsibility	Chief Corporate Support Officer

Indicator Title	1.11. Asset and liability strategy implemented
Definition	<p>The indicator aims to measure the implementation of the assets and liability strategy which is informed by relevant strategy aiming to give a long-term perspective of managing the financial risk which arise due to mismatches between the Fund's assets and claims liabilities.</p> <p>Mainly focusing on maximising assets to meet claims liabilities with the aim of promoting financial sustainability by proactively managing surpluses while managing liability risks</p>
Source of data	Approved asset and liability initiatives
Method of Calculation / Assessment	Qualitative
Means of Verification	<p>Signed contract of appointed Business partner to develop the LOE, LOS and General Damages formulas.</p> <p>Asset and liability strategy implementation report approved by responsible executive.</p>
Assumptions	Annuity payment approach would be the practice in effecting payments for General Damages (GD), Loss of Earnings (LOE) and Loss of Support (LOS) benefits.
Disaggregation of Beneficiaries (where Applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	<p>Asset and liability strategy initiatives implemented</p> <p>Improved RAF liquidity</p>
Indicator Responsibility	Chief Investment Officer

OUTCOME 2: SYSTEM MODERNISATION

Indicator Title	2.1. Integrated Claims Management System (ICMS) rolled-out
Definition	<p>This indicator aims to measure the implementation of release 2 of Integrated Claims Management System (ICMS).</p> <p>The goal of the project is to automate improved business processes i.e., digitization and the implementation of an integrated web-enabled claims management system which will support and enable the business processes, allow the fund to have real time reporting for informed business decision making and also reduce the risks of fraud and corruption.</p> <p>The project also aims to automate the core business operations to improve the delivery of services to the organisational stakeholders and meet the fund's legislative mandate based on a product centric approach of claims management.</p>
Source of data	Project plan on ICMS release 2 initiatives
Method of Calculation / Assessment	Qualitative
Means of Verification	Report on the Roll out of ICMS Release 2.
Assumptions	Successful implementation of all planned sprints.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non - Cumulative
Reporting Cycle	Annual
Desired performance	Integrated and digitised claims process
Indicator Responsibility	Head: Office of the CEO

OUTCOME 3: IMPROVED GOVERNANCE AND STRENGTHENED CONTROL ENVIRONMENT

Indicator Title	3.1. Percentage (%) responses to Parliament questions
Definition	<p>The indicator aims to measure percentage (%) responses to parliamentary questions.</p> <p>In order to respond to parliamentary questions, the Minister of Transport, through the responsible officials at the DoT requests input from all, or specific, transport entities, depending on the nature of the particular Parliamentary Questions.</p> <p>Exclusions:</p> <ul style="list-style-type: none"> Parliamentary questions received five days before 30 September 2024 and five days before 15 March 2025.
Source of data	Parliamentary questions excel register
Method of Calculation / Assessment	$\frac{\text{Total number of Responses by RAF submitted to DoT}}{\text{Number of Parliamentary Questions Received}} \times 100$
Means of Verification	Proof of submission to DoT on responses to Parliament Questions
Assumptions	The data / information required to prepare the response to the parliamentary question is provided by the relevant BUs in a timely manner.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative
Reporting Cycle	Bi-Annual
Desired performance	100% responses to Parliament Questions
Indicator Responsibility	Head: Office of the CEO

