Road Traffic
Management Corporation

2021-22
Annual Report

Shaping a country through continued innovation and technology,
in furtherance of efficient and effective service delivery.
Moving forward together

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General Information

Bringing convenience to motorists has been the cornerstone of our service delivery. Click your way to expediency.
Road Traffic Management Corporation at your service.

ADDRESSES

General Information

Registered Name	Road Traffic Management Corporation
Registered Office Address	349 Witch-Hazel Avenue Highveld Ext 79 Centurion
Postal Address	Private Bag X147 Pretoria 0001
Telephone Number	012 999 5200
Email Address	info@rtmc.co.za
Website Address	www.rtmc.co.za
External Auditors	The Auditor-General of South Africa Lynnwood Bridge Office Park The Auditor-General of South Africa Building 4 Daventry Road Lynnwood Manor 0181
Bankers	First National Bank Bank City Corner Simmons and Pritchard Street Johannesburg 2001
	The Standard Bank of South Africa Standard Bank Centre 25 Sauer Street Johannesburg 2001
	The South African Reserve Bank P.O Box 427 Pretoria 0001
Company Secretary	Ms Sigidikazi Petse Qualifications: B Juris, LLB

ABBREVIATIONS & ACRONYMS

Abbreviation/Acronym	Meaning
AARTO	Administrative Adjudication of Road Traffic Offences
ARC	Audit and Risk Committee
APP	Annual Performance Plan
BBBEE	Broad-Based Black Economic Empowerment
CEO	Chief Executive Officer
CLLTS	Computerised Learner License Testing Sheet
CoE	Compensation of Employees
CBA	Cost Benefit Analysis
CPA	Criminal Procedures Act
CBRTA	Cross-Border Road Transport Agency
CSR	Corporate Social Responsibility
DIMS	Declaration of Interest Management System
DOT	Department of Transport
DMA	Disaster Management Act
DLTC	Driver Licence Testing Centre
EMPD	Ekurhuleni Metro Police
EME	Emerging Micro Enterprise
ERAC	Enterprise Risk and Audit Committee
EXCO	Executive Committee
EOV	Examiner of Vehicles
EDL	Examiner of Driving License
FY	Financial Year
ITSM	IT Service Management
MTSF	Medium-Term Strategic Framework
MEC	Member of the Executive Council
NDP	National Development Plan
Natis	National Traffic Information System
NRSS	National Road Safety Strategy
NRTA	National Road Traffic Act
NRTLEC	National Road Traffic Law Enforcement Code
NTACU	National Traffic Anti-Corruption Unit
NTP	National Traffic Police
NQF	National Qualification Framework
OTM	October Transport Month
OUTA	Organisation Undoing Tax Abuse
PET	Participatory Educational Techniques
PPE	Personal Protective Equipment

Abbreviation/Acronym	Meaning
PPPFA	Preferential Procurement Policy Framework Act
PMO	Programme Management Office
POPIA	Protection of Personal Information Act
PFMA	Public Finance Management Act
QSE	Qualifying Small Enterprises
RTW	Return to Work
RRS	Road Restraint System
RTC	Road Traffic Crashes
RTIA	Road Traffic Infringement Agency
RTI	Road Traffic Information
RTMC	Road Traffic Management Corporation
RTMCA	Road Traffic Management Corporation Act
SCOPA	Standing Committee on Public Accounts
SHC	Shareholders Committee
SALGA	South African Local Government Association
SANAS	South African National Accreditation System
SARRSM	South African Road Restraint Systems Manual
SARSAM	South African Road Safety Assessment Methods
SDG	Sustainable Development Goals
TVET	Technical and Vocational Education and Training
TOS	Traffic Offence Survey
UNRSC	United Nations Road Safety Collaboration
VTS	Vehicle Testing Station
WHO	World Health Organisation

Table 1: Abbreviation/Acronym

FOREWORD BY THE CHAIRMAN OF THE BOARD

MR ZOLA MAJAVU CD(SA)

Mr Zola Majavu CD(SA)

Chairman of the Board

I am privileged to be presenting the 2021/22 Annual Report for the Road Traffic Management Corporation (RTMC) on behalf of the Board. The Board of the RTMC prides itself with excellence, clean governance and the contents of this report will demonstrate that.

I am honoured to be leading this dynamic and innovative Board that was given an opportunity to serve for another financial year. During the previous financial year, I made it clear that we were ready to pass the baton as our term had lapsed, however the leadership deemed it prudent for us to continue to hold the fort until a new Board is appointed.

The responsibility entrusted on us is enormous and we accepted it knowingly. We began this financial year with a clear mandate to enhance performance and to meet all our annual targets as guided by our Annual Performance Plan (APP). Reducing road traffic fatalities by 50% by 2030 remains our top priority. As a signatory of the United Nations Road Safety Collaboration (UNRSC) our role is to contribute to the reduction of road crashes in the country by successfully implementing our road safety strategy.

As the Board we also gave the management a clear mandate to digitise the licencing system and for the fourth industrial revolution to find expression in our daily operations. I am happy with the progress we have made on that front and this report will bear testimony to that. As the Board we are also satisfied with the statement of financial position presented in the report following a slow-paced revenue collection in the previous financial year.

The RTMC remains a good corporate citizen and continues to offer much needed relief in our communities through our Corporate Social Responsibility (CSR) programmes. The Corporation will continue to assist the most vulnerable and marginalised communities across all parts of South Africa.

I am proud to announce that from the 21 annual targets we had set for ourselves for the period under review we managed to achieve 20. Our overall performance as an organisation for the 2021/22 financial year was 95%.

This is an impressive improvement as compared to the previous financial year where our performance was a dismal 57%. It took patience, hard work and perseverance to achieve the feat. This remarkable achievement has been crowned by the clean audit outcome confirmed by the Auditor Gereral. It is yet further evidence that the RTMC is a resilient organisation that can bounce back after suffering setbacks.

I would like to express my gratitude to the entire Shareholders' Committee, Minister of Transport Mr Fikile Mbalula and Deputy Minister Ms Sindisiwe Chikunga for their resolute support. Their guidance and leadership are a key ingredient to the success of our organisation. I would also like to thank the Department of Transport, stakeholders, and other sister agencies for their collaborative efforts. Indeed, we are stronger together.

Our Strategic Plan 2020/21-2024/25 remains our key vehicle to achieve our goals as an organisation and I would like to thank the management team and staff for ensuring that we achieve our objectives as guided by the plan.

Sadly during the year under review we continued to lose so many lives on our roads, which is regrettable and unfortunate. Our heartfelt condolences go out to all those families. We rededicate to double our efforts in our quest to save lives on our roads. One life lost is one life too many.

Mr Zola Majavu CD(SA)
Chairman of the Board

CHIEF EXECUTIVE OFFICER'S OVERVIEW

ADV MAKHOSINI MSIBI

Adv Makhosini Msibi
Chief Executive Officer

The 2021/22 financial year commenced when the country was still under the National State of Disaster, which meant that we were still going to navigate through the financial year with certain restrictions and uncertainty. Fortunately for the Road Traffic Management Corporation, the experiences from the previous financial year had prepared the Corporation to adapt and to operate differently.

This time around the Corporation was better prepared, and it managed to achieve 95% of its annual targets. However, it fell short of achieving the target on increasing revenue by 13%. This is a remarkable 38% improvement when compared to the previous year when the Corporation attained 57% of its planned targets.

To alleviate the backlog of driving licence card renewals which resulted from the 2020 COVID-19 lockdown restrictions, the Corporation opened two driving licence testing centres at our Waterfall and Eco-Park premises. These centres have received enthusiastic support from the public and set a benchmark of the kind of efficient model of service delivery that must be emulated throughout the country.

The Corporation successfully launched the online services as part of our vision to digitise licencing nationwide. Even though just like any other system, initially there were technical glitches, but the system was stabilised, and thousands of users enabled to transact daily without further hindrance. The Corporation will continue to enhance this innovation to bring in more services and convenience to South Africans.

The Corporation is making steady progress towards the attainment of 50% reduction in road traffic fatalities in the 2nd decade of action for road safety 2021-2030. As a country we have set ourselves a target of reducing road traffic fatalities by 25% per year over a five-year period, using 2018 as a baseline. By the end of the 2021 calendar year, road traffic fatalities had been reduced to 12 545 which translates to a 3% decline.

The enforcement of road traffic laws plays a critical role in efforts to reduce fatalities and to create a culture of compliance with the rules of the road. The Corporation's planned law enforcement targets were exceeded in the year under review as it managed to implement 5 864 interventions against the planned target of 4 752.

Through National Traffic Anti-Corruption Unit (NTACU), the Corporation continues to fight the scourge of corruption that continues to pose a threat to the attainment of our road safety goals. The Corporation investigates all cases reported by members of the public and through its own intelligence gathering own initiate investigations. During this financial year the Corporation managed to investigate 351 cases.

The Corporation has continued to implement policies, procedures, and controls to eliminate wasteful and fruitless expenditure. It also closely monitors cases of irregular expenditure which could negatively impact on audit outcomes.

I would also like to thank the Minister of Transport Mr Fikile Mbalula for his visionary leadership and guidance in terms of the direction which transport state owned entities should take. His Khawuleza ethos keeps us on our toes to speed up service delivery. Our appreciation also goes to the deputy minister Ms Sindisiwe Chikunga for her unflinching support. To Team Transport led by the Director General, your support is always highly appreciated.

I also wish to extend our appreciation to all our partners and stakeholders who were part of our programmes during this financial year.

I never take for granted the support we get from the Shareholders Committee, Transport Portfolio committee and Parliament as a whole for giving us policy direction. The RTMC Board always walks this journey with us, their guidance immensely contributes to our performance as an organisation.

I remain grateful to the entire RTMC family for their dedication in ensuring that the Corporation's performance is at its highest as compared to the previous financial years. I also extend my gratitude to the entire management for making certain that the ship is steered in the right direction after the challenges encountered in the previous financial year. As a collective we seek to render a service that is of high quality to the citizens of the Republic of South Africa, and to consistently achieve goals set out in the Annual Performance Plan.

Adv Makhosini Msibi
Chief Executive Officer

STATEMENT OF RESPONSIBILITY AND ACCURACY OF THE ANNUAL REPORT

The Board acknowledges its responsibility to ensure the integrity of the report. It has accordingly applied its mind to the report and in the opinion of the Board it addresses material issues and fairly presents the performance of the RTMC.

This report has been prepared in keeping with best practice, and the recommendations of the King IV Report on Corporate Governance ("King IV").

Mr Zola Majavu CD(SA)
Chairman of the Board

STRATEGIC OVERVIEW

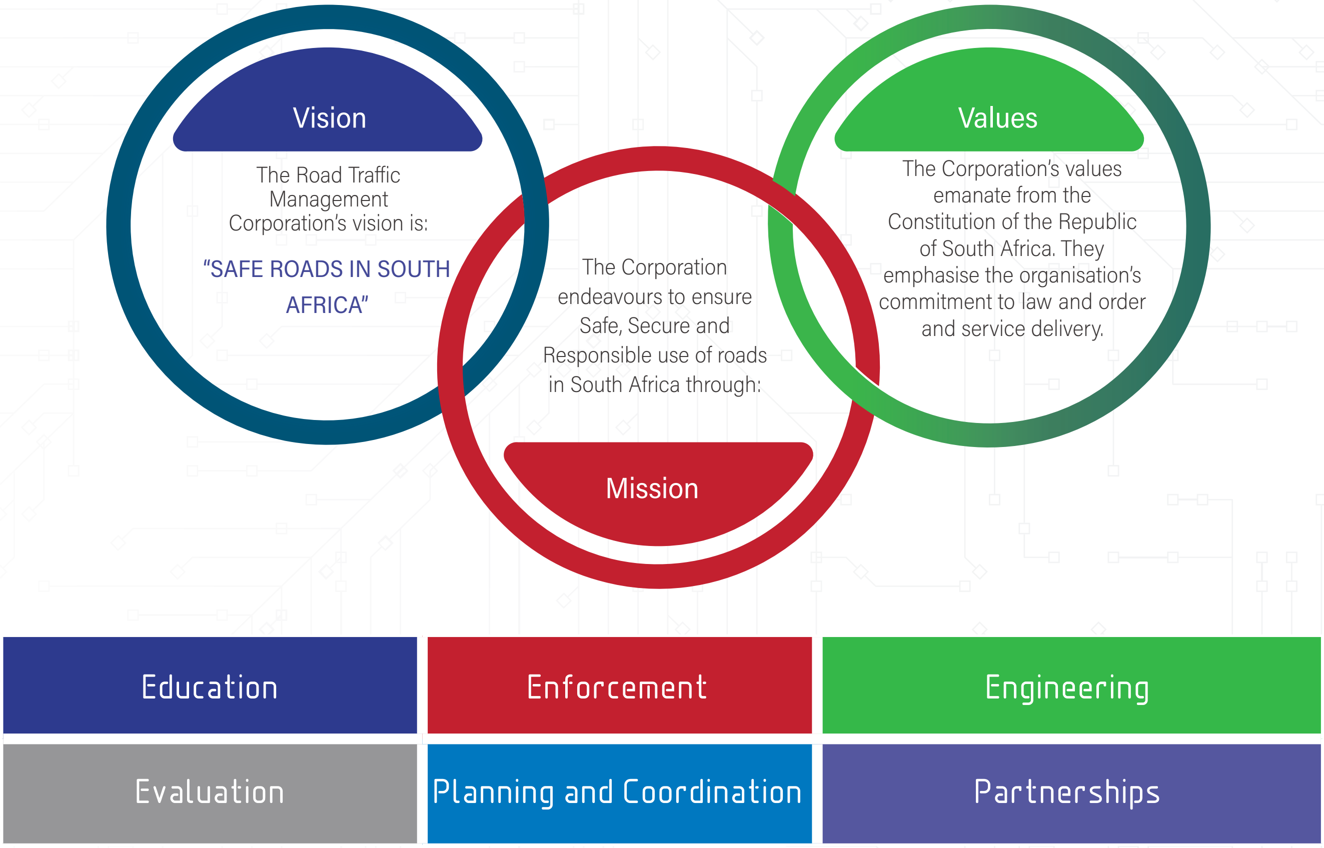


Figure 1: Mission Motive Forces

VALUES	MEANING
Integrity	The pledge to execute the Corporation's responsibilities in an ethical, truthful, and accurate manner consistent with the professional discipline of law enforcement, order, discipline and mobility on our roads.
Accountability	Undertaking to be open, honest and accountable as law enforcers and road safety champions
Transparency	Subscribing to the principles of good governance and the facilitation of free and reasonable access to information within the confines of applicable prescripts
Teamwork	Establishing and maintaining shared goals by building internal and external relationships. Emphasising working together by providing support through collaboration while upholding dignity and respect between and among partners.

Table 2: RTMC Values

LEGISLATIVE AND OTHER MANDATES

Applicable legislation

Constitution of the Republic of South Africa, 1996

The Constitution is the supreme law of the Republic. The RTMC abides by the obligations imposed by the Constitution. The table below reflects the RTMC's constitutional mandate in relation to other spheres of government in the execution of its responsibilities.

SECTION	IMPLICATION
Schedule 4	Sets out the areas of provincial legislative competence. Schedule 4 Part A lists the functional areas of concurrent national and provincial competence as follows: ▪ Public Transport ▪ Road Traffic Regulation ▪ Vehicle Licensing
Schedule 5	Provides for traffic as a Schedule 5 functional area, however the Constitution also provides for the national legislative authority over Schedule 5 matters under Section 44 (2) and the provision of Section 76 (1) legislation, all the under Section 44 (2) and the provision of Section 76 (1) legislation, all the legislative mandates of the RTMC are enacted in terms of Section 76 (5) of the Constitution.

Table 3: RTMC's constitutional mandate

Road Traffic Management Corporation Act (RTMCA)

Parliament approved the RTMCA in 1999 in line with the provisions of Section 44(2) of the Constitution. In terms of the Act, the RTMC was established to pool powers and resources and to eliminate the fragmentation of responsibilities for all aspects of road traffic management across the various levels of government. The Act provides, in the public interest, for cooperative and coordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters by the national, provincial, and local spheres of government in line with the following objectives:

RTMCA OBJECTIVES
▪ To establish the RTMC as a partnership between national, provincial, and local spheres of government;
▪ To enhance the overall quality of road traffic service provision to ensure safety, security, order, discipline and mobility on the roads;
▪ To protect road infrastructure and the environment through the adoption of innovative practices and implementation of innovative technology;
▪ To phase out, where appropriate, public funding and phase in private sector investment in road traffic on a competitive basis;
▪ To introduce commercial management principles to inform and guide road traffic governance and decision-making in the interest of enhanced service provision;

RTMCA OBJECTIVES
▪ To optimise the utilisation of public funds by— ▪ Limiting investment of public funds to road traffic services which meet a social or non-commercial strategic objective, and which have poor potential to generate a reasonable rate of return; and securing, where appropriate, full cost recovery on the basis of the user-pays principle;
▪ To regulate, strengthen and monitor intergovernmental contact and co-operation in road traffic matters;
▪ To improve the exchange and dissemination of information on road traffic matters;
▪ To stimulate research in road traffic matters and effectively utilise the resources of existing institutes and research bodies; and
▪ To develop human resources in the public and private sectors that are involved in road traffic

Table 4: RTMC Objectives

Section 18 (1) of the RTMCA states that the Shareholders Committee (SHC) must as part of the organisational structuring of the Corporation, establish as many functional units as are required in accordance with the business and financial plan to ensure effective management of at least the 10 functional areas depicted in Figure 1:

Functional Areas

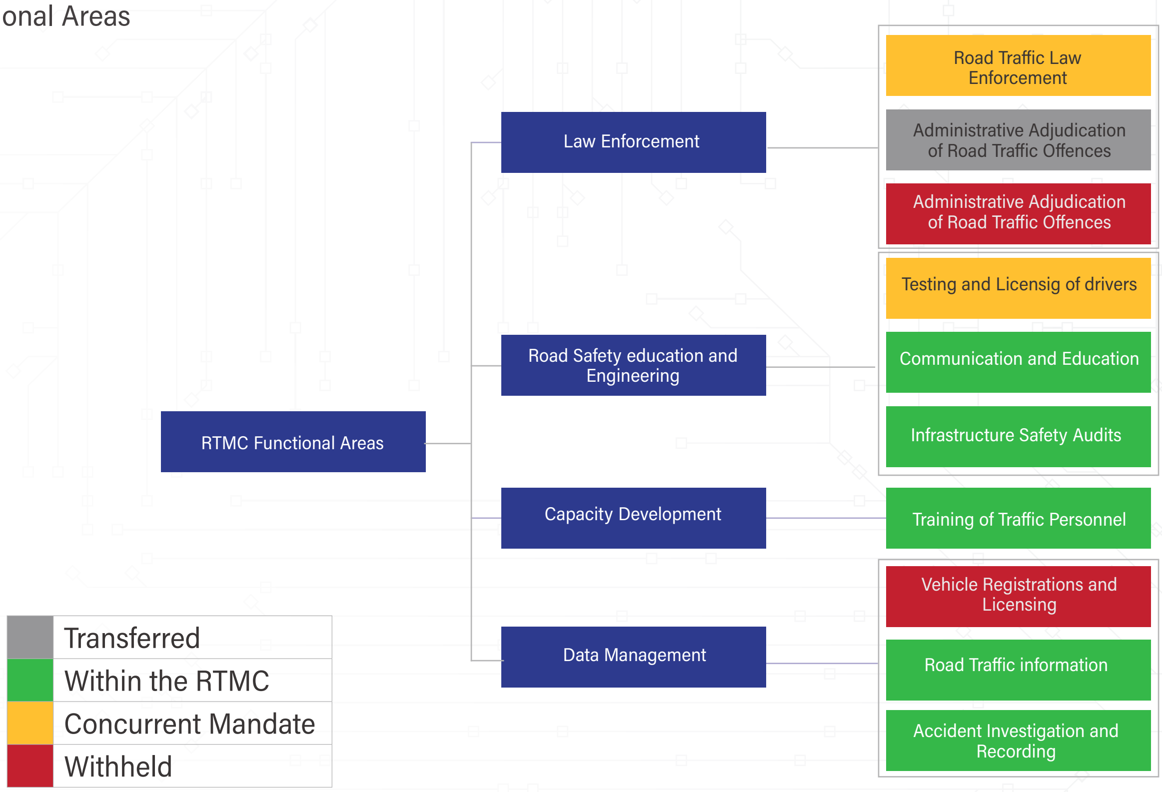


Figure 2: Functions of the RTMC as outlined in Section 18 of the RTMCA

The 10 Functional areas are executed as follows:

Functional Area	Current Practice
Road Traffic Law Enforcement	Provincial and local authorities execute law enforcement operations, the RTMC National Traffic Police (NTP) is created to conduct law enforcement operations in the nine provinces. Furthermore, the RTMC is responsible for thought leadership regarding law enforcement in the Republic.

Functional Area	Current Practice
Administrative Adjudication of Road Traffic Offences	The AARTO Act established the Road Traffic Infringement Agency (RTIA) as the agency responsible for the roll out and implementation of the AARTO system. The RTMC is responsible for the training of traffic personnel and the development and maintenance of the National Contravention Register (NCR) in support of AARTO implementation. The NTP also issues infringements in terms of the AARTO Act
Vehicle and roadworthiness testing	Function not transferred to the RTMC.
Training and licensing of drivers	The function is the competence of Provinces, however in the 2021/22 financial year, the RTMC established two DLTC which are operationalised through an agency agreement with the Gauteng Province, where functions are performed on behalf of the province.
Communication and education	The function was transferred to the RTMC and is fully executed in line with the National Road Safety Strategy.
Infrastructure safety audits	The RTMC is the custodian of the Road Safety Audit Manual and is driving the professionalisation of the Road Safety Auditor career path.
Training of Traffic Personnel	The function was transferred to the RTMC. Through the Road Traffic Training Academy and the Training Norms and Standards functions the RTMC executes on the mandate.
Vehicle Registration and Licensing	Function not transferred to the RTMC
Road Traffic Information	The RTMC is the custodian of Road Traffic Information, which is housed in the National Road Traffic Information System and published periodically.
Accident investigation and recording	The RTMC is responsible for the investigation and recording of crashes, these are conducted in line with the defined criteria relating to major crashes.

Table 5: Status of the 10 Functional Areas

The Department of Transport, Provincial Departments, Local Municipalities through the RTMC collaborate in planning, coordination, and facilitation in line with the RTMCA. The CEO undertake his functions in accordance with Section 29 of the RTMCA:

The functions of the CEO - Section 29 of the RTMCA	
a)	manage and control the day-to-day affairs of the Corporation in accordance with the business and financial plan;
b)	undertake, in accordance with this Act and any other legislation concerning road traffic matters, the provision and rendering of road traffic services;
c)	execute any directive of the Shareholders Committee issued in terms of Section 13 and report to the Shareholders Committee on the implementation of the directive;
d)	undertake research into road traffic matters;
e)	after consultation with the Minister of Finance and every MEC responsible for finance, draw up a governance agreement to be concluded between the Shareholders Committee and the board on the appointment of the board;
f)	facilitate private sector investment by—

The functions of the CEO - Section 29 of the RTMCA	
(i)	undertaking feasibility and investment studies to ascertain technical, commercial, and economic viability of projects;
(ii)	assisting the private sector to prepare business plans to provide equity and loan finance;
(iii)	assisting potential private investors to ensure compliance with any legal requirements; and
(iv)	providing the private sector with advice;
a)	promote private sector investment in road traffic by—
(i)	the establishment of investment help lines to assist potential investors;
(ii)	the publication of investment related publications;
(iii)	holding national or localised conferences;
(iv)	Organizing investment contact visits;
(v)	initiating contacts with other Ministries, Departments, state-owned enterprises, investment promotion centres and related parties;
(vi)	collecting. updating and disseminating appropriate promotional and facilitator information; and
(vii)	any other appropriate method:
b)	report to the Shareholders Committee -
(i)	on the level and scope of performance of the Corporation in terms of the 5 business and financial plan
(ii)	on the impact of investment contracts contemplated in Section 37 and performance contracts contemplated in Sections 15(4) and 19(4); and
(iii)	subject to Section 38(2), on whether a private sector entity is better suited to perform the function envisaged in a public contract;
(c)	perform the functions assigned to him or her by the Shareholders Committee and the board on its appointment;
(d)	assign functions to the managers of functional units if authorised thereto by the Shareholders Committee in terms of Section 28(2)(u);
(e)	exercise and perform all the powers and duties conferred or imposed by this 15 Act or by any other law: and
(f)	exercise and perform all the powers and duties incidental to the abovementioned powers and duties.

Table 6: Functions of the CEO

National Road Traffic Act 93 of 1996 (NRTA)

The NRTA provides for road traffic matters that apply uniformly throughout the republic and for matters connected therewith. It prescribes national principles, requirements, guidelines, frameworks and national norms and standards that must be applied uniformly in the provinces and other matters contemplated in Section 146 (2) of the Constitution; and to consolidate land transport functions and locate them in the appropriate sphere of government.

Administrative Adjudication of Road Traffic Offences Act 46 of 1998 (AARTO Act)

The AARTO Act promotes road traffic quality by providing for a scheme to discourage road traffic contraventions and to facilitate the adjudication of road traffic infringements. The RTMC is an issuing authority, through the National Traffic Police, applies the AARTO infringement processes and procedures.

Criminal Procedures Act 51 of 1977 (the CPA)

The purpose of the CPA is to regulate procedures and related matters in criminal proceedings. The Act governs how criminal cases are handled in courts of law by establishing due processes in criminal prosecutions. A Traffic Officer is appointed as a peace officer as per Section 334(2) (A) of the CPA and contains schedules of offences that a peace officer may impose.

The Protection of Personal Information Act 4 of 2013 (POPIA)

The purpose of the POPIA is to promote the protection of personal information processed by public and private bodies and introduces certain conditions to establish minimum requirements for the processing of personal information.

Other Applicable Legislation in accordance with the Revised Framework for Strategic Plans and Annual Performance Plans

Legislation	Context
Public Service Act 103 of 1994 as amended and applicable regulations	Forms the basis of national and provincial planning and reporting and promotes integrated planning. Chapter II (3) (1) of the PSA states that the Minister of Public Service and Administration is responsible for establishing the norms and standards relating to transformation, reform, innovation and any other matter to improve the effectiveness and efficiency of the public service and its service delivery to the public.
Public Finance Management Act 1 of 1999 as amended and applicable regulations	The PFMA also provides the basis for reporting against predetermined measurable objectives contained in short and medium terms plans. Section 27 (4) of the PFMA provides the basis for the development of measurable objectives which must be included in national and provincial institutions' annual budgets. Section 38 (d) of the Act states that the Accounting Officer is responsible for managing, safe-guarding and maintaining a department's or entity's assets and for managing its liabilities. Sections 38 (a) (iv) and (c) (iii) provide the basis for systems that properly evaluate all major capital projects before a final decision on the project is made and that manage available working capital efficiently and economically. Section 51 (b) must take effective and appropriate steps to— i. Collect all revenue due to the public entity concerned; and ii. Prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity; and iii. Manage available working capital efficiently and economically; Section 51 (c) is responsible for the management, including the safeguarding, of the assets and for the management of the revenue, expenditure and liabilities of the public entity;
Statistics Act 6 of 1999	The Statistics Act provides the basis for the planning, production, analysis, documentation, storage, dissemination and use of official and other statistics. The purpose of these statistics is to help organs of state, businesses, other organisations and the public with planning, decision-making and monitoring or assessing policies. The use of official statistics strengthens the quality of government and institutional short- and medium-term plans.
Spatial Planning and Land Use Management Act, 2013	Intended to help ensure that South Africa achieves its goals of spatial justice, spatial sustainability, efficiency, spatial resilience, and good administration. The Act establishes mechanisms for negotiating spatial conflicts, issuing guidelines and monitoring compliance. Although it does not deal directly with fragmentation of the spatial planning function, it introduces a new approach to spatial planning that can be refined and linked to overall long-term planning. Embedding spatial planning within the overall planning system is critical.

Legislation	Context
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	Promotion of equality, non-racialism and non-sexism and unfair discrimination in line with Sections 9 and 10 of the Constitution

Table 7: Other applicable legislation

Institutional Policies and Strategies

The DoT provides direction for traffic and road safety policy and legislation. However, the policy formulation is also carried out at a regional level and according to the global norms. Figure 3 below provides more information.

Global Policies/Instruments

- Sustainable Development Goals
- United Nations Decade of Action for Road Safety
- Global Plan for Road Safety

Regional Policies/Instruments

- Accra Declaration
- SADC Ministerial 10 Key Points
- Africa Road Safety Charter

Local Policies/Instruments

- National Development Plan
- Medium Term Strategic Framework
- National Road Safety Strategy

Figure 3: Road Safety Policies/Instruments

Global Policy Instruments - Sustainable Development Goals

The RTMC's road safety responses are underpinned by the two important global policy instruments, the Sustainable Development Goals (SDGs) and the Global Plan for the Decade of Action for Road Safety. The SDGs were developed in 2015 in Paris as a response to the development challenges facing the global community. There was acceptance globally that road safety is directly linked to health and sustainable cities and communities goals.

Figure 4: Sustainable Development Goals

The inclusion of road safety in the SDG in 2015 shows increased international attention to road safety challenges. This global agenda includes two (2) road safety targets in its 17 goals, which seek to:

- Halve the number of global deaths and injuries from road traffic accidents by 2020
- Provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons by 2030

As part of the process of intensifying the participation of South Africa in the global the RTMC was admitted as a member of the United Nations Road Safety Collaboration (UNRSC) in 2011, an association of lead agencies on Road Safety. As per the Global Plan for Road Safety, the RTMC as lead agency on road safety has certain roles and responsibilities as outlined in the Global Plan for Road Safety which are stated below:

- Develop a coherent national road safety strategy that responds to key national, regional and global priorities;
- Coordinate Planning and alignment of interventions across the country to achieve the desired outcomes;
- Manage data through collection, monitoring and evaluation of programmes to measure the performance and effectiveness of the implemented programmes;
- Enhance road safety research and development (develop capacity for multi-disciplinary research and knowledge transfer);
- Implement national campaigns to reach as many people as possible;
- Determine of norms and standard for road safety and traffic personnel; and
- Increase private sector participation.

Decades of Action for Road Safety

In 2009, the inaugural Global Ministerial Congress on Road Safety adopted the Moscow Declaration, which called for a Decade of Action for Road Safety. The UN passed the resolution 64/255 in 2010 that recognised road traffic injuries as a public health challenge threatening progress towards the achievement of the MDGs.

First Decade of Action for Road Safety

The 11th of May 2011 saw the launch of the United Nations Decade of Action for Road Safety 2011-2020 (UNDA). The Global Plan laid out a programmatic action blueprint aimed at reducing road traffic fatalities.

Figure 5: Decade of Action 2011-2020 Call to Action

The Plan for the Decade of Action for Road Safety 2011-2020 provides guidelines on the approach that can be deployed to reduce road fatalities. The table outlines the pillars of the Decade of Action for Road Safety and activities that should be undertaken to reduce road crash fatalities and serious injuries.

Pillar 1	Pillar 2	Pillar 3	Pillar 4	Pillar 5
Road Safety Management	Safe Roads and Mobility	Safer Vehicles	Safer Road Users	Post-Crash Responses

Table 8: The five pillars of the first decade of action

Second Decade of Action for Road Safety (2021-2030)

Launched in August 2020 by the United Nations General Assembly, resolution 74/299; the second Decade of Action for Road Safety builds on the gains of the previous decade to promote a coordinated effort towards sustaining the attainment of road safety goals. The decade seeks to reduce global injuries and deaths by at least 50% by 2030 using 2020 as a baseline year. The supporting global plan for road safety was launched in the 2021/2022 financial year and guides the implementation of plans towards the attainment of road safety global goals.

Figure 6: 2021 – 2030 Decade of Action for Road Safety

Regional Policy Instruments – Africa Agenda 2063

Agenda 2063, published by the African Union Commission in 2015, is a strategic framework for the socio-economic transformation of Africa over the next 50 years. It builds on, and aims to accelerate implementation of, past and existing continental initiatives for growth and sustainable development. Agenda 2063 has the following aspirations:

- An integrated continent, politically united and based on the ideals of Pan-Africanism and the vision of Africa's Renaissance;
- An Africa of good governance, democracy, respect for human rights, justice and the rule of law; a peaceful and secure Africa; an Africa with a strong cultural identity, common heritage, shared values and ethics; an Africa whose development is people-driven, relying on the potential of African people, especially its women and youth, and caring for children; and
- An Africa that is a strong, united and influential global player and partner. These aspirations have priority areas aligned to the SDGs.

The 2007 Ministerial Round Table - African Road Safety Conference was held in Ghana. The conference declared road safety as a health, transportation, enforcement, education, and development priority and encouraged member states to substantially reduce the causes and risk factors associated with road crashes namely the non-usage of safety belts and child restraints; driving under the influence of alcohol and drugs; the non-usage of helmets; inappropriate and excessive speed; the lack of safe infrastructure and the use of mobile phones amongst other contributory factors. The Southern African Development Community (SADC) undertook to support the Moscow declaration and adopt the Decade of Action global plan approach to address the increasing road trauma.

Local Policy Instruments

The developments of the strategic imperatives of the RTMC are informed by the key priorities of government adopted through the Cabinet and the National Road Safety Strategy (NRSS). The following plans and frameworks apply:

National Road Safety Strategy 2016 -2030

The National Road Safety Strategy which was developed for the period of 2016 – 2030 is a product of both national and international policy on road safety. The purpose of the NRSS is to enable the reduction of fatalities and crashes on the country's roads through effective action by all South Africans led by the RTMC. The NRSS vision is for Safe and Secure Roads and aims to achieve a reduction in road fatalities by 50% from the 2010 baseline, by 2030. To achieve this the NRSS recognises four areas which require critical intervention these are: (1) Road User Behaviour, (2) Effective Leadership, Management and Coordination, (3) Data and Knowledge Management, https://we.tl/t-Bs2OXPULVo and (4) Road Infrastructure and Design. The responsibility of implementation of the NRSS is shared across several key road safety entities.

