



RTIA

Road Traffic Infringement Agency

Justice in Adjudication



2022/23 ANNUAL
REPORT

TABLE OF CONTENTS

PART A: GENERAL INFORMATION.....	4		
1. PUBLIC ENTITY'S GENERAL INFORMATION	5	5. REVENUE COLLECTION	44
2. LIST OF ABBREVIATIONS/ACRONYMS	6	6. OVERVIEW OF THE ANNUAL ROAD TRAFFIC INFRINGEMENT STATISTICAL PRESENTATION	60
3. FOREWORD BY THE CHAIRPERSON	8		
4. ACTING REGISTRAR'S OVERVIEW	12	PART C: GOVERNANCE.....	70
5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT	15	1. INTRODUCTION	71
6. STRATEGIC OVERVIEW	16	2. PORTFOLIO COMMITTEES	71
7. LEGISLATIVE AND OTHER MANDATES	18	3. EXECUTIVE AUTHORITY	71
8. ORGANISATIONAL STRUCTURE	22	4. THE ACCOUNTING AUTHORITY / BOARD.....	72
		5. RISK MANAGEMENT	86
PART B: PERFORMANCE INFORMATION.....	23	6. INTERNAL CONTROL UNIT.....	87
1. PREDETERMINED OBJECTIVES	24	7. INTERNAL AUDIT AND AUDIT COMMITTEES	88
2. OVERVIEW OF PERFORMANCE	26	8. COMPLIANCE WITH LAWS AND REGULATIONS.....	88
3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION.....	30	9. FRAUD AND CORRUPTION	89
3.1. ORIGINALLY TABLED APP.....	31	10. MINIMISING CONFLICT OF INTEREST	89
PROGRAMME 1: AARTO ADMINISTRATION SUPPORT	31	11. CODE OF CONDUCT	89
PROGRAMME 2: ADJUDICATION AND SUPPORT	32	12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES.....	89
PROGRAMME 3: AARTO INFORMATION & ANALYTICS.....	33	13. COMPANY /BOARD SECRETARY.....	89
PROGRAMME 4: GOVERNANCE AND SUSTAINABILITY	34	14. SOCIAL RESPONSIBILITY.....	90
3.2 RE-TABLED APP	35	15. AUDIT AND RISK COMMITTEE REPORT.....	91
4. PROGRESS ON INSTITUTIONAL RESPONSE TO COVID- 19 PANDEMIC	43	16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION	94

PART D: HUMAN RESOURCE MANAGEMENT	95
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PART E: FINANCIAL INFORMATION	103
--	------------

PART F: PFMA COMPLIANCE REPORT	192
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LIST OF FIGURES

FIGURE 1: RTIA VALUE STATEMENTS	21
FIGURE 2: NUMBER OF NOTICES CAPTURED PER TYPE	85
FIGURE 3: NUMBER OF NOTICES CAPTURED: JMPD	89
FIGURE 4: NUMBER OF NOTICES CAPTURED PER MONTH: JMPD.....	90
FIGURE 5: NUMBER OF NOTICES CAPTURED: TMPD	92
FIGURE 6: NUMBER OF NOTICES CAPTURED PER MONTH: TMPD.....	93
FIGURE 7: NUMBER OF NOTICES CAPTURED: GDOCS.....	96
FIGURE 8: NUMBER OF NOTICES CAPTURED PER MONTH: GDOCS.....	96
FIGURE 9: NUMBER OF NOTICES CAPTURED: RTMC.....	99
FIGURE 10: NUMBER OF NOTICES CAPTURED PER MONTH: RTMC.....	100
FIGURE 11: REPRESENTATIONS SUBMITTED PER MONTH	107
FIGURE 12: NUMBER OF DRIVER NOMINATIONS.....	110
FIGURE 13: NUMBER OF DRIVER NOMINATIONS PER MONTH	112
FIGURE 14: NUMBER OF ELECTION TO BE TRIED IN COURT	114
FIGURE 15: NUMBER OF REPRESENTATIONS ADJUDICATED	117
FIGURE 16: NUMBER OF REPRESENTATIONS ADJUDICATED PER MONTH	120
FIGURE 17: NUMBER OF COURTESY LETTERS ISSUED PER MONTH	122
FIGURE 18: CHANGE IN NUMBER OF COURTESY LETTERS ISSUED PER IA....	125

FIGURE 19: NUMBER OF COURTESY LETTERS ISSUED PER TYPE.....	127
FIGURE 20: NUMBER OF REVOCATIONS OF ENFORCEMENT ORDER APPLICATIONS	130
FIGURE 21: REVOCATION OF EO SUCCESSFUL APPLICATIONS.....	134
FIGURE 22: REVOCATION OF EO UNSUCCESSFUL APPLICATIONS	136
FIGURE 23: RESULTS OF REVOCATION OF EOS.....	136

LIST OF TABLES

TABLE 1: RTIAs CONSTITUTIONAL MANDATE	22
TABLE 2: LEGISLATIVE MANDATE	25
TABLE 3: POLICY MANDATE	26
TABLE 4: IMPACT MEASUREMENT	32
TABLE 5: MEASURING OUTCOMES.....	34
TABLE 6: STRATEGIC OBJECTIVE ACHIEVEMENTS	35
TABLE 7: AARTO ELECTRONIC SERVICES IMPLEMENTED	59
TABLE 8: PROGRAMME 2 BUDGET	60
TABLE 9: IMPLEMENTATION OF INTEGRATED SERVICE CHANNEL.....	62
TABLE 10: PROGRAMME 3 PERFORMANCE LINKED TO BUDGET	63
TABLE 11: PROGRAMME 4: GOVERNANCE & SUSTAINABILITY.....	69
TABLE 12: IMPLEMENTATION OF THE RE-ALIGNED ORGANISATION STRUCTURE BUDGET	70
TABLE 13: PERFORMANCE ON IMPLEMENTATION PLAN OF AARTO MOBILE APP.....	74
TABLE 14: LINKING PERFORMANCE TO BUDGET	74
TABLE 15: REVENUE COLLECTION.....	80



TABLE 16:	NUMBER OF NOTICES CAPTURED PER TYPE PER MONTH ON NCR_2021/22 FY	82	TABLE 34:	NUMBER OF DRIVER NOMINATIONS.....	111
TABLE 17:	NUMBER OF NOTICES PER TYPE PER FINANCIAL YEAR	84	TABLE 35:	NUMBER OF ELECTIONS TO BE TRIED IN COURT	112
TABLE 18:	NUMBER OF NOTICES CAPTURED PER ISSUING AUTHORITY	86	TABLE 36:	CHANGE IN NUMBER OF ELECTIONS TO BE TRIED IN COURT.....	113
TABLE 19:	CHANGE IN NUMBER OF NOTICES CAPTURED PER IA PER YEAR..	86	TABLE 37:	NUMBER OF ELECTIONS TO BE TRIED IN COURT	115
TABLE 20:	NUMBER OF NOTICES CAPTURED PER TYPE: JMPD	88	TABLE 38:	NUMBER OF REPRESENTATION ADJUDICATED PER MONTH.....	116
TABLE 21:	CHANGE IN NUMBER OF NOTICES CAPTURED PER TYPE: JMPD..	88	TABLE 39:	SOME CHARGES ON WHICH REPRESENTATIONS ARE BASED	118
TABLE 22:	NUMBER OF NOTICES CAPTURED PER TYPE: TMPD	91	TABLE 40:	CHANGE IN NUMBER OF REPRESENTATIONS ADJUDICATED PER MONTH.....	119
TABLE 23:	CHANGE IN NUMBER OF NOTICES CAPTURED PER TYPE PER YEAR: TMPD	92	TABLE 41:	CHANGE IN NUMBER OF COURTESY LETTERS ISSUED PER MONTH	122
TABLE 24:	NUMBER OF NOTICES CAPTURED PER TYPE: GDOCS	94	TABLE 42:	NUMBER OF COURTESY LETTERS ISSUED PER IA	123
TABLE 25:	CHANGE IN NUMBER OF NOTICES CAPTURED PER TYPE PER YEAR: GDOCS	95	TABLE 43:	CHANGE IN NUMBER OF COURTESY LETTERS ISSUED PER YEAR PER IA.....	124
TABLE 26:	NUMBER OF NOTICES CAPTURED PER TYPE: RTMC	97	TABLE 44:	NUMBER OF COURTESY LETTERS ISSUED PER NOTICE TYPE.....	126
TABLE 27:	CHANGE IN NUMBER OF NOTICES CAPTURED PER TYPE: RTMC..	98	TABLE 45:	CHANGE IN NUMBER OF COURTESY LETTERS ISSUED PER NOTICE PER TYPE.....	126
TABLE 28:	NOTIFICATIONS TO PAY IN INSTALMENTS.....	103	TABLE 46:	CHANGE IN NUMBER OF REVOCATION OF EO APPLICATIONS.....	129
TABLE 29:	CHANGE IN NUMBER OF NOTIFICATIONS TO PAY IN INSTALMENTS.....	103	TABLE 47:	CHANGE IN NUMBER OF REVOCATIONS OF EOS PROCESSED.....	131
TABLE 30:	NUMBER OF REPRESENTATIONS SUBMITTED	105	TABLE 48:	TOTAL NUMBER OF EO REVOCATION APPLICATIONS.....	132
TABLE 31:	CHANGE IN NUMBER OF REPRESENTATIONS SUBMITTED.....	106	TABLE 49:	REASONS FOR SUCCESSFUL EO REVOCATIONS.....	133
TABLE 32:	NUMBER OF DRIVER NOMINATIONS.....	108	TABLE 50:	REASONS FOR UNSUCCESSFUL EO REVOCATIONS	135
TABLE 33:	CHANGE IN NUMBER OF DRIVER NOMINATIONS.....	109	TABLE 51:	EXECUTIVE AUTHORITY CORRESPONDENCE.....	139
			TABLE 52:	COMPOSITION OF BOARD	146
			TABLE 53:	BOARD COMMITTEES'	147





PART A: GENERAL INFORMATION



1. PUBLIC ENTITY'S GENERAL INFORMATION

REGISTERED NAME:	Road Traffic Infringement Agency
(RTIA) REGISTRATION NUMBER (if applicable):	Not applicable
PHYSICAL ADDRESS:	Waterfall Edge B Howick Close Waterfall Park Bekker Road Midrand
POSTAL ADDRESS:	P O Box 6341 Halfway House 1685
TELEPHONE NUMBER/S:	+27 87 285 0500
FAX NUMBER:	+27 86 620 7836
EMAIL ADDRESS:	info@rtia.co.za
WEBSITE ADDRESS:	www.rtia.co.za
EXTERNAL AUDITORS:	Auditor General of South Africa
BANKERS:	Standard Bank of South Africa
COMPANY / BOARD SECRETARY:	Adv. MLT Bilikwana



2. LIST OF ABBREVIATIONS/DEFINITIONS

AARTO Act	Administrative Adjudication of Road Traffic Offences Act	AARTO 12	Courtesy Letter
AARTO 01	Infringement notice completed by hand at the roadside and served in person	AARTO 13	Enforcement Order
AARTO 02	Infringement notice completed electronically at the roadside and served in person or by registered mail	AARTO 14	Application for revocation of Enforcement Order
AARTO 03	Infringement notice for camera and other infringements served by registered mail	AARTO 15	Notification of result of application for revocation of Enforcement Order
AARTO 03a	Notice served by registered mail to operator in terms of an AARTO 01 for vehicle fitness infringements	AARTO 20	Receipt of payment
AARTO 03b	Notice served by registered mail to the owner of a vehicle in terms of an AARTO 31 notice in respect of an unattended vehicle	AARTO 31	Infringement notice completed by hand at the roadside and placed on the vehicle in respect of an unattended vehicle
AARTO 04	Notification to pay in installment	AARTO 32 & 32a	Record of particulars of an offence issued at the roadside
AARTO 05a	Acknowledgement of receipt of notification to pay in installment	AARTO 33	Notice of a summons to be issued for a traffic offence
AARTO 05b	Acknowledgement of receipt of nomination of driver or person in control	AARTO 33a	Notice of a summons to be issued to an operator for a traffic offence
AARTO 05c	Acknowledgement of receipt of representation	Agency	Refers to RTIA
AARTO 05d	Acknowledgement of receipt of election to be tried in court	AMIP	AARTO Master Implementation Plan
AARTO 05e	Acknowledgement of receipt of application for the revocation of enforcement order	ANSC	AARTO National Steering Committee
AARTO 06	Confirmation of installment arrangement	APP	Annual Performance Plan
AARTO 07	Nomination of driver or person in control of vehicle at the time	AGSA	Auditor General of South Africa
AARTO 08	Representation	ARC	Audit and Risk Committee
AARTO 09a	Notification of result of representation – successful on all charges	BBBEE	Broad-Based Black Economic Empowerment
AARTO 09b	Notification of result of representation – unsuccessful on all charges	CA(SA)	Chartered Accountant South Africa
AARTO 09c	Notification of result of representation – successful on main charge/s – unsuccessful on alternative	CCMA	Commission for Conciliation Mediation and Arbitration
AARTO 10	Election to be tried in court	CFO	Chief Financial Officer
		CL/s	Courtesy Letter/s
		COMESA	Common Market for Eastern and Southern Africa
		COTO	Committee of Transport Officials
		COVID 19	Corona Virus Disease
		CPA	Criminal Procedures Act
		CRM	Customer Relations Management

DLTC	Driving License Testing Centre
DoJ & CD	Department of Justice & Constitutional Development
ECTA	Electronic Communications and Transactions Act
EFT	Electronic Funds Transfer
ENE	Estimates of National Expenditure
EO/s	Enforcement Order/s
EXCO	Executive Committee of the RTIA
FAR	Fixed Asset Register
FB	Facebook
GRAP	Generally Recognised Accounting Practice
GDoCS	Gauteng Department of Community Safety
GCIS	Government Communication Information System
IA/s	Issuing Authority/ies
ICT	Information Communication Technology
IT	Information Technology
JMPD	Johannesburg Metropolitan Police Department
KPI	Key Performance Indicator
MEC	Member of Executive Council
MOU	Memorandum of Understanding
MTEF	Medium-Term Expenditure Framework
MINMEC	Ministers and Members of Executive Councils Meeting
NaTIS	National Traffic Information System
NCR	National Contraventions Register
NDP	National Development Plan
NEDLAC	National Economic Development and Labour Council
NDot/DoT	National Department of Transport
NICD	National Institute for Communicable Diseases
NRSS	National Road Safety Strategy

NRTA	National Road Traffic Act
NRTLEC	National Road Traffic Law Enforcement Code
NT	National Treasury
OHS	Occupational Health and Safety
PDS	Points Demerit System
PFMA	Public Finance Management Act
POPIA	Protection of Personal Information Act
PPP	Public Private Partnerships
PrDP	Professional Driving Permit
RTIA	Road Traffic Infringement Agency
RO/s	Representation Officer/s
RTMC	Road Traffic Management Corporation
SADC	Southern African Development Community
SAPO	South African Post Office
SAPS	South African Police Service
SCM	Supply Chain Management
SLA	Service Level Agreement
SMME	Small, Medium and Micro Enterprises
SMS	Short Messaging System
SWOT	Strengths, Weaknesses, Opportunities and Threats
TETA	Transport Education and Transport Authority
TMPD	Tshwane Metropolitan Police Department
ToR	Terms of Reference
TR	Treasury Regulations
UNDoARS	United Nations Decade of Action for Road Safety
VTS	Vehicle Testing Station
WSP	Workplace Skills Plan



3. FOREWORD BY THE CHAIRPERSON



Ms Bongekile Zulu

BOARD CHAIRPERSON

Municipalities. The Constitutional Court also confirmed that the Electronic service, which was introduced through the AARTO Amendment Act, was constitutional because the provision was not enacted as a substitute to the registered mail and personal service, but instead it was brought in as an additional method of service. The Board would like to express its sincerest gratitude to the Department of Transport for travelling this litigation journey with the Agency from onset of the High Court proceedings, up to the Constitutional Court process. Similar accolade

It is my pleasure to present the Agency's annual report for 2022/2023 financial year.

The Agency managed to overcome the most challenging hurdle it was experiencing in its business, when it prevailed in the fierce Constitutional Court battle it had against the Organisation Undoing Tax Abuse (OUTA), when, on 12 July 2023, the Constitutional Court ruled the AARTO Act to be constitutional, to the extent that the implementation of the Act does not constitute an encroachment of the legislative development autonomy of the

also goes to the Road Traffic Management Corporation (RTMC) for joining the Constitutional Court proceedings as an Intervening Party with substantial interest in the relief which was sought by OUTA on the matter. The RTMC was able to bring critical incidental issues which the Agency had not raised during the High Court proceedings and in some instances, it was able to buttress some issues which the Agency had not argued substantively during the High Court proceedings. This intervening decision by the RTMC enabled the Constitutional Court to deal with a much balanced argument from the Agency's side.

The abovementioned court judgement had been awaited by all interested parties since 22 November 2022, when this matter was argued before the Constitutional Court. The Agency could not implement any long term plans since the negative High Court ruling on 13 January 2022. Consequently, the Agency had to withhold all its AARTO Roll Out plans, inclusive of the recruitment of key personnel, which was required to assist it with the Roll Out programme. These were really the most frustrating moments for the Agency and the Board is grateful that the staff held on to their positions and were not tempted to look for greener pastures elsewhere in the marketplace during the daunting waiting period.

The Board was still besieged by the on-going consequence management processes, which initially commenced during October 2021 against the erstwhile CEO and the CFO. The Board finalised its disciplinary processes, which had culminated in the dismissal of the abovementioned employees. The latter however challenged such disciplinary outcomes as part of a Private Arbitration process as well as the CCMA respectively and the Board is hopeful that it will be able to finalise such matters

before the end of the 2023/2024 financial year. Other consequence management processes, including civil recoveries, will be pursued on conclusion of the various pending processes. Relevant criminal cases are being investigated by law enforcement.

High Level Review of Strategy and Performance

The Agency continued to experience reduced performance during this reporting period, when it achieved a paltry performance outcome of 50% for the financial year when compared to a performance of 57% during the preceding financial year. This is an indication of a lack of improvement in the business operations of the Agency, which was attributed largely to the lack of capacity of the Agency to implement its annual performance plan. Of serious concern to the Board was the failure of Management to achieve the performance target in the area of adjudication which is the core area of the Agency's mandate. The CEO however managed to recruit key staff in this adjudication area of business and the Board is already seeing improved results in this area and will continue to provide the necessary oversight and monitor the associated target.

Elsewhere in the governance of the business, the Board experienced challenges with the outcome of its external audit process, where the Agency received a qualified audit opinion on the AARTO liabilities - Unallocated receipts, AARTO liabilities - Road Traffic Infringement Agency, Prior period error - AARTO liabilities. Management has accepted the finding and will address the system-related challenges and will furthermore, continue to implement measures to resolve the challenges related to the unallocated receipts.

The finding on consequence management is accepted. To this effect, the Board has partially implemented consequence management for the officials who were

cited in the forensic report of 2021 for being responsible for irregular expenditure and processes are in place to ensure the finality of certain aspects connected to this matter. Furthermore, the matter is now being processed by external experts who have advised that the alternative dispute resolution (ADR) processes must be finalised, prior to instituting civil recoveries processes. The Board is and has been implementing expert legal advice in pursuing these matters effectively. In addition to the above, irregular expenditure transactions that occurred during 2021/2022, will be dealt with in accordance with the National Treasury Irregular Expenditure Framework.

The Board is of the view that there needs to be a concerted post-audit review meeting between the AGSA and Management, in order to have a clear understanding and meeting of minds in respect to the audit requirements, particularly as it relates to identification and processing of AARTO Assets and Liabilities as well as to ensure the effectiveness of the audit steering committee. The Board is also of the view that the Registrar supported by the rest of the Management team must effectively monitor the audit action plan to prevent repeat audit findings and quality assurance processes need to be further enhanced to ensure accurate management representation to the Board regarding the financial statements and compliance matters as is the case with regards to the performance information.

Strategic Relationships

The Agency managed to continue with its strategic relationships with the Road Traffic Management Corporation (RTMC), the Government Printing Works (GPW) as well as South African Postal Office (SAPO). These partners were involved in the various areas of the AARTO Master Implementation Plan (AMIP), which is the overarching plan geared at delivering a successful AARTO Roll Out which includes assessing the state of readiness of the various partners for AARTO Roll Out and



they also made regular appearances at the Board's Technical Committee to provide assurances on various areas of AMIP pertaining to their respective functions. The Agency continues to have serious concerns about the liquidity challenges which threatens the business continuity of SAPO, because its core business and that of Issuing Authorities is highly dependent on the functionality of SAPO in the main; to the extent that the collapse of SAPO will have catastrophic effects on the business operations of the Agency and the Issuing Authority. There is however a glimmer of hope as SAPO was moved from the provisional liquidation process to the less threatening business rescue process. The Agency is however hopeful that the business rescue practitioners who were appointed to SAPO, will devise an effective business turnaround strategy, which will see the latter going back to normal business operations.

The Agency continued to chair the meetings of the AARTO National Steering Committee (ANSC), which is comprised of Issuing Authorities around the country. The frequency of this committee meetings was however handicapped by the operational uncertainties which arose from the pending Constitutional Court judgment. This Committee performs a vital role in AARTO Roll Out readiness programme as it provides the Agency with useful insights into dynamics of law enforcement operations and also catalyses the levels of buy-in by a majority of Issuing Authorities on the AARTO programme. The relationships which were forged between the Agency and the NEDLAC Partners continued and the latter continued to support the Agency's business objectives as evidenced by its high levels of participation during the finalisation of the AARTO supporting Regulations.

Challenges faced by the Board

Most of the challenges which were faced by the Board were due to the uncertainty

of the continuity of business operations, owing to the much awaited Constitutional Court judgement. The related challenge of inability to fill vacant positions on permanent basis due to the pending court outcomes and owing to the High Court decision, meant that the Agency had to rely on contract workers, who were sourced from limited pools of talent provided by the recruitment Agencies, resulting in the Agency not being able to test the full extent of the talent which is available in the broader marketplace.

The Board experienced a number of meetings and such number of meetings were caused by the challenges that it had with the audit outcomes of 2021/2022 and which led to a formal dispute being lodged with the AGSA, which led to multiple engagements with the AGSA at various levels up to the office of the Deputy Auditor General's office. The Board further hopes that the stability at leadership level complemented by further resourcing of the Agency and continued enhancement of processes by ensuring an adequate and effective control environment will address a number of challenges at the Agency. This will also allow the Board and its committees to receive the necessary assurances when executing its oversight responsibilities.

The year ahead

For the year ahead, the Agency will focus on the implementation of the various AARTO Roll Out programmes, which are comprised of the following phases: Phase II which is planned to be rolled out in 69 Local and Metropolitan municipalities. Phase III, which is planned to be rolled out in the remaining 144 municipalities and Phase IV, which will see the introduction of the demerit points system and the rehabilitation programme.

In addition to the above programme, the Agency plans to participate in the



transgression model laws, which were initiated by the Tripartite Transport Transit Facilitation Programme (TTTFP), to integrate the law enforcement within SADC and COMESA. These model laws also seek to introduce the decriminalisation of traffic law enforcement in the region and the introduction of a common adjudication system which is similar to the AARTO programme, across all participating member states. The participation of the Agency in these processes will ensure that the Agency is able to introduce strategies of effecting the enforcement orders, demerit points and the rehabilitation to foreign drivers. Which is an aspect that presented equity challenges for the Agency in so far as the application of corresponding sanctions between local and foreign infringers.

Acknowledgments / Appreciation

The would like to express its heartfelt appreciation for the unwavering support and guidance that the Agency enjoyed under the leadership of the Honourable Minister, Ms Sindisiwe Chikunga, MP and the Honourable Deputy Minister, Mr Lisa Mangcu. I would like to extend further words of gratitude to the senior management at the Roads Branch of the Department of Transport, staff members of RTIA, members of SAPO, Government Printing Works (GPW), members of the Issuing Authorities for availing themselves to the sessions of the Technical Committee of the Board.



Ms Bongekile Zulu

RTIA Board Chairperson

Date: 31 October 2023

4. REGISTRAR'S OVERVIEW



Mr. Matsemela Moloi

Registrar

General Organisational Review

The 2022/23 financial year has presented a sense of stability for the Agency as we diligently address the operational challenges that have plagued the entity in the past. It is worth noting that these challenges have persisted as evidenced by the unchanged audit outcomes, which continue to be qualified due to lingering legacy issues. The qualified audit opinion was regrettably impacted by certain historical matters pertaining to AARTO Assets & Liabilities. The implementation of consequence management against the officials accountable for incurring irregular expenditure as mandated by

section 51 (1) (e) (iii) of the PFMA, has not reached its conclusion subsequent to the investigations. This is due to the ongoing appeal process at the Commission for Conciliation, Mediation and Arbitration (CCMA).

In the year under review, the RTIA received an adverse Pretoria High Court Judgment which declared the AARTO Act invalid and unconstitutional. This negatively affected the AARTO National Rollout Programme which had to be put on hold. The Department of Transport and the Agency appealed the judgment at the

Constitutional Court and a ruling is expected to be delivered in the new financial year 2023/24.

The ramifications of this judgment necessitated the temporary suspension of certain targets in the 2022/23 Annual Performance Plan. Consequently, the delay in the delivery of the appeal with the ConCourt resulted in the deferment of some of the 2022/23 APP targets to the new financial year. Furthermore, this delay has also affected the recruitment of critical skilled personnel required for the successful implementation of the AARTO National Rollout program, thus affecting the performance of the Agency negatively.

The year under review witnessed a decline in the collection of outstanding penalties, thereby exerting pressure on the operations of the Agency. I am pleased to report that the surplus for the period continues to remain favourable due to our diligent and judicious spending practices. The Agency's cash flow and going concern continue to exhibit favourable trends, positioning the Agency in a highly advantageous state to propel its mandate forward.

The Agency has successfully implemented cost-saving measures by reducing expenditure for certain APP targets aligned with strategic goals. These prudent actions have been taken in anticipation of the Constitutional Court judgment on the appeal. The Agency places a premium on our diverse range of stakeholders and is highly appreciative of the continued support and trust among our implementing partners, stakeholders, and transactional partners.

Governance and Compliance

The Board, in collaboration with the Department of Transport, has successfully ensured organisational stability by promptly filling crucial leadership positions that were left vacant due to the necessary implementation of consequence management emanating from the investigations conducted during the 2021 financial year. In

the year under review, the Agency has successfully appointed the highly capable Registrar/CEO and Senior Manager Supply Chain Management.

In the year under review, the Agency has diligently worked towards reviewing all organisational policies and standard operating procedures to enhance compliance. As a result, we have witnessed a notable decrease in reported instances of irregular expenditure, fruitless and wasteful expenditure. Furthermore, I am pleased to announce that the Board approved the organisational structure, and we await concurrence from the Shareholder whose valuable input and support are crucial to our continued success. The Agency has successfully allocated funds to fill crucial positions in Finance, Human Resources, Adjudications, and Back Office. These positions were filled through a combination of advertised posts and lateral transfers, ensuring that we maximise staff mobility and utilise personnel with requisite qualifications.

The Agency has established a Social Ethics Committee to proactively address non-compliance and effectively address the audit findings from the 2021/22 financial year. The Social Ethics Committee is the bulwark, diligently overseeing and rectifying any instances of unethical conduct across the entire organisation. Its primary objective is to ensure that all staff spanning various business units, are steadfastly aligned with the principles of ethics, good governance, and immaculate administration.

Organisational Performance 2022/23

The Agency achieved a performance of 50% overall in the financial year under review. Out of the twelve (12) performance targets set for the year, the Agency successfully achieved six (6) of them. However, it is imperative to emphasize that the Agency swiftly devise a robust reinforcement strategy, which has seamlessly integrated into the meticulously crafted 2023/24 Annual Performance Plan. This strategic implementation will undoubtedly enhance performance and drive the Agency towards greater success.

The Agency is pleased to announce the appointment of nine (9) additional Adjudication Officers in the Representations Unit, a cornerstone of the AARTO process. The collection of outstanding penalty fees continued to see a decline which negatively impacted the operating expenditure of the Agency. It must be noted that pervasive capacity challenges continue to hamper progress, conscious of the phased AARTO National Rollout Programme. Despite the challenges at hand, the Agency has successfully expanded its reach by establishing an impressive twenty-five (25) additional AARTO service outlets. This strategic move has significantly enhanced the interaction between the road users and the AARTO process.

AARTO National Rollout Programme

In the financial year under review, in light of the pending Pretoria High Court judgment appeal, the Agency was faced with uncertainty about its business continuity. However, we steadfastly maintain an optimistic outlook. It is of utmost importance that the Agency preserve, the AARTO roll-out and concerted efforts on maintaining the existing baseline. The Agency awaits the announcement of the Apex Court with bated breath.

Business operations continue to forge ahead, undeterred by any challenges. It is my pleasure to report that the Agency has provided updates on the status of the AARTO national rollout to the AARTO Oversight Committee led by the Department of Transport, as well as the Committee of Transport Officials (COTO), and Ministers and Members of Executive Councils Meeting (MINMEC). The staff of the Agency is consistently kept abreast of the latest developments on the AARTO Rollout Program through engaging and informative Town Hall sessions.



Audit Report Matters

The information encapsulated in this annual report is impeccably presented, ensuring utmost fairness in all material respects. It is crucial to note that this information is known to management and has been duly reported to oversight committees. The Agency has undertaken concerted efforts to address any control weaknesses that may have arisen.

The Audit and Risk Management Strategy of the RTIA has been duly approved by the Audit and Risk Committee and undergoes an annual review process. This strategic approach guides the RTIA's ongoing risk assessment, which is conducted by Internal Audit and the Audit and Risk Committee. All managers have had the privilege of participating in a highly enlightening risk management workshop, which has resulted in the implementation of a judicious framework for the use of funds while pursuing methods to reduce costs with economies of scale given the challenges posed by the pending ConCourt judgment.

While the audit outcome remains consistent with the previous year, it is important to highlight that the Agency primarily relies on a portion of the revenue generated from infringement penalties collected on behalf of issuing authorities, along with applicable service fees as well as modest National Treasury allocations. The Agency is fully dedicated to upholding good governance and maintaining a pristine administration. That is precisely why the Agency ensures that the administration and custodial functions of the AARTO, along with its bank accounts, undergo a comprehensive statutory audit. This audit is conducted to obtain reasonable assurance regarding the state of affairs of these crucial functions.