Indicator Title	3.2. Percentage (%) resolution of reported incidents of fraud and corruption
Definition	<p>This indicator aims to resolve the incidents/allegations of fraud, corruption and other illegal activities committed against the fund and its beneficiaries. The incidents/allegations of fraud, corruption and other illegal activities must have been referred to or initiated by Internal Fraud Investigations.</p> <p>A resolution refers to where an incident/allegation has been substantiated (Substantiated means incident/allegation is supported by evidence) or unsubstantiated (Unsubstantiated means incident/allegation is not supported by evidence).</p> <p>The preliminary investigation may lead to further investigation, which may result in punitive measures being instituted. Where an incident/allegation has been substantiated, it must be referred to the relevant authorities for further processing.</p>
Source of data	<ul style="list-style-type: none"> • Fraud & Corruption Case Register • Whistle-blower Report • Additional data to support the reported incidents/allegations of fraud, corruption and other illegal activities committed against the Fund and its beneficiaries will be obtained from the Investigation Management System (IMS).
Method of Calculation / Assessment	$\frac{\text{Incidents resolved during reporting period (1 April 2024 to 15 March 2025)}}{\text{All open incidents as at cut-off period}} \times 100$
Means of Verification	<p>Approved report on incidences of fraud and corruption investigated.</p>
Assumptions	<p>Not applicable</p>
Disaggregation of Beneficiaries (where applicable)	<p>Not applicable</p>
Spatial Transformation (where applicable)	<p>Not applicable</p>
Calculation Type	<p>Cumulative</p>
Reporting Cycle	<p>Bi-Annual</p>
Desired performance	<ul style="list-style-type: none"> • 85% resolution of reported incidents/allegations of fraud, corruption and other illegal activities committed against the Fund and its beneficiaries.
Indicator Responsibility	<p>Chief Governance officer</p>

Indicator Title	3.3. Report on status and operations of Ethics Committee submitted to DoT
Definition	<p>This indicator aims to report on the status and operational activities of the ethics committee.</p> <p>This is aimed at raising the standards through which RAF adheres to its commitments, display honesty and integrity and reach company goals through honorable conduct.</p>
Source of data	<ul style="list-style-type: none"> • Minutes/resolutions from the Ethics Committee
Method of Calculation / Assessment	Qualitative
Means of verification	Proof of submission to DOT, on the report on the status and operations of Ethics Committee
Assumptions	Approved Ethics Strategy
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative
Reporting Cycle	Bi-annual
Desired performance	<ul style="list-style-type: none"> • Functional and effective Ethics committee. • Report on status and operations of Ethics committee submitted to the DoT.
Indicator Responsibility	Chief Governance officer

Indicator Title	3.4. Percentage (%) implementation of action plans to address audit findings
Definition	This indicator aims to ensure that RAF strives to improve governance and strengthen control environment to ensure a decrease in the number of Auditor General audit findings.
Source of data	<ul style="list-style-type: none"> • Auditor General's signed management report • Internal Audit tracking report.
Method of Calculation / Assessment	<p>Quantitative</p> <p>Count the number of AGSA findings with implemented action plans and action date of up to 28 February 2025 divide by</p> <p>Total number of AGSA findings contained in the tracking report with action date until 28 February 2025.</p> <p>X100</p> <p>Exclusion:</p> <p>AGSA findings with action dates post 28 February 2025.</p>
Means of Verification	<p>Report on the implementation of action plan to address audit findings raised by the AGSA.</p> <p>Proof of submission to DoT</p>
Assumptions	<ul style="list-style-type: none"> • Functional Combined Assurance activities. • Timeous development of corrective actions on identified control weaknesses. • AGSA issuing the management letter by end Quarter 2
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	80% implementation of action plans to address audit findings with action dates before 28 February 2025 submitted to DoT by 31 March 2025.
Indicator Responsibility	All Executives

Indicator Title	3.5. Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)
Definition	This indicator refers to the opinion expressed by the AG in the annual audit report. The objective of an unqualified audit by the Auditor General is to provide credibility to the RAF reported financial and non-financial information, this ensures to improve governance and strengthened control environment.
Source of data	2023/24 FY Annual Performance Plan Auditor General's signed audit report and annual report on the overall audit opinion.
Method of Calculation / Assessment	Qualitative
Means of Verification	2023/24 FY Annual report
Assumptions	<ul style="list-style-type: none"> • Functional Combined Assurance activities • Timeous implementation of corrective actions on identified control weaknesses
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Unqualified audit outcome
Indicator Responsibility	All Executives

Indicator Title	3.6. Report on cases of fruitless and wasteful expenditure.
Definition	This indicator measures the cases of fruitless and wasteful expenditure. This is the expenditure that was made in vain and would have been avoided had reasonable care been exercised.
Source of data	<ul style="list-style-type: none"> • Financial Statements • Board approved financial misconduct report submitted to DoT.
Method of Calculation / Assessment	Qualitative
Means of verification	Report indicating cases of fruitless and wasteful expenditure and steps taken on fruitless and wasteful expenditure