Figure 7: Strategic Vision and Mission of the NRSS

National Development Plan (NDP)

The NDP seeks to write a new story for South Africa by outlining the vision for 2030. The below priorities 8, 10 and 12 are closely linked to the mandate of the Corporation:

Priority 8 (Health Care for all)

The NDP sets out a target to reduce the accidents (motor vehicle crashes), injuries and violence by 50% from 2010 levels, thus, providing a clear direction on the need to focus on safety matters involving all road users. The NDP outlines the following factors for monitoring and control:

Vehicle driver behaviour	Roadworthiness of vehicles	Alcohol and substance abuse	Weaknesses in law enforcement

Figure 8: NDP Factors

The priority is linked to Corporation's mandate: to enhance the overall quality road traffic service provision, and to ensure safety, security, order, discipline and mobility on roads.

Priority 10 (Building Safer Communities)

The NDP outlines the key delivery for this priority as: Strengthening the Criminal Justice system by ensuring cooperation between all departments in the justice crime prevention and security cluster.

Priority 12 (Fighting Corruption)

The NDP recognises corrupt practices as a phenomenon where clear and decisive action must be taken, where the rule of law and compliance must be upheld. High levels of corruption especially within the traffic fraternity place a negative perception on the law enforcement fraternity, the Corporation aims to combat fraud and corruption by creating an integrated approach and resilient anti-corruption strategy and structures.

Medium-Term Strategic Framework (MTSF)

The Medium-Term Strategic Framework is one of governments key means of tracking progress towards achievement of the NDP 2030, annually. As a result, the Corporations Strategic Plan (SP) and Annual Performance Plan (APP) must be aligned to the MTSF to enable implementation of the NDP 2030. In the current strategic cycle, informed by the COVID-19 pandemic outbreak and the declaration of a National State of Disaster on 15 March 2020, the MTSF was revised. In the main the revisions considered:

- Reprioritisation of plans and budgets in response to the pandemic, which had a devastating impact on the health, social and economic aspects of the lives of South Africans
- Measures related to the R500 billion relief package as unveiled in the Supplementary Budget
- The launch of the Economic Reconstruction and Recovery Plan (ERRP) on 15 October 2021, which sought to restore economic growth and employment.

The 2019 – 2024 MTSF outlines the seven priorities as follows:

Priority 1: Capable, Ethical and Development State

Priority 2: Economic Transformation and Job Creation

Priority 3: Education, Skills and Health

Priority 4: Consolidating the Social Wage through reliable and Quality Basic Services

Priority 5: Spatial Integration, Human Settlements and Local Government

Priority 6: Social Cohesion and Safer communities

Priority 7: Better Africa and world

Figure 9: MTSF Priorities

Therefore, Priority 1 and Priority 6 align closely to the RTMC's mandate as shown below:

Priority 1: A Capable, Ethical and Developmental State

- Capable state has the required human capabilities, institutional capacity, service processes and technological platforms to deliver on the NDP through a social contract with the people
- Ethical state is driven by the constitutional values and principles of public administration and the rule of law, focused on the progressive realisation of socio-economic rights and social justice as outlined in the Bill of Rights
- Developmental state aims to meet people's needs through interventionist, developmental, participatory public administration. Building an autonomous developmental state driven by the public interest and not individual or sectional interests; embedded in South African society leading an active citizenry through partnerships with all sectors of society

Priority 6: Social Cohesion and Safer Communities

- Bring about behavioural change
- Enable the sharing of common space and services across society
- Reduce inequality of opportunity
- Redress – spatial, economic, cultural; building individual and communal agency
- Awaken the populace to speak when things go wrong and to be active in their own development
- Engender knowledge of the Constitution and foster the values contained therein

Department of Transport key priorities

The strategy of the DoT has been guided by five strategic priorities that define the work of the Department and the political agenda over the term of this administration. The following key five (5) priorities have been identified which will guide the effort of the sector:

- Safety as an enabler of service delivery
- Public transport that enables social emancipation and an economy that works
- Infrastructure build that stimulates economic growth and job creation
- Building a maritime nation, elevating the oceans economy; and
- Accelerating transformation towards greater economic participation.

Figure 10: DOT Priorities

The Corporation aligned its key strategic deliverables to the following DOT priorities.

Priority 1 which encapsulate the roll out 365-Days Action Agenda which seeks to create a vertical alignment of traffic policing activity through syndicated themes and activities. Also, vertical integration of traffic policing to create a single chain of command and proclaim traffic policing as a 7-day, 24-hour job	Priority 5: The transformation agenda of the transport sector must focus on the following objectives contribution to broad-based black economic empowerment, skills development and the growth of small, medium, macro enterprises and co-operatives, with a particular bias towards township, dorpie and rural economies

ORGANIZATIONAL STRUCTURE

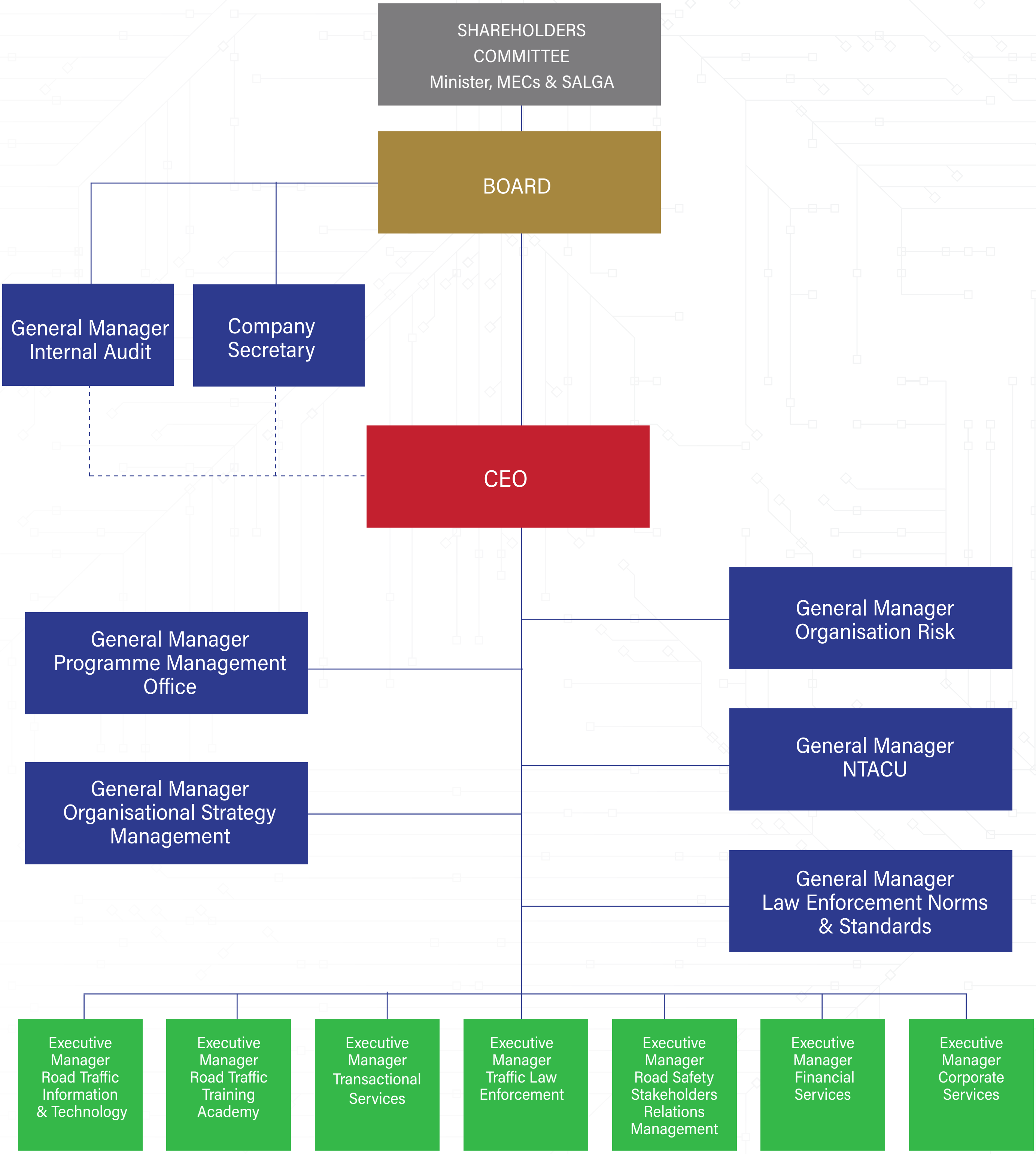
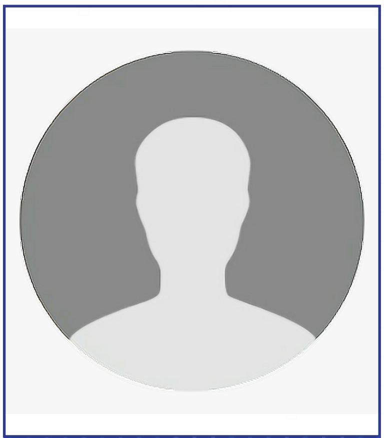


Figure 11: RTMC Organogram

EXECUTIVE TEAM

Makhosini Msibi
Chief Executive Officer



Vacant
Executive Manager: Transactional services

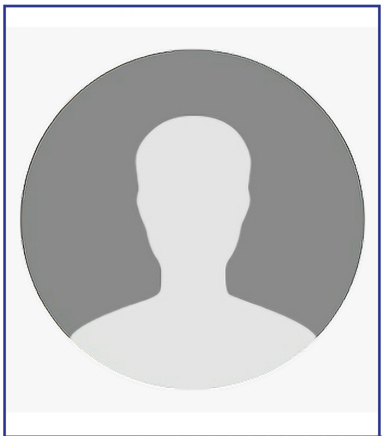
Kevin Kara-Vala
Executive Manager: Road Traffic Information and Technology

Liana Moolman
Executive Manager: Financial Services

Thabiso Ndebele
Executive Manager: Road Safety, Stakeholder Relations Management & Marketing

Stephen Podile
Executive Manager: Road Traffic Law Enforcement

Ntombizodwa Mobeng
Executive Manager: Corporate Services



Vacant
Executive Manager: Road Traffic Academy

B

Performance Information

Performance Information

We extend our trading hours to accommodate the renewal of driving licence card at the RTMC Waterfall and RTMC Eco Park DLTC.
Road Traffic Management Corporation at your service.

Auditor-General's Report: Pre-determined Objectives

The CEO is responsible for establishing and implementing a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of performance information.

The performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the approved strategic plan (2020 – 2025) and annual performance plan (2021/2022) of the RTMC for the year ended 31 March 2022.

The audit conclusion received from the Auditor-General South Africa on the performance against predetermined objectives is included in the audit report under predetermined objectives of the audit report on pages 107 to 111

Performance Overview

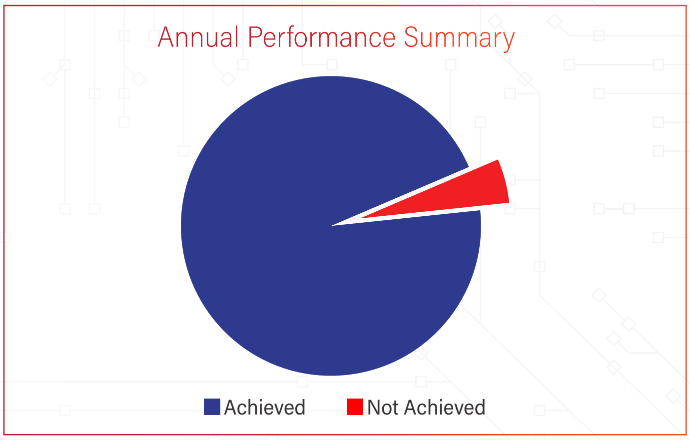
Summary Performance

In the year under review the entity planned for 21 targets out which 20 were achieved translating into a 95% attainment of targets. The performance objective relating to the enhancement of revenue was not achieved. The RTMC also initiated an in-year change process which was approved by the Minister as the Executive Authority. This was a consequence of the closure of the Traffic Training College due to COVID-19 which resulted in the delay on implementation of training outcomes. Six planned targets on training of traffic personnel (2), law enforcement (2) and road traffic information systems (2) were above target. In comparison to the previous financial year where the Corporation attained 57% of the set targets, there is a 38% improvement in performance.

The following is a summary of performance:

Number of Targets	22
Annual targets due	21

Achieved	20
Not achieved	1



Item	Programme 1: Operations	Programme 2: Law Enforcement		Programme 3: Traffic Intelligence & Security	Programme 4: Strategic Services		Programme 5: Support Services					
Status	Road Safety	Training of Traffic Personnel	National Traffic Police	National Traffic Anti Fraud and Corruption	Research & Development	Road Traffic Information	Human Resources	Financial Sustainabilit	Legal Services	Communica-tions	Risk Management	Total
On-Target	1	1	0	2	1	1	1	4	2	1	1	14
Below Target	0	0	0	0	0	0	0	1	0	0	0	1
Above Target	0	2	2	0	0	0	0	0	0	0	0	6
Completed	0	0	0	0	0	2	0	0	0	0	0	0
Not Planned	0	0	0	0	1	0	0	0	0	0	0	1
Total	1	3	2	2	2	2	1	5	2	1	1	22
Targets Achieved	1	3	2	2	1	2	1	4	2	1	1	20
Targets not achieved	0	0	0	0	0	0	0	1		0	0	1

Figure 12: Summary Performance

6th Global Road Safety Week

During the year under review, the Corporation led the 6th Global Road Safety Week campaign, a call-to-action initiative under the auspice of the World Health Organisation, which was held from 17 – 23 May 2021. The RTMC, in collaboration with provinces participated in various road safety activities during the period in line with the theme of reducing speeds.

Figure 13: Global Road Safety Week Advertorial

Implementation of the DLTC Service Improvement Model

The Corporation rolled out services at DLTC in the period under review, this allowed for the operationalisation of frontline road traffic management services. The rollout is aimed at improving customer service levels in the acquisition of road traffic products. The implementation entailed a full spectrum of people, processes and systems including infrastructure readiness, recruitment of personnel, legislative processes and office refurbishments in readiness for the launch of the DLTC. The DLTC were launched on the 7th of October 2021 with two centres, Centurion and Midrand. The RTMC renders licensing service on behalf of the Gauteng Province as an agent of the province.

Training of Traffic Personnel

In the 1st quarter, the Corporation undertook preparatory processes relating to the arrival of traffic trainees at the RTMC's training academy. 581 new recruits arrived at the college on the 7th and 8th of May 2021 to commence their three-year NQF level 6 Traffic Officer Qualification.

The Training Norms and Standards Business Unit is responsible for the quality assurance of training at fourteen (14) traffic training centres in the country as well as the development of standards and curricula within the traffic fraternity. During the period under review, the highlights include amongst others the following:

- The administration of a maiden Final Integrated Summative Assessment (FISA) for FETC: Road Traffic Law Enforcement with SAQA ID 62289 on NQF level 4; and a total of approximately 841 learners were declared Competent from May 2021 to date.
- The colleges that subjected learners to this exit examination for the NQF level 4 Traffic Officer's qualification are Tshwane Metro Police Department Academy, Gene Louw Traffic Training College, Ekurhuleni Metro Police Department Academy, Limpopo Traffic Training College, Mpumalanga Traffic Training College, Cape Town Metro Police Department Academy and Gqeberha (Port Elizabeth) Traffic Training College.

- The review of the currently SAQA registered Occupational Certificate: Traffic Officer with ID 97639 to include amongst others, modules such as Crime Prevention; and this qualification has currently been submitted for re-registration on the National Qualifications Framework (NQF).

Organisational Environment

Challenges and successes faced by the Corporation during the period include the following:

Challenges	Successes
The uncertainty of COVID-19 and its implications across the functional areas	Ability to retain most targets in the wake of changing environmental conditions and adapt internally through changes in operational processes
Facilities (infrastructure requirements for the implementation of the training programme)	Stakeholder relationships ensured the adaptation of the College to meet RTMC requirements, thus the RTMC was able to continue with the training programme
Delay and approval processes in the implementation of funding streams for the Corporation	Progressive implementation of funding streams has been implemented e.g., online payment gateway
Stakeholders buy-in on the execution of programmes including the determination of the stakeholder perception baseline	The RTMC was able to digitise Vehicle Testing Stations and Learner Licence testing centres amidst resistance from stakeholders and a stakeholder management strategy has been developed and approved.
Making adequate investments in IT infrastructure	The approval for the infrastructure refresh has been granted and a funding model developed. The refresh is on track
Corruption	The NTACU consistently records attainment of performance objectives. In this context, the functional area also attains positive news coverage which yields positive spin offs for deterrence and improved public perceptions.
24/7 shift system implementation not on track	The RTMC has developed the model for implementation by provinces and conducted extensive stakeholder engagements in this regard.

Table 9: Performance Challenges and Successes

Key policies and legislative changes

RTMC Regulations

The draft amended RTMC Regulations were published for public comment on the 03 September 2021. The purpose is to, amongst others introduce online convenience services to the public for booking of learner's license tests, renewal of driver licenses and motor vehicle registration and licensing. This will remove, alternatively limit the need for public members to physically attend a DLTC. The Revised Draft Regulations were published on 08 October 2021. The final Regulations were published on 14 January 2022 in the National and all Provincial Gazettes and came into force on 14 February 2022.

NRTA Regulations

The RTMC in collaboration with the Department of Transport spearheaded the compliance with Section 48(4) of the RTMC Act and the operationalisation of Regulations 13A and 57 of the National Road Traffic Regulations. The purpose is to provide for legal requirements regarding change of Titleholder. The Regulations came into force on 14 February 2022.

AARTO Court Case

On 13 January 2022 the Gauteng Division, Pretoria declared the AARTO Act and the AARTO Amendment Act unconstitutional and invalid. The judgement if confirmed by the Constitutional Court will not only have a detrimental effect on the implementation and roll-out of AARTO but will also result in significant consequences for the entire road traffic regulation regime throughout the spheres of government. The RTMC was not cited as a party to the proceedings before the Gauteng Division, notwithstanding the fact, informed by the provisions of the RTMCA, the RTMC had a direct and substantial interest in the matter. The RTMC therefore brought an application for leave to intervene in the application by OUTA for confirmation in the Constitutional Court.

Progress towards Achievement of Institutional Impacts and Outcomes

For the strategic period under review, two outcome indicators in support of the impact of Safe Mobility on South African Roads were developed as follows:

IMPACT	OUTCOME	OUTCOME INDICATORS	BASELINE	FIVE-YEAR TARGET
Safe Mobility of SA Roads	Reduced Road Fatalies	Number of road fatalities	12,921	9, 960 (-3,231)
	High Performance Organisation	External stakeholder Satisfaction Survey	New Indicator	80%+
		Internal stakeholder Satisfaction Survey	New Indicator	80%+

Table 10: Outcome Indicator Development

Reduction of Road Fatalities

When comparing road fatalities between the years 2019 and 2021 there is an increase of 0,3% (from 12 503 in 2019 to 12 545 in 2021); comparing the years 2020 and 2021 the increase is 25,8% (from 9 969 in 2020 to 12 545 in 2021). However; the number of fatalities per crash have been on a decline since 2019. The ratio of people who died per crash was 1.2 in 2019 (for every 10 crashes, 20 people died), 1.19 for 2020 (19 people died per 10 crashes) and 1.18 for 2021 (18 people died per 10 crashes).

The strategic target of reducing road traffic fatalities is 25% over a five-year period, using 2018 fatalities as a baseline, therefore on 31 December 2021 fatalities had reduced to 12 545, a reduction of 376 translating to a 3% decline between 2018 and 2021. Year on year performance as follows:

Year	Performance in fatalities over strategic period
2019	418 less fatalities, 3% reduction
2020	2 952 less fatalities, 23% reduction fatalities
2021	376 less fatalities, 3% reduction

Table 11: Strategic Outcome Indicator Performance 2019 – 2021

The graph below depicts the outcome indicator performance against the National Road Safety Strategy (NRSS) target from 2016 to 2021.

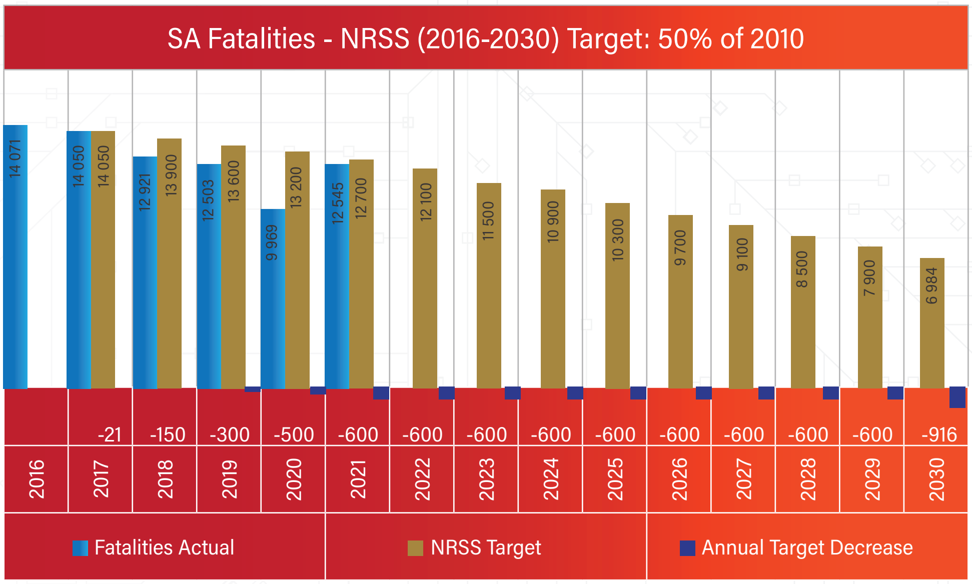


Figure 14: Progression Towards NRSS Targets

High Performing Organisation

During the 2021/22 Financial Year, the Stakeholder Management Strategy was formulated to improve stakeholder relations across the Corporation, especially as it relates to key strategic projects. This work will be supplemented by the determination of the stakeholder satisfaction baseline score in the next Financial Year (2022/23), wherein the improvements will be measured in subsequent years. The Corporation will expedite related processes on the determination of corresponding figures on high performing organisation.

Institutional Programme Performance Information

2021 - 2025 Programme Structure

The RTMC developed institutional programme performance information. Indicators were determined for each programme to facilitate proper measurement and monitoring of performance against the attainment of targets. Below is the RTMC programme structure:

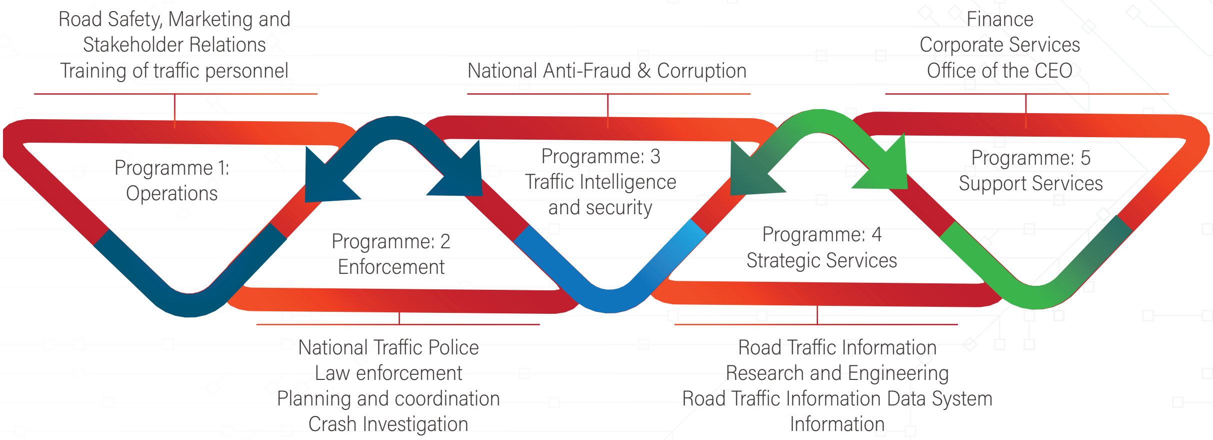


Figure 15: Programme Performance Information Structure

Programme 1: Operations

The programme comprises Road Safety, Marketing and Stakeholder Relations, and Training of Traffic Personnel.

Road Safety, Marketing and Stakeholder Relations

The strategic focus of Road Safety, Marketing and Stakeholder Relations is cemented on the collaborative execution of programmes in line with the mandate of the Corporation which exists as a partnership between the three spheres of government. The Sub-programme strategic mandate of forging relationships in responding to the clear directive of road safety as a matter of societal concern.

In the year under review, programmes were implemented with a range of stakeholders including provincial departments of transport, local authorities, other government departments, interest groups, private sector, non-governmental organisations, and the international community. Below are the programmes executed during the year:

Youth Programme

The youth programme entails collaborative efforts amongst the Corporation and youth formations in communities across the country. Young people are the most affected demographic by road crashes, such initiatives are designed to promote road safety education.

In the year under review, the youth programme was bolstered by targeted messaging on drinking and driving, pedestrian safety, impact of speeding, passenger safety and distracted driving. This entailed scripting, recording and publication of short and informative road safety clips on the Corporation's social media platform. Furthermore, the RTMC focused on spreading road safety messaging through bulk messaging using the Technical and Vocational Education and Training (TVET) Colleges database.

A youth webinar focusing on Drinking and Driving was held on 16 September 2021. The session sparked interest from various stakeholders who are interested in furthering sustainable collaborations with the RTMC. Key concerns raised in the webinar by participants included:

- The minimal consequences of drinking and driving as perceived by the youth;
- The increase of the use of narcotics and the inability to test for various substances that have narcotic effects on the body besides alcohol;
- The lack of specialised courts to fast-track infringements which will create deterrence to drinking and driving; and
- The establishment of more alcohol retail outlets notably at filling station convenience stores.

Road Safety Programmes Implemented with Interest Groups

In responding to the clarion call of ensuring broad participation in road safety matters, programmes with interest groups are designed in a collaborative manner to reach a wide audience with the objective of ongoing awareness and education. The programme was implemented as follows:

Type of Workshop	Interest groups	Date of Implementation
Driver Workshop	North West Province and Stakeholders	15, 19 and 21 October 2021
Driver workshop	Imperial logistics	19 November 2021.
Webinars	PRASA, Autopax	Driver Awareness for women – 27 August 2021 Tyre Safety – 09 September 2021 Safety belts webinar - 30 November 2021 Driver awareness for women – 27 August 2021
Driver awareness activities	North West, Gauteng, Free State, Western Cape	Various activities took place between the 01 July and 23 December 2021

Table 12: Programme implemented with interest groups

School based programme developed and monitored

School based programmes include Road Safety Debates and Participatory Educational Techniques (PET) alongside other operational programmes such as scholar patrol management.

Road Safety Debates

Road Safety Debates commenced at a local to provincial level which culminated into a national competition. The target group for this programme is high school learners who debate road safety management topics as a way of educating and creating awareness on road safety as part of the extra curricula school activities (road safety in schools). The competition was designed along the urban and rural categories and was held on the 7th and 8th of December 2021, having adapted the programme for digital participation. The results of the competitions were as follows:

Road Safety Debates – Rural		
Category	Province	Prize
1st Prize	KwaZulu Natal	Laptop
2nd Prize	Mpumalanga	Tablet
3rd Prize	Limpopo	Cellphone
Best Speaker	Lekalakala Lehlogonolo - Limpopo	Tablet
Best Trainer	KwaZulu Natal	Tablet
Road Safety Debates – Urban		
Category	Category	Category
1st Prize	KwaZulu Natal	Laptop
2nd Prize	Mpumalanga	Tablet
3rd Prize	Limpopo	Cellphone
Best Speaker	Ndlovu Siyathokoza – KwaZulu Natal	Tablet
Best Trainer	KwaZulu Natal	Tablet

Table 13: Road Safety Debates Results

Participatory Educational Techniques

PET is a programme where learners address road safety challenges by designing road safety solutions. This is presented in the form of models that depict the problem and solutions to identified real community challenges as identified by learners. The National PET competition was hosted by the Corporation on the 30th of November 2021. Furthermore, the programme participation was categorised according to urban and rural area submissions. The results of the competition were as follows:

Participatory Educational Techniques – Rural		
Category	**Province**	**Prize**
1st Prize	KwaZulu Natal	Laptop
2nd Prize	Limpopo	Tablet
3rd Prize	Gauteng	Cellphone
Best Trainer	KwaZulu Natal	Tablet
Participatory Educational Techniques – Urban		
Category	**Province**	**Prize**
1st Prize	Mpumalanga	Laptop
2nd Prize	KwaZulu Natal	Tablet
3rd Prize	Limpopo	Cellphone
Best Trainer	Mpumalanga	Tablet

Table 14: PET Results

Community Based Programme

Forty-two (42) activities were undertaken during the year with various stakeholders between April 2021 and March 2022. The Activities included awareness campaigns on stray animals, pedestrian safety aluminide the broad road safety messaging. These activities took place across five provinces.

The table below captures outcomes, outputs, targets and actual achievements for the Road Safety sub-programme. All performance targets were achieved, four programmes were implemented as planned.

Programme 1: Operations/Road Safety Stakeholder Relations Management								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced Road Fatalities	Create awareness on road safety matters	Number of Road Safety Programmes implemented	3 road safety educational programmes implemented	4 road safety educational programmes implemented	4 road safety educational programmes implemented	4 road safety educational programmes implemented	-	-

Table 15: Road Safety Stakeholder Relations Management Performance

Training of Traffic Personnel

The sub-programme is responsible for the implementation training outcomes. The RTMC is an accredited training provider for the training of traffic officers, road safety practitioners and upskilling of traffic personnel. Training programmes are developed to increase and enhance sector capacity through investment in skills towards professionalisation. In the year under review, disruption due to the COVID-19 pandemic impacted the delivery of training outcomes which in turn resulted in the amendment of targets to factor conditions that resulted from the closure of colleges.

Upskilling of existing Traffic Officers

The following two modules were implemented for the upskilling of existing Traffic Officers:

Module	Progress
Advanced driving module	Training for Officers from EMPD and the NTP was successfully completed.
Examiner of driving Licence	Training for Officers took place from 31 January to 18 February 2022 and was successfully completed. Above new Trainees, refresher training to previously trained Officers was undertaken during the year.

Table 16: Training of Existing Traffic Officers

NQF Level 6 Traffic Officer Qualification

The following modules were implemented for the NQF Level 6 Traffic Officer qualification:

#	Module	Progress
1	KM-01 General Orientation	Assessed 03 December 2021, supplemented 18 December 2021
2	KM-02 Applied English Communication	Assessed 13 March 2022, supplemented 27 March 2022
3	KM-03 Professionalism and Practice	Assessed 20 December 2021, supplemented 10 January 2022
4	KM-05 Additional Road Traffic Law Enforcement Legislation	Assessed 15 March 2022, Supplemented 29 March 2022
5	KM-07 Other Relevant Legislation	Assessed 11 March 2022 and 25 March 2022
6	KM-10 Introduction to Traffic Criminology	Assessed 17 March 2022, supplemented 30 March 2022
7	KM -13 Firearm Controls Act	Assessed 08 February 2022, supplemented 28 February 2022
8	PM- 05 Maintain Discipline	Practical modules implemented during the year
9	PM- 08 Examine Applicant for Learners' Licence and Driving Licence	
10	PM- 04 Execute Advance Driving Skills 272 trainees	

Table 17: NQF Level 6 Traffic Officer Curriculum Implementation

NQF Level 6 Road Safety Officer Qualification

The following modules were implemented for NQF Level 6 Road Safety Officer Curriculum

#	Module	Progress
1	KM02 - Communication	Assessed 10 January 2022, supplemented 31 January 2022
2	KM07 - Public Sector	Assessed 14 January 2022, supplemented 04 February 2022
3	KM03 - Criminology	Assessed 12 January 2022, supplemented 02 February 2022
4	KM05 - Information Technology	Assessed 14 March 2022, supplemented 30 March 2022
5	KM01 - Road Safety System	Assessed 18 March 2022 and 25 March 2022, no supplementary examinations conducted
6	KM04 - Project Management	Assessed 16 March 2022, supplemented 30 March 2022
7	Work Experience Module 01 Processes and Procedures of designing and implementing a road safety plan	Workplace modules conducted between 10 February 2021 and 31 March 2022
8	Work Experience Module 02 Processing of assessing/auditing road related infrastructure	
9	Work Experience Module 03 Processes of conducting research and generating an abstract	

Table 18: NQF Level 6 Road Safety Officer Curriculum Implementation

The table below captures outcomes, outputs, targets and actual achievements for the Road Safety sub-programme. All performance targets were achieved, four programmes were implemented as planned.

Programme 1: Operations/Training of Traffic Personnel								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
High Performing Organisation	Professionalisation of the road traffic safety fraternity	Number of traffic officer modules delivered to existing traffic officers	2 traffic officer modules delivered to existing traffic officers	3 traffic officer modules delivered to existing traffic officers	3 traffic officer modules delivered to existing traffic officers	2 traffic officer modules delivered to existing traffic officers	1 traffic officer module not delivered to existing traffic officers	Modules not achieved due to the closure of the college, APP in year change approved by the Executive Authority
		Number of modules on NQF level 6 traffic officer qualification completed for traffic trainees	12 modules on NQF level 6 traffic officer qualification completed for traffic trainees	4 modules on NQF level 6 traffic officer qualification completed for traffic trainees	17 modules on NQF level 6 traffic officer qualification completed for traffic trainees	10 modules on NQF level 6 traffic officer qualification completed for traffic trainees	7 traffic officer modules not delivered to existing traffic officers	
		Number of modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	3 modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	3 modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	9 modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	9 modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	-	

Table 19: Training of Traffic Personnel Original APP Performance

Programme 1: Operations/Training of Traffic Personnel								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
High Performing Organisation	Professionalisation of the road traffic safety fraternity	Number of traffic officer modules delivered to existing traffic officers	2 traffic officer modules delivered to existing traffic officers	3 traffic officer modules delivered to existing traffic officers	2 traffic officer modules delivered to existing traffic officers	2 traffic officer modules delivered to existing traffic officers	-	-
		Number of modules on NQF level 6 traffic officer qualification completed for traffic trainees	12 modules on NQF level 6 traffic officer qualification completed for traffic trainees	4 modules on NQF level 6 traffic officer qualification completed for traffic trainees	7 modules on NQF level 6 traffic officer qualification completed for traffic trainees	10 modules on NQF level 6 traffic officer qualification completed for traffic trainees	3 modules over delivered	Lack of certainty on the approval of the in-year change
		Number of modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	3 modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	3 modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	6 modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	9 modules on NQF level 6 road traffic safety officer qualification completed for road safety practitioners	3 modules over delivered	

Table 20: Training of Traffic Personnel Updated APP

Programme 2: Law Enforcement

The programme is tasked with the execution of law enforcement operations, through the National Traffic Police (NTP) and the Road Transport Inspectorate (RTI). The NTP undertakes law enforcement interventions targeting drunken driving, loads management, roadworthiness, moving violation, public transport, pedestrian and speed. The RTI operations stem from section 39 of the Cross Border Road Transport Act which is a specific focus on cross border traffic compliance. The programme had two output indicators for the year under review and overachieved on both targets.