Acknowledgments and Appreciation

It must be acknowledged that the Agency's mandate requires engagement with all stakeholders in a highly litigious environment. Despite the numerous challenges

faced, the Agency has demonstrated exceptional performance and unwavering commitment to upholding its mandate. I would like to extend my utmost appreciation to the Executive Committee, the management team, and the dedicated staff for their unwavering diligence and commitment. I commend their dedication and steadfast commitment to achieving the Agency's strategic mandate amidst a landscape fraught with uncertainty.

My heartfelt appreciation goes to the Board for their invaluable strategic guidance and for fostering an empowering environment that propels the Agency to flourish and fulfill its mandate within the broader traffic management fraternity.

I would like to extend my utmost appreciation to the esteemed former Deputy Minister of Transport, Ms. Sindisiwe Chikunga, for her unwavering support, invaluable guidance, sterling, and exemplary leadership. I also would like to express my gratitude to the former Minister of Transport, Mr. Fikile Mbalula, for his dynamic leadership.



Mr. Matsemela Moloi

RTIA: Registrar

Date: 31 October 2023

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

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

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor-General.

The annual report is complete, accurate and free from any omissions.

The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The annual financial statements (Part E) have been prepared in accordance with Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

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

The accounting authority is responsible for establishing, and implementing a system of internal control designed to provide reasonable assurances as to the integrity and reliability of performance information, the human resources information and the annual financial statements.

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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 31 March 2023.

Yours faithfully



Ms Bongekile Zulu

RTIA Board Chairperson

Date: 31 October 2023

6. STRATEGIC OVERVIEW



Vision

“A safe road-user community”.



Mission

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



Values

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

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

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




Value	Description
<p>1</p>  <p>Accessibility</p>	<p>Being available to serve and be reached by all our stakeholders across the country in line with our purpose and mandate</p>
<p>2</p>  <p>Accountability</p>	<p>Being responsible and answerable for our actions and decisions</p>
<p>3</p>  <p>Transparency</p>	<p>Being open with stakeholders and communicating the basis upon which decisions are made and actions taken</p>
<p>4</p>  <p>Integrity</p>	<p>Being faithful, uncompromising and acting impartially, without fear or favour in our relationships with all stakeholders</p>
<p>5</p>  <p>Innovation</p>	<p>To embrace a disruptive and innovative approach in all that we do in order to deliver exceptional quality of service and deliver on our mandate within a rapidly changing external and internal environment</p>

7. LEGISLATIVE AND OTHER MANDATES

Constitutional Mandate

The RTIA is a Schedule 3A (PFMA) Public Entity and is subject to various legislations in its daily operations. It carries out its mandate having due regard to the fundamental rights as contained in the Constitution of the Republic of South Africa. Specifically, the RTIA has a direct impact on Sections 32, 33 and 34 of the Constitution, under the Bill of Rights section.

Table 1: RTIAs Constitutional Mandate

 Section 32	Access to Information <ol style="list-style-type: none">1. Everyone has the right of access to<ol style="list-style-type: none">a) Any information held by the state; andb) Any information that is held by another person and that is required for the exercise or protection of any rights.7. National legislation must be enacted to give effect to this right, and may provide for reasonable measures to alleviate the administrative and financial burden on the state
 Section 33	Just administrative Action <ol style="list-style-type: none">1. Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.2. Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons.3. National legislation must be enacted to give effect to these rights, and must<ol style="list-style-type: none">a) Provide for the review of administrative action by a court, or, where appropriate, an independent and impartial tribunal;b) Impose a duty on the state to give effect to the rights in subsections (1) and (2); andc) Promote an efficient administration.
 Section 34	Access to Courts <p>Everyone has the right to have any dispute that can be managed and adjudicated by the application of law decided in a fair public hearing before a court; or where appropriate, another independent and impartial tribunal or forum</p>

Legislative Mandate

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

Table 2: Legislative Mandate

Name of Act	Purpose
Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998)	<ul style="list-style-type: none"> To promote road traffic quality by providing a scheme to discourage road traffic contraventions; To facilitate the adjudication of road traffic infringements; To support the prosecution of offences in terms of the national and provincial laws relating to road traffic; To implement a points-demerit system; To provide for the establishment of an agency to administer the scheme; and To provide for the establishment of the board to represent the agency
Promotion of Administrative Justice Act, 2002 (Act No. 3 of 2002)	<ul style="list-style-type: none"> To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996; And to provide for matters incidental thereto
Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)	<ul style="list-style-type: none"> To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and To provide for matters connected therewith
National Road Traffic Act, 1996 (Act No. 93 of 1996)	<ul style="list-style-type: none"> To provide for road traffic matters which shall apply uniformly through the Republic and for matters connected therewith
Criminal Procedures Act, 1977 (Act No. 51 of 1977)	<ul style="list-style-type: none"> To make provision for procedures and related matters in criminal proceedings



Name of Act	Purpose
Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)	<ul style="list-style-type: none"> To provide for the strengthening of measures to prevent and combat corruption and corrupt activities; To provide for the offence of corruption and offences relating to corrupt activities; To provide for investigative measures in respect of corruption and related corrupt activities; To provide for the establishment and endorsement of a Register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts; To place a duty on certain persons holding a position of authority to report certain corrupt transactions; To provide for extraterritorial jurisdiction in respect of the offence of corruption and offences relating to corrupt activities; and To provide for matters connected therewith
Public Finance Management Act, 1999 (Act No. 1 of 1999) – PFMA	<ul style="list-style-type: none"> To regulate financial management in the national government and provincial government; To ensure that all revenue, expenditure, assets and liabilities of those governments are managed efficiently and effectively; To provide for the responsibilities of persons entrusted with the financial management in those governments; And to provide for matters connected therewith
Electronic Communications and Transactions Act, 2000 (Act No. 25 of 2000)	<ul style="list-style-type: none"> To provide for the facilitation and regulation of electronic communications and transactions; To provide for the development of a national e-strategy for the Republic; To promote universal access to electronic communications and transactions and the use of electronic transactions by SMMEs; To provide for human resource development in electronic transactions; to prevent abuse of information systems; To encourage the use of e-government services; and To provide for matters connected therewith
Protection of Personal Information Act, 2013 (Act No. 4 of 2013)	<ul style="list-style-type: none"> To promote the protection of personal information processed by public and private bodies; To introduce information protection principles so as to establish minimum requirements for the processing of personal information; To provide for the establishment of an Information Protection Regulator; To provide for the issuing of codes of conduct; to provide for the rights of persons regarding unsolicited electronic communications and automated decision-making; To regulate the flow of personal information across the borders of the Republic; and to provide for matters connected therewith
Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)	<ul style="list-style-type: none"> To give effect to section 217 (3) of the Constitution by providing a framework for the implementation of the procurement policy contemplated in section 217 (2) of the Constitution; And to provide for matters connected therewith
Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003)	<ul style="list-style-type: none"> To establish a legislative framework for the promotion of black economic empowerment; To empower the Minister to issue codes of good practice and to publish transformation charters; To establish the Black Economic Empowerment Advisory Council; and To provide for matters connected therewith



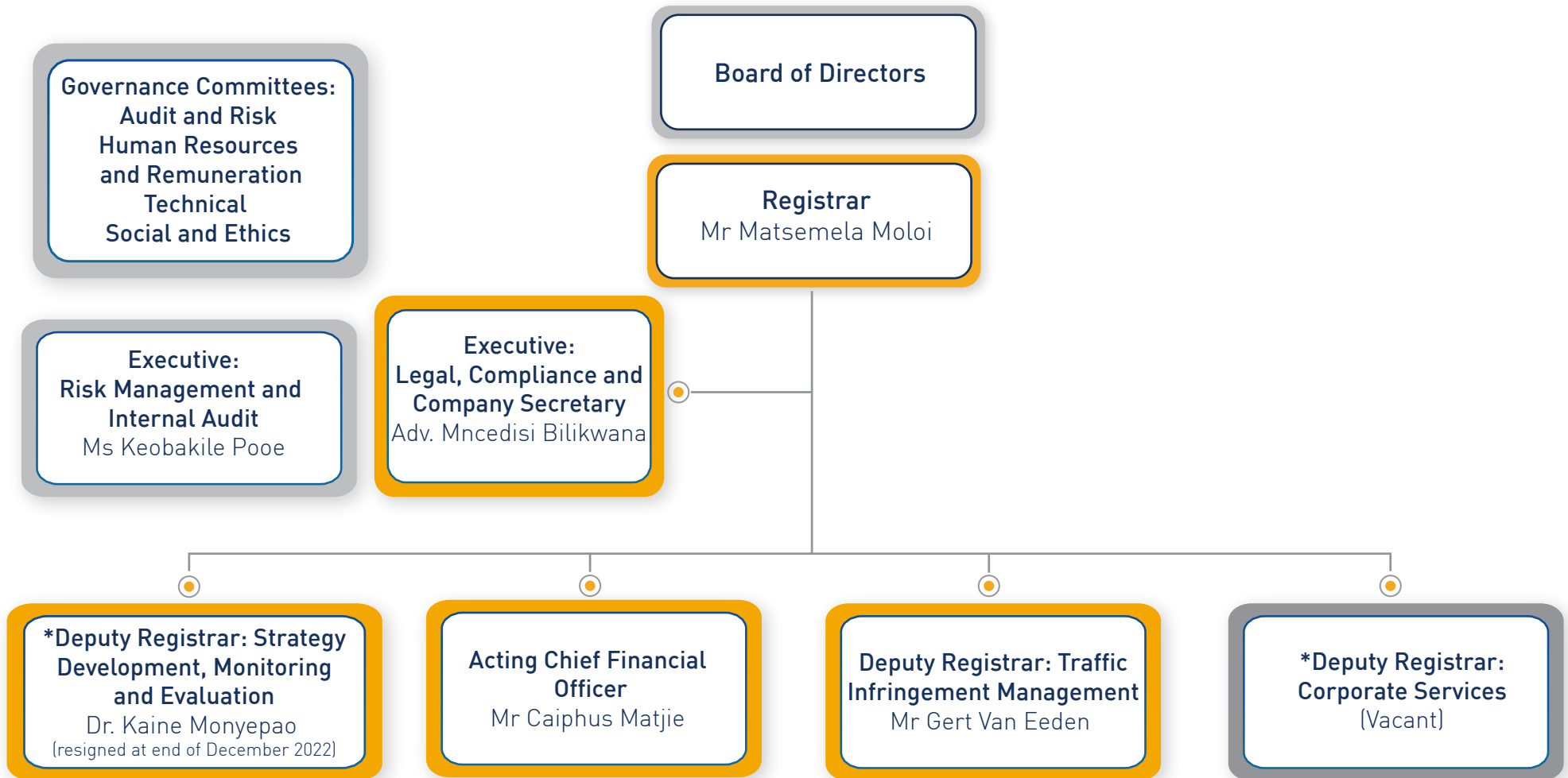
Policy Mandate

The Department of Transport develops policies to guide, among others, its public entities, road safety, and provincial and local government activities related to traffic management. The aforementioned is guided by other national policies including, but not limited to, the following:

Table 3: Policy Mandate

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

8. ORGANISATIONAL STRUCTURE





PART B: PERFORMANCE INFORMATION



1. PREDETERMINED OBJECTIVES

1. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
2. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
AARTO Administration and Education	31-32	The programme exists to facilitate and ensure systems and processes for responsive AARTO administration, education and awareness interventions.
Adjudication and AARTO Support	33	This programme exists to ensure adjudication and AARTO stakeholder management activities in line with the provisions of the AARTO Act.

Programme	Page numbers	Purpose
AARTO Information and Analytics	34	The existence of this programme is the institutionalization of information management in line with the provisions of the AARTO legislative framework. Key functions and outputs include but are not limited to research, digital technologies and data management.

3. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
4. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and applied consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators



and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

5. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.
6. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

7. I draw attention to the matters below.

Achievement of planned targets

8. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.

9. The public entity plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
AARTO Administration and Education Targets achieved: 100% Budget spent: 26%		
Adjudication and AARTO Support Targets achieved: 0% Budget spent: 37%		
% Representations adjudicated within 21 days from date of receipt	100%	38,82%

10. Reasons for the underachievement of targets are included in the annual performance report on pages 31 to 34

Material misstatements

I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of Programme 1: *AARTO Administration and Education* and Programme 2: *Adjudication and AARTO Support*. Management subsequently corrected all the misstatements and I did not include any material findings in this report.



2. OVERVIEW OF PERFORMANCE

2.1 Service Delivery Environment

The AARTO National Rollout plan was put on hold as a result of the impact of the North Gauteng High Court ruling which declared the AARTO Act invalid and unconstitutional. The Department of Transport appealed the judgement at the Constitutional Court during the 2022/23 Financial Year, and it anticipated that the Apex Court will make a pronouncement on this matter in the 2nd quarter of the 2023/24 Financial Year.

Since the AARTO Act was designed to augment the policy of government to save lives on the roads, the RTIA resolved, through consultation with the National Department of Transport, to continue to implement public awareness and education programmes through the establishment of AARTO service outlets in various provinces, and activations at various licensing departments, issuing authorities and on various social media platforms in order to encourage road users in South Africa to abide by road traffic laws at all times and to also deliver service to rural-urban areas. The impact of the court judgement halted all the targets which would have enabled the AARTO National Rollout and the proclamation of the AARTO Amendment Act.

The Agency had set to achieve 12 performance targets but only managed to achieve six (6) of them. A reinforcement strategy for the unattained targets has been developed and incorporated into the 2023/24 Annual Performance Plan for implementation. The RTIA, in collaboration with the National Department of Transport (DoT) NDoT, will continue to investigate possible scenarios for what course of action would ensue once a Constitutional Court judgement is pronounced. In anticipation of the best-case scenario, it is envisaged that the National Rollout would be finalised within 12

months of the Constitutional Court's judgement.

For the year under review, the RTIA has improved its virtual interface with its stakeholders through the implementation of social media and traditional outreach interventions.

2.2 Organisational environment

The implementation of the approved APP and the audit action plan from the previous years' audit findings were prioritised, and some key findings were addressed while others were eliminated as per the plan. During the year under review, the Registrar has implemented the Board's programme to ensure clean administration and good governance. The Registrar continues to implement the recommendations of the 2019/20 annual report outcomes on maladministration practices in the Agency to ensure clean administration and governance. This action is evident in the appointment and training of 12 Social & Ethics Champions, the reduction of corruption cases, and the absence of irregular expenditure.

With concurrence of the Board and the Shareholder, the process of filling the critical positions was finalised and led to the appointment of the Registrar and the Senior Manager: Supply Chain Management. The revised organisational structure was approved by the Board and recommended to the Department of Transport for approval, thus the Agency is still awaiting the outcome.

2.3 Key policy developments and legislative changes

The AARTO Amendment Act was assented into law by the President of the RSA in October 2019. The precursor for the proclamation of the Amendment Act required the development and publication of the succeeding AARTO Regulations which was finalised in 2021. The publication of the AARTO Regulations and the AARTO Amendment Act became affected by the North Gauteng High Court judgement which declared the AARTO Act unconstitutional and invalid. The Agency is anticipating the Constitutional Court to finalise the AARTO Act matter in the second quarter of the 2023/24 Financial Year. Should the outcome of the Constitutional Court be in favour of the RTIA, the Agency has over the years prepared and put all systems in place to ensure a seamless AARTO National Rollout.

2.4 Progress towards Achievement of Institutional Impacts and Outcomes

During the year under review, the Agency made changes to the 2022/23 Annual Performance Plan to allow for the Constitutional Court to make a ruling on the validity of the AARTO Act without interfering with the Constitutional Court's ruling, as well as to avoid confusing the public on matters before the court. The amendments to the APP had a direct impact on the implementation timeframes of some of the set targets as reflected in the approved COVID-19 Adjusted Strategic Plan.



Measuring the Impact

Impact Statement		Progress Statement
Building safer road communities	Enhance road-user behaviour, and sustained enforcement of road traffic laws & standards through procedurally fair, reasonable, and lawful administrative processes	<ul style="list-style-type: none"> Enhanced AARTO Public Awareness and Legislative Education. Deployed social media platforms such as Twitter, Facebook and Instagram and increase access of services to our stakeholders and customers. The use of community Radio Stations and Local newspaper publication centres to advance AARTO and Road Safety Education.
Enhance Socio-Economic infrastructure	Build relevant capacity as the road traffic infringement regulator, adjudicator & integrator to stimulate economic growth and support social-economic development goals	<ul style="list-style-type: none"> Establishment of AARTO Service Outlets Increased AARTO Service Footprints
Partner for Economy and Employment	Generate a virtuous cycle of rising confidence, rising investment, higher employment, and rising productivity and income through effective partnerships across society	<ul style="list-style-type: none"> Partnership with Youth Groups, University of Limpopo, Reakgona Disability Centre and Taxi Associations Appointment of youth, women and people with disability AARTO Ambassadors and AARTO Service Outlet Operators appointed and deployed to service customers across provinces

Measuring Outcomes

Outcome	Outcome Statement	Outcome Indicator	Progress Statement
Improve RTIA Accessibility & Voluntary Compliance	Improve RTIA accessibility & administrative efficiencies to enable voluntary compliance with road traffic laws.	RTIA Footprint & Reach – Service Outlets, Regional Offices and Digital Channels	The RTIA has approved a AMIP Rollout plan which has a phased approach towards implementing AARTO in the 213 municipal jurisdiction areas, though the national footprint was achieved through a presence in all 9 provinces.
Cultivate Good Road User Behavior	Cultivate an informed and compliant road user to reduce road infringements, crashes and fatalities	Transport Safety and security index/ Impact of AARTO Public Awareness and Legislative Education	During the year under review, the RTIA has deployed 190 AARTO Education and Awareness campaigns whereas 155 AARTO Education and Awareness Mainstream Media Campaigns were deployed
Efficient & Fair Adjudication Process	Improve RTIA adjudication efficiencies to ensure compliance with enforcement orders	Adjudication turnaround time & success rate—reduction in court hearings	The provision of extended services to road users continues to take place through the AARTO Service Outlets and visits to the rural communities, taxi ranks and shopping centres as well as participating in roadblocks set up by the traffic authorities or law enforcement officers.
Integrated points demerit ecosystem	Enable integrated & efficient points to demerit ecosystem to improve the quality of road infringement information, analytics & knowledge	Reduction of infringements/ contraventions through world-class points demerit system	Efforts to advance the long-awaited points demerit system have been temporarily derailed by the North Gauteng High Court Judgement on the AARTO Act.
Reliable Road User Research & Analytics	Development of ICT Strategy. Produce Research Reports on AARTO	Provision of AARTO research & analytics	Advanced plans to activate the two Research Reports on AARTO ICT Strategy was developed and undergoing stages of approval



3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The RTIA annual performance information report is premised on the approved annual performance plan for the 2022/23 Financial Year. The APP ensured the exclusion of targets which have given rise to interference with the court process with regard to the AARTO Act. The Agency began to implement the approved annual performance plan, with a focus on increasing AARTO Public Awareness and Education campaigns in order to mobilise for change of behaviour within the road

user community.

The RTIA has conducted sufficient AARTO Readiness programmes in the nine provinces and plans to review the provinces and districts to check for any urgent needs which may require intervention before the AARTO National Rollout may resume soon after the judgement would have been announced.

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

Summary of Strategic Objective Achievements			
Programme	Sub-Programmes	Main programme targets	
1	1.1	100 AARTO Education and Awareness Social Media Campaigns deployed	Achieved
	1.2	24 AARTO Education and Awareness Mainstream Media Campaigns	Achieved
2	2.1	100% of representations adjudicated within 21 days of the date of receipt	Not Achieved
3	3.1	50% of ICT Strategy Initiatives identified for year 1 implemented	Not Achieved
	3.2	4 Research Papers produced	Not Achieved
4	4.1	100% implementation of an audit action plan based on the 2021/22 AGSA report Clean Audit	Not Achieved
	4.2	100% responses to parliamentary questions	Achieved
	4.3	95% Resolution of reported incidents of Corruption within 180 days	Achieved
	4.4	12 Social & Ethics Champions appointed and trained	Achieved
	4.5	Zero instances Wasteful and Fruitless Expenditure incurred for the reporting period	Not Achieved
	4.6	Zero instances of irregular expenditure identified for the reporting period	Achieved
	4.7	30 Days payment turnaround time	Not Achieved

Table 4: Summary of Strategic Objectives Achievements



3.1 Tabled APP

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

PROGRAMME 1: AARTO Administration & Education									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Actual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to the actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Output/ Output Indicators/ Annual Targets
Cultivate good road user behavior through educational programs	AARTO Education and Awareness Campaigns	No of AARTO Education and Awareness Social Media Campaigns Deployed	N/A	263 AARTO Education and Awareness Social Media Campaigns deployed	100 AARTO Education and Awareness Social Media Campaigns deployed	114 AARTO Education and Awareness Social Media Campaigns deployed	14 additional AARTO Education and Awareness Social Media Campaigns deployed	The annual performance experienced an increase due to partnerships for provincial activations at DLTCs and busy transport hubs.	N/A



Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Actual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to the actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Output/ Output Indicators/ Annual Targets
Cultivate good road user behavior through educational programs	AARTO Education and Awareness Campaigns	No of AARTO Education and Awareness Mainstream Media Campaigns deployed	39 AARTO Public Awareness campaigns deployed	224 AARTO Education and Awareness Traditional Media Campaigns deployed	24 AARTO Education and Awareness Mainstream Media Campaigns	145 AARTO Education and Awareness Mainstream Media Campaigns deployed	121 additional AARTO Education and Awareness Mainstream Media Campaigns deployed	The annual performance increased due to partnerships with provincial activations, including placing AARTO Ambassadors in AARTO Service Outlets, OTM and Festive Season campaigns.	N/A

PROGRAMME 2: ADJUDICATION AND AARTO SUPPORT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Actual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to the actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Output/ Output Indicators/ Annual Targets
Efficient and Fair Adjudication Processes	Improved & Efficient AARTO system & Processes	% of representations adjudicated within 21 days of the date of receipt	N/A	N/A	100% of representations adjudicated within 21 days of the date of receipt	38.82% of representations adjudicated within 21 days of the date of receipt	61,18% of representations adjudicated outside 21 days of the date of receipt	Lack of capacity Incorrect capture by IAs and Back Office	<p>Eight Representation Officers were appointed on a contract basis and started adjudication in the second week of January 2023</p> <p>Notices which are not in compliance with the legislation must not be captured on the system, which will eliminate the pending matters drastically, e.g., matters over 40 days</p>



PROGRAMME 3: AARTO INFORMATION AND ANALYTICS									
Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Actual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to the actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Output/ Output Indicators/ Annual Targets
RTIA IT Business Enablement	ICT Strategy Implemented	% of ICT Strategy initiatives Implemented	N/A	ICT Strategy developed	50% of ICT Strategy Initiatives identified for year 1 implemented	50% of ICT Strategy Initiatives identified for year 1 were not implemented	ICT Strategy Initiatives not approved	ICT Strategy not approved	Corrections being effected to the ICT Strategy
Reliable Road User Research & Analytics	Research study papers produced	Number of Research study papers produced	N/A	Annual State of AARTO Operations Report developed	4 Research Papers produced	Four (4) Research Papers were not produced	Progress report not produced.	The business case to request approval to utilise the AARTO surplus allocation was declined	The projects will be budgeted for under the operational budget in the next financial year



PROGRAMME 4: GOVERNANCE AND SUSTAINABILITY

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Planned Actual Target 2022/23	Actual Achievement 2022/23	Deviation from planned target to the actual Achievement 2022/23	Reasons for deviations	Reasons for revisions to the Output/ Output Indicators/ Annual Targets
Clean governance	Unqualified Audit Opinion	% implementation of Audit Action Plan	N/A	% decrease in number of negative audit findings not achieved, however, audit outcome improved from disclaimer to a qualification	100% implementation of an audit action plan based on the 2021/22 AGSA report Clean Audit	84% implementation of an audit action plan based on the 2021/22 AGSA report No Clean Audit	16%	KPIs that were not met were 5 in total for the year	Approvals pending or work that is still in progress
Improved governance and strengthened control environment	Adequate & timeous of responses to Parliamentary Questions	% Responses to Parliamentary questions within the stipulated timeframes	N/A	100% of responses to parliamentary questions were done within the stipulated timelines	100% responses to parliamentary questions	100% of responses to parliamentary questions were done within the stipulated timelines	None	N/A	N/A



Improved governance and strengthened control environment	Resolution of reported incidents of corruption	% resolution of reported incidents of corruption	N/A	95% Resolution of reported incidents of Corruption/ Disciplinary processes underway for the pending cases	95% Resolution of reported incidents of Corruption within 180 days	95% Resolution of reported incidents of Corruption within 180 days Internal Audit completed its investigations of two cases of alleged corruption.	None	N/A	N/A
	Functional Social and Ethics structures	Number of Social and Ethics Champions appointed and trained	N/A	Operations of Social and Ethics Committee monitored	12 Social & Ethics Champions appointed and trained	12 Social & Ethics Champions appointed and trained	None	N/A	N/A
Improved governance and strengthened control environment	Zero wasteful and fruitless expenditure identified	Zero instances of wasteful & fruitless expenditure identified	N/A	100% reduction of Fruitless and Wasteful Expenditure	Zero instances of Wasteful and Fruitless Expenditure incurred for the reporting period	One instance of Wasteful and Fruitless Expenditure incurred for the reporting period	One instance of Wasteful and Fruitless Expenditure incurred for the reporting period	Penalty from Dept. of Labour	Enhanced adherence to Finance policies and controls in the Agency
Improved governance and strengthened control environment	Zero irregular expenditure identified	Zero instances of irregular expenditure identified	N/A	95% of cases of Irregular Expenditure reduced	Zero instances of irregular expenditure identified for the reporting period	Zero irregular expenditure incurred	None	N/A	N/A



Compliance to 30-day payment requirement	Suppliers paid within 30 days	Payment & Supplier Turnaround Time compliance	N/A	100% of valid invoices paid within 30 days	30 Days payment turnaround time	30 Days payment turnaround time not achieved	30 Days payment turnaround time not achieved	Non-adherence to 30 days turnaround time	Non-compliance to 30 days turnaround time
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3.1.1 Programme 1: AARTO Administration Support

- Purpose of the programme:**

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

- Sub-programmes:**

3.1.1.1 Number of AARTO Education and Awareness Social Media Campaigns Deployed

3.1.1.2 Number of AARTO Education and Awareness Mainstream Media Campaigns Deployed

- Purpose and description of the sub programmes**

Number of AARTO Education and Awareness Social Media Campaigns Deployed

The performance output indicator relates to the deployment of 100 Education and Awareness Campaigns/ themes per quarter on social media platforms. A campaign is defined by the number of social media engagements/posts/ activities designed to communicate one message. Depending on the level of importance, a campaign can be repeated in a different quarter. A campaign should have a minimum of eight (8) posts. Education programs such as PDS, rehabilitation Programmes, and Elective options and road safety were packaged and communicated on multiple social media platforms. The increased benefit of this intervention is the maximum coverage of the youth and middle class who are active participants in the road traffic and transport

economy. The Agency planned to implement 100 AARTO Education and Awareness Social Media Campaigns and managed to deploy 114 AARTO campaigns. The total number of campaigns deployed exceeded the set target by 14 campaigns.



Number of AARTO Education and Awareness Mainstream Media Campaigns Deployed

The mainstream media campaign is any activity that interacts with the public by means of outreach programs, traditional media and community-based organisations as well as Interfaith special programmes. Twenty-four (24) AARTO Education and Awareness Mainstream media and public/community campaigns were conducted through either face-to-face, online, print media platforms, radio, Tv stations (commercial/ national/ community), or electronic or static billboards to heighten AARTO awareness. Depending on the level of importance, a campaign can be repeated in a different quarter. A campaign should have a minimum of six (6) activities. During the year under review, the RTIA has deployed 143 campaigns against a set target of 24 Mainstream AARTO Public awareness and education campaigns. The total number of campaigns deployed exceeded the set target by 119 campaigns.

Strategy to overcome areas of under performance

The RTIA has implemented procedures to maintain engagements with the road-user community through AARTO Education and related awareness campaigns, as well as through diversified social media mainstream campaigns. During the year under review, the RTIA participated in a number of Road Safety initiatives hosted by the Minister of Transport to ensure sustained public awareness about AARTO programmes. The programme of supporting the established AARTO Service Outlets provides leverage for the Agency to partner with provinces and District Municipalities towards changing behaviour of road users.

Changes to planned targets

None

Linking performance with budgets

Programme 1	2022/23			2021/22			
	Expenditure	Budget	Actual	(Over)/Under Expenditure	Budget	Actual	(Over)/Under Expenditure
Items		Expenditure			Expenditure		
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	10 935	7 816	3 119	8 375	8 285	90	
Operating expenses	45 514	15 607	29 907	42 400	15 941	26 459	
Total	56 449	14 643	33 026	50 775	24 226	26 549	

3.1.2 Programme 2: Adjudication & AARTO Support

- Purpose of the programme:**

This programme exists to ensure adjudication and AARTO stakeholder management activities in line with the provisions of the AARTO Act.

- Sub-programmes:**

3.1.2.1 100% of representations adjudicated within 21 days of the date of receipt

- Purpose of the sub programme**

The output indicator measures the percentage of representations adjudicated that fall within the window period from the received date. The method of calculation is described as 100% of representations received between 1 April 2022 to 31 March 2023 which should be finalised within 21 days from the date of receipt, regardless as to whether representations are successful or not. 21

Days calculated per calendar day. This formula applies despite the reporting period. Monthly, quarterly and Annual reports will outline,

- Received in the reporting period
- Carried forward from the previous period
- Finalised in the reporting period; and
- Remaining pending in the reporting period

Strategy to overcome areas of under performance

The Agency has acquired additional capacity to augment the performance output from the Adjudications and Enforcement unit. Although these appointments were finalised in the final quarter, there has been tremendous improvement in performance during the fourth quarter.

Changes to planned targets

None

Linking performance with budgets

Programme 2 Expenditure Items	2022/23			2021/22		
	Budget	Actual	(Over)/ Under Expenditure	Budget	Actual	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	66 917	30 669	36 248	63 130	22 298	40 832
Operating expenses	79 500	23 752	55 748	79 944	82 283	-2 339
Total	146 417	54 421	91 996	143 074	104 581	38 493



3.1.3 Programme 3: AARTO Information & Analytics

- Purpose of the programme:**

This programme serves to institutionalise the management of information in line with the provisions of the AARTO legislative framework. Research, digital technologies and data management are some examples of key functions and outputs.

- Sub-programmes:**

3.1.3.1 50% Implementation of ICT Strategy initiatives identified for year 1

3.1.3.2 4 (Four) Research Study Papers produced

- Purpose and description of the sub programmes**

50% Implementation of ICT Strategy initiatives identified for year 1

The purpose for this target was for the implementation of 50% of initiatives identified in the approved ICT Strategy for the 1st year. However, the ICT Strategy was not approved due to some inadequate content that was deemed critical for the successful implementation of the strategy. As a result, the target was not achieved.

