Road Traffic
Management Corporation

ANNUAL REPORT

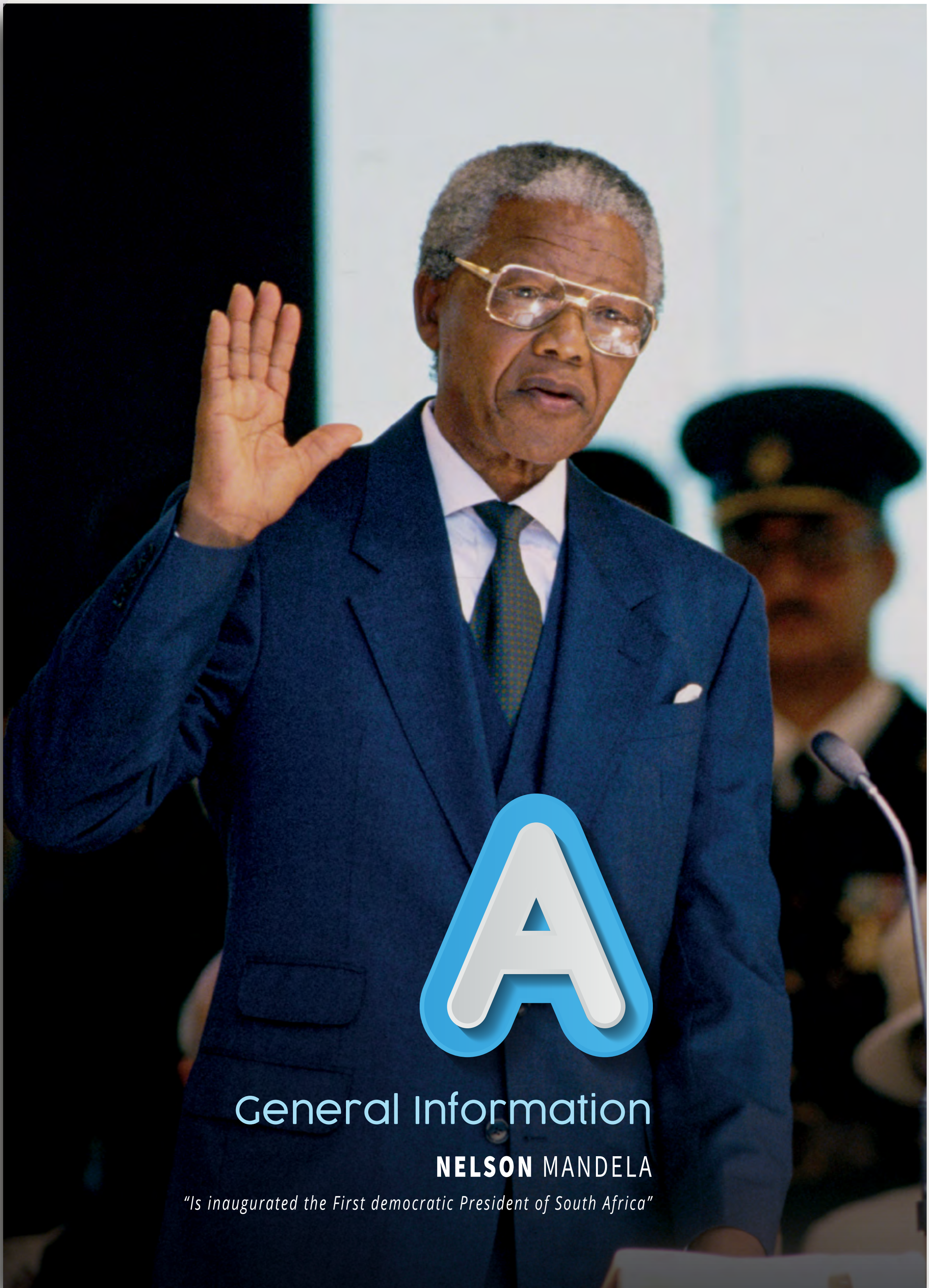
2023 / 2024

DEMOCRACY IN ACTION

30 Years

Table of Contents

30 YEARS OF FREEDOM
South Africa 1994 - 2024



A

General Information

NELSON MANDELA

"Is inaugurated the First democratic President of South Africa"

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 sigidikazi.petse@rtmc.co.za Qualifications: B Juris, LLB

Abbreviations and Acronyms

Abbreviation/Acronym	Meaning
AARTO	Administrative Adjudication of Road Traffic Offences
APP	Annual Performance Plan
CEO	Chief Executive Officer
CPA	Criminal Procedures Act
DoT	Department of Transport
DLTC	Driving Licence Testing Centre
ERRP	Economic Reconstruction and Recovery Plan
EOV	Examiner of Vehicles
EDL	Examiner of Driving Licence
MDG	Millennium Development Goals
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
POPIA	Protection of Personal Information Act
PFMA	Public Finance Management Act
RTTA	Road Traffic Training Academy
RTIA	Road Traffic Infringement Agency
RTI	Road Traffic Information
RTMC	Road Traffic Management Corporation
RTMCA	Road Traffic Management Corporation Act
SHC	Shareholders Committee
SADC	South African Development Community
SDG	Sustainable Development Goals
SP	Strategic Plan
UNDA	United Nations Decade of Action
UNRSC	United Nations Road Safety Collaboration

Foreword by the Chairperson of the Board

Introduction

On behalf of the Board, I am pleased to present the Road Traffic Management Corporation's (RTMC) 2023 – 2024 Annual Report. This was prepared in accordance with the Department of Planning, Monitoring & Evaluation (DPME) Annual Report Guide for public entities.

The RTMC is an entity of the Department of Transport (DoT), whose critical mandate it is to enhance the overall quality of road traffic service provision and ensure safety, security, order, discipline, and mobility on our roads.

The Report provides a universal outline of the RTMC's performance in terms of its operations, finances, governance, and sustainability, as well as its role as the country's lead entity on road safety.

Overview and Performance

Of the 22 planned targets for the year, 20 targets were achieved, translating to a 91% achievement rate.

The country's high number of road crashes remains a matter of grave concern. For that reason, the strategic outcome indicator relating to reduced road traffic fatalities target is set at 25% over five years, using the 2018 fatalities as a baseline. During the period January to December 2023, 11 883 fatalities occurred on our roads. This is a reduction of 266, translating to an 8% decline between 2019 and 2023.

The RTMC implemented road safety education and awareness campaigns to mitigate the high number of crashes and to mobilise communities to get involved in road safety initiatives.

Initiatives to increase the number of available traffic officers were undertaken by the RTMC during the period under review. The first cohort of RTMC trained traffic officers graduated on 31 March 2023. The second cohort of trainees who commenced their training on 21 May 2021 graduated on 14 May 2024. The third cohort of trainees will commence their training on 2 June 2024. Further training and development were also offered to serving traffic officers to improve their knowledge and skills levels. These initiatives are intended to ensure that we are capable and empowered to deliver Law Enforcement for 24/7, since there is a dire need to provide these essential services, to protect and save lives.

During the period under review, law enforcement officials conducted more interventions than were planned and exceeded their annual target. Focused attention was also given to fraud and corruption relating to the provision of road traffic services.

Strategic Relationships

The RTMC leveraged a strategic relationship with Uber. Consequently, the RTMC successfully hosted the National Road Safety Indaba. The Indaba identified and developed commitments towards the achievement of the country's road safety targets.

Challenges faced by the Board.

In its report, the RTMC committed itself to work for the realisation of the following goals:

i) elimination of wasteful and fruitless expenditure;
ii) reduction of irregular expenditure; and
iii) achievement of unqualified audits with no significant findings.

In essence, this was a resolve to uphold the culture of ethical leadership. Members of the Board are guided by King IV, Principle 1, which states that the Board must, amongst others, act in the best interests of the organisation. Although challenges remain, we soldier on.

Strategic focus over the medium to long term.

The Chief Executive Officer, Adv Makhosini Msibi, was re-appointed by Cabinet on 8 December 2023 for a three-year term. The Executive Manager: Road Safety, Stakeholder Relations and Marketing, Ms Refilwe Mongale, was appointed on 1 December 2023. This will bring about continuity and stability.

In the medium to long term, the RTMC must focus on:

- Implementing the National Road Safety Strategy 2016 – 2030.
- Planning and alignment of interventions across the country to achieve the desired outcomes.
- Managing data through collection, monitoring, and evaluation of programmes to measure the performance and effectiveness of the implemented programmes.
- Enhancing road safety research and development.
- Implementing national campaigns to reach as many people as possible.
- Determining norms and standards for road safety and traffic personnel; and
- Increasing private sector participation.

Acknowledgements

I wish to thank Members of the Board for their relentless and outstanding contribution to the business of the RTMC.

A special word of appreciation goes to the Minister of Transport, Ms. Sindisiwe Chikunga, and Deputy Minister, Mr. Lisa Mangcu and the Shareholders, for their commitment to improving road safety in the country.

In addition, we wish to thank the Department of Transport, for leadership and strategic guidance, the Parliamentary Committee on Transport (PCoT), other government departments, state-owned entities (SOEs) and other stakeholders who are partners of the RTMC. The Board's sincere appreciation goes to the Executives, Management, and employees of the RTMC for their dedication to the course.

Conclusion

The priority to build a capable, ethical, and developmental state remains central to the work of this entity. We will also pursue the task of building social cohesion and safer communities without compromise.

Ms Nomusa Mufamadi
Chairperson of the Board

The Board

Ms Nomusa Mufamadi
Chairperson

Adv Makhosini Msibi
Chief Executive Officer

Adv Johannes Makgatho

Ms Thandi Thankge (CD) SA

Dr Eddie Thebe

Prof Maredi Mphahlele

Prof Chitja Twala

Ms Lerato Magalo

Mr Nkhumeleni Kudzingana

Adv Xola Stemela

Ms Sigidikazi Petse
Company Secretary

Chief Executive Officer's Overview

It gives me pleasure to present the Annual Report of the Road Traffic Management Corporation (RTMC) for the financial year that ended on 31 March 2024. The 2023/24 financial year saw the RTMC experiencing stability in its operational environment and the RTMC managed to overcome challenges that it had experienced in the past.

The RTMC achieved 20 of the 22 targets during the year under review, which translates to it achieving 91% of its targets. The performance remains above 90% as was the case in the previous financial year. It is worth noting that the RTMC managed to increase revenue by 19%, which is above the planned target of 7%.

The Auditor General has issued the RTMC a clean audit report for the third consecutive financial year, indicating significant progress in implementing measures to ensure good governance and effective internal controls.

General Financial Review

Actual revenue collected during the period under review amounted to R 1.58 billion, which represents an increase of R154 million, compared to the previous year. The over-collection can be attributed mainly to the revenue collection for online licence renewals, AARTO, and training provisioning. When online services were introduced in 2022, it was projected that it would generate 2 000 transactions per day. However, we generated 3 500 transactions daily.

Spending Trends

Actual expenditure also showed a 7% increase on the approved allocated budget as compared to the previous year. The RTMC spent R1.44 billion during the period under review, compared to R1.34 billion spent in the 2022/23 financial year. Over expenditure is attributed to the Natis upgrade project, software licence fees as well as non-cash items such as depreciation and provisions.

Capacity Constraints and Challenges

The attraction and retention of employees with critical, core, scarce, and specialised skills remained a challenge. Financial constraints compelled the RTMC to revise its target relating to the number of learner licence testing centres computerised from 63 to 49. However, none of the planned activities were discontinued during the period under review.

Proposed New Activities

Two new indicators were developed during the period under review. These relate to the external stakeholder satisfaction survey and the internal stakeholder satisfaction survey. The aim is to achieve 80% satisfaction on both surveys.

Request for roll over of funds.

The RTMC has not made a request for the rollover of funds during the period under review.

Supply chain management.

The RTMC continues to implement sound governance policies, procedures, and controls to ensure the elimination of wasteful and fruitless expenditure and the monitoring of cases of irregular expenditure. During the period under review, a report was submitted to the Department of Transport which showed that the RTMC experienced no irregular expenditure during the year under review and had also obtained a clean audit in the 2022/23 financial year. The report highlighted a single instance where a salary was paid into an incorrect account owing to a scam.

The RTMC received and paid a total of 2 353 invoices within 30 days, which translated to 100% compliance. There were no unsolicited bid proposals concluded during the period under review.

SCM Compliance

The Supply Chain Management (SCM) has a Code of Conduct for SCM Practitioners in order to promote mutual trust, respect, and an environment where business can be conducted with integrity, fairness and in a responsible manner.

Members of Bid Committees are required to declare their interest, and where there is a potential conflict, such members recuse themselves from participating in the evaluation and adjudication process.

There are mandatory documents that bidders must complete in the bidding process and failure to complete these mandatory documents results in bidder disqualification.

Challenges and Resolutons

Challenges were experienced with invoices paid, but re-invoiced at a higher rate as well as incorrect billing and billing for services not rendered. Such invoices will not be paid and disputes will be formally resolved with suppliers concerned.

Audit report matters in the previous year and how they would be addressed.

The RTMC was issued with 27 audit findings for the year ending 31 March 2023. All 27 audit findings were resolved.

Outlook/Plans to address financial challenges.

The RTMC plans to expand its online offering to more financial institutions for renewal of vehicle licences and vehicle dealership for vehicle registration and change of owners to generate more revenue and strengthen its financial viability.

Acknowledgement/s or Appreciation

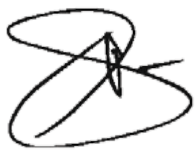
We acknowledge the pivotal role played by the Shareholder Committee, the Minister of Transport, Ms. Sindisiwe Chikunga and Deputy Minister, Mr. Lisa Mangcu in guiding and supporting the RTMC to improve its performance.

We thank the Portfolio Committee on Transport for its oversight and valuable inputs during the year.

Our heartfelt appreciation also goes to the Board under the capable leadership of Mrs Nomusa Mufamadi. We pledge to continue working collaboratively with the Board to build the RTMC into a truly high performance entity.

I also express my sincere gratitude to the Executive Management and staff for their continued diligence and loyalty towards the RTMC.

We reiterate our unwavering commitment to reducing road carnage in our country and ensuring safe, secure, and responsible use of the roads.



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 presents fairly the performance of the RTMC. The report has been prepared in accordance with best practice.

N. Mufamadi

Ms Nomusa Mufamadi
Chairperson of the Board
30 July 2024

Strategic Overview

Vision

The Road Traffic Management Corporation's vision is:

"SAFE ROADS IN SOUTH AFRICA"

Mission

"Create an environment which promotes safe systems approach for secure and responsible use of roads and improve service delivery through investment in technological solutions".

Values

The RTMC's values emanate from the Constitution of the Republic of South Africa. They emphasise the organisation's commitment to law and order and service delivery.

VALUES	MEANING
Integrity	The pledge to execute the RTMC'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
Excellence	A commitment to quality and outstanding service offering by applying thought leadership and teamwork
People Centred	To provide convenience and five-star service to South Africans, ensuring that all are treated with great care and dignity. To give service delivery a human face.

Table 1: RTMC Values

Legislative and Other Mandates

The RTMC is a Schedule 3A Public Entity with the mandate to perform a particular social or economic responsibility of government. The various legislations and application thereof are detailed below:

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 with 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 management as a Schedule 5 functional area, However, the Constitution provides for the national legislative authority over Schedule 5 matters under Section 44 (2) and the Section 76 (1). All the legislative mandates of the RTMC are enacted in terms of Section 76 (5) of the Constitution.

Table 2: RTMC's Constitutional Mandate

Road Traffic Management Corporation Act 20 of 1999 (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. The Act's objectives include:

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.
- 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 based on the user-pays principle.
- To regulate, strengthen and monitor inter-governmental contact and cooperation in road traffic matters.
- To improve the exchange and dissemination of information on road traffic matters.
- To stimulate research in road traffic matters and utilise effectively the resources of existing institutes and research bodies.
- To develop human resources in the public and private sectors that are involved in road traffic management.

Section 18 (1) of the RTMCA stipulates that the Shareholders Committee (SHC) must, as part of the organisational structuring of the RTMC, establish as many functional units as required as per the business and financial plan to ensure effective management of at least the ten functional areas depicted in Figure 1:

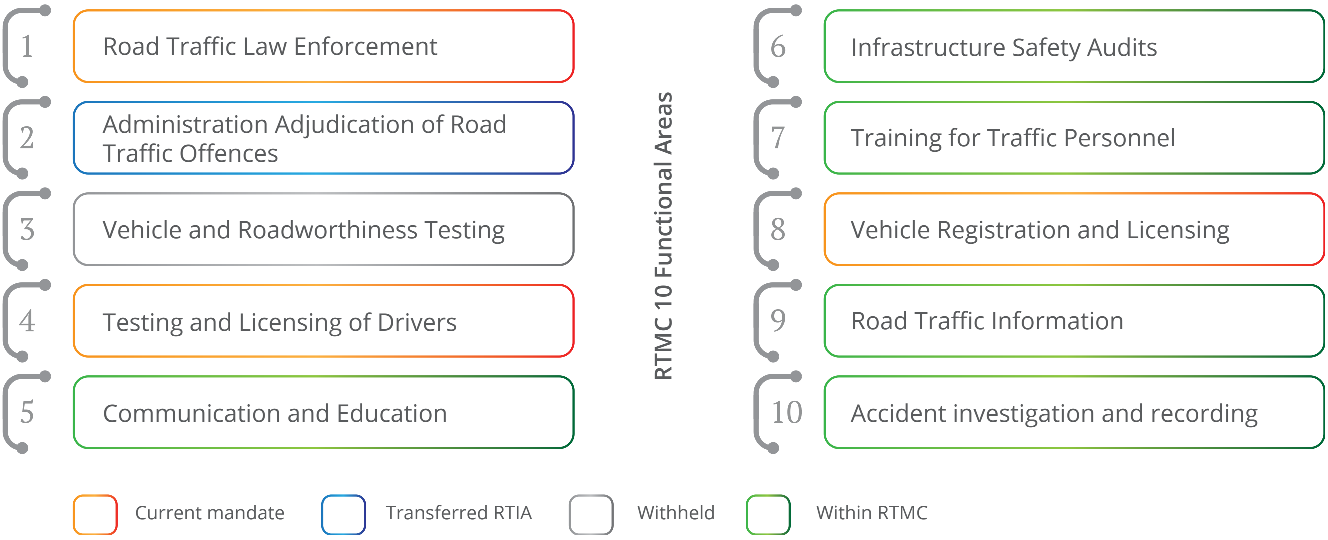


Figure 1: Functions of the RTMC as outlined in Section 18 of the RTMCA

The 10 functional areas are executed as follows:

Functional Area	Current Practice
Road Traffic Law Enforcement	Provincial and local authorities execute law enforcement operations, and the RTMC National Traffic Police (NTP) was created to conduct law enforcement operations in the nine provinces. Furthermore, the RTMC is responsible for thought leadership regarding law enforcement in the Republic.
Administrative Adjudication of Road Traffic Offences (AARTO)	The AARTO Act established the Road Traffic Infringement Agency (RTIA) as the agency responsible for the rollout and implementation of the AARTO system. Therefore, the function was duly transferred to RTIA. As part of the implementation of AARTO, the RTMC is responsible for the training of traffic personnel, and the development and maintenance of the National Contravention Register. The NTP already issues infringements in terms of the AARTO Act as part of the initial pilot project of AARTO.
Vehicle and Roadworthiness Testing	The function is not part of the mandate of the RTMC. The function is conducted by the provinces or municipalities as delegated.
Testing and Licensing of Drivers	The function is a concurrent function of National and Provincial Spheres of Government. During the 2021/22 financial year, the RTMC established for the first time two Driver Licence Testing Centres (DLTCs) which are operationalised through an agency agreement with the Gauteng Province. The DLTCs were established to provide an improved service delivery model.
Communication and Education	The function was transferred to the RTMC and is fully executed in line with the National Road Safety Strategy (NRSS).
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. The conducting of the road infrastructure audits is intended to grade our roads and ensure that they comply with safety standards and to ensure that the roads are designed to promote safety.
Training of Traffic Personnel	As part of the professionalisation of the traffic personnel, the RTMC has established the Road Traffic Training Academy, for the implementation of the NQF level 6 Traffic Officer Qualification. The training norms and standards function assists with the development and registration of the qualifications and also monitors compliance with the training norms and standards.
Vehicle Registration and Licensing	The function is partially fulfilled by the RTMC. The RTMC provides online Vehicle Registration and Licensing services.

Functional Area	Current Practice
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 road accidents. These are conducted in line with the defined criteria relating to major road accidents.

Table 3: Status of the 10 Functional Areas

The functions of the CEO – Section 29 of the RTMCA:

a) Manage and control the day-to-day affairs of the RTMC as per the business and financial plan.
b) Undertake, as per 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 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:
   (i) Undertaking feasibility and investment studies to ascertain the technical, commercial and economic viability of projects.
   (ii) Assisting the private sector in preparing business plans to provide equity and loan finance.
   (iii) Assisting potential private investors to ensure compliance with any legal requirements.
   (iv) Providing the private sector with advice
g) Promote private sector investment in road traffic by:
   (i) The establishment of investment helplines to assist potential investors.
   (ii) The publication of investment-related publications
   (iii) Holding national or localised conferences
   (iv) Organising 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
   (vii) Any other appropriate method
h) Report to the Shareholders Committee: -
   (i) On the level and scope of performance of the RTMC in terms of the business and financial plans
   (ii) On the impact of investment contracts contemplated in Section 37 and performance contracts contemplated in Sections 15(4) and 19(4)
   (iii) Subject to Section 38(2), on whether a private sector entity is better suited to perform the function envisaged in a public contract.
i) Perform the functions assigned to him or her by the Shareholders Committee and the Board on its appointment.
j) Assign functions to the managers of functional units if authorised thereto by the Shareholders Committee in terms of section 28(2)(u)
k) Exercise and perform all the powers and duties conferred or imposed by this Act or by any other law.
l) Exercise and perform all the powers and duties incidental to the above-mentioned powers and duties.

National Road Traffic Act 93 of 1996 (NRTA)

The NRTA provides for road traffic and related matters that apply uniformly throughout the Republic. 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. It facilitates the consolidation of land transport functions and locates them in the appropriate sphere of government.

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

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

Criminal Procedures Act 51 of 1977 (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 process in criminal prosecutions. A traffic officer is appointed as a peace officer as stipulated in Section 334(2) (A) of the CPA and contains schedules of offences a peace officer may impose.

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 introduce certain conditions to establish minimum requirements for the processing of personal information.

Other Applicable Legislation

Legislation	Context
Public Finance Management Act, 1999 (No. 1) and applicable regulations	The PFMA also provides for reporting against predetermined measurable objectives contained in short and medium-term 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. • Sections 40 (3) and 55 (2) provide the basis for reporting performance against predetermined objectives. • Section 38 (d) of the Act states that the accounting officer is responsible for managing, safeguarding, and maintaining a department 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 to also manage available working capital efficiently and economically
Statistics Act, 1999	The Statistics Act provides 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. Using official statistics strengthens the quality of government and institutional short- and medium-term plans.
Promotion of Equality and Prevention of Unfair Discrimination Act, 2000	The Act ensures the promotion of equality, non-racialism and non-sexism and unfair discrimination in line with Sections 9 and 10 of the Constitution

Table 4: 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 global norms. Figure 2 below provides more information:

Figure 2: Road Safety Policies/Instruments

Global Policy Instruments - Sustainable Development Goals

The RTMC's road safety responses are underpinned by two important global policy instruments: the Sustainable Development Goals (SDG) and the Global Plan for the Decade of Action for Road Safety. The SDGs were created in 2015 in Paris as a response to the development challenges facing the global community. There was acceptance globally that road safety is linked to poverty, education, and health goals. The inclusion of road safety in the Sustainable Development Goals (SDGs) in 2015 shows increased international attention to road safety challenges.

Figure 3: Sustainable Development Goals

Road Safety was included in the development agenda in 2015, following increased international attention to road safety challenges. The SDGs consists of 17 goals, two of which relate to road safety as depicted in the table below:

Goal	Road Safety Target
3 GOOD HEALTH AND WELL-BEING	Halve the number of global deaths and injuries from road traffic accidents by 2020.
11 SUSTAINABLE CITIES AND COMMUNITIES	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.

Table 5: Road Safety Sustainable Development Goals and Targets

As part of the process of intensifying the participation of South Africa in the global agenda, 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 the lead agency on road safety has certain roles and responsibilities as outlined in the Global Plan for Road Safety which are stated below:

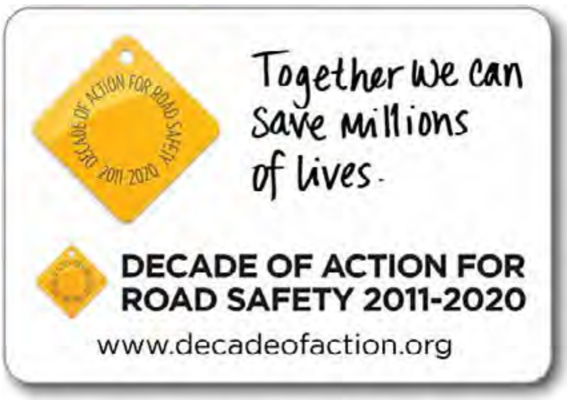
- Develop a coherent national road safety strategy that responds to key national, regional and global priorities.
- Coordinate planning and alignment of interventions across the country to achieve the desired outcomes.
- Manage data through collection, monitoring and evaluation of programmes to measure 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 norms and standards 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 resolution 64/255 in 2010 which recognises road traffic injuries as a public health challenge threatening progress towards the achievement of the Millennium Development Goals (MDGs).

First Decade of Action for Road Safety

11 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 which aimed at reducing road traffic fatalities.



"Let us strengthen this global movement through real action against road deaths, and save millions of lives and billions of rands and dollars. But, we must issue this call: Let us act now!" – Sibusiso Ndebele, launch of the Decade of Action for Road Safety 2011- 2020 in South Africa, May 2011

Figure 4: First Decade of Action for Road Safety 2011-2020

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 accident 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 6: 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 road injuries and deaths from 2021 to 2030 by at least 50% using 2020 as a baseline year. The supporting global plan for road safety was launched in the 2021/22 financial year and guides the implementation of plans towards the attainment of road safety global goals. The plan emphasises the following actions:

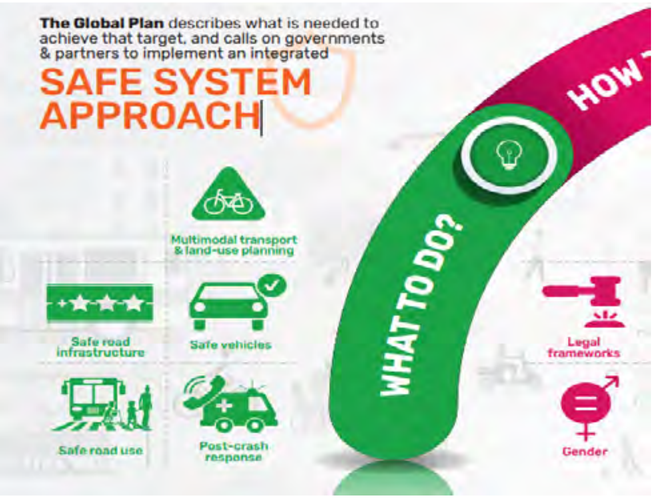


Figure 5: Second Decade of Action for Road Safety 2021 – 2030

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 the 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.

The *2007 Ministerial Round Table - African Road Safety Conference,* was held in Ghana. The conference declared road safety as a health, transportation, enforcement, educational, 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 the government adopted through the Cabinet. The following plans and strategies apply:

National Road Safety Strategy (NRSS) 2016-2030

The National Road Safety Strategy, which was developed between 2016 and 2030, is a product of both national and international policy on road safety and was approved by the Cabinet in March 2017. The purpose of the NRSS is to enable the reduction of fatalities and road accidents on the country's roads through effective action by all South Africans led by the RTMC. The NRSS's 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 and (4) Road Infrastructure and Design. The responsibility for implementation of the NRSS is shared across several key road safety entities and stakeholders.

Figure 6: Strategic Vision and Mission of the NRSS

National Road Traffic Law Enforcement Code (NRTLEC)

The National Road Traffic Law Enforcement Code (NRTLEC) was developed and seeks to integrate and harmonise the road traffic law enforcement environment. The code will ensure standardisation of norms and standards in the areas of strategic direction and goals, minimum requirements for training and appointment of road traffic law enforcement officers, operating principles; performance levels; management of information systems and non-compliance with the national road traffic law enforcement code.

National Development Plan (NDP)

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

Priority 8 (Health Care for All)

The NDP sets out a target to reduce road 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 within road safety:

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

Figure 7: NDP Factors

The priority is linked to the RTMC's mandate: to enhance the overall quality of 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, and where the rule of law and compliance must be upheld. High levels of corruption especially within the traffic fraternity, places a negative perception on the law enforcement fraternity. The RTMC aims to combat fraud and corruption by creating an integrated approach and dynamic anti-corruption strategy and structures.