Law Enforcement Interventions

For the year under review, 4 752 targeted law enforcement interventions were planned, and 5 864 interventions were conducted thus exceeding the target by 1 112.

Output Indicators	Actual
Drunken driving	1 238
Loads Management	317
Roadworthiness	923
Moving violation	625
Public transport	1 121
Pedestrian	452
Speed	1 188
Total	5 864

Table 21: Law Enforcement Interventions

Road Traffic Inspectorate Operations

The target for the year was 325 000 inspections in terms of C-BRTA Act, 1998 (Act 4 of 1998). The Corporation conducted 359 890 inspections thus overperforming by 34 890. Inspections were conducted in provinces as follows

Province	Actual
North West	25 771
Mpumalanga	53 848
Free State	39 856
Gauteng	84 051
Limpopo	129 938
KwaZulu-Natal	13 500
Western Cape/Northern Cape	12 926
Total	359 890

Table 22: Road Traffic Inspections

The table below captures the outcomes, outputs, targets and actual achievements for the programme – 100% of the performance targets were achieved.

Programme 2: Law Enforcement

Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced Road Fatalities	Enhanced law enforcement	Number of targeted law enforcement interventions	1 863	4 322	4 752	5 864	1 112	Due to the unpredictable nature of COVID-19 and its associated implications on road usage; the business unit intensified operations to cater for times when normal circumstances may not exist should stricter COVID-19 alert levels apply.
		Number of inspections conducted	320 204	212 737	325 000	359 890	34 890	Due to the unpredictable nature of COVID-19 and its associated implications on road usage; the business unit intensified operations to cater for times when normal circumstances may not exist should stricter COVID-19 alert levels apply.

Table 23: Law Enforcement Performance

Programme 3: Traffic Intelligence and Security

This programme incorporates a proactive and reactive approach to corruption and fraud-related incidents associated with the provision of road traffic services. The proactive element entails the application of intelligence tools in the identification and investigation of corruption and fraud incidents at the initiation of the Corporation; the reactive element entails incidents that are reported to the Corporation. This work is undertaken in a collaborative manner with other law enforcement authorities to ensure successful prosecution of wrongdoers. Two targets in support of the programme were developed for the year.

Investigation of reported cases

The National Traffic Anti-Corruption Unit (NTACU) received and investigated 191 complaints from the public, law enforcement agencies, and government agencies alleging acts of fraud and corruption.

Investigation of self-initiated cases

The Corporation continues to ensure effective programmes are implemented to eliminate the scourge of fraud and corruption within the fraternity. Self-initiated cases were introduced to strengthen the combatting of fraud and corruption, 160 cases were initiated and investigated. A total of 351 cases including both reported and self-initiated cases were investigated as follows:

Nature of Complaint	Total
DLTC Fraud and corruption	98
Fraud	50
Fraud and corruption	12
Officer corruption	97
PVTS Fraud and corruption	58
RA Fraud and corruption	36
Total cases investigated	351

Table 24: NTACU Investigations

NTACU effected 47 arrests during the year under review to eliminate fraud and corruption.

Category	Quantity
DLTC	05
Clerks	10
Officer Corruption	07
PVTS	02
Other	23
Total	47

Table 25: NTACU Arrests

Both output indicators for the year under review were met, translating into a 100% attainment of performance targets.

Programme 3: Traffic Intelligence and Security								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
Reduced road fatalities and high performing organisation	Reduced fraud and corruption	Percentage of reported fraud and corruption complaints investigated	100%	100%	100%	100%	-	-
		Number of self-initiated fraud and corruption cases investigated	100	130	160	160	-	-

Table 26: NTACU Performance

Programme 4: Strategic Services

Strategic Services is responsible for services relating to the technology infrastructure including the management of the Natis which is a key national point. Other functions include the production of road traffic information and research as well as the deployment of technological innovations in line with the digitisation of road traffic services.

Publication of Research Studies

In the year under review, four research studies were planned and published accordingly. These are outlined below:

1. Road Traffic Injury Study (TIS)

The number of serious injuries recorded annually play a significant role in inter alia, determining the total annual cost of crashes as well as in determining hazardous locations. The study supports road safety initiatives that need to be reported towards management of Road Traffic Information (RTI) due to Road Traffic Crashes (RTC).

The TIS is a build-up from the previous year where a literature review was conducted and recommends the following on the analysis of serious injury data

- RTMC/SAPS - It is recommended that training is provided to SAPS to be able to identify basic injury severity to improve reporting proficiency.
- The use of mobile phone applications to capture basic crash information linked to an online system would assist to obtain the most crucial information such as time, date and physical location of a crash would assist with more complete capturing of crashes information.
- RTMC/RAF Partnership - It is recommended that the RTMC/RAF partnership be formalised as the two entities have synergies in their operations. The collaboration should not be on project basis but formalised with the Department of health to in the long term provide a linked system to automatically determine scores of injuries

The TIS can be downloaded from the RTMC website at the following link.

https://www.rtmc.co.za/images/rtmc/docs/research_dev_rep/Traffic-Injury-Study-Report-Final---March-2022.pdf

2. South African Road Safety Assessment Methods (SARSAM)

The South African Road Safety Audit Manual (SARSAM) was published by the RTMC in 2012. A review of the SARSAM was identified and conducted by the RTMC in 2018 which provided recommendations towards the updating of the SARSAM-2012.The updating of the SARSAM, in line with the review recommendations is critical in guiding road safety practitioners when conducting road safety audits, road safety investigations and network level road safety assessments towards more forgiving roads in South Africa.

The SARSAM can be downloaded from the RTMC website at the following link.

https://www.rtmc.co.za/images/rtmc/docs/research_dev_rep/South-African-Road-Restraint-Systems-Manual---March-2022-Fin.pdf

3. South African Road Restraint Systems Manual (SARRSM)

The study builds on the previous literature review which was published in 2021. The Literature Review determined the need for a South African Road Restraint Systems Guideline/Manual which was published as planned. The manual is informed by best practices as identified by the Literature Review, the RRS Manual and Risk Assessment Procedure.

The Manual can be downloaded from the RTMC website at the following link.

https://www.rtmc.co.za/images/rtmc/docs/research_dev_rep/South-African-Road-Restraint-Systems-Manual---March-2022-Fin.pdf

4. SA Fatal Crashes in Context study

The aim of this study is to provide input to road safety programmes regarding the 'type of vehicle' which is involved in fatal crashes. In addition, through the analysis of speed infringements of the type of vehicle that is involved in fatal crashes, possible over-underrepresentation of vehicle type in fatal crashes and or involved speed infringements are analysed and discussed.

This report further provides baseline analysis for further research as well as recommendations for further research and analysis that would provide scientific input towards reducing death and injury because of road crashes.

The study can be accessed on:

https://www.rtmc.co.za/index.php/publications/reports/research-development-reports

Implementation of the digitisation programme

The Corporation endeavours to digitise the provision of road traffic services in a staggered manner. In this context Vehicle Testing Stations and Learner Licence Testing Centres are targeted for implementation of digital solutions.

The RTMC identified strategic areas for digitization with a view to improve productivity, operational efficiency, and reliability - not only at Natis service centres but for several operations in the RTMC. The 5-year plan for digitization will see an improvement in asset management through adoption of IT Service Management (ITSM) process and tools. Some of the digitization interventions are geared towards curbing fraud and corruption beyond the stated benefits of digitization. One of the digital interventions, provision of online services, will assist to address the strategic objective of being a financially self-sufficient corporation and reduce reliance on government grants.

Widespread fraudulent activities have been identified with manual learner licence testing at DLTC. These activities range from examiners taking bribes to assist learners to pass tests to driving schools and members of the public having access to standard question book sets for learner licence testing. Such activities produce drivers who may not be ready and increase the likelihood of accidents and road fatalities. CLLT increases productivity in that examiners do not have to mark tests as this is automatically done on Natis. A database of over 1 000 questions and a system that randomises the question sets makes this system the most efficient system to conduct tests. Test results and by implication data can be relied on.

To assist in curbing fraud and corruption, the RTMC has committed to deploy the Computerised Learner Licence Testing (CLLT) system at all DLTC over 5 years, starting in the financial year 2020/21. By the end of the 2021/22 financial year 173 sites had been deployed (146 new sites and 27 sites refreshed). GP, NC and LP are at almost 100%. The target for the financial year 2021/22 was 100 sites and 120 sites were deployed.

Another area where fraud needed to be given attention was at VTC, where vehicles would be provided with fitness or roadworthy certificates even when such vehicles are not fit. Fraudulent activities range from vehicles passing roadworthy tests even when the vehicle has not been physically at the testing centre to examiners passing more vehicles that they can possibly test in a day. This practice introduces vehicles that are likely to cause crashes and fatalities on our roads. The RTMC introduced a digital Roadworthy Testing Sheet (RTS) which will eliminate the stated practices.

The RTS application digitises the roadworthy testing of vehicles by replacing paper with a digitalised system that stores the results of the test directly into Natis. This eliminates the need to run multiple transactions. Digitising the RTS provides benefits of reducing errors, reduction in corruption by locking the tablet used to a specific VTS location to avoid tests being done outside of the testing station and making sure that a vehicle is present at the testing station when the test is done. Pictures of the vehicle can be taken and stored for audit purposes and to ascertain that the vehicle being tested is the correct one. The digitisation process will ensure that minimum test times as well as the testing hours are adhered to.

The project deployment took off in the financial year 2021/22, with all active VTSs in Gauteng deployed. The number of sites deployed is 116, while the target for this financial year was 100 sites.

There was overachievement on digitization APPs for the financial year 2021/22

Initiative	
Computerised Learner's License Testing Centres	120
Digitisation of the roadworthiness testing sheet form at Vehicle Testing Centres	116

Table 27: Digitisation programme

All targets for strategic services were attained, resulting in a 100% attainment of planned deliverables.

Programme 4: Strategic Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
-	-	Number of research studies published	3 research studies published	3 research studies published	4 research studies published	4	-	-
Reduced road fatalities and High performance organisation	Reduced fraud and corruption	Number of learner's license testing centres computerised	New Indicator	25	100	120	20	The increase in performance is informed by the under delivery in previous reporting targets
		Number of Vehicle testing stations using digitised roadworthy testing sheets	New Indicator	0	100	116	16	

Table 28: Strategic Services Performance

Programme 5: Support Services

d. Support Services houses support functions including, Human Resources, Financial Services, Legal and Compliance and Risk Management. For the year under review, ten targets were due for delivery in the programme; only one related to the financial sustainability of the corporation was not achieved.

Human Resources: Implementation of Talent Management Initiatives

Talent management initiatives are aimed at attracting and retaining employees and are implemented in line with the approved talent management strategy. The following four talent management initiatives were implemented during the year:

1. Employee Engagement Survey
2. Review of HR Policies
3. Review of the Salary Scale and Salary Normalisation
4. Improved Group Risk Benefits

Financial Services: Increase in Revenue

To ensure the financial sustainability of the corporation, the corporation had planned to increase its revenue by 13% from the previous financial year. However, in the year under review, the corporation realised a 4% revenue decline in comparison to the planned 13%.

Good Governance

The imperative of a capable, ethical and development state as embodied in the MTSF is expressed through the implementation of sound governance policies, procedures and controls to ensure the elimination of wasteful and fruitless expenditure and monitoring of cases of irregular expenditure and ultimately an unqualified audit report by the Auditor-General. During the year under review the RTMC compiled a report to the Department of Transport as the Executive Authority which outlined progress on the attainment of the three interlinked good governance targets.

Management of Parliamentary Questions

In the year under review, twelve parliamentary questions were received, and all were responded to within the stipulated period.

Implementation of the Ethics Programme

There were no internally reported incidents of corruption during the year under review. A search method through the presidential hotline, public protector, internal processes did not detect reported incidents of corruption. The Ethics Committee was operationalised, and an Annual Report on the Operations of the Committee was submitted to the Accounting Officer for monitoring and evaluation.

Risk Management

The governance structures of the Corporation consider the risk management report on monitoring of the implementation of action plans to address audit findings on a quarterly basis. In the year under review, the report served before the committees. Additional to the governance programme, the annual report on the implementation of action plans was developed and submitted to the accounting officer as planned.

Programme 5: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
High-Performing Organisation	An employer of choice	Number of talent management initiatives implemented	Talent management strategy approved by the Board and one initiative implemented	4 talent management initiatives implemented	4 talent management initiatives implemented	4 talent management initiatives implemented	-	-
-	Enhanced corporate sustainability	Percentage revenue change from previous year	15%	-5%	13%	9%	-4%	The non-billing and increase in revenue line items were because of the National State of Disaster declared by the President on the 5th of March 2020
-	Adequacy of responses to Parliament questions	Percentage responses to Parliamentary questions within stipulated timelines	-	-	100%	100%	-	-
-	Investigation of reported incidents of corruption	Percentage investigation of reported incidents of corruption	-	-	100%	100%	-	-
-	Functionality of ethics structures	Ethics management committee established and operationalised	-	-	2 reports on the status and operations of the Ethics management Committee	2 reports on the status and operations of the Ethics management Committee	-	-

Programme 5: Corporate Services								
Outcome	Output	Output Indicator	Audited Actual Performance 2019/2020	Audited Actual Performance 2020/2021	Planned Annual Target 2021/2022	Actual Achievement 2021/22	Deviation from planned target to Actual Achievement 2021/2022	Reasons for deviations
-	Implementation of action plan to address audit findings	Percentage implementation of action plans to address audit findings	-	-	Action plan to address audit findings developed and monitored	Action plan to address audit findings developed and monitored	--	-
-	Reduction of qualified audits	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Unqualified Audit Report with findings	Unqualified Audit Report with no significant findings	Unqualified Audit Report with no significant findings	Unqualified Audit Report with no significant findings	-	-
-	Elimination of wasteful and fruitless expenditure	Monitoring of cases of wasteful and fruitless expenditure	-	-	2 reports on the management of wasteful and fruitless expenditure submitted to DOT	2 reports on the management of wasteful and fruitless expenditure submitted to DOT	-	-
-	Reduction of irregular expenditure	Monitoring of reduction of cases of irregular expenditure	-	-	2 reports on the management of irregular expenditure submitted to DOT	2 reports on the management of irregular expenditure submitted to DOT	-	-
-	Compliance to 30-day payment requirement	Percentage compliance to 30-day payment requirement	-	-	100% compliance to 30-day payment requirement	100% compliance to 30-day payment requirement	-	-

Table 29: Corporate Services Performance

Strategies to Overcome areas of under-performance

Area	Strategy
Financial Sustainability	▪ Implementation of revenue streams as approved by National Treasury

Table 30: Strategies for Under-performance

Institutional Response to COVID-19

The Country declared a state of disaster after COVID-19 was declared a pandemic by the World Health Organisation. South Africa has been under lockdown since the 27 March 2020. The following figure shows the move from Adjusted Level 1 at the begging of the financial year to a peak Adjusted Level 4 in June and a downward revision to Adjusted Level 1 at the end of the year.

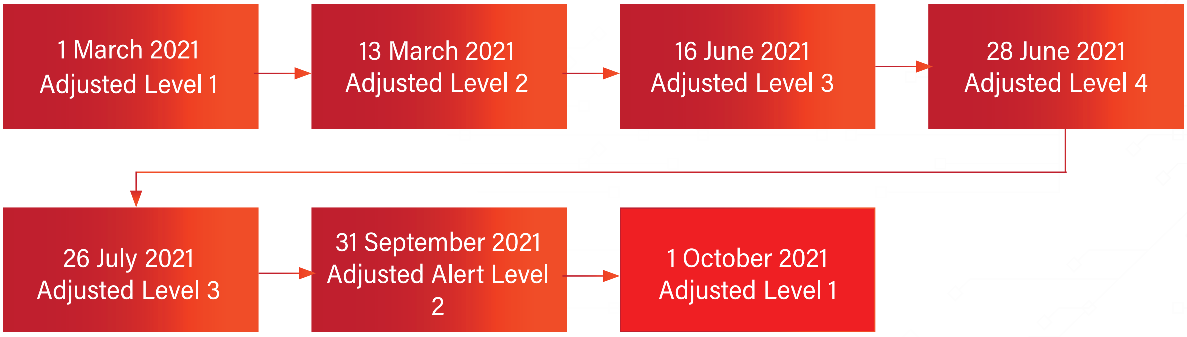


Figure 16: Lockdown Timeline

To reduce the impact of COVID-19 outbreak within the Corporation, the Corporation established the COVID-19 Committee on 5 May 2021. The Committee was established to put systems for effective and efficient management of COVID-19 within Corporation. The table below shows measures put in place by the Corporation and the associated costs for the period under review.

Cost incurred towards COVID-19 infection control - 2021/22	
Procurement of PPE	Amount
20L surface disinfectant for fogging	291 435,00
5L Hand Sanitiser	104 460,50
Air sanitiser fogger 150ml	6 348,00
Air sanitiser fogger 400ml	81,42
Disinfectant Wipes	209 943,75
Gloves	121 250,00
Protective goggles	9 592,48
Surgical Masks	44 475,25
Branded Masks	13 475,00
Thermometer	4 177,90
Total PPE	805 239,30

Cost incurred towards COVID-19 infection control - 2021/22	
Procurement of PPE	Amount
Other	
Spray bottles: 500ml plastic bottle clear	16 903,00
COVID-19 Tests	794 047,00
Ambulance Services for COVID-19 related Incidents	1 700,00
Portable ultra-low-capacity nebulizer	58 080,00
Self-Adhesive posters	9 200,00
Total cost incurred on COVID-19 infection control	1 685 169,30

Table 31: COVID-19 Infection Control Costs

The COVID-19 Committee was entrusted with the following roles and responsibilities

- To develop a response plan, monitor and evaluate the implementation of the plan
- To prepare a progress report to EXCO on the implementation of the protocols and plans
- To ensure regular communication to staff on COVID-19 related issues
- To implement incident management systems to ensure the management of COVID-19 related cases
- Too hold meetings to monitor the implementation of protocols within the Corporation

Members were appointed to the Committee with the following responsibilities:

Title	Roles and responsibilities	Appointee
COVID-19 Compliance Champion	The Compliance champion has the overall responsibility for the RTMC's pandemic preparedness & response plan.	Ms. Motselisi Juma
Employee Access Control Champion	The EACC's responsibility is to manage the movement and social distancing logistics of employees, visitors, suppliers and contractors as they enter and depart RTMC offices.	Mr. W. Makokomale
Virus Prevention & Protocols Champion	The VPPC's responsibility is to develop protocols aligned to the Department of Health guidelines to ensure the wellness of all employees and the overall pandemic preparedness and response plan.	Mr. K. Maponyane Mr. S. Sengwayo
Sanitisation & Disinfection Personal Protective Equipment (PPE) & Materials Champion	The responsibility is: ▪ To manage daily and periodic disinfection logistics, including routine and deep cleaning, disinfection processes, in accordance with the protocols set up by the Virus Prevention & Protocol champion. ▪ To secure all necessary supplies, implement and sustain the RTMC's pandemic preparedness & response plan, including direct procurement, as well as coordination to ensure other RTMC offices and Training colleges have sufficient supplies of PPE and sanitisers.	Ms. T. Mjoli

Title	Roles and responsibilities	Appointee
Communication Champion	The Communication champion's responsibility is to manage all pandemic related communications.	Mr. S. Zwane
Law Enforcement Champion	To ensure that all protocols pertaining to enforcement are implemented. That incident reports are prepared and reported in line with the incident management processes.	Mr. B. Mkhabela
Organised Labour Champion	The OLC's responsibility is to provide input to ensure all protocols are aligned to Department of Employment and Labour guidelines Strong communication, partnership, and alignment with Organised Labour on all decisions relating to COVID-19.	Mr. P. Zuma
Training Champion	To ensure that all protocols pertaining to training are implemented. That incident reports are prepared and reported in line with the incident management processes.	Ms. L Motlhabane
Audit and Risk Champions	To undertake compliance checks and provide assurance.	Mr. K. Kgosiemang Ms. D. Ewertse
Finance Champion	To provide financial perspective in the management of COVID-19, and any relevant incidents.	Mr. N Sebaku
Secretariat	Ensure effective functioning of the Committee by keeping minutes, tasks and actions and setting up of meetings.	Mr. S. Nkosi

Table 32: Members of the COVID-19 Committee

Work undertaken by the COVID-19 Committee

In the period under review the Committee developed the Return to Work (RTW) strategy and COVID-19 protocols. The Committee continued to monitor the implementation of the COVID-19 protocols and plans.

COVID-19 incident management

The Corporation developed a system for the management of incidents in the Corporation. During the period review. The following number of COVID-19 cases were reported. As of 31 March 2022, the Corporation had a total of two hundred and sixty-eight (268) cumulative positive cases reported since 1 April 2021. Out of the two hundred and sixty-eight (268) cases reported there were, three (3) fatalities, one (1) active and two hundred and sixty-four (264) recoveries. The total recovery rate for the Corporation is 98.51 % with 0.37% and 1.12 % fatalities cases.

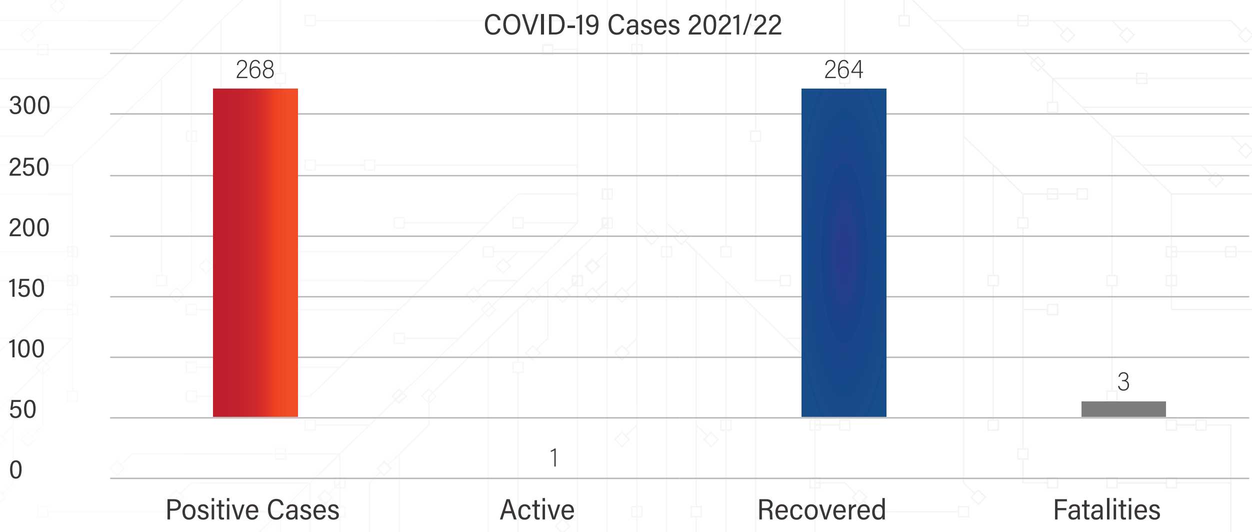


Figure 17: Summary of Cases

The cases are broken down per business unit was follows:

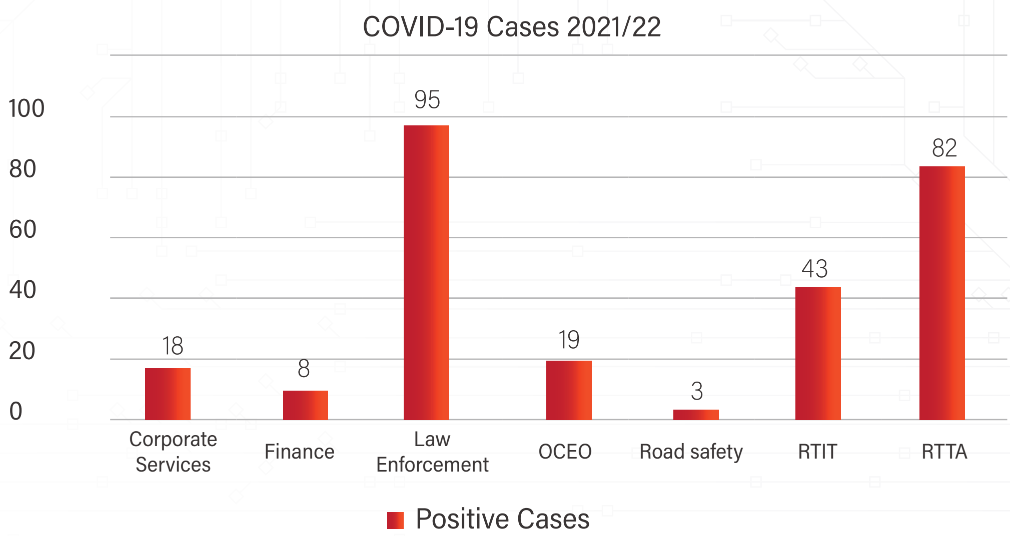


Figure 18: Summary of cases per business unit

The reported cases were in the following business unit: Traffic Law Enforcement at 95 (35%), Road Traffic Training Academy (RTTA) at 82 (31%), Road Traffic Information Technology at 43 (16%), Corporate Services at 18 (7%), OCEO at 19 (7%), Finance at 8 (3%) and Road Safety at 3 (1%). Enforcement and RTTA have the largest number of employees which might have contributed to the high number of cases.

Linking performance of the entity with the approved budget

Expenditure per programme

A year-on-year expenditure comparison reflects an increase compared to the previous year, R1.43 billion was spent in the 2021/22 financial year compared to R1.18 billion in the 2020/21 financial year. In total, the Corporation spent 108% of the adjusted allocated budget during the 2021/22 financial year. The tables below depict the financial performance of the programmes during the year under review.

Programme/activity / Objective	Approved Budget Allocation 2021/22	Approved Adjusted Budget Allocation 2021/22	Actual Expenditure 2021/22	Under/(Over) Expenditure	Annual Spentas % ofAllocated Budget	Approved Budget Allocation2020/21	Approved Adjusted BudgetvAllocation 2020/21	ActualExpenditure 2020/21	Under/(Over) Expenditure	Annual Spentas % of Allocated Budget
Operations	241 749 583	186 840 487	213 883 792	-27 043 305	114%	333 223 443	174 663 063	158 507 710	16 155 354	91%
Law Enforcement	272 125 198	275 766 104	271 205 877	4 560 227	98%	346 245 761	269 781 049	242 234 469	27 546 581	90%
Traffic Intelligence and Security	27 020 823	26 912 753	25 386 343	1 526 410	94%	29 196 648	25 630 178	23 294 207	2 335 971	91%
Strategic Services	265 415 367	230 649 873	284 810 894	-54 161 021	123%	330 796 532	248 535 699	239 579 091	8 956 607	96%
Support Services	690 650 840	606 496 382	638 575 490	-32 079 108	105%	605 229 043	420 881 200	520 188 171	-99 306 971	124%
Total Expenditure	**1 496 961 811**	**1 326 665 599**	**1 433 862 396**	**-107 196 797**	**108%**	**1 644 691 427**	**1 139 491 189**	**1 183 803 648**	**-44 312 459**	**104%**

Table 33: Programme Financial Performance

The graph below depicts a year-on-year comparison of expenditure per budget programme:

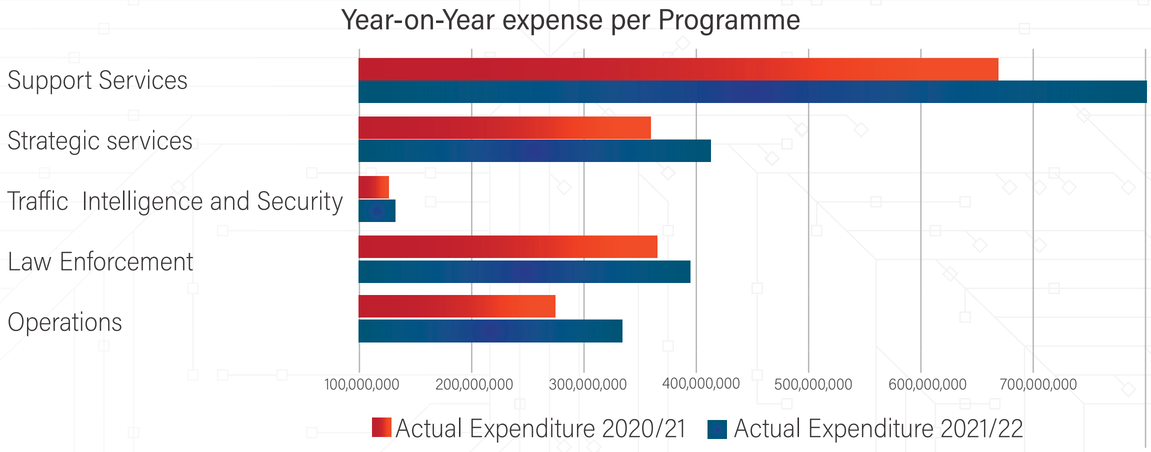


Figure 19: Expenditure per programme

- Operations overspent by 14% against the adjusted allocated budget for the year as compared to prior year where an underspent of 9% was recorded. The variance can mainly be attributed to the intensive effort to complete the theoretical part of the training for the traffic trainee project which was delayed in the previous year due to challenges experienced with the COVID-19 pandemic. In addition to the aforementioned, the Corporation introduced a further 554 new traffic trainees to the program which added cost pressures to the budget. The traffic trainee project now consists of 831 trainees.
- Law Enforcement underspent by 2% against the adjusted allocated budget for the year as compared to the previous year, which reflects an underspending of 10%. The on-going public restrictions with regards to the COVID-19 pandemic impacted the deployment of traffic officers to provinces across South Africa for the bigger part of the financial year.
- Traffic Intelligence and Security underspent by 6% against allocated budget for the year against an underspent of 9% in the previous year. Despite vigorous operations done during the financial year, operations undertook by the unit were done using organisation vehicles, which resulted in lower than budgeted spent.
- Strategic Services overspent by 23% against the allocated budget for the year vis-à-vis a recorded underspent of 4% in the previous year. The Natis refresh include a software component for which software license fees was incurred which together with the continual of the digitalization of learner licenses at driver license testing stations attributed to the overspent reflected at the end of the financial year.
- Support Services reflects a 105% spent of the allocated adjusted budget against a 124% spent in the previous year. The overspent can be attributed to the expenditure incurred on non-cash items i.e., depreciation, provisions.
- Harmonisation of programmes with a similar mandate ensures that the link between the overall strategic performance and financial performance presents a fair reflection on the stability of the Corporation. The table below reflects the detailed expenditure per programme and per economic classification:

Programme/ activity / Objective	Approved Budget Allocation 2021/22	Approved Adjusted Budget Allocation 2021/22	Actual Expenditure 2021/22	Under/(Over) Expenditure	Annual Spentas % of Allocated Budget	Approved Budget Allocation2020/21	Approved Adjusted BudgetvAllocation 2020/21	ActualExpenditure 2020/21	Under/(Over) Expenditure	Annual Spentas % of Allocated Budget
Operations										
Cost of Employees	86,692,974	98,259,077	96,724,490	1,534,587	98%	91,830,913	91,860,913	76,364,248	15,496,665	83%
Goods & Services	155,056,608	88,581,410	116,790,732	-28,209,322	132%	241,392,529	82,832,150	69,240,399	13,591,751	84%
Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Law Enforcement	272,125,198	275,766,102	271,205,877	4,560,225	98%	346,245,761	269,781,049	242,234,469	27,546,580	90%
Cost of Employees	245,965,150	261,680,359	253,618,577	8,061,782	97%	244,561,084	244,561,084	221,138,530	23,422,554	90%
Goods & Services	26,160,048	14,085,743	17,587,300	-3,501,557	125%	101,684,677	25,219,965	20,667,746	4,552,219	82%
Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Traffic Intelligence and Security	27,020,823	26,912,753	25,386,343	1,526,410	94%	29,196,648	25,885,757	23,294,207	2,591,550	90%
Cost of Employees	25,724,110	26,108,429	24,577,118	1,531,311	94%	24,400,401	24,400,401	22,683,596	1,716,805	93%
Goods & Services	1,296,713	804.324	809.225	-4.901	101%	4,796,248	1,229,777	669.212	560.565	54%
Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Strategic Services	265,415,365	230,649,871	284,810,894	-54,161,023	123%	330,796,532	248,535,699	239,579,091	8,956,608	96%
Cost of Employees	154,852,539	138,201,414	169,401,985	-31,200,571	123%	129,160,202	129,160,202	141,493,631	-12,333,429	110%
Goods & Services	110,562,826	92,448,457	115,408,909	-22,960,452	125%	201,636,330	119,375,496	98,901,408	20,474,088	83%
Capital Expenditure	-	-	-	-	-	-	-	-	-	-
Support Services	690,650,843	606,496,385	638,944,060	-32,447,675	105%	605,229,042	420,881,200	520,188,171	-99,306,971	124%
Cost of Employees	141,350,341	130,335,835	127,144,459	3,191,375	98%	121,809,189	121,809,189	142,362,422	-20,553,233	117%
Goods & Services	185,707,879	245,390,091	292,164,403	-46,774,311	119%	268,179,709	168,714,289	266,743,126	-98,028,837	158%
Capital Expenditure	363,592,623	230,770,459	219,635,198	11,135,261	95%	215,240,145	130,357,723	117,551,928	12,805,795	90%
Total Expenditure	1,496,961,811	1,326,665,599	1,433,862,396	-107,196,798	108%	1,644,691,427	1,139,746,768	1,183,803,648	-44,056,880	104%

Table 34: Expenditure per Programme and Economic Classification

Expenditure per Economic classification

The expenditure per economic classification shows that 109% of the budget for Compensation of Employees (CoE) was spent as compared to the previous financial year, wherein 96% of the budget for CoE was utilised. During the year under review 114% of the budget for goods and services was spent as compared to the previous financial year, wherein there was spent of 120%. Only 95% of the capital budget was spent due to the acquisition of computer equipment for the Natis hardware refresh and Computerised Learner License Testing (CLLT), the delay in the finalisation of the acquisition of land contributed to the non-spending of 5%.