Indicator Title	3.6. Report on cases of fruitless and wasteful expenditure.
	Board approved Q3 and Q4 financial misconduct reports on steps taken to reduce fruitless and wasteful expenditure detailing all financial misconducts identified during the 2024/25 FY.
Assumptions	Adherence to consequence management procedures.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative
Reporting Cycle	Bi-annual
Desired performance	Reduction on cases of fruitless and wasteful expenditure.
Indicator Responsibility	All Executives

Indicator Title	3.7. Report on cases of irregular expenditure
Definition	This indicator measures the cases of irregular expenditure. This is expenditure incurred in contravention of, or that is not in accordance with a requirements of the Public Finance Management Act (PFMA), Treasury Regulations or other relevant legislation.
Source of data	<ul style="list-style-type: none"> Board approved Financial misconduct report (this report includes irregular expenditure and fruitless and wasteful expenditure) Register for Irregular Expenditure
Method of Calculation / Assessment	Qualitative
Means of verification	Report indicating cases of irregular expenditure
Assumptions	Adherence to consequence management procedures.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable

Indicator Title	3.7. Report on cases of irregular expenditure
Calculation Type	Cumulative
Reporting Cycle	Bi-annual
Desired performance	Reduction on cases of irregular expenditure.
Indicator Responsibility	All Executives

Indicator Title	3.8. Percentage (%) of compliance to the 30-day supplier payment requirements
Definition	<p>The indicator measures the efficiency of payment turnaround of valid supplier invoices that are paid within the 30 days from the date of receipt. PFMA requires the Fund to pay invoices within 30 calendar days of a valid invoice being received by the Fund.</p> <p>Claims related payments excluded.</p> <p>Valid reasons if provided by the cost centre owner.</p>
Source of data	Payment days Report
Method of Calculation / Assessment	Total number of invoices received and paid from the period 1 April 2024 to 31 December 2024.
Means of verification	Payment days report indicating all invoices received and paid between 1 April 2024 to 31 December 2024
Assumptions	Valid invoices are processed timely by all departments, to ensure timeous processing of payment.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Cumulative, taking into account all valid invoices received and paid.
Reporting Cycle	Bi-annual
Desired performance	Compliance to 30 days supplier payment requirements
Indicator Responsibility	All Executives

Indicator Title	3.9. Percentage (%) of organisational structure implemented
Definition	<p>This indicator measures the implementation of the approved organisational structure initiatives.</p> <p>An organisational structure details how functions are devolved and delegated to achieve the RAF's mandate and strategic goals.</p>
Source of data	Approved organisational structure initiatives
Method of Calculation / Assessment	<p>Quantitative</p> <p>(Number of the initiatives implemented/ total number of the approved organisational structure initiatives planned for the 2024/25 FY) x 100%</p>
Means of verification	Report on the implementation of the Organisational Structure initiatives
Assumptions	<ul style="list-style-type: none"> • External stakeholder consultation (for e.g. unions, CCMA, etc.) finalised with set timeframes. • Convening of the placement committees, based on the availability of the internal and external stakeholders.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	80% of the organisational structure initiatives implemented.
Indicator Responsibility	Chief Corporate Support Officer

Indicator Title	3.10. Outcome of the Skills Audit Report implemented
Definition	<p>This indicator measures the implementation of the skills assessment report outcomes.</p> <p>Implementation of the skills assessment report outcomes that determined RAF skills needs, identified the skills gaps and developed the skills development strategy to put initiatives in place in order to address the identified gaps.</p> <p>Year 3 of the Training Plan outlines the Learning and Development activities to be implemented in response to the Skills Assessment Report Outcomes in the 2024/25 Financial Year.</p>
Source of data	L&D Strategy and Training Plan
Method of Calculation / Assessment	<p>Qualitative</p> <p>Approved implementation report of Year 3 initiatives by the responsible Executive</p>
Means of verification	Approved report on the implementation of Year 3 initiatives
Assumptions	<p>Assumptions are that below dependencies will allow for implementation of the training plan when completed:</p> <ul style="list-style-type: none"> • SCM requirements and processes. • Finalisation of job profiles and job descriptions in line with the conceptual model. • Placement process; and • ICT support.
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Year 3 implementation of the skills audit outcomes.
Indicator Responsibility	Chief Corporate Support Officer