Medium-Term Strategic Framework (MTSF)

The MTSF is one of the government's key means of tracking progress towards achievement of the NDP 2030 annually. Consequently, the RTMC's Strategic Plan (SP) and Annual Performance Plan (APP) were aligned with the MTSF to enable its implementation. 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. The main 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 seven priorities shown in the figure below:

MTSF Priorities

- **Priority 1:** Capable, ethical and developmental 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:** SpatialIntegration, human settlements and local government
- **Priority 6:** Social cohesion and safer communities
- **Priority 7:** A better Africa and world

Figure 8: MTSF Priorities

Out of the seven priorities identified by the MTSF, the RTMC is most aligned to priorities 1, 3 and 6. The RTMC gives effect to these by positioning itself as a high-performing capable state organ and aligned to its mandate also endeavours to ensure safer communities.

Priority 1: Capable, Ethical and Developmental State

The emphasis on the public sector, economy and broad state has centred on the developmental priorities of the country. The Medium-Term Strategic Framework Priority 1: Capable, Ethical and Developmental State classifies the priority as follows:

Capable state

A capable state has the required human capabilities, institutional capacity, service processess and technological platforms and technologicl platforms to deliver on the NDP through the social contract with the people.

Ethical state

An ethical state is driven by the constitutional values and principles of public administration and the rule of law focused on the progressive realisation of scoio-economic rigths and social justice as outlined in the Bill of rights.

Developmental state

A developmental state that 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 partnership with all sectors of society.

Figure 9: MTSF Capable State Dimensions

Priority 3: Education, Skills and Health

The MTSF envisages improved post-school education and skills training targeting young people who are unemployed or the school/education system. The notable barrier to entry in this regard is funding for post-school education which requires collaboration between all key players in education and training.

Priority 6: Social Cohesion and Safer Communities

Through its operations in Law Enforcement, Communication and Education as well as system integrity, the ultimate objective as per the vision is to create a safer road environment in South Africa, responding to the Social Cohesion and Safer Communities priority which acknowledges the need to:

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

Department of Transport (DoT) 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 five key priorities have been identified which will guide the effort of the sector:

1
Safety as an enabler of service delivery

2
Public transport that enables social emancipation and an economy that works

3
Infrastructure build that stimulates economic growth and job creation

4
Building a maritime nation, elevating the ocean's economy

5
Accelerating transformation towards greater economic participation

Figure 10: DoT Priorities

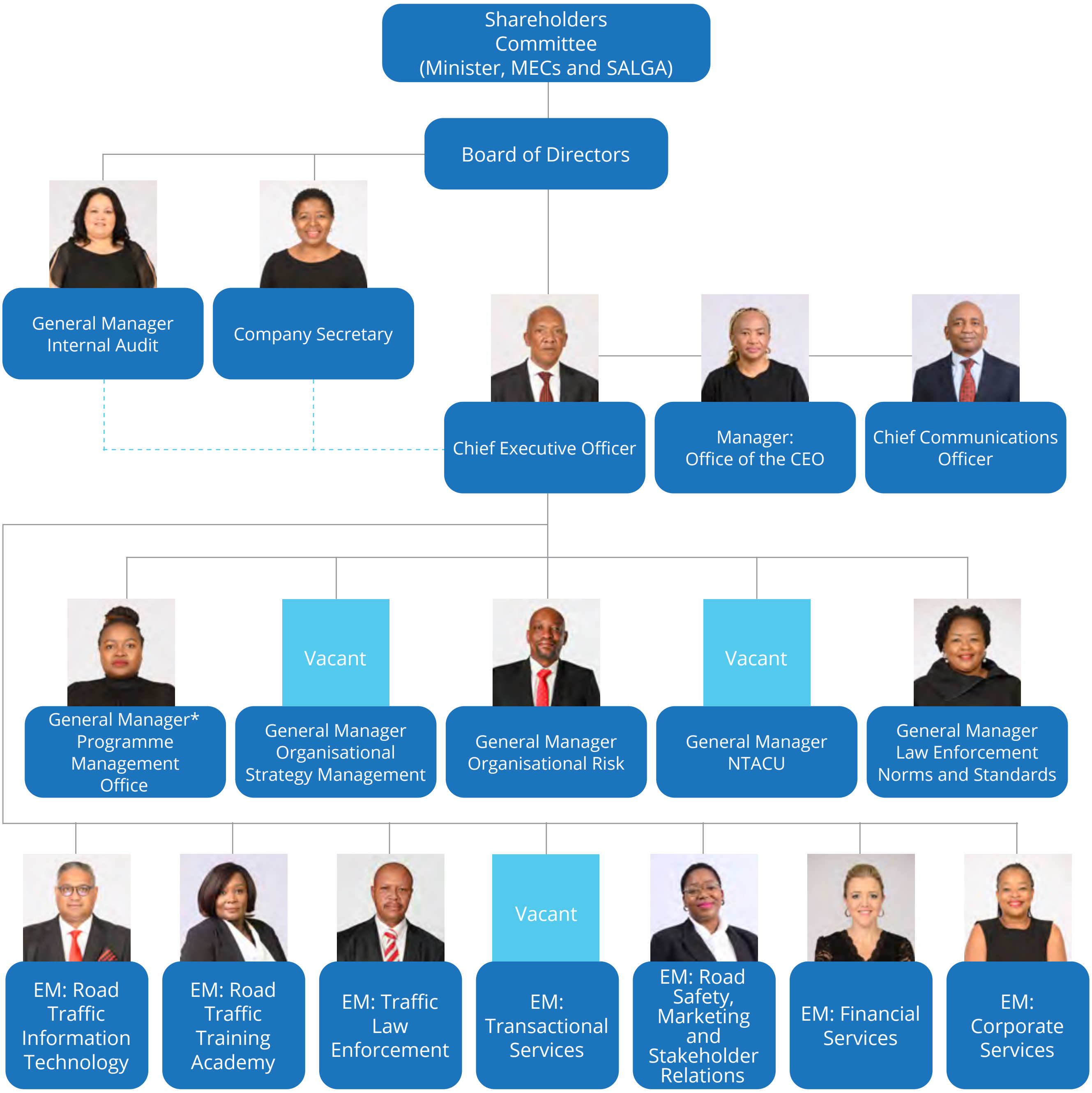
RTMC aligned its key strategic deliverables to the following DoT priorities:

RTMC alignment to DoT Priorities	
Priority 1:	**Priority 5:**
Stipulates the roll out of the 365-days action agenda, which aims 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	The transformation agenda of the transport sector must focus on contributing 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

Table 7: DoT Priorities Alignment

Organisational Structure

Organisational performance is largely determined by how well the organisation is configured to deliver on its mandate and to execute its strategy. Therefore, the structure and the strategy must be aligned. The approved structure continues to enable the RTMC to deliver on its mandate and caters for anticipated future functions that may be transferred to the RTMC. The figure below depicts the current structure, highlighting filled and vacant posts:



Vacant Positions: General Manager: Organisational Strategy Management

* General Manager: PMO (and Acting General Manager: Organisational Strategy Management)

Figure 11: Organisational structure.

Executive Management

Adv. Makhosini Msibi
Chief Executive Officer

Vacant

Executive Manager:
Transactional services

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

Liana Moolman CA (SA)
Executive Manager:
Financial Services

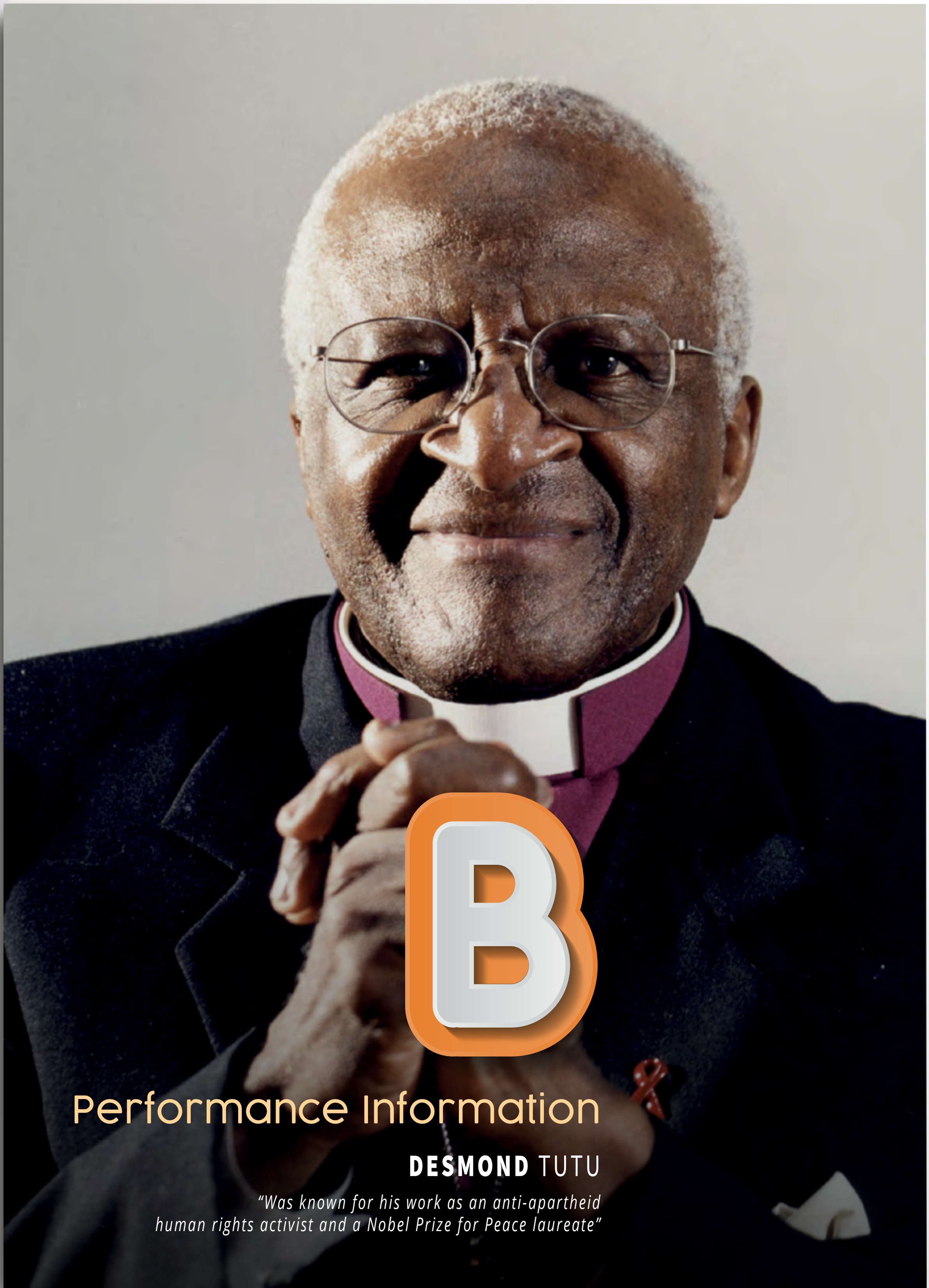
Refilwe Mongale
Executive Manager:
Road Safety, Marketing and
Stakeholder Relations

Stephen Podile
Executive Manager:
Road Traffic
Law Enforcement

Nompumelelo Ramutle
Executive Manager:
Corporate Services

Ntombizodwa Mobeng
Executive Manager:
Road Traffic Training Academy

30 YEARS OF FREEDOM
South Africa 1994 - 2024



B

Performance Information

DESMOND TUTU

"Was known for his work as an anti-apartheid human rights activist and a Nobel Prize for Peace laureate"

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 (2023/2024) of the RTMC for the year ended 31 March 2024.

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 95 to 96.

Overview of Public Entity's Performance

Service Delivery Environment

Aligned to Government priorities.

The strategic cycle 2020-2025 commitments of the RTMC are aligned with three (3) of the seven (7) MTSF. This aims to ensure meaningful contribution to the aspirations and targets of the 6th administration. The three MTSF priorities with the business of the RTMC are discussed in detail below.

Priority 2: Economy transformation and job creation.

The RTMC under Programme 2 emphasised job creation by fostering learning and development through the intake of the first cohort of trainees who graduated on 31 March 2023. The second cohort of trainees commenced their training in May 2021 and graduated on 14 May 2024. The third cohort of trainees will commence on 2 June 2024. The employment of the traffic trainees means an opportunity to provide jobs especially for people who were previously unemployed.

Priority 6: Social cohesion and safer communities.

Programmes 1, 3 and 4 contribute to the creation of a safe South Africa. Programme 1 speaks to matters of road safety education and awareness campaigns conducted within provinces, Programme 3 addresses the enforcement of traffic legislation to ensure that there is law and order on South African roads. Programme 4 responds to the question of corruption and the National Traffic Corruption Unit initiatives to deal with the scourge of fraud and corruption within the road traffic services.

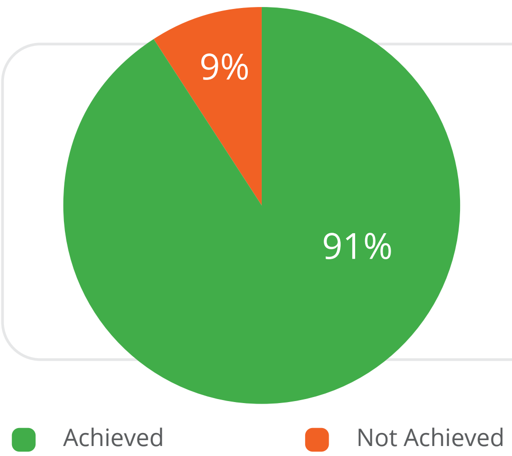
Priority 1: Capable, ethical and developmental state.

Public servants are the embodiment of a capable institution which ultimately leads to a capable state. The RTMC through the guidance of the Board and the expertise of its Executive, have put in place internal controls that have seen the RTMC receive clean audits from the Auditor General of South Africa. The RTMC leadership introduced an innovative revenue model that seeks to ensure a financially sustainable organisation.

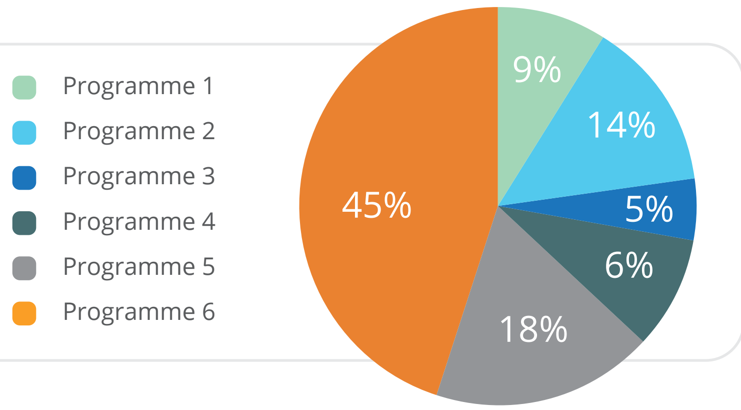
Summary performance

During the year under review, the RTMC 2023/24 APP was subdivided into six programmes; Programme 1: Road Safety, Marketing and Stakeholder Relations Management, Programme 2: Training of Traffic Personnel, Programme 3: Law Enforcement, Programme 4: Traffic Intelligence and Security, Programme 5: Road Traffic Information and Technology and Programme 6: Support Services. There were 22 planned targets for the year and 20 targets were achieved, translating to a 91% achievement of planned targets. The summary of performance for the 2023/2024 financial year is depicted below:

ORGANISATIONAL PERFORMANCE 2023/24



% DISTRIBUTION PER PROGRAMME



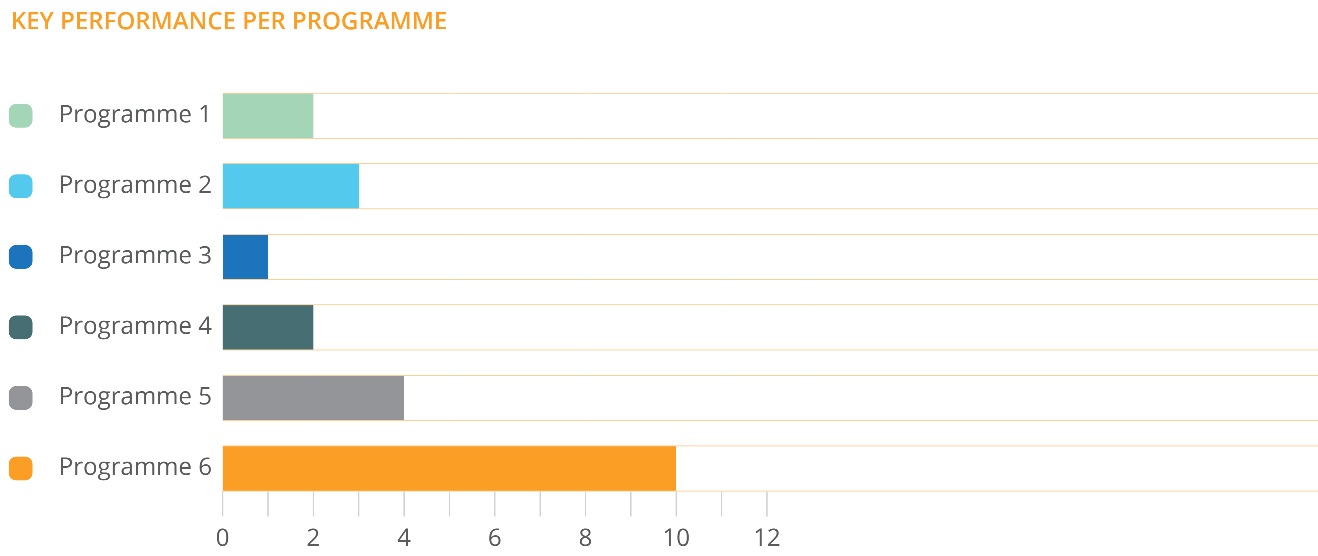


Figure 12: Summary performance 2023/24.

Other activities

National Easter Campaign

The campaign was launched on 20 March 2024 in Piet Retief, Mpumalanga by the Minister of Transport. The Easter plan was implemented in three phases: pre, during and post in collaboration with stakeholders. The plan addressed among others pedestrian safety, use of seatbelts and child restraints, impaired driving, distracted driving, dangerous and inconsiderate driving and tyre safety.

United Nations Global Road Safety Week

May 2023 marked the commemoration of the UN Global Road Safety Week which was held from 15 -19 May 2023. The World Health Organisation (WHO), in collaboration with partners, organised periodic UN Global Road Safety Weeks. This year marked the 7th edition of the programme. It focused on sustainable transport, particularly the transition to walking, cycling and using public transport. All road safety and sustainable mobility partners were invited to mark the 7th UN Global Road Safety Week by organising events and activities and sharing messages and materials on social media. In South Africa, this event was launched by the Minister of Transport, Ms S Chikunga on 15 May 2023 at the Huguenot Tunnel, N1, Cape Town, Western Cape. The RTMC bolstered the campaign through specific marketing and communication messages on internal communications platforms, social media and digital media platforms.

Women's Month

August is **Women's Month in South Africa**. During this period the acknowledgement of the triple oppression faced by South African women due to class, gender, and race took national precedence. Therefore, it is essential to continue empowering women through education, skills development, and active participation. The RTMC profiled women employees through a digital media campaign where women related historical gender and societal issues to contemporary women's struggles. The campaign was successful in giving RTMC women across employment levels a voice.

Heritage Month

During Heritage Month, Government called upon all South Africans to foster greater social cohesion and shared national identity. September included a long weekend, characterised by social, entertainment, cultural and outdoor events and tourism. The social media campaigns promoted safer road conduct by all road users in anticipation of increased outdoor activities at the start of the warmer season. The focus areas included alcohol and drug abuse, reckless and negligent driving as well as safety belts and child restraints.

Festive season

The announcement of the 2023/24 Festive Season preliminary Road Traffic Statistics by the Minister of Transport Ms Sindisiwe Chikunga took place on 24 January 2024 at Grasmere toll plaza, Gauteng. The Minister was joined by key stakeholders in the road traffic sector including representatives from law enforcement, government agencies, the private sector, and road safety organisations.

Organisational Environment

Key Appointments

The Chief Executive Officer was re-appointed by Cabinet on 8 December 2023 for a period of three years. The Executive Manager: Road Safety, Marketing and Stakeholder Relations Management was appointed on 1 December 2023.

Key Policy Developments and Legislative Changes

For the period under review, the RTMC did not have any policy development or legislative changes.

Progress Towards Achievement of Institutional Impacts and Outcomes

During the strategic period under review, two outcome indicators were developed as follows:

Impact	Outcome	Outcome indicators	Baseline	Five–Year Target
Safe Mobility on SA Roads	Reduced Road Fatalities	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 8: Outcome Indicator Development

Reduced Road Fatalities

The strategic outcome indicator relating to reduced road traffic fatalities target is set at 25% over five years, using the 2018 fatalities as a baseline. On 31 December 2023 fatalities had reduced to 11 883, a reduction of 1 038, translating to an 8% decline between 2018 and 2023. Year-on-year performance is as follows:

Year	Number of fatalities	Performance in fatalities over the strategic period
2018	12 921	Strategic period baseline
2019	12 503	418 less fatalities, 3,2% reduction
2020	9 969	2 952 less fatalities, a 22,8% reduction in fatalities
2021	12 545	376 less fatalities, 2,9% reduction
2022	12 436	485 less fatalities, 3, 7% reduction
2023	11 883	1 038 less fatalities, 8% reduction

Table 9: Strategic Outcome Indicator Performance 2018 – 2023

The graph below depicts the outcome indicator performance against the National Road Safety Strategy (NRSS) target from 2016 to 2023:

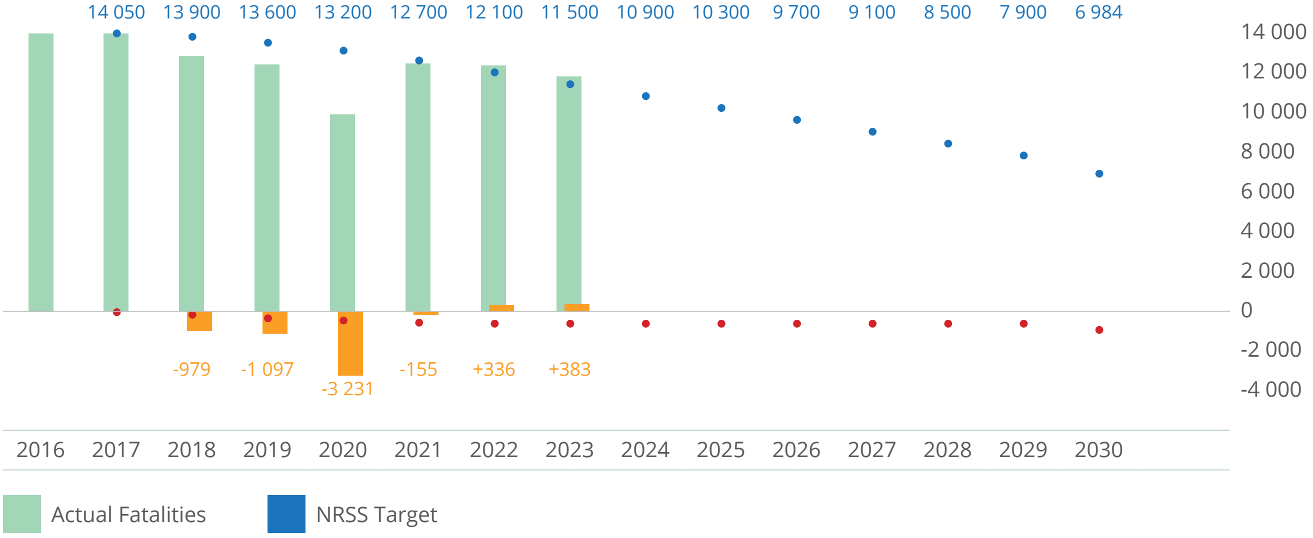


Figure 13: Progression Towards NRSS Targets

High Performing Organisation

The outcome indicators for high-performing organisations aims to measure the effectiveness of the RTMC by conducting internal and external stakeholders surveys. The target set over five years is that the RTMC will maintain 80% satisfaction levels. The update is provided below of the performance for the respective targes:

External Stakeholder Satisfaction Survey

During the 2022/23 financial year, an external stakeholder survey was undertaken, focusing on key stakeholders that engage with the RTMC in various focus areas. The research approach used to determine the external stakeholder satisfaction baseline was a mixed method, where both quantitative and qualitative data were collected and analysed. The baseline external satisfaction score is 68%. An external survey will be conducted to monitor progress against the target of 80% during 2024/25 financial year. During the year under review, the focus has been on the implementation of the following interventions:

Initiative	Purpose
Implementation of the Stakeholder Management Strategy (SMS)	The SMS provides guidelines which are meant to effectively engage, consult and provide feedback to all categories of stakeholders, namely: • The Private Sector. • Public Sector. • The Community; and • International Community
Improve coordination within the government	• Improved co-ordination of NRSSC and its committees. • Actively participate in the National Department of Transport and other Entities' processes, engagements, activities and meetings.
Consult, engage and manage private and community sectors	• Continuous engagement and involvement of private and community-based stakeholders on RTMC services and products.

Table 10: External Stakeholder Satisfaction Initiatives

Internal Stakeholder Satisfaction Survey

The employee and management satisfaction survey was undertaken in 2022. The purpose was to determine the satisfaction level of management and employees about their work. RTMC was able to determine a baseline for the internal stakeholder satisfaction survey at 55%. The next survey will be conducted during the 2024/25 financial year. During the year under review, the focus has been the implementation of interventions to improve staff satisfaction. The table below details initiatives implemented to date:

Initiative	Purpose
Total Rewards Strategy	To create an Employee Value Proposition
Remuneration Policy	To create a competitive remuneration philosophy
Integrated Human Capital Strategy	To attract, manage, develop and retain a workforce to achieve the RTMC mandate
Prevention and Elimination of Harassment in the Workplace	To ensure that the environment within RTMC is free from any form of harassment

Table 11: Internal Stakeholder Satisfaction Initiatives

Institutional Programme Performance Information

Programme 1: Road Safety, Marketing and Stakeholder Relations

The strategic focus of Road Safety, Marketing and Stakeholder Relations is cemented on the collaborative execution of campaigns in line with the mandate of the RTMC, which exists as a partnership between the three spheres of government. The Programme's strategic mandate of forging relationships is in response to the clear directive of road safety as a matter of societal concern. The programme encompasses of the following sub-programmes:

<table>
<tr><th>Sub-programme</th><th>Purpose</th><th>Link to institutional outcomes</th></tr>
<tr><td>Road Safety programmes</td><td>To advocate, communicate and educate the public on road safety in the Republic</td><td>Reduced road fatalities</td></tr>
<tr><td>Marketing</td><td>To market road safety campaigns and the RTMC value offering to the public</td><td rowspan="2">High performing organisation</td></tr>
<tr><td>Stakeholder Management</td><td>To develop, maintain and monitor stakeholder relations in support of the mandate of the RTMC</td></tr>
</table>

Figure 13: Road Safety, Marketing and Stakeholder Management Sub-Programmes

Youth programme

The RTMC in collaboration with provinces developed a youth programme. The implementation of the programme resulted in 172 activities being undertaken across the respective provinces. The activities per province reported were as follows:

Province	Number of Youth Activities
Eastern Cape	16
Free State	35
Gauteng	21
Kwazulu-Natal	12
Limpopo	42
Mpumalanga	17
North West	18
Western Cape	11
Total	**172**

Table 12: Youth Activities per Province

Road Safety Debate and Participatory Educational Techniques (PET) Programme

Road Safety Debate

The National Road Safety Debate Programme is aimed at high school learners to impart road safety knowledge among peers. The endeavour commences at a district level where district champions graduate to the provincial competition, and this culminates into progression into a national competition hosted by the RTMC which was virtually held in October 2023. The Northern Cape, Western Cape, Northwest, Gauteng, Limpopo, and Mpumalanga Provinces participated in the national competition. Some of the topics covered during the competition include:

The competitions were staggered with the rural and urban category teams competing. The motions for the two categories were as follows:

Category	Motion
Rural	The AARTO points demerit system will reduce road crashes in South Africa
Urban	The Global Plan for the Decade of Action for Road Safety 2011-2020 was a success in South Africa

Table 13: Category Teams

The national debates competition outcome per province were as follows:

Road Safety Debates- Rural	
1st	Mpumalanga
2nd	Limpopo
3rd	North West
Best speaker	North West
Best trainer	Mpumalanga
Road Safety Debates - Urban	
1st	Mpumalanga
2nd	North West
3rd	Limpopo
Best speaker	North West
Best trainer	Mpumalanga

Table 14: PET and Debates outcomes

Participatory Educational Techniques (PET)

The national PET is aimed at encouraging learners to identify road safety challenges in their communities and to be part of developing and implementing sustainable solutions that contribute positively to safer road users and the reduction of fatalities. The RTMC hosted the National PET Competition, in which six provinces participated: Gauteng, North West, Northern Cape, Western Cape, Limpopo, and Mpumalanga.