4 (Four) Research papers produced

Linking performance with budgets

Programme 3 Expenditure Items	2022/23			2021/22		
	Budget	Actual	(Over)/Under Expenditure	Budget	Actual	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	8 542	4 107	4 435	8 176	5 504	2 672
Operating Expenses			0			
Total	8 542	4 107	4 435	8 176	5 504	2 672

The purpose of this target was to produce the four approved Research Study Papers on the following key issues which impact the implementation of the AARTO Act:

- AARTO Pilot Report: 2010/2021
- AARTO Socio-Economic Impact Assessment
- PDS & Rehabilitation; and
- Actuarial Study on AARTO Fees, levies & RTIA funding Model

Strategy to overcome areas of under performance

The ICT Strategy was referred back to the Service Provider for review and alignment to the approved specification. The process review of the strategy is on-going and anticipated to be concluded in the first quarter of the 2023/24 Financial Year. The four Research Papers could not be produced as planned owing to the unavailability of funding for the project. The funds allocated to this project were secured and reallocated to the AARTO National Rollout which could not be implemented as a result of the on-going Constitutional Court case regarding the validity and constitutionality of the AARTO Act.

Changes to planned targets

N/A



3.1.4 Programme 4: Governance & Sustainability

- **Purpose of the programme:**

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

- **Sub-programmes:**

- 100% implementation of an audit action plan based on the 2021/22 AGSA report
- 100% responses to parliamentary questions within stipulated timelines
- 95% resolution of reported incidents of corruption within 180 days
- 12 Social & Ethics Champions Appointed and Trained
- Zero instances of Wasteful and Fruitless Expenditure incurred
- Zero instances of irregular expenditure incurred
- 100% compliance to 30-day Payment turnaround time requirement

- **Purpose of the sub-programmes:**

- 100% implementation of an audit action plan based on the 2021/22 AGSA report
 - The RTIA to adhere and monitor the audit action plan and achieve clean audit opinion.
- 100% responses to parliamentary questions within stipulated timelines.
 - The ability of the RTIA to formally respond to official parliamentary questions within the time period stipulated in each question

- 95% resolution of reported incidents of corruption within 180 days
 - The Agency is required to report on a Bi-annual basis on the status of each case of corruption reported in line with the RTIA Fraud prevention policy and fraud prevention plan.
- 12 Social & Ethics Champions Appointed and Trained
 - The RTIA to appoint and train the Social & Ethics Champions. The Social & Ethics Champions were appointed and trained accordingly.
- Zero instances of Wasteful and Fruitless Expenditure incurred
 - Entity to put internal control measures in place to maintain 0% wasteful and Fruitless expenditure.
- Zero instances of irregular expenditure incurred
 - The RTIA to enhance application of internal control measures in order to reduce irregular expenditure by 100% during the year under review.
- 100% compliance to 30-day Payment turnaround time requirement
 - The RTIA to comply with PFMA requirement to ensure Service Providers are paid within 30 days from date of receipt of invoice.

- **Strategy to overcome areas of under performance**

The RTIA has put systems in place to enforce consistent application of policies and guidelines across all functional business units.

Changes to planned targets

N/A



Linking performance with budgets

Programme 4	2022/23			2021/22		
	Budget	Actual	(Over)/Under Expenditure	Budget	Actual	(Over)/Under Expenditure
Expenditure						
Items		Expenditure			Expenditure	
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	119 370	65 223	47 209	81 843	57 262	24 581
Operating expenses	156 244	49 192	3 579	37 070	33 166	3 904
Total	275 614	114 415	50 788	118 913	90 428	28 485

4. Statistical Analysis of Road Traffic Infringements

Subsection	Topic
a.	Number of Infringement Notices Captured
b.	Number of Notices Captured per Issuing Authority
c.	Elective options exercised by Infringers
d.	Adjudication of Representations
e.	Courtesy Letters Issued
f.	Enforcement Orders Issued
d.	Applications for the Revocation of Enforcement Orders

For the 2022/23 Financial Year under review, the statistics listed in this section were derived from the National Contraventions Register (NCR) and are based on the records captured and uploaded thereto by the four Issuing Authorities (IA's) in the AARTO jurisdictional area, which includes Johannesburg Metropolitan Police Department (JMPD); Tshwane Metropolitan Police Department (TMPD); the Gauteng Department of Community Safety (GDoCS) and the Road Traffic Management Corporation (RTMC)

a. Number of Infringement Notices Captured

The table below shows the number of notices captured by all the issuing authorities per month on the NCR during the 2022/23 Financial Year per AARTO type.

Month	Number of Notices Captured per Type:					All IA's
	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2022	58 943	150	0	33 681	0	92 774
May 2022	58 191	157	0	30 830	0	89 178
Jun 2022	54 158	97	0	17 494	0	71 749
Jul 2022	61 393	168	0	17 761	0	79 322
Aug 2022	72 530	128	0	23 604	0	96 262
Sep 2022	71 048	99	0	17 243	0	88 390
Oct 2022	74 513	160	4 895	26 815	0	106 383
Nov 2022	68 289	115	3 093	30 401	0	101 898
Dec 2022	48 544	178	0	15 124	0	63 846
Jan 2023	60 947	113	144 645	17 073	0	222 778
Feb 2023	63 980	175	259 934	26 498	0	350 587
Mar 2023	80 698	109	288 952	33 836	0	403 595
Year Total	773 234	1 649	701 519	290 360	0	1 766 762

The table above shows a total of 1 766 762 captured AARTO notices by all the issuing authorities in this 2022/23 Financial Year. The table also shows:

- **AARTO 01** - Handwritten infringement notices issued at the road side and a total of 773 234 notices were captured by all the issuing authorities;
- **AARTO 02** - Weighbridge electronic infringement notices at Donkerhoek N4 Weighbridge. There was a total of 1 649 electronic notices captured by Gauteng Department of Community Safety (GDOCS);

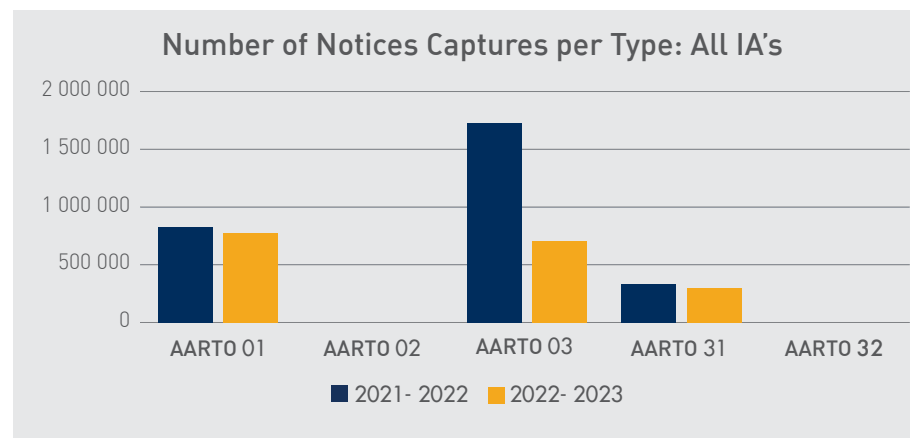
- **AARTO 03** - Camera captured infringement notices. There was a total of 701 519 infringement notices captured;
- **AARTO 31** – Unattended vehicle notices. The total number of captured AARTO 31's is 290 360 by Johannesburg Metropolitan Police Department (JMPD) and Tshwane Metropolitan Police Department (TMPD) respectively; and
- **AARTO 32** – Offences captured at the roadside. There were no AARTO 32's notices captured in the 2022/23 Financial Year.

The table below shows the changes in number of notices captured by all the IAs in the 2021/22 and 2022/23 Financial Years.

Change in Number of Notices Captured per Type						All IAs
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2021/22	817 664	1 610	1 727 929	331 027	0	2 878 230
2022/23	773 234	1 649	701 519	290 360	0	1 766 762
Change	-44 430	39	-1 026 410	-40 667	0	-1 111 468
% change	-5,43%	2,42%	-59,40%	-12,29%	-	-38,62%

The table above shows a huge decrease in number of notices captured with a difference of 1 111 468 from 2 878 230 in the 2021/22 Financial Year to 1 766 762 in the 2022/23 Financial Year, which is 38.62% of the total captured. There has been a decrease of 44 430, 1 026 410 and 40 667 in the capturing of AARTO 01's, AARTO 03's and AARTO 31's respectively in the 2022/23 Financial Year. The AARTO 03's have the biggest decline of 59.40%, followed by AARTO 31's with 12.29% and AARTO 01's with 5.43%. The AARTO 02's have increased with 39 infringement notices, which is 2.42%.

The bar chart below shows the notices captured per AARTO type:



The table below shows the total number of notices captured by the Issuing Authorities per month.

Number of Notices Captured per Issuing Authority					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2022	16 023	46 216	27 225	3 310	92 774
May 2022	1 199	50 296	32 572	5 111	89 178
Jun 2022	1 094	34 662	30 343	5 650	71 749
Jul 2022	2 925	38 493	32 198	5 706	79 322
Aug 2022	5 120	45 468	36 189	9 485	96 262
Sep 2022	4 296	33 394	36 262	14 438	88 390
Oct 2022	5 782	50 774	33 836	15 991	106 383
Nov 2022	7 401	54 638	33 664	6 195	101 898
Dec 2022	4 511	28 768	25 207	5 360	63 846
Jan 2023	152 239	34 866	29 295	6 378	222 778
Feb 2023	261 416	49 896	28 433	10 842	350 587
Mar 2023	296 014	62 410	34 195	10 976	403 595
Year Total	758 020	529 881	379 419	99 442	1 766 762

The table above shows that JMPD has captured more AARTO notices with a total of 758 020, which is 43% of the total, followed by TMPD with 529 881, which is 30% of the total, and then GDoCS and RTMC with 379 419, which is 21% and 99 442, which is 6% respectively.

b. Number of Notices captured per Issuing Authority

The change in the number of notices captured per Issuing Authority from between the 2021/22 and 2022/23 Financial Years is shown in the table below.

Change in Number of Notices Captured per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2021/22	1 923 724	506 176	386 756	61 574	2 878 230
2022/23	758 020	529 881	379 419	99 442	1 766 762
Change	-1 165 704	23 705	-7 337	37 868	-1 111 468
% change	-60,60%	4,68%	-1,90%	61,50%	-38,62%

The information in the table above shows that the total number of notices captured by the four IAs in the 2022/23 Financial Year have declined by 1 111 468 from 2 878 230 in the 2021/22 Financial Year to 1 766 762 in the 2022/23 Financial Year, which is a 38.62% change. The number of notices captured by JMPD have drastically decreased by 1 165 704 from 1 923 724 in the 2021/22 Financial Year to 758 020 in the 2022/23 Financial Year, which is a 60% change.

TMPD and RTMC shows an increase in the number of notices captured in the 2022/23 Financial Year with 23 705, which is a 4.68% change and 37 868 which is 61.50% respectively. GDoCS have recorded a decrease of 7 337 which is 1.90%.

Johannesburg Metropolitan Police Department (JMPD)

The information is reflected in the table below.

Number of Notices Captured per Type :						JMPD
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2022	10 337	0	0	5 686	0	16 023
May 2022	136	0	0	1 063	0	1 199
Jun 2022	961	0	0	133	0	1 094
Jul 2022	2 922	0	0	3	0	2 925
Aug 2022	4 655	0	0	465	0	5 120
Sep 2022	4 291	0	0	5	0	4 296
Oct 2022	5 290	0	0	492	0	5 782
Nov 2022	6 387	0	0	1 014	0	7 401
Dec 2022	4 086	0	0	425	0	4 511
Jan 2023	6 275	0	144 486	1 478	0	152 239
Feb 2023	7 945	0	250 973	2 498	0	261 416
Mar 2023	12 959	0	278 837	4 218	0	296 014
Year Total	66 244	0	674 296	17 480	0	758 020

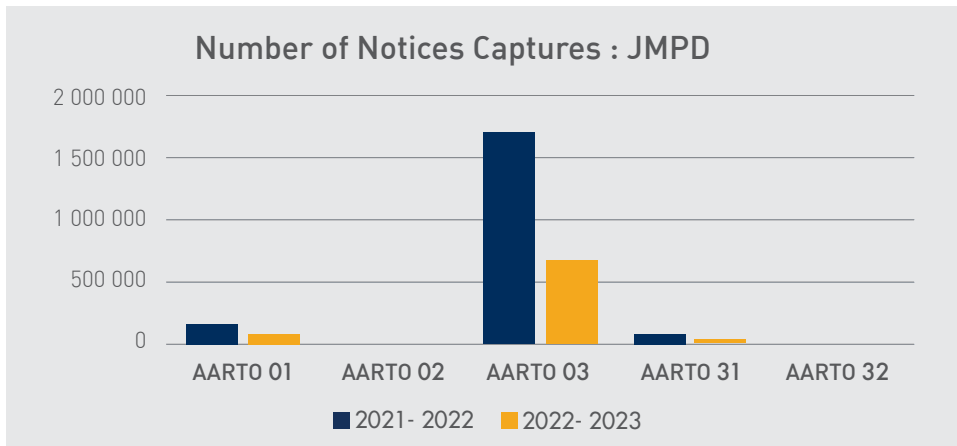
In this year under review, JMPD have captured a total of 758 020 notices. The highest number of notices captured by JMPD was AARTO 03's (camera infringements) with a total of 674 296, and they were only captured in the last three months of the financial year, followed by AARTO 01's with 66 244 and AARTO 31's with 17 480.

The changes in number of notices captured by the JMPD from the 2021/22 Financial Year to the 2022/23 Financial Year are shown in the table below.

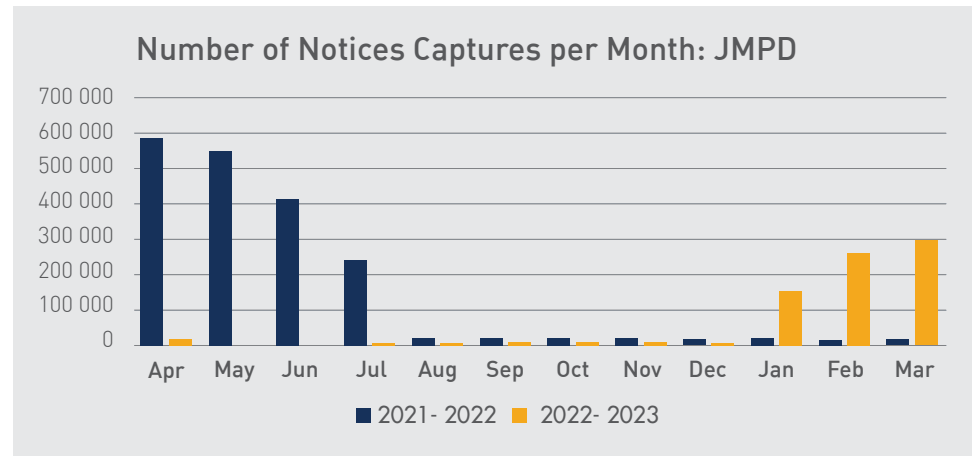
Change in Number of Notices Captured per Type :						JMPD
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2021/22	143 870	0	1 704 010	75 844	0	1 923 724
2022/23	66 244	0	674 296	17 480	0	758 020
Change	-77 626	0	-1 029 714	-58 364	0	-1 165 704
% change	-53,96%	-	-60,43%	-76,95%	-	-60,60%

The above table shows a huge decrease in capturing of notices by JMPD in the 2022/23 Financial Year compared to the 2021/22 Financial Year. All the notices captured per type have decreased, and AARTO 31's decreased by 76.95% followed by AARTO 03's with 60.43% and AARTO 01's with 53.96%. This is a big change of 1 165 704, which is 60.60%, dropping from 1 923 724 in the 2021/22 Financial Year to 758 020 in the 2022/23 Financial Year.

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



The graph below shows the month-to-month comparison of notices captured between the 2021/22 and 2022/23 Financial Years.



Tshwane Metropolitan Police Department (TMPD)

The table below shows the number of notices per type captured by TMPD on the NCR during the 2022/23 Financial Year.

Number of Notices Captured per Type:						TMPD
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2022	18 221	0	0	27 995	0	46 216
May 2022	20 529	0	0	29 767	0	50 296
Jun 2022	17 301	0	0	17 361	0	34 662
Jul 2022	20 738	0	0	17 755	0	38 493
Aug 2022	22 329	0	0	23 139	0	45 468
Sep 2022	16 156	0	0	17 238	0	33 394
Oct 2022	19 556	0	4 895	26 323	0	50 774
Nov 2022	22 158	0	3 093	29 387	0	54 638
Dec 2022	14 069	0	0	14 699	0	28 768
Jan 2023	19 112	0	159	15 595	0	34 866
Feb 2023	16 935	0	8 961	24 000	0	49 896
Mar 2023	22 677	0	10 115	29 618	0	62 410
Year Total	229 781	0	27 223	272 877	0	529 881



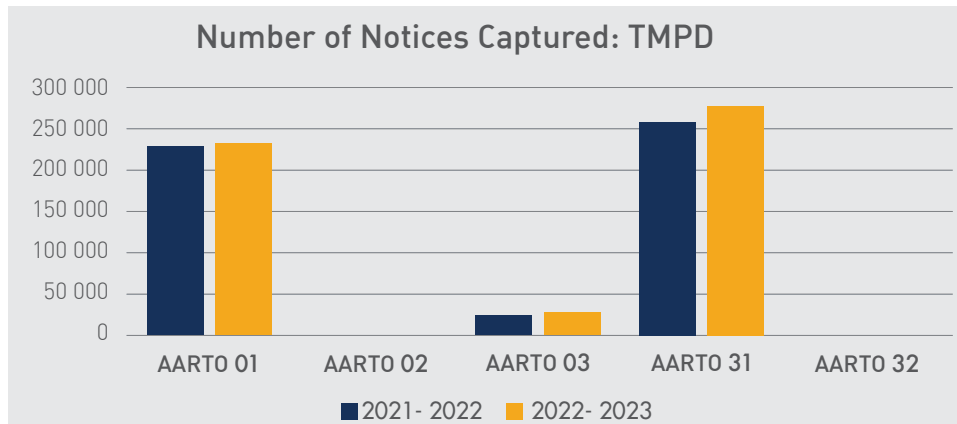
The table above shows TMPD have captured a total of 529 881 notices in the 2022/23 Financial Year. The highest number was recorded for the AARTO 31's with a total of 272 877, followed by the AARTO 01's with 229 781 and AARTO 03's with only 27 223.

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

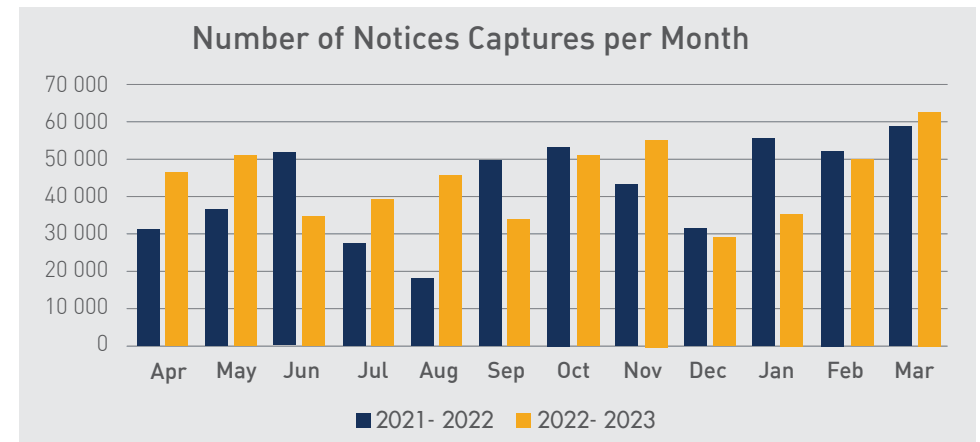
Change in Number of Notices Captured per Type :						TMPD
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2021/22	227 074	0	23 919	255 183	0	506 176
2022/23	229 781	0	27 223	272 877	0	529 881
Change	2 707	0	3 304	17 694	0	23 705
% change	1,19%	-	13,81%	6,93%	-	4,68%

The change in number of notices captured in the 2022/23 Financial Year have increased by 23 705 from 506 176 in the 2021/22 Financial Year, which is 4.68%.

The information is reflected in the bar chart below.



The chart below shows the month-to-month comparison of notices captured in the 2021/22 and 2022/23 Financial Years by RTMC.



Gauteng Department of Community Safety (GDoCS)

The number of infringement notices captured per type on the NCR during the financial year by GDoCS is shown in the table below.

Number of Notices Captured per Type :						GDoCS
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2022	27 075	150	0	0	0	27 225
May 2022	32 415	157	0	0	0	32 572
Jun 2022	30 246	97	0	0	0	30 343
Jul 2022	32 027	168	0	3	0	32 198
Aug 2022	36 061	128	0	0	0	36 189
Sep 2022	36 163	99	0	0	0	36 262
Oct 2022	33 676	160	0	0	0	33 836
Nov 2022	33 549	115	0	0	0	33 664
Dec 2022	25 029	178	0	0	0	25 207
Jan 2023	29 182	113	0	0	0	29 295
Feb 2023	28 258	175	0	0	0	28 433
Mar 2023	34 086	109	0	0	0	34 195
Year Total	377 767	1 649	-	3	-	379 419



The information in the table above shows that GDoCS had captured a total of 379 419 notices in the 2022/23 Financial Year. There was a total of 377 767 AARTO 01's and 1 649 AARTO 02's were captured. GDoCS captured three AARTO 03's in July.

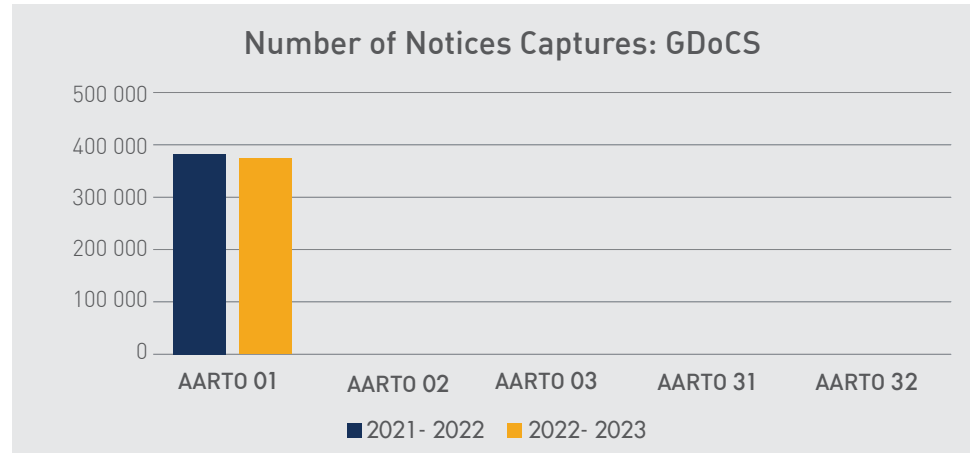
It must be noted that GDoCS do not prosecute any camera or unattended vehicle infringements.

The change in the number of notices captured per type in the 2021/22 and 2022/23 Financial Years is shown in the table below.

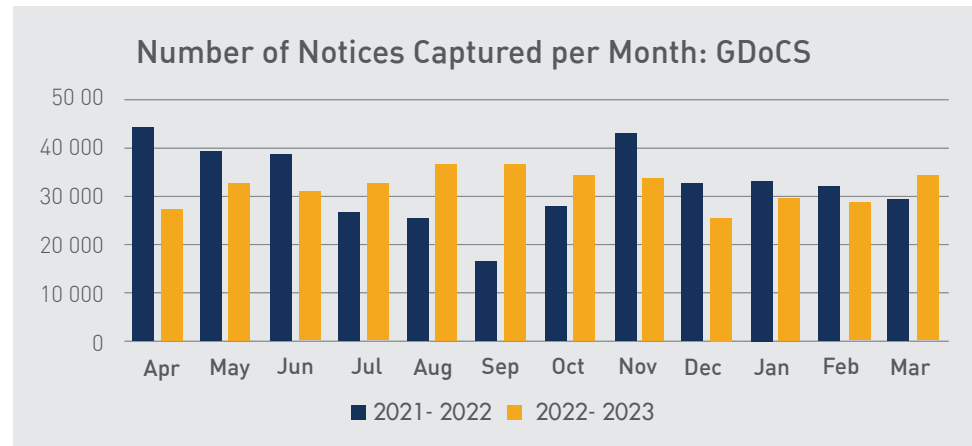
Change in Number of Notices Captured per Type :						GDoCS
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2021/22	385 146	1 610	0	0	0	386 756
2022/23	377 767	1 649	0	3	0	379 419
Change	-7 379	39	0	3	0	-7 337
% change	68,94%	0,50%	-	100%	-	-1,90%

The information in the table above shows a change in the number of notices captured by GDoCS; it shows a small change from 386 756 in the 2021/22 Financial Year to 379 419 in the 2022/23 Financial Year, which is only 1.90%. The AARTO 01's and AARTO 02's recorded a decrease of 68.94% and 0.50% respectively. There were three AARTO 03's captured in the 2022/23 Financial Year.

The information is also reflected in the chart below.



The chart below shows the month-to-month comparison of notices captured in the 2021/22 and 2022/23 Financial Years.



Road Traffic Management Corporation (RTMC)



The total number of notices captured per month by the RTMC on the NCR during the 2022/23 Financial Year is shown in the table below per AARTO type.

Number of Notices Captured per Type :						RTMC
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2022	3 310	0	0	0	0	3 310
May 2022	5 111	0	0	0	0	5 111
Jun 2022	5 650	0	0	0	0	5 650
Jul 2022	5 706	0	0	0	0	5 706
Aug 2022	9 485	0	0	0	0	9 485
Sep 2022	14 438	0	0	0	0	14 438
Oct 2022	15 991	0	0	0	0	15 991
Nov 2022	6 195	0	0	0	0	6 195
Dec 2022	5 360	0	0	0	0	5 360
Jan 2023	6 378	0	0	0	0	6 378
Feb 2023	10 842	0	0	0	0	10 842
Mar 2023	10 976	0	0	0	0	10 976
Year Total	99 442	0	0	0	0	99 442

The information in the table above shows that only the AARTO 01's were captured by RTMC with a total number of 99 442.

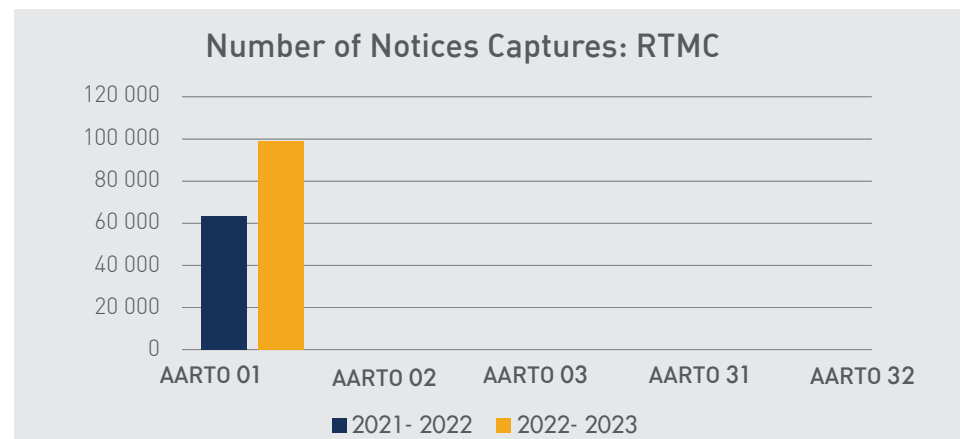
It must be noted that the RTMC does not prosecute for camera and unattended vehicle infringements.

The change in the number of notices captured in the 2021/22 and 2022/23 Financial Years is shown in the table below.

Change in Number of Notices Captured per Type :						RTMC
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
2021/22	61 574	0	0	0	0	61 574
2022/23	99 442	0	0	0	0	99 442
Change	37 868	0	0	0	0	37 868
% change	61,50%	-	-	-	-	61,50%

The information in the table above shows a change in capturing of the AARTO notices in the 2021/22 Financial Year and the 2022/23 Financial Year with an increase of 37 868, from 61 574 in the 2021/22 FY to 99 442 in the 2022/23 FY which is 61.50%.

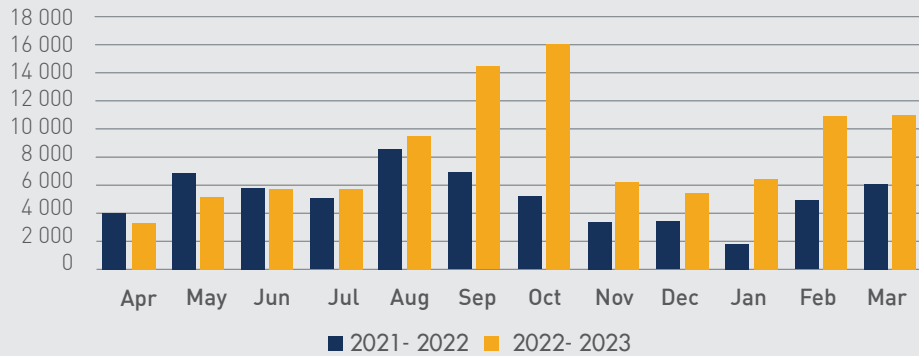
The information is also reflected in the chart below.



The chart below shows the month-to-month comparison of notices captured in the 2021/22 and 2022/23 Financial Years.