Indicator Title	3.11. Percentage (%) of Enterprise Supplier Development (ESD) committed on women owned enterprises
Definition	<p>This indicator measures the promotion and support of women-owned businesses. Women-owned business is referred to as one which is at least 51 %owned by one or more women or, in the case of any publicly owned business, at least 51 % of the stock of which is owned by one or more women; and the management and daily business operations of which are controlled by one or more women.</p> <p>Commitments is when an entity has committed itself to future transactions that will normally result in the outflow of cash.</p>
Source of data	<ul style="list-style-type: none"> • SAP variance report • ESD budget
Method of Calculation / Assessment	<p>Quantitative</p> $\frac{\text{Total ESD committed on WOE}}{\text{Total budget of ESD}} \times 100$
Means of verification	<p>SAP Variance report indicating ESD budget for 2024/25 financial year.</p> <p>B-BBEE certificates to verify appointed women empowerment.</p> <p>Report on the committed funds/awards</p>
Assumptions	<p>Budget available to spent on women empowerment.</p> <p>Women owned enterprises participate in the identified programmes</p>
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	Women-owned enterprises empowered
Indicator Responsibility	Chief Financial Officer

OUTCOME 4: IMPROVED CLAIMANT FOCUS

Indicator Title	4.1. Percentage (%) of Stakeholder Management Strategy initiatives implemented.
Definition	The indicator aims to monitor the implementation of the RAF Stakeholder Management strategy initiatives. This is a process by which the RAF will involve stakeholders who may be affected by or impact on RAF operations and decisions.
Source of data	Approved stakeholder management initiatives
Method of Calculation / Assessment	Quantitative $\frac{\text{Total implemented initiatives}}{\text{Total planned initiatives}} \times 100$
Means of verification	Engagement documents (e.g., Meeting minutes, registers, invitations to meetings and where applicable Memorandum of Agreement (MOA).)
Assumptions	Cooperation by relevant stakeholders
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-Cumulative
Reporting Cycle	Annual
Desired performance	95% of planned initiatives of stakeholder management strategy implemented by the 31 March 2025.
Indicator Responsibility	Head: Office of the Chief Executive Officer

Indicator Title	4.2. Percentage of First Contact Resolution (FCR) of claimants enquiries
Definition	<p>This indicator aims to monitor the improvement of claimant complaints. This will be done through a Customer Relationship Management (CRM) solution which refers to the principles, practices, and guidelines that the RAF follows when interacting with its customers.</p> <p>This entire relationship encompasses direct interactions with customers, such as service-related processes, forecasting, and the analysis of claimant's trends and behaviors. Ultimately, the CRM solution serves to enhance the claimant's overall experience.</p>
Source of data	Customer Relationship Management Solution.
Method of Calculation / Assessment	Quantitative
Means of verification	Approved report on first contact resolution of claimants' enquiries
Assumptions	N/A
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Improved customer experience
Indicator Responsibility	Head: Office of the Chief Executive Officer

Indicator Title	4.3. Customer servicing model initiatives implemented
Definition	This indicator measures the implementation of the customer servicing model at the RAF. A Customer Service model is a plan or strategy designed to effectively deal with claimants who have questions, issues or complaints whilst engaging with the RAF.
Source of data	Approved initiatives as per annual operational plan
Method of Calculation / Assessment	Qualitative All planned CSM initiatives implemented
Means of verification	Report on implemented CSM initiatives
Assumptions	Timeous SCM processes Cooperation of all relevant stakeholders Filling of Customer Experience positions
Disaggregation of Beneficiaries (where applicable)	Not applicable
Spatial Transformation (where applicable)	Not applicable
Calculation Type	Non-cumulative
Reporting Cycle	Annual
Desired performance	Customer servicing model initiatives implemented
Indicator Responsibility	Chief Strategy and Transformation Officer

Note: Some of the MoC's will be impacted by the changes brought about by the RAF operating model. When required, the minor adjustments effected will be approved by the Accounting Officer and brought to the attention of the Accounting Authority.