The outcome of the PET competition was as follows:

Participatory Educational Techniques- Rural	
1st	Limpopo
2nd	Western Cape
3rd	Mpumalanga
Best trainer	Limpopo
Participatory Educational Techniques – Urban	
1st	Mpumalanga
2nd	Gauteng
3rd	Limpopo
Best trainer	Mpumalanga

Table 15: PET competition outcomes

Driver Programme

The RTMC in collaboration with Provinces developed a driver programme that aims to improve road education awareness among drivers. The programme was implemented with interest groups which included among others freight, communities, private and non-government organisations. The activities per province undertaken in the implementation of the programmes are summarised below:

Province	Number of Driver Activities
Eastern Cape	40
Free State	29
Gauteng	43
Kwazulu-Natal	68
Limpopo	81
Mpumalanga	28
Western Cape	15
Total	**304**

Table 16: Driver Activities per Province

The National Road Safety Indaba

The RTMC in collaboration with Uber successfully hosted the National Road Safety Indaba to identify challenges and subsequently develop commitments towards the achievement of the country's road safety targets which are aligned with the National Department of Transport's 2019-2024 strategic cycle of a 25% reduction of fatalities, the National Road Safety Strategy target of reducing fatalities by 50% by the year 2030 which also finds alignment to the National Development Plan. This event was held in November 2023 under the "Leave no one behind on Road to Safety" inspired by the 2023 State of the Nation Address. Attendance is summarised below:

SECTOR	NUMBER	DISTRIBUTION
Academic	8	6%
Business	23	17%
Government	32	29%
NPO	4	3%
SOE	45	34%
Media	14	11%
TOTAL	**126**	**100**

Table 17: Road Safety Indaba attendance

The Indaba was structured into three streams as outlined below:

Workstream 1: Safer Roads and Mobility

State of our roads and planning with safety considerations: How can road authorities adopt regular road and mobility safety auditing practices?

Workstream 2: Safer Vehicles

Active and Passive Vehicle Safety Features: What interventions would make vehicles safer, reduce crashes and fatalities?

Workstream 3: Safer Road Users

Speeding, jaywalking, the misuse of alcohol and ignorance of the rules of the road by road users: Which initiatives can effectively induce safer road user behaviour?

Figure 14: Indaba workstreams

Presentations by experts from various organisations were delivered as follows:

Safer Roads and Mobility

- SALGA - Safer roads and challenges in local government
- SARF - The use of technology and information for safer roads
- RTMC - South African Road Safety Audit Manual and Standards
- RTMC - Road safety engineering capacity in South Africa

Safer Vehicles

- Gauteng Office of the Premier - Reducing Crashes with Advanced Driver Assistance Systems
- Renault - Human First Programme
- DoT - Electric Vehicles and Road Safety
- NRCS - Automotive Vehicle Homologation Process

Safer Road Users

- TUT - Pedestrian Safety Management And Policing in reducing raod traffic injuries and Deaths
- Aweare.Org - “Don’t Drink & Drive”
- SAMRC with UNISA Institute of Social and Health Sciences - Alcohol and its implications for Road Traffic Crashes in South Africa incorporation Driver Intoxication and fatal Crashes
- CSIR - Inattentive and Distracted Road User Behaviour
- Limpopo Department of Transport and Community Safety Pedestrian Road Safety
- Volkswagen South Africa - VW Night School

Figure 14: Road Safety Indaba Presentations

Recommendations from the workstreams culminated in the following immediate resolutions:

- Increase investment in road safety research and create a single repository channel for easy access.
- Tactical urbanism interventions to be adopted in hazardous points and areas.
- Promotion of safety belts and child restraint features in vehicles.
- Improve road traffic engineering by considering the introduction of compulsory in-service training at local municipalities on road safety for engineering graduates.
- Improve road markings and demarcations for visibility in inclement weather conditions and the ability to be read by vehicle sensors.
- Design and develop a road safety messaging framework that shows alternatives to drinking and driving (i.e. rideshare or alternate Driver).

Road Safety Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

All predetermined performance objectives were achieved as planned.

Programme 1: Road Safety Stakeholder Relations Management Sub Programme: Road Safety Marketing Outcome Reduced road fatalities							
Output	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from the planned target**	**Reasons for deviations**
Create awareness of road safety matters	Number of road safety programmes implemented	Four road safety educational programmes implemented	Three road safety educational programmes implemented	Three road safety educational programmes implemented	Three road safety educational programmes implemented	-	-
	Annual National Road Safety Indaba report developed for approval by the CEO	-	-	One Annual Road Safety Indaba report submitted to the CEO for approval	One Annual Road Safety Indaba report submitted to the CEO for approval	-	-

Table 18: Road Safety, Marketing and Stakeholder Management

Programme 2: Training of Traffic Personnel

The Programme is responsible for the implementation of 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. The programme encompasses of the following sub-programmes:

Sub-Programme	Purpose	Link to Institutional Outcomes
Training Development	To implement the curriculum through theoretical and practical training	High performing organisation
Training Material Development and Quality Assurance	To develop training material based on qualification and curriculum requirements and further to quality assure the training process and assessments.	
Administration and Learner Support	To provide administrative support to the entire academy and the learner affairs component provides psychosocial, spiritual and counselling support to the learner	

Table 19: Training of Traffic Personnel Sub-Programmes

Upskilling of Existing Traffic Officers

The upskilling programme for traffic officers is aimed at improving the knowledge and skill levels of existing traffic officers. The RTMC delivered three modules covering Advanced Driving, Examiner for Driving Licence and Examiner of motor Vehicles. The outcomes of the modules delivered are provided in the table below:

Module	Number of trainees	Competent	Not competent	% Competence
Examiner for Driving Licence (EDL)	127	124	3	98%
Examiner of Vehicle (EOV)	73	67	6	92%
Advanced Driving Course (AD)	10	10	0	100%

Table 20: Upskilling of Existing Traffic Officers

Traffic Trainees NQF Level 6 Traffic Officer Qualification

The RTMC offers training on NQF level 6 Traffic Officer Qualification, which is a three-year diploma. The second cohort of trainees of the programme commenced their training in 2021. The RTMC delivered 7 modules out of 16 due for delivery in the year under review, and the outcomes of the modules are provided below:

Module		Trainee Performance			
		Number of Trainees	Competent	Not competent	% Competence
PM 08: Examiner for Driving Licence		394	386	8	98%
PM 07: Examiner of Vehicle (EOV)		523	523	0	100%
PM 03: Execute Law Enforcement and other related duties	(EBAT) - FPA	525	525	0	100%
	Laser CAM – FPA	529	529	0	100%
PM 04: Advanced Driving		485	485	0	100%
PM 06: Handle and use of Firearm (Business purpose, Tactical training, Barricade shoot and Night shoot)		533	460	73	86%
WM-01: Processes of Regulating Free Flow of Traffic Public Roads (WM-01)		397	397	0	100%
WM-02: Processes of Responding to and Managing Incidents		397	397	0	100%

Table 21: NQF level 6 Traffic Officer Qualification Modules

NQF level 6 Road Safety Qualification for Road Safety Practitioners

The RTMC presented nine modules to enrolled road safety practitioners. The outcome of the modules is provided below:

Module	Number of Trainees	Competent	Not competent	% Competence
KM01 – Road Safety Education and Road Safety Systems	14	10	4	71%
KM04 – Project and Programme Management	14	12	2	86%
KM05 – Introduction to Information Technology	14	11	3	79%
PM01 – Design and Develop Road Safety Plans	12	12	0	100%
PM02 – Conduct a Research Project and Generate an Abstract	17	17	0	100%
PM03 – Conduct Road-Related Infrastructure Audit and Assessment	12	12	0	100%

Module	Number of Trainees	Competent	Not competent	% Competence
WM01 – Processes and Procedures of Designing and implementing a Road Safety Plan	81	81	0	100%
WM02 – Processes of Conducting Research and Generating an Abstract	81	81	0	100%
WM03 – Processes of Assessing/Auditing Road-Related Infrastructure	81	81	0	100%

Table 22: NQF level 6 Road Safety Officer Qualification Modules

Road Traffic Training Academy Outputs, Output Indicators, Targets and Actual Achievement

The below table provides outcomes, outputs, targets and actual performance for the Road Traffic Training Academy. Two of the three targets planned under the programme have been achieved and one was not achieved:

Programme 2: Training of Traffic Personnel Sub Programme: Training Development Outcome: High-performing organisation							
Output	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from the planned target 2023/24**	**Reasons for deviations**
Professionalisation of the Road Traffic Safety Fraternity	Number of traffic officer modules delivered to existing traffic officers	Two traffic officer modules delivered to existing traffic officers	Three traffic officer modules delivered to existing traffic officers	Three traffic officer modules delivered to existing traffic officers	Three traffic officer modules delivered to existing traffic officers	-	-
	Number of modules on NQF Level 6 Traffic Officer qualification completed for traffic trainees	Ten modules on NQF Level 6 Traffic Officer qualification completed for traffic trainees	Ten modules on NQF Level 6 Traffic Officer qualification completed for traffic trainees	16 modules on NQF Level 6 Traffic Officer qualification completed for traffic trainees	Seven modules on NQF Level 6 Traffic Officer qualification completed for traffic trainees	Nine modules on NQF Level 6 Traffic Officer qualification completed for traffic trainees not delivered.	The RTMC revised the target due to financial constraints. A submission was made to the Executive Authority and approval was granted to reduce the target from 16 to seven. However, due to the Revised APP not being tabled in parliament the RTMC had to revert back to the original APP for reporting.

Programme 2: Training of Traffic Personnel Sub Programme: Training Development Outcome: High-performing organisation							
Output	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from the planned target 2023/24**	**Reasons for deviations**
Profession-alisation of the road traffic safe-ty frater-nity	Number of modules on NQF Level 6 Road Traffic Safety Officer qualification completed for road safety practitioners	Nine modules on NQF Level 6 Road Traffic Safety Officer qualification completed for road safety practitioners	Nine modules on NQF Level 6 Road Traffic Safety Officer qualification completed for road safety practitioners	Nine modules on NQF Level 6 Road Traffic Safety Officer qualification completed for road safety practitioners	Nine modules on NQF Level 6 Road Traffic Safety Officer qualification completed for road safety practitioners	-	-

Table 23: Training of Traffic Personnel Performance

Programme 3: Traffic Law Enforcement

Section 18 (1)(a) of the Road Traffic Management Corporation Act 20 of 1999 provides for Traffic Law enforcement as part of the ten functional units of the RTMC. As espoused in Section 2(a) (i) of the objectives of the RTMC Act, the primary function is to provide for coordination, planning, regulation and facilitation of traffic law enforcement with respect to road traffic matters by national, provincial and local spheres of government. The Minister harnesses her support team as well as every Member of the Executive (MECs) and the resources of the national and provincial spheres of government responsible for traffic management to ensure that road safety remains a priority.

The Traffic Law Enforcement Unit is divided into Sub-Units: the Operations, Planning, Coordination and Administration and the Crash Investigation Unit. The business unit is also responsible the Driver Learner Testing Station services and Driver Learner Testing Centres. The programme encompasses of the following sub-programmes:

Sub Programme	Purpose	Link to Institutional Outcomes
The Operations – Front-end operations	To enforce various applicable pieces of legislation through the issuing of citations or arrests which include but are not limited to the following: • The National Road Traffic Act of 1996 as amended (NRTA) deals with offences related to the fitness of the driver and the roadworthiness of the vehicle. The NRTA also guides the appointments of traffic law enforcement officials , Examiner or vehicles and drivers licences, the prescribed manner to operate DLTC's. • The National Land Transport Act of 1998 (NLTA) deals with public transport infringements, such as operating a public vehicle for a reward without the necessary permits. • The Administrative, Adjudication of Road Traffic Offences of 1998 is responsible for the administration, collection, adjudication and the point demerit system of fines related to road traffic which is set to replace Section 56 of the Criminal Procedure Act of 1977 which provided for dealing with road traffic offences through the criminal court system.	Reduced road fatalities
The Planning, Coordination and Administration – Back-end operations	The back end of the business unit comprises the administration clerk team, the back office that deals with capturing citations and facilitation/ interaction with the Court system and the Control room which is the central nerve centre for the radio control communications.	

Sub Programme	Purpose	Link to Institutional Outcomes
The crash investigations	The crash unit is established as one of the ten legislated RTMC functional units as per Section 18 of the RTMC Act as a highly specialised unit whose mandate in the main is to record and investigate crashes where five or more individuals have died through road crashes, or any (high profile) crash as may be determined by the Accounting Officer.	Reduced road fatalities
The Driver Learner Testing Centre	Driving Licence Testing Centres (DLTCs) are established with the primary objective of professional service delivery and customer care, rendering services which include: • Appointment for Learner Licence tests • Renewal of Driving Licences • Issuing of Temporary Driving Licences • Issuing of Learner Licences • Issuing of Duplicate Learner Licences • Renewal and issue of Professional Driving Permits.	High-performing organisations

Table 24: Traffic Law Enforcement Sub-Programme

Law Enforcement Outputs, Output Indicators, Targets and Actual Achievement

During the year under review, Law Enforcement conducted 3 280 interventions against the planned 3 186. The target was exceeded by 94 and actual numbers per sub-intervention are provided in the below table:

Sub-Intervention	Actual
Drunken Driving	528
Loads Management	423
Roadworthiness	697
Moving Violations	543
Public Transport	696
Pedestrian	168
Speed	225
Total	**3 280**

Table 25: Law Enforcement Sub-Interventions

The below table provides Law Enforcement outputs, output Indicators, targets and actual achievement The programme had one output indicator for the year under review and this was overachieved.

Programme 3: Law Enforcement Sub Programme: Law Enforcement Operations Outcome: Reduced road fatalities							
Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement 2023/24	Reasons for Deviations
Enhanced law enforcement	Number of targeted law enforcement interventions	5 864	3 186	3 186	3 280	94	The RTMC undertook additional interventions due to the need to heighten law enforcement activities to deal with increasing road fatalities.

Table 26: Law Enforcement Operations Performance

Programme 4: Traffic Intelligence and Security

This programme incorporates a proactive and reactive approach to corruption and fraud-related incidents associated with providing road traffic services. The proactive element entails the application of intelligence tools in identifying and investigating corruption and fraudulent incidents at the initiation of the RTMC, the reactive element entails incidents reported to the RTMC. This work is undertaken collaboratively with other law enforcement authorities to ensure the successful prosecution of offenders.

The programme is responsive to the functional areas relating to Road Traffic Law Enforcement, Administrative Adjudication of Road Traffic Offences, Vehicle and Roadworthiness Testing, Vehicle and Roadworthiness Testing, Communication and Education and Vehicle Registration and Licensing.

Sub Programme	Purpose	Link to Institutional Outcomes
National Traffic Anti-Corruption Unit (NTACU)	To provide education, training and conducting investigations into all matters related to fraud and corruption. This includes a proactive and reactive approach to investigating cases of fraud and corruption.	Reduced fraud and corruption

Table 27: NTACU Sub-Programme

Investigations of reported fraud and corruption complaints

The National Traffic Anti-Corruption Unit (NTACU) received and investigated 258 complaints from the public, law enforcement and government agencies alleging acts of fraud and corruption.

Investigation of self-initiated cases

The RTMC continues to ensure that effective programmes are implemented to eradicate fraud and corruption within the fraternity. Self-initiated cases were introduced to strengthen combatting fraud and corruption as a proactive measure, and 232 self-initiated cases were investigated. A total of 490 cases including reported fraud and corruption complaints were investigated as follows:

Nature of complaint	Number
DLTC Fraud and Corruption	150
Fraud	57
Fraud and Corruption	28
Officer Corruption	120
PVTS Fraud and Corruption	86
RA Fraud and Corruption	49
Total	**490**

Table 28: NTACU Investigations

NTACU effected 80 arrests during the year under review in eliminating acts of fraud and corruption.

Category	Number
Private Vehicle Testing Station	13
Driving License Testing Centre	23
Driving School Officials	01
Law Enforcement	15
Licensing Fraud Business Owners	02
Stolen Face Value Documents	02
Other	24
Total	**80**

Table 29: NTACU Arrests

NTACU Outputs, Output Indicators, Targets and Actual Achievement

The table below shows that all the targets were achieved as planned. The target pertaining to self-initiated fraud and corruption cases was over-achieved.

Programme 4: Traffic Intelligence and Security Sub-Programme: National Traffic Anti-Corruption Outcome: Reduced road fatalities and high performing organisation							
Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement 2023/24	Reasons for Deviations
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	160	190	220	232	12	Proactive planning and intensification of efforts with other law enforcement agencies resulted in the increased performance.

Table 30: NTACU performance

Programme 5: Road Traffic Information and Technology

Road Traffic Information and Technology is responsible for services relating to technology infrastructure including the management of the NaTIS, which is a National Key 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. The programme encompasses of the following sub-programmes:

Sub-Programme	Purpose	Link to Institutional Outcomes
Information Governance and Security	To protect the confidentiality of data, preserve the integrity of data and promote the availability of data for authorised use.	High performing organisation Reduced road fatalities
Road Traffic Management Infrastructure	To provide the IT Infrastructure operations and to ensure that an effective, efficient, and best-value IT service is provided.	
Road Traffic Management Systems	To ensure that support is provided regarding all ICT architecture, infrastructure, hardware, and software, and to ensure that high-quality systems are delivered by providing strong management controls over the projects and by maximising the productivity of the systems staff.	
Road Traffic Management Systems Support Unit	To facilitate and address various ICT operational and technical issues within a service management culture.	
Road Traffic Information	To collate and analyse road traffic crash data required for planning, decision making and publication of road safety reports.	
Research, Innovation and Engineering	To stimulate research in road safety-related matters and to ensure effective road traffic and safety engineering coordination across all spheres of government in line with the safe system approach.	

Table 31: Road Traffic Information and Technology Sub-Programmes

Publication of the 2022 State of Road Safety Report

The RTMC is responsible for the production of Road Traffic Information on an annual basis. The State of Road Safety Calendar Report is published in the first quarter of the financial year to make road safety data and information available to stakeholders and the public. This guides the discourse and road safety programme implementation in the Republic.

- The 2022 State of Road Safety Report shows a decrease of 1,5% in fatal crashes between the years 2021 (10 607) and 2022 (10 446), while road fatalities show a decline of 0,8% between 2021 (12 541) and 2022 (12 436).
- Most road user fatalities involve pedestrians who account for 43% of the deaths. Male fatalities account for three-quarters (or 75%) of total road fatalities. Death of children between 0 to 14 years account for 10,2% of fatalities, and 41,4% for the age group 25 to 39. 60,8% of road fatalities occur over weekends (Friday to Sunday).

The report may be downloaded from the RTMC website from the link below:

https://www.rtmc.co.za/images/rtmc/docs/traffic_reports/calendar/2022-State_of_Road_Safety_Reporta.pdf

Publication of a research study - Safer Roadsides Research (Breakaway Poles and kilometre markers)

A study on Safer Roadsides Research (Breakaway Poles and kilometre markers) was published in the year under review, which aims at improving roadside safety and elements required for the provision of more forgiving roadsides (e.g., breakaway support technology and revision of use of kilometre markers) to minimise the impact and severity of crashes. This study can be accessed on the below link:

https://www.rtmc.co.za/images/rtmc/docs/research_dev_rep/Safer-Roadsides-Research---March-2024.pdf

Implementation of the digitisation programmes

The RTMC seeks to digitise the provision of road traffic services, in this context, the Computerisation of Learner Licence Testing Centres and Vehicle Testing Stations are targeted for the implementation of digital solutions.

Computerisation of Learner's License Testing Centres

The target for Computerisation of Learner's License Testing Centres was 63. During the year under review, 49 learner license testing centres were computerised resulting in under performance of 14. The deployment per province are depicted below:

No	Province	Deployments
1	Eastern Cape	1
2	Free State	33
3	Gauteng	1
4	Limpopo	3
5	Mpumalanga	7
6	Northern Cape	2
7	North West	2
	Total	**49**

Table 32: CLLT Deployments per Province

Digitisation of the Roadworthiness Testing Sheet Form at Vehicle Testing Stations

The RTMC digitised 76 Vehicle Testing Stations, 63 and 13 deployments were in Limpopo and Western Cape respectively. An overachievement of 1 was recorded from the planned annual target of 75.

Road Traffic Information Outputs, Output Indicators, Targets and Actual Achievement

The Road Traffic Information predetermined performance target was achieved.

Programme 5: Road Traffic Information and Technology Sub-Programme: Road Traffic Information Outcome: Reduced road fatalities and high performing organisation							
Output	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from Planned Target to Actual Achievement 2023/24**	**Reasons for Deviations**
Improved intelligence on the road traffic environment	Number of the state of road safety reports published	-	1	1	1	-	-

Table 33: Road Traffic Information Performance

Research, Innovation and Engineering Outputs, Output Indicators, Targets and Actual Achievement

Research, Innovation and Engineering achieved the predetermined performance target are as follows.

Programme 5: Road Traffic Information and Technology Sub-Programme: Research, Innovation and Engineering Outcome: Reduced road fatalities and high performing organisation							
Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement 2023/24	Reasons for Deviations
Improved intelligence on the road traffic environment	Number of research studies published	4	1	1	1	-	-

Table 34: Research, Innovation and Engineering Performance

Information Communication Technology Outputs, Output Indicators, Targets and Actual Achievement

The sub-programme had two targets for delivery. One target relating to the digitisation of Learner Licence Testing Stations was under-achieved by 14 and the target number of vehicle testing stations utilising digitised roadworthiness testing sheet form was over-achieved by 1.

Programme 5: Road Traffic Information and Technology Sub-Programme: Information Communication Technology Outcome: Reduced road Fatalities, high-performing organisation						
Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/24	Deviation from Planned Target to Actual Achievement 2023/24	Reasons for Deviations
Number of learner's licence testing centres computerised	120	42	63	49	14	The RTMC revised the target due to financial constraints. A submission was made to the Executive Authority and approval was granted to reduce the target from 63 to 49. However, due to the Revised APP not being tabled in parliament, the RTMC had to revert to the original APP for reporting.
Number of vehicle testing stations utilising digitised roadworthiness testing sheet form	116	81	75	76	1	The deployment of the sites was completed simultaneously resulting in over-achievement.

Table 35: Information Communication Technology

Programme 6: Support Services

Support Services houses functions related to the Office of the CEO, Financial Services and Corporate Services.

Sub-programme: Corporate Services

The sub-programme encompasses the following:

Sub-Programme	Purpose	Link to Institutional Outcomes
Organisational Development and Human Resources Operations	To build a high-performing organisation through the implementation of talent management initiatives	High performing organisation
Transformation and Employee Relations	To manage the transformation agenda and employee relations matters and programmes within the RTMC.	
Legal and Compliance	To ensure the establishment of systems and processes to deliver effective legal services to all stakeholders.	
Training Norms and Standards	To ensure that all qualifications, and training curricula for the fraternity are developed in conjunction with the QCTO and SAQA. All Traffic Training Colleges are registered properly and that training programmes are alignedt with the qualification and curriculum.	
Facilities Management	The Sub-Programme is inclusive of overall facility management, fleet management, security-related services and knowledge management within the RTMC and aims to create an enabling workplace environment for all staff to be effective, efficient and productive in discharging their duties.	

Table 36: Corporate Services Sub-Programmes

Implementation of Talent Management initiatives

The RTMC remains committed to developing a high-performing organisation and an engaged workforce supported by an environment that values and engages talent. During the year under review, four (4) talent management initiatives were implemented as follows:

- The labour relations training
- Sisonke Let's Talk: CEO-led discussions
- Launch of RTTA employee engagement initiative
- The Harassment Policy and The Code and Whistleblowing policy

Implementation of ethics programme

During the year under review, three (3) internal incidents of corruption were reported through the RTMC's hotline and investigations have been concluded. This represents 100% performance. Two reports on the status and operations of the ethics were developed and submitted to the Accounting Officer.

Support Services Outputs, Output Indicators, Targets and Actual Achievement

The table below shows that all the targets were achieved:

Programme: Support Services Sub-Programme: Corporate Services Outcome: High-performing organisation							
Output	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Performance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from Planned Target to Actual Achievement 2023/24**	**Reasons for Deviations**
An employer of choice	Number of talent management initiatives implemented	Four talent management initiatives implemented	Four talent management initiatives implemented	Four talent management initiatives implemented	Four talent management initiatives implemented	-	-
Investigation of reported incidents of corruption	Percentage investigation of internally reported incidents of corruption	100% investigation of internally reported incidents of corruption	100% investigation of internally reported incidents of corruption	100% investigation of internally reported incidents of corruption	100% investigation of internally reported incidents of corruption	-	-
Functionality of ethics structures	Ethics Management Committee established and operationalised	Two reports on the status and operations of the Ethics Management Committee established and operationalised	Two reports on the status and operations of the Ethics Management Committee	Two reports on the status and operations of the Ethics Management Committee	Two reports on the status and operations of the Ethics Management Committee	-	-

Table 37: Support Services Performance

Sub-programme: Financial Services

The sub-programme includes the following services:

- Improving financial performance, practice, compliance with Generally Recognised Accounting Practice (GRAP) and the PFMA and overall fiscal discipline
- Managing and executing financial management
- Ensuring unqualified annual financial statements
- Executing risk management and internal control systems
- Managing and executing supply chain management
- Executing revenue management
- Managing and executing asset management
- Providing budget management

The sub-programme encompasses of the following:

Sub-Programme	Purpose	Link to Institutional Outcomes
Supply Chain Management	Ensuring the procurement of goods and services required by the RTMC are in line with the PFMA and Treasury Regulations. SCM is also responsible for the management of assets.	High performing organisation
Financial Accounting	Ensuring the application of sound financial practice, and compliance to GRAP standards and the PFMA. Regular reporting of accurate financial information, including the Annual Financial Statements, to all governance bodies.	
Management Accounting	Developing and managing the RTMC's budget in compliance with the PFMA. Ensuring that budget analysis and reporting are reported to all governance bodies regularly.	
Revenue Management	The execution of revenue management and optimisation of revenue streams. Providing strategic inputs to management to optimise revenue streams and introduce new revenue generation initiatives.	

Table 38: Financial Services Sub-Programmes

Revenue change

During the year under review, the RTMC realised a 19% increase in revenue from the planned 7%, thereby overachieving by 12%.

30-day payment compliance

The RTMC received and paid a total of 2 353 invoices within 30 days, which translated into 100% compliance.

Good Governance

The imperative of a capable, ethical and developed 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 period under review, the RTMC compiled and submitted a report to the Department of Transport. The report outlined three interlinked good governance targets as follows:

- **Elimination of wasteful and fruitless expenditure**: Salary paid into an incorrect account due to an email scam.
- **Reduction of irregular expenditure**: No irregular expenditure was recorded during the year under review.
- **Unqualified audit report with no significant findings**: A clean audit for 2023/24 was achieved.

Financial Services Outputs, Output Indicators, Targets and Actual Achievement

The table shows that all the targets were achieved. The target relating to % revenue change from the previous year was over-achieved by 12%.

Programme: Support Services Sub-Programme: Financial Services Outcome: High-Performing Organisation							
Output	**Output Indicator**	**Audited Actual Performance 2021/22**	**Audited Actual Perfor-mance 2022/23**	**Planned Annual Target 2023/24**	**Actual Achievement 2023/24**	**Deviation from Planned Target to Actual Achievement 2023/24**	**Reasons for deviations**
Enhanced corporate sustainability	Percentage revenue change from the previous year	9%	17%	7%	19%	12%	The onboarding of both NARYSEC and BMA (Training)
Compliance with the 30-day payment requirement	Percentage compliance to 30-day payment requirement	100%	100%	100%	100%	-	-
Reduction of qualified audits	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Unqualified Audit Report with no significant findings	-	Annual Report on efforts taken to achieve an unqualified audit report with no significant findings	Annual Report on efforts taken to achieve an unqualified audit report with no significant findings	-	-
Elimination of wasteful and fruitless expenditure	Monitoring of cases of wasteful and fruitless expenditure	Two reports on the management of wasteful and fruitless expenditures submitted to DoT	-	Two reports on the management of wasteful and fruitless expenditures submitted to DoT	Two reports on the management of wasteful and fruitless expenditures submitted to DoT	-	-
Reduction of irregular expenditure	Monitoring of reduction of cases of irregular expenditure	Two reports on the management of irregular expenditure submitted to DoT	-	Two reports on the management of irregular expenditure submitted to DoT	Two reports on the management of irregular expenditure submitted to DoT	-	-

Table 39: Corporate Services Performance

Sub-programme: Office of the CEO

The sub-programme encompasses the following:

Sub-Programme	Purpose	Link to Institutional Outcomes
Organisational Strategy Management	To facilitate the development of the RTMC Strategy and Annual Performance Plans and periodically report on organisational performance in line with the PFMA and RTMCA	High performing organisation
Programme Management Office	Responsible for managing the Programme Management Unit and ensuring that programmes and projects are developed and managed according to set methodologies and frameworks.	
Organisational Risk Management	To facilitate a risk assessment in the determination of material risks to which the institution may be exposed and to evaluate the strategy for managing these risks.	
Internal Audit	Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the RTMC's operations. It supports the RTMC to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.	
Law Enforcement Norms and Standards	To ensure provision for integrated and coordinated development and implementation of law enforcement norms and standards through improved coordination with stakeholders, promotion of standardisation and harmonisation within the traffic fraternity.	
Communication	Facilitate interaction between RTMC, the media and other external audiences and manage internal communications within the RTMC, to safeguard the reputation of the RTMC.	