Programme/activity / Objective	Approved Budget Allocation 2021/22	Approved Adjusted Budget Allocation 2021/22	Actual Expenditure 2021/22	Under/(Over) Expenditure	Annual Spentas % ofAllocated Budget	Approved Budget Allocation2020/21	Approved Adjusted BudgetvAllocation 2020/21	Actual Expenditure 2020/21	Under/(Over) Expenditure	Annual Spentas % of Allocated Budget
Cost of Employees	654,585,114	654,585,114	713,082,063	-58,496,949	109%	611,761,789	611,761,789	589,084,794	22,676,995	96%
Goods & Services	478,784,074	441,310,027	501,145,136	-59,835,109	114%	817,689,493	397,371,677	477,166,926	-79,795,249	120%
Capital Expenditure	363,592,623	230,770,459	219,635,198	11,135,261	95%	215,240,145	130,357,723	117,551,928	12,805,795	90%
Total Expenditure	**1,496,961,811**	**1,326,665,599**	**1,433,862,396**	**-107,196,797**	**108%**	**1,644,691,427**	**1,139,491,189**	**1,183,803,648**	**-44,312,459**	**104%**

Table 35: Expenditure per Economic Classification

e. The graph below depicts the year-on-year comparison by economic classification segment:

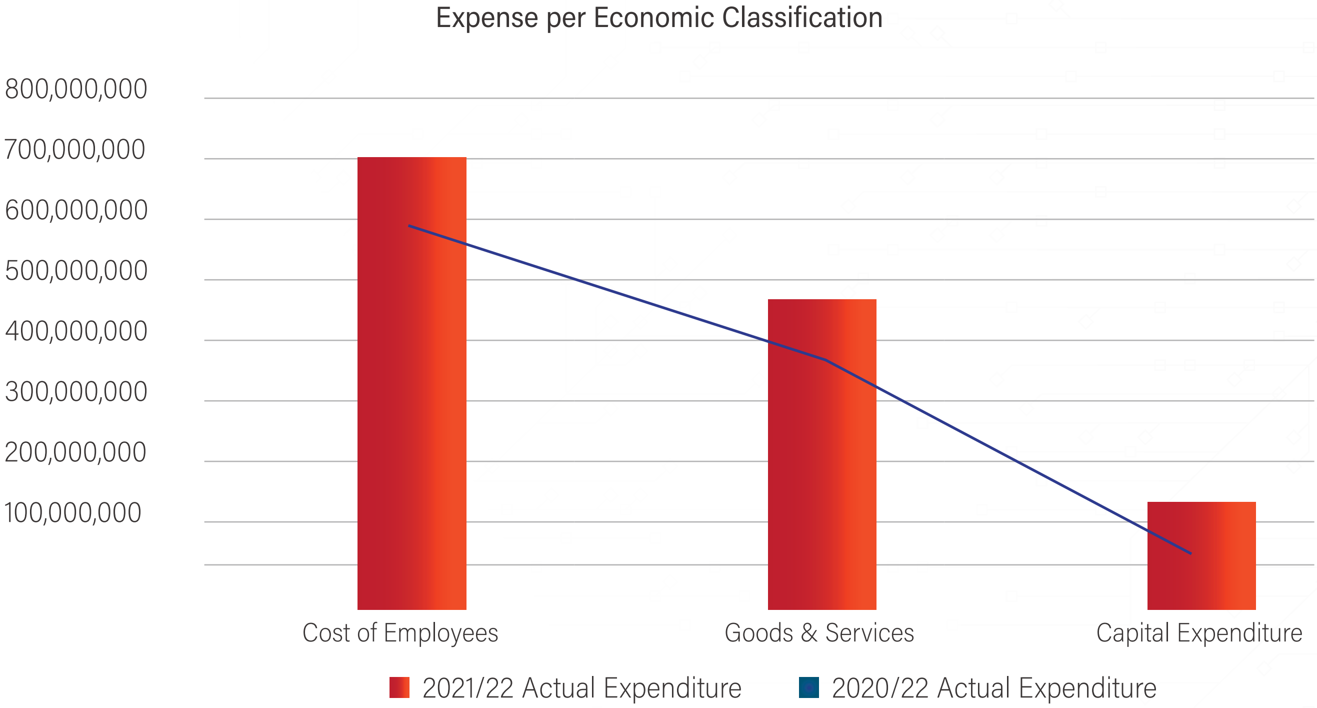


Figure 20: Expenditure per economic classification

Compensation of employees

Spent on compensation of employees increased by R124 million from R589 million to R713 million. The staff complement of the Corporation increased from 1 215 in 2020/2021 to 1 883 in 2021/2022. An additional contributing factor is a provision made for performance bonuses in the current year, compared to no provision in the previous financial year.

Goods and services

The overspent of R59 million in Goods and Services is mainly attributed to the expenditure incurred towards non-cash cash items such provision for bad debts, depreciation, and loss on disposal of assets. Other items contributing to the overspent is computer expenses relating to the digitalisation of learner license testing at testing stations and procurement of software licences.

Capital expenditure

The Corporation spent R219 million in the procurement of assets, the cost drivers, amongst others were the procurement of:

- Computer equipment for NaTIS refresh
- Computer software for NaTIS refresh
- Computer hardware for introduction of Computerized Learner's License Testing (CLLT) at pilot testing stations

Budget Adjustment and Virement

The initial approved budget of the Corporation for 2021/22 amounted to R1.49 billion. During the third quarter of the financial year a decision was taken to reduce the budgeted revenue from R1.49 billion to R1.32 billion due to a delay in the implementation of additional revenue streams identified by the Corporation. The downward revenue budget adjustment resulted in a same value expenditure budget adjustment, coupled with a budget virement whereby expenditure items identified for underspent were reduced to augment those items where an overspent was identified.

Revenue Collection

The Corporation derived its revenue from amongst others, the following sources:

- Grant Income from the National Department of Transport,
- Transaction fees from renewal of motor vehicle licenses,
- Infringement fees from fines issued (AARTO, Section 56),
- Interest received from investments (Call account and Investment account at the Reserve Bank),
- Natis related revenue such as access to data,
- Sponsorship income.

Revenue collected by the Corporation was 7% below the adjusted budgeted amount (2020/21 exceeded budget by 5%). The initial budget was R1.4 billion which was later adjusted to R1.3 billion. The actual collection amounts to R1.2 billion resulting in under-collection of R90 million. The under collection can be attributed to the delay in the implementation of the online registration service as well the slow revenue generation, because of technical glitches, by Section 56 revenue project.

Programme/activity/ Objective	Approved Budget Allocation 2021/22	Approved Adjusted Budget Allocation 2021/22	Actual Expenditure 2021/22	Under/(Over) Expenditure	Annual Spentas % of Allocated Budget	ApprovedBudget Allocation2020/21	Approved Adjusted BudgetvAllocation 2020/21	ActualExpenditure 2020/21	Under/(Over) Expenditure	Annual Spentas % ofAllocated Budget
Grant Income	217,322,000	217,322,000	217,322,000	-	100%	220,535,000	220,535,000	240,606,000	20,071,000	109%
Transaction fees	980,116,688	877,802,068	909,035,040	31,232,972	104%	1,107,450,092	860,590,263	885,503,532	24,913,269	103%
AARTO Infringements	10,779,876	39,740,404	25,762,637	-13,977,767	65%	10,266,549	10,266,549	16,658,974	6,392,425	162%
Training provisioning and facilities	5,520,510	171.579	379.705	208.126	221%	5,232,711	1,432,711	299.294	-1,133,417	21%
Administration Fees - RTI Infringements	44,730,000	44,730,000	41,625,550	-3,104,450	93%	42,000,000	31,500,000	18,819,350	-12,680,650	60%
Finance Revenue	-	-	3,630,340	3,630,340	0%	-	-	7,290,171	7,290,171	0%
Sponsorships	-	-	3,421,168	3,421,168	0%	-	-	18,985,857	18,985,857	0%
Natis Revenue	140,219,487	63,300,178	1,927,507	-61,372,671	3%	140,207,075	-	610.523	610.523	0%
Other income	-	-	8,350,601	8,350,601	0%	-	-	4,522,543	4,522,543	0%
DLTC's revenue	-	20,299,370	17,741,964	-2,557,406	87%	-	-	-	-	0%
Section 56 revenue	63,300,000	63,300,000	7,304,750	-55,995,250	12%	80,000,000	15,166,667	6,878,779	-8,287,888	45%
Impound fees	34,973,250	-	-	-	0%	39,000,000	-	-	-	0%
Total revenue collected	**1,496,961,811**	**1,326,665,599**	**1,236,501,263**	**-90,164,337**	**93%**	**1,644,691,427**	**1,139,491,189**	**1,200,175,022**	**60,683,833**	**105%**

Table 36: Sources of Revenue

The budgeted amount for Transaction Fees was R877 million (2020/21: R860 million, collection of R885 million) of which R909 million collection was recorded. This resulted in over recovery of Transaction Fees in relation to the budget by 4%. This revenue stream accounts for 74% of the total revenue.

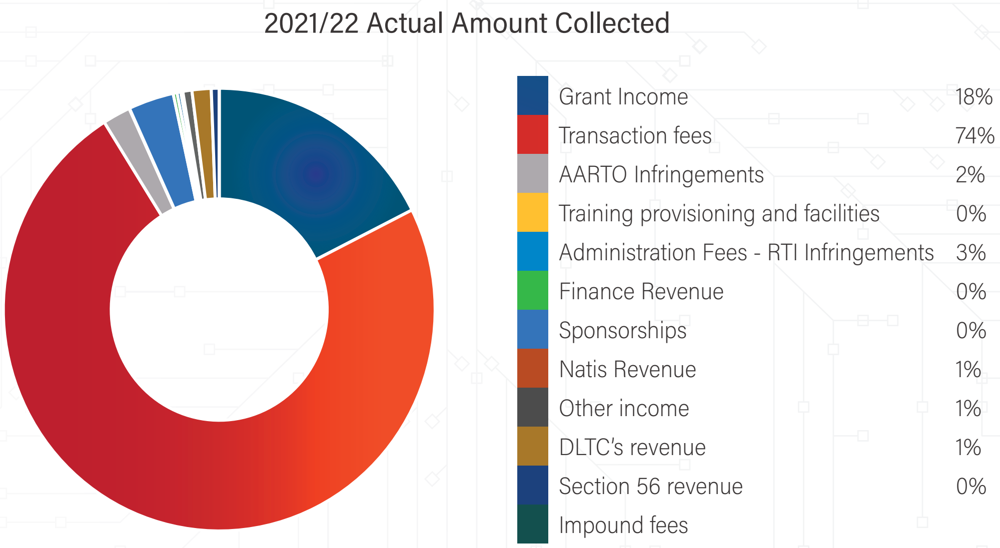


Figure 21: Sources of Revenue

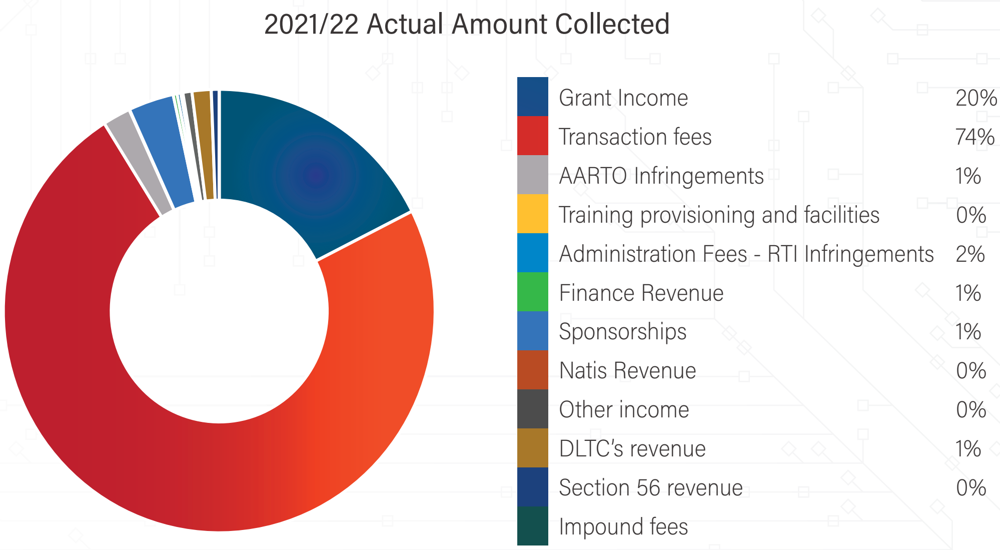


Figure 22: Combination chart - Revenue performance

Capital Investment Finance

There was none in the year under review.

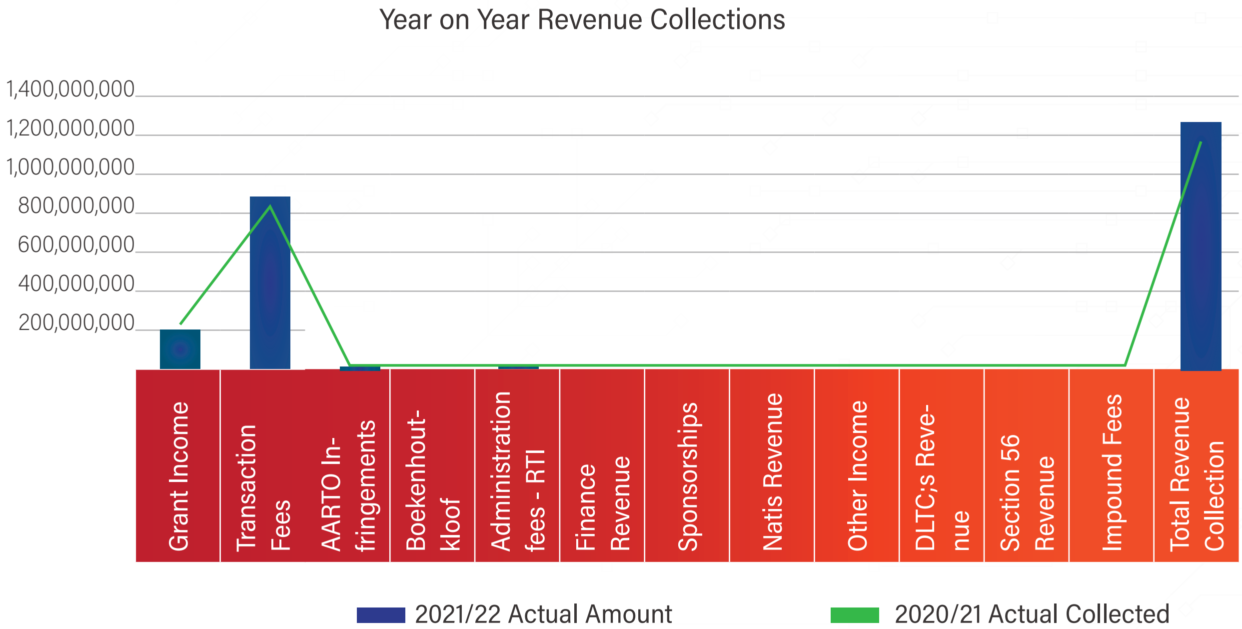
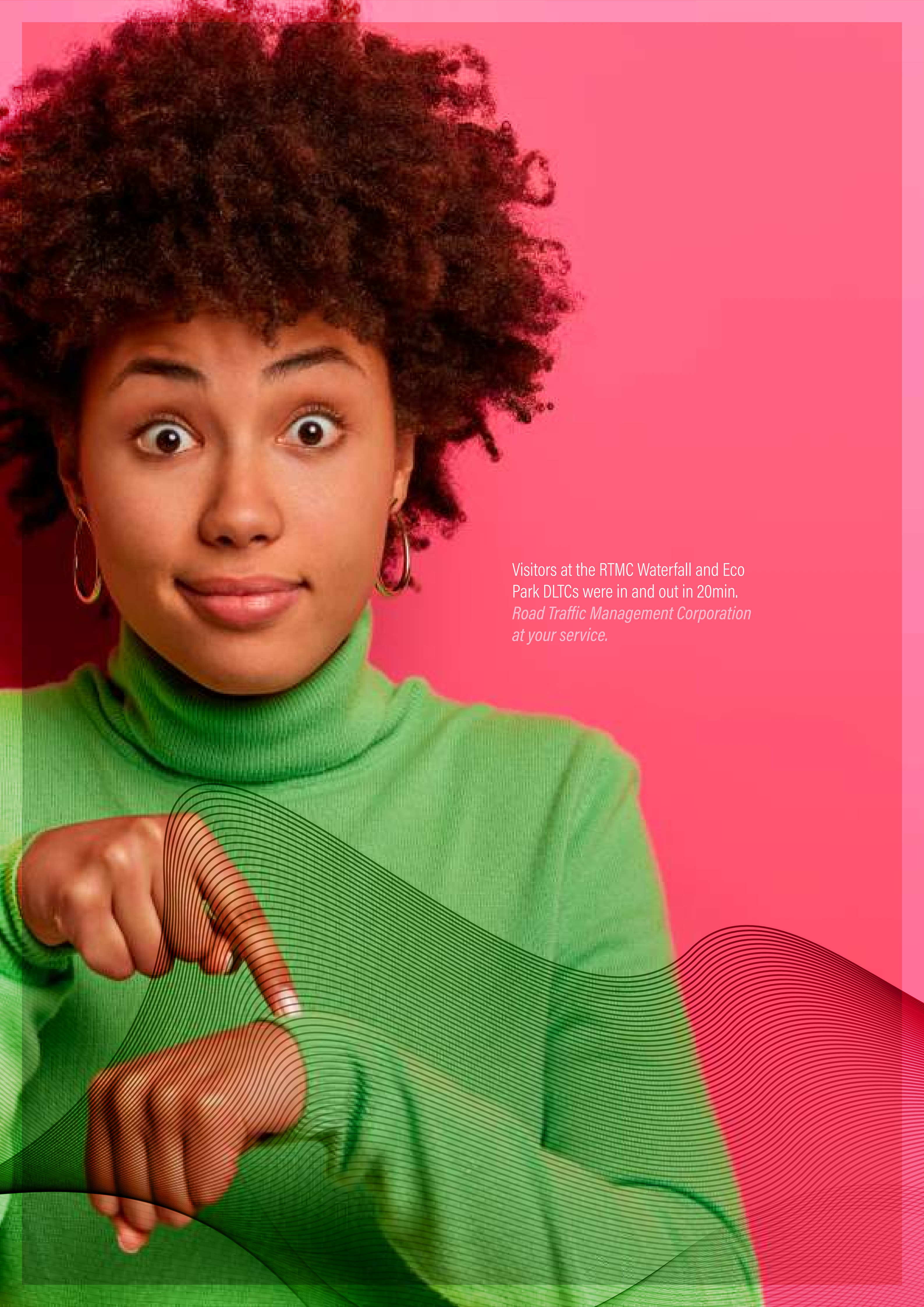


Figure 22: Combination Chart Revenue Performance

Capital Investment Finance

There was none in the year under review.

Governance Information


Visitors at the RTMC Waterfall and Eco Park DLTCs were in and out in 20min.
Road Traffic Management Corporation at your service.

Corporate Governance

Corporate Governance embodies processes and systems by which public entities are directed and controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, Corporate Governance regarding public entities is applied through the precepts of the PFMA and in tandem with the principles contained in the King Report on Corporate Governance.

Portfolio Committee

Parliament exercises its role through the performance of the public entity by interrogating their annual financial statements and other relevant documents which have to be tabled from time to time.

The Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of the external auditor. In the year under review the Corporation was not required to appear before SCOPA.

The Portfolio Committee exercises oversight over the service delivery performance of the public entities and, as such, reviews the non-financial information contained in the annual reports of the public entities and is concerned with service delivery and enhancing economic growth.

During the period under review, the RTMC appeared before the Portfolio Committee on Transport to account on the delivery of its mandate on 10 November 2021.

Governance Framework

The RTMC was established in terms of Section 3 of the RTMCA. It is further governed, inter alia, by the provisions of the NLTA, NRTA, PFMA, CPA and subscribes to the principles contained in the King IV Report on Corporate Governance, 2016. The governance structures of the RTMC are comprised of the Shareholders Committee and the Board of Directors.

The Shareholders Committee

The RTMCA provides that the Shareholders Committee comprises of the Minister, every MEC and two representatives nominated by the South African Local Government Association (SALGA). The Act acknowledges that some of the provinces would have more than one MEC as members of the Committee, however in that instance the MEC whose portfolio is most closely connected to the function in respect of which a decision is to be taken has veto powers.

During the year under review, the Shareholders Committee comprised of the following members, some of whom were changed and moved to different portfolios in their provinces:

Name	Portfolio	Jurisdiction
Mr Fikile Mbalula	Minister of Transport	National Chairperson
Ms Dikeledi Magadzi *	Deputy Minister of Transport	
Ms Sindisiwe Chikunga **		
Ms Weziwe Tikana-Gxotiwe	MEC: Transport, Safety & Liaison	Eastern Cape
Mr Sam Mashinini *	MEC: Police, Roads & Transport	Free State
Mr Kwekwe Bulwane **		

Name	Portfolio	Jurisdiction
Ms Faith Mazibuko	MEC: Community Safety	Gauteng ***
Mr Jacob Mamabolo	MEC: Roads & Transport	
Ms Peggy Nkonyeni	MEC: Transport, Community Safety & Liaison	KwaZulu-Natal
Ms Mavhungu Lerule-Ramakhanya	MEC: Transport, Safety, Security & Liaison	Limpopo ***
Mr Dickson Masemola	MEC: Public Works, Roads & Infrastructure	
Mr Vusi Shongwe	MEC: Community Safety, Security & Liaison	Mpumalanga ***
Ms Mohita Latchminarain	MEC: Public Works, Roads & Transport	
Ms Nomandla Bloem	MEC: Transport, Safety & Liaison	Northern Cape
Mr Sello Lehari	MEC: Community Safety & Transport	North West ***
Mr Gaoage Molapisi	MEC: Public Works & Roads	
Mr Bonginkosi Madikizela *	MEC: Transport & Public Works	Western Cape
Mr Daylin Mitchel **		
Mr Seane Nkahle	SALGA nominee	National

* Served as a member during the year under review and is no longer an MEC/member for the portfolio
** a Member by the end of the financial year under review
*** Province has dual membership

Table 37: Members of the Shareholders Committee

The RTMCA requires the Minister, as the Chairperson, to convene the Shareholders Committee at least four times a year. During the period under review, the Committee held four meetings as required.

The Board

The Board is accountable to the Shareholders Committee in terms of the provisions of the RTMCA, the PFMA and the Governance Agreement entered between the Board and the Shareholders Committee. During the period under review, the Board continued to receive support from the Shareholders Committee.

In keeping with its approved Charter, the Board executed its responsibilities that include:

- Providing effective leadership and control in terms of approving the RTMC strategy and ensuring control over its operational implementation.
- Representing and serving the Shareholders' interests by overseeing and appraising the strategies, policies and the performance of the RTMC.
- Ensuring that the RTMC continues to operate as a viable and sustainable going concern.
- Providing oversight on the human, operational and financial resources available to achieve strategic objectives.
- Ensuring the appropriate balance of power and authority so that no one individual can dominate the Board's decision-making.
- Ensuring effective communication between the RTMC and its internal and external stakeholders.
- Ensuring that appropriate governance structures, policies and procedures are in place.
- Reviewing and approving the Board Charter and the Terms of Reference of all Board Committees in line with King IV and best practices.

Composition of the Board

The RTMCA provides that the Board shall comprise of eight (8) independent Non-Executive Members appointed by the Shareholders Committee, one Shareholder representative appointed by the Minister and the Chief Executive Officer.

In keeping with good corporate governance practices, the roles of the Chairman and the Chief Executive Officer are distinct. The Chairman is responsible for leading the Board and ensuring its effectiveness. The Chief Executive Officer is responsible for the execution of the strategy and day-to-day business of the RTMC and is supported by the Executive Committee, of which he is the Chairperson. Below are the details of the Members of the Board –

THE BOARD

Zola Majavu CD(SA)
Chairman

Adv Makhosini Msibi
Chief Executive Officer

Adv. Johannes Makgatho

Thulani Kgomo

Tembeka Mdlulwa

Pinkie Manqele

Thandi Thankge CD(SA)

Dr. Eddie Thebe

Prof Maredi Mphahlele

Sigidikazi Petse
Company Secretary

Name	Designation	Date of appointment	Date retired	Qualifications	Area of expertise	Board Directorship	Other Committees	Number of Meetings attended
Mr Zola Majavu CD(SA)	Chairman	1 January 2017 (re-appointed)	n/a	BA (Law) LLB Higher Dip. in Sports Law Attorney of High Court of SA Chartered Director South Africa	Legal and governance	-	-	11/11
Ms Pinkie Manqele **	Non-Executive	1 January 2017 (re-appointed)	n/a	BTech (Policing) Dip. in Police Management Dip. in Practical Accounting	Traffic law enforcement	-	Strategy Committee Social & Ethics Committee	8/8
Ms Tembeka Mdlulwa	Non-Executive	1 January 2017 (re-appointed)	n/a	BJuris LLB Attorney of High Court of SA	Legal	-	Strategy Committee Remuneration Committee	6/11
Mr Thulani Kgomo	Non-Executive	1 December 2018 (re-appointed)	n/a	BProc Attorney of High Court of SA	Legal	Legal Practice Council	Strategy Committee Social & Ethics Committee Audit & Risk Committee	8/11
Prof Maredi Mphahlele	Non-Executive	1 January 2017	n/a	Teachers Dip. in Science and Mathematics BSc in Computer Science and Mathematics BSc Hons in Computer Science MSc in Computer Science DTech in Computer Science	Information Technology	-	Strategy Committee Audit & Risk Committee	11/11

Name	Designation	Date of appointment	Date retired	Qualifications	Area of expertise	Board Directorship	Other Committees	Number of Meetings attended
Ms Thandi Thankge CD(SA)	Non-Executive	1 January 2017	n/a	Dip. in Library and Information Services BA Industrial Psychology BA Hons in Industrial Psychology MCom in Business Management Chartered Director South Africa	Human Resources, Governance	Private Security Industry Regulatory Authority (PSIRA) Remuneration Committee Social & Ethics Committee	Remuneration Committee Social & Ethics Committee	11/11
Dr Eddie Thebe	Non-Executive	1 January 2017	n/a	DTech MTech in Public Relation Management BAComm Hons BAComm Road Traffic Dip	Road Safety	-	Remuneration Committee Social & Ethics Committee	10/11
Adv. Johannes Makgatho	DoT Representative	July 2020	-	BProc LLB	Legal Transport Regulations	-	Strategy Committee	9/11
Adv. Makhosini Msibi	Chief Executive Officer	1 January 2019 -re-appointed	-	BJuris LLB	CEO	-	-	8/10

** Member resigned with effect from 30 October 2021.

Seven (7) special Board meetings held considered the following matters - Draft Annual Financial Statements and draft Annual Report for submission as a statutory requirement; Procurement matters in terms of Delegation of Authority Framework; Condonation of the irregular expenditure; 2020/21 Audited Annual Financial Statements, Annual Report, Audit Report of the Auditor-General, Auditor-General's Draft Management Report; Salary scales and normalization of salaries; Organisational design and other related services.

Board Committees

The Board delegates powers to its Committees, of which Committee Members are specialists in their respective fields and areas of governance. To assist with the effective discharge of its duties, the Board has established the following Committees in line with its Charter and King IV Report on corporate governance:

- Audit and Risk Committee;
- Strategy, Monitoring and Evaluation Committee;
- Remuneration Committee; and
- Social and Ethics Committee.

The Board Charter and the Terms of Reference of Committees set out the roles and responsibilities of the Board and Committees and are achieved through the execution of the Annual Work Plans, effective meetings, and workshops. The Board Charter and Board Committees Terms of Reference were reviewed and approved by the Board during the year under review.

Below are the details on Board Committees:

Audit & Risk Committee

The Committee provides independent and objective oversight of, amongst others, financial and sustainability reporting; financial management; risk management; internal controls; internal audit function; external audit; combined assurance, information technology governance and integrated annual reporting.

The Committee meets at least four (4) times a year to consider financial management reports, internal audit reports, risk management reports, organisational performance management, IT governance reports, external audit strategy and other statutory requirements. The Members of the Committee and dates of meetings are captured below:

Name	Qualification	Internal or external	If internal, position	Date appointed	Date resigned	No. of meetings attended
Ms Nomusa Mufamadi	▪ Dip in Industrial Relations ▪ BCompt	external	n/a	01 October 2020	n/a	8/8
Ms Nontle Jaxa	▪ BCom (Accounting) ▪ BCompt (Hons) ▪ MBA	external	n/a	01 August 2020	n/a	8/8
Ms Rachel Cuna	▪ BSoc Sc ▪ BCom in Information System ▪ Higher Dip. in Computer Auditing ▪ BCom (Hons) Informatics	external	n/a	01 August 2020	n/a	8/8

Name	Qualification	Internal or external	If internal, position	Date appointed	Date resigned	No. of meetings attended
Prof Maredi Mphahlele	▪ BSc in Computer Science and Mathematics ▪ BSc Hons in Computer Science ▪ MSc in Computer Science ▪ DTech in Computer Science	internal	Non-Executive Member of the Board	1 January 2017	n/a	8/8
Mr Thulani Kgomo*	▪ BProc	internal	Non-Executive Member of the Board	April 2020	n/a	4/5

Table 39: Audit Committee Members and Meetings

Non-executive members are nominated by the Board and their appointment to the Committee is ratified by the Shareholders at the Annual General meeting. Independent external members of the Committee are appointed and confirmed by the Shareholders annually thereafter at the Annual General meetings, for the duration of their term of office.
*Member ceased to be a member of the Committee with effect from September 2021.

Strategy Monitoring & Evaluation Committee

The Committee assists the Board in ensuring that the development of the Corporation's long-term strategy is aligned to its legislated mandate, Shareholders' directives and Government priorities. The Committee:

- Regularly monitors and evaluates the implementation of the Strategy and the Annual Performance Plan.
- Ensures that the Corporation's long-term strategy is aligned to the Corporation's legislated mandate, Shareholders' directives and Government priorities.
- Ensures the preparation of and reviewing Quarterly Performance Reports and recommending measures to be taken or interventions required to ensure successful implementation of the Corporation's Strategy and the Annual Performance Plan.

The Committee further oversees:

- That the Bid evaluation and adjudication processes have been complied in line with the Preferential Procurement Policy Framework Act (PPPFA), the Broad-Based Black Economic Empowerment Act (BBBEE Act) and Corporation's Supply Chain Management Policy;
- The processes followed in the bid evaluation and adjudication were fair, equitable, transparent, competitive and cost effective.

No. of meetings held	No of Members	Name of Members	Number of meetings attended
9	5	1. Ms. Pinkie Manqele (Chairman) *	6/7
		2. Ms Tembeka Mdlulwa	3/9
		3. Mr Thulani Kgomo (Chairman)**	9/9
		4. Prof Maredi Mphahlele	9/9
		5. Adv Johannes Makgatho	8/9

Table 40: Strategy Monitoring & Evaluation Committee Members and Meeting Attendance

*Chairman of the Committee and resigned with effect from 30 October 2021. ** Chairman of the Committee with effect from 1 November 2021.
Five (5) special Committee meetings held considered the following matters - Procurement matters in terms of Delegation of Authority Framework;

Remuneration Committee

The Committee oversees human resource matters which include, organisational design, collective bargaining matters, remuneration, performance management system, talent management, retention, succession planning and any other matter relating to human resources. The Committee further assesses the effectiveness of human resources strategies and policies and monitor the effectiveness thereof.

No. of meetings held	No of Members	Name of Members	Number of meetings attended
5	3	Ms. Tembeka Mdlulwa (Chairman)	4/5
		Ms Thandi Thankge	5/5
		Dr Eddie Thebe	5/5

Table 41: Remuneration Committee Members and Meeting Attendance

One (1) special Committee meeting held and considered the following matters - Salary scales and normalization of salaries; Organisational design and other related services.

Social & Ethics Committee

The Committee monitors the implementation of the RTMC's Code of Ethics; exercises oversight over all corruption and other ethical related investigations; monitors progress of disciplinary action taken arising out of unethical conduct; monitors cases reported through anti-corruption hotline; ensuring that the RTMC has an effective corporate wide system of disclosure of interests; ensuring that the RTMC has a system of procurement which is compliant with the principles enshrined in the Constitution of the Republic and to other laws, including but not limited to the PFMA: ensuring that the Corporation promotes good corporate citizenship; oversee the environmental, health and safety.

No. of meetings held	No of Members	Name of Members	Number of meetings attended
4	4	Mr. Thulani Kgomo (Chairman)*	4/4
		Ms Pinkie Manqele **	3/3
		Ms Thandi Thankge***	4/4
		Dr Eddie Thebe	4/4

Table 42: Social & Ethics Committee Members and Meeting Attendance

* Member ceased to chair the Committee on 30 October 2021 and moved to chair Strategy, Monitoring & Evaluation Committee. **Member resigned with effect from 30 October 2021. *** Chairman of the Committee with effect from 1 November 2021.

Remuneration of Board Members

Remuneration of the Board is part of the conditions determined by the Shareholders Committee in terms of section 8(12)(a) of the RTMCA. The total amount of remuneration paid to Members includes a monthly retainer and attendance of meetings and no other expenses are paid. The official appointed by the Minister to serve on the Board is not remunerated. Members are paid for attendance of 4 quarterly meetings of Committees and Board and are not remunerated for attendance of special meetings as the monthly retainer fees seeks to also cover such eventualities.