Number of Notices Captured per Month: RTMC



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

(a) Payment of the Penalty

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

(b) Notifications to make payment in Instalments


The table below shows the change in number of notifications to make payments in instalments submitted using the AARTO 04 form in the 2022/23 FY in comparison with the 2021/22 FY.

c. Elective options exercised by Infringers


The AARTO process allows infringers to select any of the five (5) elective options listed below after being issued an infringement notice, either in person or by registered mail, within 32 days of receiving such notice:

- 1


Payment of the penalty discounted by 50%
in which case the infringer may pay the penalty at any of the pay-points indicated on the notice; or


- 2

Notification to make payment in Instalments
in which case the infringer has to submit a completed form AARTO 04 to the RTIA; or



- 3

Submit a Representation
in which case the infringer has to submit a completed form AARTO 08 to the RTIA providing sufficient motivation in cases where an infringer disputes the alleged violation or is of the opinion that he/she should not be held responsible for the violation; or




- 4

Nomination of the driver or person in control of the vehicle at the time the infringement was committed, which can be submitted for any one of the following notice types: AARTO 03 (camera); AARTO 31 (issued as an AARTO 03b notice for an unattended vehicle) and AARTO 03a (operator) infringement notices, in which case the infringer has to submit a completed form AARTO 07 to the Issuing Authority that served the notice, nominating the driver or person in control of the vehicle at the time the infringement was committed. The original infringement is cancelled once the nomination was successful and a new Infringement Notice is created on the NCR and served to the nominated driver; or


- 5

Elect to be tried in court, in which case the infringer has to submit a completed form AARTO 10 which is an election for the case to be tried in court to the Issuing Authority that served the notice



Notifications to Pay In Instalments				
Month	2021/22	2022/23	Change	% Change
Apr	101	75	-26	-25,74%
May	128	24	-104	-81,25%
Jun	148	33	-115	-77,70%
Jul	138	44	-94	-68,12%
Aug	202	62	-140	-69,31%
Sep	87	58	-29	-33,33%
Oct	96	50	-46	-47,92%
Nov	62	38	-24	-38,71%
Dec	158	20	-138	-87,34%
Jan	69	46	-23	-33,33%
Feb	117	59	-58	-49,57%
Mar	67	50	-17	-25,37%
Total	1 373	559	-814	-59,29%

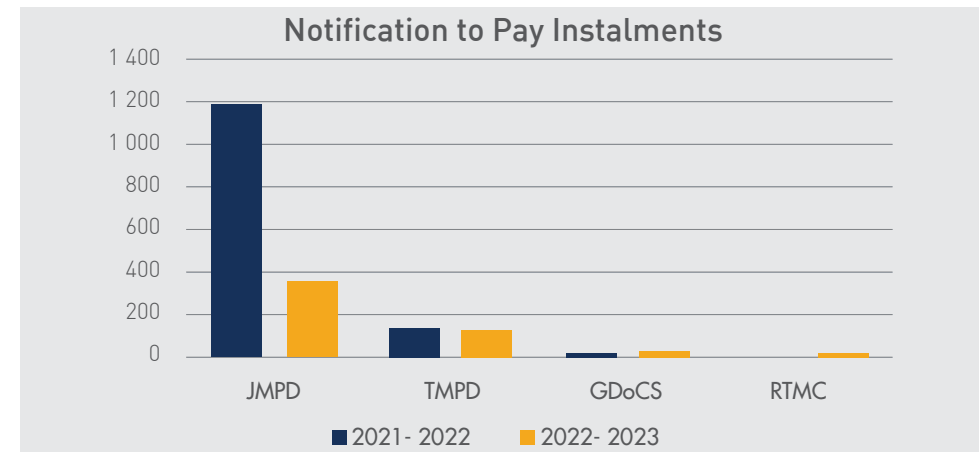
The number of applications to pay in instalments has decreased by a total of 814 from 1 373 in the 2021/22 FY to 559 in the 2022/23 FY. The decrease in numbers happened for all the months in this period under review.

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

Change in Number of Notifications to Pay in Instalments					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2021/22	1 184	147	34	8	1 373
2022/23	356	131	42	30	559
Change	-828	-16	8	22	-814
% change	-69,93%	-10,88%	23,53%	275,00%	-59,29%

The table above shows a decrease for notices issued under JMPD and TMPD with 69.93% and 10.88% respectively. The change in number of notifications to pay instalments for GDoCS and RTMC have increased by 23.53% and 275.00% respectively. Even though GDoCS and RTMC shows an increase, the total change between the two financial years have dropped by 59.29%.

The data is also reflected in the graph below.



(c) Submission of Representations

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



Number of Representations Submitted					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2022	15 431	2 772	730	197	19 130
May 2022	21 252	3 882	918	239	26 291
Jun 2022	17 218	2 948	698	209	21 073
Jul 2022	20 438	3 222	808	175	24 643
Aug 2022	14 170	3 249	930	225	18 574
Sep 2022	12 412	2 426	607	142	15 587
Oct 2022	12 047	1 849	544	143	14 583
Nov 2022	7 654	1 723	405	95	9 877
Dec 2022	3 892	938	250	40	5 120
Jan 2023	9 887	1 844	474	95	12 300
Feb 2023	9 124	1 917	373	67	11 481
Mar 2023	10 843	2 438	500	107	13 888
Year Total	154 368	29 208	7 237	1 734	192 547

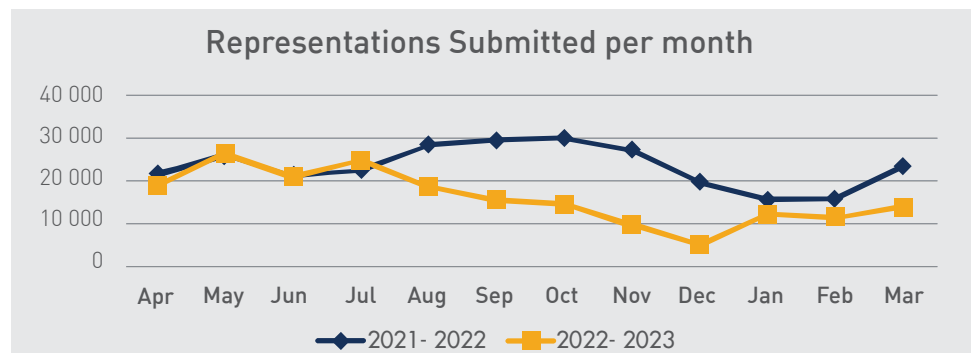
The information in the table above shows the number of applications for representation submitted for consideration by the RTIA in the 2022/23 FY. These applications are based on notices issued by the various IA's. JMPD has submitted the highest number of representations with a total of 154 368 which is 80% total, followed by TMPD with 29 208, GDoCS with 7 237 and RTMC with 1 734.

The change in the total number of representations submitted during the 2022/23 Financial Year is given in the table below in comparison with the 2021/22 Financial Year.

Change in Number of Representations Submitted				
Month	2021/22	2022/23	Change	% Change
Apr	21 583	19 130	-2 453	-11,37%
May	25 937	26 291	354	1,36%
Jun	21 351	21 073	-278	-1,30%
Jul	22 674	24 643	1 969	8,68%
Aug	28 558	18 574	-9 984	-34,96%
Sep	29 574	15 587	-13 987	-47,29%
Oct	30 089	14 583	-15 506	-51,53%
Nov	27 189	9 877	-17 312	-63,67%
Dec	19 789	5 120	-14 669	-74,13%
Jan	15 719	12 300	-3 419	-21,75%
Feb	15 973	11 481	-4 492	-28,12%
Mar	23 391	13 888	-9 503	-40,63%
Total	281 827	192 547	-89 280	-31,68%

The table above shows a decrease of 89 280 in the number of submissions for representations in the 2022/23 Financial Year. There was an increase only in May and July with 1.36% and 8.68% respectively.

The information is also reflected in the graph below.



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

(d) Nomination of Drivers

The number of nominations of the driver or person in control of the vehicle at the time of the infringement was committed on form AARTO 07 in terms of camera; unattended vehicle and operator infringements submitted per month during the year under review.

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

Number of Driver Nominations					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2022	692	103	7	-	802
May 2022	690	76	-	-	766
Jun 2022	397	69	--	-	466
Jul 2022	597	111	-	-	708
Aug 2022	541	87	-	-	628
Sep 2022	449	32	2	-	483
Oct 2022	264	55	-	-	319
Nov 2022	188	38	-	-	226
Dec 2022	245	27	1	-	273
Jan 2023	775	49	-	2	826
Feb 2023	1 747	71	2	-	1 820
Mar 2023	1 783	66	5	-	1 854
Year Total	8 368	784	17	2	9 171

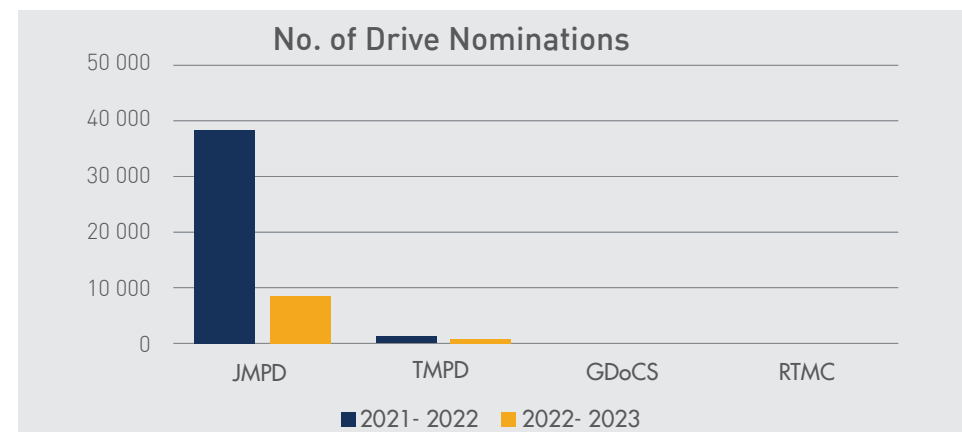
The information in the table above shows a total of 9 171 applications for driver nominations for the 2022/23 Financial Year. There was a high number of nominations

based on JMPD issued notices with a total of 8 368, followed by TMPD, GDoCS and RTMC with 784, 17 and 2 respectively.

Change in Number of Driver Nominations					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2021/22	38 251	1 233	14	1	39 499
2022/23	8 368	784	17	2	9 171
Change	-29 883	-449	3	1	-30 328
% change	-78,12%	-36,42%	21,43%	100,00%	-76,78%

The driver nominations under JMPD have declined by 29 883, which is a 78.12% change from 38 251 in the 2021/22 Financial Year. The nominations under TMPD also declined by 36.42%. The number of driver nominations for GDoCS and RTMC shows an increase of only 3 (21.43%) and 1 (100.00%) respectively in the 2022/23 Financial Year.

The information is also reflected in the bar chart below

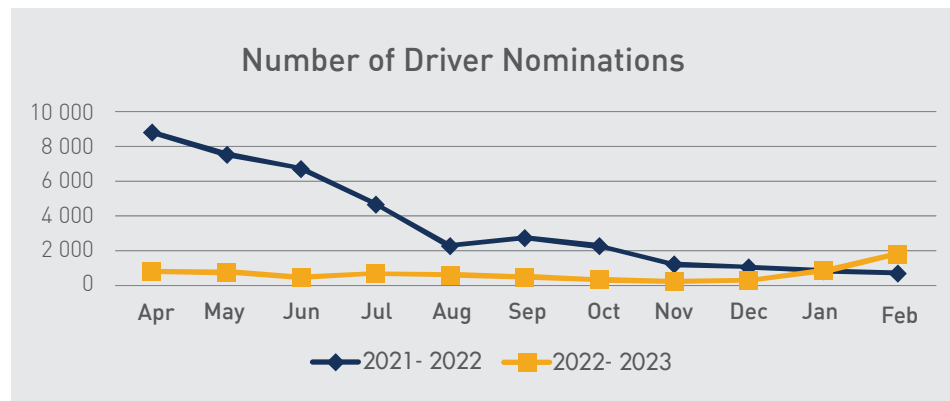


The table below shows change in number of driver nominations.

Number of Driver Nominations				
Month	2021-2022	2022-2023	Change	% Change
Apr	8 801	802	-7 999	-90,89%
May	7 535	766	-6 769	-89,83%
Jun	6 713	466	-6 247	-93,06%
Jul	4 679	708	-3 971	-84,87%
Aug	2 274	628	-1 646	-72,38%
Sep	2 742	483	-2 259	-82,39%
Oct	2 270	319	-1 951	-85,95%
Nov	1 206	226	-980	-81,26%
Dec	1 083	273	-810	-74,79%
Jan	838	826	-12	-1,43%
Feb	684	1 820	1 136	166,08%
Mar	674	1 854	1 180	175,07%
Total	39 499	9 171	-30 328	-415,69%

The change in number of driver nominations have decreased from 39 499 in the 2021/22 Financial Year to 9 171 in the 2022/23 Financial Year with a massive change of 30 328, which is 415.69%.

The information is also reflected in the graph below. 2



(e) Elections to be Tried in Court

In terms of sections 17(1)(f)(iv) or 18(7) of the principal Act, an infringer may elect to be tried in court on the charge of having committed the infringement(s) as stated on the Infringement Notice. These elections are submitted to the Issuing Authority who issued the Infringement Notice on form AARTO 10 and are captured on the NCR. Failure to appear in court on the date stipulated in the summons served on the infringer and which follows on these elections will result in the serving of an Enforcement Order by the RTIA.

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

Number of Elections to be Tried in Court					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2022	12 495	2 548	859	187	16 089
May 2022	7 662	3 635	1162	264	12 723
Jun 2022	7 924	2 638	900	190	11 652
Jul 2022	8 897	2 783	1041	179	12 900
Aug 2022	9 339	3 327	1294	179	14 139
Sep 2022	8 640	2 664	1052	186	12 542
Oct 2022	7 371	3 427	802	150	11 750
Nov 2022	8 948	2 716	801	209	12 674
Dec 2022	6 643	2 088	578	127	9 436
Jan 2023	7 018	2 077	765	184	10 044
Feb 2023	6 254	1 985	742	188	9 169
Mar 2023	6 334	2 665	761	246	10 006
Year Total	97 525	32 553	10 757	2 289	143 124

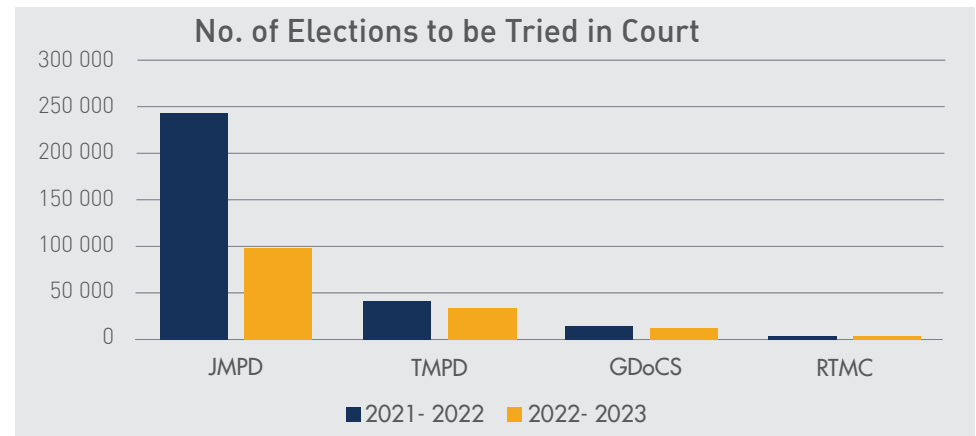
The table above shows that a total of 143 124 number of elections to be tried in court were recorded. The highest number of elections were recorded based on the notices issued by the JMPD having a total of 97 525, followed by TMPD, GDoCS and RTMC with 32 553, 10 553 and 2 289 respectively.

The table below shows the change in number of elections to be tried in court between the 2021/22 and 2022/23 Financial Years.

Change in Number of Elections to be Tried in Court					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2021/22	242 222	40 234	12 412	2 742	297 610
2022/23	97 525	32 553	10 757	2 289	143 124
Change	-144 697	-7 681	-1 655	-453	-154 486
% change	-59,74%	-19,09%	-13,33%	-16,52%	-51,91%

The tables above show there were more infringers who elected to be tried in court in the 2021/22 Financial Year as compared to the 2022/23 Financial Year. The total number of elections to be tried in court in the 2022/23 Financial Year were recorded at 143 124 from 297 610 in the 2021/22 Financial Year, which is 51.91% less than the last financial year. The numbers have decreased for all the issuing authorities with JMPD being the highest with 59.74% followed by TMPD with 19.09%.

The chart below reflects the changes between the 2021/22 and 2022/23 Financial Years.



The table below show the changes in number of elections to be tried in court between the 2021/22 and 2022/23 Financial Years.

Number of Elections to be Tried in Court				
Month	2021-2022	2022-2023	Change	% Change
Apr	21 970	16 089	-5 881	-26,77%
May	26 727	12 723	-14 004	-52,40%
Jun	25 421	11 652	-13 769	-54,16%
Jul	25 361	12 900	-12 461	-49,13%
Aug	30 645	14 139	-16 506	-53,86%
Sep	41 336	12 542	-28 794	-69,66%
Oct	23 289	11 750	-11 539	-49,55%

Number of Elections to be Tried in Court				
Month	2021-2022	2022-2023	Change	% Change
Nov	22 120	12 674	-9 446	-42,70%
Dec	20 732	9 436	-11 296	-54,49%
Jan	23 589	10 044	-13 545	-57,42%
Feb	15 718	9 169	-6 549	-41,67%
Mar	20 702	10 006	-10 696	-51,67%
Total	297 610	143 124	-154 486	-51,91%

The table above shows that the number of elections to be tried in court declined for all the months of the 2022/23 Financial Year with a total change of 154.486, which is 51.91%.

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

Number of Court Hearings, Outcomes, Failure to Appear, Cases Postponed and Warrants												
Month	Court hearings	Main charge		Alternative charge		Failure to appear in court	Cases postponed	Remove from court roll	Warrant of Arrest Authorised	Cases Pending	Other	Prosecutor declined to prosecute
		Guilty	Not guilty	Guilty	Not guilty							
Apr 2022	0	0	0	0	0	0	0	0	0	0	0	0
May 2022	0	0	0	0	0	0	0	0	0	0	0	0
Jun 2022	0	0	0	0	0	0	0	0	0	0	0	0
Jul 2022	0	0	0	0	0	0	0	0	0	0	0	0
Aug 2022	0	0	0	0	0	0	0	0	0	0	0	0
Sep 2022	0	0	0	0	0	0	0	0	0	0	0	0
Oct 2022	0	0	0	0	0	0	0	0	0	0	0	0
Nov 2022	0	0	0	0	0	0	0	0	0	0	0	0
Dec 2022	0	0	0	0	0	0	0	0	0	0	0	0
Jan 2023	50	0	0	0	0	0	0	0	0	47	0	3
Feb 2023	0	0	0	0	0	0	0	0	0	0	0	0
Mar 2023	0	0	0	0	0	0	0	0	0	0	0	0
Year Total	50	0	0	0	0	0	0	0	0	47	0	3

The table above shows that there were 50 court hearings recorded on the NCR during the year under review, and out of the 50 court hearings, 47 were pending cases and the remaining 3 were instances where the prosecutor declined to prosecute.

The table below shows the change in monthly number of court hearings.

Change in Monthly Number of Court Hearings				
Month	2021/22	2022/23	Change	% Change
Apr	0	0	0	-
May	0	0	0	-
Jun	0	0	0	-
Jul	0	0	0	-
Aug	0	0	0	-
Sep	0	0	0	-
Oct	0	0	0	-
Nov	0	0	0	-
Dec	0	0	0	-
Jan	0	50	50	100%
Feb	0	0	0	-
Mar	0	0	0	-
Year Total	0	50	50	100%

The information in the tables above shows that the total number of court hearings that were captured on the NCR in January was 50.



The change in the number of court hearings and outcomes from the previous year is shown in the table below.

Change in No. of Court Hearings, Outcomes, Failure to Appear, Cases Postponed and Warrants											
Month	Court hearings	Main charge		Alternative charge		Failure to appear in court	Cases postponed	Remove from court roll	Warrant of Arrest Authorised	Cases Pending	Other
		Guilty	Not guilty	Guilty	Not guilty						
2021/22	0	0	0	0	0	0	0	0	0	0	0
2022/23	50	0	0	0	0	0	0	0	0	47	0
Change	50	0	0	0	0	0	0	0	0	47	0
% change	100%	-	-	-	-	-	-	-	-	100%	-

The information in the table above shows that there were no court hearings and cases pending in the 2021/22 Financial Year. There were 50 court hearings and 47 cases pending recorded in the 2022/23 Financial Year.

d. Adjudication of Representations

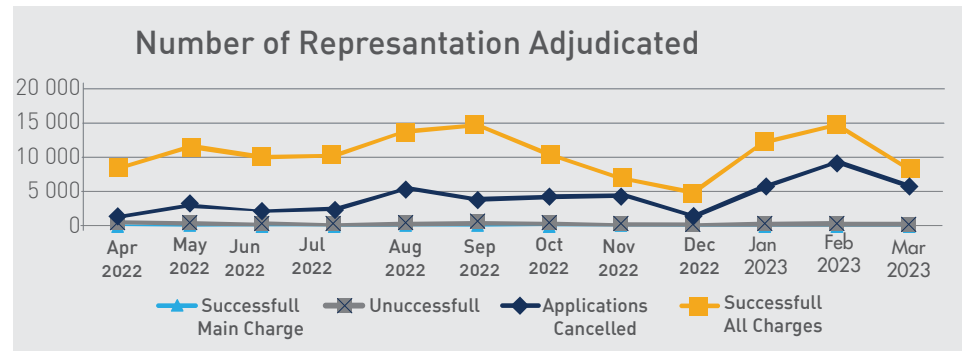
Adjudication of representations is done in terms of Section 18 of the AARTO Act, 1998 (Act. No 46 of 1998). In terms of this section any infringer may, if reasonable grounds are present, submit a representation to the RTIA in which evidence is presented that indicates that such infringer must not be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

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

Number of Representation Adjudicated per Month					
Month	Applications Received	Applications Cancelled	Successful All Charges	Successful Main Charge	Unsuccessful
Apr 2022	19 130	1 189	8 284	13	427
May 2022	26 291	2 822	11 384	5	257
Jun 2022	21 073	2 043	9 946	4	112
Jul 2022	24 643	2 271	10 146		
Aug 2022	18 574	5 344	13 668	10	191
Sep 2022	15 587	3 672	14 537	6	269
Oct 2022	14 583	4 151	10 256	2	183
Nov 2022	9 877	4 262	6 801	1	14
Dec 2022	5 120	1 268	4 752		1
Jan 2023	12 300	5 713	12 147	6	267
Feb 2023	11 481	9 148	14 557	11	180
Mar 2023	13 888	5 720	8 141	15	178
Year Total	192 547	47 603	124 619	73	2 079

The table above shows a total number of 192 547 applications for representations were received by the RTIA. Out of the total received, 25% were cancelled, 65% were successful on all charges, less than 1% were successful on the main charge, and only 1% were unsuccessful.

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



The graph above shows that the representation results with the outcome of 'successful on all charges' were higher than other outcomes on a month-to-month comparison. The second highest results were the cancelled applications.

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

Some charges on which representations are based		
Infringement Category	2021/22	2022/23
Driving under the influence	174	125
Rules of the road & driving signals	275	203
Exceeding speed limits	311	214

Some charges on which representations are based		
Learner & driving licences	6 572	6 804
Vehicle number plates	174	125
Road signs, signals & markings	3 171	2 618
Vehicle registration & licensing	2 035	1 267
Vehicle roadworthiness - general	301	236
Professional driving permits	311	214
Vehicle - Lights	1 688	1 240
Seatbelts	174	125
Vehicle - Brakes	6 096	5 128
Vehicle - Tyres	3 857	2 724

The information in the table above shows a decrease in the categories, except for the Learner & driving licences category with an increase from 6 572 in the 2021/22 FY to 6 804 in the 2022/23 FY. The vehicle – brakes category has the second highest recording with 5 128, but it was a decrease from the 2021/22 Financial Year.

The number of representations adjudicated per month during the 2021/22 Financial Year in comparison with the 2022/23 Financial Year is given in the table below.

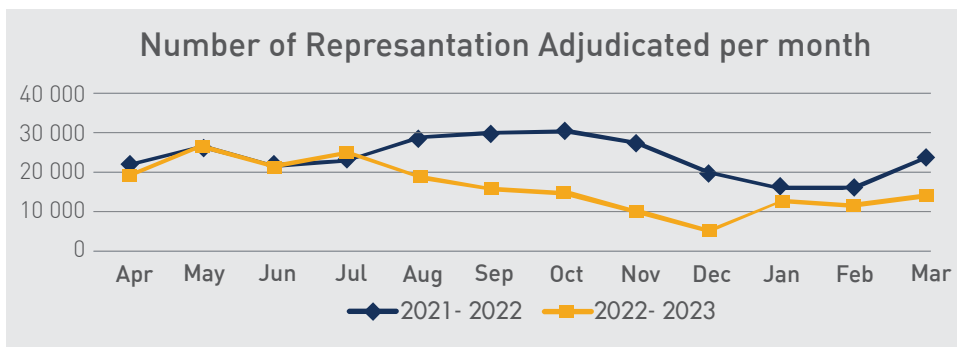
Change in Number of Representations Adjudicated per Month				
Month	2021/22	2022/23	Change	% Change
Apr	21 583	19 130	-2 453	-11%
May	25 937	26 291	354	1%
Jun	21 351	21 073	-278	-1%
Jul	22 674	24 643	1 969	9%
Aug	28 558	18 574	-9 984	-35%
Sep	29 574	15 587	-13 987	-47%
Oct	30 089	14 583	-15 506	-52%



Change in Number of Representations Adjudicated per Month				
Month	2021/22	2022/23	Change	% Change
Nov	27 189	9 877	-17 312	-64%
Dec	19 789	5 120	-14 669	-74%
Jan	15 719	12 300	-3 419	-22%
Feb	15 973	11 481	-4 492	-28%
Mar	23 391	13 888	-9 503	-41%
Year Total	281 827	192 547	-89 280	-32%

The table above shows that a decrease of 89 280 in the number of representations adjudicated from 281 827 in the 2021/22 FY to 192 547 in the 2022/23 FY, which represents a 32% decrease. The number of representations adjudicated decreased in April and June, as well as from August to March in the period under review. The increases were recorded only in May and July.

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



e) Courtesy Letters Issued

With regard to the serving of Courtesy Letters and Enforcement Orders, the following facts must be noted, as they have a significant impact on the status of basically all AARTO documents in the registered/secure mailing process, as well as the information available on the NCR:

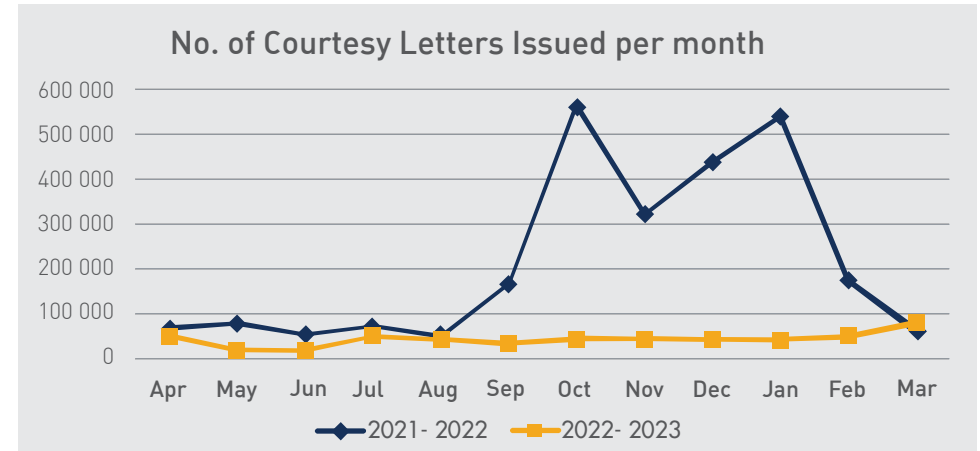
- some Courtesy Letters and Enforcement Orders may never be posted due to incomplete and incorrect postal addresses and postal codes not correlating to the name and code of the receiving post office; this incorrect/incomplete information is that as contained in the e-NaTIS;
- although it may be delivered to the intended receiving post office, some mailed items may never be collected by infringers due to wrong and incorrect postal addresses; or the previous owner to whom the Courtesy Letter or Enforcement Order is addressed may no longer be the owner of the address;
- the failure of SAPO to upload and update the NCR on the posting status of registered/secure mail items;
- the failure of SAPO to upload and update the NCR on the delivery and collected status of mailed items; and
- the failure of SAPO to post and deliver documents within the required time frames;

The table below shows the comparison of the number of courtesy letters that were issued during the 2021/22 and 2022/23 Financial Years.

Number of Courtesy Letters Issued per Month				
Month	2021/22	2022/23	Change	% change
Apr	69 159	51 896	-17 263	-24,96%
May	79 028	20 317	-58 711	-74,29%
Jun	53 479	19 386	-34 093	-63,75%
Jul	72 183	50 548	-21 635	-29,97%
Aug	50 123	44 108	-6 015	-12,00%
Sep	167 600	35 444	-132 156	-78,85%
Oct	563 065	44 361	-518 704	-92,12%
Nov	323 136	45 891	-277 245	-85,80%
Dec	438 843	43 680	-395 163	-90,05%
Jan	539 797	43 583	-496 214	-91,93%
Feb	174 833	51 262	-123 571	-70,68%
Mar	63 541	79 511	15 970	25,13%
Year Total	2 594 787	529 987	-2 064 800	-79,57%

The information in the table above shows the change in number of courtesy letters issued in the 2021/22 and 2022/23 Financial Years. There is a massive decrease of 2 064 800 from 2 594 787 in the 2021/22 FY to 529 987 in the 2022/23 FY. This is a 79.57% change.

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



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

Number of Courtesy Letters Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr2022	9 537	14 712	23 920	3 727	51 896
May2022	4 877	7 189	5 969	2 282	20 317
Jun2022	1 015	6 713	10 061	1 597	19 386
Jul2022	8 177	23 019	17 866	1 486	50 548
Aug2022	4 523	18 261	19 195	2 129	44 108
Sep2022	3 416	13 521	17 160	1 347	35 444
Oct2022	1 534	17 944	22 868	2 015	44 361
Nov2022	5 239	17 497	20 881	2 274	45 891
Dec2022	3 840	15 719	21 203	2 918	43 680
Jan2023	2 832	16 065	21 451	3 235	43 583



Number of Courtesy Letters Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Feb2023	6 265	15 485	24 226	5 286	51 262
Mar2023	10 298	21 762	37 237	10 214	79 511
Year Total	61 553	187 887	242 037	38 510	529 987
% of Total	11,61%	35,45%	45,67%	7,27%	

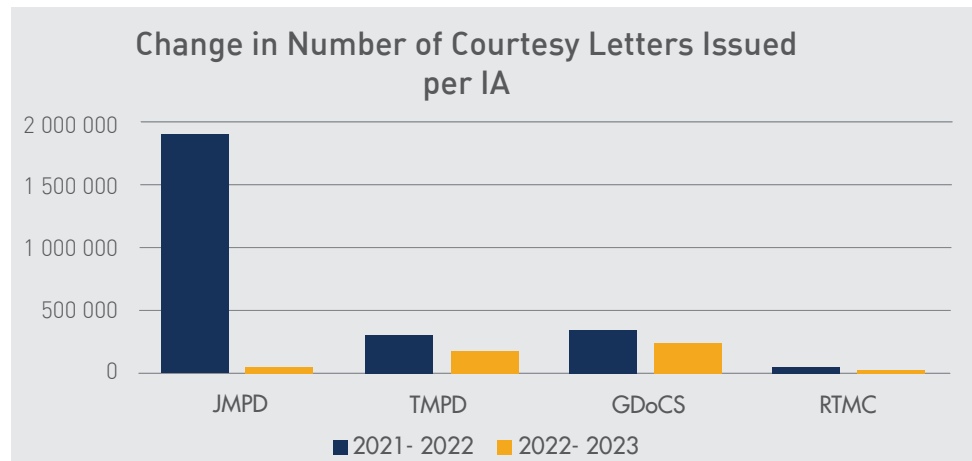
The table above shows that, out of 529 987 courtesy letters issued, GDoCS recorded 242 037, the highest number of which the courtesy letters were issued based on the notices issued. The second highest was TMPD with 187 887, followed by JMPD and RTMC with 61 553 and 38 510 respectively.