Table 40: Office of the CEO Sub-Programmes

Percentage response to Parliamentary questions

The RTMC is tasked with responding to Parliamentary questions received within stipulated timeframes as set out by the DoT. A total of 14 parliamentary questions was received and responded to within the stipulated timeframes, translating to a 100% response rate.

Implementation of audit findings action plans

The RTMC's governance structures consider risk management reports on the monitoring of action plans to address audit findings on a quarterly basis. An annual report on progress on the implementation of action plans to address audit findings for the 2022/23 financial year was submitted to the DoT.

Office of the CEO Outputs, Output Indicators, Targets and Actual Achievement

The table shows that all the targets were achieved:

Programme: Support Services Sub-Programme: Office of the CEO Outcome: High-Performing Organisation							
Output	Output Indicator	Audited Actual Performance 2021/22	Audited Actual Performance 2022/23	Planned Annual Target 2023/24	Actual Achievement 2023/23	Deviation from Planned Target to Actual Achievement 2023/24	Reasons for Deviation
Adequacy of responses to Parliamentary questions	Percentage responses to Parliamentary questions within stipulated timelines	100%	100%	100%	100%	-	-
Implementation of an action plan to address audit findings	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	Action plan to address audit findings developed and monitored	-	-

Table 41: Office of the CEO Performance

Linking Performance with Budgets

A year-on-year expenditure comparison reflects an increase compared to the previous year. The RTMC spent R1.57 billion during the 2023/24 financial year compared to R1.54 billion spent in the 2022/23 financial year. The RTMC spent 107% of the approved allocated budget during the 2023/24 financial year. Table 42 below depict the financial performance during the year under review.

Programme	2023/2024			2022/23			
	Approved Budget Allocation (R)	Actual Expenditure (R)	Under/(Over) Expenditure (R)	Approved Budget Allocation	Approved Adjusted Budget Allocation	Actual Expenditure 2022/23	Under/(Over) Expenditure
Road Safety, Marketing and Stakeholder	31 610 736	26 103 133	5 507 603	82 992 488	27 238 451	24 932 813	2 305 638
Law Enforcement	298 098 583	277 605 345	20 493 238	329 141 444	255 898 916	274 435 520	(18 536 604)
Traffic Intelligence and Security	25 627 189	23 069 700	2 557 488	29 383 723	20 307 196	21 334 211	(1 027 015)
Strategic Services	284 048 200	293 794 052	(9 745 852)	303 018 043	251 408 849	260 539 442	(9 130 593)
Support Services	670 796 938	796 919 368	(126 122 429)	571 502 168	634 959 873	759 921 291	(124 961 417)
Training of Traffic Personnel	163 370 354	160 172 268	3 198 086	238 437 960	191 674 536	203 272 647	(11 598 110)
Total	**1 473 552 000**	**1 577 663 865**	**(104 111 865)**	**1 554 475 826**	**1 381 487 821**	**1 544 435 923**	**(162 948 102)**

Table 42: Linking performance with budgets.

The analysis of the performance is provided below:

- **Road Safety, Marketing and Stakeholder Management** underspent by 17% against the approved budget for the year under review compared to an underspend of 8% in the previous year. The reason for the underspent was attributed to the shift in the implementation model of programmes using social media platforms, online platforms and other cost-saving mechanisms.
- **Law Enforcement** underspent by 7% against the approved budget for the year under review in comparison with 7% overspend in the previous financial year. The underspend was due to the revision of the deployment model.
- **Traffic Intelligence and Security** underspent by 10% against the approved allocated budget for the year in comparison to an overspent of 5% in the previous year. Expenditure is driven by the operations throughout the country concerning travel, which in most cases was done by road.
- **Strategic Services** overspent by 3% against the adjusted allocated budget for the year recorded overspend of 4% in the previous year. The NaTIS refresh project remains the biggest cost driver for the budget sub-programme along with the software licence fees.
- **Support Services** reflect a 119% spend of the allocated approved budget against a 120% spend in the previous year. The overspend can be attributed to the expenditure incurred on non-cash items, i.e. depreciation and provisions.
- **Training of Traffic Personnel** reflects a 98% spend of the allocated approved budget against a 106% spend in the previous year. The variance can mainly be attributed to the delay in the intake of the third cohort of traffic trainees, which is only expected to happen in the next financial year.

A further analysis of the expenditure as per economic classification per programme has been provided in the table below:

Programme/ activity/Objective	Approved Budget Allocation 2023/24	Actual Expenditure 2023/24	Under/ (Over) Expenditure	Annual Spent as % of Allocated Budget	Approved Budget Allocation 2022/23	Approved Adjusted Budget Allocation 2022/23	Actual Expenditure 2022/23	Under/ (Over) Expenditure	Annual Spent as % of Allocated Budget
Law Enforcement	298 098 583	277 605 345	20 493 238	93%	329 141 445	255 898 916	274 435 520	(18 536 604)	107%
Cost of Employees	284 650 974	265 547 463	19 103 511	93%	279 997 986	237 265 691	253 089 357	(15 823 665)	107%
Goods and Services	13 447 609	12 057 882	1 389 728	90%	49 143 459	18 633 225	21 346 163	(2 712 939)	115%
Capital Expenditure	-	-	-	-	-	-	-	-	-
Road Safety, Marketing and Stakeholder	31 610 736	26 103 133	5 507 603	83%	82 992 488	27 236 451	24 932 813	2 303 638	92%
Cost of Employees	25 374 706	22 238 556	3 136 149	88%	31 359 244	16 888 436	21 691 585	(4 803 149)	128%
Goods and Services	6 236 030	3 864 576	2 371 454	62%	51 633 244	10 348 015	3 241 228	7 106 787	31%
Capital Expenditure	-	-	-	-	-	-	-	-	-
Traffic Intelligence and Security	25 627 189	23 069 700	2 557 488	90%	29 383 723	20 307 196	21 334 211	(1 027 015)	105%
Cost of Employees	24 213 043	21 565 829	2 647 213	89%	27 936 019	19 575 092	20 141 245	(566 154)	103%
Goods and Services	1 414 146	1 503 871	(89 725)	106%	1 447 704	732 104	1 192 966	(460 862)	163%
Capital Expenditure	-	-	-	-	-	-	-	-	-
Strategic Services	284 048 200	293 794 052	(9 745 852)	103%	303 018 043	251 410 849	260 539 442	(9 128 593)	104%
Cost of Employees	168 830 416	150 847 022	17 983 393	89%	147 875 516	147 084 012	150 785 787	(3 701 775)	103%
Goods and Services	115 217 784	142 947 029	(27 729 245)	124%	155 142 527	104 326 837	109 753 655	(5 426 818)	105%
Capital Expenditure	-	-	-	-	-	-	-	-	-
Support Services	670 796 938	796 919 368	(126 122 430)	119%	571 502 167	634 959 873	759 921 291	(124 961 418)	120%
Cost of Employees	165 351 937	172 505 743	(7 153 806)	104%	139 459 340	144 452 605	149 499 502	(5 046 896)	103%
Goods and Services	367 664 981	490 555 659	(122 890 678)	133%	262 156 631	261 299 867	400 606 257	(139 306 390)	153%
Capital Expenditure	137 780 020	133 857 966	3 922 054	97%	169 886 196	229 207 400	209 815 532	19 391 868	92%
Training of Traffic Personnel	163 370 354	160 172 268	3 198 087	98%	238 437 960	191 674 536	203 272 647	(11 598 110)	106%
Cost of Employees	110 402 375	94 439 153	15 963 223	86%	191 299 123	141 452 574	128 706 489	12 746 085	91%
Goods and Services	52 967 979	65 733 114	(12 765 136)	124%	47 138 837	50 221 962	74 566 158	(24 344 195)	148%
Capital Expenditure	-	-	-	-	-	-	-	-	0%
Total Expenditure	1 473 552 000	1 577 663 865	(104 111 865)	107%	1 554 475 825	1 381 487 821	1 544 435 923	(162 948 102)	112%

Table 43: Expenditure as per economic classification per programme

Expenditure per Economic Classification

The expenditure per economic classification shows that 93% of the budget for Compensation of Employees (CoE) was spent as compared to the previous financial year, wherein 102% of the budget for CoE was utilised. During the year under review, 129% of the budget for goods and services was spent in comparison to the 138% spent in the previous financial year. The RTMC spent 97% of the capital budget which was mainly utilised for the phase 1 upgrade of the Boekenhoutkloof College.

Programme/ activity/ Objective	2023/24			Under/ (Over) Expenditure	Annual Spent as % of Allocated Budget	2022/23			Under/ (Over) Expenditure	Annual Spent as % of Allocated Budget
	Approved Budget Allocation	Adjusted Budget Allocation	Actual Expenditure			Approved Budget Allocation	Adjusted Budget Allocation	Actual Expenditure		
Cost of Employees	746 823 450	778 823 450	727 154 628	51 668 822	93%	759 877 072	710 541 803	723 913 965	(13 372 162)	102%
Goods and Services	469 448 529	556 948 530	716 651 272	(159 702 741)	129%	624 712 557	441 738 618	610 706 426	(168 967 808)	138%
Capital Expenditure	257 280 020	137 780 020	133 857 966	3 922 054	97%	169 886 196	229 207 400	209 815 532	19 391 868	92%
Total Expenditure	1 473 552 000	1 473 552 000	1 577 663 865	(104 111 865)	107%	1 554 475 826	1 381 487 821	1 544 435 923	(162 948 102)	112%

Table 44: Expenditure per economic classification

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

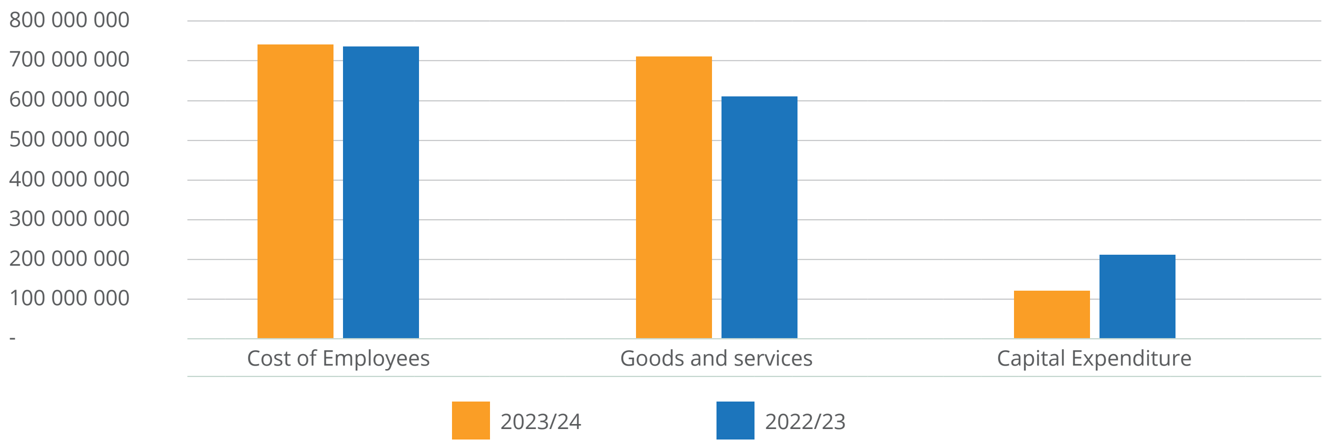


Figure 15: Economic classification segment

Compensation of Employees

Spending on compensation of employees increased by R 3 million from R 724 million to R 727 million. The staff complement of the Corporation decreased from 1 855 in 2022/23 to 1 741 in 2023/24. The increase in compensation of employees can be attributed to the additional provision made for performance bonuses and leave pay in the current year.

Goods and Services

The overspend of R 104 million in Goods and Services is mainly attributed to the expenditure incurred towards non-cash items such as provision for bad debts, depreciation, and loss on disposal of assets. Other items contributing to the overspending are computer expenses relating to the procurement of software licences for the various computer packages used by the RTMC.

Capital Expenditure

The RTMC spent R 133 million on the procurement of assets, with the cost drivers being, among others, the procurement of:

- Upgrading of the Boekenhoutkloof College
- Computer hardware for the introduction of Computerised Learner's Licence Testing (CLLT) at testing station

Strategy to overcome areas of underperformance.

The financial sustainability of the RTMC will have a bearing on the ability to meet the mandate by being responsive to impact and outcomes as outlined. This will also impact the contribution of the entity to the country's development priorities.

Area of Underperformance	Strategy
Number of modules on NQF level 6 traffic officer qualification completed for traffic trainees.	• The programme commenced during the 2024/25 financial period. Providing the RTMC with an opportunity to address the under achievement.
Number of learners licence testing centres computerised.	• A catch-up plan has been developed and the areas that were not computerised will be completed during the 2024/25 financial period.

Table 45: Strategies to address areas of under-performance.

Revenue Collection

The RTMC derived its revenue from among others, the following sources:

- Grant Income from the National Department of Transport
- Transaction fees from the renewal of motor vehicle licences
- Infringement fees from fines issued (AARTO, Section 56)
- Interest received from investments
- NaTIS-related revenue such as access to data
- Online license renewals
- DLTC administration
- Sponsorship income

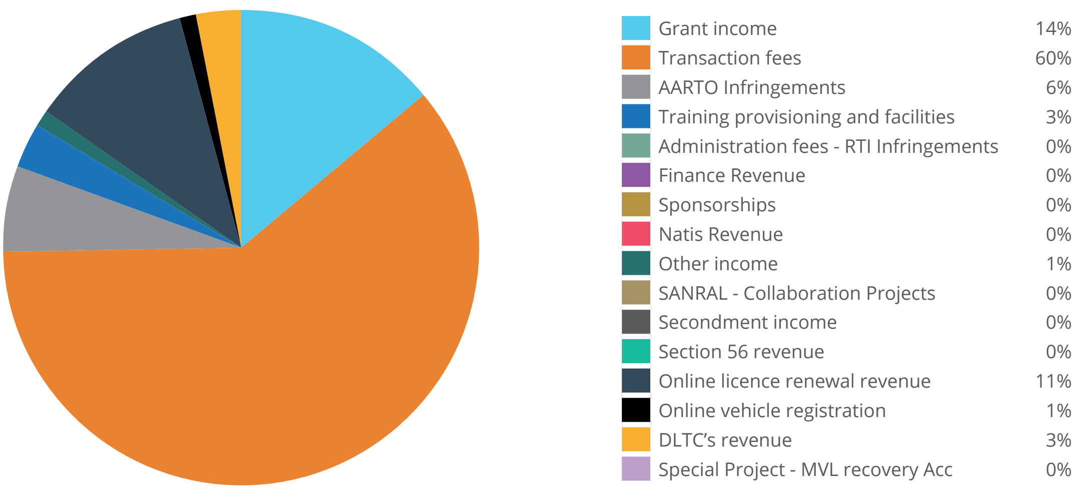
Figure 16: RTMC revenue sources

The table below depicts that the actual revenue collected for 2022/23 that amounted to R 1,39 billion and R 1.58 billion was collected in 2023/24 resulting in an increase in the collection amount of R112 million. The over-collection can be attributed to mainly the revenue collection for online licence renewals, AARTO, and Training provisioning revenue as well as other revenue items not budgeted for in the ordinary cause of business.

Source of Revenue	2023/24			2022/23			
	Approved Estimate	Actual Amount Collected	Over/(Under) Collection	Approved Estimate	Adjusted Estimate	Actual Amount Collected	Over/ (Under) Collection
Grant Income	220 104 000	220 104 000	-	224 179 000	224 179 000	224 179 000	-
Transaction Fees	904 136 130	948 690 714	44 554 584	999 719 022	922 497 642	924 293 970	1 796 328
AARTO Infringements	41 308 112	90 891 522	49 583 410	11 318 870	45 966 979	48 137 172	2 170 193
Training Provisioning and Facilities	4 997 402	47 010 279	42 012 877	5 815 857	2 838 922	3 928 372	1 089 451
Administration Fees - RTI Infringements	-	-	-	46 966 500	53 421 510	70 841 670	17 420 160
Finance Revenue	-	13 528 320	13 528 320	-	-	4 120 637	4 120 637
Sponsorships	-	5 165 124	5 165 124	-	-	4 711 145	4 711 145
Natis Revenue	-	246 998	246 998	56 578 797	-	483 930	483 930
Other Income	-	18 546 648	18 546 648	-	-	7 123 506	7 123 506
SANRAL - Collaboration Projects	-	-	-	-	-	3 553 200	3 553 200
Secondment Income	-	1 966 782	1 966 782	-	-	6 954 098	6 954 098
Section 56 Revenue	70 855 741	7 558 585	(63 297 156)	66 971 400	25 644 179	31 090 642	5 446 464
Online Licence Renewal Revenue	104 973 774	178 341 895	73 368 120	105 924 682	54 898 763	51 844 702	(3 054 061)
Online Vehicle Registration	68 981 378	645 810	(68 335 568)	-	-	-	-
DLTC's Revenue	58 195 463	50 222 950	(7 972 513)	-	52 040 828	50 590 785	(1 450 043)
Special Project - MVL Recovery Acc	-	2 480 496	2 480 496	-	-	-	-
Impound Fees	-	316 702	316 702	37 001 699	-	-	-
Total Revenue Collected	**1 473 552 000**	**1 585 716 825**	**112 164 825**	**1 554 475 826**	**1 381 487 821**	**1 431 852 829**	**50 365 008**

Table 46: Revenue Collection

The performance analysis of the different revenue streams



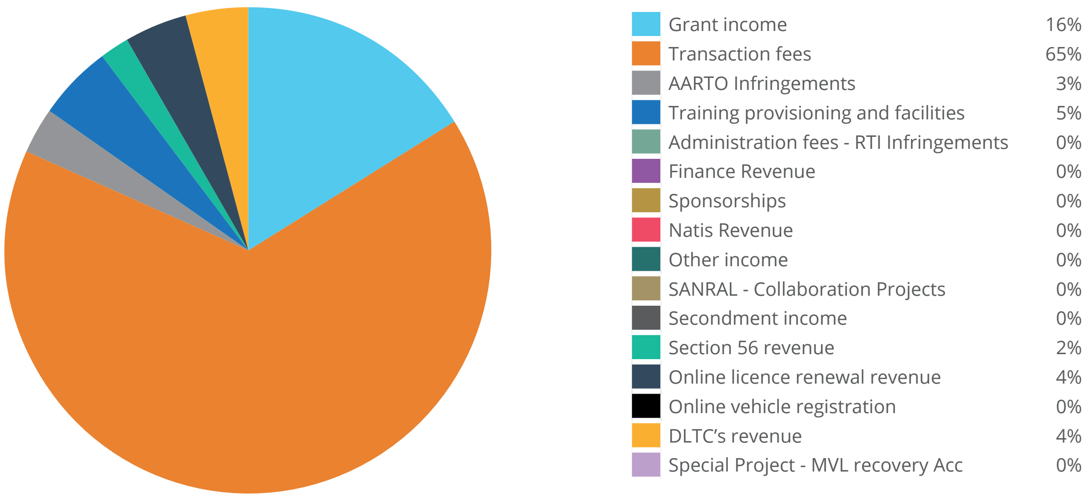


Figure 17: Performance analysis per revenue streams

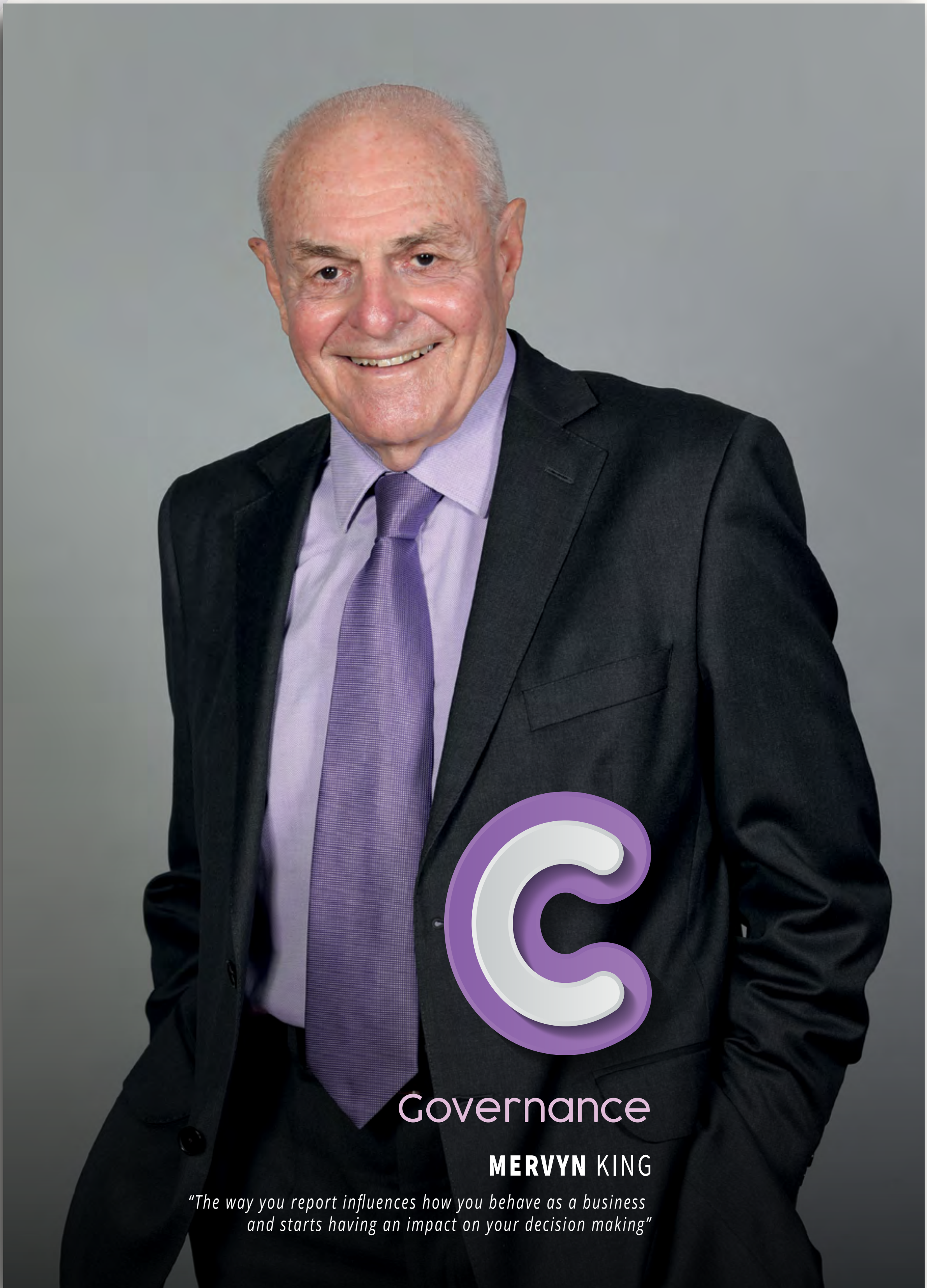
Capital Investment Finance

There was none in the year under review.

	2023/2024			2022/23		
Infrastructure Projects	Budget	Actual Expenditure	(Over)/under Expenditure	Budget	Actual Expenditure	Over)/under Expenditure
N/A	-	-	-	-	-	-

Table 47: Capital Investment Finance

30 YEARS OF FREEDOM
South Africa 1994 - 2024



Governance

MERVYN KING

"The way you report influences how you behave as a business and starts having an impact on your decision making"

Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held accountable. This is also linked to the principles contained in the King IV Report on Corporate Governance for South Africa, 2016 (King IV) and other related governance prescripts. Parliament, the Executive Authority/Shareholders Committee and the Board of the RTMC are responsible for corporate governance.

Portfolio Committee

Parliament exercises its role through the performance of the public entity by scrutinising its annual financial statements and other relevant documents that must be tabled occasionally. The Standing Committee on Public Accounts (SCOPA) reviews the external auditor's annual report. In the year under review, the RTMC was not required to appear before SCOPA. The Portfolio Committee exercises oversight over service delivery issues and enhancing economic growth. During the period under review, the RTMC appeared before the Portfolio Committee on Transport to account for the delivery of its mandate on 10 October 2023.

Executive Authority/Shareholders Committee

The RTMCA makes provision for the establishment of the Shareholders Committee comprising the Minister, every MEC and two representatives nominated by the South African Local Government Association (SALGA). The Shareholders Committee is responsible for directing and guiding the proper functioning of the RTMC in the public interest and for reflecting in its decision-making procedures, the spirit of cooperation and mutual trust contemplated in section 41(1)(h) of the Constitution. The Executive Authority, in terms of the RTMC Act, is the Shareholders Committee represented by the Chairperson who is the Minister of Transport.

The Shareholders Committee comprised of the following Members:

Name	Portfolio	Jurisdiction
Ms Sindisiwe Chikunga Chairperson	Minister of Transport	National
Mr Xolile Nqatha	MEC: Transport, Safety and Liaison	Eastern Cape
Ms Maqueen Letsoha-Mathae	MEC: Community Safety, Roads and Transport	Free State
Ms Faith Mazibuko	MEC: Community Safety	Gauteng *
Ms Kedibone Diale-Tlabela	MEC: Public Transport and Logistics	
Mr Sipho Hlomuka	MEC: Transport, Community Safety and Liaison	KwaZulu-Natal
Ms Florence Radzilani	MEC: Transport and Community Safety	Limpopo
Mr Vusi Shongwe	MEC: Community Safety, Security and Liaison	Mpumalanga *
Mr Mandla Ndlovu	MEC: Public Works, Roads and Transport	
Ms Nomandla Bloem	MEC: Transport, Safety and Liaison	Northern Cape
Mr Sello Lehari	MEC: Community Safety and Transport Management	North West *
Mr Gaoge Oageng Molapisi	MEC: Public Works and Roads	
Mr Ricardo Mackenzie	MEC: Mobility	Western Cape
Mr Sebang Motlhabi	SALGA nominee	National

Table 48: Shareholders Committee Members

* Province has dual membership

In terms of the RTMCA, the Shareholders Committee must be convened at least four (4) times a year. During the year under review, the Shareholders Committee held four (4) meetings which included the Annual General Meeting held on 26 September 2023. The Act further acknowledges that some of the provinces may have more than one MEC as Members of the Shareholders Committee as shown in the table above. In such instances, the MEC whose portfolio is mostly connected to the function in respect of which a decision is to be taken has veto powers.

The Board

The Board is accountable to the Shareholders Committee in terms of the RTMCA, PFMA and the Performance Agreement entered between the Board and the Shareholders Committee.

The role and responsibilities of the Board as outlined in the Board Charter include:

- Providing effective leadership and control in terms of RTMC Strategy and ensuring control over its operational implementation.
- Ensuring that RTMC continues to operate as a viable sustainable going concern.
- Ensuring that the Shareholders' performance objectives are achieved and providing all statutory reports timeously.
- Ensuring that RTMC complies with applicable laws, regulations and policies.
- Providing oversight on the human, operational and financial resources available at the RTMC to achieve the strategic objectives.
- Ensuring effective communication between the RTMC with its internal and external stakeholders.
- Ensuring that appropriate governance structures are in place.
- Ensuring the delegation of authority for the day-to-day management of the RTMC and its operations
- Review annually the Board Charter and Terms of Reference of Board Committees in line with good governance practice.
- Striving to ensure RTMC's integrity and independence from any vested interest.

The Board performed its duties in terms of the provisions thereof and discharged its responsibilities as outlined in the Board Charter. Key amongst others is the annual review and approval of the Charter and Terms of Reference of all Board Committees on 30 January 2023.

Composition of the Board

The RTMCA stipulates that the Board shall comprise of the CEO, eight (8) independent Non-Executive Members appointed by the Shareholders Committee and one (1) official of the Department of Transport appointed by the Minister.

In keeping with good governance practice, the roles of the Chairperson and the Chief Executive Officer are distinct. The Chairperson 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.