Name	Remuneration (Retainer and meeting attendance fees)	Other allowance	Other re-imbursement	Total
Mr Z Majavu	968,098.36	Nil	Nil	968,098.36
Ms P Manqele*	422,024.20	Nil	Nil	422,024.20
Ms T Mdlulwa*	649,268.00	Nil	Nil	649,268.00
Mr T Kgomo*	714,194.80	Nil	Nil	714,194.80
Prof M Mphahlele	645,395.11	Nil	Nil	645,395.11

Name	Remuneration (Retainer and meeting attendance fees)	Other allowance	Other re-imbursement	Total
Ms T Thankge**	695,539.07	Nil	Nil	695,539.07
Dr E Thebe	645,395.11	Nil	Nil	645,395.11

Table 43: Remuneration of Board Members

* Chairmen of Committees are remunerated more than ordinary members.** Member became a Chairman of a Committee with effect from 1 November 2021.

Remuneration of External Audit & Risk Committee Members

In line with the Terms of Reference of the Audit & Risk Committee which provides for the appointment of three 3 external members, the following members were appointed by the Shareholders Committee during the year under review:

Name	Remuneration Meeting attendance fees	Other allowance	Other re-imbursement Travel expenses (km)	Total
Ms N Mufamadi - Chairman	454,487.60	n/a	254.89	454,742.49
Ms N Jaxa	188,238.61	n/a	Nil	188,238.61
Ms R Cuna	188,238.61	n/a	Nil	188,238.61

Table 44:Remuneration of External Audit and Risk Management Committee Members

Ms Mufamadi, as the Chairman of the Committee also attends Board quarterly meetings and Annual General Meeting to account on matters that the Committee exercise oversight on and was remunerated for such.

Risk Management

The RTMC has a Risk Management Framework which was reviewed and approved by the Board during the year under review. The Strategy to deliver on the mandate of the Risk Management function is informed by the risk management operational plan and the annual deliverables of the function.

In adherence to the approved Risk Management Framework and policy, the Corporation will conduct annual risk assessments. Once risks are identified management is required to design mitigation strategies to minimize the potential impact that may result in organisational goals not been achieved. The RTMC performs an annual strategic risk assessment which includes engagement with those charged with governance (Audit and Risk Committee and ultimately the Board).

The Corporation's Enterprise Risk Management governance approach which is also aimed at achieving the objective of a Combined Assurance model has seen the resuscitation of the Enterprise Risk and Audit Committee (ERAC) once the new operating structure was fully implemented.

The Board through its subcommittee namely Audit and Risk Committee (ARC) provides independent oversight in respect of Risk Management. The ARC guides the strategic intent of Risk Management, the Committee also monitors activities of the function.

The following Strategic Risks were duly identified, measured and the Corporation continues to periodically monitor the implementation of agreed mitigations.

Risk	Strategies	Assessment as of 31 March 2022
Failure to coordinate and monitor the implementation of the National Roads Safety Strategy (NRSS) resulting in increased road fatalities.	To introduce systems and evidence-based programmes that will yield systematic behaviour change and link to NRSS initiatives.	Not Achieved
	Terms of Terms of reference for the Working Team to coordinate programmes linked to the NRSS have been developed is expected to lead to the functioning of the NRSSC as a COTO Road Safety.	Achieved
	The establishment of the Working Committee and other structures, conduct workshops on the Safe System approach and linkage to stakeholder mandate.	Achieved
Fraud and Corruption (Failure to curb fraud and corruption that's besetting the traffic fraternity)	The Corporation opened two Drivers License Testing Station centres which have driven service excellence with critical lessons on the curbing of fraud and corruption. It should be noted that the Risk of Fraud and Corruption cannot be 100% mitigated however the Corporation has put measures in place to manage the risk.	Ongoing process
	Adoption of anti-corruption KPIs by Road Traffic stakeholders. The RTMC Ethics Committee Terms of Reference have been established and approved for the operationalisation of the Committee.	Partly Achieved
	Intensify Anti-Fraud & Corruption awareness campaigns including assessment of the impact of these awareness sessions.	Achieved
Risk of non-compliance with laws and regulations *Inadequate preparedness to fully comply with all provisions of the Protection of Personal Information Act- The RTMC is the custodian of confidential personal information.	The POPI Policy has been approved, both the RTMC and Natis website have been duly updated with the required privacy policy statement.	Achieved
	Deputy Chief Information Officers have duly been appointed in compliance with the Act.	Achieved
	The Records Management Policy review and due approval process planned for the 4th Quarter 21/22 has not been achieved.	Not achieved
The Corporation's new operating model and the resultant new Organisational Structure may not achieve its intended objectives i.e. a high performance-based entity driven by competency based by roles and responsibilities	Balance scorecards have been developed and signed with all employees.	Achieved
	Senior Management planned culture journey initiatives for the period under review were completed as planned.	Achieved

Risk	Strategies	Assessment as of 31 March 2022
Lack of ICT Strategy *The RTMC has not developed a comprehensive ICT strategy	The Natis Infrastructure Hardware Refresh project was started in Quarter 3 (01 September 2021) and is currently underway.	Ongoing
	Management governance structures including the ICT Steering Committee have been realigned to exercise oversight- The effectiveness of this oversight needs continuous monitoring.	Achieved
	The Board had identified the need to establish an ICT sub-committee to exercise the required oversight on the Corporations ICT activities. The Audit and Risk Committee continues to perform this delegated role as per the approved Board Terms of Reference.	Achieved
Lack of comprehensive disaster recovery planning encompassing plans to minimize the risk of pandemic like COVID-19 Our inability to pursue opportunities that makes it easier for the public to do business with us.	The Business Continuity Policy has been revised and approved. The current Business Continuity Plan will be refined to address these emerging risks.	In progress
	The Corporation launched a bouquet of online services during February 2022.	Achieved
The Corporation is facing an emerging risk of liquidity and solvency	The Regulation giving effect to Online Transactions were approved by the Minister of Transport, the first phase of these were implemented in February 2022.	Achieved

Table 45: Risk Management

Internal Control Unit

The RTMC management and employees enable the Board to meet its responsibility of ensuring that there are adequate and effective internal controls within the Corporation by implementing standards and systems of internal control that provide reasonable assurance to the:

- integrity and reliability of the financial and operational information in line with applicable standards
- efficiency and effectiveness of controls in safeguarding assets
- Compliance with applicable policies, procedures, laws and regulations.
- Internal control unit is thus responsible for
- Co-ordination of development and implementation of the financial internal control systems, policies and procedures.
- Review of policies and standard operating procedures to ensure adherence to changes in terms of rules and regulations
- Identify, mitigate and manage control risks which may hamper achievements of the unit's objective to effectively, efficiently and economically manage its financial and related resources.

Internal Audit

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the Corporation's operations. It supports the Corporation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The Board is ultimately responsible for overseeing the establishment of effective systems of internal controls to provide reasonable assurance that the Corporation's financial and non-financial objectives are achieved. Executing this responsibility includes the establishment of an Internal Audit function in accordance with the PFMA.

Internal Audit is understood to mean the processes aimed at achieving reasonable assurance about the realisation of the following objectives:

- Effectiveness and efficiency of operations;
- The reliability and integrity of financial and operational information;
- Compliance with relevant policies, procedures, laws and regulations; and
- Safeguarding of assets.

The audit activities undertaken were implemented on a risk – based approach. The table below is a summary of the Internal audit planned activities and execution status for the 2021/22 financial year.

Quarter 1		Quarter 2	
April 2021 – June 2021	Executed Yes/No	July 2021 – September 2021	Executed Yes/No
Road Traffic Information (include crash stats audit)	Yes	Law Enforcement - National Traffic Police full back-office audit	Yes
Performance Information audit (Q4 of 2020/21)	Yes	Supply Chain Management- Quotations and Contract Management	Yes
Asset Management (2020/21)	Yes	Road Safety Audit: Learner License Programme	Yes
4th quarter AFS review of file and year end selected audit tests	Yes	Performance Information audit (Q1 of 2021/22)	Yes
Fleet Management Audit	Yes	Budget compilation and monitoring process	Yes
NTCMS IT Audit – General & Application Controls	Yes	QFS1 and supporting file review	Yes
SCM Quotation and Contract Management	Yes	Secretariat & Governance Review	Yes

Quarter 3		Quarter 4	
October 2021 – December 2021	Executed Yes/No	January 2022 – March 2022	Executed Yes/No
HR Audit – Recruitment & Terminations.	Yes	Supply Chain Management	Yes
HR Audit – Performance Management System	Yes	Asset Management and Asset audit (2021/22)	Yes
Audit on Enterprise Risk Management implementation	Yes	Project Governance Audit	Yes
Performance Information audit (Q2 of 2021/22)	Yes	Revenue audit on all streams – implementation of new revenue generation model incl.	Yes
IT Audit – General controls: Logical access and Programme Change Management	Yes	Performance Information audit (Q3 of 2021/22)	Yes
IT Audit – General controls: Physical and Environmental Controls	Yes	QFS 3 and supporting file review	Yes
QFS2 and supporting file review	Yes	Business Continuity Audit	Yes
Road Traffic Training Academy – Follow-up audit	Yes	Data Analytics Audit – Natis & NTCMS	Yes
OHS Follow-Up Audit	Yes	HR Audit – Leave Management	Yes
Payroll Management and all related payroll expenditures	Yes	-	-
Disaster Management Audit	Yes	-	-

Table 46: Summary Annual Audit Plan Executed

In addition to the planned audits as per the table above, the Internal Audit team executed the following Management Initiated Activities:

5.	1.	Recruitment of 591 Traffic Trainees process
6.	2.	Follow-up on the Implementation of Resolutions of Board & its Sub-Committees
7.	3.	Various SCM Pre-Awards Reviews of Bids

Table 47: Management Initiated Activities

Compliance with laws and regulations

RTMC Compliance Framework

The King IV report Code of Corporate Governance for South Africa (King IV), codifies the leadership characteristics that can contribute to the creation and protection of value for businesses and the broader social context. Social and Ethics Committees (the Committee) enjoy prominence in King IV, with the enhanced focus on ethical governance. Compliance is recognised as an important element in the governance and due diligence of an organisation. Non-compliance has the potential of eroding the goodwill and governance of an organization. In terms of the Companies Act No 71 of 2008 (the Companies Act') and King IV on Corporate Governance for South Africa, the Directors should be aware of all laws and legislation relevant to or affecting the organisation.

In the period under review, the Board informed by the revised Compliance Universe approved the RTMC Compliance Framework. The purpose of the Framework is to highlight RTMC's compliance and implementation process. It seeks to set out and dissect RTMC's approach to enterprise-wide compliance management.

Key to King IV was the need to achieve collective responsibility and action among stakeholders, this is recognised as a key element for the Compliance Framework to be successful and therefore roles and responsibilities are assigned to the identified role players or governance structures. It is also recognised that the tone at the top is critical to the successful implementation of a Compliance Framework and maintenance of related compliance programmes. The Code provides for clear definition and description of amongst others the following:

- Roles and Responsibilities
- Monitoring and Reporting
- Co-ordination Legal Management Process
- Risk Identification Process
- Legal Framework Identification; and
- Training and Awareness.

Ethics Management

The Corporation established an internal Ethics Committee for the main purpose to amongst others, augment the functions of the Social & Ethics Board Committee by:

- Establishing, embedding and oversight of the ethical values and culture of the Corporation;
- Development of an Ethics Strategy;
- Reviewing of the current Code of Ethics.
- Ensuring and monitoring the overall ethical health of the entity.
- Ensuring compliance with professional and ethical standards associated with public service.

The Committee is responsible for monitoring key relevant risks associated with unethical conduct, review, implement and monitor mitigation activities and controls.

The Committee formulated its Terms of Reference (TOR), which in the main provides for the ethics management processes as part of its oversight function and ensure that the following processes are effectively managed:

- Regular ethics risks and opportunity assessment are concluded;
- An ethics management strategy is developed and implemented;
- Codes of ethics and conduct, as well as relevant ethics policies, are developed;
- Ethical standards are institutionalised in the Corporation through processes such as training, communication performance management, the provision of safe reporting channels to report observed misconduct; and
- Ethics performance is monitored and reported.

Code of Conduct

The Code constitute a duty on the Corporation to create an environment and culture that promotes ethical, transparent, effective and efficient public administration that conforms to Constitutional accountability principle. The environment must be developed to stimulate inherent accountability by all employees to promote, implement and sustain compliance. The Executive Management and Managers have the responsibility to curb risk associated with non-compliance by employees and adhere to due strict consequent management in instances where employees deliberately and continuously fail to comply with the applicable legislative and or regulatory framework. The Corporation, as a principle of the Compliance Framework will evoke a zero-tolerance approach to fraud and corruption, culpable behaviour and corrective measures, including, but not limited to disciplinary actions, where merited, will be taken.

Conflict of interest

All employees of the RTMC and in terms of section 6 of the RTMC Code of Conduct read with Part G (section 5) of the Conditions of Service Policy, are obliged to provide the RTMC with a completed and signed Declaration of Interest form which enables employees to disclose the nature and extent of interest such as directorship, direct and indirect shareholding in other entities, family relationships, etc, on an annual basis. The annual declaration of interest by employees are completed electronically on the internal Declaration of Interest Management System (DIMS).

During the year under review, Board and employees submitted the annual declaration of interests. Members of the Board and Management are further required to declare any conflict of interest, at all meetings of the Board and its Committees, on an ongoing basis. If conflict of interest is declared, the person is recused from the meetings.

The Supply Chain Management Unit has a Code of conduct for SCM Practitioners to promote mutual trust, respect, and an environment where business can be conducted with integrity, fairness and in a reasonable manner. Internally, there are levels of segregation of duties in ensuring the process is full proof. It is also expected of an SCM Practitioner or other role players that are involved in SCM to amongst others:

- Maintain high level of integrity in all material times
- Reject any business practices which might be deemed improper
- Never use authority or position for own personal gain
- Declare any personal interest that might affect or be seen by others to affecting impartiality and/or decision making and
- Remain impartial in all dealings and not be influenced by any circumstances

Members of Bid Committees are also expected to carry out their roles in a manner that is honest, fair, impartial, transparent, cost effective and maintain the highest level of confidentiality in all material respect. In Bid Committees, all members declare their interest and where there is potential conflict, a member recuses himself/herself from participating in the evaluation and adjudication process.

There are mandatory documents that bidders must complete in the bidding process, failure to complete these mandatory documents results in bidder disqualification, these include:

- Standard bidding document 4 (SBD 4) - to declare interest and relationship with any other persons employed by the state. This declaration assists in ensuring that official that are related to a specific bidder do not take part in the process of evaluating and adjudication.
- Standard bidding document 8 (SBD 8) – to declare the bidder’s past supply chain management practices. This declaration assists with combating the abuse of SCM system as bidders are required to declare failure to perform or if they are listed in National Treasury database of restricted suppliers.

Occupational Health and Safety (OHS)

The Corporation is expected to comply with the requirements of OHS Act, 85 of 1993 by providing a safe working environment for its employees, contractors and visitors alike. To this end, the Corporation has put, and taken all requisite measures to ensure complete compliance with the requirements and spirit of the OHS Act. At the end of the reporting period, the Corporation registered a total number of 42 cases of injury on duty (IOD), ranging from minor to more serious incidents.

Eight [8] of the cases are with the Department of Employment and Labour's doctors to ascertain the status of the claims, liability was accepted in thirty-three [33] cases and one case [1] was rejected. The increase in the number of IOD cases is attributed to the exponential increase in the number of traffic trainees and the rigorous physical training exercises undertaken daily. Furthermore, the Corporation registered several successes including:

- Developed, implemented and maintained an OHS Management system
- Established a fully functional OHS committee
- Reviewed, updated and implemented an OHS policy
- Granted access into the Department of Employment and Labour's system, which enables the Corporation to register its cases.
- Conducted Hazard Identification and Risk Assessment [HIRA] on COVID-19
- Conducted OHS inspections in all its various offices

Company Secretary

The role and responsibilities of the Company Secretary are outlined in the Companies Act read with the Board Charter. The Company Secretary provides a central source of guidance to the Board on matters of good governance. Members of the Board have full access to the services of the Company Secretary as well as access to information and records necessary to discharge their duties. The Company Secretary is empowered with the necessary authority and support to carry out the duties, which include, amongst others:

- Development of systems and processes that enable the Board to discharge its functions effectively and efficiently
- Maintaining all statutory records
- Reviewing Board Charter and Committee Terms of Reference annually
- Development of Board and Board Committees' Annual Work Plans
- Ensuring that the Board receives adequate information to make informed decisions
- Ensuring Board induction, training and development
- Ensuring that Committees conduct annual self evaluation.

AUDIT AND RISK COMMITTEE REPORT

Ms Nomusa Mufamadi

Ms Nomusa Mufamadi
Chairman Audit and Risk Committee

Audit & Risk Committee Terms of Reference

The Committee was established in line with the requirements of section 77 of the Public Finance Management Act, 1999 (Act No. 1 of 1999)

The Committee reports that it has complied with its responsibilities arising from section 51(1)(a)(ii) as amended and Treasury Regulation 27.1 of the Public Finance Management Act, 1999 (Act No. 1 of 1999). The Committee also reports that its Terms of reference were reviewed and approved by the Board during the period under review. The Committee performed its duties in terms of the provisions thereof and discharged its responsibilities.

Audit & Risk Committee Members and Attendance

The Committee comprised of five (5) independent non-executive members as stated on page 74 and 75 of the report. Three of the members are external independent members and two are members of the Board. The appointment of the Audit and Risk Committee members is confirmed annually by the Shareholders Committee at the Annual General Meeting.

During the period under review, the Committee held four scheduled meetings and four special meetings. The schedule of attendance is shown on page 74 and 75 of the report.

The Chief Executive Officer, Executive Manager responsible for Financial Services, General Manager responsible for Internal Audit, other senior management members and representatives of the Auditor General South Africa have standing invitations to the Committee meetings. The Committee periodically meets separately with external and internal auditors as well as management.

The Chairperson of the Committee reports to the Board quarterly regarding the Committee's statutory and oversight responsibilities.

The Audit & Risk Committee Responsibilities

The Committee has reviewed the following:

Financial information and Finance function

The Committee reviewed –

- The adequacy, reliability and accuracy of financial information provided by management quarterly during the period under review.
- Several revised policies, Delegation of Authority Framework and Funding model. The Committee recommended all these for the Board's approval.
- The annual financial statements and is satisfied that the RTMCs Financial Statements have been prepared in terms of the Public Finance Management Act (PFMA), 1999 as amended and General Recognised Accounting Practices (GRAP).
- The experience, expertise and resources of the finance function.

Internal controls and Risk Management.

The Committee is responsible for overseeing risk management and reviewing the effectiveness of internal controls systems. The Committee continued to monitor key strategic risks identified and mitigations on a quarterly basis. The reports on progress made to mitigate the identified strategic risks were presented to the Board.

The Committee monitored the effectiveness of the control environment through reviewing of reports from internal audit, management and the external auditor. The Committee also ensured the quality of financial reporting by reviewing the draft financial statements and annual report. The Committee is of the view that the systems of internal controls are adequate however there is room for improvement.

During the year under review, the Committee supported the prioritisation of capacitating the risk management function with the required additional resources.

Governance of Information & Technology

The Committee fulfils an oversight role on governance of Information Technology (IT). The Committee considered on a quarterly basis a report on governance of IT in monitoring, amongst others, the achievement of the set KPIs relating to Information and Technology, implementation of ICT Strategy etc.

Internal Audit Function

The Committee is responsible for ensuring that the Internal Audit function is independent and has the necessary resources, standing and authority to discharge its duties. The appointment of an IT Auditor during the year under review, is a welcome development considering the need for expertise in the Information Systems audit. The Committee supported the prioritisation of capacitating the function with the required additional expertise.

The Committee is satisfied that Internal Audit function maintains an effective internal quality assurance and programme that covers all aspects of the internal audit activity.

The overall outcome of the External Quality Assurance Review conducted was partial conformance and a plan to address the areas of improvement is being implemented and monitored to ensure a generally conforms rating, going forward.

The Committee continued to monitor the implementation of plans to address internal and external audit findings issued by the Internal Audit Unit and Auditor-General South Africa.

Auditor General's report

The Committee concurs with and accepts the conclusion of the audit opinion of the Auditor-General South Africa on the Annual Financial Statements. The Committee confirms that it has been actively involved throughout the audit process and met with the Auditor-General's team to ensure that there are no unresolved issues. The Committee acknowledges the diligence of the team and has been appraised of the issues giving rise to the audit opinion.

The Committee has therefore recommended the audited Annual Financial Statements, read together with the report of the Auditor-General South Africa and the Performance Report, for approval by the Board.

N. Mufamadi

Ms Nomusa Mufamadi

Chairman: Audit & Risk Committee

Corporate Social Responsibility (CSR)

RTMC plays an important role in the economic and social transformation of its stakeholders and communities and aims to facilitate sustainable corporate social responsibility programmes. The Corporation participates in projects that contribute towards the upliftment of youth and vulnerable citizens in households from disadvantaged communities through social welfare and community outreach programmes. Public health and education and health forms part of the RTMC CSR focus areas and the targeted beneficiaries include and are not limited to, vulnerable children, orphans, youth and pensioners from disadvantaged communities. Below are CSR programmes conducted during the year under review:

My Safety Bag Pack Corporate Social Responsibility Project in Eastern Cape, on 06 August 2021		
Partnership	Beneficiaries	Objective of the initiative
Programme was led by the Eastern Cape, Department of Safety and Liaison and took place on 6 August 2021 at identified schools and was supported by the Cala Local Municipality.	A total of 200 (two hundred) My Safety Bag Packs including stationery were distributed during the during the visits at the schools. The beneficiaries in this project are learners from poverty-stricken households, affected by high unemployment rate and socio-economic ills in the rural villages of Cala. The learners from various schools in the province were identified through the Basic Education and the School Social Welfare Committee as requiring support due to the backgrounds.	To uplift the lives of vulnerable and disadvantaged children through contributing to their educational tools and wellness. This initiative afforded the RTMC and the Provincial department an opportunity to engage learners, teachers and SGB on issues related to importance of road safety for vulnerable road users and COVID-19 safety protocols in a conducive environment of learning.

Women in Law Enforcement Feminine Care Corporate Social Responsibility (CSR) Project in Mpumalanga and North West Provinces on 11th and 27th August 2021		
Partnership	Beneficiaries	Objective of the initiative
The RTMC hosted the Women in Law Enforcement Feminine Care CSR Project, which was led by Women in the National Traffic Police Unit, in partnership with the Mpumalanga Department of Education and the North West Department of Education, North West Department of Transport and Provincial Traffic Department.	The beneficiaries were identified by the Department of Transport, Safety and Liaison through the Department of Basic Education and Social Development, the school governing body and school management team, responsible for the social welfare function of the schools. The learners who benefitted from this initiative are from impoverished households in poverty stricken and previously disadvantaged communities. The beneficiaries were provided with sanitary care products and school shoes to contribute towards keeping them in school.	The RTMC through its Education and Learner Support CSR programme partners with various key stakeholders targeting learners and youth with an aim of keeping them in school, reducing the dropout rate of girl learner, promoting road safety in schools for the reduction of road crashes and the upliftment of the lives of school learners and children from the disadvantaged communities.

Driver and Pedestrian Road Safety Awareness Project in Kwa-Zulu Natal and Mpumalanga on 11th and 27th August 2021		
Partnership	**Beneficiaries**	**Objective of the initiative**
The RTMC hosted and partnered with the office of the Deputy Minister of Transport, in rolling out seven (7) CSR projects in Kwa-Zulu Natal and Mpumalanga provinces, from 12 October to 26 October 2021 as part of the October Transport Month supporting activities.	The beneficiaries were from the disadvantaged communities, which are experiencing hardship due to unemployment and the impact of the pandemic. Some of the beneficiaries were from the child headed families. A total of 800 families which were identified in conjunction with the councillors and the social development structures, benefitted from the project during the handover of the grocery hampers.	The RTMC through its CSR Category of Public Health, Community Development and Support rolled out the Driver and Pedestrian Road Safety Awareness Project. The project rollout was aimed at encouraging community support for road safety initiatives, security, and public safety programmes. The Corporation handed over 700 grocery hampers to beneficiaries aimed at contributing towards alleviating the challenges faced by these communities and to position the RTMC brand as an organisation that is in touch with the needs and struggles of the communities.

Festive Season Care Hamper CSR Project in Alexandra and Tembisa Townships, Gauteng, on 29 and 30 December 2021		
Partnership	**Beneficiaries**	**Objective of the initiative**
The Corporation implemented its Festive Season Care Hamper Corporate Social Responsibility Drive during the month of December 2021 in partnership with the Community social development structures, Centre and Children's home management.	A total of ninety-five (95) families benefitted from the comprehensive grocery and care hampers that were donated and distributed by the Corporation to a Youth Centre and a live-in home to over 30 children who are orphans. The centre provides for youth and their families from poverty-stricken households who rely on the centre for social services assistance and food. The Corporation provided vegetable seedlings for the vegetable garden that has been established at the Centre. The Centre and the Children's Home were identified through the social services in the provinces to be requiring assistance on a sustainable period due to the dire needs and their scope of service.	Through the project, the Corporation donated and handed over grocery care hampers as part of the community aids awareness programmes aligned to government programmes of poverty alleviation and pandemic driven societal ills. The initiative is aimed at uplifting the lives of vulnerable and disadvantaged households by contributing towards their wellbeing and social welfare of the children, youth and families. This initiative through the established vegetable garden is intended at providing sustainable food from the crops harvested and further generating income for the upkeep of the centre to complement the donor aid that is received by the Centre.

My School Shoes CSR Project at Thabisile Primary School in Diepkloof, Soweto, Gauteng, on 10 February 2022		
Partnership	Beneficiaries	Objective of the initiative
The Corporation together with the Gauteng Department of Community Safety hosted My School Shoes Corporate Social Responsibility Project. The initiative was aimed at promoting road safety to primary school learners who are the most vulnerable road users. The initiative was supported by the Gauteng Traffic Police and the Diepkloof South African Police Service and the Johannesburg Metro Police.	The project benefitted sixty-five (65) learners from learners from disadvantaged and impoverished households, who have been identified by the school's social welfare committee. Majority of the learners did not have school shoes and while others walked barefoot or used casual shoes which has led to many learners feeling despondent and not wanting to come to school.	To uplift and improve the lives of vulnerable and disadvantaged school going children. The initiative also allows the RTMC and provincial road safety and transport departments to engage with learners, the SMT, the teachers and SGB on issues related to road safety and COVID-19 protocols, using the platform to promote and educate on road safety matters in a conducive environment of learning, mainly learners as vulnerable road users (pedestrians) and future drivers. it also contributes towards providing learners with holistic support to enable them to focus on the schoolwork by having proper school shoes.
Dignity Packs CSR Project at Tsundzukani Primary School, Green Farm, Malamulele, Limpopo, on 10 March 2022		
Partnership	**Beneficiaries**	**Objective of the initiative**
The RTMC partnered with the Limpopo Department of Transport and Community Safety Management in rolling out the project at the identified schools in the province.	One hundred and twenty (120) learners who benefitted from the project were from impoverished households affected by high unemployment rates. The beneficiaries, both girl and boy learners were provided with dignity and feminine care packs with the intention of restoring the dignity of learners and to ensure that the Corporation contributes towards building confidence and self-esteem of the learner to be able to thrive and focus on their education.	Our Education and Learner support programme targeted learners from impoverished households with an aim of keeping them at school, reducing the dropout rate normally associated with lack of resources due to socio economic problems. CSR has provided another platform to the Corporation to communicate and promote road safety, and further position the brand RTMC favourably in schools.

Table 48: CSR Programmes

Environmental Sustainability

Since the approval of the RTMC Environmental Sustainability Strategy in 2019, the Corporation has made progress towards realising many of the goals and objectives by translating the strategic commitments into action. Governance structures have been established to ensure effective, long-term, and sustainable results in the implementation of the strategy.

The concerted efforts to deliver activities that improve the environmental sustainability of the Corporation and wider society through the launch of Online Services as well as the hosting of events such as PETs (Road Safety Programmes) through online platforms have support the implementation of the strategy. Below is a summary of other initiatives undertaken during the reporting period:

Awareness has been conducted to all employees in a form of a poster and circular informing them of the Corporation's Environmental sustainability strategy as well as initiatives to be implemented.

- Implementation of e-waste management to dispose of electronics with accredited suppliers.
- Use of technology to achieve objectives of the Corporation.
- The Corporation makes use of Microsoft Teams for meetings.
- Training on MS One Drive & Teams to all users
- One-Drive and SharePoint are utilised to store information.

B-BBEE Compliance Performance Information

The Corporation undertakes a periodic review of compliance to its B-BBEE requirements verification process, it was issued a Level Three Contributor to B-BBEE verification certificate on 11 January 2022 which is valid until 10 January 2023.

CRITERIA	RESPONSE Yes/No	DISCUSSION
Determine qualification criteria for issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	NO	The Corporation does not issue any licenses
Developing and implementing a preferential procurement policy?	YES	The Corporation has implemented in line with Preferential Procurement Regulations of 2017 the following interventions: Application of Pre-Qualification Criteria for Preferential Procurement in terms paragraph 4(1) of the regulation. The Corporation managed to implement as part of the bidding process requirements that enable Qualifying Small Enterprises (QSE) and Emerging Micro Enterprise (EME) to competitively participate as part of its service providers. Different panels were put in place to promote the participation of QSE and EME in the mainstream of the economy. Application of Sub-Contracting as a condition of the bid wherein the main service provider has to sub-contract 30% of the contract to an EME or QSE. In line with sub-contracting regulation – the Corporation managed to ensure that for contracts above R30m compulsory sub-contracting is included as part of the bid requirements where feasible.

CRITERIA	RESPONSE Yes/No	DISCUSSION
Determining qualification criteria for the sale of state-owned enterprises?	NO	The Corporation does not have any other enterprise
Developing criteria for entering partnerships with the private sector?	NO	The Corporation does not have the criteria for entering partnerships with the private sector
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	NO	The Corporation does not have the criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?

Table 49: B-BBEE Compliance

Human Resource Management

Human Resource Management

Through the implementation of new systems and technologies we greatly improved our efficiencies and reduced the snaking queues.
Road Traffic Management Corporation at your service.

Introduction

The Human Resource Management section of the Annual Report provides in-depth information on all human-resources-related activities for the year under review.

Human resource management ensures optimum and efficient use and development of human capital and provides an advisory service on organisational effectiveness and development, individual performance management, sound employee relations, employee health and wellness, as well as effective and efficient recruitment, selection, and placement services such as benchmarking, and development of human resources policies and practices. In accordance with the approved structure, the human resource function comprises organisational development, human resource operations, transformation, and employee relations.

Human Resources Priorities and Achievements

In terms of the approved integrated talent management strategy, the RTMC talent management strategic intent and vision is to develop a high performing organization and an engaged workforce, supported by an environment that values and engages talent.

During the year under review, the Corporation implemented its talent management strategy through the implementation of talent management initiatives. The talent management initiatives that were implemented during the year under review include the following as reported in the performance management section of this report:

Employee Engagement Survey

The Corporation strives for an organizational culture of integrity, teamwork, professionalism, and respect. The employee engagement survey was conducted to determine the engagement levels of employees to determine whether the employees within the Corporation feel energetic, proud and inspired by their work and the mandate of the Corporation.

The outcomes of the survey will be used to proactively manage human resources to ensure that the Corporation has ability to attract and retain competent, inspired, productive and committed people to meet its short, medium, and long-term staffing requirements of the Corporation at all levels.

Key to this was also the review of human resources management policies. As such, the recruitment, selection and placement policy and conditions of service were reviewed:

Improved Group Risk Benefits

As part of the Corporation's continued efforts to improve employee benefits, the Corporation implemented improved group risks benefits which are applicable to all employees within the Corporation and their nominated beneficiaries. The group risk benefits which are fully funded by the Corporation include a group life cover (death whilst on duty) and funeral cover.

The Group Risk Scheme is an essential employee benefit, providing valuable financial peace of mind in the event of an employee's death, whilst demonstrating that the RTMC cares for the welfare of its workforce.

Workforce Planning

During the year under review, key and critical vacant positions were identified and filled to ensure sustainability of service delivery.

Performance Management

In pursuit of a performance driven culture, the Corporation has a performance management and development systems. As such, employee signed performance agreements and performance reviews were conducted.

Employee Wellness

The Corporation promote health and wellness among employees by providing psychosocial and spiritual wellbeing support to all employees through the Employee Wellness Programme.

During the year under review various mental health workshops were facilitated to provide emotional support, particularly to the COVID-19 infected and affected employees

Human Resources Oversight Statistics

Personnel cost by programme

Programme/Activity/ Objectives /Programme	Total expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel Expenditure as a % of total exp. (R'000)	No. Of employees	Average personnel cost per employee (R'000)
Operations	213 884	100 951	47%	109	926
Law Enforcement	271 206	261 363	96%	440	594
Traffic Intelligence and Security	25 386	25 327	100%	24	1055
Strategic Services	284 811	152 691	54%	188	812
Support Services	638 859	126 411	20%	215	588
Total	1 433 862	666 743	46%	976	683

Table 50: Personnel cost by programme

*Personnel expenditure exclude traffic trainees, independent contractors, Board members, committee members and other allowances.

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel expenditure to total personnel cost	Personnel Expenditure as a % of total exp (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	5 690	1%	0,4%	1	5 690
Senior Management	84 916	13%	6%	32	2 654
Professional Qualified	143 469	22%	10%	119	1 206
Skilled	380 296	57%	27%	616	617
Semi-Skilled	45 908	7%	3%	167	275
Unskilled	6 465	1%	0%	41	1 58
Total	666 743	100%	47%	976	683

*Personnel expenditure exclude traffic trainees, independent contractors, Board members, committee members and other allowances.

Performance Rewards

No performance rewards were paid during the year under review.

Training costs

Level	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Exp as % of Personnel Expenditure (R'000)	No. of employees	Average training cost per employee (R'000)
Top Management	5 690	-	0%	0	-
Senior Management	84 916	199	0%	34	6
Professional Qualified	143 469	68	0%	34	1
Skilled	380 296	317	0%	471	1
Semi-Skilled	45 908	147	0%	62	1
Unskilled	6 465	-	0%	0	-
Total	666 743	731	0.1%	601	1

Table 52: Personnel cost by salary band

*Personnel expenditure exclude traffic trainees, independent contractors, Board members, committee members and other allowances

Employment and vacancies

Managing the vacancy rate is essential as it reflects the changes in manpower demand and informs capacity requirement decisions. The vacancy rate as of 31 March 2022 was 6% compared to 26% in the previous year. This was due to the appointment of employees to fill the key and critical vacant positions that were identified.