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

Change in Number of Courtesy Letters Issued per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2021/22	1 899 400	301 488	344 178	49 721	2 594 787
2022/23	61 553	187 887	242 037	38 510	529 987
Change	-1 837 847	-113 601	-102 141	-11 211	-2 064 800
% change	-96,76%	-37,68%	-29,68%	-22,55%	-79,57%

The information in the table above shows that there was a total of 529 987 courtesy letters issued in the 2022/23 Financial Year and this is a massive decrease of 2 064 800 from 2 594 787 in the 2021/22 FY to 529 987 in the 2022/23 FY. JMPD has had a big change of 96.76%, which is the biggest decline difference of 1 547 117, followed by TMPD, GDoCS and RTMC with 37.68%, 29.68% and 22.55% respectively.

The bar chart below reflects on the changes for the issuing authorities in the 2021/22 and 2022/23 Financial Years.



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

Number of Courtesy Letters Issued per Notice Type						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
Apr2022	51 795	48	15	29	9	51 896
May2022	19 875	30	267	57	88	20 317
Jun2022	18 728	24	594	5	35	19 386
Jul2022	23 131	37	692	8 042	18 646	50 548
Aug2022	35 619	19	63	1 368	7 039	44 108
Sep2022	35 179	11	33	218	3	35 444
Oct2022	44 237	97	25		2	44 361
Nov2022	45 776	52	36	4	23	45 891
Dec2022	43 352	93	27	62	146	43 680
Jan2023	42 604	43	21	82	833	43 583



Number of Courtesy Letters Issued per Notice Type						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
Feb2023	51 182	52	6	12	10	51 262
Mar2023	79 313	112	6	16	64	79 511
Year Total	490 791	618	1 785	9 895	26 898	529 987
% of Total	92,60%	0,12%	0,34%	1,87%	5,08%	

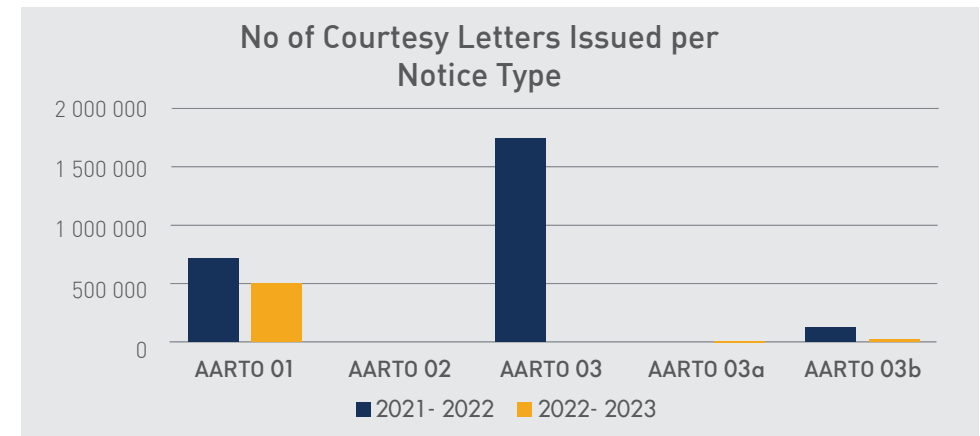
The table above shows that majority of the courtesy letters issued emanated from the AARTO 01's, followed by the AARTO 01's with 92.60% of the total issued, followed by AARTO 03b's with 5.08% and AARTO 03a with 1.87%. The AARTO 02's and AARTO 03's have less than 1% of the total issued courtesy letters in this financial year.

The change in the Number of Courtesy Letters issued between the 2021/22 and 2022/23 Financial Years is shown in the table below:

Change in Number of Courtesy Letters Issued per Notice Type						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
2021/22	715 656	1 050	1 731 458	25 094	121 529	2 594 787
2022/23	490 791	618	1 785	9 895	26 898	529 987
Change	-224 865	-432	-1 729 673	-15 199	-94 631	-2 064 800
% change	-31,42%	-41,14%	-99,90%	-60,57%	-77,87%	-79,57%

The information in the table above shows a decrease in number of courtesy letters for all the AARTO types with a massive total decline of 2 064 800 which is 79.57% from the 2021/22 FY to the 2022/23 FY. The AARTO 03's recorded the highest change of 1 729 673 in the 2022/23 FY, which is a 99.90% decline. This big change is followed by AARTO 03b with a 77.87% decrease from 121 529 in the 2021/22 Financial Year. The AARTO 01 and AARTO 02 recorded a decline of below 50% with 31.42% and 41.14% respectively.

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



f. Enforcement Orders Issued

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

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

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

The number of Enforcement Orders issued during this 2022/23 Financial Year is given in the table below. The information presented in this table below is based on the infringement notices served by the applicable Issuing Authority which resulted in an Enforcement Order.

Number of Enforcement Orders Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2022	0	0	0	0	0
May 2022	0	0	0	0	0
Jun 2022	0	0	0	0	0
Jul 2022	0	0	0	0	0
Aug 2022	0	0	0	0	0
Sep 2022	0	0	0	0	0
Oct 2022	0	0	0	0	0
Nov 2022	0	0	0	0	0
Dec 2022	0	0	0	0	0
Jan 2023	0	0	0	0	0
Feb 2023	20 339	27 119	75 086	11 726	134 270
Mar 2023	24 941	38 785	57 889	14 189	135 804
Year Total	45 280	65 904	132 975	25 915	270 074

The information in the table above shows that a total number of 270 074 Enforcement Orders were issued by the Issuing Authorities. There were no Enforcement orders authorised from April 2022 to January 2023; they were only issued in February and March 2023 with a total of 134 270 and 135 804 respectively.

The change in the number of enforcement orders issued between the 2021/22 and 2022/23 Financial Years is shown in the table below:

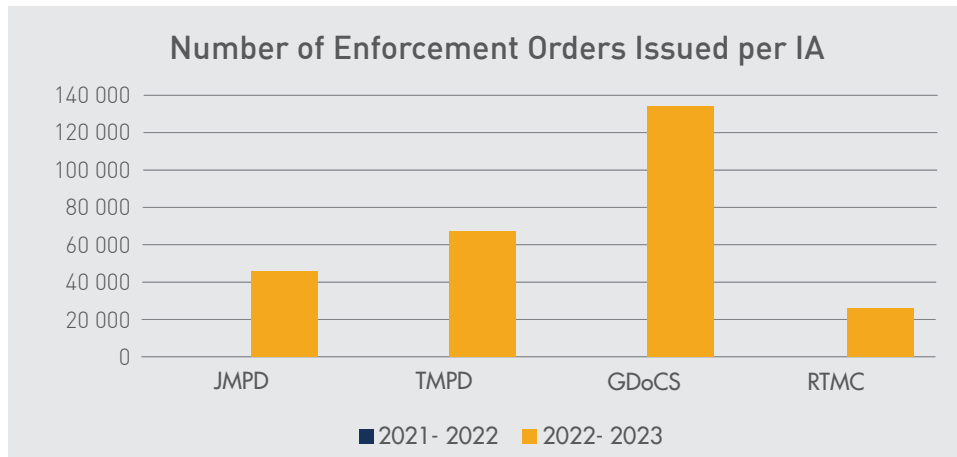
Change in No. of Enforcement Orders Issued					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2021/22	0	0	0	0	0
2022/23	45 280	65 904	132 975	25 915	270 074
Change	45 280	65 904	132 975	25 915	270 074
% change	100,00%	100,00%	100,00%	100,00%	100,00%

The table above shows that there were no enforcement orders authorised in the 2021/22 FY, and 270 074 authorised in the 2022/23 FY which makes the change 100%. This information is also shown in the table below with a month-to-month comparison.

Number of Enforcement Orders Issued per Month				
Month	2021/22	2022/23	Change	% change
Apr	0	0	0	-
May	0	0	0	-
Jun	0	0	0	-
Jul	0	0	0	-
Aug	0	0	0	-
Sep	0	0	0	-
Oct	0	0	0	-
Nov	0	0	0	-
Dec	0	0	0	-
Jan	0	0	0	-
Feb	0	134 270	134 270	100,00%
Mar	0	135 804	135 804	100,00%
Year Total	0	270 074	270 074	100,00%



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



g. Applications for the Revocation of Enforcement Orders

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

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

The applications for revocation of enforcement orders can either be allowed (successful), rejected (unsuccessful) or not considered (cancelled) if it is not made in the prescribed manner. In case of a successful application for revocation of enforcement order, the alleged infringer is not liable for the R60 enforcement order payment but rather for the penalty for the infringement that was committed, the prescribed courtesy letter fee and the prescribed enforcement order fee. In case of an unsuccessful application for revocation of enforcement order, the infringer is liable for the infringement notice penalty, the prescribed courtesy letter fee, the prescribed enforcement orders fee and the prescribed unsuccessful application for revocation of enforcement order fee. In case of a cancelled application for revocation of enforcement order, the infringer is still liable for the infringement penalty plus applicable fees and is given another chance to submit a corrected application for the revocation of an enforcement order. The outcomes for successful applications for revocation of enforcement orders are served via ordinary mail and the outcomes for unsuccessful applications for revocation of enforcement orders are served via registered mail to the alleged infringer.

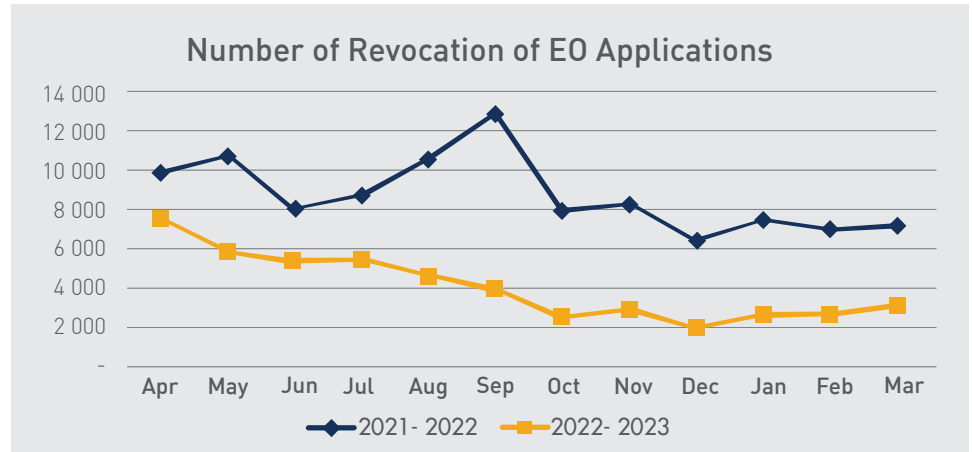


After having been served with an Enforcement Order, the number of AARTO 14 applications submitted by infringers for the revocation of such Orders during the year under review in comparison with the previous financial year, is given in the table and reflected in the graph below.

Number of Revocation of EO Applications				
Month	2021/22	2022/23	Change	% Change
Apr	9 931	7 581	(2 350)	-23,66%
May	10 769	5 963	(4 806)	-44,63%
Jun	8 084	5 434	(2 650)	-32,78%
Jul	8 794	5 554	(3 240)	-36,84%
Aug	10 636	4 725	(5 911)	-55,58%
Sep	12 890	4 057	(8 833)	-68,53%
Oct	8 020	2 620	(5 400)	-67,33%
Nov	8 349	2 962	(5 387)	-64,52%
Dec	6 468	2 106	(4 362)	-67,44%
Jan	7 577	2 702	(4 875)	-64,34%
Feb	7 048	2 792	(4 256)	-60,39%
Mar	7 254	3 214	(4 040)	-55,69%
Total	105 820	49 710	(56 110)	-53,02%

The table above shows that the change in number of revocations of EO applications has decreased from 105 820 in the 2021/22 FY to 49 710 in the 2022/23 FY, which is a 53% change. There has been a decline in the number of applications for revocations of enforcement orders month-to-month in the 2022/23 FY as compared to the 2021/22 FY.

The information is also reflected in the graph below.



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

No. of Revocation of EO Applications Processed				
Month	2021/22	2022/23	Change	% Change
Apr	10 184	5 350	-4 834	-47,47%
May	11 019	6 905	-4 114	-37,34%
Jun	8 094	6 215	-1 879	-23,21%
Jul	8 684	6 505	-2 179	-25,09%
Aug	10 450	5 958	-4 492	-42,99%
Sep	11 267	3 948	-7 319	-64,96%
Oct	9 733	2 949	-6 784	-69,70%
Nov	7 928	2 747	-5 181	-65,35%
Dec	6 156	2 319	-3 837	-62,33%
Jan	7 098	2 752	-4 346	-61,23%
Feb	5 792	2 783	-3 009	-51,95%
Mar	7 492	3 166	-4 326	-57,74%
Total	103 897	51 597	-52 300	-50,34%

The number of processed enforcement orders has declined in the 2022/23 Financial Year with a total of 52 300, which is 50.34% from 103 897 in the 2021/22 FY to 51 597 in the 2022/23 FY. The table shows a month-to-month decline.

The number of applications considered by the RTIA during the 2022/23 Financial Year with their outcomes is given in the table below.

Total Number of EO Revocation Applications			
Month	Applications Received	Successful	Unsuccessful
Apr-22	7 581	4 510	691
May-22	5 963	6 010	735
Jun-22	5 434	5 247	773
Jul-22	5 554	5 503	895
Aug-22	4 725	4 593	1 270
Sep-22	4 057	3 242	658
Oct-22	2 620	2 391	492
Nov-22	2 962	2 200	453
Dec-22	2 106	1 920	330
Jan-23	2 702	2 261	447
Feb-23	2 792	2 222	516
Mar-23	3 214	2 505	578
Total	49 710	42 604	7 838

The information in the table above shows that out of 49 710 applications for revocation that were received in the 2022/23 Financial Year, 42 604 were successful and 7 838 were unsuccessful which amounts to 86% and 16% respectively.

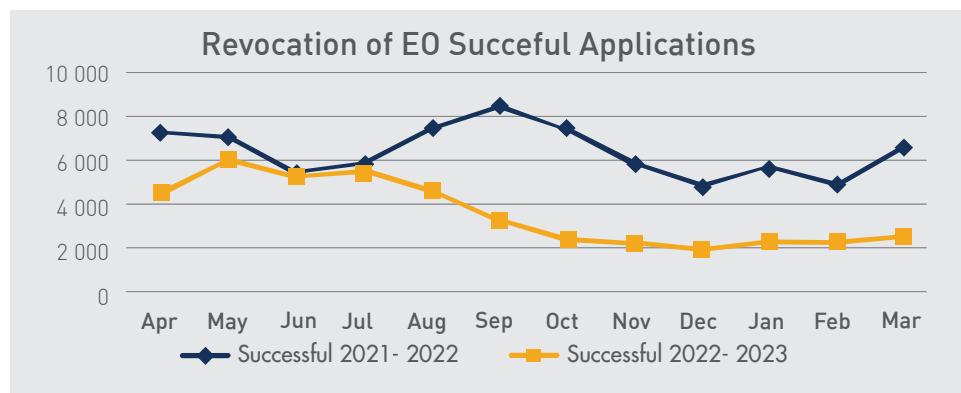
The reasons for successful EO revocation applications for the 2021/22 FY in comparison with the 2022/23 FY are shown in the table below.

Reasons for Successful EO Revocation Applications		
Reasons	2021/22	2022/23
Proof of payment received	17	103
Instalment application proof received	5	12
Representation proof received	40 371	4 011
Proof of nomination received	32	-
Court election notice received	5	3
Proof of court appearance received	16	1
Affidavit received	195	2 832
Incorrect driver captured	-	52
Opted for tribunal	-	1
Appeared in the tribunal	-	1
Other:	36 151	35 588
Total	76 792	42 604

The information in the table above shows the reasons why the enforcement orders were successful. There has been a decrease in totals for all the reasons in the 2022/23 FY compared to the 2021/22 FY. There have been new reasons in the 2022/23 FY, i.e. Incorrect driver captured, Opted for tribunal and Appeared in the tribunal which they recorded 52, 1 and 1 respectively.



The information is also reflected in the graph below.

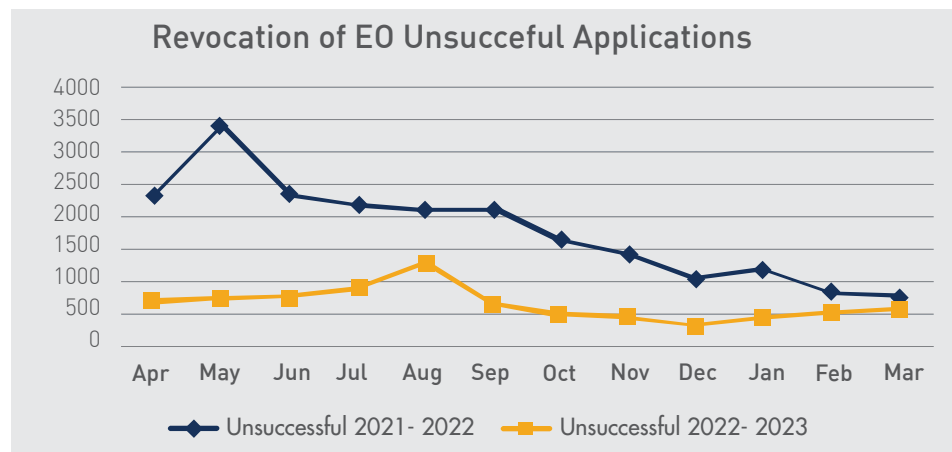


The reasons for revocation applications being unsuccessful during the 2022/23 Financial Year in comparison with the number during the previous year are given in the table below.

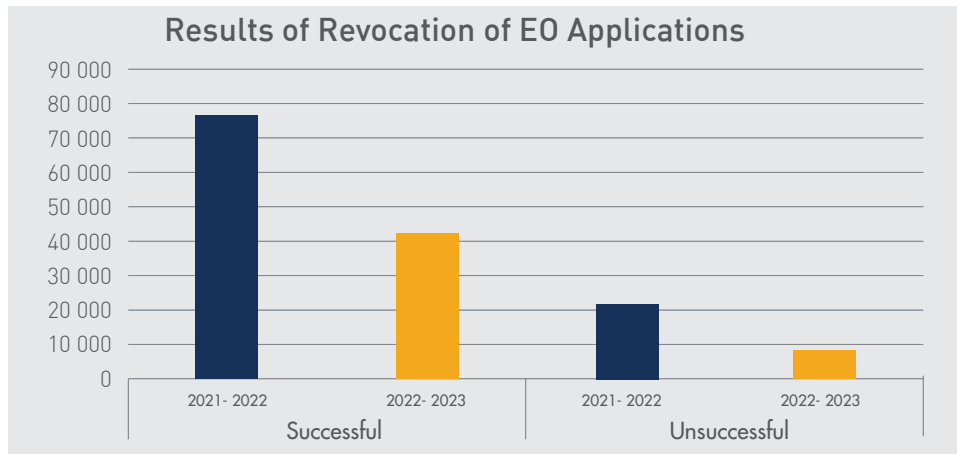
Reasons for Unsuccessful EO Revocation Applications		
Reasons	2021/22	2022/23
Applied for representation	0	0
No proof for not appearing in court	10	7
No proof of new driver/person in control	567	175
No proof of representation application	1	1
AARTO 14 form not completed	28	6
No proof of non-service of infringement notice	1 705	134
No proof of court option	2	7
No proof of payment	4	1
Other	19 016	7 507
Total	21 333	7 838

The information in the table above shows a decrease in the total number of reasons for unsuccessful applications for revocation of enforcement orders.

The graph below shows a month-to-month comparison of the unsuccessful Enforcement Order revocation applications for the 2021/22 and 2022/23 Financial Years.



The graph below shows the comparison of successful and unsuccessful revocations of the enforcement orders between the 2021/22 and 2022/23 Financial Years.



The successful and unsuccessful results of enforcement orders have declined in the 2022/23 FY as compared to the 2021/22 FY.





PART C: GOVERNANCE



1. INTRODUCTION

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

2. PORTFOLIO COMMITTEES

Provide commentary on the following:

The Agency had a meeting with the Portfolio committee on 28 February 2023 to discuss issues arising out of the 2021/22 Annual Report.

- Areas of risk and what implementation plans / actions the public entity undertook

3. EXECUTIVE AUTHORITY

Provide commentary on the reports submitted to the Executive Authority and the dates submitted. Discuss any issues raised by the executive authority.

Nature of reports	Date of the Report	Response from Executive Authority
Update on the Registrar recruitment process and a follow up on the process of the appointment of NPA representative to the Agency’s Board.	05 April 2022	Acknowledgement of receipt
Postponement of Audit deadline	31 May 2021	Acknowledgement of the request and the request was finalised by National Treasury and the office of the AG.
Update on the Registrar recruitment process.	03 June 2022	Acknowledgement of receipt.
Correspondence from the Executive Authority expressing misgivings about the state of non-compliance with the AARTO prescripts during the recruitment process of the Registrar.	30 June 2022	N/A
Response to the Executive Authority’s correspondence of 30 June re: Shortcomings in the Registrar recruitment process, delayed consequence management processes, issues in relation to the Independent Chairpersons of Board committees and excessive number of Board meetings.	18 July 2022	Invited the Board to a formal meeting on 10 August to discuss the Board’s responses.
Submission of Board evaluation report.	19 July 2022	Acknowledgement of receipt.



Nature of reports	Date of the Report	Response from Executive Authority
Correspondence informing the Minister of the collapse of the process of the recruitment of the Registrar, due to the inability of the process to identify a suitable candidate for that purpose.	20 July 2022	Acknowledgement of receipt.
Notice to the Minister of dispute escalation to the higher structures of Auditor General.	19 August 2022	Acknowledgement of receipt.
Correspondence from the Minister in respect to the finalisation of the appointment of the NPA.	22 August 2022	N/A
Section 65 letter to the Minister.	30 September 2022	Acknowledgement of receipt.
Board proposal re: ratification request for placement of Independent members in the Board committees.	18 October 2022	Acknowledgement of receipt.
Minister's correspondence response to the Board proposal of 18 October.	02 November 2022	N/A
Update to the Minister on Registrar recruitment process.	22 November 2022	Acknowledgement of receipt.
Report on the finalization of the Registrar recruitment process.	10 January 2023	Acknowledgement of receipt.
Update report to the Minister on Media report / allegations against the Board.	02 February 2023	Acknowledgement of receipt.

4. THE ACCOUNTING AUTHORITY / BOARD

Introduction

- 4.1 The Board constitutes the fundamental base of corporate governance within the RTIA.
- 4.2 As the Accounting Authority, the Board has the absolute responsibility for the effective performance of the Agency and is accountable to the Executive Authority for such performance. As a result, the Board should give strategic direction to RTIA and, in concurrence with the Minister or

Executive Authority, ensure that an effective continuity plan is in place and adhered to for all Directors and key executives.

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

The role of the Board is as follows:

- 4.2.1 Retain full and effective control over the RTIA and monitor management in effectively implementing Board decisions, plans and strategies.
- 4.2.3 Ensure that the RTIA has and maintains a system of internal audit under the control and direction of an audit committee complying with and operating in accordance with regulations and instructions

prescribed in terms of the Treasury Regulations and sections 76 and 77 of the PMFA.

- 4.2.3 Ensure that the RTIA is fully aware of and complies with applicable laws, regulations, government policies and codes of business practice and communicates with its shareholder and relevant stakeholders openly and promptly with substance prevailing over form.
- 4.2.4 Audit and Risk Committee provides oversight in relation to the implementation of the ICT governance framework aligned with the performance and sustainability objectives of the Agency.
- 4.3 Ensure that the Audit and Risk Committee does not reduce its functions and duties, except with respect to the appointment, fees and terms of engagement of the auditor.
- 4.4 Ensure that all board members have unrestricted access to accurate, relevant and timely information concerning or held by the RTIA, and act on a fully informed basis, in good faith, with diligence, skill and care and in the best interest of the RTIA, whilst taking account of the interests of the Shareholder and other stakeholders, including employees, creditors, suppliers and local communities. To this end, the Board must monitor the process of disclosure and communication and exercise objective judgment on the affairs of the RTIA, independent of management. In so doing, each individual member of the Board must keep confidential all confidential matters of the RTIA.
- 4.5 The Board, as a whole and/or individual Board members may, if necessary, solicit independent professional advice at the expense of the RTIA. This

process should be followed in accordance with the RTIAs Procurement Processes and Procedures. The Chairperson of the Board should ensure that all Board members are familiar with such procedure and comply with it.

- 4.6 Without deviating from its fiduciary duties, the Board should ensure that the Shareholder's performance objectives are achieved and can be measured in terms of the performance of the RTIA. In addition, the Board should ensure that the RTIA prepares annual budgets against which its performance can be measured.
- 4.7 The Board must take appropriate and effective steps through its oversight responsibilities and holding Management accountable to –
 - 4.7.1 prevent irregular, fruitless and wasteful expenditure; losses resulting from criminal conduct; and expenditure not complying with the operational policies of the RTIA;
 - 4.7.2 manage available working capital efficiently and economically; and
 - 4.7.3 institute disciplinary steps against any employee of the RTIA who – contravenes or fails to comply with a provision of the PFMA.
- 4.8 Commits an act which undermines the financial management and internal control system of the RTIA.

Board Members



Ms Bongekile Zulu
CHAIRPERSON



Mr. Matsemela Moloi
REGISTRAR



Mr. Bonolo Ramokhele



Dr. Dorcas Khosa



Dr. Pritish Dala



Mr. Owen Mtsweteni



Adv. Mncedisi Bilikwana
Legal, Compliance and
Company Secretary



Adv. Sibongile Mzinyathi
NPA Nominee

Executive Members



Mr. Matsemela Moloi
REGISTRAR



Mr Caiphus Matjie
Acting Chief Financial Officer



Adv. Mncedisi Bilikwana
Legal, Compliance and
Company Secretary



Dr Kaine Monyepao
DR: Strategy Development,
Monitoring and Evaluation



Mr Gert Van Eeden
DR: Traffic Infringement
Management



Ms Keobakile Pooe
Risk Management and Internal
Audit

Board Charter

The purpose of this Board Charter is to:

- 4.9 set out the vision, mission, roles and responsibilities of the Board of RTIA;
- 4.10 ensure that –
 - 4.10.1 all Board members are aware of their individual and collective duties and responsibilities;
 - 4.10.2 all Board members are aware of the various legislation, regulations and policies affecting their conduct; and
 - 4.10.3 the principles of good corporate governance are applied in their dealings in respect of, and on behalf of the RTIA.

It covers the following areas:

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

The Agency complied with the tenets of the charter in terms of its composition and schedule of meetings.

Composition of the Board

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit Committee / Ministerial task team)
Ms Bongekile Zulu Board Chairperson	Board Chairperson	06 August 2020	B.Proc, MBA	Corporate Governance, Legal Advisory, Compliance Management and Strategy Development.	Board Member – KZN Growth Fund, Board Member – CIDB.	Social & Ethics Committee
Mr. Matsemela Moloi	Registrar	01 March 2022	BA Honours, M.A (Applied Linguistics), MBA	Law Enforcement		
Dr. Prittish Dala	Public Entity	06 August 2020	PHD (IT), M. IT, CDPSE, CEH, CGEIT, CHFI, CISA, CISM, COBIT, CRSC, LA27001 (CISSP),	Information Technology, Cyber Security and Privacy, Project Governance and Management, Information Technology Audit, Internal Auditing, Risk Management, Governance, Compliance, Forensics and Research	Durban Marine Theme Park Gautrain Management Agency. Exponential Enterprises	Chairperson of Technical Committee Audit & Risk Committee and Social & Ethics Committee

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit Committee / Ministerial task team)
Dr. Dorcas Khosa	Public Entity	06 August 2020	B. Tech & Master's degree – Policing (TUT), D.Litt. et Phil– Police Science (UNISA).	Traffic Law Enforcement	RTIA	HR & Remuneration Committee and Technical Committee
Mr. Owen Mtsetweni	Public Entity	06 August 2020	B. Tech – Traffic Municipal Police Management, National Diploma B. Admin, National Diploma – Traffic Municipal Police Management.	Traffic Law Enforcement	RTIA	HR & Remuneration Committee and Technical Committee Social & Ethics Committee
Adv. Sibongile Mzinyathi	NPA	01 October 2022	B. Iuris, LLB & LLM	Legal, Adjudication and Prosecution.	RTIA	Audit & Risk Committee, HR & Remuneration and technical Committee

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit Committee / Ministerial task team)
Mr. Bonolo Ramokhele	Public Entity	06 August 2020	B Acc. Sci., H. Dip Acc, CA (SA).	Finance and Auditing	RTIA Board Member, Audit Committee member, Finance Committee member and Innovations and Linkages Committee member – Central Johannesburg College. Finance Committee Chairperson and Audit Committee member – Gauteng CET College.	Human Resources & Remuneration, Committee Audit & Risk Committee and Social & Ethics Committee
					Board Member and served in various committees – Black Business Council.	Audit & Risk Committee and HR & Remuneration



Board Committees

Table : Composition of Board

Committee	Name of Members
Audit & Risk Committee	<ol style="list-style-type: none"> 1. ^ Mr. Suren Maharaj (Part - Chairperson) 2. # Mr. Bonolo Ramokhele (Part - Chairperson) 3. Dr. Prittish Dala 4. Ms Annabelle Mphahlele 5. Adv. Sibongile Mzinyathi (joined in December 2022)
Technical Committee	<ol style="list-style-type: none"> 1. Dr. Prittish Dala (Chairperson) 2. Dr. Dorcas Khosa 3. Mr. Owen Mtsetweni 4. Ms Clancinah Baloyi 5. Ms Bongekile Zulu 6. Adv. Sibongile Mzinyathi
HR & Remuneration Committee	<ol style="list-style-type: none"> 1. ^Mr. Bongani Hlophe (Part - Chairperson) 2. # Dr. Dorcas Khosa (Part - Chairperson) 3. Mr. Bonolo Ramakhele 4. Mr. Themba Dlamini 5. Adv. Sibongile Mzinyathi
Social & Ethics Committee	<ol style="list-style-type: none"> 1. ^Mr. Bongani Hlophe (Part - Chairperson) 2. Dr. Prittish Dala 3. Ms Bongekile Zulu 4. Mr. Suren Maharaj 5. # Mr. Owen Mtsetweni (Part - Chairperson)

Table: Board Committees'

Legends:

^ Removed as Chairpersons of the different committees' pursuant to the instruction by the Executive Authority, for the removal of independent members as Committee Chairpersons. Details as follows:

- Mr. Suren Maharaj with effect from 15 December 2022; and
 - Mr. Bongani Hlophe with effect from 19 October 2022 for both Committees.
- # Commenced responsibility as the Chairperson of committees pursuant to the removal of the independent Chairpersons. Details as follows:
- Mr. Bonolo Ramokhele with effect from 16 December 2022;
 - Dr. Dorcas Khosa with effect from 20 October 2022; and
 - Mr. Owen Mtsetweni with effect from 20 October 2022.