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of expertise	Board Directorships (list of Entities)	Other Committees (within the RTMC)	No. of Meetings Attended
Ms Nomusa Mufamadi	Chairperson	1 November 2022	n/a	BCompt. Diploma Industrial Relations	Finance, Auditing	National Home Builders Registration Council (NHBRC)	-	13/13
Prof Maredi Mphahlele	Non-Executive	1 November 2022 (re-appointed)	n/a	DTech Computer Science MSc Computer Science BSc Hons Computer Science BSc Computer Science and Mathematics Teacher's Diploma Science and Mathematics	Information Technology	-	Strategy, Monitoring and Evaluation Committee Information Technology Governance Committee	13/13
Ms Thandi Thankge	Non-Executive	1 November 2022 (re-appointed)	n/a	MCom Business Management BA Industrial Psychology BA Hons Industrial Psychology Diploma Library and Information Services	Human Resources	Masana Petroleum Solutions South African Institute of Chartered Accountants (SAICA) National Housing Finance Corporation (NHFC)	Remuneration Committee Audit and Risk Committee	13/13

Name	Designation	Date Appointed	Date Resigned	Qualifications	Area of expertise	Board Directorships (list of Entities)	Other Committees (within the RTMC)	No. of Meetings Attended
Dr Eddie Thebe	Non-Executive	1 November 2022	n/a	DTech Road Safety MTech Public Relations Management BA Comm Hons BA Comm Road Traffic Diploma	Road Safety	-	Social and Ethics Committee Strategy, Monitoring and Evaluation Committee	12/13
Prof Chitja Twala	Non-Executive	1 November 2022	n/a	PhD History MAdmin BA Hons BA	Research	-	Social and Ethics Committee Strategy, Monitoring and Evaluation Committee	12/13
Ms Lerato Magalo	Non-Executive	1 November 2022	n/a	MBA BTech Civil Engineering (Environmental) Postgrad Diploma Business Administration National Diploma Civil Engineering	Strategy Development and Execution Sustainability Reporting Engineering	-	Social and Ethics Committee Strategy, Monitoring and Evaluation Committee	13/13
Adv Xola Stemela	Non-Executive	1 November 2022	n/a	LLB BJuris Advocate (Member of the Chamber)	Legal	-	Remuneration Committee Audit and Risk Committee	11/13
Mr Nkhumeleni Kudzingana	Non-Executive	1 November 2022	n/a	National Diploma Information and Technology	Information Technology	-	IT Governance Committee Remuneration Committee	12/13
Adv Johannes Makgatho	DoT Representative	1 November 2022	n/a	LLB BProc	Legal Transport Regulations	-	Strategy, Monitoring and Evaluation Committee	8/13
Adv Makhosini Msibi	Chief Executive Officer	1 January 2024 re-appointed	n/a	LLB BJuris	CEO	Vaal Central Water Board	-	12/13

Table 49: Composition of the Board

The Board delegates powers to Committees, where Committee Members are specialists in their respective fields and areas of governance. To assist with the effective discharge of its duties, the Board established the following Committees in line with the Board Charter. The Board Charter and the Terms of Reference 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 Committees' Terms of Reference were reviewed and approved by the Board.
The figure below depicts the respective committees:

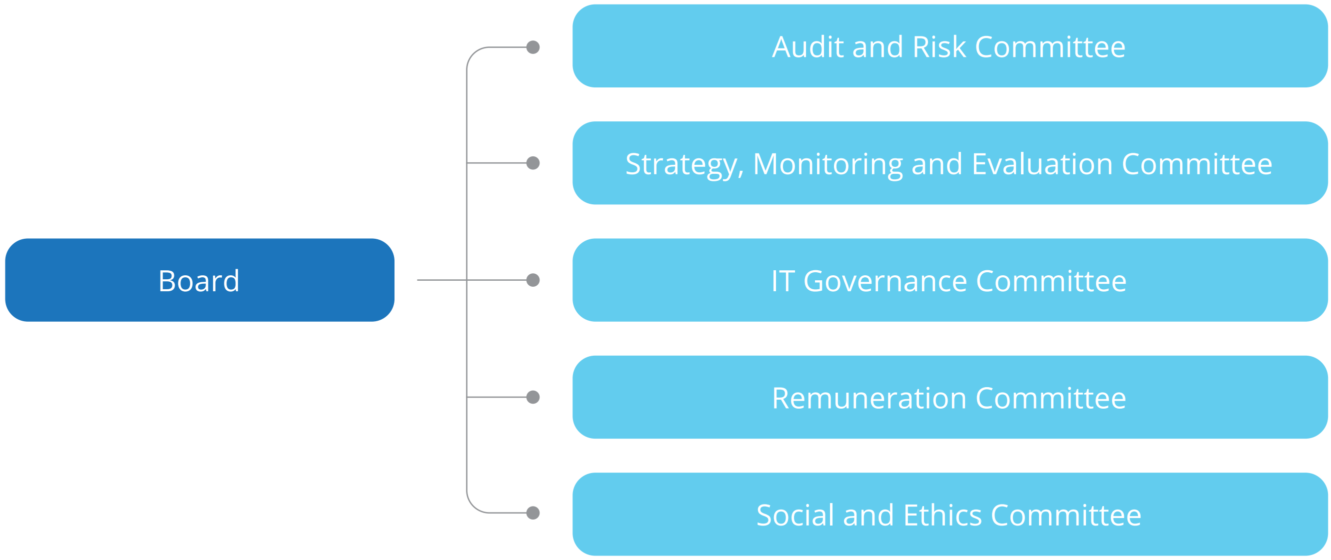


Figure 18: Board Committees

Audit and Risk Committee

The Committee provides an independent and objective oversight of, amongst others, financial and sustainability reporting; financial management; risk management; internal controls; internal audit function; external audit; combined assurance 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 reports, IT Governance reports, external audit strategy and other statutory requirements.

Strategy Monitoring and Evaluation Committee

The Committee assists the Board in ensuring that the development of the RTMC long-term Strategy is aligned with the mandate, Shareholders Committee's directives and Government priorities. The Committee:

- Monitors and evaluates the implementation of the Strategy and Annual Performance Plan.
- Ensures the preparation of and reviewing of Quarterly Performance Reports and recommending measures to be taken or interventions required to ensure successful implementation of the RTMC's Strategy and Annual Performance Plan.
- Oversees that the bid evaluation and adjudication processes -
  - Have been complied with in line with the Preferential Procurement Policy Framework Act (PPPFA), the Broad-Based Black Economic Empowerment Act (B-BBEE Act) and the RTMC Supply Chain Management Policy; and
  - Were fair, equitable, competitive and cost-effective.

Information and Technology Governance Committee

The Committee is responsible for exercising oversight of information and technology by reviewing the strategic alignment of IT in terms of the IT Strategy with the overall strategic plan of the RTMC, IT risk management, IT performance management, IT resource management and IT value delivery, Business continuity and Disasters Recovery, Information security and privacy.

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 and monitors the effectiveness of human resource strategies and policies.

Social and Ethics Committee

The Committee monitors the implementation of the RTMC Code of Ethics; exercises oversight over all corruption and other ethical-related investigations; monitors the progress of disciplinary action taken arising out of unethical conduct; ensures that the RTMC has an effective corporate-wide system of disclosure of interests; ensures 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; oversee the implementation of the environmental, social and governance (ESG) strategy.

Below are the Members of the Committees, the number of meetings held, number of members for each committee during the year:

Committee	Number of meetings held	No of members	Name of Members
Audit and Risk Committee	8	5	Ms Rachel Cuna* (Interim Chairperson) Ms Dineo Maithufi ** (Chairperson) Ms Noronte Jaxa Ms Mashamaite Ramutsheli *** Ms Thandi Thankge Adv Xola Stemela
Strategy Monitoring and Evaluation Committee	8	4	Prof Maredi Mphahlele Dr Eddie Thebe Ms Lerato Magalo Adv Johannes Makgatho
Information and Technology Governance Committee	4	3	Mr Nkhumeleni Kudzingana Prof Maredi Mphahlele Adv Johannes Makgatho
Remuneration Committee	7	3	Ms Thandi Thankge Mr Nkhumeleni Kudzingana Adv Xola Stemela
Social and Ethics Committee	4	3	Prof Chitja Twala Ms Lerato Magalo Dr Eddie Thebe

Table 50: Members of the Committees

* Term of office expired on 31 July 2023

** Appointed on 1 July 2023

*** Appointed on 1 August 2023

Remuneration of Board Members

The remuneration of the Board members is determined by the Shareholders Committee. The total amount of remuneration paid to the members includes a monthly retainer as well as attendance at meetings and no other expenses are paid. The official appointed by the Minister of Transport to serve on the Board is not remunerated. Members of the Board are remunerated for attending four (4) quarterly meetings of Committees as well as the Board meeting and are not remunerated for attending special meetings as the monthly retainer fees cover such eventualities.

Name	Remuneration: (Retainer and meeting attendance fees)	Other allowance	Other reimbursement	Total
Ms N Mufamadi	R968 098.36	Nil	Nil	R968 098.36
Prof M Mphahlele	R779 121.60	Nil	Nil	R779 121.60
Ms T Thankge	R779 121.60	Nil	Nil	R779 121.60
Dr E Thebe	R645 395.56	Nil	Nil	R645 395.56
Prof C Twala	R779 121.60	Nil	Nil	R779 121.60
Ms L Magalo	R591 612.59	Nil	Nil	R591 612.59
Mr N Kudzingana	R746 658.20	Nil	Nil	R746 658.20
Adv X Stemela	R618 504.07	Nil	Nil	R618 504.07

Table 51: Remuneration of Board Members

Remuneration of External Members of the Audit and Risk Committee

In line with the Terms of Reference of the Audit and 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. The external Members of the Committee are remunerated for attendance of meetings and reimbursed for travel expenses as outlined below:

Name	Remuneration: (Meeting attendance Fees)	Other allowance	Other reimbursement (Travel expenses (km)	Total
Ms R Cuna	R 64 926.80	Nil	R 357.28	R 65 284.08
Ms D Maithufi	R248 562.86	Nil	R1265.80	R249 828.66
Ms N Jaxa	R267 112.05	Nil	R3025.31	R270 137.36
Ms M Ramutsheli	R 80 673.96	Nil	R 636.00	R 81 309.96

Table 52: Remuneration of external Members of the Audit and Risk Committee

Risk Management

Operating in a dynamic environment, the RTMC has implemented a comprehensive Enterprise Risk Management (ERM) framework and Risk Management Policy to identify, assess, and mitigate the diverse risks that could impact performance and the achievement of strategic objectives.

The RTMC's risk management approach is anchored on the principles of ERM, which enables a holistic and integrated view of the risks and emerging risks faced by the RTMC through annual and quarterly risk assessments. Once new and emerging risks are identified, management is required to design mitigation strategies to minimise the potential impact that may result in organisational goals not being achieved. The framework allows the RTMC to proactively address both internal and external factors that could pose threats, while also identifying potential opportunities that can be leveraged to the RTMC's advantage.

The Board through its subcommittee, provides independent oversight in respect of Risk Management. The ARC guides the strategic intent of Risk Management with the Committee also monitoring activities of the function.

The following strategic risks were duly identified and measured, and the RTMC continues to monitor the implementation of agreed risk mitigation mitigations periodically.

LIKELIHOOD	RESIDUAL RISK RATING				
5 Almost certain	5	10 (7)	15 (5)	20 (2)	25
4 Highly probable	4	8	12 (1)	16	20 (4) (6)
3 Possible	3	6	9	12 (3)	15
2 Unlikely	2	4	6	8	10
1 Rarely	1	2	3	4	5
IMPACT	1 Negligible	2 Minor	3 Moderate	4 Major	5 Critical

Table 53: Strategic Risks

Residual Risks
1 Inability to execute RTMC-linked KPIs of the National Road Safety Strategy (NRSS)
2 Increased risk of fraud and corruption
3 Loss of talent/skills
4 Increased risk of liquidity
5 Inability to implement IT Strategy deliverables
6 Increased risk of cyber attacks
7 Risk of non-compliance with laws, rules, and regulations (new/updates)

Risk	Mitigation Strategies	Residual risk rating as of 31 March 2024
Inability to execute RTMC-linked KPIs of the National Road Safety Strategy (NRSS)	1) Alignment and coordination between key stakeholders DoT, Provinces and Local Government geared toward Road Safety and Law Enforcement 2) Formulation of strategic partnerships with stakeholders within Road Safety - for collaboration and funding	Medium
Increased risk of Fraud and Corruption	1) Whistle-blowing hotline is in place and communicated to all employees 2) Newly revised and approved Fraud policy 3) Newly revised and approved Whistleblowing policy	High
Loss of talent/skills	1) Newly approved remuneration policy 2) Approved Human Resource strategy 3) Approved internal communication plan for the CEO -Sisonke sessions 4) Approved pay scales for specialised skills	Medium
Increased risk of liquidity	1) We Buy Cars (WBC) and BMW Finance have been onboarded and are utilising online registration and change of ownership services. 2) Capitec and FNB Bank went live with the online vehicle licence renewals.	High
Inability to implement IT Strategy deliverables	1) Smart Enrolment Unit (SEU) implemented at RTMC DLTC's (Eco Park and Waterfall 2) Online services launched (Automation of services) Motor vehicle licensing and Vehicle change of ownership	Medium
Increased risk of cyber attacks	1) Implementation of the first year of the cyber security strategy.	High
Risk of non-compliance with laws, rules, and regulations (new/updates)	1) Training on amendments to applicable laws, rules and regulations 2) Consequence management for non-compliance	Medium

Table 54: Residual Risks

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 RTMC by implementing standards and systems of internal control that provide reasonable assurance in terms of:

- Integrity and reliability of the financial and operational information in line with applicable standards.
- The efficiency and effectiveness of controls in safeguarding assets.
- Compliance with applicable policies, procedures, laws and regulations.

The internal control unit is thus responsible for the following:

- Coordinating the development, review and implementation of financial internal control system, policies and procedures.
- Identifying, mitigating and managing control risks which may hamper the achievement of the unit's objective to effectively, efficiently and economically manage its financial and related resources.

Internal Audit and Audit and Risk Committee

Internal Audit

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve the RTMC's operations. It supports the RTMC 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 RTMC's financial and non-financial objectives are achieved. Executing this responsibility includes the establishment of an Internal Audit function as per 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 figure below details a summary of the activities executed by Internal Audit during the 2023/24 financial year.

Quarter 1

April 2023 to June 2023

- Road Traffic Information and Technology - Crash Data, Statistics
- Follow-up Audit on implementation Board and Sub-Committee resolutions
- RTMC DLTC's Audit - Waterfall and Eco Park
- Performance Information audit (Q4 of 2022/23)
- Governance Audit: Office of the Company Secretary
- PFMA Year-End AFS Audit
- Data Analytics Audit (Jan - Mar 2022 data)
- RTTA Portfolio of Evidence - Full Population Review

Quarter 2

July 2023 to September 2023

- Traffic Law Enforcement
- Supply Chain Management - Quotations and Contract Management
- Occupational Health and Safety Audit
- Enterprise Risk Management Follow-Up Audit
- Performance Information audit (Q2 of 2023/24)
- Budget Management Audit
- QFS1 2023/24 Audit
- Follow-up Audit on Implementation of Audit Action plans

Quarter 3

October 2023 to December 2023

- Asset Management Audit
- Fleet Management Audit
- Payroll Management Audit
- Performance information audit (Q2 of 2023/24)
- Performance management development system
- QFS2 2023/24 Audit
- Recruitment and terminations
- Law enforcement Norms and Standards

Quarter 4

January 2024 to March 2024

- Supply Chain Management
- Revenue audit on all streams
- NTACU Operations
- Performance Information Audit (Q3 of 2023/24)
- QFS3 2023/24 Audit
- Data Analytics Audit - NaTIS and Oracle ERP Systems
- Leave Management
- Road Traffic Training Academy Audit
- Follow-Up audit - Business Continuity Management
- Compliance and Ethics Audit
- Disaster Recovery Follow-Up Audit

Figure 19: Summary of Internal Audit Activities Executed

It should be noted that pre-audit reviews of all bids were also executed by Internal Audit as and when they arose. In addition to this, Management Initiated Activities (Consulting Assignments) were also undertaken as follows:

- NaTIS Infrastructure Refresh Review
- Boekenhoutkloof Traffic College Upgrade Review
- 100% verification of firearms

The unit planned 36 engagements (Assurance and Consulting) and managed to execute 38 engagements in total for the year under review, excluding the pre-award bids.

Audit and Risk Committee

The Committee comprised of five (5) independent Non-Executive Members as stated on page 62 of the Report. The appointment of the Members of the Audit and Risk Committee is confirmed annually by the Shareholders at the Annual General Meeting.

Name	Qualifications	Internal /External	If internal, position in the Entity	Date Appointed	Date resigned / Term expired	Number of meetings attended
Ms R Cuna Interim Chairperson	BSoc Sc BCom in Information Systems Higher Diploma in Computer Auditing BCom Hons in Informatics	External	n/a	1 August 2020	31 July 2023	1/8
Ms D Maithufi Chairperson	Chartered Accountant (CA(SA)) BCom Hons Accounting BCom Accounting	External	n/a	1 July 2023	n/a	6/8
Ms N Jaxa	BCom Accounting BCompt. Hons MBA	External	n/a	1 October 2023 re-appointed	n/a	8/8
Ms M Ramutsheli	MPhil Internal Auditing BTech Internal Auditing	External	n/a	1 October 2023	n/a	3/8
Ms T Thankge	M Com in Business Management BA in Industrial Psychology BA Hons in Industrial Psychology Dip in Library and Information Services	Non-Executive	n/a	1 January 2023	n/a	8/8
Adv X Stemela	LLB BJuris	Non-Executive	n/a	1 January 2023	n/a	7/8

Table 55: Audit and Risk Committee

Compliance with Laws and Regulations

Compliance within RTMC is monitored in line with the Compliance Framework. The Compliance Universe and Compliance Calendar were developed during the year under review. The RTMC reports to the Board on a quarterly basis on its levels of compliance with applicable laws and regulations as outlined in the Compliance Universe. The Compliance Universe sets out legislation policies, plans, processes, procedures, and registers used to identify and adhere to the relevant compliance obligations with which the RTMC must comply.

Furthermore, during the year under review, training was conducted to ensure employees were familiar with critical legislation; for example, the Protection of Personal Information Act, Occupational Health and Safety, Broad-Based Black Economic Empowerment, Employment Equity Amendments, Firefighting, and First Aid.

Fraud and Corruption

During the year under review, the Board also approved a revised Whistleblowing Policy. The policy is one of the fundamental tools in combating fraud and corrupt activities within the RTMC. The policy applies to all employees, trainees/interns, service providers/contractors/ consultants. The purpose of the policy is to:

- Build loyalty amongst employees, employer and suppliers through the identification and elimination of unethical practices.
- Create a culture where suspicions of irregularities can be reported safely without the fear of reprisal from other employees or the RTMC.
- Provide guidance to employees on how to report their suspicions about possible illegal conduct, unethical conduct, breach of law or RTMC policies or impropriety.
- Provide assurance and information about how employees are protected by National Legislation and RTMC policies.
- Ensure that the RTMC complies with the PDA.

The Policy makes provision for the establishment of an Ethics Hotline. During the year under review, the RTMC launched an Ethics hotline to enable staff to confidentially and anonymously report suspected fraudulent or corruptive activities committed by RTMC personnel. No cases were reported through the Ethics hotline. However, three (3) fraud and corruption cases were reported directly to management. Investigations were concluded, consequence management was implemented, and the officials were dismissed, after following a due disciplinary process.

Minimising Conflict of Interest

The Supply Chain Management (SCM) 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 responsible manner. Internally, there are levels of segregation of duties from preparer, reviewer and approver. This process also assists in ensuring that the process is foolproof. It is also expected of an SCM Practitioner or other role players that are involved in SCM to, amongst others:

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

Members of the Bid Committees are also expected to carry out their roles in a manner that is honest, fair, impartial, transparent, cost-effective and to maintain the highest level of integrity. The Bid Committees require that all members declare their interest, and where there is a potential conflict, such members recuse themselves from participating in the evaluation and adjudication process.

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

- Standard bidding document 4 (SBD 4) - to declare interest and relationship with any other persons employed by the State. This declaration ensures that officials who are related to a specific bidder do not participate in the evaluation and adjudication process.

Code of Conduct

During the year under review, the Board approved a revised Code of Ethics. The Code functions as a barometer that sets the expected ethical conduct of RTMC's employees and promotes and encourages ethical behaviour at all times.

The Code applies to all Employees, Members of the Board and stakeholders (to the extent relevant).

Purpose of the Code of Ethics ("**Code**"), is to –

- establish standards that would promote and encourage ethical behaviour and decision-making by all employees, Board members, and stakeholders;
- promote good governance by setting ethical objectives and milestones and ensuring that such objectives are integrated into the broader RTMC's strategic objectives;

- ensure that ethics are clearly communicated and understood as an integral part of RTMC's corporate identity, culture, and purpose;
- ensure that ethics informs RTMC policies, procedures, practices, conduct, and business processes, and ensure that all decisions are preceded by deliberation on ethical issues; and
- communicate a clear message that failure to meet ethical objectives could undermine the pursuit of the broader RTMC objectives and will not be tolerated. The Code also addresses how such implementation can be monitored.

Occupational Health, Safety and Environmental Matters

The RTMC is expected to comply with the requirements of the Occupational Health and Safety (OHS) Act, 85 of 1993, by providing a safe working environment for its employees, contractors, and visitors alike. To this end, the RTMC has instituted all requisite measures to ensure complete compliance with the requirements and spirit of the OHS Act. Workplace incidents are dealt with per the Compensation for Occupational Injuries and Diseases Act, 130 of 1993.

During the year under review, thirty-one (31) workplace incidents were reported, a decrease of 30% compared to the forty-four (44) cases reported during the previous year. Most cases are IOD cases involving traffic trainees and are attributed to the physical training exercises undertaken daily by traffic trainees. All reported workplace incidents were reported to COIDA as required by legislation.

During the year under review, the Board approved an Environmental, Social and Governance (ESG) strategy. The RTMC's ESG strategy aims to address the environmental, social, and governance factors associated with the activities undertaken by the RTMC to ensure that the RTMC operates with the highest environmental and ethical standards, social imperatives, and best governance practices. It also identifies how the RTMC aims to build on existing achievements, to continue improving over the next three years, and how these will be measured.

Company Secretary

The role and responsibilities of the Company Secretary are outlined in the Board Charter read with King IV. The Company Secretary is a 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 authority and support needed to carry out duties, which include, amongst others:

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

Corporate Social Responsibility

The RTMC is involved in several projects that aim to improve the well-being of children and youth, indigent, and vulnerable citizens from disadvantaged communities through social welfare and community outreach programs. Its main goal is to support sustainable corporate social responsibility (CSR) initiatives, inspired by the UN's Sustainable Development Goals (SDG). The RTMC focuses on public health, education, road safety, disaster relief, environment sustainability programmes, vulnerable children, orphans, youth, and pensioners from disadvantaged communities.

Initiative 1: Winter Warmer Drive CSR Project

Stakeholder	Beneficiaries	Objectives of the Initiative
On May 30th, 2023, RTMC fulfilled its Winter Warmer Drive Corporate Social Responsibility (CSR) project at Bula Mahlo Orphanage Home and Day Care Centre in Tembisa, Gauteng. This initiative was part of the RTMC's education and learner support programme aimed at assisting children and learners from underprivileged communities.	Over 30 orphaned and destitute children and young adults, between the ages of 2 and 20 from Tembisa and outlying informal settlement communities were the beneficiaries of the project. The RTMC donated grocery hampers and dignity care hampers towards a noble cause as part of the CSR project rollout plan.	The RTMC utilised the CSR project to assist the Orphanage Centre in tackling the difficulties it faced in maintaining its support for underprivileged children. The RTMC's contribution aimed to ease the burden the Centre faced in providing support to children residing at the Orphanage, ranging from ECD to high school level. The project handover presented an opportunity for the RTMC to raise awareness of road safety and promote safety measures for pedestrians to reduce road accidents among vulnerable road users.

Table 56: Winter Warmer Drive CSR Project

Initiative 2: Mandela Month Drive CSR Project

Stakeholder	Beneficiaries	Objectives of the Initiative
The Mamelodi Old Age Home had been identified by the Department of Social Development and recommended to be deserving of support due to its contribution to addressing the socio-economic ills of societies with limited donor funding. The Old Age Home is the only organisation providing the service in the community of Mamelodi.	The community of Mamelodi township and the surrounding informal settlements are home to over 45 elderly individuals, many of whom are indigent and some with no families. Some of the elderly citizens require full-time medical care and nursing assistance due to their advanced age and poor health. The old age home, which houses many of these elderly residents, relies solely on funding from the Department of Social Development for its upkeep.	***SDG 2: Zero Hunger and Goal 3: Good Health and Well-Being*** The CSR project was carried out by the RTMC to address social challenges faced by many South Africans, particularly the elderly, who are the most vulnerable members of our communities. As part of this initiative, the RTMC provided a nutritious and warm meal to the elderly residents of a local Old Age Home. RTMC employees volunteered to prepare a meal for the day, and the RTMC also donated blankets to the elderly at the facility for their health and well-being during the cold winter season. ***Goal 15: Life on Land*** RTMC contributed to protecting, restoring, and promoting sustainable land use by establishing a self-sustaining vegetable garden and fruit trees. ***Goal 17: Partnership for the Goals*** During the project handover, employees were invited to serve as RTMC ambassadors, promoting employee volunteerism and acts of kindness, with a focus on road safety for vulnerable road users.

Table 57: Mandela Month Drive CSR Project

Initiative 3: Women's Month Drive CSR Project

Stakeholder	Beneficiaries	Objectives of the Initiative
The Siyazigabisa Community Centre is a non-governmental organisation and Home of Hope in Ekurhuleni. The Department of Social Development has recommended the Centre for support, recognising its efforts in addressing the various societal issues prevalent in the community, which is characterised by high unemployment and crime rates.	Abused Women and abandoned young children from the Tembisa and surrounding informal settlements are sheltered at the Centre. The Centre accommodates 50 women and children who are victims of domestic abuse and abandonment.	*Sustainable Development Goals: 1, 3, 5.* • *No Poverty* • *Good Health and Well-being* • *Gender Equality* During the visit, the RTMC donated care hampers to uplift and restore the dignity of women and children who had fled abuse and sought shelter at the Home of Hope. The donation was in line with the United Nations' SDGSs 1, 3, and 5, aimed at ending poverty, promoting good health and well-being, and fighting for gender equality. Furthermore, the event provided an opportunity to educate the beneficiaries on measures to keep pedestrians safe on the roads and promote road safety.

Table 58: Women's Month Drive CSR Project

Initiative 4: Festive Season - Act of Kindness CSR Project

Stakeholder	Beneficiaries	Objectives of the Initiative
The RTMC partnered with the National Department of Transport in responding to the plight of the disadvantaged households from the rural and farming communities of the four identified villages of Nquthu and Koopleegte, Mahlabathini, Vulindlela in Escourt, in KwaZulu Natal.	The RTMC and the KZN Department of Transport handed over festive season care hampers to two hundred (200) beneficiaries needing support. The recipients of the initiative have been identified as child-headed households – children who lost parents/guardians in road crashes, the indigent, and the elderly who rely on social grants.	The project aimed to respond to **Goal: 2**: Zero Hunger, a call to action to eradicate hunger. Extreme hunger and malnutrition remain a huge barrier to the survival and development of young people and the vulnerable in our country. The RTMC used the project to reach communities hardest hit by the social ills. The project supported the affected indigent, child-headed households with grocery care hampers, aimed at lessening the burden faced by these households during this period. The project handover also allowed the Department of Transport and the RTMC to engage with the communities on road safety matters. This included highlighting the impact of road crashes on families, pedestrians, and vulnerable road users, as well as the related burden on the economy during the heightened period of road travel in the festive season.

Table 59: Festive Season - Act of Kindness CSR Project CSR Project

Initiative 5: Education and Learner Support CSR Project

Stakeholder	Beneficiaries	Objectives of the Initiative
RTMC in collaboration with the Ministry of Transport implemented the Education and Learner Support CSR project in Kwa-Zulu Natal, providing support to families and victims of road crashes. This programme was a joint operation in partnership with the office of the Minister of Transport.	Nine families (9) in Ephangweni, Escourt benefitted from this Education and Learner Support programme. The beneficiaries are the impoverished families of victims of road crashes who come from a disadvantaged community in rural KwaZulu-Natal.	The Education and Learner CSR Programme provides support to a spectrum of needs of disadvantaged learners and schools affected by poverty, crime, and unemployment, in solidarity with the UN's SDG:*1 and 2* • No Poverty • Zero Hunger The programme also focuses on equipping learners with road safety education through charitable efforts and road safety education and activations.

Table 60: Education and Learner Support CSR Project

Initiative 6: Disaster Relief CSR Project

Stakeholder	Beneficiaries	Objectives of the Initiative
The RTMC partnered with the Department of Transport in supporting the community of Mayflower who lost community members in a fatal bus crash on February 25th, 2024, on the R33 route Near Dumbe. The bus travelled to Mkhondo District Municipality from eThekwini in Kwa-Zulu Natal. The accident resulted in the loss of eight lives and many others were left critically injured. As the RTMC's core mandate is road safety, the onus to action fell upon the RTMC to ease the burden faced by the families of the victims, who came from impoverished backgrounds, because of the disaster as part of the disaster relief project	The project benefitted the 8 families of the victims who relied on social grants as the source of income for their livelihood. The bus disaster resulted in financial burdens and distress for their impoverished families. The RTMC and the Department of Transport stepped in to provide support. The RTMC's commitment to its values as a responsive lead agency on road safety was evident in the decision to launch the 2024 Easter Period Road Safety Campaign at the Mkhondo District Municipality where the crash victims resided, to promote and highlight road safety issues.	This initiative was taken in direct response to the UN's: • Goal 1: Eradication of poverty • Goal 2: Eliminating world hunger and food scarcity. • Goal 17: Forging partnerships that respond to the attainment of goals. The RTMC delivered grocery hampers to the bereaved families as an act of compassion easing the burden of food costs associated with funeral arrangements and post-funeral livelihood needs resulting from the bus disaster.