Employment and vacancies

Programme/activity/ objective	2020/2021 No. of Employees	2021/2022 Approved Posts	2021/2022 No. of Employees	2021/2022 Vacancies	% of vacancies
Operations	85	114	109	5	4%
Law Enforcement	434	469	440	29	6%
Traffic Intelligence and Security	27	24	24	0	0%
Strategic Services	212	203	188	15	7%
Support Services	143	226	215	11	5%
Total	901	1036	976	60	6%

Table 53: Employment and Vacancies

Employment changes

Salary Band	Employment at the end of previous period 31 March 2022	Appointments	Terminations	Employment at end of the period 31 March 2022
Top Management	1	0	0	1
Senior Management	32	2	2	32
Professionally Qualified	107	20	8	119
Skilled Technical & Academically Qualified	611	33	28	616
Semi-Skilled & discretionary decision-making	110	68	11	167
Unskilled & defined decision-making	40	2	1	41
Total	901	125	50	976

Table 54: Employment Changes

Reason for staff leaving

Reason	Number	% of total no. of staff leaving
Death	8	16%
Resignation	24	48%
Dismissal	4	8%
Retirement	6	12%
Ill health	2	4%
Contract not renewed	6	12%
Total	50	100%

Table 55: Reason for staff leaving

Labour Relations: Misconduct and disciplinary action

Nature of Disciplinary Action	Number
Verbal Warning	0
Written Warning	1
Final Written Warning	10
Dismissal	4
Suspension Without Pay	1
Resignation during disciplinary processes	5

Table 56: Labour Relations: Misconduct and disciplinary action

Equity Target and Employment Equity Status

Levels	Female							
	African		Coloured		Indian		White	
	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Top management	0	0	0	0	0	0	0	0
Senior Management Service	12	14	1	1	0	0	1	1
Professional qualified	31	38	1	1	2	2	5	5
Skilled	221	225	9	8	4	4	10	10
Semi-skilled	75	106	0	2	0	3	1	1
Unskilled	21	21	0	0	0	0	1	1
Total	360	404	11	12	6	9	18	18

Table 57: Equity Target and Employment Equity Status: Female

Levels	Male							
	African		Coloured		Indian		White	
	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022	2020/2021	2021/2022
Top management	1	1	0	0	0	0	0	0
Senior management	14	12	2	2	0	0	2	2
Professional qualified	43	44	4	3	8	7	13	11
Skilled	321	323	11	12	8	10	27	25
Semi-skilled	33	57	0	0	0	1	1	1
Unskilled	18	21	0	1	0	0	0	0
Total	430	458	17	18	16	18	43	39

Table 58: Equity Target and Employment Equity Status: Male

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional Qualified	2	0	1	1
Skilled	3	1	3	0
Semi-skilled	1	2	1	2
Unskilled	0	1	0	1
Total	6	4	5	4

Table 59: Equity Target and Employment Equity Status: Disabled Staff

Financial Statements

Financial Statements

The RTMC Waterfall and RTMC Eco Park DLTC have became
cashless centres of excellence and professionalism.
Road Traffic Management Corporation at your service.

GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Road Safety
Business address	Eco Origin Office Park Block F 349 Witch-Hazel Street Highveld Ext 79 0157
Postal address	Private Bag X147 Pretoria 0001
Bankers	First National Bank, Standard Bank and SA Reserve Bank
Auditors	Auditor-General of South Africa

INDEX

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

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 and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority 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 was 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 is based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

The Accounting Authority has reviewed the entity's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, is satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The entity is in the main dependent on the transaction fees for continued funding of operations. The annual financial statements is prepared on the basis that the entity is a going concern and that the National Department of Transport has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

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

The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements were examined by the entity's external auditors and their report is presented on page 107.

The annual financial statements set out on page 112 to 176 which have been prepared on the going concern basis, was approved by the accounting authority on 31 July 2022 and was signed on its behalf by:

Z. Majavu CD(SA)
Chairman
31 July 2022

Report of the Auditor-General to Parliament on the Road Traffic Management Corporation

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Road Traffic Management Corporation set out on pages 112 to 177 which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget 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, the financial statements present fairly, in all material respects, the financial position of the Road Traffic Management Corporation as at 31 March 2022, and its financial performance and cash flows for the year then ended, in accordance with South African Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act; 1999 (Act No. 1 of 1999) (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.

4. 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.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Restatement of corresponding figures

7. As disclosed in Note 24 of the financial statements, the corresponding figures for 2020-21 were restated as a result of an error in the financial statements of the entity at, and for the year ended, 2021-22.

An uncertainty relating to the future outcome of exceptional litigation or regulatory action

8. With reference to Note 21 of the financial statements, the public entity has listed numerous contingent assets and liabilities. The ultimate outcome of these matters could not be determined and no provisions were made in the financial statements.

Responsibilities of the accounting authority for the financial statements

9. The Board of Directors, which constitutes the accounting authority, is responsible for the· preparation and fair presentation of the financial statements in accordance with the 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.

10. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting, unless the appropriate governance structure either intends to liquidate the public entity, or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

11. 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.

12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

13. In accordance with the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

14. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

15. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programme presented in the public entity's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 2 - Law Enforcement	44-45

16. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

17. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Law enforcement

Report on the audit of compliance with legislation

Introduction and scope

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

19. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

20. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report, which includes forewords by the executive authority and the chairman of the board, and reports from the chief executive officer and the audit and risk committee. The other information does not include the financial statements, the auditor's report and the selected programme presented in the annual performance report that has been specifically reported in this auditor's report.

21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.

22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

23. I did not receive the other information prior to the date of this report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract the auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

24. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Other reports

25. In addition to the investigations relating to material irregularities, I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

26. In the prior year, I highlighted that a report by the Public Protector was taken on review, pending before the High Court. The matter was heard in the High Court in the year under review, with the conclusion that any remedial action directed by the Public Protector, and findings in the report, be set aside.

Auditor-General

Pretoria
31 July 2022

AUDITOR-GENERAL
SOUTH AFRICA
Auditing to build public confidence

Annexure - Auditor-General's responsibility for the audit

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

Financial statements

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

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

Communication with those charged with governance

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

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

Statement of Financial Position as at 31 March 2022

	Note(s)	2022	2021 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	2	32 540 213	44 754 408
Receivables from non-exchange transactions	3	94 718 123	76 555 395
Cash and cash equivalents	4	73 721 304	192 763 367
Inventories	5	7 322 666	4 151 007
		208 302 306	318 224 177
Non-Current Assets			
Property, plant and equipment	6	607 961 378	422 147 351
Intangible assets	7	369 512 789	277 116 618
		977 474 167	699 263 969
Total Assets		1 185 776 473	1 017 488 146
Liabilities			
Current Liabilities			
Finance leases - as lessee	8	43 136 944	9
Operating lease liability	9	438 269	2 236 976
Payables from exchange transactions	10	87 809 985	62 379 391
Provisions	11	71 335 404	37 175 033
		202 720 602	101 791 409
Non-Current Liabilities			
Finance leases - as lessee	8	79 676 677	-
Provisions	11	606 014	583 921
		80 282 691	583 921
Total Liabilities		283 003 293	102 375 330
Net Assets		902 773 180	915 112 816
Reserves			
Revaluation reserve		55 699 990	55 699 990
Accumulated surplus		847 073 190	859 412 826
Total Net Assets		902 773 180	915 112 816

Statement of Financial Performance for the year ended 31 March 2022

	Note(s)	2022	2021 Restated*
Revenue			
Revenue from exchange transactions			
RTIA - Aarto collection fees		201 803	-
NaTIS data charge		1 113 192	610 523
Training provisioning and facilities		379 705	299 294
Discount received		-	3 589 955
Secondment income		207 749	-
NaTIS online services		814 315	-
Sundry income		387 104	112 961
Project Income - Sponsorships		3 421 168	6 536 758
Insurance reimbursements		160 322	184 313
Interest received	12	3 630 340	7 290 171
Total revenue from exchange transactions		**10 315 698**	**18 623 975**
Revenue from non-exchange transactions			
Transfer revenue			
Sponsorship in-kind		7 595 425	13 084 412
DLTC management		17 741 964	-
Government grant		217 322 000	240 606 000
Administration of infringement fees (RTI income)		41 625 550	18 819 350
Infringement fees (AARTO income)		25 560 834	16 658 974
Transaction fees		909 035 040	885 503 532
NRTA section 56 infringement fees		7 304 750	6 878 779
Total revenue from non-exchange transactions		**1 226 185 563**	**1 181 551 047**
Total revenue	13	**1 236 501 261**	**1 200 175 022**
Expenditure			
Employee related costs	14	(713 082 063)	(619 146 942)
Depreciation and amortisation		(66 885 158)	(55 808 050)
Finance costs	15	(1 484 028)	(8 309)
Lease rentals on operating lease	16	(39 196 403)	(34 430 583)
Debt Impairment	17	(20 653 715)	(26 995 503)
Loss on disposal of assets and liabilities		(8 463 841)	(4 289 112)
Operating expenditure	18	(364 461 989)	(312 471 432)
Total expenditure		**(1 214 227 197)**	**(1 053 149 931)**
Surplus for the year		**22 274 064**	**147 025 091**

Statement of Changes in Net Assets for the year ended 31 March 2022

	Revaluation reserve	Accumulated surplus	Total net assets
Opening balance as previously reported			
Adjustments	55 699 990	842 575 572	898 275 562
Prior year adjustments (refer to note 24)	-	26 350 468	26 350 468
Balance at 01 April 2020 as restated*	**55 699 990**	**868 926 040**	**924 626 030**
Changes in net assets			
Distribution of accumulated surplus funds to provinces (refer to note 22)	-	(156 754 429)	(156 754 429)
Unspent distribution of accumulated surplus funds to provinces (refer to note 22)	-	216 124	216 124
Net income (losses) recognised directly in net assets	-	(156 538 305)	(156 538 305)
Surplus for the year	-	147 025 091	147 025 091
Total recognised income and expenses for the year	-	(9 513 214)	(9 513 214)
Total changes	-	(9 513 214)	(9 513 214)
Restated* Balance at 01 April 2021	**55 699 990**	**859 412 826**	**915 112 816**
Changes in net assets			
Other fair value gains (losses)	-	512 300	512 300
Distribution of accumulated surplus funds to provinces (refer to note 22)	-	(35 126 000)	(35 126 000)
Net income (losses) recognised directly in net assets	-	(34 613 700)	(34 613 700)
Surplus for the year	-	22 274 064	22 274 064
Total recognised income and expenses for the year	-	(12 339 636)	(12 339 636)
Total changes	-	(12 339 636)	(12 339 636)
Balance at 31 March 2022	**55 699 990**	**847 073 190**	**902 773 180**

Cash Flow Statement for the year ended 31 March 2022

	Note(s)	2022	2021 Restated*
Cash flows from operating activities			
Receipts			
Receipts from RTIA		3 911 752	3 626 886
Receipts from administration fees (RTI)		42 616 797	19 316 236
Grants		217 322 000	240 606 000
Interest income		3 659 178	7 316 293
Training provisioning and facilities		4 557 431	295 886
Transaction fees		896 939 787	889 648 521
Other cash item		17 087 012	14 297 675
DLTC Management		25 625 310	-
NaTIS online services		6 130 171	-
		1 217 849 438	1 175 107 497
Payments			
Employee costs		(701 604 352)	(622 028 560)
Suppliers		(426 298 597)	(492 040 693)
Finance costs		-	(7 486)
		(1 127 902 949)	(1 114 076 739)
Net cash flows from operating activities	19	89 946 489	61 030 758
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(119 842 647)	(116 079 008)
Proceeds from sale of property, plant and equipment	6	1 806 696	676 400
Purchase of other intangible assets	7	(79 182 305)	(6 218 590)
Net cash flows from investing activities		(197 218 256)	(121 621 198)
Cash flows from financing activities			
Finance lease payments		(11 770 296)	-
Net increase/(decrease) in cash and cash equivalents		(119 042 063)	(60 590 440)
Cash and cash equivalents at the beginning of the year		192 763 367	253 353 807
Cash and cash equivalents at the end of the year	4	73 721 304	192 763 367

* See Note 24

Statement of Comparison of Budget and actual amounts for the year ended 31 March 2022

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note
Statement of financial performance						
Revenue						
Revenue from exchange transactions						
RTIA - Aarto Infringements		-	-	201 803	201 803	-
NaTIS data charge	49 384 000	(48 384 000)	1 000 000	1 113 192	113 192	-
Training provisioning and facilities	5 520 510	(5 348 931)	171 579	379 705	208 126	28a
Secondment income	-	-	-	207 749	207 749	
NaTIS online services	90 835 487	(28 535 309)	62 300 178	814 315	(61 485 863)	28b
Sundry income	-	-	-	387 104	387 104	-
Project Income - Sponsorships	-	-	-	3 421 168	3 421 168	-
Insurance reimbursements	-	-	-	160 322	160 322	-
Interest received	-	-	-	3 630 340	3 630 340	-
Total revenue from exchange transactions	145 739 997	(82 268 240)	63 471 757	10 315 698	(53 156 059)	
Revenue from non-exchange transactions						
Transfer revenue						
Sponsorship in-kind	-	-	-	7 595 425	7 595 425	-
DLTC management	-	20 299 370	20 299 370	17 741 964	(2 557 406)	28c
Government grants	217 322 000	-	217 322 000	217 322 000	-	-
Administration of infringement fees (RTI income)	44 730 000	-	44 730 000	41 625 550	(3 104 450)	-
Infringement fees (AARTO income)	10 779 876	28 960 528	39 740 404	25 560 834	(14 179 570)	28d
Impound fees	34 973 250	(34 973 250)	-	-	-	-
Transaction fees	980 116 688	(102 314 620)	877 802 068	909 035 040	31 232 972	-
NRTA section 56 infringement fees	63 300 000	-	63 300 000	7 304 750	(55 995 250)	28e
Total revenue from non- exchange transactions	1 351 221 814	(88 027 972)	1 263 193 842	1 226 185 563	(37 008 279)	
Total revenue	1 496 961 811	(170 296 212)	1 326 665 599	1 236 501 261	(90 164 338)	
Expenditure						
Employee cost	(654 585 114)	-	(654 585 114)	(713 082 063)	(58 496 949)	28f
Depreciation and amortisation	(63 886 823)	(15 512 199)	(79 399 022)	(66 885 158)	12 513 864	28g
Finance costs	-	-	-	(1 484 028)	(1 484 028)	-
Lease rentals on operating lease	(56 297 752)	19 369 709	(36 928 043)	(39 196 403)	(2 268 360)	-

Budget on Accrual Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note
Debt Impairment	-	-	-	(20 653 715)	(20 653 715)	28h
Operating expenditure	(358 599 499)	33 616 538	(324 982 961)	(364 461 989)	(39 479 028)	28i
Total expenditure	(1 133 369 188)	37 474 048	(1 095 895 140)	(1 205 763 356)	(109 868 216)	-
Operating surplus	363 592 623	(132 822 164)	230 770 459	30 737 905	(200 032 554)	-
Loss on disposal of assets and liabilities	-	-	-	(8 463 841)	(8 463 841)	-
Surplus before subtracting Capital expenditure	363 592 623	(132 822 164)	230 770 459	22 274 064	(208 496 395)	-
Capital expenditure	363 592 623	(132 822 164)	230 770 459	259 253 303	28 482 844	-

The accounting policies on pages 118 to 123 and the notes on pages 139 to 177 form an integral part of the annual financial statements.

1. 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.

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.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

Where material accounting errors, which relate to prior periods, have been identified in the current year, the correction is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with prior periods except for the transactions disclosed in the prior period note.

1.4 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the supply of goods or services or for administrative purposes, and are expected to be used during more than one period.

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

- 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.

In the event where an asset is acquired at no cost or nominal cost (non-exchange transaction), its cost shall be measured at fair value as at the date of acquisition.

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. Trade discounts and rebates are deducted in arriving at the cost.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost where acquired through exchange transaction. However when property, plant and equipment are acquired through non- exchange transactions, those items are initially measured at their fair value or carrying value, based on the applicability of GRAP106 and GRAP105 respectively, as at date of acquisition.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is not in the location and condition necessary for it to be capable of operating in the manner intended by management.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment, with the exception of land and buildings is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value. If expectations differ from previous estimates, the changes are accounted for as a change in accounting estimates.

Land and buildings are carried at revalued amount, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. On an annual basis, the land and buildings are assessed for any significant changes that could lead to a significant change in the carrying value. Should there be no significant changes the land and buildings are only revalued every 5 years.

The useful lives of items of property, plant and equipment have been re-assessed, revised and changed as follows:

Item	Depreciation method	Average useful life 2021/22
Land and buildings	Straight-line	1-99 years
Machinery and equipment	Straight-line	20 years
Furniture and fittings	Straight-line	4-30 years
Motor vehicles	Straight-line	5-20 years
Office equipment	Straight-line	2-15 years
Computer equipment	Straight-line	2-20 years
Parkhomes and containers	Straight-line	1-20 years
NaTIS computer equipment	Straight-line	1-20 years
Communication devices	Straight-line	2-5 years
Firearms	Straight-line	10-20 years

Where an asset is capitalised during a particular month, thus partially within a month, it is depreciated for that entire month. The asset is thus depreciated for a full month in the accounting records.

Land and buildings acquired under the finance leases are depreciated over the lease term. Useful lives of assets were evaluated at year end and redetermined where necessary.

Minor assets are expensed and kept on a separate inventory list for control purposes.

1.5 Intangible assets

An asset is identifiable if it either:

- Is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

An intangible asset is recognised when:

- It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- The cost or fair value of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

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

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

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values. Useful lives of intangible assets have been re-assessed, revised and changed as follows:

Item	Depreciation method	Average useful life 2021/22
Computer software	Straight-line	1-8 years
NaTIS system	Straight-line	Indefinite useful life

Intangible assets with an indefinite useful life are not amortised however, assessed for impairment at least annually. As part of Computer software of the RTMC, is NaTIS assets. These assets are assets classified with an indefinite useful life.

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

Intangible assets are derecognised:

- On disposal; or
- When no future economic benefits or service potential are expected from its use or disposal.

1.6 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when, and only when the entity becomes a party to the contractual provisions of the instrument. This is achieved through the application of trade date accounting.

Upon initial recognition the entity classifies financial instruments or their component parts as a financial liabilities, financial assets or residual interests in conformity with the substance of the contractual arrangement and to the extent that the instrument satisfies the definitions of a financial liability, a financial asset or a residual interest

Initial measurement of financial assets and financial liabilities

When a financial instrument is recognised, the entity measures its fair value plus, in the case of a financial asset or a financial liability transaction costs that are directly attributable to the acquisition or issue of the financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent measurement of financial assets and financial liabilities

Subsequent to initial recognition, financial assets and financial liabilities are measured at fair value, amortised cost or cost.

All financial assets and financial liabilities are measured after initial recognition using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Reclassification

The entity does not reclassify a financial instrument while it is issued or held unless it is:

- Combined instrument that is required to be measured at fair value; or
- An investment in a residual interest that meets the requirements for reclassification.

Gains and losses

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Offsetting

The entity does not offset financial assets and financial liabilities in the Statement of Financial Position unless a legal right of setoff exists and the parties intend to settle on a net basis.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. 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.

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 is reversed by adjusting an allowance account. The reversal does 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.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Policies relating to specific financial instruments

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost.

Cash includes cash on hand and cash with banks. Cash equivalents are short term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks.

Trade and other receivables

Trade and other receivables are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition and subsequently stated at amortised cost, less provision for impairment. All trade and other receivables are assessed at least annually for possible impairment. Impairments of trade and other receivables are determined in accordance with the accounting policy for impairments. Impairment adjustments are made through the use of an allowance account. Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the reporting date are classified as current. Interest is charged on overdue accounts.

Trade and other payables

Trade payables are initially measured at fair value plus transaction costs that are directly attributable to the acquisition and are subsequently measured at amortised cost using the effective interest method.

Liability - Online Motor Vehicle Licence Renewal

Liability to provinces is recognised on the online renewal of motor vehicle licence.

It is measured at net of the service fee payable to RTMC (92%) of all baseline fees and penalties collected on behalf of the provinces.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- The contractual rights to the cash flows from the financial asset expire, are settled or waived;
- The entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- The entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - Derecognise the a; and
  - Derecognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continue to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.

1.7 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- Wages, salaries and social security contributions;
- Short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- Bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- As an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

When an employee has rendered service to the entity during a reporting period, the entity recognise the contribution payable to a defined contribution plan in exchange for that service:

- As a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the reporting date, an entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- As an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

1.8 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 lease -lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

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 other entity no longer anticipates economic benefits to flow from the asset.

1.9 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

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.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non- contractual) arrangement (see the accounting policy on Statutory Receivables).

NaTIS data charge

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The entity has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- Tt is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Boekenhoutkloof training facilities

When the outcome of a transaction involving the rendering of services, in the form of training, can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a training related transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- Tt is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest, royalties and dividends

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 entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Online Motor Vehicle Licence Renewal

a. Collection Agency fee:

Revenue arising from the use of online motor vehicle licence renewal system is recognised when there is an online renewal of motor vehicle licence.

It is measured at 8% of all baseline fees collected on behalf of the provinces

b. Delivery fee

Online Motor Vehicle Licence renewal delivery fee revenue is recognised when there is an online renewal of motor vehicle licence and delivery.

It is measured at R99 for door-to-door delivery and R72 for registered mail.

1.10 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

a. Infringement fees

Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset.

As part of the RTMC's legislative mandate, it is required to issue fines. Revenue is recognised even though there may be uncertainty of whether the revenue will ultimately be collected.

Initial recognition

At the time of initial recognition of infringement fees the full amount that is collectable by the RTMC is recognized as revenue on the date the infringement is issued.

Subsequent recognition

Subsequent to the initial recognition of the revenue, the revenue is assessed for impairment. The probability of collecting revenue is assessed when the accounts fall into arrears and is impaired in accordance with past experience.

b. Government grants

Government grants are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- The amount of the revenue can be measured reliably, and
- To the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds.

Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow.

Revenue is then only recognised once evidence of the probability of the flow becomes available.

c. Transaction fees

Transaction fees are recognised when there is a registration of motor vehicle licence, as well as renewal of motor vehicle licence.

d. Administration of infringement fees

The Road Traffic Inspectorate was transferred to the RTMC. As compensation for the administration of the function, the value of the collected fines is paid to the RTMC by the Cross Border Road Traffic Agency (CBRTA). Revenue is recognised on the collection of fines in line with the Memorandum of Understanding and addendum signed by the two entities.

e. Unclaimed liabilities

Liabilities that are unclaimed for a period of 3 years are written-off and recognised as revenue.

f. Sponsorships

Assets and revenue arising from sponsorship transactions are recognised in the period in which the sponsorship arrangement becomes binding, except for some services received in-kind. The RTMC recognises only those services received in-kind for which fair value can be determined by reference to the market rates. Other services in-kind are not recognised, they are disclosed.

g. DLTC Management

RTMC has been appointed as a DLTC in accordance with Gauteng Road Traffic Act and was appointed by Gauteng Department of Roads and Transport to perform DLTC management functions. As a compensation for the DLTC management function, the value of the collected fees is retained by the RTMC. Revenue is recognised on collection of the fees in line with the Memorandum of Understanding signed by the two entities.

1.11 Borrowing 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.

1.12 Irregular expenditure

Irregular expenditure as defined in section 1 of the Public Finance Management Act (PFMA) is expenditure other than unauthorised expenditure, incurred in contravention of the entity's supply chain management prescripts.

The Irregular expenditure framework issued by National Treasury in terms of sections 76(1) to 76(4) of the PFMA requires the following:

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

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

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

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme / expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

1.13 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

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

1.14 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by entity shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

The budget for the economic entity includes all the entities approved budgets under its control.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.15 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

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

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.16 Provisions and contingencies

Provisions are recognised when:

- The entity has a present obligation as a result of a past event;
- Tt 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 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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 21, unless the possibility of flow of resources is remote. If the disclosures of contingencies may seriously prejudice the entity then the general nature of the contingency is disclosed, together with the reason as to why further information is not disclosed.

1.17 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

In the process of applying its accounting policies, and in preparing the annual financial statements, management is required to make various judgements, including estimates and assumptions, that may affect the determination of the reporting framework, affect amounts represented in the annual financial statements and as well as related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

In the process of applying the entity's accounting policies the following estimates, were made:

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value- in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. They are significantly affected by a number of factors including amongst others environmental conditions, together with economic factors such as inflation etc.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 11 - Provisions.

Taxation

The Corporation is exempt from income tax as an institution established by Law for the purpose of section 10 1(cA)(i) of the Income Tax Act.

Annual returns of income together with supporting documentation, such as financial statements must be submitted to the Tax Exemption Unit. The institution must also adhere to the following requirements, i.e. no profits or gains will distributed to any person, the funds will be utilised solely for investment or object for which it was established and on dissolution of the institution the remaining assets must be transferred to anybody with objects similar to those of the institution and which is itself exempt from income tax in terms of section 10(1)(cA)(i) of the Act or the State.

Allowance for doubtful debts

The measurement of receivables is derived after consideration of the allowance for doubtful debts. Management makes certain assumptions regarding the categorisation of debtors into groups with similar risk profiles so that the effect of any impairment on a group of receivables would not differ materially from the impairment that would have been determined had each debtor been assessed for impairment 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 debtors based on their past payment history and risk profile.

Accounting by principals and agent

The entity makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgements applied are disclosed in accounting policy 1.25.

Additional information is disclosed in Note 29.

Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity measures and impairment loss. The impairment loss is measured as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, are reduced, either directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

In estimating the future cash flows, the entity considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the entity discounts the estimated future cash flows using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable are revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Accounting for adjustments to revenue

Determining whether an adjustment to revenue charged in terms of legislation or similar means is a correction of an error or a change in an accounting estimate requires the application of judgement by management. When adjustments to revenue already recognised arise from new information that becomes known to the entity, the following considerations are applied to determine whether the adjustment to revenue already recognised is a correction of an error or a change in an accounting estimate:

a. If information becomes known to the entity, and the entity could reasonably have been expected to know of the information and/or the information used was incorrect, the adjustment to revenue is likely to be a correction of an error.

b. If information becomes known to the entity, but the entity could not reasonably have been expected to know of this information when the revenue was charged, the adjustment to revenue is likely to be a change in an accounting estimate.

Accounting for adjustments to revenue that correct an error or prior period error

Following the outcome of the determination processes noted above, and assessing whether this is new information that becomes known to the entity, the entity accounts for an adjustment to revenue already recognised, including interest and penalties, as the correction of an error or prior period error where the entity:

a. Has not followed a proper due process to promulgate the tariff, basis, percentage or formula to charge the revenue; and/or

b. Incorrectly applied the tariff, basis, percentage or formula in charging revenue.

Errors discovered within the reporting period which relates to that period are corrected before the annual financial statements are authorised for issue. The principles in GRAP 3 are applied to account for the adjustment to revenue already recognised as a result of the correction of a prior period error.

Accounting for adjustments to revenue as a change in an accounting estimate

Following the outcome of the determination processes noted above, and assessing whether this is new information that becomes known to the entity, the entity accounts for any adjustment to revenue already recognised, including interest and penalties, as a change in an accounting estimate if changes occur in the circumstances that led to the recognition of the revenue.

The principles in GRAP 3 are applied to account for a change in an accounting estimate.

Other provisions

Provisions are measured as the present value of the estimated future outflows required to settle the obligation. In the process of determining the best estimate of the amounts that will be required in future to settle the provision management considers the weighted average probability of the potential outcomes of the provisions raised. This measurement entails determining what the different potential outcomes are for a provision as well as the financial impact of each of those potential outcomes.

Management then assigns a weighting factor to each of these outcomes based on the probability that the outcome will materialise in future. The factor is then applied to each of the potential outcomes and the factored outcomes are then added together to arrive at the weighted average value of the provisions.

Depreciation and amortisation

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 management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, and expected future use and the entity's expectations for the year ended 31 March 2022 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.

1.18 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Subsequently inventories are measured at weighted average cost. The net replacement value does not apply as the Corporation does not sell any of its inventory items.

In line with GRAP 12.18 inventories shall be measured at the lower of cost and current replacement cost where they are held for distribution at no cost.

1.19 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- The period of time over which an asset is expected to be used by the entity; or
- The number of production or similar units expected to be obtained from the asset by the entity.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The Corporation assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

- The present value of the remaining service potential of a non-cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.
- The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the Corporation would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Reversal of an impairment loss

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

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service 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 for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.20 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 financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); 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 excluded.

1.21 Transfer of functions between entities under common control

Definition

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.

1.22 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

Recognition

The entity recognises statutory receivables as follows:

- If the transaction is an exchange transaction, using the policy on Revenue from exchange transactions;
- If the transaction is a non-exchange transaction, using the policy on Revenue from non-exchange transactions (Taxes and transfers); or
- If the transaction is not within the scope of the policies listed in the above or another Standard of GRAP, the receivable is recognised when the definition of an asset is met and, when it is probable that the future economic benefits or service potential associated with the asset will flow to the entity and the transaction amount can be measured reliably.

Initial measurement

The entity initially measures statutory receivables at their transaction amount. The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Subsequent measurement

The entity measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable (where applicable);
- Impairment losses; and
- Amounts derecognised.

Derecognition

The entity derecognises a statutory receivable, or a part thereof, when:

- The rights to the cash flows from the receivable are settled, expire or are waived;
- The entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- The entity, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable to another party and the other party has the practical ability to sell the receivable in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity:
  - Derecognise the receivable; and
  - Decognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The entity considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.23 Asset 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 its 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 Distribution of accumulated surplus

The distribution of accumulated surplus is recognised and disclosed upon on declaration by the Shareholders Committee. Management decides on the implementation date.

1.25 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:

- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

Recognition

The entity, as a principal, recognises revenue and expenses that arise from transactions with third parties in a principal- agent arrangement in accordance with the requirements of the relevant Standards of GRAP.

The entity, as an agent, recognises only that portion of the revenue and expenses it receives or incurs in executing the transactions on behalf of the principal in accordance with the requirements of the relevant Standards of GRAP.

The entity recognises assets and liabilities arising from principal-agent arrangements in accordance with the requirements of the relevant Standards of GRAP.

1.26 Materiality

Material omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.27 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- Those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- Those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

2. Receivables from exchange transactions

	2022	2021 Restated
Staff advance	444 000	633 696
Prepayments (*)	24 880 822	30 641 389
Deposits	1 884 660	1 949 920
Staff debtors (**)	3 542 611	72 291
Receivables - Other	1 464 887	6 628 414
Training provisioning	736 380	4 993 277
	32 953 360	**44 918 987**
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	(164 579)	(336 941)
Provision for debt impairment	(248 568)	-
Amounts written off as uncollectible	-	172 362
	(413 147)	**(164 579)**
Receivables from exchange transactions after impairment		
Staff advance	444 000	633 696
Prepayments (*)	24 880 822	30 641 389
Deposits	1 884 660	1 949 920
Staff debtors (**)	3 537 444	69 422
Receivables - Other	1 464 887	6 628 414
Training provisioning	328 400	4 831 567
	32 540 213	**44 754 408**

*Prepayments can mainly be attributed to software licence payments made in line with the Service Level Agreement.
**The increase in staff debt occurred as a result of the closure of the college due to COVID 19. Staff had to take leave during the closure leaving them indebted to the Corporation. Staff are however working back the hours owed to the Corporation as part of the recovery plan of the college.

3. Receivables from non-exchange transactions

	2022	2021 Restated
AARTO - Infringements	81 327 390	59 678 308
CBRTA RTI - Administration of Infringement fees	-	794 289
Receivables - Other	223 611	17 154
NaTIS Transaction Fees	107 416 082	95 828 428
NRTA section 56 infringement fees	11 634 629	5 715 659
	200 601 712	**162 033 838**
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(85 478 443)	(59 564 521)
Provision for debt impairment	(20 405 147)	(26 995 503)
Amounts written off as uncollectible	-	237 196
Amounts written off - AARTO	-	844 385
	(105 883 590)	**(85 478 443)**
Receivables from non-exchange transactions after impairment		
CBRTA RTI - Administration of Infringement fees	-	794 289
Receivables - Other	207 749	17 154
NaTIS Transaction Fees	89 271 074	75 704 572
NRTA section 56 infringement fees	5 239 300	39 380
	94 718 123	**76 555 395**

Statutory receivables general information

a. Transactions arising from statute

AARTO fines

In implementing the law enforcement function section 31 of the AARTO Act of 2008 and schedule 2 of the AARTO regulations, requires law enforcement officers to impose infringements to motorists who contravene the provisions of the AARTO Act. Thus, statutory receivables consist of infringements issued but not yet paid by the motorists.

Transaction fees

Section 24 of the RTMC Act prescribe that the RTMC is funded from:

- Monies prescribed, subject to section 48(1)(b) which must include transaction fees charged by the Corporation for the sale of services.

The collection of transaction fees is in terms of government gazette No. 29852 dated 30 April 2007, the terms and conditions of this arrangement are clearly stipulated therein.

NRTA Section 56

These infringements are issued in terms of Section 56 of the Criminal Procedure Act of 1977. A written notice is a method of securing attendance of the accused in the magistrate's court.

If an accused is alleged to have committed an offence and a peace officer on reasonable grounds believes that a magistrate's court, on convicting such accused of that offence, will not impose a fine exceeding the amount determined by the Minister from time to time by notice in the Gazette, such peace officer may, whether or not the accused is in custody, hand to the accused a written notice which shall-

- Specify the name, the residential address and the occupation or status of the accused;
- Call upon the accused to appear at a place and on a date and at a time specified in the written notice to answer a charge of having committed the offence in question;
- Contain an endorsement in terms of section 57 that the accused may admit his guilt in respect of the offence in question and that he/she may pay a stipulated fine in respect thereof without appearing in court; and
- Contain a certificate under the hand of the peace officer that he/she has handed the original of such written notice to the accused and that he/she has explained to the accused the importance thereof.

b. Determination of transaction amount

AARTO fines

In terms of the AARTO Act and regulations, the AARTO National task team determines the fines to be imposed. The fine list is then Gazetted as schedule 3 of the AARTO Regulations.