The table below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned / Term ended	No. of Meetings attended
Mr Suren Maharaj	CA(SA)	External (Independent Member)	N/A	30 October 2021	31 March 2023	15
Dr Prittish Dala	PHD (IT), M. IT, CDPSE, CEH, CGEIT, CHFI, CISA, CISM, COBIT, CRSC, LA27001 (CISSP),	External (Board)	N/A	14 September 2020	N/A	15
Mr Bonolo Ramokhele	B. Acc. Sci., H. Dip. Acc., CA (SA)	External (Board)	N/A	14 September 2020	N/A	14
Ms Annabelle Mphahlele	LLB, MBA	External (Independent Member)	N/A	30 October 2021	31 March 2023	14
Adv. Sibongile Mzinyathi	B. Iuris, LLB & LLM	External (Board)	N/A	01 December 2022	N/A	1

Remuneration of Board members

The Board and Committee members are remunerated on the rates, which are approved by National Treasury in the following:

- Chairperson rate is R 4 880; and
- Member rate is R 3 852.

Ordinary and Special meetings

- One-day attendance and 3-days for preparation.
- Double rate for preparation fee that fall on a weekend.
- Double rate for preparation fee that fall on a public holiday.

Emergency Meetings

- Hourly rate limited to daily rate.
- Preparation fee will only be paid if the Members are given documents by the RTIA that will be discussed in that meeting.
- Time allocated should be recorded or be confirmed in the invitation.

Functions / Conferences / Seminars / Study tours / Consultative meetings / Training/ Meetings / Lekgotla's with Parliament / Minister / Department

- Speaking on behalf of the RTIA: Attendance will be remunerated using hourly rates limited to daily rate. Preparation fee of 1-day will be paid.
- Where a member is invited as a guest and representing the RTIA, the payment will be limited to daily rate or time spent on the function. Travel Kilometres will

be reimbursed (The calculation of the mileage should be based on the official Distance Calculator).

- Number of days or hours in attendance, whichever rate is appropriate.
- Preparation Fee of 2-days is payable if the activity is more than 5-hours long and where there is evidence of documents, which had to be prepared for the meeting.

Non-Attendance of the Meeting

- Members unable to attend meetings should submit meeting inputs to the Company Secretary within 12-hours before the meeting. The fees payable for this purpose will be limited to three days' preparation time

Successive Board and Committee meetings

- Preparation Fee of 3-days will be given for each of the meetings, as the member would have spent the equivalent amount of that time to prepare for each meeting.
- 1-day attendance fee applicable when meetings take place on the same day and are back-to-back.

Board & Committee Fee Structure

Item	Description	Board & Committee Fee Structure
1.	Ordinary RTIA Board and Sub Committee meetings / Board and Committee workshops and Strategy sessions.	1 x daily rate for meeting attendance (attendance fee) and 3 x daily rate for preparation (preparation fee)
2.	Board and Sub Committee Special meetings.	1 x daily rate for meeting attendance (attendance fee) and 1 x daily rate for preparation (preparation fee).
	Emergency meetings.	Hourly rate limited to daily rate. Preparation fee of 1 x daily rate will only be paid if the members are given documents by the RTIA that will be discussed in that meeting. Time allocated should be recorded or be confirmed in the invitation.
3.	Functions / Conferences / Seminars / Study tours / Consultative meetings / Training/ Meetings / Lekgotla's with Parliament / Minister / Department.	1 x daily rate for each day in attendance (attendance fee) and 1 x daily rate for preparation (preparation fee).
4.	Claims for kilometer's travelled.	<ul style="list-style-type: none"> • Department of Transport's Kilometre rates shall be used for all reimbursed travel claims. • Reimbursement on kilometres will be paid for distance travelled to a meeting outside Gauteng.
5.	Non-Attendance of the Meeting	Members unable to attend meetings should submit meeting inputs to the Company Secretary within 12 hours before the meeting. The fees payable for this purpose will be limited to the preparation fee that is applicable to that particular meeting (ordinary or special meeting).
6.	Successive Board and Committee meetings	<ul style="list-style-type: none"> • Preparation fee will be given for each of the meetings as the member would have spent the equivalent amount of that time to prepare for each meeting. • However, the attendance fee will be limited to 1 x daily rate (attendance fee) when meetings take place on the same day and are back-to-back.

Total Meetings, Engagements and Activities

No.	Member	Committees' i.e. Board / ARC / HR & RemCo./ SEC / TechCom.	Total Meetings
1.	Ms Bongekile Zulu	<ul style="list-style-type: none"> • Board; • Technical Committee; and • Social & Ethics Committee. 	59
2.	Dr Prittish Dala	<ul style="list-style-type: none"> • Board; • Audit & Risk Committee; • Technical Committee; and • Social & Ethics Committee. 	64
3.	Dr Dorcas Khosa	<ul style="list-style-type: none"> • Board; • HR & Remuneration Committee; • Technical Committee; and • Social & Ethics Committee. 	47
4.	Mr Owen Mtsetweni	<ul style="list-style-type: none"> • Board; • HR & Remuneration Committee; • Technical Committee; and • Social & Ethics Committee. 	50
5.	^Adv. Sibongile Mzinyathi	<ul style="list-style-type: none"> • Board; • Technical Committee; and • Audit & Risk Committee • HR & Remuneration Committee 	14
6.	Mr Bonolo Ramokhele	<ul style="list-style-type: none"> • Board; • Audit & Risk Committee; • HR & Remuneration Committee; and • Social & Ethics Committee. 	51
7.	Mr Suren Maharaj	<ul style="list-style-type: none"> • Audit & Risk Committee; and • Social & Ethics Committee. 	36
8.	Ms Annabelle Mphahlele	<ul style="list-style-type: none"> • Audit & Risk Committee. 	21
9.	Ms Clancinah Baloyi	<ul style="list-style-type: none"> • Technical Committee. 	6
10.	Mr Themba Dlamini	<ul style="list-style-type: none"> • HR & Remuneration. 	19
11.	Mr Bongani Hlophe	<ul style="list-style-type: none"> • HR & Remuneration; and • Social & Ethics Committee. 	33

^ Member of the NPA does not receive remuneration.

Total Meetings, Engagements and Activities

Type of Meetings	Ms B Zulu	Dr P Dala	Dr D Khosa	Mr O Mtsetweni	Adv. S Mzinyathi	Mr B Ramokhele	Mr S Maharaj	Ms A Mphahlele	Mr T Dlamini	Mr B Hlophe	Ms C Baloyi
Board	6	6	5	6	1	6	2			2	
Board - Special	15	13	14	15		11	9			6	
ARC		7			1	7	6	7			
ARC - Special	1	8				7	9	8			
HR & RemCo.			4	4	1	4			4	4	
TechCom.	4	4	4	4	1						4
SEC	3	3	1	2		1				1	
AGM	1	1	1	1	1	1		1			
Forensic, Legal Cons.	2	2	1	2		2	2			2	
Other Engagements	27	20	17	16	9	12	8	3	15	18	2
Total Meetings	59	64	47	50	14	51	36	19	19	33	6



5. RISK MANAGEMENT

The RTIA as a public entity, is required to comply with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) ('PFMA') by establishing and maintaining effective, efficient and transparent risk management systems. Risk oversight is a primary Board responsibility, and the Board develops and continuously improves practices to establish a well-defined and effective oversight function. The Board plays a critical role in influencing Management's processes for monitoring risks and clearly defines which risks the full Board should regularly discuss, versus risks that can generally be delegated to a Board Committees. Management maintains a list of all enterprise-wide risks, which are mapped for the specific oversight of Board committees, particularly the Audit and Risk Committee

The RTIA Board is responsible for ensuring that a comprehensive and effective risk management process is in place and has thus ensured that the agency has a Risk Management Policy and Strategy. This is supported by Principle 11 of King IV: The Board should govern risk in a way that supports RTIA in setting and achieving its strategic objectives. The Audit and Risk Committee (ARC) has been delegated with the responsibility to oversee RTIAs overall risk management and to ensure the effectiveness thereof.

5.1 Strategic Risk Profile

For the reporting period, the Board and EXCO undertook an annual Board Risk Assessment to identify risks and opportunities from the 2020-2025 organisational strategy and annual performance targets for the 2022/23 Financial Year. Additionally, the risks and opportunities for the 2020-2025 strategy have also been identified and fifteen strategic risk exposures were identified relating to:

- a) Failure to influence change in road-user behaviour;
- b) Inability to sustain the RTIA operations
- c) Possible high staff turnover
- d) Over-reliance on RTMC NaTIS (NCR)
- e) Inability to infuse the culture of morality and ethics
- f) Exposure to cyber-attacks and data breaches
- g) Ineffective ICT enablement
- h) NaTIS Down-Time

In this regard, relevant risk mitigations were developed, monitored and reported to Board and the Audit and Risk Committee for independent oversight purposes and to address the achievement of the agency strategic goals.

5.2 Risk Maturity

In continuation of implementing the vision of risk management throughout the RTIA in terms of Public Sector Risk Management Framework and ISO31000, a risk maturity assessment was undertaken and the result of the maturity assessment confirmed that risk management practices is at RTIA at Level 4 of Level 6 of the risk maturity scale. As part of implementing an improved culture of risk, the identified improvement area was incorporated into the approved Risk Implementation Plan for the 2023/24 Financial Year and the three-year (3) Risk Management Implementation Plan. In reaching a level 4 risk maturity level, the key achievements over the reporting period include:

- Appointment of Risk Management Champions per Business Units
- Operationalisation of the Operational Risk Committee Chaired by Chief Risk Officer

- Implementation of the approved Combined Assurance Plan minimising duplication of efforts
- Implementation of the Business Continuity Road Map and Impact Analysis Framework
- Linkages of the organisational strategy to the strategic risk profile
- Board Strategic Risk Assessment conducted
- Quarterly Risk Reporting to Board and Audit and Risk Committee on emerging risks escalated and ventilated for resolution.

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

Combined assurance plan was implemented in the financial year, minimising duplication of effort from assurance providers. The plan also ensured that quarterly reports on progress of organisational performance and management of risks are reported to the Board through the ARC. The Agency is still awaiting the ruling of the Constitutional Court judgement on the constitutionality of the AARTO processes. The uncertainty surrounding the judgement is negatively impacting the implementation of the risk treatments for the Project AARTO Rollout Risk Register. The risk owners are both internal and external stakeholders who manage and monitor the risks through the AARTO National Steering Committees (ANSC).

6. INTERNAL CONTROL UNIT

Detailed internal audit reviews and testing was undertaken to assess the adequacy and effectiveness of controls relating to the specific audit activities. The objective was to ensure that management's control strategies are consistent with the organisation's activities and objectives. Where necessary, recommendations relating to the adequacy and effectiveness of controls were made. All significant findings were reported to the ARC for monitoring. There is constant communication between the risk management and internal audit functions to ensure that the risks identified are utilised by internal audit during audit planning and execution in order to provide assurance that mitigation strategies and controls are being implemented by management. To ensure that the controls remain effective, management conducts Controls Self Assessments on the current controls and implemented risk treatments on a continuous basis through the risk management function.

7. INTERNAL AUDIT AND AUDIT COMMITTEES

7.1 Key objectives of Internal Audit

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

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

7.2 The key activities of Internal Audit are:

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

providers, as appropriate, for the purpose of providing optimal audit coverage; and

- to provide independent assurance over governance, risk management and systems of internal control.

The internal audit function completed 25 of the 30 audits as per the approved audit plan with five audits being deferred to the 2023/24 Financial Year.

8. COMPLIANCE WITH LAWS AND REGULATIONS

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

The Agency also conducted the POPIA assessment process at the point when the legislation came into effect on the 1st July 2022, and later developed an action plan which is monitored at the compliance meetings and EXCO in order to ensure maximum compliance with the requirements of the legislation by the end of July 2023. The Agency was further subjected to compliance assessments by the Information Regulator. The Agency further registered Information & Deputy Information Officers with the Information Regulator.

9. FRAUD AND CORRUPTION

The RTIA maintains a zero tolerance approach to unethical or dishonest behaviour and any employee found to be acting unethically is subject to disciplinary action. Fraud policy and a fraud prevention plan are in place and were approved by the RTIA Board. A fraud hotline is in place, which is operated by an external service provider and guarantees the anonymity of any person calling in to report suspected fraud, corruption or misuse of public resources.

For the period under review, there was one case of corruption reported of an employee soliciting a bribe from an infringer. An investigation was conducted and a case opened with SAPS. The official subsequently resigned from the agency before a disciplinary process could be initiated.

10. MINIMISING CONFLICT OF INTEREST

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

11. CODE OF CONDUCT

The code of conduct at the Agency is managed through a code of conduct policy and ethics policy which is undergoing a review process and has been recommended for approval. The processes to deal with the contraventions of these policies are outlined in these policies.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

The Agency has embarked on the process of ensuring that the Agency complies with the stipulations of the Occupational Health and Safety Act. As a result, the Agency commissioned a clean-up and/or an improvement process after a notice issued by the Department of Labour following an inspection of the workplace. To date, the Agency has made strides in implementing the improvement plan to ensure that the workplace is safe for Employees.

13. COMPANY SECRETARY'S CERTIFICATE OF ASSURANCE

In terms of section 14(1) and (3) of the Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998) and section 40(1)(c) and (d) of the Public Finance Management Act, 1999 (Act No. 1 of 1999), I certify that for the financial year ended 31 March 2023, the Road Traffic Infringement Agency has lodged with the Minister of Transport and the National Treasury, the required audited annual financial statements, performance information and the annual report as prescribed.



Adv. MLT Bilikwana

Executive Manager: Legal, Compliance & Company Secretary

Date: 31 October 2023

14. SOCIAL RESPONSIBILITY

During the period under review a, sub-committee of the Board on social and ethics committee was established. The development of Social and Ethics strategy was finalised and approved by the committee during the year under review. The Agency plans to implement the strategy in the new financial year, among which a corporate

social responsibility strategy would be developed and implemented. The social responsibility plans will be premised on the stakeholder analysis which has been drafted in the social and ethics strategy.



15. AUDIT AND RISK COMMITTEE REPORT

The Road Traffic Infringement Agency (RTIA) Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2023.

Audit and Risk Committee Responsibility

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

and has regulated its affairs in compliance with this Charter as well as discharged all its responsibilities as contained therein.

Membership

In terms of membership for the 2022/23 financial year, the ARC comprised of two external independent members and three additional members from the RTIA Board. A list of the members and their respective qualifications as well as a record of their attendance is provided below:

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date Resigned / Term ended	No. of Meetings attended
Mr Suren Maharaj (external Member)	CA(SA)	External (Independent Member)	N/A	30 October 2021	31 March 2023	15
Ms Annabelle Mphahlele (external member)	LLB, MBA	External (Independent Member)	N/A	30 October 2021	31 March 2023	14
Dr Prittish Dala	PHD (IT), M.IT, CDPSE, CEH, CGEIT, CHFI, CISA, CISM, CISSP, COBIT, CRISC, LA27001	External (Board)	N/A	14 September 2020	N/A	15
Mr Bonolo Ramokhele	B. Acc. Sci., H. Dip. Acc., CA (SA)	External (Board)	N/A	14 September 2020	N/A	14
Adv. Sibongile Mzinyathi	B. Iuris, LLB & LLM	External (Board)	N/A	01 December 2022	N/A	1



Effectiveness of Internal Control

The overall assessment of the control environment by internal audit as well as the management and audit reports presented to the ARC by Auditor-General South Africa (AGSA), reveals that the control environment requires improvement.

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

- Quality of the annual financial statements;
- Capacity and upskilling within the Finance department;
- Training of role players in procurement processes;
- Record keeping;
- Lack of reviews of the performance planning process;
- Non-compliance of APP and annual performance report with R-FSAPP and FMPPI
- Expenditure management and Consequence management
- Information security management;
- Ineffective monitoring and implementation of the audit action plan;
- Enterprise risk management (Risk management mitigation and business continuity management); and
- Compliance monitoring.

The ARC has raised concern that the work of Internal Audit in terms of control, governance, and risk management is hampered by repeated instances of scope limitations. This emanates from a number of issues of which the root cause is inadequate record keeping and the limited human resource capacity within the Agency. The pending Constitutional Court judgement on the validity of AARTO has meant that the organizational structure has not been approved by the Executive Authority and thus the Board and Management have not been able to fill critical posts that leads to a weakened control environment.

Overall there has been improvement in the following areas, as acknowledged by the AGSA, where there were no material findings identified:

- Performance information;
- Strategic planning and performance management;
- Procurement and contract management;
- Revenue management; and
- Asset management.

In-Year Management and Monthly/Quarterly Reports

The RTIA has reported to the National Treasury and the Department of Transport in accordance with the requirements of the PFMA. The Committee as well as assurance providers provided Management with recommendations to improve the quality of quarterly and annual financial and performance reporting as well as the non-financial reporting aspects within the oversight mandate of the ARC (information communication technology, enterprise risk management, legal and compliance) during the year under review. However, the rate of implementation of recommendations and resolutions remains a cause for concern due to the capacity constraints experienced by the Agency.

Evaluation of Financial Statements and Annual Performance Report

The ARC has:

- Reviewed the unaudited financial statements with due consideration of the management assurance provided (supported by a Generally Recognised Accounting Practice (GRAP) review by a service provider engaged by management) as well as the independent assurance from Internal Audit was recommended to the Board for approval before 31 May 2023. During the review the ARC raised specific concerns in relation to the financial position, high risk of recurring audit findings due to the ineffective implementation of the audit action plan, quality of the unaudited annual financial statements with due consideration of the aspects identified during the interim audit.

- Reviewed changes in accounting policies and practices;
- Reviewed compliance with legal and regulatory provisions
- The unaudited annual performance information on predetermined objectives with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management was recommended to the Board for approval before 31 May 2023; and
- Tabled to the Board the AGSA audit and management reports, audited financial statements to be included in the annual report as well as the audited performance information.

AGSA Report

The ARC notes with concern the consecutive qualified audit opinion issued by the AGSA especially in relation to the AARTO assets and liabilities as well as the material non-compliance finding identified with regards to consequence management, and is of the opinion that the audited annual financial statements may be read together with the audit report of the AGSA.

The Committee's concern is that the basis of the qualification relates to the lack of supporting schedules on the amounts relating to the unallocated receipts associated with the AARTO assets and liabilities. Management has in this regard accepted the finding and will address the system-related challenges. Furthermore, management will continue to measures to resolve the challenges related to the unallocated receipts.

In terms of the material non-compliance finding, it related to the non-implementation of consequence management against officials who caused irregular expenditure and fruitless and wasteful expenditure for transactions that were identified and disclosed in the prior financial period (2021/22) and does not relate to the current financial period.

Conclusion

The Committee notes with concern the qualified audit opinion and recommended that the RTIA must ensure that an adequate audit action plan addressing the root causes associated with both internal and external audit findings is developed and monitored to ensure effective implementation. In addition, a post audit workshop between the AGSA and Management is critical to ensure a seamless audit process going forward. Furthermore, processes associated with the quality of annual financial statements, monitoring of the audit action plan as well as compliance monitoring needs to be enhanced in order to achieve an improved audit outcome.



Mr Bonolo Ramokhele CA(SA)

Audit and Risk Committee Chairperson

Date: 31 October 2023

16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

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



PART D: HUMAN RESOURCE MANAGEMENT



1. INTRODUCTION

For the year under review, the Unit continued to provide Human Capital Management (HCM) for the Agency, through the approval of the HCM strategy. As per all the previous financial years, the Unit implemented the workplace skills plan (WSP) as required by the Skills Development Act, 1998. Subsequently, complying with the submission of the annual training report (ATR) and compilation of the WSP for the 2023/24 Financial Year, after a vigorous training needs analysis (TNA) process.

In response to the Employee Health and Wellness commitment of the Agency, the Agency was able to launch and appoint an accredited service provider to handle Employee Health and Wellness processes and procedures of the Agency. These services were acquired to render the following services:

- Up to 8 sessions of face-to-face counselling with a qualified professional in an area of your choice;
- Life Management: legal and financial telephonic advice;
- Telephonic health and medical support services;
- Musculoskeletal Health support for issues such as, back pain and neck pain;
- Absence reporting and referral services; and
- Access to the electronic eCare service that provides a wealth of health and wellness-related information.

A. HUMAN RESOURCES OVERSIGHT STATISTICS

The table below provides employee costs for the period under review per programme. The Agency ended the financial year with 185 staff compliment comprising of permanent and contract employees.

Table 2.1: Personnel Cost by Programme

Personnel Cost by Programme					
Table 2.1					
Programme	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
1	15 607	7 816	50%	18	434
2	23 752	30 669	129%	13	2 359
3	-	4 107	0%	10	411
4	49 192	65 223	133%	144	453
TOTAL	88 551	107 815	122%	185	583

For the reporting period, the Agency spent a total of R108 million on employment costs compared to the reported R 64 million the previous year.



Table 2.2: Employee Costs by Salary Band

Personnel Cost by Salary Band				
Salary Bands	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management (Level 15-16)	17 634	16%	4	4 409
Senior Management (Levels 13-14)	18 615	17%	15	1 241
Professional Qualified (Levels 9-12)	30 811	29%	51	604
Skilled (Levels 6-8)	39 571	37%	110	360
Semi-skilled (Levels 3-5)	1 184	1%	5	237
Unskilled	0	0	0	0
TOTAL	107 815	100%	185	583

Table 2.3: Performance Rewards per Occupational Category

Table 2.3 Performance Rewards per Occupational Band			
Occupational Bands	Performance rewards (R'000)	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	R 0,00	17 634	R 0,000
Senior Management	R 0,00	18 615	R 0,000
Professional qualified	R 0,00	30 811	R 0,000
Skilled	R 0,00	39 571	R 0,000
Semi-skilled	R 0,00	1 184	R 0,000
Unskilled	R 0,00	0	R 0,000
TOTAL	R 0,00	107 815	R 0,000

For the period under review, the RTIA did not process any performance incentives due to its inability to reach the planned annual performance plan (APP) targets.



For the period under review, the Agency was able to achieve 100% of its WSP priorities to provide employees with knowledge and skills to perform and achieve their goals.

Table 2.4: Training Costs per Business unit

Table 2.4					
Training Costs per Business Unit					
Business Unit	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of Employees Trained	Avg Training Cost per Employee.
Office of the Registrar	40 627	5	0%	1	5
AARTO Operations	7 383	124	2%	23	5
Finance	9 389	18	0%	3	6
Information Management	4 107	29	1%	5	6
Adjudications	46 399	267	1%	17	16
TOTAL	107 815	443	0%	49	9

Table 2.5 Employment and Vacancies per Occupational Band

Table 2.5					
Employment and Vacancies per Occupational Band					
Programme	2021/2022 No. of Employees	2021/2022 Filled Posts	2022/2023 No. of Employees	2022/2023 Vacancies	% of vacancies
1	18	9	18	9	100%
2	7	7	13	7	0
3	11	0	10	0	100%
4	122	17	132	17	0
5	17	0	12	0	100%
TOTAL	175	33	185	33	100%



For the period under review, thirty six (36) appointments were made and twenty seven staff members left the employ of the Agency due to various reasons.

Table 2.6: Changes in Employee Numbers and Movements

Table 2.6		Employment Changes per Salary Band		
Salary Bands	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management (Levels 15-16)	6	1	3	4
Senior Management (Levels 13-14)	14	1	0	15
Professional Qualified (Levels 9-12)	36	18	4	51
Skilled (Levels 6-8)	105	14	9	110
Semi-skilled (Levels 3-5)	14	2	11	5
Unskilled (Levels 1-2)				
TOTAL	175	36	18	185



Table 2.7: Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	15	0.55%
Dismissal	1	0.03%
Retirement	1	0.03%
Ill health	0	0
Expiry of contract	0	0
Other	10	0.37%
Total	27	0.98%

Table 2.8: Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written warning	0
Suspension	1
Dismissal	1
Total	3

Employment Equity Status and Equity Targets

Table 2.9 Employment Equity and Targets

Table 2.9a	Labour Relations : Equity Target and Employment Equity Status - Male									
Race Group	African	Coloured	Asian	White	Total Male					
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	0	0	0	0	0	0	0	3	0
Senior Management	8	0	1	1	0	1	1	0	10	2
Professional qualified	22	0	1	0	1	1	0	1	24	2
Skilled	45	0	2	0	0	1	0	1	47	2
Semi-skilled	2	0	0	0	0	0	0	0	2	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	80	0	4	1	1	3	1	2	86	6



Table 2.9(b) Employment Equity and Targets

Table 2.9b		Labour Relations : Equity Target and Employment Equity Status - Female								
Race Group	African	Coloured	Asian	White	Total Female					
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	0	0	0	0	0	0	0	1	0
Senior Management	5	0	0	1	0	1	0	1	5	3
Professional qualified	23	0	2	0	0	1	2	0	27	1
Skilled	58	0	4	1	0	1	1	1	63	3
Semi-skilled	2	0	1	0	0	0	0	0	3	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	89	0	7	2	0	3	3	2	99	7

Table 2.9(c) Employment Equity and Targets

Table 2.9c		Labour Relations : Equity Target and Employment Equity Status - Total								
Race Group	African	Coloured	Asian	White	TOTAL					
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	0	0	0	0	0	0	0	4	0
Senior Management	13	0	1	2	0	2	1	1	15	5
Professional qualified	45	0	3	0	1	2	2	1	51	3
Skilled	103	0	6	1	0	2	1	2	110	5
Semi-skilled	4	0	1	0	0	0	0	0	5	0
Unskilled	0	0	0	0	0	0	0	0	0	0
TOTAL	169	0	11	3	1	6	4	4	185	13



Table 2.9 d	Disabled Staff					
Gender	Male	Female	TOTAL			
Occupational Bands	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Professional qualified	0	1	0	0	0	1
Skilled	1	0	0	1	1	1
Semi-skilled	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0
TOTAL	1	1	0	1	1	2



PART E: FINANCIAL INFORMATION



INDEX

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

	Page
Accounting Authority's Responsibilities and Approval.....	106 - 107
Report of the Auditor - General to the Parliament	108 - 118
Statement of Financial Position.....	119
Statement of Financial Performance	120
Statement of Changes in Net Assets.....	121
Cash Flow Statement	122
Statement of Comparison of Budget and Actual Amounts	123 - 126
Accounting Policies	127 - 151
Notes to the Annual Financial Statements	152 - 191

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

INDEX

Abbreviations:

AARTO/(Act)	Administrative Adjudication of Road Traffic Offences (Act)
A-GSA	Auditor-General of South Africa
Agency	Refers to the RTIA
AMIP	AARTO Master Implementation Plan
EFT	Electronic Funds Transfer
ANSC	AARTO National Steering Committee
AT	Appeals Tribunal
NaTIS	National Traffic Information System
EXCO	Executive Committee of the Agency
FAR	Fixed Asset Register
GRAP	Generally Recognised Accounting Practice
GDoCS	Gauteng Department of Community Safety
IA/s	Issuing Authority/ies
IT	Information Technology
JMPD	Johannesburg Metropolitan Police Department
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NCR	National Contraventions Register
NDoT/DoT	National Department of Transport
NRTA	National Road Traffic Act
NT	National Treasury
PFMA	Public Finance Management Act
RTIA	Road Traffic Infringement Agency
RTMC	Road Traffic Management Corporation
RSA	Republic of South Africa
SLA	Service Level Agreement
SAPO	South African Post Office
TMPD	Tshwane Metropolitan Police Department

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

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

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

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

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

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

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL (cont.)

The Accounting Authority have reviewed the entity's cash flow forecast for the period to 31 March 2024 and in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future, subject to the retention of the surplus funds.

The entity is dependent on the infringements fees for the continued funding of the operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the RTIA has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Accounting Authority is primarily responsible for the financial affairs of the entity, it is supported by the entity's external auditors.

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

The annual financial statements set out on pages 119 - 191, which have been prepared on the going concern basis, were approved by the accounting authority on 31 October 2023 and were signed on its behalf by:



Ms Bongekile Zulu
Chairperson of the Board

Date: 31 October 2023



Mr. Matsemela Moloi
Registrar

Date: 31 October 2023

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

Report on the audit of the financial statements

Qualified opinion

1. I have audited the financial statements of the Road Traffic Infringement Agency set out on pages 119 to 191, which comprise the statement of financial position as at 31 March 2023, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this auditor's report, the financial statements present fairly, in all material respects, the financial position of the Road Traffic Infringement Agency as at 31 March 2023, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the Public Finance Management Act 1 of 1999 (PFMA).

Basis for qualified opinion

AARTO liabilities – unallocated receipts

3. I was unable to obtain sufficient appropriate audit evidence that the AARTO liabilities – unallocated receipts for the current and previous year had been properly accounted for, due to the status of the accounting records. I was unable to confirm the AARTO liabilities – unallocated receipts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to AARTO liabilities – unallocated receipts stated in note 6 to the financial statements at R82 718 225 (2022: R81 093 476).