Table 61: Disaster Relief CSR Project

Initiative 7: Education and Learner Support CSR Project

Stakeholder	Beneficiaries	Objectives of the Initiative
The Education and Learner CSR Programme provides support to a spectrum of needs of disadvantaged learners and schools affected by poverty, crime, and unemployment, in solidarity with the UN's SDG:1 and 2 • No Poverty • Zero Hunger The programme also focuses on equipping learners with road safety education through charitable efforts and road safety education and activations.	The project benefitted learners at Ntsele Primary School in Evaton and Matsie Steyn Primary School in Sharpeville. The schools serve as beacons of hope in a community downtrodden by crime, unemployment, and poverty. The project benefitted both boy and girl learners, ensuring no child was left behind. Beneficiaries came from the Grade 6 and 7 classes at both schools, where 212 girls and 203 boys received feminine care and dignity care hampers.	Sustainable Development Goal: 1, 3, 5. • No Poverty • Good Health and Well-being • Gender Equality During the visits to both schools, the RTMC donated dignity care hampers to uplift the confidence and self-esteem of the learners by teaching them good hygiene for healthy living and their well-being. The feminine and dignity care hampers were equally distributed to the identified young girls and boys. The donation aligned with Goals 1, 2, 3, and 5, aiming to end poverty, promote good health and well-being, and fight for gender equality. The handover event provided a platform to educate the learners on pedestrian safety measures on the roads in line with the 365-day road safety programme.

Table 62: Education and Learner Support CSR Project

Report of the Audit and Risk Committee

The Committee is pleased to present its report for the financial year ended 31 March 2024.

Audit and Risk Committee Responsibility

The Audit & Risk Committee reports that it has complied with its responsibilities arising from Section 51(1)(a)(ii) of the Public Finance Management Act and Treasury Regulation 27.1. The Committee also reports that it has discharged all its responsibilities as contained in its Terms of Reference which was duly approved by the Board.

The Effectiveness of Internal Control and Risk Management

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 Committee is satisfied with the effectiveness and efficiency of the internal audit function. The Committee approved the Internal Audit Charter as well as the risk based three-year rolling and annual Internal Audit Plans.

Internal audit activities implemented as stated on page 65 were measured against the approved plan. The Committee is satisfied that the Internal Audit function remains independent and has performed its duties in accordance with the approved Internal Audit Plan.

The Committee continued to monitor the implementation of plans to address internal and external audit findings. Areas of concern were repeat findings and internal controls which were not effectively implemented. Management has committed to seek ways to address this.

Furthermore, the Committee continued to monitor the key strategic risks identified and mitigations on a quarterly basis. The progress on mitigation plans for the identified strategic risks was provided to the Committee.

In-Year Management and Quarterly reports

RTMC has submitted in-year Management and Quarterly reports to the National Treasury and Department of Transport in line with the PFMA.

Evaluation of Financial Statements

The Committee reviewed the Annual Financial Statements prepared by Management.

Auditor-General's Report

The Committee has reviewed the RTMC implementation plan on audit findings raised in the previous year and is satisfied that the matters have been adequately resolved.

The Committee concurs and accepts the conclusion of the Audit Report on the Annual Financial Statements and is of the opinion that the audited financial statements be accepted and read together with the report of the Auditor-General.

Ms Dineo Maithufi
Chairperson: Audit and Risk Committee

B-BBEE Compliance Performance Information

The RTMC complied with the B-BBEE Act by submitting the compliance matrix report (B-BBEE 1 Form) and the Annual Report to the BBBEE Commission within thirty days (30) days after the approval of the annual financial statement. The RTMC achieved a final B-BBEE level 2 contributor status, the same as the previous financial year. Below are the RTMC's B-BBEE scorecard elements and status level:

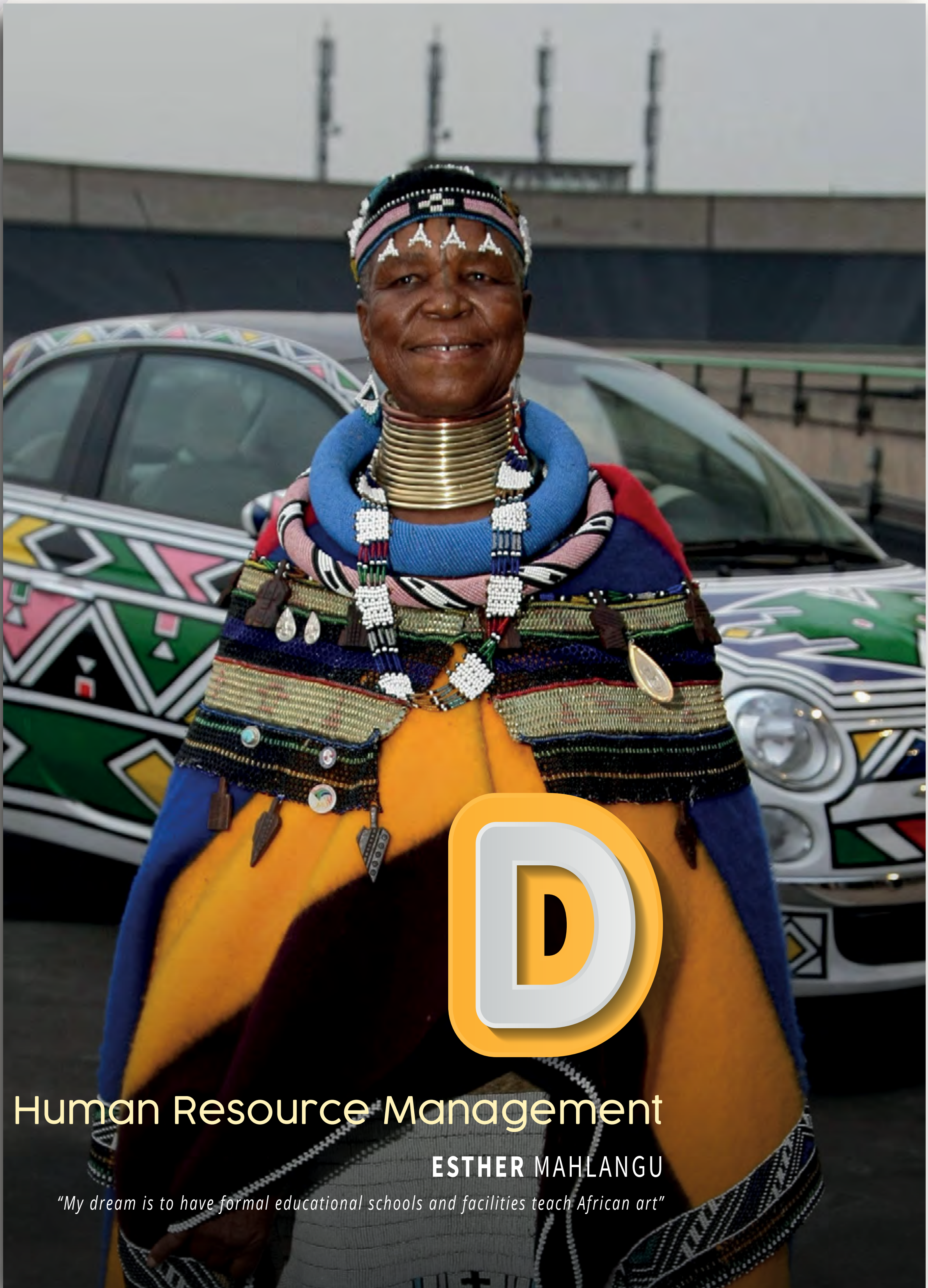
Scorecard Information	Score	Target Score
Management Control	7.88	10.00
Employment Equity	13.60	15.00
Skills Development	21.03	25.00
Preferential Procurement	30.00	30.00
Enterprise Development	15.00	15.00
Socio-Economic Development	5.00	5.00
Total Score	**92.51**	**100.00**
Final B-BBEE Status Level	Level 2 Contributor	

Table 63: RTMC B-BBEE Scorecard Elements for 2023/24

Has the public entity applied any relevant code of good practice (B-BBEE Certificate Level 1-8) regarding the following		
Criteria	**Response Yes/No**	**Discussion**
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The RTMC does not issue any licences
Developing and implementing a preferential procurement policy?	Yes	The RTMC has an approved policy to comply with the new Preferential Procurement Regulations ("2022 Regulations")
Determining qualification criteria for the sale of state-owned enterprises	No	The RTMC does not have any other enterprise
Developing criteria for entering partnerships with the private sector?	No	The RTMC 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 RTMC does not have the criteria for awarding of incentives, grants, and investment schemes in support of B-BBEE

Table 64: B-BBEE Compliance

30 YEARS OF FREEDOM
South Africa 1994 - 2024



D

Human Resource Management

ESTHER MAHLANGU

"My dream is to have formal educational schools and facilities teach African art"

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.

Overview of Human Resources Matters

The Human Capital (HC) functions are delivered through two business units within the organisational structure, Organisational Development (OD) and Human Resources (HR) Operations and Transformation and Employee Relations.

The mission of Human Capital is to implement effective and efficient human capital solutions to enable RTMC to deliver on the mandate.

The vision of human capital is ***"to provide premier human capital solutions"***.

To realise this vision, management buy-in and commitment are essential to ensure that the Human Capital processes achieve their set objectives.

Human Capital supports the RTMC's mission accomplishment by providing and implementing human capital management solutions. The unit has adopted a business-partnering service delivery model through HR Business Partners.

The purpose of HR Business Partners is to achieve the business objectives by providing HR expertise and competence to increase efficiency and effectiveness. Particularly, HR business partners have the responsibility to build strong relationships with the Line Managers to encourage them to share responsibility for identifying HR practices that accomplish business strategy.

The HR Business Partners are supported by Talent Acquisition and Organisational Development, Change, Performance and Talent Management, Labour Relations, Learning and Development, and Employee and Wellness Units.

HR Priorities for the Year and the Impact of These Priorities

There are three strategic human capital goals, which are aligned with Government priorities relating to leadership, people, and human resources (HR) to help the RTMC overcome its workforce challenges and improve support for mission achievement. The priorities for the year are aligned with these goals.

- ***Leadership: Grow our Leaders***
    - We will improve leadership competency and strengthen accountability for achieving mission results while improving executive hiring and onboarding processes and preparing the workforce for future RTMC needs.
- ***People: Strengthen our Workforce***
    - We will hire the best talent, develop our employees, and optimise performance with a renewed emphasis on employee engagement, workplace improvement, and workforce flexibility.
- ***Human Capital: Improve our HC Service Delivery***
    - We will improve HC competency, processes, and systems to provide effective, efficient results and excellent customer service to the RTMC employees.

Figure 19: Human Capital Goals

The figure below illustrates the alignment with the goals and objectives of the RTMC strategic plan and the Government priorities.

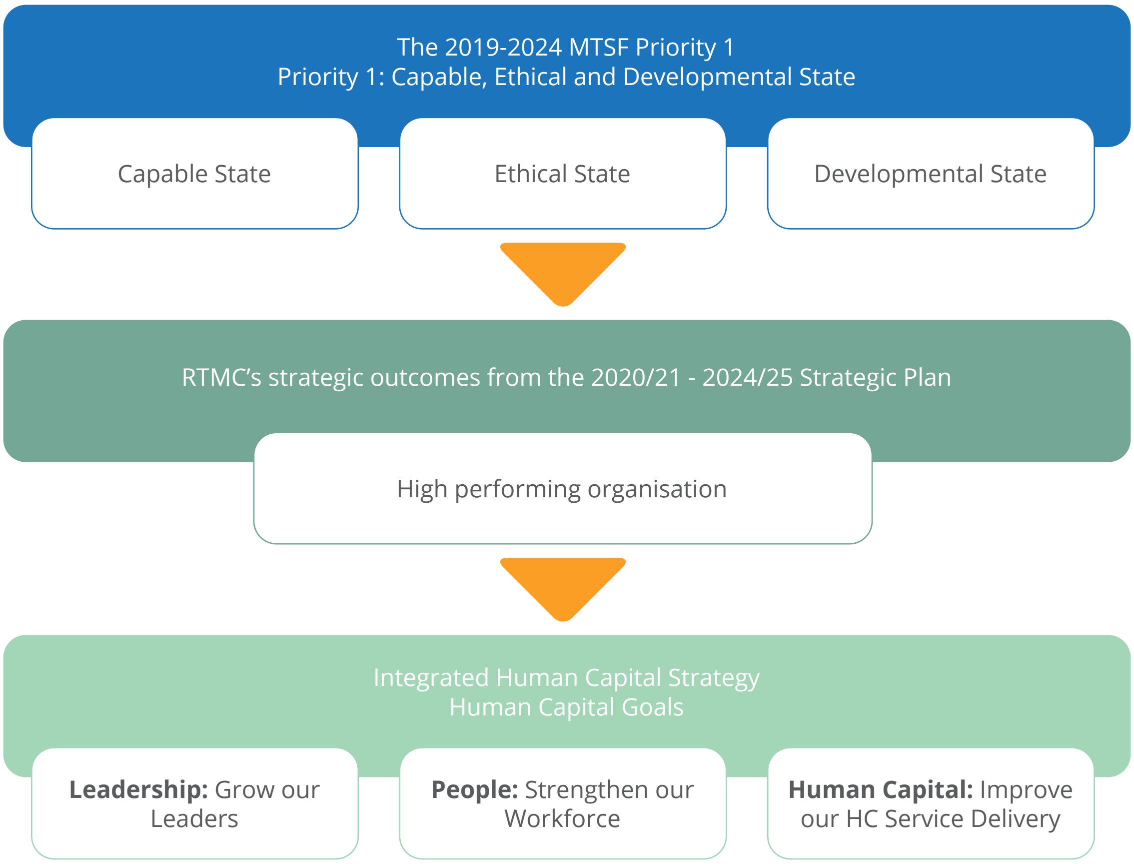


Figure 20: Human Capital Goals Alignment

Workforce Planning Framework

The Human Resource (HR) Plan is developed annually to ensure that the RTMC has the right number of employees, with the right composition (representativity) and competencies, in the appropriate posts to deliver on its mandate and to achieve its strategic goals and objectives.

The HR Plan assesses the human resources required to deliver on the RTMC's strategic objectives, followed by a gap analysis indicating the current human resource needs.

Employee Performance Management Framework

The RTMC has a performance management and development system in pursuit of a performance-driven culture. As such, all employees signed performance agreements, and performance reviews were conducted.

Employee Wellness Programmes

Healthy employees are the foundational pillar of any successful business. Healthy employees are productive and diligent in their work, resulting in greater productivity. As such, the RTMC promotes health and wellness among employees by providing psychosocial and spiritual well-being support to all employees through the Employee Wellness Programme.

Policy Development

The following policies were developed during the 2023/2024 financial year:
- Remuneration Policy
- Total Rewards Strategy
- Integrated Human Capital Strategy
- Internship and Learnership Policy
- Elimination and Prevention of Harassment in the Workplace Policy

HR Achievements

During the year under review, the RTMC implemented its talent management strategy by implementing talent management initiatives. The talent management initiatives that were implemented are as follows:

Labour Relations Training for Line Managers

The Human Capital Unit developed labour relations training for line managers, and training commenced in June 2023. The labour relations training is aimed at looking at the role of managers and how they can nurture trust-based relationships with employees, which benefit employees' well-being even when conflict arises.

Skills Audit

The RTMC considers its employees an integral asset; therefore, understanding their skills and knowledge is vital for success. In March 2023, the RTMC, through the Human Capital business unit, launched and rolled out a skills audit for all employees below general manager levels, focusing on the core and generic competencies.

SISONKE, Let's Talk CEO-Led Discussions

The RTMC identified the implementation of a quarterly CEO-led discussion framework to enhance communication effectiveness amongst the CEO and RTMC employees. The discussion termed ***SISONKE, LETS TALK CEO LED DISCUSSIONS*** provides for structured quarterly meetings where employees gather to hear from the CEO of the RTMC about the state of the organisation, its vision, mission, and goals. It also allows employees to ask questions, share feedback, and engage with the CEO in a two-way conversation. The sessions will fulfil the following objectives:

Streamline communication and share important information and updates.

Improve synergies and accountability by closing the gap between management and employees.

Shape the culture of the RTMC through alignment and understanding of RTMC goals.

Optimise performance through engagement.

Nurture employee-employer relations through building trust and transparency.

Keep employees connected to the RTMC's vision and direction, and

Establish leadership presence and connect with employees at all levels.

Prevention and Elimination of Harassment in the Workplace

In January 2024, the Board approved the Prevention and Elimination of Harassment in the Workplace Policy. In March 2024, awareness sessions were held with employees to ensure that employees are informed of how they are protected from harassment in the workplace and what steps to take if they feel victimised. This is also part of a continued effort to improve communication and foster a robust organisational culture.

Absorption of the first cohort of 21st Century Cadre

The first cohort of traffic trainees on the NQF level 6 Traffic Officer Qualification were appointed as Traffic Officers from 1 May 2023 after completing their training programme. On 30 March 2023, the Honourable Minister of Transport, Ms. Sindisiwe Chikunga, hosted a graduation ceremony for the 21st Century cohort of Traffic Officers at Denel, Atlas Stadium, Kempton Park. A total of 257 traffic trainees graduated and attended the pass-out parade.

The onboarding process was implemented in four phases, as indicated below:

	ACTIVITIES		
PHASE 1: PRE-BOARDING AND WELCOMING 2 MAY 2023	• Issue Call-up Instruction • Provide new Traffic Officers with necessary information (list of requirements to bring) • Prepare Welcome Packs • Welcome new Traffic Officers • Design induction programme	**PHASE 3:** COMPANY WIDE INDUCTION PROGRAMME 4 TO 8 MAY 2023	• Introduce new Traffic Officers to the RTMC mission, vision and functions. • Explain the strategy of the RTMC • Explain critical HR policies and procedures.
PHASE 2: HR ADMINISTRATIVE PROCESS 3 MAY 2023	• Distribute welcome packs to new Traffic Officers. • Explain documents/forms and how they should be completed. • Assist new Traffic Officers to complete documents. • Provide dummy pay slips and explain options • Provide transport for completion of banking forms • Complete documents for uploading on the system	**PHASE 4:** TRAFFIC LAW ENFORCEMENT INDUCTION 9 MAY 2023 TO 1 JUNE 2023	• Registration as Peace Officers and Authorized Officers • Obtain Infrastructure Number • Issue appointment letters • Issue tools of trade after registration

Onboarding process phases of 257

Bursaries

The RTMC funded a total of sixty-two (62) employees with bursaries to study towards qualifications for career development. Out of the 62 employees who were funded, twelve (19%) employees completed their qualifications, forty-nine (79%) employees are still studying, and one (2%) is deceased. The employees who have successfully completed their studies are currently redeeming the bursary by serving the RTMC for a period equivalent to a number of years of study. Of the forty-nine active bursars, 23 (37%) are in their first (1st) year of studies, twelve (19%) are in 2nd year of studies and fourteen (23%) are in the 3rd year of studies.

Implementation of Youth Empowerment Programme (Internship)

The RTMC implemented the internship programme as an initiative to offer youth workplace-structured learning exposure in a professional setting that allows them to gain valuable work experience in their field of study. The RTMC hosted fifty-three (53) interns who started the programme at different times. Nine (9) completed their internship programme in May 2023, and forty-four (44) interns were appointed in the 2023/2024 financial year. Currently, thirty-seven (37) interns are still in the programme, and seven (7) have resigned.

HR Challenges

The attraction and retention of employees with critical, core, scarce, and specialised skills remained a challenge for the Human Resources Unit during the year under review.

Future HR Plans and Goals

The RTMC has developed three HR goals that, if realised, will directly impact organisational success and mission achievement. The overarching outcome measure is the high-performing organisation as outlined in the RTMC's strategic outcomes from the 2020/21 to 2024/25 Strategic Plan. The figure below shows the three HR goals and the RTMC commitments:

RTMC will improve leadership competency and strengthen accountability for achieving mission results, while improving executive hiring and onboarding processes and preparing the workforce for future RTMC needs.

RTMC will hire the best talent, develop our employees, and optimise performance with a renewed emphasis on employee engagement, workplace improvement, and workforce flexibility.

RTMC will improve HC competency, processes, and systems to provide effective, efficient results and excellent customer service to the RTMC employees.

Figure 21: HR goals and RTMC commitments.

Human Resources Oversight Statistics

Personnel Cost by Programme

Programme/Activity/Objectives / Programme	Total expenditure for the entity (R)	Personnel expenditure	Personnel expenditure as a % of total expenditure	Number of employees	Average personnel cost per employee (R)
Road Safety, Marketing and Stakeholder	26 103 133	22 238 556	85%	17	1 308 150
Training of Traffic Personnel	160 172 268	94 439 153	59%	72	1 311 655
Law Enforcement	277 605 345	265 547 463	96%	613	433 193
Traffic Intelligence and Security	23 069 700	21 565 829	93%	12	1 797 152
Strategic Services	293 794 052	150 847 022	51%	227	664 524
Support Services	796 919 368	172 505 740	22%	211	817 563
Total	**1 577 663 865**	**727 143 764**	**46%**	**1 152**	**631 201**

Table 65: Personnel Cost by Programme

Personnel Cost by Salary Band

Level	Personnel expenditure (R)	% of personnel expenditure to total personnel cost	Personnel expenditure as a % of total expenditure	Number of employees	Average personnel cost per employee (R)
Top Management	10 453 628	1%	0.7%	1	10 453 628
Senior Management	74 064 155	10%	5%	29	2 553 936
Professionally Qualified	148 997 687	20%	9%	99	1 505 027
Skilled	331 722 409	46%	21%	488	679 759
Semi-Skilled	117 200 487	16%	7%	480	244 168
Unskilled	44 705 400	6%	3%	55	812 825
Total	**727 143 766**	**100%**	**46%**	**1 152**	**631 201**

Table 66: Personnel Cost by Salary Band

Performance Rewards

Level	Performance Reward	Personnel expenditure (R)	% performance reward to total personnel cost
Top Management	4 429 320	10 453 628	42%
Senior Management	5 476 957	74 064 155	7%
Professionally Qualified	8 460 592	148 997 687	6%
Skilled	14 757 937	331 722 409	4%
Semi-Skilled	2 173 402	117 200 487	2%
Unskilled	369 430	44 705 400	1%
Total	**35 667 638**	**727 143 766**	**5%**

Table 67: Performance rewards

Training Costs

Level	Personnel expenditure (R'000)	Training expenditure (R)	Training expenditure as % of personnel expenditure (R)	Number of employees	Average training cost per employee (R)
Top Management	10 453 628	-	0%	-	-
Senior Management	74 064 155	44 287	0%	25	1 771
Professionally Qualified	148 997 687	249 040	0%	97	2 567
Skilled	331 722 409	731 156	0%	573	1 276
Semi-Skilled	117 200 487	439 843	0%	844	521
Unskilled	44 705 400	15 171	0%	15	1 011
Total	**727 143 766**	**1 479 497**	**0.20%**	**1 554**	**952**

Table 68: Training Costs by Salary Band

Employment and Vacancies

Managing the vacancy rate is essential as it reflects the changes in manpower demand and informs capacity requirement decisions. As of 31 March 2024, the vacancy rate was 2% compared to 3% in the previous year. This was due to the appointment of employees to fill the critical vacant positions that were identified.

Employment and Vacancies

Programme/activity/objective	2022/23 Number of employees	2023/24 Approved posts	2023/24 Number of employees	2023/2024 Vacancies	% of vacancies
Road Safety, Marketing and Stakeholder	18	18	17	1	6%
Training of Traffic Personnel	79	72	72	0	0%
Law Enforcement	469	615	613	2	0%
Traffic Intelligence and Security	24	13	12	1	8%
Strategic Services	220	234	227	7	3%
Support Services	190	226	211	15	7%
Total	**1 000**	**1 178**	**1 152**	**26**	**2%**

Table 69: Employment and Vacancies

Employment Changes

Salary Band	Employment at the end of the previous period 31 March 2023	Appointments	Terminations	Employment at the end of the period 31 March 2024
Top Management	1	0	0	1
Senior Management	30	0	1	29
Professionally Qualified	108	3	12	99
Skilled Technical and Academically Qualified	593	5	110	488
Semi-Skilled and Discretionary Decision-making	214	290	24	480
Unskilled and Defined Decision-making	54	26	25	55
Total	**1 000**	**324**	**172**	**1 152**

Table 70: Employment Changes

Reason for Staff Leaving

Reason	Number	% of the total number of staff leaving
Section 197	113	66%
Contract not renewed	18	10%
Deceased	2	1%
Misconduct	5	3%
Resigned	31	18%
Retirement	3	2%
Total	**172**	**100%**

Table 71: Reason for Staff Leaving

Labour Relations: Misconduct and Disciplinary Action

Nature of Disciplinary Action	Number
Verbal warning	1
Final written warning	6
Dismissal	5
Suspension without pay	3
Resignation during disciplinary processes	2
Total	**17**

Table 72: Labour Relations: Misconduct and Disciplinary Action

Equity Target and Employment Equity Status

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management Service	11	11	1	1	0	0	1	1
Professionally Qualified	38	37	0	0	2	2	6	6
Skilled	184	186	6	6	4	4	9	9
Semi-skilled	199	199	5	5	3	3	1	1
Unskilled	29	19	0	0	0	0	0	0
Total	**461**	**452**	**12**	**12**	**9**	**9**	**17**	**17**

Table 73: Equity Target and Employment Equity Status: Female

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	12	12	2	2	0	0	2	2
Professionally Qualified	34	33	4	4	5	5	10	10
Skilled	254	256	9	9	7	7	15	15
Semi-skilled	262	264	7	7	2	2	1	1
Unskilled	25	18	1	1	0	0	0	0
Total	**588**	**584**	**23**	**23**	**14**	**14**	**28**	**28**

Table 74: 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
Professionally Qualified	1	1	1	0
Skilled	3	2	2	2
Semi-skilled	1	2	1	1
Unskilled	0	0	0	0
Total	**5**	**5**	**4**	**3**

Table 75: Equity Target and Employment Equity Status: Disabled Staff

30 YEARS OF FREEDOM
South Africa 1994 - 2024

E

PFMA Compliance

SIPHIWE TSHABALALA

"The 2010 goal was bigger than me,
it was a goal for all South Africans and Africans"

Information on Irregular, Fruitless, and Wasteful Expenditure and Material Losses

Irregular Expenditure

Reconciliation of irregular expenditure

Description	2023/24 R'000	2022/23 R'000
Opening Balance	0	0
Adjustment of opening balance	0	0
Opening balance reinstated	0	0
Add: irregular expenditure confirmed	0	0
Less: irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned and removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recoverable and written-off	0	0
Closing balance	**0**	**0**

Table 76: Reconciliation of irregular expenditure

There is currently no irregular expenditure identified.

Reconciling notes

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure that was under assessment	0	0
Irregular expenditure that relates to the prior year and identified in the current year	0	0
Irregular expenditure for the current year	0	0
Total	**0**	**0**

Table 77: Reconciling notes

There is currently no irregular expenditure identified.

Details of irregular expenditure (under assessment, determination, and investigation)

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure under assessment	0	0
Irregular expenditure underdetermination	0	0
Irregular expenditure under investigation	0	0
Total	**0**	**0**

Table 78: Irregular expenditure details

There is currently no irregular expenditure identified.

Details of irregular expenditure condoned.

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure not condoned and removed	0	0
Total	**0**	**0**

Table 79: Irregular expenditure condoned details

There is currently no irregular expenditure identified.

Details of irregular expenditure recoverable

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure recoverable	0	0
Total	**0**	**0**

Table 80: Irregular expenditure recoverable details

There is currently no irregular expenditure identified.

Details of irregular expenditure not recoverable

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure is not recoverable	0	0
Total	**0**	**0**

Table 81: Irregular expenditure not recoverable details

There is currently no irregular expenditure identified.

Additional disclosure relating to inter-institutional arrangements.

Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description	
Not Applicable	-
Total	**-**

Table 82: Non-compliance cases details

There is currently no irregular expenditure identified.

Details of irregular expenditure where an institution is involved in inter-institutional; arrangement (where such institution is responsible for the non-compliance)

Description	2023/24 R'000	2022/23 R'000
	0	0
Total	**0**	**0**

Table 83: Irregular expenditure details

There is currently no irregular expenditure identified.

Details of disciplinary or criminal steps taken because of irregular expenditure

Fruitless and Wasteful Expenditure

Reconciliation of fruitless and wasteful

Description	2023/24 R'000	2022/23 R'000
Opening Balance	3 394	517
Adjustment of opening balance	0	0
Opening balance reinstated	3 394	517
Add: fruitless and wasteful confirmed	89	2 877
Less: fruitless and wasteful condoned	0	0
Less: fruitless and wasteful not condoned and removed	0	0
Less: fruitless and wasteful recoverable	0	0
Less: fruitless and wasteful not recoverable and written-off	0	0
Closing balance	**3 483**	**3 394**

Table 84: Reconciliation of fruitless and wasteful

A salary of R88 955 was paid into an incorrect account due to an email scam. The matter is still under investigation.

Reconciling notes

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful that was under assessment	0	0
Fruitless and wasteful that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful for the current year	89	2 877
Total	**89**	**2 877**

Table 85: Reconciling notes

A salary of R88 955 was paid into an incorrect account due to an email scam. The matter is still under investigation.