Transaction fees

RTMC receives R72 per transaction on all motor vehicle licence registrations and renewals from all the provinces as approved by the Minister of Transport (government gazette number 40523 dated 28 December 2016) effective from 1 February 2017.

NRTA Section 56

The amount of a fine imposed is proposed by the issuing authority (RTMC) and the fine list is approved by the magistrate's court within the jurisdiction where the offence was committed.

c. Interest or other charges levied/charged

AARTO fines

Interest is not charged on outstanding fines.

Transaction fees

Interest is not charged on outstanding amounts.

NRTA Section 56

Interest is not charged on outstanding fines.

d. Basis used to assess and test whether a statutory receivable is impaired

At each financial year-end, the entity assesses the appropriateness and recoverability of the carrying amount of statutory receivables. As a result, assessment is made as to any indication that a statutory receivable, or a group of statutory receivables, may be impaired. In doing so, the following indicators are considered:

- Collection rate
- Delays in payment in line with the due date thereof.

Statutory receivables impaired

As of 31 March 2022, statutory receivables of R120 583 982 (2021: R96 899 996) were impaired and provided for.

The amount of the provision was R105 576 268 as of 31 March 2022 (2021: R85 478 443).

Statutory receivables included in receivables from non-exchange transactions above before impairment are as follows:

	2022	2021 Restated
AARTO - Infringements	81 327 390	59 678 308
NaTIS Transaction Fees	107 416 081	95 828 428
NRTA section 56 infringement fees	11 634 629	5 715 659
	200 378 100	**161 222 395**
Reconciliation of provision for impairment for statutory receivables		
Opening balance	(85 478 443)	(59 564 521)
Provision for impairment	(20 389 283)	(26 995 503)
Amounts written off as uncollectible	-	237 196
Amounts written off - AARTO	-	844 385
	(105 867 726)	(85 478 443)
Statutory receivables included in receivables from non-exchange transactions above after impairment are as follows:		
NaTIS Transaction Fees	89 271 074	75 704 572
NRTA section 56 infringement fees	5 239 300	39 380
	94 510 374	**75 743 952**

4. Cash and cash equivalents

	2022	2021 Restated
Cash and cash equivalents consist of:		
Cash on hand	2 762	8 151
Current accounts	1 210 722	55 668 851
Call accounts	72 507 820	137 086 365
	73 721 304	**192 763 367**

5. Inventories

	2022	2021 Restated
Ammunition	452 920	294 556
Consumable stores	705 643	507 118
Office refreshments	15 579	80 200
Personal protective equipment	190 933	343 016
Printing and stationery	2 005 217	2 364 131
Roadblock essentials	692 981	155 722
Uniform stock	3 259 393	406 264
	7 322 666	**4 151 007**

Inventory pledged as security

None of the above inventory have been pledged as security/surety for liabilities.

6. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Leasehold property (Land and Buildings)	55 700 000	(2 813 131)	52 886 869	55 700 000	(2 250 505)	53 449 495
Machinery and equipment	199 444	(59 833)	139 611	199 444	(49 861)	149 583
Furniture and fittings	9 530 441	(4 925 101)	4 605 340	9 648 231	(4 597 029)	5 051 202
Motor vehicles	206 361 063	(95 058 992)	111 302 071	209 556 579	(79 343 032)	130 213 547
Office equipment	88 904 706	(24 733 743)	64 170 963	70 115 086	(20 548 633)	49 566 453
Computer equipment	358 773 051	(62 007 352)	296 765 699	173 546 087	(46 041 497)	127 504 590
Leasehold improvements	9 478 718	(4 463 037)	5 015 681	8 139 552	(3 403 801)	4 735 751
Leasehold property - Work in progress	22 012 122	-	22 012 122	-	-	-
Parkhomes and containers	713 627	(32 708)	680 919	-	-	-
Parkhomes - Work in progress	41 695 826	-	41 695 826	42 225 114	-	42 225 114
Communication devices	4 748 930	(1 462 725)	3 286 205	5 990 027	(2 448 923)	3 541 104
Fire arms	8 447 486	(3 047 414)	5 400 072	8 447 486	(2 736 974)	5 710 512
Total	806 565 414	(198 604 036)	607 961 378	583 567 606	(161 420 255)	422 147 351

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Leasehold property (Land and Buldings)	53 449 495	-	-	-	(562 626)	52 886 869
Machinery and equipment	149 583	-	-	-	(9 972)	139 611
Furniture and fittings	5 051 202	-	(13 040)	-	(432 822)	4 605 340
Motor vehicles	130 213 547	7 278 312	(545 730)	-	(25 644 058)	111 302 071
Office equipment	49 566 453	26 779 855	(3 512 356)	-	(8 662 989)	64 170 963
Computer equipment	127 504 590	199 263 905	(6 016 241)	-	(23 986 555)	296 765 699
Leasehold improvements	4 735 751	1 339 167	-	-	(1 059 237)	5 015 681
Leasehold property - Work in progress	-	22 012 122	-	-	-	22 012 122
Parkhomes and containers	-	-	-	713 627	(32 708)	680 919
Parkhomes - Work in progress	42 225 114	184 339	-	(713 627)	-	41 695 826
Communication devices	3 541 104	2 395 602	(412 191)	-	(2 238 310)	3 286 205
Fire arms	5 710 512	-	-	-	(310 440)	5 400 072
	422 147 351	259 253 302	(10 499 558)	-	(62 939 717)	607 961 378

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold property (Land and Buldings)	54 012 121	-	-	(562 626)	53 449 495
Machinery and equipment	159 555	-	-	(9 972)	149 583
Furniture and fittings	4 510 325	1 476 827	(15 978)	(919 972)	5 051 202
Motor vehicles	104 630 251	50 496 970	(813 170)	(24 100 504)	130 213 547
Office equipment	55 302 271	3 757 638	(728 016)	(8 765 440)	49 566 453
Computer equipment	93 260 018	51 956 267	(2 965 906)	(14 745 789)	127 504 590
Leasehold improvements	127 553	6 073 390	-	(1 465 192)	4 735 751
Parkhomes - Work in Progress	41 844 480	380 634	-	-	42 225 114
Communication devices	2 694 058	3 674 150	(603 880)	(2 223 224)	3 541 104
Fire arms	4 932 032	1 515 001	-	(736 521)	5 710 512
	361 472 664	119 330 877	(5 126 950)	(53 529 240)	422 147 351

6. Property, plant and equipment (continued)

Parkhomes Work in Progress

Parkhomes will be installed at Boekehoutkloof Traffic College and Denel as soon as the sites are prepared for installation. The amount disclosed comprises of 35 manufactured units not yet installed and 7 507 loose manufactured components. 2 units were completed and installed during the current financial year. These were transfered from Work in Progress Parkhomes to Parkhomes and containers and depreciated for the estimated allocated useful life. The balance is in the Work in Progress account as it is not yet ready for use and thus not depreciated.

Prior year error on property plant and equipment

With the continuous change in useful lives of assets, some assets' values had become unrealistically low. Assets were reassessed from the first date of extension of useful life validate whether all aspects were in fact taken into account. Where all imperative indications were not deemed to have been taken into account, the useful life was reassessed as at that point in time. This resulted in a prior period error being recognised. Refer to note 24 for the financial implications

	2022	2021 Restated
Assets subject to finance lease (Net carrying amount)		
Leasehold property (a)	52 886 869	53 449 495
Computer equipment (b)	112 452 342	-
Communication devices (c)	2 274 063	-
	167 613 274	53 449 495

Finance lease assets

a. The leasehold property consists of the improvements of the Boekehoutkloof Traffic College that was leased to the RTMC under a 99 year lease, with an option to extended at, R1 per year. The lease commenced on 1 April 2017. The property was valued by an independent valuer at the end of 2018/19 financial year. During the current year there were no indications of any significant change in the carrying value of the Boekenhoutkloof Traffic College. No revaluation was thus required.

b. During the current financial year, the NaTIS infrastructure was upgraded. Part of the refresh was procured through a finance lease.

c. Communication devices were acquired through a finance lease over a period of two years.

None of the above assets have been pledged as security/surety.

The loss on disposal of assets is disclosed on the face of the Statement of Financial Performance.

7. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	368 693 244	(13 359 066)	355 334 178	272 729 657	(9 791 650)	262 938 007
Intangible assets under development	14 178 611	-	14 178 611	14 178 611	-	14 178 611
Total	**382 871 855**	**(13 359 066)**	**369 512 789**	**286 908 268**	**(9 791 650)**	**277 116 618**

7. Intangible assets (continued)

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Amortisation	Total
Computer software	262 938 007	96 341 612	(3 945 441)	355 334 178
Intangible assets under development	14 178 611	-	-	14 178 611
	277 116 618	**96 341 612**	**(3 945 441)**	**369 512 789**

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Amortisation	Total
Computer software	258 998 227	6 218 590	(2 278 810)	262 938 007
Intangible assets under development	14 178 611	-	-	14 178 611
	273 176 838	**6 218 590**	**(2 278 810)**	**277 116 618**

Included in Computer software is NaTIS assets with indefinite useful life

The asset was evaluated for possible impairment and the following are some of the factors considered in the process:

- The system infrastructure was upgraded during the current financial year as part of the continuous service delivery and new revenue streams implemented;
- Negotiations are underway to implement Natis in SADC countries in the near future;
- Online platforms to be implemented, using Natis as basis, for online renewal of licence discs;
- Several future revenue streams, fully dependent on Natis, have been identified and will be implemented in the foreseeable future.

Based on the aforementioned, it was concluded that no impairment is necessary in the current financial year as the system is deemed to produce future economic benefits for the Corporation for an indefinite period as it is continuously evolving.

8. Finance leases - as lessee

	2022	2021 Restated
Minimum lease payments due		
- within one year	43 136 935	9
Present value of minimum lease payments due		
- within one year	43 136 935	9
Non-current liabilities	79 676 677	-
Current liabilities	43 136 944	9
	122 813 621	**9**

- On 1 April 2017, Boekenhoutkloof Traffic College was acquired under a finance lease of 99 years at R1 per year. The initial recognition of the lease liability and asset, determining the present value of the minimum lease payments, was determined using the prime rate of 10.5% as at 1 April 2017.
- The infrastructure refresh was partially financed through a finance lease over a three year period. The commencement date of the finance lease was 01 January 2022 at an interest rate of 4.9%.
- Communication devices were acquired through a finance lease over a period of two years. The devices were acquired at different dates during the financial year. The initial commencement date of the finance lease was 31 December 2021 at an interest rate of 0.04%.

Interest rates are linked to prime at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

9. Operating lease liability

	2022	2021 Restated
Current liabilities	(438 269)	(2 236 976)

The operating lease liability is as a result of the lease smoothing in line with the lease agreements of the three main offices situated in Waterfall and Eco-Park, the six Regional offices and the three lecture rooms based in Denel. For further details of future periods refer to note 20.

10. Payables from exchange transactions

	2022	2021 Restated
Trade payables	51 374 899	15 989 616
Court fees	177 200	39 000
RTIA - Aarto infringements (collecting authority capacity)	2 328 604	-
Accrued employee costs	10 715 936	29 977 705
Accrued expenses	16 270 135	15 509 623
Online Services	4 651 268	-
Unallocated/unidentified receipts	2 291 943	863 447
	87 809 985	62 379 391

11. Provisions

Reconciliation of provisions - 2022

	Opening Balance	Additions	Utilised during the year	Total
Provision for Compensation Commissioner	1 736 503	3 132 379	(1 736 503)	3 132 379
Provision performance bonus	-	44 568 599	-	44 568 599
Provision leave	35 438 530	-	(11 804 104)	23 634 426
Provision capped leave (non-current)	583 921	22 093	-	606 014
	37 758 954	47 723 071	(13 540 607)	71 941 418

Reconciliation of provisions - 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for Compensation Commissioner	1 538 107	933 810	(735 414)	-	1 736 503
Provision performance bonus	36 188 767	-	(20 240 461)	(15 948 306)	-
Provision leave	21 402 302	49 682 482	(35 646 254)	-	35 438 530
Provision capped leave (non-current)	575 355	8 566	-	-	583 921
	59 704 531	50 624 858	(56 622 129)	(15 948 306)	37 758 954

	2022	2021
Non-current liabilities	606 014	583 921
Current liabilities	71 335 404	37 175 033
	71 941 418	37 758 954

11. Provisions (continued)

Compensation Commissioner provision

A percentage of the total basic salary is used to reliably estimate the provision for Compensation Commissioner. This is to ensure that workers are covered for work related injuries and diseases.

Leave provision

Employees' entitlement to annual leave is recognised when it accrues from 1 January to 31 December and will be forfeited on 30 June the following year. A provision is made on the estimated liability for annual leave as a result of services rendered by employees up to the amount of the obligation.

Capped leave provision

Capped leave is only paid upon death or retirement of an employee. Employees will forfeit capped leave upon resignation. The increase disclosed under additions is due to the rate increase as a result of the salary increase.

Performance bonus provision

The provision for performance bonus is calculated based on the prior period's board approval as a percentage per grade of employees. The provision becomes due after an employee qualifies for performance bonus as a result of the performance measurement tool applied or based on a methodology approved by the Board.

The Corporation's performance for 2020/21 was below the required 75% which is the required pre-requisite for the Board to consider performance bonus pay out. Therefore no provision for performance bonuses was made in the prior year.

Payment of performance bonuses is at the sole discretion of the Board. The amount recognised as a provision shall be 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 tool.

12. Finance income

Interest revenue

	2022	2021 Restated
Bank	3 630 340	7 290 171

13. Revenue

	2022	2021 Restated
RTIA - Aarto collection fees	201 803	-
NaTIS data charge	1 113 192	610 523
Training provisioning and facilities	379 705	299 294
Discount received	-	3 589 955
Secondment income	207 749	-
NaTIS online services (13.1)	814 315	-
Sundry income	387 104	112 961
Project Income - Sponsorships (13.2)	3 421 168	6 536 758
Insurance reimbursements	160 322	184 313
Interest received	3 630 340	7 290 171
Sponsorship in-kind (13.3)	7 595 425	13 084 412
DLTC management (13.4)	17 741 964	-
Government grant	217 322 000	240 606 000
Administration of infringement fees (RTI income) (13.5)	41 625 550	18 819 350
Infringement fees (AARTO income) (13.6)	25 560 834	16 658 974
Transaction fees	909 035 040	885 503 532
NRTA section 56 infringement fees	7 304 750	6 878 779
	1 236 501 261	1 200 175 022

The amount included in revenue arising from exchanges of goods or services are as follows:

	2022	2021 Restated
RTIA - Aarto collection fees	201 803	-
NaTIS data charge	1 113 192	610 523
Training provisioning and facilities	379 705	299 294
Discount received	-	3 589 955
Secondment income	207 749	-
NaTIS online services (13.1)	814 315	-
Sundry income	387 104	112 961
Project Income - Sponsorships (13.2)	3 421 168	6 536 758
Insurance reimbursements	160 322	184 313
Interest received	3 630 340	7 290 171
	10 315 698	18 623 975

13. Revenue (continued)

13.1 NaTIS Online Services

Online services were launched in February 2022.

13.2 Project income - Sponsorships

During the current year the sponsorship was received from Safety and Security Sector Education and Training Authority (SASSETA) for training and development.

The amount included in revenue arising from non-exchange transactions is as follows:

	2022	2021 Restated
Sponsorship in-kind (13.3)	7 595 425	13 084 412
DLTC management (13.4)	17 741 964	-
Government grant	217 322 000	240 606 000
Administration of infringement fees (RTI income) (13.5)	41 625 550	18 819 350
Infringement fees (AARTO income) (13.6)	25 560 834	16 658 974
Transaction fees	909 035 040	885 503 532
NRTA section 56 infringement fees	7 304 750	6 878 779
	1 226 185 563	1 181 551 047

13.3 Nature of goods and services received in-kind

a. The RTMC is utilising the properties of the following entities at no cost:

- CBRTA Office – Cashiers office
- North West Provincial Department of Transport (Brits) – NTP Office
- North West Provincial Department of Transport (Mogwase) – NTP Office
- North West Provincial Department of Transport (Rustenburg) – NTP Office
- SANRAL office space and parking for NTP

The space used is immaterial in nature and thus not quantified / recognised. Finalisation of the SANRAL agreement is still pending.

b. During October 2021, as part of the Law Enforcement / Road Safety drinking and driving campaign, RTMC received a sponsorship from Aware.org for the following:

- 4 x Mobile Alcohol Evidence Centres (VW Crafters) - R6 179 110
- Alcohol Evidence Centre Consumables - R140 422
- Physical assets (Gazebo's, banners, tables and chairs) - R44 303

c. During 2021/22 financial year, a discretionary grant was granted by SASSETA for the internship programme and bursaries as follows:

- Internship intake of 30 - R944 590
- Internship intake of 20 - R123 500
- Bursaries - R158 000

The grant is a stipend for the interns and it is paid directly into the interns bank account on a monthly basis and for bursaries it is paid directly to the institution.

There are no conditions attached to the sponsorships.

13. Revenue (continued)

13.4 DLTC management

During October 2021, the Corporation opened two new DLTC's to assist with the backlog of drivers' licence renewals in Gauteng.

13.5 Administration of infringement fees (RTI income)

The opening of the borders due to the lifting of COVID-19 restrictions resulted in a significant increase in the operations at the borders.

13.6 Infringement fees (AARTO income)

The lifting of COVID-19 restrictions resulted in the implementation of normal operations.

14. Employee related costs

	2022	2021 Restated
Basic salaries	407 886 032	385 697 832
Bonus provision (*)	44 568 599	(15 882 048)
Medical aid - company contributions	3 220 174	3 248 455
UIF	2 260 777	1 830 822
SDL	6 015 261	3 606 439
Leave gratuity	2 063 110	3 647 239
Post-employment benefits - Pension - Defined contribution plan (employee contributions)	44 599 113	40 939 716
Travel, motor car, accommodation, subsistence and other allowances	5 338 145	4 347 217
Overtime payments	4 430 826	9 333 295
Long-service awards	1 250 000	195 000
Acting allowances	1 520 010	340 708
Car allowance	6 411 696	6 929 793
Housing benefits and allowances	24 621 161	25 808 940
Non Pensionable Allowances (**)	138 953 594	130 306 887
Service Bonus - 13th cheque	19 943 565	18 796 647
	713 082 063	619 146 942

*The Corporation's performance for 2020/21 was below the required 75% which was the required pre-requisite for the Board to consider performance bonus pay out. Therefore no provision for performance bonuses was made in the previous year, the un- utilised provision was thus reversed resulting in the recognition of a negative expense in perfomance bonus. During the 2021/2022 financial year the 75% prerequisite was attained and thus the provision was raised.

** Included in the Non-Pensionable cash is the settlement cost of R3 363 347.

Services rendered in kind

As a strategy to deal with the backlog of drivers licence renewals, the MEC of Roads and Transport in Gauteng requested both RTMC (Road Traffic Management Corporation) and GMA (Gautrain Management Agency) to open DLTC's. Four RTMC officials of the RTMC were then seconded to GMA from 8 December 2021 to 31 March 2022 at a cost of R533 220 to the corporation to pilot the DLTC at the Gautrain Head Office. (refer to note 23)

14. Employee related costs (continued)

Employee related cost includes:

- The Board and its Committee members.
- Contract employees utilised on an Adhoc basis when needed.

	2022	2021 Restated
Staff complement		
Permanent employees	901	853
Contract employees	111	48
Traffic trainees	831	273
Interns	40	41
	1 883	1 215

15. Finance costs

	2022	2021 Restated
Trade and other payables	-	8 309
Finance leases	1 484 028	-
	1 484 028	8 309

16. Lease rentals on operating lease

	2022	2021 Restated
Office buildings		
Contractual amounts	37 797 537	33 207 156
Equipment		
Contractual amounts	1 398 866	1 223 427
	39 196 403	34 430 583

17. Debt impairment

	2022	2021 Restated
Contributions to debt impairment provision	20 653 715	26 995 503

18. Operating expenditure

	2022	2021 Restated
Administration fees	1 725	19
Advertising (a)	2 767 802	13 700 958
Ammunition (b)	331 145	1 726 329
Auditors remuneration (c)	8 437 706	6 076 230
Bank charges (d)	1 635 077	925 223
Catering (e)	664 659	540 732
Cleaning material (f)	398 770	813 884
Compensation commissioner provision (g)	7 997 866	933 809
Computer expenses (h)	57 475 039	35 911 627
Consulting and professional fees (i)	6 408 488	21 489 336
Consumables	1 019 425	975 184
Corporate Gifts, Donations	-	29 774
Corporate social responsibility (j)	3 525 740	2 417 051
COVID-19 expenditure (k)	2 816 036	4 138 303
Electricity (l)	9 768 719	7 459 171
Employee Wellness Programme (m)	2 231 546	3 000 925
Fuel and oil (n)	17 854 062	13 642 468
Insurance	3 554 904	3 978 775

18 Operating expenditure (continued)	2022	2021 Restated
Labour Relations (o)	2 700 532	4 569 006
Legal fees (p)	4 055 799	12 997 271
Minor assets	3 151 573	2 924 724
Motor vehicle expenses	15 252 504	16 719 588
NaTIS SMME support (q)	-	1 053 935
Postage and courier	2 033 281	1 749 830
Printing and stationery (r)	12 369 432	5 180 476
Projects - Annual Performance Plan (s)	68 069 377	35 095 930
Recruitment Cost (t)	18 065 505	10 914 229
Repairs and maintenance (u)	5 235 413	7 272 565
SAPO Truebill	793 207	334 489
Security (v)	11 287 068	8 764 550
Staff welfare	1 041 306	1 316 661
Storage & warehouse	192 285	174 074
Subscriptions and membership fees	203 308	180 044
Telephone and fax	69 079 345	64 140 225
Training (w)	1 951 936	2 616 147
Travel - local (x)	17 251 400	13 688 112
Travel - overseas (x)	36 294	-
Uniform (y)	1 444 026	4 438 564
Venue expenses (z)	3 359 689	581 214
	364 461 989	312 471 432

a. Advertising

- Marketing and advertising were limited to social media, with only marginal advertisement on other platforms as compared to the previous financial year where the Corporation received a sponsorship from Aware.org for marketing and advertising.

b. Ammunition

- Ammunition is mainly used by Traffic trainees. In the current financial year, the closure of the college due to COVID-19 resulted in less ammunition being used.

c. Auditors Remuneration

The increase is due to the:

- Easing of COVID-19 restrictions which saw the audit strategy return to normal as it was previously reviewed to accommodate the COVID-19 and;
- The delay in the finalisation of the audit as a result of technical disputes.

d. Bank charges

- The opening of additional bank accounts for, online services and DLTC management resulted bank charges.

e. Catering

- The easing of COVID-19 restrictions enabled the Corporation to continue with planned activities that are face to face such as launch of the festive season, launch of the DLTC's and online service launch.

f. Cleaning Material

- The Corporation reduced additional cleaning measures such as fogging of offices on a weekly basis after the easing of COVID-19 restrictions.

g. Compensation Commissioner

- The Corporation under provided in the previous financial year however, the provision was based on information available at the time.

h. Computer Expense

- The increase in computer expenses is as a result of the deployment of the CLLT project and support services for NaTIS refresher project.

i. Consulting and Professional Fees

- Not all projects could be executed due to the impact of COVID-19 restrictions. In the main, the development of training modules during the current year was put on hold.

j. Corporate Social Responsibility

- Due to the reduced COVID-19 restrictions and the, resulting increased poverty the Corporation undertook more CSR projects. Projects included amongst others, the distribution of grocery packs.

k. COVID-19 Expenditure

- With the easing of COVID-19 restrictions, less Personal Protective Equipment was required in the current year.

l. Electricity

- With the easing of the COVID-19 restrictions, employees returned to the office resulting in an increased usage of electricity.

m. Employee Wellness Programme

- In the financial year under review, the Corporation operated under stringent budget constraints which resulted in less wellness activities taking place.

n. Fuel and oil

- The lifting of inter-provincial travelling made it possible for most planned activities to continue resulting in increased use of vehicles as a mode of travelling for deployment. This caused an increase in fuel and oil consumption.

o. Labour Relations

- There were less disciplinary hearings in the financial year under review.

p. Legal fees

- There were no significant settlement disputes in the current financial year.

q. NaTIS SMME support

- NaTIS support is currently provided in house.

r. Printing and Stationery

- During the financial year the Corporation opened 2 Drivers Licence Testing Centres (DLTC's), this led to additional printing costs associated with the renewal of licence cards.

s. Projects - Annual Performance Plan

Amongst others, the following significant projects were resumed after the easing of COVID-19 restrictions:

- Coordinated Traffic Training was the biggest contributor in project expenditure amounting to R63 196 442 in the current financial year, the number of Traffic trainees undergoing training on NQF level 6 also increased during the year.
- Participatory Education Techniques - R387 873.
- Road Safety Education awareness campaigns and learner license programmes - R1 099 023.

t. Recruitment cost

- In the current financial year, the Corporation opened two DLTC's which required additional employees to be recruited. There were also various critical vacant positions at the college that were filled in the year under review.

u. Repairs and maintenance

- In the year under review, the Corporation implemented the NaTIS refresher for the system which resulted in less equipment being repaired.

v. Security

- The Corporation entered into additional security contracts to upgrade the current security at all premises.

w. Training

- In the financial year under review, the Corporation operated under stringent budget constraints which resulted in less training taking place.

x. Travel local and overseas

- The lifting of inter-provincial travelling made it possible for most planned activities to continue resulting in an increase in travelling expenditure

y. Uniform

- In the financial year under review, the Corporation operated under stringent budget constraints therefore less uniform was procured.

z. Venue expenses

- The easing of COVID-19 restrictions enabled the Corporation to continue with planned activities that are face to face such as the launch of the festive season, launch of the DLTC's and online service launch.

	2022	2021 Restated
19. Cash generated from operations		
Surplus	22 274 064	147 025 091
Adjustments for:		
Depreciation and amortisation	66 885 158	55 808 050
Loss on sale of assets and liabilities	8 463 841	4 289 112
Finance costs - Finance leases	1 484 028	-
Debt impairment	20 653 715	26 995 503
Movements in operating lease assets and accruals	(1 798 707)	385 083
Movements in provisions	34 182 464	(21 945 577)
Other non-cash items - sponsorship in-kind	(6 179 110)	-
Distribution of accumulated surplus funds	(34 896 980)	(146 502 305)
Changes in working capital:		
Inventories	(3 171 659)	4 059 908
Receivables from exchange transactions	12 214 195	6 466 996
Reversal of debt impairment	(20 653 715)	(26 995 503)
Other receivables from non-exchange transactions	(18 162 728)	13 633 901
Payables from exchange transactions	8 651 923	(2 189 501)
	89 946 489	**61 030 758**

20. Commitments

a. Authorised capital expenditure		
Contract commitments		
• Property, plant and equipment	252 240 289	68 146 377
• Intangible assets	1 595 876	3 595 876
	253 836 165	**71 742 253**
Purchase order commitments		
• Property, plant and equipment	73 463 550	48 147 306
Total capital commitments		
Contract commitments	253 836 165	71 742 253
Purchase order commitments	73 463 550	48 147 306
	327 299 715	**119 889 559**
b. Authorised operational expenditure		
Contract commitments		
Operating expenditure	420 390 829	155 488 760
Purchase order commitments		
• Operating expenditure	27 916 642	17 782 284
Total operational commitments		
Contract commitments	420 390 829	155 488 760

20. Commitments(continued)	2022	2021 Restated
Purchase order commitments	27 916 642	17 782 284
	448 307 471	**173 271 044**
Total commitments		
Authorised capital expenditure	327 299 715	119 889 559
Authorised operational expenditure	448 307 471	173 271 044
	775 607 186	**293 160 603**
c. Commitments beyond 12 months		
Contract commitments	806 904 709	80 073 424
d. Below are operating leases included in the above total commitments:		
Operating leases - as lessee (expense)		
Minimum lease payments due - Office Space		
- Within one year	8 083 360	31 890 651
- In second to fifth year inclusive	1 263 910	4 987 800
	9 347 270	**36 878 451**

The lease for the office buildings relates to the main offices situated in Waterfall and Eco-Park, the six Regional offices and the 3 lecture rooms based in Denel. The lease term is 01 April 2019 to 31 August 2024.

Minimum lease payments due - Office Equipment		
- Within one year	654 765	1 260 976
- In second to fifth year inclusive	330 753	666 456
	985 518	**1 927 432**

The lease relates to forty nine photocopy machines and sixty nine water dispensers situated in various offices. The lease term is 09 July 2018 to 31 August 2024.

e. Below are finance leases included in the above total commitments:

Minimum lease payments due		
- Within one year	43 136 935	9
Present value of minimum lease payments due		
- Within one year	43 136 935	9
Non-current liabilities	79 676 677	-
Current liabilities	43 136 944	9
	122 813 621	**9**

21. Contingencies

Contingent liabilities

Tasima (Pty) Ltd vs RTMC - Labour Matters: Steenkamp Order

- In April 2017 Tasima lodged an urgent application for a declaratory order that the Tasima employees must transfer to the RTMC in terms of Section 197 of the Labour Relations Act.
- On 25 May, Steenkamp J ordered amongst others that, with effect from 5 April 2017, the contracts of employment of the Tasima employees transferred automatically from Tasima to the RTMC.
- On 21 December 2018 the Labour Appeal Court upheld the Order of Steenkamp J, but upheld the appeal of the RTMC re interim payments.
- The RTMC appealed to the Constitutional Court. The matter was heard in the Constitutional Court on 13 August 2019 and judgement was reserved.
- On 4 August 2020 the Constitutional Court ordered the transfer of the employees to RTMC in terms of Section 197 of the LRA. The RTMC duly complied, and the employees were transferred to the RTMC.
- Financial exposure with regards to the backpay is still to be calculated however, estimated at R60million plus legal fees.

Rekwele Chaufeur Drive (Pty) Ltd

- Rekwele issued summons to claim purported outstanding costs for rental of vehicles by RTMC. RTMC defended the matter and filed a special plea.
- Rekwele, following an order to the effect, amended its papers and the RTMC filed its plea.
- Matter to be set down for trial by Rekwele.
- The financial exposure in the said matter is R1 562 467 plus cost in the event that the plaintiff is successful.

Mohlaleng Investment Holdings Pty (Ltd)

- Makhabela Huntley Adekeye Inc (MHA) Attorneys were appointed to institute legal action against Mohlaleng for the outstanding deposit as well as for all expenses the RTMC incurred as a result of the RTMC relocating offices from Silver Lakes.
- MHA issued summons to Mohlaleng to the amount of R900 422 and was instructed to recover the costs for relocating offices to the amount of R1 102 323.
- Mohlaleng filed a counter claim to the amount of R 1 831 950.
- Litigation is ongoing and the parties are engaged in pre-trial.
- Financial exposure is determined at R1 831 950 plus cost in the event that the plaintiff is successful.

Nkwatsi, Oliphant, Ntombela, Likhoele, Meje, Kokozela, vs RTMC

- Respective plaintiffs issued summons for unlawful arrest against the RTMC. RTMC has defended the matters and filed its plea.
- Financial exposure is determined at R3 000 000 plus cost (R500 000 per claim) in the event that the plaintiffs are successful.

Mabena vs RTMC

- Statement of Claim lodged with the labour court for payment of salary post order to reinstate. Litigation is on going.
- Financial exposure is determined at an estimated R1 517 051 plus cost in the event that the plaintiff is successful.

Acquisition of land

- The RTMC has provisionally appointed a service provider to purchase land for purposes of office accomodation. The transaction is subject to fulfilment of section 54 of the PFMA, which is still underway. The possible obligation is R39 864 719.

21. Contingencies (continued)

Special Investigating Unit (SIU)

- The SIU is claiming an amount of R28 119 755 for investigations conducted on behalf of the Department of Transport. RTMC is disputing the obligation to pay as the proclamation deals with DLTC's, which falls outside of the RTMC's mandate.

SANRAL

- RTMC is utilising SANRAL office space premises for amongst others, parking of its NTP vehicles. The agreement was based on a cost recovery bases. SANRAL is claiming R2 070 438 however, is yet to substantiate the amount. The MOU is yet to be finalised.

Zwane vs RTMC

- Plaintiff issued summons for unlawful arrest and the Corporation has defended the matter and filed an exception.
- Financial exposure is determined at R200 000 plus cost in the event that the plaintiff is successful.

Setle vs RTMC

- Plaintiff issued summons for unlawful arrest and the Corporation has defended the matter and filed its Plea.
- The financial exposure amounts to R1 071 000 plus RTMC legal fees. The litigation is ongoing.

Word of Mouth vs RTMC

- Word of Mouth issued summons against RTMC claiming payment for amongst others loss of earnings.
- RTMC opposed the matter and raised exception.
- Pre-trial conference has been concluded.
- Financial exposure is determined at R22 311 065 plus cost in the event that the plaintiff is successful.

Claasens vs RTMC

- Civil Claim for damages suffered as result of shooting.
- RTMC defended the matter and litigation is ongoing.
- Financial exposure is determined at R7 266 046 plus cost in the event that the plaintiff is successful.

Tshianeo vs RTMC

- Tshianeo issued summons against RTMC claiming payment for amongst others loss of earnings.
- RTMC opposed the matter and filed a counter claim.
- Financial exposure is determined at R10 152 991 plus legal cost in the event that the plaintiff is successful.

Putco Mafani vs RTMC

- Service provider issued summons against the RTMC for breach of contract – Repudiation.
- It appeared as if Putco Mafani Consulting abandoned this matter in 2019, as it has failed to proceed with any further proceedings for a period of more than 12 months. The file was closed at the time.
- Putco Mafani new attorneys of record has however indicated that Putco Mafani now wishes to proceed with the matter.
- Financial exposure is determined at R3 850 000 plus legal cost in the event that the plaintiff is successful.

Skosana vs Minister of Police and RTMC

- Claim for unlawful arrest for contravention of the Disaster Management Act, COVID-19 curfew.
- RTMC defended the matter.
- Financial exposure is determined at R400 000 plus legal cost in the event that the plaintiff is successful.

MTN

MTN is claiming an amount of R1 242 732 as outstanding and due by the Corporation. Invoices to this effect have however not been received nor an explanation forwarded as to what services were delivered. The amount is currently being investigated by both parties.

Contingent assets

Acquisition of land

- The RTMC has provisionally appointed a service provider to purchase land for purposes of office accommodation. The transaction is subject to fulfilment of section 54 of the PFMA, which is still underway. The total cost of the land amounts to R39 864 719.