AARTO liabilities – Road Traffic Infringement Agency

4. Not all outstanding amounts meeting the definition of a liability were recognised in accordance with GRAP 1, Presentation of financial statements. Adequate records of outstanding payments for infringement fees collected but not yet paid at year-end were not maintained. This resulted in AARTO liabilities – Road Traffic Infringement Agency disclosed in note 6 to the financial statements being understated by R2 311 055 and the comparative for 2022 being overstated by R2 265 339.

Prior period error – AARTO liabilities

5. I was unable to obtain sufficient appropriate audit evidence for the restatement of the corresponding figure for AARTO liabilities. As described in note 27 to the financial statements, the restatement was made to rectify a prior year misstatement, but the restatement could not be substantiated by supporting audit evidence. I was unable to confirm the restatement by alternative means. Consequently, I was unable to determine whether any adjustment was necessary to the AARTO liabilities corresponding figure stated at R89 417 809 in the financial statements.

Context for opinion

6. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
7. I am independent of the public entity in accordance with the International Ethics Standards Board for *Accountants' International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
8. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of matters

9. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Material impairments – trade debtors

10. As disclosed in note 4 to the financial statements, material impairments of R7 407 182 were incurred as a result of revenues not recoverable from statutory receivables.

Irregular expenditure

11. As disclosed in note 24 to the financial statements, irregular expenditure of R5 796 262 was incurred, as a proper procurement process was not followed.

Other matter

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

National Treasury Instruction Note No. 4 of 2022-23: PFMA Compliance and Reporting Framework

- On 23 December 2022 National Treasury issued Instruction Note No. 4: PFMA Compliance and Reporting Framework of 2022-23 in terms of section 76(1)(b), (e) and (f), 2(e) and (4)(a) and (c) of the PFMA, which came into effect on 3 January 2023. The PFMA Compliance and Reporting Framework also addresses the disclosure of unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure. Among the effects of this framework is that irregular and fruitless and wasteful expenditure incurred in previous financial years and not addressed is no longer disclosed in the disclosure notes of the annual financial statements, only the current year and prior year figures are disclosed in note 24 to the financial statements. The movements in respect of irregular expenditure and fruitless and wasteful expenditure are no longer disclosed in the notes to the annual financial statements of Road Traffic Infringement Agency. The disclosure of these movements (e.g. condoned, recoverable, removed, written off, under assessment, under determination and under investigation) are now required to be included as part of other information in the annual report of the auditees. I do not express an opinion on the disclosure of irregular expenditure and fruitless and wasteful expenditure in the annual report.

Responsibilities of the accounting authority for the financial statements

- The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
- In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

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

Report on the audit of the annual performance report

18. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
19. I selected the following programmes presented in the annual performance report for the year ended 31 March 2023 for auditing. I selected programmes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
AARTO Administration and Education	31	The programme exists to facilitate and ensure systems and processes for responsive AARTO administration, education and awareness interventions.
Adjudication and AARTO Support	32	This programme exists to ensure adjudication and AARTO stakeholder management activities in line with the provisions of the AARTO Act.
AARTO Information and Analytics	33	This existence of this programme is the institutionalization of information management in line with the provisions of the AARTO legislative framework. Key functions and outputs include but are not limited to research, digital technologies and data management.

20. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
21. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - the indicators are well defined and verifiable to ensure that they are easy to understand and applied consistently and that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

- the indicators and targets reported on in the annual performance report are the same as what was committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner
- there are adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

22. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion.

23. I did not identify any material findings on the reported performance information for the selected programmes.

Other matters

24. I draw attention to the matters below.

Achievement of planned targets

25. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- and under achievements. This information should be considered in the context of the material findings on the reported performance information.

26. The public entity plays a key role in delivering services to South Africans. The annual performance report includes the following service delivery achievements against planned targets:

Key service delivery indicators not achieved	Planned target	Reported achievement
AARTO Administration and Education		
<i>Targets achieved: 100%</i>		
<i>Budget spent: 26%</i>		
Adjudication and AARTO Support		
<i>Targets achieved: 0%</i>		
<i>Budget spent: 37%</i>		
% Representations adjudicated within 21 days from date of receipt	100%	38,82%



27. Reasons for the underachievement of targets are included in the annual performance report on pages 31 to 34.

Material misstatements

28. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of AARTO Administration and Education and Adjudication and AARTO Support. Management subsequently corrected all the misstatements and I did not include any material findings in this report.

Report on compliance with legislation

29. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

30. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

31. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

32. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statement, performance and annual report

33. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records, as required by section 55(1)(a) and (b) of the PFMA. Material misstatements of current assets, current liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statements were corrected and the supporting records were provided subsequently, but the uncorrected material misstatements and supporting records that could not be provided resulted in the financial statements receiving a qualified opinion.

Expenditure management

34. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 24 to the annual financial statements, as required by section 51(1)(b) (ii) of the PFMA. The majority of the fruitless and wasteful expenditure was caused by penalties incurred.

Consequence management

35. I was unable to obtain sufficient appropriate audit evidence that disciplinary steps were taken against officials who had incurred irregular expenditure as required by section 51(1)(e)(iii) of the PFMA. This was due to proper and complete records that were not maintained as evidence to support the investigations into irregular expenditure.

Other information in the annual report

36. The accounting authority is responsible for the other information included in the annual report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
37. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation, do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
38. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
39. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

40. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
41. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion and the material findings on compliance with legislation included in this report.
42. Management did not adequately design and implement internal controls to ensure AARTO liabilities are supported by reliable information including listings and schedules.
43. Management did not adequately design and implement internal controls for preparation, review and approval of annual financial statements to prevent, detect and timely correct material misstatements.
44. Management did not ensure effective record management system to support consequence management to deter non-compliances with laws, regulation and internal policies.

Auditor - General

Pretoria

18 October 2023



Annexure to the auditor's report

The annexure includes the following:

- the auditor-general's responsibility for the audit
- the selected legislative requirements for compliance testing.

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

Financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56(1); 56(2); 57(b)
Treasury Regulations	Treasury Regulation 8.2.1; 8.2.2; 16A 3.1; 16A 3.2; 16A 3.2(a); 16A 6.1; 16A6.2(a) & (b); 16A6.2(e); 16A 6.3(a); 16A 6.3(a)(i); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); 16A 9.2(a)(iii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.1.2(c); 31.2.1; 33.1.1; 33.1.3
Preferential Procurement Policy Framework Act 5 of 2000	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations of 2017 (PPR)	Regulation 4(1); 4(2); 5(1); 5(3); 5(6); 5(7); 6(1); 6(2); 6(3); 6(5); 6(6); 6(8); 7(1); 7(2); 7(3); 7(5); 7(6); 7(8); 8(2); 8(5); 9(1); 9(2); 10(1); 10(2); 11(1); 11(2); 12(1) and 12(2)
Preferential Procurement Regulations of 2022 (PPR)	Regulation 3(1); 4(1); 4(2); 4(3); 4(4); 5(1); 5(2); 5(3); 5(4)
Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA)	Section 29; 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
Construction Industry Development Board Regulations	Regulation 17; 25(1); 25 (5) & 25(7A)
PFMA SCM Instruction no. 09 of 2022/2023	Paragraph 3.1; 3.3 (b); 3.3 (c); 3.3 (e); 3.6
National Treasury Instruction No.1 of 2015/16	Paragraph 3.1; 4.1; 4.2

Legislation	Sections or regulations
NT SCM Instruction Note 03 2021/22	Paragraph 4.1; 4.2 (b); 4.3; 4.4; 4.4 (a); 4.4 (c)-(d); 4.6; 5.4; 7.2; 7.6
NT SCM Instruction 4A of 2016/17	Paragraph 6
NT SCM Instruction Note 03 2019/20	Par 5.5.1(vi); Paragraph 5.5.1(x);
NT SCM Instruction Note 11 2020/21	Paragraph 3.1; 3.4 (a) and (b); 3.9; 6.1;6.2;6.7
NT SCM Instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.2; 3.2.4(a) and (b); 3.3.1; 4.1
PFMA SCM Instruction 04 of 2022/23	Paragraph 4(1); 4(2); 4(4)
Practice Note 5 of 2009/10	Paragraph 3.3
PFMA SCM instruction 08 of 2022/23	Paragraph 3.2; 4.3.2; 4.3.3
NT instruction note 4 of 2015/16	Paragraph 3.4
Second amendment of NTI 05 of 2020/21	Paragraph 1 and 2; 4.8; 4.9; 5.1; 5.3
Practice note 7 of 2009/10	Paragraph 4.1.2
Practice note 11 of 2008/9	Paragraph 3.1; 3.1 (b)
NT instruction note 1 of 2021/22	Paragraph 4.1



ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

Figures in Rand	Note	2023	2022 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	156 816 593	346 890 528
Receivables from exchange transactions	4	27 369 115	42 748 588
Other receivables from non-exchange transactions	5	165 915 000	-
AARTO assets	6	136 638 010	151 445 212
		486 738 718	541 084 328
Non-Current Assets			
Property, plant and equipment	7	3 729 959	7 532 940
Intangible assets	8	2 198 551	2 539 448
		5 928 510	10 072 388
Total Assets		492 667 228	551 156 716
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	10 258 909	11 063 081
Provisions	10	3 571 998	4 155 768
AARTO liabilities	6	136 638 010	151 445 212
		150 468 917	166 664 061
Total Liabilities		150 468 917	166 664 061
Net Assets		342 198 311	384 492 655
Accumulated surplus		342 198 311	384 492 655

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

STATEMENT OF FINANCIAL PERFORMANCE

Figures in Rand	Note	2023	2022 Restated*
Revenue			
Revenue from exchange transactions			
Infringement fees	11	112 948 779	178 234 749
Interest received	11	12 784 486	6 811 236
Sundry income	11	355 182	373 001
		126 088 447	185 418 986
Revenue from non-exchange transactions			
Grants	11	174 983 000	159 445 949
		174 983 000	159 445 949
Total revenue		301 071 447	344 864 935
Operating expenses			
Employment costs	12	(107 815 341)	(63 727 407)
Depreciation and amortisation on assets	7&8	(7 651 443)	(6 364 877)
Other operating expenses	13	(79 928 468)	(131 980 879)
Repairs and maintenance		(970 539)	(544 085)
Total expenditure		(196 365 791)	(202 617 249)
Surplus for the period	14	104 705 656	142 247 686

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

STATEMENT OF CHANGES IN NET ASSETS

Figures in Rand	Note	Accumulated surplus	Total net assets
Balance at 01 April 2021 (Previously reported)		242 244 969	242 244 969
Surplus for the year		142 247 686	142 247 686
Total changes		142 247 686	142 247 686
Restated* Balance at 01 April 2022		384 492 655	384 492 655
Surplus for the period		104 705 656	104 705 656
National Treasury surplus surrender		(147 000 000)	(147 000 000)
Total changes		(42 294 344)	(42 294 344)
Balance at 31 March 2023		342 198 311	342 198 311
Note		27	



ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

CASH FLOW STATEMENT

Figures in Rand	Note	2023	2022 Restated*
Cash flows from operating activities			
Receipts			
Infringement receipts		128 328 252	175 437 512
Grants received		9 068 000	159 445 949
Interest income		12 784 486	6 811 236
Other receipts		355 182	373 001
AARTO collections		168 653 664	283 823 638
		319 189 584	625 891 336
Payments			
Employee costs		(108 399 111)	(63 727 407)
Suppliers		(81 662 745)	(173 081 459)
Payment to National Treasury		(147 000 000)	-
AARTO Disbursements		(168 653 664)	(283 823 638)
		(505 715 520)	(520 632 504)
Net cash flows from operating activities	15	(186 525 936)	105 258 832
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(412 894)	(3 244 961)
Purchase of other intangible assets	8	(3 135 105)	(4 287 719)
Net cash flows from investing activities		(3 547 999)	(7 532 680)
Net (decrease) increase in cash and cash equivalents		(190 073 935)	97 726 152
Cash and cash equivalents at the beginning of the period		346 890 528	249 164 376
Cash and cash equivalents at the end of the period	3	156 816 593	346 890 528

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis

Figures in Rand	Original budget	Final adjustments budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref
Statement of Financial Performance						
Revenue						
Infringement fees	312 031 000	-	312 031 000	112 948 779	199 082 221	N1
Grant	174 263 000	720 000	174 983 000	174 983 000	-	N1
Grant -MTEF	9 076 000	(8 000)	9 068 000	9 068 000	-	
Grant - AARTO rollout (ring fenced)	165 187 000	728 000	165 915 000	165 915 000	-	
	486 294 000	720 000	487 014 000	287 931 779	199 082 221	
Other income						
Sundry income	-	-	-	355 182	(355 182)	N1
Transfer revenue	486 294 000	720 000	487 014 000	288 286 961	198 727 039	

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (cont.)

Figures in Rand	Original budget	Final adjustments budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref
Expenditure	-					
Employment costs	205 764 400	-	205 764 400	107 815 341	97 947 059	N2
Administrative & other expenses	27 260 280	(728 000)	27 988 280	36 739 613	(8 751 333)	N2
Advertising and marketing	45 000 000	-	45 000 000	4 808 730	40 191 270	N2
Consultants	3 710 000		3 710 000	5 668 265	(1 958 265)	N2
Legal costs	5 000 000	-	5 000 000	6 461 243	(1 461 243)	N2
Operating leases	39 216 000		39 216 000	2 677 086	36 538 914	N2
Expenditure of AARTO issued notices	79 500 000	-	79 500 000	23 109 186	56 390 814	N2
Legislative review	9 163 320		9 163 320	-	9 163 320	N3
Technology and electronic services	59 331 000	-	59 331 000	-	59 331 000	N3
Service outlets and kiosks	2 980 000	-	2 980 000	-	2 980 000	N3
Research costs	9 369 000	-	9 369 000	-	9 369 000	N3
Total expenditure	486 294 000	(728 000)	487 022 000	187 279 464	299 742 536	
Reconciliation						
Basis difference						
Impairment of receivables				1 394 073	(1 394 073)	
Depreciation and amortisation on assets				7 651 443	(7 651 443)	
Write off of property, plant and equipment				40 811	(40 811)	
				9 039 990	(9 039 990)	

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (cont.)

Figures in Rand	Original budget	Final adjustments budget	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Ref
Total expenditure as per statement of financial performance	486 294 000	(728 000)	487 022 000	196 365 791	290 656 209	
Investment income						
Interest received				12 784 486	(12 784 486)	N4
Net surplus as per statement of financial performance				104 705 656	(104 705 656)	
Capital expenditure and Balance sheet						
Total assets	35 800 000	-	35 800 000	3 547 999	32 252 001	N5
Approved surplus retention	130 200 000	-	130 200 000	-	130 200 000	



STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (cont.)

Statement of budget narrative for the reference notes

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

N1 – The infringement fees collected is below the anticipated target by 39% as a result of the reduction of the number of notices issued overall by the Issuing Authorities participating under the AARTO implementation. From the allocated grant with conditions related to the AARTO roll-out (ring fenced amount of R166 million), no funds were received by year end. The AARTO roll-out has been put on hold pending the High Court Judgement case.

N2 – Overall spending of the budget was behind and was not achieved for all planned projects especially the AARTO rollout program, which consequently resulted in the variances for the year under review in most expenditure line items. The following line items were below the budget allocation which resulted in an overall underspending: Employment associated costs were 65%, AARTO notices 71%, legal costs 26%, advertising 89% and operating leases 93% respectively. The following category of expenses exceeded the actual planned budget: administrative & operating expenses (27%), legal costs (31%) and consultancy fees (19%) respectively.

N3 – The budget allocated for these expenditure line items was not spent due to the National roll-out proclamation date and the eventually the impact of the high court judgement, resulting in underspending of the budget.

N4 – The investment income arises from interest generated on a positive cash balance from the cheque account. There is no budget item allocated since the return is dependent on the balance held. The account is not held for investment purposes.

N5 – The budget allocated for capital expenditure spending was R36 million resulted in inherent cost savings of 89% as a result of the deferral of the major planned projects that were aligned with the implementation of the National Rollout of AARTO. This included the replacement of administrative assets.

ACCOUNTING POLICIES

Presentation of Annual Financial Statements

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

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

During the year, a number of standards of GRAP became effective for the current financial period.

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

These accounting policies are consistent with the previous period.

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

Entity

The Road Traffic Infringement Agency ("RTIA" or the "Agency") derives its mandate and functions from the Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998). The full responsibilities of the Agency are contained in this Act.

Basis of measurement

The annual financial statements have been prepared on an accrual basis of accounting and incorporate the historical cost conventions as the basis of measurement, except where specified otherwise.

Functional and presentation currency

These annual financial statements are presented in South African Rand, which is the Agency's functional currency. All financial information presented in Rand has been rounded to the nearest Rand.

ACCOUNTING POLICIES (cont.)

Comparative figures

Budget

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

Prior year comparatives

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

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

1. Significant accounting policies

1.1 Significant judgements and sources of estimation uncertainty

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

Judgements

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

ACCOUNTING POLICIES (cont.)

Determination of useful lives for property, plant and equipment

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

Adequacy of the leave pay provision

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

Estimates

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

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

The following significant areas of judgements and sources of estimation uncertainty were used during the current or prior financial period:

ACCOUNTING POLICIES (cont.)

Impairment testing

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

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

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

Provisions

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

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

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

On receivables, an impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired. The impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted using the risk free interest rate, computed at initial recognition. The measurement of receivables is derived after consideration of the allowance for receivables. Management makes certain assumptions regarding the categorisation of receivables into groups with similar risk profiles so that the effect of any impairment loss on a group of receivables would not differ materially from the impairment

ACCOUNTING POLICIES (cont.)

that would have been determined had each receivable been assessed for impairment loss on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance, the estimates are made about the probability of recovery of the receivables based on their past payment history and risk profile. The Agency assesses its receivables for impairment loss at each reporting date. In determining whether impairment for receivables should be recognised, management will make judgements as to whether there is objective evidence indicating that the receivable may be impaired.

Asset lives and residual values

Depreciation and amortisation recognised on property, plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on managements' estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected future use and the entity's expectations about availability of finance to replace the asset at the end of its useful life. In evaluating how the condition and use of the asset informs the useful life and residual value, management considers the impact of technology and minimum service requirements of the assets.

Property, plant and equipment are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

For uncertainties that result from the assessment of useful lives and residual values on property, plant and equipment and intangible assets, see note 1.4 and 1.5.

Leave provision

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

ACCOUNTING POLICIES (cont.)

RTIA acts as an agent to the Issuing Authorities

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

Statutory receivables

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

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

RTIA acts as a principal to the Collecting Agents

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

ACCOUNTING POLICIES (cont.)

1.2 Provisions

Provisions are recognised when:

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

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

Provisions are made for unavoidable liabilities of which the amount can be estimated, but the settlement is uncertain. These provisions are recognised when the Agency has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. A provision is reversed to the extent that it is no longer probable that a future outflow of economic benefits will be required to settle the obligation.

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

Provisions are not recognised for future operating surplus (deficit).

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

ACCOUNTING POLICIES (cont.)

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
- the business or part of a business concerned;
- the principal locations affected;
- the location, function and approximate number of employees who will be compensated for terminating their services;
- the expenditures that will be undertaken; and
- when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Litigation costs

Litigation costs based on the estimated legal fees, including but not limited to damages based on the probable costs payable on completion of the cases against RTIA.

1.3 Contingencies

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed, unless the possibility of flow of resources is remote. If the disclosures of contingencies may seriously prejudice the entity then the general nature of the contingency is disclosed, together with the reason as to why further information is not disclosed. Management considers the existence of possible obligations which may arise from legal action. The estimation of the amounts disclosed is based on the expected possible outflows of economic benefits should there be a present obligation.

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

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

ACCOUNTING POLICIES (cont.)

1.4 Property, plant and equipment

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

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

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

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

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

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

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

The useful life of an asset and residual values are reviewed annually and if expectations differ from previous estimates, the changes are accounted for as changes in accounting estimates. The entity re-assesses the useful lives and residual values of property, plant and equipment and intangible assets on an annual basis and in doing so considers the condition in use of the individual assets to determine the remaining period over which the asset will be used.

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

ACCOUNTING POLICIES (cont.)

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

Item	Average useful life
Furniture and fixtures	5 - 12 years
Motor vehicles	5 - 10 years
Office equipment	1 - 7 years
IT equipment	3 - 5 years
Leasehold improvements	lease term or 25 years

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

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

1.5 Intangible assets

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

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

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

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

ACCOUNTING POLICIES (cont.)

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

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

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

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

Item	Average useful life
Computer software and licenses	1 - 4 years
Web development costs	1 - 4 years

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

ACCOUNTING POLICIES (cont.)

1.6 Financial instruments

Initial recognition

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

Receivables from exchange transactions

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

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

Receivable from non-exchange transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange. In a non-exchange transaction, the entity does not provide any services directly to the customer. In determining the classification, the entity needs to look at the substance of the transaction and in doing so the entity exercises professional judgement. If it is not possible to distinguish between the exchange and non-exchange components, the transaction should be treated as a non-exchange transaction.

ACCOUNTING POLICIES (cont.)

Prepayments

Prepayments are amounts paid in advance for a benefit not yet received. This type of expenses normally includes costs paid in one fiscal year that benefits a future year (period).

Payables from exchange transactions

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

Payables from exchange transactions are initially measured at fair value.

Cash and cash equivalents

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

Offsetting

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

Derecognition

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

Financial assets

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

ACCOUNTING POLICIES (cont.)

Financial liabilities

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

1.7 Taxation

The RTIA is exempt from taxation in terms of the provision of section 10 (1) (cA) (i) of the Income Tax Act, 1962 (Act No. 58 of 1962) and the Value-Added Tax Act, 1991 (Act No. 89 of 1991). The RTIA is exempt from the payment of Value Added Tax (VAT) on the transfer received. However, the RTIA is liable to pay VAT on imported services received. VAT paid by the RTIA for other goods and services is not refundable by SARS. As a result, some of the items of revenue and expenditure and assets and liabilities include VAT.

1.8 Leases

Finance Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability. Any contingent rents are expensed in the period in which they are incurred. The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

ACCOUNTING POLICIES (cont.)

Operating leases

Leases where the lessor retains the risk and rewards of ownership of the underlying asset are classified as operating leases. Lessee operating lease payments are recognised as an expense on a straight-line basis over the term of the lease where these leases are multi-year and subject to price escalations. The difference between the amounts recognised as an expense and the contractual payments is recognised as an operating lease asset or liability in the Statement of Financial Position. The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the entity no longer anticipates economic benefits to flow from the asset. The objective of the annual financial statements is to provide relevant and reliable information and therefore materiality is considered in the disclosure of such transactions.

1.9 Impairment

Financial assets

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

Assets carried at amortised cost

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

ACCOUNTING POLICIES (cont.)

Non-financial assets

The carrying amount of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised when the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in surplus or deficit.

Reversal of impairment loss

The entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss is recognised immediately in surplus or deficit. These increases in carrying amounts are treated as reversals of impairment losses for individual assets.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- its recoverable amount (if determinable); and
- the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

ACCOUNTING POLICIES (cont.)

1.10 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

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

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

Defined contribution plans

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

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

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for this benefit. The entity recognises termination benefits when the employment of employee has been terminated.

1.11 Revenue recognition

Revenue from non-exchange transactions

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

ACCOUNTING POLICIES (cont.)

Grants and virements received

Government grants are recognised when there is reasonable assurance that:

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

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

Non-refundable transactions

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

Unclaimed liabilities

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

Revenue from exchange transactions

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

ACCOUNTING POLICIES (cont.)

Infringement fees

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

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

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

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

1.12 Accumulated surplus/deficit

The accumulated surplus/deficit represents the net difference between the total assets and the total liabilities of the RTIA. Any surplus or deficit realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are credited/debited against accumulated surplus/deficit when retrospective adjustments are made.

ACCOUNTING POLICIES (cont.)

1.13 Interest

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when: .

- It is probable that the economic benefits or service potential associated with the transaction will flow to the RTIA, and
- The amount of the revenue can be measured reliably. Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.14 Financing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.15 Repairs and maintenance

The GRAP standard requires that information regarding the repairs and maintenance be presented either on the face of the statement of financial performance or in the notes. Where, an entity incurs material repairs and maintenance, it may not be appropriate to present a separate line item in the statement of financial performance, thus it will be appropriate to disclose the information in the notes.

1.16 Other operating expenses

Expenses are decreases in the net financial position of the entity, other than decreases arising from ownership distributions. Expenses may arise from exchange and non-exchange transactions or from individual transactions or groups of transactions. Expenses are recognised on the accrual basis of accounting when the transactions, other events and conditions occur, not when cash is paid or received. Expenses are measured at the historical cost which measures using information derived from the price of the transaction or other event that gave rise to them.

ACCOUNTING POLICIES (cont.)

1.17 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a one previous financial year comparative analysis.

Fruitless and wasteful expenditure for the previous financial year must be recognised in in the period in which it relates to by including:

- fruitless and wasteful expenditure incurred and confirmed in the previous financial year;
- fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

Fruitless and wasteful expenditure must be recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of fruitless and wasteful expenditure incurred and confirmed in that current financial year unless it is impractical to determine, in which case reasons must be provided in the annual report.

1.18 Irregular expenditure

Irregular expenditure when incurred and confirmed is recorded in the annual financial statements' disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis.

For determining whether irregular expenditure occurred, the following must be present: expenditure incurred in contravention of, or not in accordance with legislation expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position (where expenditure is not reflected in the statement of financial performance) in a case of institutions that are required to comply with Standards of Generally Recognised Accounting Practice (GRAP) or the International Financial Reporting Standards (IFRS). The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

ACCOUNTING POLICIES (cont.)

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:

- (a) irregular expenditure incurred and confirmed in the previous financial year;
- (b) irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- (c) irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
- d) irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

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

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

Condonation of Irregular Expenditure

There must be confirmation that the loss control function conducted a determination test; confirmation that the matter is free of fraudulent, corrupt, or other criminal conduct; confirmation of a case number indicating that a case was opened with the South African Police Services; and confirmation that disciplinary action was taken or is being taken against the responsible official or officials. The accounting authority must confirm the corrective efforts taken to prevent similar irregular expenditure in the future.

Removal of Irregular Expenditure

The accounting authority may remove irregular expenditure only if the recommendations of the loss control function that conducted the determination indicate that: confirmation that the matter is free of fraudulent, corrupt, or other criminal conduct; confirmation of a case number indicating that a case was opened with the South African Police Services if the matter contains fraudulent, corrupt, or other criminal conduct; confirmation that the responsible official or officials have been disciplined; confirmation that no loss occurred; noncompliance that resulted in irregular expenditure has been rectified; and comparable transactions are examined on a regular basis to ensure compliance with the relevant prescripts.

ACCOUNTING POLICIES (cont.)

1.19 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period. The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate. Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's annual financial statements to understand the effect of related party transactions on its annual financial statements.

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

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

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

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

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

ACCOUNTING POLICIES (cont.)

1.20 Services received in kind

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

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

1.21 Commitments

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

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the annual financial statements, if both the following criteria are met:

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

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

ACCOUNTING POLICIES (cont.)

1.22 Transfer of functions between entities under common control

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

1.23 Assets held for distribution

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

1.24 Post balance sheet events

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

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

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

Recognition and measurement

Adjusting events after the end of the reporting period

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

Non-adjusting events after the end of the reporting period

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Figures in Rand

Note

2023

2022
Restated***2. New standards and interpretations****2.1 Standards and interpretations effective and adopted in the current period**

In the current year, the entity has not adopted any new standards and interpretations since there were no effective new standards issued during the current year.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2023 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 25 (as revised): Employee Benefits	01 April 2023	Not expected to impact results but may result in additional disclosure
<ul style="list-style-type: none"> iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction 	01 April 2023	Not expected to impact results but may result in additional disclosure
<ul style="list-style-type: none"> Guideline: Guideline on the Application of Materiality to Financial Statements 	01 January 2023	Impact is currently being assessed
<ul style="list-style-type: none"> GRAP 104 (as revised): Financial Instruments 	01 April 2025	Not expected to impact results but may result in additional disclosure
<ul style="list-style-type: none"> iGRAP 21: The Effect of Past Decisions on Materiality 	01 April 2023	Impact is currently being assessed
<ul style="list-style-type: none"> GRAP 2020: Improvements to the standards of GRAP 2020 	01 April 2023	Unlikely there will be a material impact
<ul style="list-style-type: none"> GRAP 1 (amended): Presentation of Financial Statements 	01 April 2023	Impact is currently being assessed

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
3. Cash and cash equivalents			
Cash and cash equivalents consist of:			
Bank balance - operational account		156 581 627	346 301 592
Bank balance - salaries account		234 966	588 936
		156 816 593	346 890 528
4. Receivables from exchange transactions			
AARTO statutory receivables		23 413 409	42 010 894
Impairment of receivables		(7 407 182)	(6 013 109)
Receivables from exchange transactions		16 006 227	35 997 785
Deposits		1 558 546	1 558 546
Sundry receivables		92 233	-
Reclassified payables into receivables		18 700	142 121
Other receivables		399 906	404 551
Suspense - AARTO deposits		8 311 302	-
Staff receivables		450 089	88 123
Non-financial instruments			
Prepayments		532 112	4 557 462
		27 369 115	42 748 588

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
4. Receivables from exchange transactions (continued)			
Reconciliation of AARTO statutory receivables:			
AARTO statutory receivables		23 413 409	42 010 894
AARTO statutory receivables past due but not impaired			
AARTO statutory receivables which are less than 90 days past due and owing from collecting agencies are not considered to be impaired. Management have assessed the recoverability of receivables and there are indications that the balance is impaired. This is a result of the impact of the covid-19 pandemic on the collecting agents who are administered under the Municipal Finance Management Act, Act No. 56 of 2003 (MFMA), municipalities that have been placed under interventions in terms of sections 100 or 139 of the Constitution, and those that were implicated under the VBS Mutual Bank that was placed into final liquidation by the North Gauteng High Court on 13 November 2018. The impairment that has been provided for is R 7 407 182 (2022 R 6 013 109).			
The ageing of amounts past due but not impaired is as follows:			
1 month past due		16 400 408	18 540 996
2 months past due		(77 261)	2 358 059
3 month past due		7 090 262	15 098 730
		23 413 409	35 997 785
Reconciliation of provision for impairment of trade and other receivables			
Opening balance		6 013 109	6 486 215
Impairment of receivables from exchange transactions		7 407 182	6 013 109
Reversal of impairment		(6 013 109)	(6 486 215)
		7 407 182	6 013 109

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
5. Other receivables from non-exchange transactions			
Grant - AARTO rollout		165 915 000	-

6. Accounting by principals and agents

The entity is a party to a principal-agent arrangement(s).