Details of irregular expenditure (under assessment, determination, and investigation)

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful under assessment	0	0
Fruitless and wasteful underdetermination	0	0
Fruitless and wasteful under investigation	3 483	3 483
Total	**3 483**	**3 483**

Table 86: Irregular expenditure (under assessment, determination, and investigation)

A salary of R88 955 was allegedly paid into an incorrect account due to a scam. The matter is still under investigation.

Details of irregular expenditure condoned.

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful not condoned and removed	0	0
Total	**0**	**0**

Table 87: Details of irregular expenditure condoned.

Details of fruitless and wasteful recoverable

Description	2023/24 R'000	2022/23 R'000
Fruitless and wasteful recoverable	0	0
Total	**0**	**0**

Table 88: Details of fruitless and wasteful recoverable

Details of fruitless and wasteful not recoverable

Description	2023/24 R'000	2022/23 R'000
Irregular expenditure not recoverable	0	0
Total	**0**	**0**

Table 89: Details of fruitless and wasteful not recoverable

Additional disclosure relating to inter-institutional arrangements.

Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Description	
Not Applicable	-
	-
Total	**-**

Table 90: Details of non-compliance cases

Details of fruitless and wasteful where an institution is involved in inter-institutional; arrangement (where such institution is responsible for the non-compliance)

Description	2023/24 R'000	2022/23 R'000
	0	0
Total	**0**	**0**

Table 91: Details of fruitless and wasteful

Details of disciplinary or criminal steps taken because of fruitless and wasteful.

Additional Disclosures Relating to Material Losses in Terms of PFMA Section 55(2)(b)(i) &(iii)

Description	2023/24 R'000	2022/23 R'000
Theft	0	0
Other material losses	0	0
Less: recoverable	0	0
Less: not recoverable	0	0
Total	**0**	**0**

Table 92: Additional disclosures relating to material losses.

Details of other material losses

Description	2023/24 R'000	2022/23 R'000
	0	0
Total	**0**	**0**

Table 93: Details of other material losses

Other material losses recoverable

Description	2023/24 R'000	2022/23 R'000
	0	0
Total	**0**	**0**

Table 94: Other material losses recoverable

Other material losses are not recoverable and written off.

Description	2023/24 R'000	2022/23 R'000
	0	0
Total	**0**	**0**

Table 95: Other material losses not recoverable and written off.

Information on Late and/or Non-Payment of Suppliers

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	2 358	609 406
Invoices paid within 30 days or the agreed period	2 351	608 563
Invoices paid after 30 days or the agreed period	7	843
Invoices older than 30 days or the agreed period (unpaid and without dispute	0	0
Invoices older than 30 days or the agreed period (unpaid and in dispute)	17	121
Total	**0**	**0**

Table 96: Information on late and/or non-payment of suppliers

Reasons for the late and or non-payment of invoices

The reasons for the late or non-payment of invoices was due to the following reasons:
- Invoices date surpassing the 30-day due to delay in the authorisation by end users.
- Omission, in the invoice register; and
- Payment processed but not paid.

Reasons that the invoices are in dispute

The reasons for the invoices under dispute are as follows:
- Invoice items outside the contract period.
- Invoices paid but reinvoiced at a higher rate; and
- Incorrect billing and billing for services not rendered.

Information on Supply Chain Management

Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Provision of physical security services at RTMC Offices	Makheda Business Projects	Written Price Quotations	CONTR-00301	R3 254 640,00
Appointment of Legal Services Providers by way of deviation pending the finalisation and appointment of the panel of Legal Services Providers	Various Legal Firms	Written Price Quotations	N/A	Depends on the specific appointment
Total				**R3 254 640,00**

Table 97: Procurement by other means

Contract variations and expansions.

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Variation to include additional scope for the Boekenhoutkloof Upgrade Project	GVK Siyazama	Variation	CONTR-00270	R176 519 043,89	R17 353 630,71	R16 533 761,90
Request to extend the existing lease contracts for office accommodation with month-to-month extension for three (03) months from 1 April 2024 to 30 June 2024	Mowana Properties JR 29 Properties JHI Capital Propfund Properties	Variation	CONTR - 00173 CONTR - 00083	R25 248 409,40	-	R6 361 805,28
Provision of Classroom Space, Student Accommodation and Offices	Denel Properties and Airports Company SA	Variation	CONTR-00317	R113 020 633,14	R46 824 892,47	R23 804 754,50
Total				**R 314 788 085**	**R64 178 523**	**R46 700 321**

Table 98: Contract variations and expansions

30 YEARS OF FREEDOM
South Africa 1994 - 2024

F

Annual Financial Statements

SIYAMTHANDA KOLISI

"South Africa lifts Webb Ellis Cup once again"

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 103 to 175, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Road Traffic Management Corporation as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards for Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 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 responsibilities of the auditor-general for the audit of the financial statements section of my report.

4. I am independent of the 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.

Responsibilities of the accounting authority for the financial statements

6. 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.

7. In preparing the financial statements, the accounting authority is responsible for assessing the 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 entity or to cease operations, or has no realistic alternative but to do so.

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

8. 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.

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located on page 98, forms part of our auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes the entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Road Safety, Marketing and Stakeholder Relations	31-35	The purpose of the programme is to ensure provision of a safe environment through road safety education.
Training of Traffic Personnel	35-38	The purpose of the programme is to provide the requisite training for road traffic personnel through curriculum implementation and specialist courses for new and existing road traffic personnel.
Law Enforcement	38-40	The purpose of the programme is to embark on law enforcement operations in an integrated and co-ordinated manner.
Road Traffic Information and Technology	42-44	The programme has both an internal and external outlook and provides strategic services to the Corporation.

12. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:
    - the indicators used for planning and reporting on performance can be linked directly to the entity's mandate and the achievement of its planned objectives
    - all the indicators relevant for measuring the entity's performance against its primary mandated and prioritised functions and planned objectives are included
    - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
    - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
    - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
    - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
    - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets taken to improve performance

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

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

Other matters

16. I draw attention to the matters below.

Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievements and measures taken to improve performance.

18. The tables that follow provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets and measures taken to improve are included in the annual performance report on page 53.

Training of Traffic Personnel

Targets achieved: 66% (2/3)
Budget spent: 99%

Key service delivery indicator not achieved	Planned target	Reported achievement
Number of modules on NQF level 6 Traffic officer qualifications completed for traffic trainees	16 Modules on NQF level 6 Traffic officer qualifications completed for traffic trainees	7 Modules on NQF level 6 Traffic officer qualifications completed for traffic trainees

Road Traffic Information and Technology

Targets achieved: 75% (3/4)
Budget spent: 117%

Key service delivery indicator not achieved	Planned target	Reported achievement
Number of learner's license testing centres computerised.	63	49

Report on compliance with legislation

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

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

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

22. I did not identify any material non-compliance with the selected legislative requirements.

Other information in the annual report

23. The accounting is responsible for the other information included in the annual report the audit committee's report. The other information referred to does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.

24. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

25. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Internal control deficiencies

27. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.

28. I did not identify any significant deficiencies in internal controls.

Auditor General.

Pretoria

31 July 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure to the auditor's report

The annexure includes the following:

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

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

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

Financial statements

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

Communication with those charged with governance

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

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

Compliance with legislation – selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act No.1 of 1999 (PFMA)	Section 51(1)(a)(iv); 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii) Section 53(4) Section 54(2)(c'); 54(2)(d) Section 55(1)(a); 55(1)(b); 55(1)(c)(i) Section 56(1); 56(2) Section 57(b);
Treasury Regulations for departments, trading entities, constitutional institutions and public entities (TR)	Treasury Regulation 8.2.1; 8.2.2 Treasury Regulation 16A 6.1; 16A6.2(a) & (b); 16A6.2(e);16A 6.3(a); 16A 6.3(b); 16A 6.3(c); 16A 6.3(d); 16A 6.3(e); 16A 6.4; 16A 6.5; 16A 6.6; TR 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A 8.2(1); 16A 8.2(2); 16A 8.3; 16A 8.3(d); 16A 8.4; 16A9.1 16A9; 16A9.1(b)(ii); 16A9.1(c); 16A 9.1(d); 16A 9.1(e); 16A9.1(f); 16A 9.2; 16A 9.2(a)(ii); TR 16A 9.2(a)(iii) Treasury Regulation 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1 Treasury Regulation 31.1.2(c') Treasury Regulation 31.2.1 Treasury Regulation 31.3.3 Treasury Regulation 33.1.1; 33.1.3
Prevention and Combating of Corrupt Activities Act No.12 of 2004 (PRECCA)	Section 34(1)
Construction Industry Development Board Act No.38 of 2000 (CIDB)	Section 18(1)
CIDB Regulations	CIDB regulation 17 & 25(7A)
Preferential Procurement Policy Framework Act (PPPFA)	Section 1(i); 2.1(a); 2.1(b); 2.1(f)
Preferential Procurement Regulations (PPR) 2017	Regulation 4.1; 4.2 Regulation 5.1; 5.3; 5.6; 5.7 Regulation 6.1; 6.2; 6.3; 6.5; 6.6; Regulation 7.1; 7.2; 7.3; 7.5; 7.6; Regulation 8.2; 8.5 Regulation 9.1; 9.2 Regulation 11.2 Regulation 12.1 and 12.2
Preferential Procurement Regulations (PPR) 2022	Regulation 4.1; 4.2; 4.3; 4.4 Regulation 5.1; 5.2; 5.3; 5.4
National Treasury Instruction No.1 of 2015/16	National Treasury Instruction No.1 of 2015/16 par 3.1 National Treasury Instruction No.1 of 2015/16 par 4.1 & 4.2
NT SCM Instruction Note 03 2021/22	Paragraph. 4.3; 4.4; 4.4 (a); 4.4 (c) -(d);
NT SCM Instruction Note 11 2020/21	IN 3.1; 3.4(b); 3.9
NT SCM Instruction note 2 of 2021/22	IN 3.2.1; 3.2.4(a); 3.3.1;
NT instruction note 4 of 2015/16	NT Instruction note 4 of 2015/16 Par 3.4
Second amendment of NTI 05 of 2020/21	Second amendment of NTI 05 of 2020/21 4.8; 4.9; 5.1; 5.3
Erratum NTI 5 of 202/21	Erratum NTI 5 of 202/21 Par 1
Erratum NTI 5 of 202/21	Erratum NTI 5 of 202/21 Par 2
Practice note 7 of 2009/10	Practice Note 7 of 2009/10 Par 4.1.2
NT instruction note 1 of 2021/22	NT instruction note 1 of 2021/22 Par 4.1

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

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

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

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

The Accounting Authority is of the opinion, based on the 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 2025 and, in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are 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 is 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 have been examined by the entity's external auditors and their report is presented on page 94.

The annual financial statements set out herein after, which have been prepared on the going concern basis, was approved by the accounting authority on 30 July 2024 and was signed on its behalf by:

N. Mufamadi

Ms N.M Mufamadi - Chairperson
Tuesday, 30 July 2024

Statement of Financial Position as at 31 March 2024

	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	2	72 131 778	51 386 801
Receivables from non-exchange transactions	3	78 953 646	86 181 701
Cash and cash equivalents	4	214 483 331	55 300 398
Inventories	5	2 314 798	2 857 867
		367 883 553	**195 726 767**
Non-Current Assets			
Property, plant and equipment	6	807 540 484	762 469 623
Intangible assets	7	352 825 669	354 096 733
		1 160 366 153	**1 116 566 356**
Non-Current Assets		1 160 366 153	1 116 566 356
Current Assets		367 883 553	195 726 767
Total Assets		**1 528 249 706**	**1 312 293 123**
Liabilities			
Current Liabilities			
Finance lease - as lessee	8	35 422 674	45 195 388
Operating lease liability	9	-	768 377
Payables from exchange transactions	10	271 468 480	145 999 223
Provisions	11	74 220 258	84 715 755
CBRTA transitional arrangement liability	29	29 000	-
		381 140 412	**276 678 743**
Non-Current Liabilities			
Finance lease - as lessee	8	810 584	34 565 402
Provisions	11	518 173	473 217
		1 328 757	**35 038 619**
Non-Current Liabilities		1 328 757	35 038 619
Current Liabilities		381 140 412	276 678 743
Total Liabilities		**382 469 169**	**311 717 362**
Assets		1 528 249 706	1 312 293 123
Liabilities		(382 469 169)	(311 717 362)
Net Assets		**1 145 780 537**	**1 000 575 761**
Reserves			
Revaluation reserve		55 699 990	55 699 990
Accumulated surplus		1 090 080 547	944 875 771
Total Net Assets		**1 145 780 537**	**1 000 575 761**

Statement of Financial Performance

	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
NaTIS online motor vehicle registration and change of ownership		645 810	-
Special project income		2 480 496	-
RTIA - Aarto infringement collection fees		357 529	389 270
NaTIS data charge		246 998	483 930
Special NTP deployment (KZN)		-	3 553 200
Training provisioning and facilities		47 010 279	3 928 372
Revenue from previously written off assets		302 819	1 389 000
Secondment income		1 966 782	7 083 847
Courier fees		91 027 728	26 761 560
NaTIS online motor vehicle licence renewal - collection agency fee		87 314 464	25 557 253
Sundry income		3 401 489	470 970
Project income - Sponsorship		8 008 210	4 272 595
Insurance reimbursements		108 841	1 233 717
Interest received	12	13 528 320	4 120 637
Total revenue from exchange transactions		**256 399 765**	**79 244 351**
Revenue from non-exchange transactions			
Sponsorship in-kind		5 102 124	3 818 395
Impound fees		316 702	-
DLTC management		49 865 124	49 727 404
Penalties charged		4 144 360	-
Government grant		220 104 000	224 179 000
Administration of infringement fees (RTI income)		-	70 841 670
Unclaimed liabilities		2 643 929	-
Infringement fees (AARTO)		90 891 522	48 137 172
Transaction fees		948 690 714	924 293 970
NRTA section 56 Infringement		7 558 585	31 090 642
Total revenue from non-exchange transactions		**1 329 317 060**	**1 352 088 253**
Total revenue	13	**1 585 716 825**	**1 431 332 604**
Expenditure			
Employee related costs	14	(732 560 184)	(724 837 512)
Depreciation and amortisation	15	(79 322 226)	(83 329 814)
Impairments loss	16	-	(12 860 939)
Finance costs	17	(2 616 144)	(4 720 162)
Lease rentals on operating lease	18	(32 502 271)	(35 337 487)
Debt Impairment	19	(103 163 710)	(78 009 278)
Loss on disposal of assets and liabilities		(7 857 425)	(5 449 271)
Operating expenditure	20	(485 783 941)	(391 527 123)
Total expenditure		**(1 443 805 901)**	**(1 336 071 586)**
Surplus for the year		**141 910 924**	**95 261 018**

Statement of Changes in Net Assets

	Revaluation reserve	Accumulated surplus / deficit	Total net assets
Opening balance as previously reported	55 699 990	850 135 874	905 835 864
Adjustments			
Prior year adjustments	-	(521 121)	(521 121)
Balance at 01 April 2022 as restated*	**55 699 990**	**849 614 753**	**905 314 743**
Changes in net assets			
Surplus for the year	-	95 261 018	95 261 018
Total changes	-	95 261 018	95 261 018
Restated Balance at 01 April 2023	**55 699 990**	**944 875 774**	**1 000 575 764**
Changes in net assets			
Transfer of assets to Cross Border Road Transport Agency (refer to Note 28)	-	3 293 849	3 293 849
Net income (losses) recognised directly in net assets	-	3 293 849	3 293 849
Surplus for the year	-	141 910 924	141 910 924
Total recognised income and expenses for the year	-	145 204 773	145 204 773
Total changes	-	145 204 773	145 204 773
Balance at 31 March 2024	**55 699 990**	**1 090 080 547**	**1 145 780 537**

Cash Flow Statement

	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Receipts from RTIA		3 095 341	3 861 660
Receipts from administration fees (RTI)		-	72 683 459
Grants		220 104 000	224 179 000
Interest income		13 531 741	4 113 415
NaTIS online services		1 273 026 831	371 221 642
Training provisioning facilities		42 837 082	1 709 162
DLTC management		58 875 155	62 982 615
NRTA section 56 infringement		1 742 942	2 764 061
Special deployment		6 445 940	-
Special project receipts		5 909 461	-
Other cash items		15 590 855	16 796 033
Transaction fees		853 299 945	900 317 399
		2 494 459 293	**1 660 628 446**
Payments			
Employee costs		(735 011 595)	(702 798 399)
Suppliers		(486 924 561)	(430 217 010)
Finance costs		(2 436)	(62 960)
RTIA payments		(13 040 214)	(13 008 539)
NaTIS online payments		(921 217 555)	(241 898 995)
		(2 156 196 361)	(1 387 985 903)
Net cash flows from operating activities	21	**338 262 932**	**272 642 543**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(133 689 519)	(227 015 590)
Proceeds from sale of property, plant and equipment	6	2 509 196	910 563
Purchase of intangible assets	7	-	(17 159 307)
Net cash flows from investing activities		**(131 180 323)**	**(243 264 334)**
Cash flows from financing activities			
CBRTA transitional arrangement liability		29 000	-
Finance lease payments		(47 928 676)	(47 799 115)
Net cash flows from financing activities		**(47 899 676)**	**(47 799 115)**
Net increase/(decrease) in cash and cash equivalents		**159 182 933**	**(18 420 906)**
Cash and cash equivalents at the beginning of the year		55 300 398	73 721 304
Cash and cash equivalents at the end of the year	4	**214 483 331**	**55 300 398**

Statement of Comparison of Budget and Actual Amounts

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						
NaTIS online motor vehicle registration and change of ownership	68 981 371	-	**68 981 371**	645 810	**(68 335 561)**	32a
Special project income	-	-	-	2 480 496	**2 480 496**	32b
RTI - Aarto infringement collection fees	-	-	-	357 529	**357 529**	32b
NaTIS data charge	-	-	-	246 998	**246 998**	32b
Training provision and facilities	4 997 402	-	**4 997 402**	47 010 279	**42 012 877**	32c
Revenue from previously written off assets	-	-	-	302 819	**302 819**	32b
Secondment income	-	-	-	1 966 782	**1 966 782**	32b
Courier fees	-	-	-	91 027 728	**91 027 728**	32d
NaTIS online motor vehicle licence renewal - collection agency fee	104 973 774	-	**104 973 774**	87 314 464	**(17 659 310)**	32d
Sundry income	-	-	-	3 401 489	**3 401 489**	32b
Project income - Sponsorship	-	-	-	8 008 210	**8 008 210**	32b
Insurance reimbursements	-	-	-	108 841	**108 841**	32b
Interest received	-	-	-	13 528 320	**13 528 320**	32b
Total revenue from exchange transactions	**178 952 547**	**-**	**178 952 547**	**256 399 765**	**77 447 218**	
Revenue from non-exchange transactions						
Sponsorship in-kind	-	-	-	5 102 124	**5 102 124**	32b
Impound fees	-	-	-	316 702	**316 702**	32b
DLTC management	58 195 463	-	**58 195 463**	49 865 124	**(8 330 339)**	32e
Penalties charged	-	-	-	4 144 360	**4 144 360**	32b
Government grant	220 104 000	-	**220 104 000**	220 104 000	**-**	
Unclaimed liabilities	-	-	-	2 643 929	**2 643 929**	32b
Infringement fees (AARTO income)	41 308 112	-	**41 308 112**	90 891 522	**49 583 410**	32f
Transaction fees	904 136 130	-	**904 136 130**	948 690 714	**44 554 584**	32g
NRTA section 56 infringement fees	70 855 741	-	**70 855 741**	7 558 585	**(63 297 156)**	32h
Total revenue from non-exchange transactions	**1 294 599 446**	**-**	**1 294 599 446**	**1 329 317 060**	**34 717 614**	
Total revenue	**1 473 551 993**	**-**	**1 473 551 993**	**1 585 716 825**	**112 164 832**	

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Note
Expenditure						
Employee related costs	(746 823 450)	(32 000 000)	**(778 823 450)**	(732 560 184)	**46 263 266**	32i
Depreciation and amortisation	(138 151 097)	-	**(138 151 097)**	(79 322 226)	**58 828 871**	32j
Finance costs	(73 167)	-	**(73 167)**	(2 616 144)	**(2 542 977)**	32k
Lease rentals on operating lease	(44 223 786)	-	**(44 223 786)**	(32 502 271)	**11 721 515**	32l
Provision for debt impairment	-	-	-	(103 163 710)	**(103 163 710)**	32m
Operating expenditure	(287 000 472)	(87 500 000)	**(374 500 472)**	(485 783 941)	**(111 283 469)**	32n
Total expenditure	**(1 216 271 972)**	**(119 500 000)**	**(1 335 771 972)**	**(1 435 948 476)**	**(100 176 504)**	
Operating surplus	**257 280 021**	**(119 500 000)**	**137 780 021**	**149 768 349**	**11 988 328**	
Loss on disposal of assets and liabilities	-	-	-	(7 857 425)	**(7 857 425)**	32m
Surplus before capital expenditure	**257 280 021**	**(119 500 000)**	**137 780 021**	**141 910 924**	**4 130 903**	
Capital expenditure	257 280 021	(119 500 000)	**137 780 021**	133 857 966	**(3 922 055)**	
Budget surplus / (deficit) for the year	-	-	-	**8 052 958**	**8 052 958**	

The following accounting policies and notes form an integral part of the annual financial statements.

Significant Accounting Policies

1. Significant accounting policies

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

1.1 Basis of preparation

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.

These accounting policies are consistent with the previous period.

1.2 Presentation currency

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

1.3 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.

1.4 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 practical 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 practical 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.

1.5 Property, plant and equipment

The tangible non-current assets known as property, plant, and equipment are held for use in the provision of goods or services, or administrative needs, and are anticipated to be used over a longer 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.

An item of property, plant and equipment that qualifies for recognition as an asset, shall be measured at its cost. Where an asset is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of such 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 an exchange transaction. However, when property, plant and equipment are acquired

Significant Accounting Policies

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.

Assets under work in progress (WIP) are recognised initially at cost, which is the fair value of the consideration paid to acquire the asset. These assets are not depreciated as they have not yet reached the condition of operating as intended by management. Once the asset is finished, it is transferred to the applicable classification where it will be depreciated in accordance with the useful life of that classification, as per the applicable accounting policy.

Derecognition of an item of property, plant and equipment occurs when the item is no longer capable of operating in the manner intended by management and no economic benefits are expected to flow to the RTMC as a result of its use.

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. Where useful life 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 and residual values of the assets are considered and evaluated at the end of each financial year and redetermined where necessary.

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

Item	Depreciation method	Average useful life 2023/24
Land and buildings	Straight-line	01-99 years
Machinery and equipment	Straight-line	20 years
Furniture and fittings	Straight-line	02-30 years
Motor vehicles	Straight-line	05-20 years
Office equipment	Straight-line	02-30 years
Computer equipment	Straight-line	03-30 years
Parkhomes and containers	Straight-line	20 years
Leasehold improvements	Straight-line	As per lease term / remainder of the lease term or asset's useful life whichever comes first
Communication devices	Straight-line	02-06 years
Firearms	Straight-line	20 years

Depreciation of an asset commences when the asset recognised is in an operating condition and manner intended by management. Such depreciation is expensed in the statement of financial performance from the date it is brought into use, until it is disposed or derecognised. The accumulated depreciation is recognised in the statement of financial position and deducted from cost price to determine the Net Book Value or carrying amount of such an asset.

Property, plant and equipment assets are derecognised:
- When it is no longer operating in the manner intended by management; or
- When no future economic benefits or service potential are expected from its use.

Significant Accounting Policies

The resulting gain or loss is recognised in the statement of financial performance in the period such disposal occurred. Where the proceeds and the disposal do not take place in the same financial period, they are recognised seperately as an income and expense in the period it incurs.

In exceptional circumstances, to achieve fair presentation, some assets may exceed their average useful lives as documented above, as the asset management policy is only reviewed at least every 3 years.

1.6 Intangible assets

An intangible 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 attributed to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

An item of intangible assets that qualifies for recognition as an asset, shall be measured at its cost. Where an intangible asset is acquired through a non-exchange transaction, its cost at shall be measured at its fair value as at that date of such aquisition.

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 attributed 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 or 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, amortisation method, and residual values 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 remaining useful life.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values.

Significant Accounting Policies

Useful lives of intangible assets have been re-assessed, revised and changed as follows:

Item	Depreciation method	Average useful life 2023/24
Computer software	Straight-line	01-08 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.

Amortisation of an intangible asset commences when the asset recognised is in an operating condition and manner intended by management. Such amortisation is expensed in the statement of financial performance from the date it is brought into use, until it is disposed or derecognised. The accumulated amortisation is recognised in the statement of financial position and deducted from cost price to determine the Net Book Value or carrying amount of such an asset.

Intangible assets are derecognised:
- When it is no longer operating in the manner intended by management; or
- When no future economic benefits or service potential are expected from its use or disposal.

The resulting gain or loss is recognised in the statement of financial performance in the period such disposal occurred. Where the proceeds and disposal do not take place in the same financial period, they are recognised seperately as an income or expense in the period it incurs.

Impairment of assets

At each reporting date, the RTMC assesses whether there is any indication that any asset of property, plant and equipment and intangible assets may be impaired. If there is an indication of possible impairment, the recoverable amount of the affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset(or group of related assets) is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset (or group of related assets) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

1.7 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.

Significant Accounting Policies

Upon initial recognition the entity classifies financial instruments or their component parts as 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 attributed 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 assesses 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 there reversal is recognised in surplus or deficit.

Significant Accounting Policies

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.

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.

Liabilty on Change of Ownership

Liability on change of ownership to provinces is recognised when the transaction of online incur.

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

Significant Accounting Policies

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 asset; 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 recognises 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 continues 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).

Significant Accounting Policies

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.

1.8 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; and
- 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.

When an employee has rendered service to the entity during a reporting period, the entity recognises 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 recognises 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 recognises 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 end of the reporting period, the entity recognises 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.

1.9 Leases

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

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

Finance leases - lessee

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

Significant Accounting Policies

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 - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

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

1.10 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

Significant Accounting Policies

amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (noncontractual) arrangement (see the accounting policy on Statutory Receivables).

Aarto infringement collection fee

As a collecting authority for AARTO infringements, 3% of the value of every infringement collected by the RTMC is due to the RTMC as a collection fee. This in terms of the AARTO Act.

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;
- it 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.

Training provisioning and 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;
- it 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 received

Revenue arising from the use by others of entity assets yielding interest 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 through the RTMC online platform.

It is measured at 8% of all baseline fees collected on behalf of the provinces in line with the respective agreements with provinces.

b.) Courier fee

Online motor vehicle licence renewal courier fee revenue is recognised when there is an online renewal of motor vehicle licence and payment of non-refundable delivery fee. A maximum of 200 licences can be delivered in one parcel of door to door delivery.

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

Significant Accounting Policies

Online motor vehicle registration and change of ownership

Revenue arising from the use of online motor vehicle registration and change of ownership platform is recognised when there is an online registration or change in ownership.

It is measured at R330 in line with the RTMC Regulations of 2022.

Secondment Income

Secondment Income is the secondment of employees to departments or public entities. The recipient department or public entity shall bear the total cost to company of the seconded employee unless otherwise agreed upon by both parties. The RTMC recognises revenue from secondment income at cost in terms of the agreement concluded.

Special NTP deployment

National Traffic Police (NTP) Deployment of traffic law enforcement officers is the rendering of road traffic law enforcement services on national, provincial and local government road at the request of national, provincial and local government. The recipient department or public entity or local authority shall bear certain costs as agreed by both parties. The RTMC recognizes revenue from deployments at cost in terms of the agreement concluded.

Insurance reimbursement

Insurance income is derived from insurance claims raised in terms of loss of assets or damaged assets during a specific financial year. The RTMC recognizes revenue from insurance claims at fair value in terms of the acknowledgement of loss received from the relevant insurance provider.

Sundry Income

Sundry income is any other income that is derived from ad hoc transactions. The RTMC recognizes revenue from ad hoc transactions at fair value.

Fraudulent MVL recovery (Special project income)

The RTMC entered into an agreement with the Gauteng Department of Roads and Transport to recover monies lost through fraudulent renewal of motor vehicle licenses. Revenue is recognised upon successful recovery and in terms of percentage agreed upon in the agreement between the two parties.

Sponsorships

The RTMC recognises assets and revenue arising from sponsorship transactions in the period in which the sponsorship arrangement becomes binding. These are measured at fair value in line with the agreement.

Revenue from previously written off assets

The RTMC recognises revenue from assets previously written off through disposal by means of sale. This is measured at the fair value.

1.11 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 comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents 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.

Significant Accounting Policies

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

All 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. Due to the legal obligation at play, revenue is recognised even though there may be uncertainty of whether the revenue will ultimately be collected.

a) 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.

b) 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.

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.

Transaction fees

Transaction fees are recognised when there is a renewal of motor vehicle licence.

Unclaimed liabilities

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

Sponsorships in-kind

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, these are only disclosed in the notes.

DLTC Management

RTMC has been appointed as a Grade F 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 full 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 parties.

Significant Accounting Policies

Impoundment revenue

The RTMC, at the behest of the provincial traffic authorities provide administration of impound facilities in the province.

Revenue recognition is at fair value as determined by the agreement concluded.