22. Distribution of accumulated surplus (refer to note 23)

The below distributions were made to the Shareholders of the Corporation in line with Section 24 of the RTMC Act.

Distribution of COVID-19 Personal Protective Equipment to provinces Province	2022	2021 Restated
Eastern Cape	-	255 381
Free State	-	193 031
Gauteng	-	1 937 582
KwaZulu Natal	-	854 229
Limpopo	-	133 476
North West	-	244 291
Northern Cape	-	102 082
Western Cape	-	1 958 621
	-	5 678 693
Distribution of Motor Vehicle Testing Stations to Provinces and SALGA		
- Ekurhuleni Metro Police Departrment (EMPD)	-	10 036 000
- Johannesburg Metro Police Department (JMPD)	-	10 036 000
- Tshwane Metro Police Department (TMPD)	-	10 036 000
- Buffalo City Metropolitan Municipality	-	10 036 000
- Nelson Mandela Bay Municipality	-	10 036 000
Total SALGA	**-**	**50 180 000**
- Eastern Cape	-	20 072 000
- KwaZulu Natal	20 072 000	-
- Limpopo	15 054 000	25 090 000
	35 126 000	95 342 000
Distribution of Motor Vehicles to provinces		
Province		
Free State	-	12 192 830
Mpumalanga	-	23 744 335
North West	-	7 603 679
Northern Cape	-	12 192 830
	-	55 733 674

Distributions are made in line with Law Enforcement and Road Safety initiatives in line with the combat to decrease road fatalities.

23. Related parties

	2022	2021 Restated
23.1 Related party balances		
Amounts included in Trade receivable (Trade payable) regarding related parties:		
Cross-Border Road Transport Agency (CBRTA)	-	794 289
Road Traffic Infringement Agency (RTIA)	81 327 390	59 678 308
Road Traffic Infringement Agency (RTIA) - Aarto infringements	(2 328 604)	-
Gauteng Department of Community Safety	207 749	4 170 396
KwaZulu Natal Provincial Department of Transport	-	5 017 999
Limpopo Provincial Department of Transport	(179 529)	(340 979)
Transaction fees:		
Eastern Cape	15 351 840	12 501 215
Free State	3 302 280	3 464 711
Gauteng	28 454 832	27 230 832
KwaZulu Natal	9 945 081	9 532 427
Limpopo	8 201 630	8 083 552
Mpumalanga	5 267 562	2 132 208
North West	3 761 568	3 674 232
Northern Cape	23 873 782	22 431 017
Western Cape	9 257 505	6 778 234
Provision for doubtful debts related to outstanding balances with related parties:		
Road Traffic Infringement Agency (RTIA)	(81 327 390)	(59 678 308)
Provinces (Transaction fees)	(18 145 008)	(20 123 856)
23.2. Related party transactions		
Services rendered on behalf of:		
CBRTA - Administration of infringement fees	41 625 550	18 819 350
RTIA - Collection of AARTO infringements	201 803	-
Services rendered on behalf of RTMC by:		
RTIA - Administration of AARTO fines	25 560 834	16 658 974
Collection of transaction fees:		
Eastern Cape	59 494 824	58 216 752
Free State	45 024 408	44 587 728
Gauteng	346 263 912	339 510 498
KwaZulu Natal	123 433 092	119 342 592
Limpopo	53 115 048	50 984 712
Mpumalanga	64 104 090	63 824 298
North West	45 562 794	44 040 024
Northern Cape	20 385 936	19 990 728
Western Cape	151 143 336	145 006 200

23. Related parties (continued)	2022	2021 Restated
Training costs due to the RTMC		
Gauteng Department of Community Safety	-	4 170 396

The RTMC provided training accomodation and meals to the Gauteng Department of Community Safety in 2021.

Advance paid by the RTMC on behalf of KwaZulu Natal Provincial Department of Transport		
Procurement of Motor Vehicle Testing Stations	-	5 017 999

The RTMC paid 50% deposit on behalf of KwaZulu Natal Provincial Department of Transport for the procurement of Motor Vehicle Testing Stations. This has been recovered.

Advance paid to the RTMC by Limpopo Provincial department of Transport		
Branding of motor vehicles	-	2 520 319

The Limpopo Provincial Department of Transport paid an advance of R2 520 319 to the RTMC for the branding of their motor vehicles. At year end, a balance of R179 529 still remains as unutilised.

Refund of unused distribution of accumulated surplus funds		
Free State	-	216 124

During the 2014/15 financial year, the RTMC Shareholders Committee resolved that funds will be distributed to provinces from accumulated surpluses based on business plans submitted to the RTMC. The Service Level Agreement made provision for the the refund of untilised funds, it is on this basis that the province has subsequently refunded the RTMC.

Distribution of Personal Protective Equipment to provinces		
Eastern Cape	-	255 381
Free State	-	193 031
Gauteng	-	1 937 582
KwaZulu Natal	-	854 229
Limpopo	-	133 476
North West	-	244 291
Northern Cape	-	102 082
Western Cape	-	1 958 621

The RTMC procured Personal Protective Equipment (PPE) for all provinces as start up as a result of a Shareholders Committee resolution. PPE started being distributed to provinces prior to year-end.

Distributions are made in line with Law Enforcement and Road Safety initiatives in line with the combat to decrease road fatalities.

23. Related parties (continued)	2022	2021 Restated
Distribution of Motor Vehicle Testing Stations to Provinces and SALGA		
- Ekurhuleni Metro Police Departrment (EMPD)	-	10 036 000
- Johannesburg Metro Police Department (JMPD)	-	10 036 000
- Tshwane Metro Police Department (TMPD)	-	10 036 000
- Buffalo City Metropolitan Municipality	-	10 036 000
- Nelson Mandela Bay Municipality	-	10 036 000
Total SALGA	-	50 180 000
- Eastern Cape	-	20 072 000
- KwaZulu Natal	20 072 000	-
- Limpopo	15 054 000	25 090 000
	35 126 000	95 342 000
Distribution of Motor Vehicles to provinces		
Free State Police Roads and Transport	-	12 192 830
Mpumalanga Department of Transport	-	8 280 110
Mpumalanga Department of Community Safety, Security and Liaison	-	15 464 256
Northern Cape Department of Transport, Safety and Liaison	-	7 603 679
North West Department of Community Safety and Transport Management	-	12 192 830

The RTMC procured and distributed motor vehicles to four provinces.

Services rendered in kind		
Services rendered in kind to GMA	533 220	-

As a strategy to deal with the backlog of drivers licence renewals, the MEC of Roads and Transport in Gauteng requested both RTMC (Road Traffic Management Corporation) and GMA (Gautrain Management Agency) to open DLTC's. Pursuant to the appointment by the MEC of the GMA as contemplated in the subsection 3(1) of the National Road Traffic Act, 1996 (Act No 93 of 1996) to operate as and perform Driving Licence Testing Centre (DLTC) functions for and on behalf of the Gauteng Department of Roads and Transport, and the fact that the RTMC had access to already competently qualified staff in its employment, the RTMC and the GMA collaborated in order for the GMA to be assisted to operate a DLTC. Due to the urgency to ensure additional service delivery to the country, amplified by the GMA's lack of the relevant skills and the time to train or obtain same, it was agreed that RTMC will provide staff to the GMA, at no cost, to pilot a DLTC at the Gautrain Head Office in Midrand. The pilot was to run until 31 March 2022 whereafter, should the GMA require an extension of these services from RTMC, the services will be rendered on a cost recovery basis.

In line with the above, four RTMC officials were seconded to the GMA from 8 December 2021 to 31 March 2022.

Secondments		
Secondment income	-	207 749

An RTMC employee was seconded to Road Traffic Infringement Agency (RTIA) on behalf of the National Department of Transport.

23. Related parties (continued)

	2022	2021 Restated

Utilisation of office and parking space

RTMC utilises office and parking space of other departments at no cost (refer to note 14).

DLTC Management

During October 2021 RTMC was appointed as a DLTC in accordance with the Gauteng Road Traffic Act, subject to the conditions imposed by the MEC for Roads and Transport in Gauteng Province.

23.3. Key management

Remuneration of non executive members

2022

Name	Retainer and meeting fees	Total
Z. Majavu CD(SA) - Chairman	968 098	968 098
T.M.N. Kgomo	714 192	714 192
M.M. Manqele until 31 October 2021	422 024	422 024
T. Mdlulwa	649 268	649 268
Prof. M.I. Mphahlele	645 396	645 396
C.T. Thankge	678 827	678 827
Dr. E.M. Thebe	645 396	645 396
	4 723 201	4 723 201

2021

Name	Retainer and meeting fees	Total
Z. Majavu CD(SA) - Chairman	984 049	984 049
T.M.N. Kgomo	876 512	876 512
M.M. Manqele	779 122	779 122
T. Mdlulwa	746 658	746 658
Prof. M.I. Mphahlele	591 613	591 613
C.T. Thankge	618 504	618 504
Dr. E.M. Thebe	618 504	618 504
	5 214 962	5 214 962

Board members' remuneration is structured into two elements consisting of a monthly retainer and meeting fees capped at their specific packages.

23. Related parties (continued)

	2022	2021 Restated

Remuneration of executive members

2022

Name	Basic salary	Other employee benefits	Acting allowance	Total
Adv. M Msibi (CEO)	3 413 645	2 276 193	-	5 689 838
D. Ewertse	1 305 199	877 341	-	2 182 540
N.J. Jolingana	1 464 165	630 082	-	2 094 247
M.P Juma	1 305 199	870 817	-	2 176 016
K. Kara-Vala	1 648 770	1 094 816	-	2 743 586
K.K. Kgosiemang	1 305 199	874 188	-	2 179 387
D.N Mobeng	1 913 590	839 840	-	2 753 430
R. Mongale	1 305 199	872 715	-	2 177 914
L. Moolman (Acting CEO January - March)	1 819 265	1 216 949	146 193	3 182 407
Dr. H.J Moyana until 31 December 2021	1 170 000	790 417	-	1 960 417
T. Ndebele	1 879 499	831 431	-	2 710 930
S. Petse	1 389 292	597 251	-	1 986 543
S. Podile	1 879 499	805 500	-	2 684 999
N. Sebaku (Acting EM Financial Services January - March)	245 757	163 838	75 191	484 786
	22 044 278	12 741 378	221 384	35 007 040

2021

Name	Basic salary	Performance bonus paid or receivable	Other employee benefits	Total
Adv. M Msibi (CEO)	3 413 645	3 698 115	2 275 763	9 387 523
D. Ewertse	1 240 738	-	931 742	2 172 480
N.J. Jolingana	1 448 517	267 976	634 383	2 350 876
M.P. Juma	1 254 999	88 968	824 458	2 168 425
K. Kara-Vala	1 560 000	241 532	1 031 955	2 833 487
K.K. Kgosiemang	1 254 999	192 812	839 743	2 287 554
D.N Mobeng	1 807 211	-	796 346	2 603 557
R. Mongale	1 258 437	193 346	838 958	2 290 741
L. Moolman	1 749 293	274 658	1 169 810	3 193 761
Dr. H.J Moyana	1 500 000	-	1 000 000	2 500 000
T. Ndebele	1 785 697	-	792 141	2 577 838
S. Petse	1 326 573	194 611	593 092	2 114 276
S. Podile	1 804 818	-	808 781	2 613 599
	21 404 927	5 152 018	12 537 172	39 094 117

23. Related parties (continued)

	2022	2021 Restated

Remuneration of Audit and Risk Committee members

2022

	Meeting attendance	Travel reimbursement	Total
R. Cuna	188 239	-	188 239
H.N. Jaxa	188 239	-	188 239
N.M. Mufamadi	454 488	255	454 743
	830 966	255	831 221

2021

	Meeting attendance	Travel reimbursement	Total
R. Cuna from 01 August 2020	134 456	502	134 958
H.N. Jaxa from 01 August 2020	134 456	1 521	135 977
N.M. Mufamadi	475 807	572	476 379
	744 719	2 595	747 314

24. Prior period errors

Statement of financial position		
Decrease in receivables from exchange transactions	(a)	(1 603)
Increase in accumulated surplus	(b)	(26 350 468)
Decrease in payables from exchange transactions	(c)	4 610 735
Decrease in operating lease liability	(d)	5 640
Increase in property, plant and equipment	(e)	34 837 783
		13 102 087
Statement of financial performance		
Decrease in depreciation	(f)	(6 762 537)
Decrease in operating expenditure	(g)	(6 339 550)
		(13 102 087)

a. Receivables from exchange transactions

- Overstatement - Accrued interest income relating to March 2017 was erroneously not cleared in the following year (R23 258); NTACU project expense relating to 2015/16 was erroneously disclosed as a staff advance (R3 044); expenditure incorrectly classified as prepayment (11 364).
- Understatement - Supplier billing system erroneously calculated the 2020/21 monthly rental amount at a higher rate than the agreed contract. This resulted in an over billing of rental charged (R12 300), An unidentified receipt was erroneously allocated to Boekenhoutkloof debt (R23 763).

b. Accumulated surplus

- Overstatement - Interest earned relating to March 2017 was erroneously recorgnised in both 2017 and 2018 financial years (R23 258); Invoices relating to NaTIS services were previously disputed (R3 589 128); Penalty charged for late submission of 2019 and 2020 compensation comission returns was erroneously ommitted (R516 770); NTACU project expense relating to 2015/16 was erroneously disclosed as a staff advance (R3 044), expenditure incorrectly classified as prepayment (11 364), An invoice relating to motor vehicle expense for the year 2019/20 was previously disputed (R245 315).

- Understatement - Discounts received in relation to purchases made in terms of the RT contract were erroneously ommitted in 2017/18 financial year (R2 659 593), Incorrect assessment of assets useful life in the prior financial periods was identified and corrected (R28 075 245) (refer to note 6), prescribed creditor (R4 508).

c. Payables from exchange transactions

- Overstatement - Credit notes relating to discounts received in relation to purchases made in terms of the RT contract were erroneously ommitted in 2017/18 financial year (R2 659 593); Meal costs for traffic trainees was incorrectly billed during lockdown period (R5 854 096); Motor vehicle hire costs incurred for asset count consultants were incorrectly billed to the corporation (R606 598); Invoices relating to consulting fees (R60 141), storage and warehouse (R38 536), telephone and fax (R113 993) and legal fees (R19 915) were incorrectly raised as accruals; RTMC was incorrectly billed for the calibration of 70 screeners instead of 62 (R65 608), prescribed creditor (R4 508); invoices relating to cellphone expenses were erroneously captured (R1 159).
- Understatement - Supplier erroneously ommitted escalation on the 2020/21 invoices resulting in an underbilling of rental invoices (R17 940); Penalty charged for late submission of 2019 and 2020 compensation commission returns was erroneously ommitted (R516 770), An invoice relating to motor vehicle expense for the year 2019/20 was previously disputed (R245 315), A vehicle was erroneously duplicated reconciliation of branding invoices of Limpopo motor vehicles (R29 760), An unidentified receipt was erroneously allocated to Boekenhoutkloof debt (R23 763); Invoices relating to NaTIS services were previously disputed (R3 979 324), invoice relating to cellphone expenditure was previously not accounted for (R681).

d. Operating lease liability

- Overstatement - Supplier erroneously ommitted escalation on the 2020/21 invoices resulting in an underbilling of rental invoices. This in turn resulted in an overstatement of the lease liability (R17 940).
- Understatement - Supplier billing system erroneously calculated the 2020/21 monthly rental amount at a higher rate than the agreed contract. This resulted in an over billing of rent which in turn resulted in an understatement of the lease liability (R12 300).

e. Property, plant and equipment (refer to note 6)

- Understatement - Incorrect assessment of useful life of assets in the previous financial year resulted in the understatement of property, plant and equipment (R34 837 783).

f. Depreciation (refer to note 6)

- Overstatement - Incorrect assessment of useful life of assets in the previous financial year resulted in an overstatement of depreciation (R6 762 537).

g. Operating expenditure

- Overstatement - Meal costs for traffic trainees was incorrectly billed during lockdown period (R5 854 096); Motor vehicle hire costs incurred for asset count consultants were incorrectly billed to the corporation (R606 598); Invoices relating to consulting fees (R60 141), storage and warehouse (R38 534), telephone and fax (R113 993) and legal fees (R19 915) were incorrectly raised as accruals; RTMC was incorrectly billed for the calibration of 70 screeners instead of 62 (R65 608); invoices relating to cellphone expenses were erroneously captured (R1 159).
- Understatement - Invoices relating to NaTIS services were previously disputed (R389 872); a vehicle was erroneously duplicated reconciliation of branding invoices of Limpopo motor vehicles (R29 760); invoice relating to cellphone expenditure was previously not accounted for (R681).

25. Risk management

Capital risk management

The Corporation is exposed to financial risk through its financial assets and financial liabilities. The Accounting Authority has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Accounting Authority has established the Risk Management Committee, which is responsible for developing and monitoring the Corporation's risk management policies. The committee reports regularly to the Accounting Authority on its activities.

The Corporation's risk management policies are established to identify and analyse the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Corporation's activities. The Corporation, through its training and management standard and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Corporation's Audit Committee oversees how management monitors compliance with the Corporation's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Corporation. The Corporation's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Corporation's exposure to risk, its objectives, policies and processes for managing the risk arising from its financial instruments and methods used to measure the Corporation's exposure to these risks, have not changed significantly from the prior year

The Corporation does not have major exposure to credit, liquidity and market risk, which is described in more detail below.

The Corporations's cash and short term deposits are placed with high quality financial institutions as well as the South African Reserve Bank.

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Financial liabilities - 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease obligation	43 136 944	45 152 652	34 524 024	-
Payables from exchange transactions	87 809 985	-	-	-

Financial liabilities - 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease obligation	9	-	-	-
Payables from exchange transactions	62 379 391	-	-	-

25. Risk management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as outstanding receivables and committed transactions. For banks and financial institutions, only highly reputable financial institutions are used.

Trade and other receivables

The Corporation's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base.

Due to the nature and mandate of the RTMC's activities, and the sector in which the RTMC operates, the RTMC works in an environment that deals mainly with the Department of Transport. There are no external sales value contracts.

The Corporation does establish an allowance for impairment.

Credit risk exposure

The gross carrying amount of the receivables for 2021/22: R233 555 072 and 2020/21: R206 952 825 and represents the maximum credit exposure at the reporting date.

Concentration of credit risk

We consider provinces having different risk associated with credit risk and therefore disclose them as such. The concentrations of credit risk for trade and other receivables as follows:

Geographical Area (Provinces)

The PFMA prohibits the Corporation to have any credit facility.

The RTMC has limited credit risk exposure as all its cash and equivalents are placed with highly reputable financial institutions.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2022	2021
NaTIS - Transaction fees	89 271 074	75 704 572
Deposits	1 884 660	1 949 920
Receivables - Other	1 816 386	6 645 568
CBRTA RTI - Administration of infringement fees	-	794 289
Boekenhoutkloof and training facilities	328 400	4 831 567
NRTA section 56 infringement fees	5 239 300	39 380

	Neither past nor impaired	1-3 months	More than 3 Months	Impaired financial assets	Total carrying amount R
Financial assets that are past due but not impaired - 2022					
Trade and other receivables	113 923 031	32 288 237	85 459 050	(106 296 738)	125 373 580
Cash & cash equivalents	73 721 400	-	-	-	73 721 400
Deposits	1 884 660	-	-	-	1 884 660
	189 529 091	32 288 237	85 459 050	(106 296 738)	200 979 640

25. Risk management (continued)	Neither past nor impaired	1-3 months	More than 3 Months	Impaired financial asset	Total carrying amount
Financial assets that are past due but not impaired - 2021					
Trade and other receivables	128 853 704	27 675 897	48 473 304	(85 643 022)	119 359 883
Cash & cash equivalents	192 763 367	-	-	-	192 763 367
Deposits	1 949 920	-	-	-	1 949 920
	323 566 991	27 675 897	48 473 304	(85 643 022)	314 073 170

Market risk

Market risk is the risk that changes in the market prices, such as interest rates, foreign exchange rates and equity prices will affect the value of the Corporation`s financial assets and the amount of the Corporation`s liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The nature of the Corporation`s exposure to market risk and its objectives, policies and procedures for managing market risks have not changed significantly from the prior period. Refer below for more detail.

Interest rate risk

The Corporation has limited exposure to interest risk. Cash and cash equivalents carry interest at a variable rate. The RTMC is not allowed to have an overdraft facility, in terms of the PFMA.

Equity price risk

The Corporation has no exposure to equity price risk.

26. Fruitless and wasteful expenditure

	2022	2021 Restated
Opening balance as previously reported	527 134	33 571
Opening balance as restated	**527 134**	**33 571**
Less: VAT paid to a supplier recovered	-	(10 912)
Less: Interest on late payment to suppliers recovered	-	(19 781)
Add: Interest on late payment to suppliers	-	524 256
Less: Amounts condoned	(10 468)	-
Closing balance	**516 666**	**527 134**

Progress on investigations of fruitless expenditure

Discussions are underway with the compensation commission on interest on the late payment.

27. Irregular expenditure

	2022	2021 Restated
Opening balance	83 728 199	-
Opening balance as restated	83 728 199	-
Add: Irregular Expenditure - current	46 978 892	83 728 199
Less: Amounts condoned	(130 707 091)	-
Closing balance	-	83 728 199

The irregular expenditure disclosed was consequent to the erroneous misinterpretation and misapplication of Regulation 4 of the Preferential Procurement Regulations 2017. Regulation 4(1)(a) confers the discretion on the RTMC to determine the stipulated minimum B-BBEE status level contributor level and to disqualify any potential tenderer who does not meet the stipulated level from consideration. The RTMC, evident from the 2 legal opinions obtained and in compliance with the provisions and application imbedded in the Regulation, utilised a combination of the pre-qualification criteria, however, erroneously so, construed the combination incorrectly by including a bidder's ownership as part of the criterion instead of a bidder's B-BBEE contributed status level. No losses were suffered and value was received and the imminent disaster avoided in the National Key Point. An application for condonation was submitted to National Treasury and approval was granted.

28. Budget differences

Material differences between budget and actual amounts

Reasons for material variances between the Final Approved Budget and Actual Amounts on the various items disclosed in the Statement of Comparison of Budget and actual amounts are explained below:

Included in the RTMC's budget were new service initiatives. These new services were approved but required implementation which included both system and human resource requirements to be fulfilled. It became evident that these services will only take effect late in the third quarter resulting slowed-down revenue generation. A budget adjustment was thus eminent and so approved.

a. Training provisioning and facilities

Training initiatives were slowed-down due to the ongoing COVID-19 pandemic, which was aggravated by the closure of the Denel training facility for period of three months during which no training was provided. This resulted in a budget adjustment, minimal training was provided which resulted in higher than budgeted revenue generation.

b. NaTIS online services

The Corporation introduced a convenience service which enables motor vehicle drivers to renew their driver's license and motor vehicle license online. The launch of these services was delayed due to the Gazetting process. The sevices were only launched on 17 February 2022.

c. DLTC Management

During the financial year the Corporation was appointed as a DLTC and henceforth to perform DLTC functions on behalf of Gauteng Department of Roads and Transport. The budget was adjusted, to account for the revenue generated from the function, at the rate public take-on. The Corporation reflected an under-recovery at year-end.

d. Infringement fees (AARTO income)

During the earlier part of the financial year the revenue generation rate of AARTO infringements were rapid which together with anticipated roll-out of AARTO in the rest of South Africa resulted in an upwards budget adjustment. The Constitutional Court then issued an order which halted the roll-out which can directly be attributed to the under-recovery of revenue.

28. Budget differences (continued)

e. Section 56 notices

The generation of revenue through Section 56 notices, which was dependent on the establishment of a law enforcement specialised unit utilising specialized law enforcement equipment, experienced technical glitches with regards to the equipment used. This resulted in the equipment not being optimally utilised, resulting in an under collection of budgeted revenue.

f. Employee cost

During the financial year the Corporation's staff complement increased from 1 215 to 1 883, including contracts, traffic trainees and interns. The significant budget variance can therefore be attributed to the aforementioned as well as a provision made for performance bonus which was zero for the previous financial year.

g. Depreciation

During the financial year the Corporation procured a significant amount of assets, this includes computer equipment for the Natis hardware refresh. The computer equipment was however procured post the significant budget adjustment.

h. Debt Impairment

The RTMC did not budget for this line item because it is not incidental to the normal operations of the Corporation.

i. Operating expenditure

During the financial the year the Corporation realised an overspend in total operating expenditure. Further analysis of the main contributors to the underspend is given below:

- **Advertising:** During the third quarter of the financial year the Corporation introduced online services and to reach public interest embarked on a marketing campaign.
- **Road Safety Education Material:** In contrast with the previous financial year where stock were high with limited procurement, the current financial year saw the procurement of educational materials for distribution during road safety campaigns, especially over the festive period.
- **Legal Services:** An on-going legal matter which the Corporation became a party to, resulted in a higher than budgeted expense reflected at financial year-end.
- **Communication cost:** The overspend on communication cost can be attributed to the increase in employee's who requires tools of trade in the form of communication devices.
- **Computer expenses:** The Corporation utilize numerous software packages which require an annual license fee. During the financial year the Corporation entered into an agreement which required a license fee payment resulting in a higher than budget expense.
- **Fuel, oil & lubricants:** During the financial year the Corporation change the shift system of the law enforcement unit which saw the vehicle being used for longer periods, to increase policing visibility, resulting in higher than budgeted expense.
- **Coordinated Traffic Training:** During the latter part of financial year the Corporation had an intake of almost 600 traffic trainees, the cost of which can be attributed to the overspend.
- **Travel and accommodation:** The lifting of inter-provincial travelling made it possible for the Law Enforcement unit to deploy office for operations which resulted in the overspend.

29. Accounting by principals and agents

The entity is a party to a principal-agent arrangements.

Details of the arrangements are as follows:

RTMC Acts as an Agent to:

1.) Cross-Border Road Transport Ageny (CBRTA)

At the beginning of the financial year ended 31 March 2018, the RTMC was appointed to perform the law enforcement function (Road Transport Inspectorate (RTI)) on behalf of the Cross-Border Road Transport Agency.

Pursuant to this decision, a binding arrangement was entered into between the Cross Border Road Transport Agency and the RTMC in terms of which the latter will undertake the law enforcement function (Road Transport Inspectorate) on behalf of the former with the following significant terms agreed upon:

- The functions of the RTI as provided in Section 39 of the CBRT Act, 1998 are now performed by the RTMC.
- All the employees of the RTI and their employment contracts were transferred to the RTMC, resulting in the RTMC being the new employer for the employees concerned.
- RTMC operationalise the roles and functions of the RTI as envisaged in the CBRT Act, 1998 subject, inter-alia, to the following, at a minimum:
  - The mandate of the CBRTA as contained in the CBRT Act, 1998, remains vested in the CBRTA,
  - The Chief Executive Officer of the CBRTA remains vested with the powers as set forth in Section 37 (1)(a) of the CBRT Act, 1998, and only personnel appointed as the National RTI by the Chief Executive Officer of the CBRTA may exercise the powers and perform the functions of the RTI in terms of the CBRT Act, 1998,
  - The CBRTA (principal) pays the RTMC service fee not exceeding the amount of penalty income collected.

The RTMC is the agent to the arrangement and the assessment was based on the fact the mandate and the responsibility for the function as contemplated in section 39 of the CBRT Act remains with the CBRTA while the RTMC undertakes the function on its behalf.

Also significant is the fact that the CBRTA directs the RTMC how it should carry this function. Risks associated with the execution of the function remains with the CBRTA.

2.) Infringement collection (RTIA) -

In terms of the appointment as DLTC by Gauteng Department of Roads and Transport, RTMC is eligible to collect any other fee owed to the Department and other Road Traffic Agencies as prescribed in the applicable legislation, section 17 of the AARTO Act;

Based on the above, an MOU is in place between RTMC and RTIA for the collection of AARTO infringements.

RTMC will accept all payments or part thereof, made by the infringer in respect of settlement of an infringement notice issued in terms of section 17 of the AARTO Act;

The Collecting Authority will retain 3% of the total amount collected which is VAT exempt and transfer the balance to the dedicated AARTO account.

3.) Online renewal of motor vehicle licences

During February 2022 financial year, RTMC and the Provincial departments of Transport entered into an agreement whereby RTMC provides online renewal of motor vehicle licences services on behalf of Provinces.

RTMC is an agent to the arrangement and the assessment is that the provinces remain responsible for the management of vehicles licencing. Further, only the provinces have the power to determine the minimum service performance of the RTMC.

29. Accounting by principals and agents (continued)

The risks associated with the execution of the function remains with the Provinces.

As a compensation for the services performed, the RTMC retains 8% of all the baseline fees and penalties collected on behalf of the provinces.

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal for the year ended 31 March 2022 is R41 827 353 (2021: R18 819 350).

Revenue

	2022	2021 Restated
RTIA - Aarto Infringements	201 803	-
Administration Fees - RTI Infringements	41 625 550	18 819 350
	41 827 353	18 819 350

Cost incurred in the provision of the services

Expenses	Total expenses	Operational cost	Total expenses
Administration Fees - RTI Infringements	75 044 111	7 780 183	82 824 294

Resources (including assets and liabilities) of the entity under the custodianship of the agent

	Assets	Liabilities
RTIA - Aarto Infringements	2 328 604	2 328 604

Receivables and/or payables recognised based on the rights and obligations established in the binding agreements

	Opening balance	Amounts collected on behalf of the principal	Amounts remmitted during period to the principal	Closing balance
RTIA - Aarto Infringements	-	7 903 887	(5 575 283)	2 328 604

RTMC Acts as a Principal to:

1.) RTIA - Aarto Infringements

RTMC is a principal to RTIA for the purposes of collection of AARTO penalties, this is in terms of Section 13 of the AARTO Act, 2008. The terms and conditions of this arrangement is clearly stipulated in the AARTO Act.

Fee paid

RTIA - Aarto Infringements	117 353	108 807

RTMC pays 3% of the transaction fee as compensation for services performed.

30. Change in estimate

Property, plant and equipment

In the current financial period, management reassessed the remaining useful lives of property, plant and equipment. The change in estimate is applied prospectively from 01 April 2021.

The property, plant and equipment useful lives were changed as follows:

Item	Depreciation method	Average useful life
Communication devices	Straight line	2 to 5
Machinery and equipment	Straight line	1 to 20
Computer equipment	Straight line	2 to 20
Fire arms	Straight line	10 to 20
Furniture and fittings	Straight line	4 to 30
Motor vehicles	Straight line	5 to 20
Office equipment	Straight line	2 to 15

The effect of this assessment has decreased the depreciation in the current period and accumulated depreciation. With regards to effects in future periods, it is impractical to estimate the effects, as management perform these assessments annually on all assets at the end of the financial period. The below table articulates the impact of the change in useful lives:

	2022	2021 Restated
Decrease in accumulated depreciation. Increase in accumulated surplus	18 181 182	6 762 807
(decrease in depreciation in property, plant and equipment)	(18 181 182)	(6 762 807)
	-	-

31. New standards and interpretations

31.1 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 2022 or later periods:

GRAP 25 (as revised 2021): Employee Benefits Background

The Board issued the Standard of GRAP on Employee Benefits (GRAP 25) in November 2009. GRAP 25 was based on the International Public Sector Accounting Standard on Employee Benefits (IPSAS 25) effective at that time. However, GRAP 25 was modified in some respects where the Board decided the requirements of the International Accounting Standard on Employee Benefits (IAS® 19) were more appropriate. Specifically, the Board:

- Eliminated the corridor method and required recognition of actuarial gains and losses in full in the year that they arise.
- Required the recognition of past service costs in the year that a plan is amended, rather than on the basis of whether they are vested or unvested.

Since 2009, the International Accounting Standards Board® has made several changes to IAS 19, including changes to the recognition of certain benefits, and where these changes are recognised. The IPSASB made similar changes to its standard and as a result of the extent of changes, issued IPSAS 39 on Employee Benefits to replace IPSAS 25 in 2016.

When the Board consulted locally on the proposed amendments to IPSAS 25 in 2016, stakeholders welcomed the amendments to align IPSAS 25 to IAS 19 and supported the changes that resulted in IPSAS 39.

In developing GRAP 25, the Board agreed to include the guidance from the IFRS Interpretation on IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IFRIC 14®) partly in GRAP 25 and partly in the Interpretation of the Standards of GRAP on The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (IGRAP 7).

Key amendments to GRAP 25

The Board agreed to align GRAP 25 with IPSAS 39, but that local issues and the local environment need to be considered. As a result of this decision, there are areas where GRAP 25 departs from the requirements of IPSAS 39. The Board's decisions to depart are explained in the basis for conclusions.

The amendments to GRAP 25 are extensive and mostly affect the accounting for defined benefit plans. A new renumbered Standard of GRAP (e.g. GRAP 39) will not be issued, but rather a new version of the current GRAP 25.

The effective date of these revisions have not yet been set.

It is unlikely that the revisions will have a material impact on the entity's annual financial statements.

GRAP 104 (amended): Financial Instruments

Following the global financial crisis, a number of concerns were raised about the accounting for financial instruments. This included that (a) information on credit losses and defaults on financial assets was received too late to enable proper decision-making, (b) using fair value in certain instances was inappropriate, and (c) some of the existing accounting requirements were seen as too rules based. As a result, the International Accounting Standards Board® amended its existing Standards to deal with these issues. The IASB issued IFRS® Standard on Financial Instruments (IFRS 9) in 2009 to address many of the concerns raised. Revisions were also made to IAS® on Financial Instruments: Presentation and the IFRS Standard® on Financial Instruments: Disclosures. The IPSASB issued revised International Public Sector Accounting Standards in June 2018 so as to align them with the equivalent IFRS Standards.

The revisions better align the Standards of GRAP with recent international developments. The amendments result in better information available to make decisions about financial assets and their recoverability, and more transparent information on financial liabilities.

The most significant changes to the Standard affect:

- Financial guarantee contracts issued
- Loan commitments issued
- Classification of financial assets
- Amortised cost of financial assets
- Impairment of financial assets
- Disclosures

The effective date of the amendment is not yet set by the Minister of Finance.

The entity expects to adopt the amendment for the first time when the Minister sets the effective date for the amendment. It is unlikely that the standard will have a material impact on the entity's annual financial statements.

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