6.1 Entity as agent - AARTO assets and Liabilities

Agent-principal relationship

In terms of the Administrative Adjudication of Road Traffic Offences ("AARTO") Act, section 4(1), the RTIA is mandated to administer a procedure to discourage the contravention of road traffic laws and support adjudication of infringements; to enforce penalties imposed. The Agency will perform the respective section of section 4(1) by adherence to section 4(2) and section 4(3) respectively requirements of the AARTO Act. RTIA is the agent in this relationship and this was determined since the inception of the RTIA.

RTIA manages this relationship through section 32 read together with section 13(1), therefore the Agency is required to collect penalties as a service to the issuing authority for which RTIA is compensated by the retention of the commission which is disclosed as infringement fees.

The assets and liabilities are managed in terms of the Administrative Adjudication of Road Traffic Offences ("AARTO") Act. The AARTO Act requires the issuing authorities and collecting agencies to deposit all the money collected into the AARTO bank accounts managed by the Road Traffic Infringement Agency ("RTIA") by the 7th of each following month. The deposits are in turn required to be appropriately disbursed to the issuing authorities within 21 days from the date of last receipt in accordance with the AARTO Act. The amounts collected are not for the benefit of the Agency, therefore RTIA is an agent to the Issuing Authorities. In terms of section 32 read together with section 13 (1)(b) of the AARTO Act, any penalty received by the Agency must be paid to the Issuing Authority that originated or issued the infringement notice. The collection of penalties in terms of the AARTO Act is a service rendered to the Issuing Authority. The total AARTO collections for 2023 is R 169 million (2022: R 283 million)

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
6. Accounting by principals and agents (continued)			
AARTO assets due from:			
SAPO		29 083	29 083
Other statutory receivables collecting agents		28 987 836	43 341 959
Road Traffic Management Corporation		1 084 094	1 084 094
Tshwane Metropolitan Police Department		14 768	531 013
Road Traffic Management Corporation		580 979	-
PAYAT		882	-
Payfine		2 653 713	6 306 261
Pay@services		1 316 353	1 351 553
PayMyfineTMT		820 373	750 628
		35 488 081	53 394 591
AARTO Banks			
Standard Bank - Current A/C		4 369 128	11 469 756
Standard Bank Call A/C		1 596 880	1 511 663
ABSA Bank Current A/C		61 226 177	57 918 174
First National Bank Current A/C		20 404 535	20 634 429
ABSA AARTO Disbursement A/C		13 553 209	6 516 599
		101 149 929	98 050 621
		136 638 010	151 445 212

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
6. Accounting by principals and agents (continued)			
AARTO liabilities due to various role-players			
Gauteng Department of Community Safety		3 474 989	4 247 177
Johannesburg Metropolitan Police Department		17 118 695	13 352 095
Road Traffic Infringement Agency		21 102 354	44 276 233
Road Traffic Management Corporation		-	151 898
PayMyfine TMT		70 662	-
Unallocated receipts		82 718 225	81 093 476
Unallocated receipts - Take on		3 466 853	3 466 853
Other Collecting agents		5 516 767	3 536 706
Net profit		3 169 465	1 320 774
		136 638 010	151 445 212
		136 638 010	151 445 212

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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6. Accounting by principals and agents (continued)**6.2 Entity as principal - Principal-agent relationship**

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

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

Road Traffic Management Corporation	391 636	243 150
Gautrain Management Agency	244 775	7 874
	636 411	251 024

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

Other collecting agents	6 934 142	12 448 291
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated*

7. Property, plant and equipment

	2023			2022		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Furniture and fixtures	2 841 908	(2 420 009)	421 899	2 575 558	(1 894 787)	680 771
Motor vehicles	2 157 988	(2 157 988)	-	2 384 041	(2 299 359)	84 682
Office equipment	1 230 088	(779 777)	450 311	1 250 880	(744 960)	505 920
IT equipment	10 333 033	(7 475 284)	2 857 749	10 919 454	(4 657 887)	6 261 567
Total	16 563 017	(12 833 058)	3 729 959	17 129 933	(9 596 993)	7 532 940

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Retired - Cost	Retired - Accumulated depreciation	Depreciation	Closing balance
Furniture and fixtures	680 771	-	(26 794)	26 794	(258 872)	421 899
Motor vehicles	84 682	-	(226 054)	219 185	(77 813)	-
Office equipment	505 920	151 145	(171 939)	171 630	(206 445)	450 311
IT equipment	6 261 567	261 749	(848 171)	814 914	(3 632 310)	2 857 749
	7 532 940	412 894	(1 272 958)	1 232 523	(4 175 440)	3 729 959

The Agency had fully depreciated assets at year end. The Agency has no intention to keeping these assets beyond their initially intended useful life, however due to the delays in the replacement plan the useful life of all categories affected will be assessed for extension at year end.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated*

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Error correction adjustments	Retired assets carrying value	Depreciation	Closing balance
Furniture and fixtures	952 538	-	-	-	(271 767)	680 771
Motor vehicles	186 671	-	-	-	(101 989)	84 682
Office equipment	789 351	413 128	(418 727)	-	(277 832)	505 920
IT equipment	6 118 343	2 831 833	(17 495)	(4 044)	(2 667 070)	6 261 567
	8 046 903	3 244 961	(436 222)	(4 044)	(3 318 658)	7 532 940

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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8. Intangible assets

	2023			2022		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	5 067 833	(2 869 282)	2 198 551	4 673 579	(2 134 131)	2 539 448

Reconciliation of intangible assets - 2023

	Opening balance	Additions	Retired - Cost	Retired - Accumulated Depreciation	Amortisation	Total
Computer software	2 539 448	3 135 105	2 740 851	(2 740 851)	(3 476 002)	2 198 551

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Error correction adjustments	Retired - Cost	Retired - Accumulated Depreciation	Amortisation	Total
Computer software	868 725	4 287 719	122 184	2 620 529	(2 620 529)	(2 739 180)	2 539 448

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
9. Payables from exchange transactions			
Trade payables		5 263 798	6 343 268
Reclassification from trade receivables		4 576 568	-
Suspense - AARTO		296	3 090 771
Accrued expenses		298 117	626 877
Payroll accrual		120 130	1 002 165
		10 258 909	11 063 081

The suspense account for AARTO relates to infringers paying into RTIAs bank account and not the AARTO designated bank accounts. The amounts are required to be allocated first to the paid infringement notices. For the period ended, this account was sitting as a receivable and has been disclosed under receivables. The payroll accruals relate to outstanding invoices for P Dala as well as the costs of secondments for the Department of Transport employee who was seconded to the position of SCM Manager during the year.

10. Provisions**Reconciliation of provisions - 2023**

	Opening Balance	Additions	Utilised/ reversal	Closing balance
Leave provision	4 155 768	3 571 996	(4 155 766)	3 571 998

Provision for leave pay relates to leave balance due to employees at the end of the financial year in line with the policy of the organisation.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated***10. Provisions (continued)****Reconciliation of provisions - 2022**

	Opening Balance	Additions	Utilised/ reversal	Error correction adjustments	Closing balance
Legal proceedings	-	1 987 832	-	(1 987 832)	-
Leave provision	4 037 180	4 155 768	(4 037 180)	-	4 155 768
Bonus provision	33 741 448	32 857 175	(33 741 448)	(32 857 175)	-
	37 778 628	39 000 775	(37 778 628)	(34 845 007)	4 155 768

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

Provision for leave pay relates to leave balance due to employees at the end of the financial year in line with the policy of the organisation.

Provision for bonus relates to an obligation that the Agency is exposed to during the year, that arose from the constructive obligation as a result of past practices. Since there has been no bonus payout in the last three years, no provision has been made for the current year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated***11. Revenue**

During the current year comparative information was reclassified as a result of amendments to the presentation and reclassification of current period items. The nature, amount and reason for the reclassification is as follows:

Grants non-exchange transactions		174 983 000	159 445 949
Infringements fees - exchange transactions		112 948 779	178 234 749
Sundry income - exchange transactions		355 182	373 001
Interest received - exchange transactions		12 784 486	6 811 236
		301 071 447	344 864 935

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
12. Employee costs			
13th Cheques		3 460 060	3 457 538
Acting allowances		717 393	1 318 071
Basic salary		66 770 977	57 873 309
Bonus		-	(33 741 448)
Car allowance		861 827	1 222 091
Company contribution		11 694 464	11 791 083
Housing benefits and allowances		16 541 960	14 180 864
Leave pay provision charge		78 096	430 350
Medical aid - company contributions		324 930	329 939
Other payroll levies		1 609 318	34 148
Overtime payments		256 441	600 687
Secondment costs		4 006 728	5 396 256
Short term benefit		-	11 000
Travel, motor car, accommodation, subsistence and other allowances		1 493 147	827 134
Unpaid leave		-	(3 615)
		107 815 341	63 727 407



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
13. Other operating expenses			
Accounting fees		39 963	100 050
Advertising		4 808 730	7 381 370
Asset losses		40 811	4 043
Assets expensed		98 168	505 944
Auditors remuneration		5 841 012	4 828 287
Bank charges		56 860	49 505
Bursaries		226 784	616 136
Bus diesel		428 360	21 264
Catering expenses		919 781	219 700
Cleaning		38 704	-
Conferences and seminars		119 066	(38 610)
Consulting and professional fees		5 668 265	7 178 216
Consumables		386 050	379
Courier		229 767	71 600
Delivery expenses		27 031	19 215
Donations		135 770	-
Fines and penalties		53 190	25 697
Fleet		1 136 708	341 129
Fraud hotline		70 993	40 572
IT expenses		1 032 804	404 434

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
13. Other operating expenses (continued)			
Impairment of receivables		1 394 073	(473 106)
Installation costs		117 760	16 115
Insurance		464 735	375 224
Legal expenses		6 461 243	2 212 307
OHS Related Costs		75 685	712 367
Postage and courier		23 109 186	82 212 556
Premises		2 677 086	3 058 535
Printing and stationery		411 931	974 194
Rentals		1 023 985	1 132 512
Security		1 064 335	953 329
Software expenses		1 664 349	1 458 307
Staff welfare		368 593	339 000
Subscription and membership fees		55 551	261 798
Sundry expenses		3 681 824	7 497 372
Telephone and fax		5 160 299	3 997 114
Training		(121 921)	357 758
Travel - local		10 784 536	5 020 547
Vetting services		176 401	106 019
		79 928 468	131 980 879



NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
14. Operating surplus			
Operating surplus for the period is stated after accounting for the following:			
Advertising and Marketing			
Advertising and AARTO awareness		4 808 730	7 381 370
Remuneration, other than to employees, for:			
Auditor's remuneration		5 841 012	4 828 287
Operating lease charges			
Premises		2 677 086	3 058 535
Amortisation on intangible assets		3 476 002	3 002 855
Depreciation on property, plant and equipment		4 175 441	3 362 022
Expenditure of AARTO issued notices		23 109 186	82 212 556
Write off assets		40 811	4 043
Impairment of assets			
Impairment of accounts receivables		(7 407 182)	(6 013 109)
Reversal of accounts receivable impairment		6 013 109	6 486 215

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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14. Operating surplus (continued)

Defined contribution plan

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

Contributions paid to defined contribution plan		10 209 155	11 065 157
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
15. Net cash flows from operating activities			
Surplus for the year			
Adjustments for non-cash items:			
Depreciation and amortisation		104 705 656	142 247 686
Impairment of receivables		7 651 443	6 364 877
Impairment on receivables reversal		7 407 182	6 013 109
Write off of assets		(6 013 109)	(6 486 215)
Non-cash (net prior period adjustments)		40 811	4 044
		-	169 752
Changes in working capital:			
Receivables from exchange transactions		13 985 400	(6 570 377)
Other receivables from non-exchange transactions		(165 915 000)	-
Payables from exchange transactions		(804 549)	(2 861 184)
Provisions		(583 770)	(33 622 860)
National Treasury surplus surrender		(147 000 000)	-
AARTO assets		14 807 202	283 823 638
AARTO liabilities		(14 807 202)	(283 823 638)
		(186 525 936)	105 258 832

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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16. Financial instruments disclosure (continued)

Categories of financial instruments

2023

Financial assets

	Note	Loans and Receivables	Non-financial instruments	Total
Receivables from exchange transactions	4	10 830 776	16 006 227	26 837 003
Prepaid expense	4	-	532 112	532 112
Receivables from non-exchange transactions	5	165 915 000	-	165 915 000
Cash and cash equivalents	3	156 816 593	-	156 816 593
AARTO Assets	6	136 638 010	-	136 638 010
Property, Plant and Equipment	7	-	3 729 959	3 729 959
Intangible assets	8	-	2 198 551	2 198 551
		470 200 379	22 466 849	492 667 228

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated*

16. Financial instruments disclosure (continued)

Categories of financial instruments

2023

Financial liabilities

	Note	Financial instruments carried at amortised cost	Non-financial instruments	Total
Payables from exchange transactions	9	10 258 909	-	10 258 909
Provisions	10	-	3 571 998	3 571 998
AARTO liabilities	6	136 638 010	-	136 638 010
Accumulated surplus		-	342 198 311	342 198 311
		146 896 919	345 770 309	492 667 228

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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16. Financial instruments disclosure (continued)

Categories of financial instruments

2022

Financial assets

	Notes	Loans and Receivables	Non-Financial Instruments	Total
Receivables from exchange transactions	4	2 193 341	35 997 785	38 191 126
Prepaid expenses	4	-	4 557 462	4 557 462
Cash and cash equivalents	3	346 890 528	-	346 890 528
AARTO Assets	6	151 445 212	-	151 445 212
Property, Plant and Equipment	7	-	7 532 940	7 532 940
Intangible Assets	8	-	2 539 448	2 539 448
		500 529 081	50 627 635	551 156 716

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated***16. Financial instruments disclosure (continued)**

Categories of financial instruments

2022

Financial liabilities

	Note	Financial instruments carried at amortised cost	Non financial instruments	Total
Payables from exchange transactions	9	11 063 081	-	11 063 081
Provisions	10	-	4 155 768	4 155 768
AARTO Liability	6	151 445 212	-	151 445 212
Accumulated Surplus		-	384 492 655	384 492 655
		162 508 293	388 648 423	551 156 716

Financial risk management**Overview**

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

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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16. Financial instruments disclosure (continued)**Credit risk**

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

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

Liquidity risk

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

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

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

Trade and other payables from exchange transactions	10 258 909	11 063 081
AARTO liabilities	136 638 010	151 445 212
Provisions	3 571 998	4 155 768

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
16. Financial instruments disclosure (continued)			
Market risk			
The Agency was exposed to interest rate risk on its cash balances at bank; this is a market risk factor.			
17. Operating lease commitments			
Operating lease - as lessee (expense)			
The Agency operating lease contracts that were operational during the current year comprise of the office rental premises, office rental machines, rental of offsite storage, rental of standing breeze coolers and rental of hygiene services equipment respectively.			
Office rental premises			
The current office space lease rental of the premises for RTIA refers to the building together with the parking bays namely: Waterfall Edge, Bekker Road, Midrand. The contract is currently on three monthly extension interval period pending the acquisition of the new office space. At year end, the contract had been extended to 31 May 2023.			
- within one year		493 757	1 234 394
Printer rental machines			
The rental of printers is through a transversal contract of National Treasury, which ended in February 2023. The disclosure is as follows:			
- within one year		-	413 263
The value in respect of offsite storage, rental of standing breeze economy cooler, and the hygiene sanitiser equipment is not material to warrant a separate disclosure. This has not been included in the above disclosure. The lease contract has no escalation costs therefore it is not material.			

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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18. Commitments

For the year ended, the Agency had a firm committed towards the serving of AARTO notices. The South African Post Office is a strategic key driver in serving of AARTO related documents by registered mail in terms of section 30 of the AARTO Act read in conjunction with regulation 21 of the AARTO Regulations. This relationship is managed through the renewable three-year service level agreement to serve all AARTO notices. The value of this agreement is forecasted at R105 million (without AARTO roll-out) for the next twelve months based on infringement notices, courtesy letters and enforcement orders that will be issued. The expected margin of increase overall from the previous year baseline is 10%.

The RTIA entered into a five year contract to the value of R2 million for its contact center management system commencing from the 14th of March 2023. At year end, the contract had not yet come into effect.

19. Contingencies**Contingent liabilities****Defamation Matter**

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

Employee Matter

The Applicants referred the matter to the Labour Court in terms section 6(4) of the Employment Equity Act, 55 of 1998. The Applicants allege that that they are not paid equally compared to other employees performing the same or substantially work of the same value. They are asking the Court to make a ruling as to the retrospective parity order of their salaries which is the difference between what they are earning and what their comparators are earning. The matter will be allocated a date in 2024.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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19. Contingencies (continued)**Other Former Employee Matters**

The applicant referred an automatic unfair dismissal dispute to the Commission for Conciliation Mediation and Arbitration ("CCMA"). The matter was subsequently referred to the Labour Court for trial to be conducted. The Parties were subsequently required to re-conduct a pre-trial conference as a result of the amendments to the pleadings by the applicant. In accordance with the Order, an amended Statement of Response was filed on RTIAs behalf and parties filed a further Pre-Trial Minute, thus the matter is ready for hearing. It is anticipated that a hearing date will be allocated in 2024 or 2025, considering the tremendous backlog the Labour Court currently faces.

Unfair dismissal

The former employee is contesting her dismissal and has referred the matter to the CCMA for arbitration hearing.

The former employee referred the matter to a private arbitration process to rule on a settlement claim. The former employee is claiming compensation of R23 million.

Civil Proceedings

The estimated fees for the various civil proceedings is between R3 million and R4 million (VAT exclusive) if the proceedings are defended. If the proceedings are not defended the estimated costs are between R500K and R1 million (VAT exclusive).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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19. Contingencies (continued)**Surrender of surpluses**

The entity annually declares all surpluses or deficits to the relevant Treasury from the period 1 August to 30 September of each year, using its audited annual financial statements as the basis for calculation of surpluses or deficits. The entity submits requests to the relevant Treasury to retain surpluses in terms of section 53(3) of the PFMA, as and when appropriate. Unless exempted by the National Treasury, the entity invests surplus funds with the Corporation for Public Deposits. The entity surrenders for re-depositing into the relevant Revenue Fund, all surpluses that were realised in a particular financial year:

- (a) which were not approved for retention by the relevant Treasury in terms of section 53(3) of the PFMA; or
- (b) where no application was made to the relevant Treasury to accumulate the surplus in terms of section 53(3) of the PFMA

The surpluses are surrendered for re-depositing into the relevant Revenue Fund by no later than 30 November of each year, as prescribed. Failure by the entity to submit a surplus retention request to the relevant Treasury by 30 September each year will result in the entity having to surrender the surplus to the relevant Revenue Fund by 30 November, unless there has been a delay in the finalisation of the audit. In the case of a delay in the finalisation of the audit:

- (a) a letter is sent to the relevant Treasury by the 30th September explaining the delay.
- (b) a surplus retention request is submitted to the relevant Treasury within 30 days of finalising the audit.

For the current year the expected surplus retention amount is R65 million. The previous year's surplus retention was approved by National Treasury and the unapproved amount of R147 million was returned to the National Revenue Fund accordingly in line with the provisions of the Act.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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19. Contingencies (continued)**Cancellation of purchase order**

Following a forensic investigation into the supply chain evaluation processes for the procurement of secretarial services, the forensic report recommended that because the supply chain processes had had multiple errors and omissions thereby undermining the efficiency of the process, the purchase order issued to the winning bidder had to be withdrawn. The affected company has advised that it was seeking legal advise on the matter.

Contingent Assets

Urgent application was brought by an employee and the matter was struck from urgent roll and subsequently dismissed. The date of the rescission application was set, however the employee failed to prosecute the application on the day. The agency is waiting for the finalisation of the taxation process of the cost order.



ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
20. Related parties			
The Road Traffic Infringement Agency is 100% owned by the Executive Authority, the Department of Transport. The RTIA is a Schedule 3A Public Entity in terms of the PFMA. As a consequence, Road Traffic Infringement Agency has a significant number of related parties that are public entities, issuing authorities and key management personnel of the RTIA or its Executive Authority. Unless specifically disclosed, these transactions are concluded on an arms' length basis.			
Relationships			
Holding company: Department of Transport			
Related party balances			
Amounts owed to related parties			
South Africa Post Office		1 373 506	744 236
Amounts owed from related parties			
Department of Transport		165 915 000	-
Related party transactions			
Revenue			
Department of Transport		174 983 000	159 445 949
AARTO Notices			
South African Post Office		23 109 186	82 212 556
Remuneration paid to related parties			
Executives		15 072 566	17 476 098
Fees paid to:			
Board members		2 587 466	4 543 198
Independent Committee members		994 738	2 800 017
		3 582 204	7 343 215

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated*

21. Remuneration disclosure

Executive

2023

	Earnings	Cash Allowance	Total cost to company	Total
MLB Moloi *	2 391 547	-	2 391 547	2 391 547
P Moalusi CA(SA) (ended July 2022)	1 124 274	-	1 124 274	1 124 274
MLT Bilikwana	2 011 390	-	2 011 390	2 011 390
K Poee	2 003 158	-	2 003 158	2 003 158
JK Monyepao (Dr.) (ended December 2022)	3 550 755	-	3 550 755	3 550 755
G Van Eeden (ended March 2023)	2 013 742	-	2 013 742	2 013 742
C Matjie**	1 586 509	391 191	1 977 700	1 977 700
	14 681 375	391 191	15 072 566	15 072 566

* MLB Moloi was seconded from the the Road Traffic Management Corporation until 28 February 2023.

** C Matjie was acting CFO until 31 March 2023.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated*

21. Remuneration disclosure (continued)

Executive

2022

	Earnings	Cash Allowance	Total cost to company	Total
JR Chuwe	3 560 652	130 015	3 690 667	3 690 667
P Moalusi CA(SA)	2 285 679	-	2 285 679	2 285 679
MLT Bilikwana	2 288 159	-	2 288 159	2 288 159
K Pooe	2 286 208	-	2 286 208	2 286 208
JK Monyepao (Dr.)	2 445 361	-	2 445 361	2 445 361
G Van Eeden	2 285 504	-	2 285 504	2 285 504
MM Mabula	1 994 688	-	1 994 688	1 994 688
MLB Moloji	199 832	-	199 832	199 832
	17 346 083	130 015	17 476 098	17 476 098

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
21. Remuneration disclosure (continued)			
Non-executive			
Member's fees			
		2023	2022
B Zulu		594 112	1 073 784
D Khosa-Shikwambana (Dr.)		438 368	749 204
BM Ramokhele CA(SA)		499 348	882 930
TO Mstetsweni		480 266	748 209
P Dala (Dr.)		575 372	1 089 071
		2 587 466	4 543 198

The Board members serve as members of the Board and members of the board committees. The fees above include all services that were rendered by the Board in the various committees in which they served. The services of Adv. S Mzinyathi who is the appointed representative from the National Prosecuting Authority are not remunerated.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated*

21. Remuneration disclosure (continued)

Committees fees 2023

	Audit and Risk Committee	HR and REMCO	Technical Committee	Total
S Maharaj CA(SA)	260 158	-	-	260 158
MA Mphahlele	210 413	-	-	210 413
B Hlophe	-	277 158	-	277 158
TTC Dlamini	-	165 636	-	165 636
MC Baloyi	-	-	81 373	81 373
	470 571	442 794	81 373	994 738

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated*

21. Remuneration disclosure (continued)

Committees fees 2022

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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22. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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

23. Subsequent events

The Constitutional Court ruled on the 12th of July 2023 that the Administrative Adjudication of Road Traffic Offences Act (AARTO) is constitutional, confirming the constitutionality and validity of the two Acts. The Apex Court turned down a decision of the Gauteng High Court in Pretoria, which had ruled that AARTO was unconstitutional, invalid, and that it should be repealed in its entirety. The Constitutional Court ruled in favour of the respondent, the Minister of Transport.

24. Irregular Expenditure and Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	61 778	231 706
Irregular expenditure	5 796 262	20 565 961
Closing balance	5 858 040	20 797 667

Further details to the above disclosure are contained the annual report.

Amounts of material losses through criminal conduct

There were none reported for the current period.

Criminal or disciplinary steps taken as a result of losses, irregular and fruitless and wasteful expenditure

There were none reported for the current period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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25. Change in estimate

Management has reviewed the useful life of assets that were fully depreciated and determined that the useful life will be accounted for prospectively for the following categories of classes of asset transactions.

Furniture & Fittings	From 10 years to 12 years
Office Equipment	From 5 years to 7 years
Motor vehicle	From 8 years to 10 years

26. Service in-kind

In terms of the AARTO Act section 4 (6), the Agency must establish an information management system and database connected to the national contraventions register to create, process and maintain records. Upon the establishment in terms of the AARTO Act section 4 (6), the Agency must establish an information management system and database which is connected to the national contraventions register to create, process and maintain records. Upon the establishment of the Agency, an arrangement was made by the Department of Transport that granted the right of use to the Agency to utilise the services of the Natis system as the national key point system for all the AARTO related transactions without establishing its own system. RTIA continues to receive the benefit of the services in kind from the Road Traffic Management Corporation (RTMC) for the shared utilisation of the Natis system, the system was transferred to RTMC in terms of section 42 by the Department of Transport. Additional services that have been added include the AARTO Application and the AARTO website, both of which are utilised at no cost to the RTIA.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand

Note

2023

2022
Restated***27. Prior period error**

During the year, management resolved to correct prior period errors that arose as a result of processing errors, corrections of provisions that were raised erroneously, and the realignment of the opening general ledger balances to the asset register. The retrospective adjustment impact of it is as follows:

Statement of financial position

2022

Non-Current Assets

Property, plant and equipment

7 969 162

(436 222)

7 532 940

Intangible assets

2 417 264

122 184

2 539 448

10 386 426

(314 038)

10 072 388

Current Assets

Receivables from exchange transactions

42 616 170

132 418

42 748 588

42 616 170

132 418

42 748 588

Current Liabilities

Payables from exchange transactions

(11 269 415)

206 335

(11 063 080)

Provision

(39 000 775)

34 845 006

(4 155 769)

27 731 360

(32 650 840)

(4 919 480)

Accumulated surplus

(349 622 934)

(34 869 721)

(384 492 655)

(346 890 528)

-

(346 890 528)

ROAD TRAFFIC INFRINGEMENT AGENCY

Annual Financial Statements for the period ended 31 March 2023

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
27. Prior period error (continued)			
Statement of Financial Performance			
2022			
	As previously reported	Correction of error	Restated
Revenue from exchange transactions			
Sundry income	(240 582)	(132 419)	(373 001)
Operating expenses			
Employment costs	96 584 582	(32 857 175)	63 727 407
Depreciation and amortisation on assets	6 057 838	307 039	6 364 877
Other operating expenses	134 168 046	(2 187 166)	131 980 880
	236 569 884	(34 869 721)	201 700 163

NOTES TO THE ANNUAL FINANCIAL STATEMENTS (cont.)

Figures in Rand	Note	2023	2022 Restated*
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27. Prior period error (continued)**27.1 Prior period error for AARTO assets and liabilities**

The AARTO assets and liabilities were materially misstated through opening balances. The correction of the error for the incorrect posting has been adjusted for in the current year. The overall net effect of the error has been determined as follows:

Statement of Financial Position

	2022
Increase in AARTO assets	89 417 809
Increase in AARTO liabilities	(89 417 809)
	-

Restatement of comparative figures

The comparative figures for the prior year have been restated with regard to the bonus provision that was subsequently not paid, and the legal cost proceedings for the disciplinary processes that are currently ongoing. The estimate for the legal proceedings was not yet incurred at year end, thus this relates to future costs.

The AARTO assets and liabilities were materially misstated through the net off arrangements that was applied that led to the AARTO bank balances not being shown separately on the note. This has been shown separately in the note together with the prior year comparatives.



PART F: PFMA COMPLIANCE REPORT



1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1 Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2022/23	2021/22
Opening balance	202 963 115	95 119 520
Add: Irregular expenditure confirmed	5 796 262	107 843 595
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	208 759 378	202 963 115

This information relates to the irregular expenditure completeness investigation commissioned by management. There was limitation experienced of historic records to support the transactions as a result of poor record management by the previous SCM manager. The financial impact of the limitation is R87 million which is part of the R108 million for 2021/22 and also part of R91 million for 2021/22. The disciplinary process is still ongoing.

Reconciling notes

Description	2022/23	2021/22
Irregular expenditure that was under assessment in 2021/22	-	-
Irregular expenditure that relates to 2021/22 and identified in 2022/23	-	91 489 760
Irregular expenditure for the current year	5 796 262	16 353 835
Total	5 796 262	107 843 595

b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	-	-

c) Details of current and previous year irregular expenditure condoned

Description	2022/23	2021/22
Irregular expenditure condoned	-	-
Total	-	-

d) Details of current and previous year irregular expenditure removed - (not condoned)

Description	2022/23	2021/22
Irregular expenditure NOT condoned and removed	-	-
Total	-	-

e) Details of current and previous year irregular expenditure recovered

Description	2022/23	2021/22
Irregular expenditure recovered	-	-
Total	-	-

The Agency is waiting finalisation of the consequence management process before it can make a submission for the condonement of the irregular expenditure.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2022/23	2021/22
Irregular expenditure written off	-	-
Total	-	-

The Agency did not have any cases of non-compliance in relation to the inter-institutional arrangements for the year under review.

g) Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
Disciplinary steps were taken against the former CFO who was subsequently dismissed. The matter is still ongoing and is being handled by the legal representatives of the Agency on this matter.
The former SCM manager had resigned prior to disciplinary steps being taken.



1.1.2 Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2022/23	2021/22
Opening balance	1 694 234	1 462 528
Add: Fruitless and wasteful expenditure confirmed	61 778	231 706
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Closing balance	1 756 012	1 694 234

Reconciling notes

Description	2022/23	2021/22
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2021/22 and identified in 2022/23	-	-
Fruitless and wasteful expenditure for the current year	61 778	231 706
Total	61 778	231 706

b) Details of current and previous year fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description	2022/23	2021/22
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
Total	-	-

c) Details of current and previous year irregular expenditure recovered

Description	2022/23	2021/22
Fruitless and wasteful expenditure recovered	5 000	-
Total	5 000	-

d) Details of current and previous year irregular expenditure not recovered and written off

Description	2022/23	2021/22
Fruitless and wasteful expenditure written off	-	-
Total	-	-

e) Details of current and previous year disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
Supplier for the Board fees software has acknowledged the debt and managed to recover portion of the debt

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii)

There were no material losses in terms of PFMA Section 55(a)(i) & (iii) for the current year.

The Agency did not incur any material losses for the period under review that requires disclosure.





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