Penalties charged/Penalty income

The RTMC recognizes penalty income where a contractor fails to bring works or sections thereof to practical completion on the date or dates agreed upon, the contractor shall be liable for penalty per calendar day for non-completion of the works or each section thereof. The penalty due shall be calculated from date of practical completion of the works or section thereof in line with the agreement.

1.12 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.

1.13 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.

1.14 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 12 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.

Significant Accounting Policies

1.15 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 2023/04/01 to 2024/03/31.

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.

1.16 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.

1.17 Provisions and contingencies

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

The amount of a provision is the 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.

Significant Accounting Policies

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 the notes, 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.

An assessment of the RTMC's litigations is conducted on a quarterly basis to determine whether there are any dormant cases. A case is considered dormant if it has been stagnated for a period of 12 months or more. Such cases are closed for reporting purposes. Dormant cases older than 3 years are considered prescribed and are automatically removed from the contingent liability register.

All cases, however, are discussed with Legal to identify any possible risks or probabilities that would require cases as set out in the afore-mentioned paragraph to be disclosed. Management's professional judgement, as well as the materiality framework, is applied when disclosing cases that deviate from the above.

1.18 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 interest 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 RTMC 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 be distributed to any person, the funds will be utilised solely for investment or object for which it was established and on

Significant Accounting Policies

dissolution of the institution the remaining assets must be transferred to anybody with objects similar to those of the institution and which is itself exemptfrom 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. Where an individual consideration is regarded practical, it is applied. 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 31.

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.

Significant Accounting Policies

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 2024 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

1.19 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.

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

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.

Significant Accounting Policies

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 writedown of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the writedown or loss occurs. The amount of any reversal of any writedown 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.

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.

1.20 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 RTMC 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:

Significant Accounting Policies

- 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 RTMC 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 RTMC 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.

1.21 Commitments

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

Significant Accounting Policies

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.

1.22 Transfer of functions between entities under common control

Definitions

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

1.23 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

Significant Accounting Policies

- 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
  - recognise 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.

1.24 Distribution of accummulated 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.

Significant Accounting Policies

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 principalagent 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

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.

Notes to the Annual Financial Statements

2. Receivables from exchange transactions

	2024	2023 Restated
Staff advance	434 858	818 273
Prepayments (*)	44 139 311	34 616 204
Deposits	1 567 729	1 959 945
Staff debtors	681 885	756 829
Online service receivable (**)	6 666 569	2 476 908
Receivable - Other (***)	7 179 878	8 457 986
Training provisioning and facilities (****)	11 688 744	2 938 130
	72 358 974	**52 024 275**

Reconciliation of provision for impairment of trade and other receivables

	2024	2023 Restated
Opening balance	(637 474)	(413 147)
Provision for impairment	-	(224 327)
Amounts written off as uncollectible	410 278	-
	(227 196)	**(637 474)**

Receivables from exchange transactions after impairment

	2024	2023 Restated
Staff advance	434 858	818 273
Prepayments (*)	44 139 311	34 616 204
Deposits	1 567 729	1 959 945
Staff debtors	679 016	751 662
Online services receivable(**)	6 666 569	2 476 908
Receivable - Other (***)	6 955 551	8 233 659
Training provisioning and facilities (****)	11 688 744	2 530 150
	72 131 778	**51 386 801**

* Prepayments can mainly be attributed to software licence payments made in line with Service Level Agreements.

** The increase in online service receivable is due to inter bank transactions that only clears after a certain time, year end cut off and the increase in transactions.

*** Receivable other consitituies debt owed by former traffic trainees and the Sasseta receivable which is the discretionary grant for occupational certificate for traffic officers.

**** The increase in training provisioning and facilities is attributable to implementation of additional training initiatives such as leaner licence and traffic officer related training.

Notes to the Annual Financial Statements

3. Receivables from non-exchange transactions

	2024	2023 Restated
AARTO - Infringements (*)	213 396 327	125 602 901
Receivable - Other	502 420	828 374
NaTIS Transaction Fees	105 907 301	103 473 356
NRTA Section 56 Infringement	45 744 854	39 945 611
	365 550 902	**269 850 242**
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	(183 668 541)	(105 883 590)
Provision for impairment	(102 944 577)	(77 784 951)
Amounts written off as uncollectible	15 863	-
	(286 597 255)	**(183 668 541)**
Receivables from non-exchange transactions after impairment		
Receivable Other	502 420	812 511
NaTIS Transaction Fees	78 451 226	85 369 190
	78 953 646	**86 181 701**

* The increase is due to the introduction of the e-force devices which increased productivity and eliminated errors to a large extent. Another factor was the intake of the first cohort of 21st century cadre traffic officers that significantly increased capacity within NTP. Even though the number of infringements issued increased, the collection rate still remains below 10% which increases the receivable and the provision.

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.

AARTO collection fee

In terms of the AARTO Act, all collecting authorities are entitled to 3% of the AARTO infringements collected.

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 RTMC for the rendered 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.

Notes to the Annual Financial Statements

	2024	2023 Restated

3. Receivables from non-exchange transactions (continued)

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 - Infringements

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.

AARTO - collection fee

RTMC is entitled to 3% of all fines collected as collecting fee, inline with the AARTO Act. As at year end, the receivable is zero.

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 - Infringements

Interest is not charged on outstanding fines.

AARTO - collection fee

Interest is not charged on outstanding balance.

Transaction fees

Interest is not charged on outstanding balance.

NRTA Section 56

Interest is not charged on outstanding fines.

Notes to the Annual Financial Statements

	2024	2023 Restated

3. Receivables from non-exchange transactions (continued)

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:

AARTO - Infringements
- The probability of assessing each infringer individually
- The practicability of an overall assessment.
- The collection rate in the year under review and the average collection rate over the past 5 years.
- Considering the aforementioned history, all outstanding fines are provided for due to the poor collection rate.

Transaction fees
- The collection rate in the year under review and the average collection rate over the past 10 years.
- The probability to recover the long outstanding debt.
- Consideration of disputes on cancelled transaction fees.

NRTA Section 56
- The probability of assessing each infringer individually
- The practicability of an overall assessment.
- The collection rate in the year under review and the average collection rate over the past 4 years.
- Considering the aforementioned history, all outstanding fines are provided for due to the poor collection rate.

Statutory receivables

As of 31 March 2024, statutory receivables were R365 048 482 (2023: R269 021 868).

The amount of the provision was R286 597 256 as of 31 March 2024 (2023: R183 652 678).

The ageing of these statutory receivables is as follows:

Statutory receivables - 2024

	Neither past nor impaired	1-3 months	3-5 months	More than 5 months	Impaired statutory receivables	Total
NaTIS Transaction Fees	60 331 536	18 697 232	515 012 26	363 521	(27 456 075)	78 451 226
AARTO - Infringements	-	28 170 400	27 199 535	158 026 392	(213 396 327)	-
NRTA Section 56 Infringement	-	1 981 581	741 300	43 021 973	(45 744 854)	-
	60 331 536	**48 849 213**	**28 455 847**	**227 411 886**	**(286 597 256)**	**78 451 226**

Statutory receivables - 2023

	Neither past nor impaired	1-3 months	3-5 months	More than 5 months	Impaired statutory receivables	Total
NaTIS Transaction Fees	69 314 291	7 299 550	2 616 163	24 243 352	(18 104 166)	85 369 190
AARTO - Infringements	-	16 704 330	10 240 524	98 658 047	(125 602 901)	-
NRTA Section 56 Infringement	-	16 452 332	4 811 225	18 682 054	(39 945 611)	-
	69 314 291	**40 456 212**	**17 667 912**	**141 583 453**	**(183 652 678)**	**85 369 190**

Statutory receivables past due but not impaired

Statutory receivables which are less than 1 month past due are not considered to be impaired. At 31 March 2024, R1 920 214 (2023: R12 983 475) were past due but not impaired.

Notes to the Annual Financial Statements

	2024	2023 Restated

3. Receivables from non-exchange transactions (continued)

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

2024	2 months past due	3 months past due	Over 3 months past due	Total
NaTIS Transaction Fees	1 920 214	-	-	1 920 214

2023	2 months past due	3 months past due	Over 3 months past due	Total
NaTIS Transaction Fees	2 624 330	4 672 772	5 686 373	12 983 475

Statutory receivables impaired

As of 31 March 2024, statutory receivables of R288 899 071 (2023: R186 724 102) were impaired and provided for.

The ageing of these statutory receivables is as follows:

2024	0-3 months	3-6 months	Over 6 months	Total
NaTIS Transaction Fees	2 879 357	515 012	26 363 521	29 757 890
AARTO - Infringements	28 170 400	27 199 535	158 026 392	213 396 327
NRTA Section	1 353 181	1 369 700	43 021 973	45 744 854
	32 402 938	**29 084 247**	**227 411 886**	**288 899 071**

2023	0-3 months	3-6 months	Over 6 months	Total
NaTIS Transaction Fees	2 448	2 376	21 170 766	21 175 590
AARTO - Infringements	14 503 643	12 441 211	98 658 047	125 602 901
NRTA Section	12 982 132	8 281 425	18 682 054	39 945 611
	27 488 223	**20 725 012**	**138 510 867**	**186 724 102**

4. Cash and cash equivalents

Cash and cash equivalents consist of:

	2024	2023 Restated
Cash on hand	4 607	1 524
Current accounts	32 603 622	19 330 902
Cash in-transit (*)	-	97 000
Call accounts	181 875 102	35 870 972
	214 483 331	**55 300 398**

* Cash in-transit for prior year consists of RTI infringement fees which were located in bank safes in regions as per the Cash Solution Services contract. RTI has since transferred back to CBRTA.

Notes to the Annual Financial Statements

5. Inventories

	2024	2023 Restated
Ammunition	1 008 679	897 729
Consumable stores	194 241	264 088
Office refreshments	1 680	65 638
Personal protective equipment	63 480	134 342
Printing and stationery	942 390	1 320 641
Roadblock essentials	104 328	175 429
	2 314 798	**2 857 867**

Inventory pledged as security

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

6. Property, plant and equipment

	2024			2023		
	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	(3 938 384)	51 761 616	55 700 000	(3 375 758)	52 324 242
Machinery and equipment	199 444	(79 778)	119 666	199 444	(69 806)	129 638
Furniture and fittings	7 791 417	(4 666 159)	3 125 258	8 983 212	(5 013 736)	3 969 476
Motor vehicles	202 313 365	(122 854 132)	79 459 233	202 121 690	(116 629 442)	85 492 248
Office equipment	87 847 426	(38 756 873)	49 090 553	85 381 436	(31 971 931)	53 409 505
Computer equipment	421 283 345	(144 913 620)	276 369 725	388 050 805	(100 859 867)	287 190 938
Leasehold improvements	9 408 740	(8 633 082)	775 658	9 478 718	(5 577 002)	3 901 716
Traffic training college - Work in progress	250 218 114	-	250 218 114	180 985 130	-	180 985 130
Computer equipment - Work in progress	39 000 110	-	39 000 110	39 000 110	-	39 000 110
Parkhomes and containers	768 627	(103 281)	665 346	713 627	(66 670)	646 957
Parkhomes - Work in progress	48 048 848	-	48 048 848	48 048 848	-	48 048 848
Communication devices	3 734 578	(2 104 062)	1 630 516	4 861 273	(2 569 948)	2 291 325
Office equipment - Work in progress	2 515 013	-	2 515 013	-	-	-
Fire arms	8 376 447	(3 615 619)	4 760 828	8 394 909	(3 315 419)	5 079 490
Total	**1 137 205 474**	**(329 664 990)**	**807 540 484**	**1 031 919 202**	**(269 449 579)**	**762 469 623**

Notes to the Annual Financial Statements

2024	2023 Restated

6. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Transfers*	Depreciation	Total
Leasehold property (Land and buildings)	52 324 242	-	-	-	(562 626)	51 761 616
Machinery and equipment	129 638	-	-	-	(9 972)	119 666
Furniture and fittings	3 969 476	10 293	(298 493)	(160 151)	(395 867)	3 125 258
Motor vehicles	85 492 248	10 376 894	(2 388 671)	(124 938)	(13 896 300)	79 459 233
Office equipment	53 409 505	8 590 874	(3 213 912)	(139 175)	(9 556 739)	49 090 553
Computer equipment	287 190 938	42 684 238	(4 264 039)	(518 256)	(48 723 156)	276 369 725
Leasehold improvements	3 901 716	-	-	(23 036)	(3 103 022)	775 658
Traffic training college - Work in progress	180 985 130	69 232 984	-	-	-	250 218 114
Computer equipment - Work in progress	39 000 110	-	-	-	-	39 000 110
Parkhomes and containers	646 957	54 995	-	-	(36 606)	665 346
Parkhomes - Work in progress	48 048 848	-	-	-	-	48 048 848
Communication devices	2 291 325	392 285	(191 997)	(104 876)	(756 221)	1 630 516
Office equipment - Work in progress	-	2 515 013	-	-	-	2 515 013
Fire arms	5 079 490	-	(9 509)	-	(309 153)	4 760 828
	762 469 623	**133 857 576**	**(10 366 621)**	**(1 070 432)**	**(77 349 662)**	**807 540 484**

*RTI has transferred back to CBRTA effective 01 April 2023. Assets were transferred in line with section 42 of the PFMA.

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold property (Land and buildings)	52 886 869	-	-	(562 627)	52 324 242
Machinery and equipment	139 611	-	-	(9 973)	129 638
Furniture and fittings	4 614 872	-	(213 510)	(431 886)	3 969 476
Motor vehicles	112 505 843	218 499	(1 426 963)	(25 805 131)	85 492 248
Office equipment	64 489 389	820 491	(2 523 170)	(9 377 205)	53 409 505
Computer equipment	291 280 134	41 198 421	(3 023 045)	(42 264 572)	287 190 938
Leasehold improvements	5 016 751	-	-	(1 115 035)	3 901 716
Traffic training college - Work in progress	22 012 122	158 973 008	-	-	180 985 130
Computer equipment - Work in progress	-	39 000 110	-	-	39 000 110
Parkhomes and containers	682 638	-	-	(35 681)	646 957
Parkhomes - Work in progress	41 695 826	6 353 022	-	-	48 048 848
Communication devices	3 168 716	145 400	(28 607)	(994 184)	2 291 325
Fire arms	5 400 072	-	(10 142)	(310 440)	5 079 490
	603 892 843	**246 708 951**	**(7 225 437)**	**(80 906 734)**	**762 469 623**

Notes to the Annual Financial Statements

6. Property, plant and equipment (continued)

Traffic training college and park homes - Work in progress

Construction of the traffic college and installation of parkhomes at Boekehoutkloof is continuing on site. All costs associated with the construction are capitalised under work in progress until such time that a consent to use is obtained from City of Tshwane.

The traffic training college and parkhomes will remain under work in progress and will not depreciate.

Assets subject to finance lease (Net carrying amount)

	2024	2023 Restated
Leasehold property (a)	51 761 616	52 324 242
Computer equipment (b)	114 821 374	127 956 182
Communication devices (c)	403 394	1 744 960
	166 986 384	**182 025 384**

Finance lease assets

(a) The leasehold property consists of the improvements of the Boekenhoutkloof Traffic College that was leased to the RTMC under a 99-year lease at R1 per year, with an option to extend. The lease commenced on 01 April 2017. The property was valued by an independent valuer at the end of the 2018/19 financial year. During the current period under review, the College was under construction and not available for use. To this end, the asset will only be available for use as intended by management once the occupation certificate has been issued by the City of Tshwane. At year end, work was still underway and the occupational certificate remained outstanding.

According to the accounting policy, the asset needs to be revalued every 5 years. With the asset still under construction the valuation was not considered practical as items added would be at cost and are situated under “Work in Progress”. All amounts are thus recognised under Property, Plant and Equipment even though not yet in use. With the continuous construction, obtaining a valuation on the property will be regarded as a fruitless exercise as the value is changing on a daily basis with the commissioning of new equipment and fittings. The value will thus not be a true reflection of the asset’s fair value which would result in imprecisions. Once the occupation certificate is obtained, the assets under “Work in Progress” will be allocated to the asset class as it would have reached the condition as intended by management. The asset will be revalued at the end of the 2024/25 financial year provided that the occupation certificate was successfully obtained.

(b) During the 2021/22 financial year, the NaTIS infrastructure was upgraded. Part of the infrastructure refresh was procured through a finance lease. In the year under review, computer equipment for the digitization of road worthiness testing forms for Vehicle Testing Stations (VTS) was acquired through a finance lease over a period of two years.

(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.

Repairs and maintenance on assets amounted to R20 675 963 of which majority was for motor vehicles.

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

Notes to the Annual Financial Statements

	2024	2023 Restated

7. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	370 712 415	(17 886 747)	352 825 668	370 010 915	(15 914 183)	354 096 732
Intangible assets under development	12 860 940	(12 860 939)	1	12 860 940	(12 860 939)	1
Total	**383 573 355**	**(30 747 686)**	**352 825 669**	**382 871 855**	**(28 775 122)**	**354 096 733**

Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	354 096 732	701 500	(1 972 564)	352 825 668
Intangible assets under development	1	-	-	1
	354 096 733	**701 500**	**(1 972 564)**	**352 825 669**

The intangible asset under development will be evaluated for disposal in the next financial year.

Reconciliation of intangible assets - 2023

	Opening balance	Transfers	Amortisation	Impairment loss	Total
Computer software	355 202 141	1 317 671	(2 423 080)	-	354 096 732
Intangible assets under development	14 178 611	(1 317 671)	-	(12 860 939)	1
	369 380 752	**-**	**(2 423 080)**	**(12 860 939)**	**354 096 733**

Included in Computer software is NaTIS assets with an 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 2021/22 financial year as part of continuous service delivery and new revenue streams implemented;
- Negotiations are underway to implement Natis in SADC countries in the near future;
- Online platforms are being implemented, through the use of NaTIS, for online renewal of licence discs, motor vehicle registration and change of ownership;
- 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 RTMC for an indefinite period as it is continuously evolving.

Notes to the Annual Financial Statements

8. Finance lease - as lessee

	2024	2023 Restated
Minimum lease payments due		
- within one year	36 183 359	47 722 919
- in second to fifth year inclusive	915 900	34 995 190
	37 099 259	82 718 109
less: future finance charges	(866 001)	(2 957 319)
Present value of minimum lease payments	**36 233 258**	**79 760 790**
Present value of minimum lease payments due		
- within one year	810 584	45 195 388
- in second to fifth year inclusive	35 422 674	34 565 402
	36 233 258	**79 760 790**
Non-current liabilities	810 584	34 565 402
Current liabilities	35 422 674	45 195 388
	36 233 258	**79 760 790**

- 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 10.50% 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 previous and current financial year. The initial commencement date of the finance lease in the current year was 18 March 2024 at an interest rate of 1%.

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 asset (liability)

	2024	2023 Restated
Current liabilities	-	768 377

The operating lease liability is as a result of the lease smoothing in line with the respective lease agreements of the three main offices situated in Waterfall and Eco-Park and the three lecture rooms based in Denel. For further details of future periods refer to note 22. These leases came to an end on 31 March 2024.

Notes to the Annual Financial Statements

10. Payables from exchange transactions

	2024	2023 Restated
Trade payables (*)	89 366 036	55 368 015
Income received in advance (**)	5 103 962	-
Court fees	-	78 900
RTIA - Aarto infringements (collecting authority capacity)	416 571	1 874 399
Accrued employee costs	11 636 225	11 353 082
Accrued expenses	22 134 528	15 448 087
Online motor vehicle licence renewal(***)	140 486 550	56 688 641
NaTIS online motor vehicle registration and change of ownership	164 706	-
Unallocated /unidentified receipts	2 159 902	5 188 099
	271 468 480	**145 999 223**

* *Increase in trade payables is due to a delay in concluding a contract with a supplier. Due to this, invoices of R47 million have accumulated.*

** *Income recevied in advance mainly consist of receipts for training provisioning and facilities received in March 2023, however will take place in the next financial year.*

*** *Increase in Online service liability is due to the increased up-take of the Online services.*

11. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Total
Provision for perfomance bonus	46 458 033	39 946 939	(35 667 638)	50 737 334
Provision for leave	30 418 230	56 790 075	(63 725 381)	23 482 924
Provision for salary increase	7 839 492	-	(7 839 492)	-
Provision for capped leave (non-current)	473 217	44 956	-	518 173
	85 188 972	**96 781 970**	**(107 232 511)**	**74 738 431**

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Provision for compensation commissioner	3 132 379	-	(2 379 306)	(753 073)	-
Provision for performance bonus	44 568 599	1 889 434	-	-	46 458 033
Provision for leave	23 634 426	51 192 829	(44 409 025)	-	30 418 230
Provision for salary increase	-	7 839 492	-	-	7 839 492
Provision for capped leave (non-current)	606 014	3 675	(136 472)	-	473 217
	71 941 418	**60 925 430**	**(46 924 803)**	**(753 073)**	**85 188 972**

	2024	2023
Non-current liabilities	518 173	473 217
Current liabilities	74 220 258	84 715 755
	74 738 431	**85 188 972**

Notes to the Annual Financial Statements

	2024	2023 Restated

11. Provisions (continued)

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. The significant decrease can be attributed to the increased utilisation of leave by employees due to easter holidays occuring twice in one financial year.

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.

Salary increase provision

During the previous financial year, the Board approved a suggested salary increase for all employees within the bargaining chamber. The proposed percentage was still subject to discussions at the bargaining chamber and a provision was raised for the proposed approval.

Performance bonus provision

The provision for performance bonus is calculated based on the prior periods' board approval as a percentage per grade of employees. The provision becomes due after the entity's performance exceeds 90% whereafter an employee qualifies for performance bonus as a result of the performance measurement tool applied or based on a methodology approved by the Board.

12. Finance income

	2024	2023 Restated
Interest revenue		
Bank(*)	13 528 320	4 120 637

*Increase in Interest revenue is due to an increase in online revenue.

Notes to the Annual Financial Statements

13. Revenue

	2024	2023 Restated
NaTIS online motor vehicle registration and change of ownership (13.1)	645 810	-
Special project income (13.2)	2 480 496	-
RTIA - Aarto infringement collection fees	357 529	389 270
NaTIS data charge (13.3)	246 998	483 930
Special NTP deployment (KZN) (13.4)	-	3 553 200
Training provisioning and facilities (13.5)	47 010 279	3 928 372
Revenue from previously written off assets	302 819	1 389 000
Secondment income (13.6)	1 966 782	7 083 847
Courier fees (13.7)	91 027 728	26 761 560
NaTIS online motor vehicle licence renewal - collection agency fee (13.7)	87 314 464	25 557 253
Sundry income (13.8)	3 401 489	470 970
Project income - sponsorships (13.9)	8 008 210	4 272 595
Insurance reimbursements	108 841	1 233 717
Interest received (13.10)	13 528 320	4 120 637
Sponsorship in-kind (13.11)	5 102 124	3 818 395
Impound fees (13.12)	316 702	-
DLTC management	49 865 124	49 727 404
Penalties charged (13.13)	4 144 360	-
Government grant	220 104 000	224 179 000
Administration of infringement fees (RTI income) (13.14)	-	70 841 670
Unclaimed liabilities	2 643 929	-
Infringement fees (AARTO income) (13.15)	90 891 522	48 137 172
Transaction fees	948 690 714	924 293 970
NRTA section 56 infringement fees (13.16)	7 558 585	31 090 642
	1 585 716 825	**1 431 332 604**

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

	2024	2023 Restated
NaTIS online motor vehicle registration and change of ownership (13.1)	645 810	-
Special project income (13.2)	2 480 496	-
RTIA - Aarto Infringement collection fees	357 529	389 270
NaTIS data charge (13.3)	246 998	483 930
Special NTP deployment (KZN) (13.4)	-	3 553 200
Training provisioning and facilities (13.5)	47 010 279	3 928 372
Revenue from previously written off assets	302 819	1 389 000
Secondment income (13.6)	1 966 782	7 083 847
Courier fees (13.7)	91 027 728	26 761 560
NaTIS online motor vehicle licence renewal - collection agency fee (13.7)	87 314 464	25 557 253
Sundry income (13.8)	3 401 489	470 970
Project income - sponsorships (13.9)	8 008 210	4 272 595
Insurance reimburements	108 841	1 233 717
Interest received (13.10)	13 528 320	4 120 637
	256 399 765	**79 244 351**

Notes to the Annual Financial Statements

	2024	2023 Restated

13. Revenue (continued)

13.1 NaTIS online motor vehicle registration and change of ownership

Online motor vehicle registration and change of ownership revenue stream was launched in August 2023, which is currently available to vehicle dealerships / financiers that have integrated with NaTIS.

13.2 Special project income

The RTMC entered into an agreement with the Gauteng Department of Roads and Transport to recover monies lost through fraudulent renewal of motor vehicle licenses. Upon successful recovery, RTMC is entitled to a certain percentage as per the agreement between the two parties.

13.3 NaTIS data charge

A decline in revenue can be ascribed to a decrease in NaTIS data requests.

13.4 Special NTP deployment (KZN)

Contract between SANRAL and RTMC to monitor traffic in high-risk areas in KZN due to road works ended in the previous financial year.

13.5 Training provisioning and facilities

Increase in training provisioning and facilities can be attributable to the significant Boarder Management Authority (BMA) training initiative, amongst others.

13.6 Secondment

The termination of the secondment contracts during the first quarter of the financial year resulted in a decrease in secondment income.

13.7 Courier fees and NaTIS online motor vehicle licence renewal - collection agency fee

An increased uptake of the online services of motor vehicle licence renewals resulted in a corresponding increase of courier fees.

13.8 Sundry income

Sundry income comprises of accommodation income earned from providing temporal accommodation to the newly appointed traffic officers, previous traffic trainees and recovery of training costs.

13.9 Project income

The increase is mainly due to sponsorship received from Safety and Security Sector Education and Training (SASSETA) for training and development.

Notes to the Annual Financial Statements

13. Revenue (continued)

13.10 Interest received

Increase can be attributed to favourable bank balance.

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

	2024	2023 Restated
Sponsorship in-kind (13.11)	5 102 124	3 818 395
Impound fees (13.12)	316 702	-
DLTC management	49 865 124	49 727 404
Penalties charged (13.13)	4 144 360	-
Government grants	220 104 000	224 179 000
Administration of infringement fees (RTI income) (13.14)	-	70 841 670
Unclaimed liabilities	2 643 929	-
Infringement fees (AARTO income) (13.15)	90 891 522	48 137 172
Transaction fees	948 690 714	924 293 970
NRTA section 56 infringement fees (13.16)	7 558 585	31 090 642
	1 329 317 060	**1 352 088 253**

13.11 Nature and type of services in-kind are as follows:

a. The RTMC is utilising the SANRAL office space and parking for NTP at no cost. The space used is immaterial in nature and thus not quantified / recognised. Finalisation of the SANRAL agreement is still pending.

b. During 2023/24 financial year, a discretionary grant was granted by SASSETA for the internship programme and bursaries as follows:
   - Internship intake - R2 059 838
   - Bursaries - R82 958

c. RTMC received sponsorship of training and development for Law Enforcement and Road Traffic Training Academy employees for Occupationally Directed Education, Training and Development Practitioner (ODETDP) R1 385 000.

d. A sponsorship of vehicles, petrol vouchers, and promotional items were recieved from Mahindra for Road Safety Easter Campaign (R150 000).

e. A sponsorship of 20 communication devices was received from Syntell for the annual Road Safety Debate and Paticipatory Competition (R37 400).

f. During the festive season as part of their feastive season campaign, RTMC received the following sponsorships:
   - Renault - Road surveillance, patrols and petrol cards (R256 281)
   - Santam - Promotional items (R312 386)
   - Mahindra - Road surveillance, patrols, and petrol cards (R70 000)

g. During the current financial year, RTMC held a weighbridge activation in Rustenburg Weighbridge, N3 Heidelberg Weighbridge, and Harrismith - Lay bey, in Emoyeni as part of their road safety initiative. The following sponsorship was received from Hollard:
   - Promotional items - R56 642

h. RTMC held a Road Safety Summit / Indaba as part of the Road Safety awareness campaign, A sponsorship was received from the following entities:
   - Hollard - R6 618
   - Uber - R650 000

Notes to the Annual Financial Statements

13. Revenue (continued)

13.12 Impound fees

Impound services were launched in the current financial year in one province.

13.13 Penalties charged

Penalties imposed on supplier for failing to comply with the practical completion date on construction of Traffic Training College.

13.14 Administration of infringement fees (RTI income)

The principal agent relationship ended on 31 March 2023 resulting in zero income on administration of infringement fees (RTI income). RTI was transferred back to CBRTA effective 01 April 2024.

13.15 Infringement fees (AARTO income)

The increase is due to deployment of newly graduated traffic officers in AARTO jurisdiction areas as well as roll out of e-force devices.

13.16 NRTA section 56 infringement fees

The decrease is due to transfer of RTI back to Cross-Border Road Transport Agency (CBRTA) and less deployment of traffic officers in section 56 jurisdiction areas.

14. Employee related costs

	2024	2023 Restated
Basic salaries	476 484 642	473 000 540
Bonus provision	39 948 939	1 889 434
Medical aid - employee contributions	-	3 188 435
UIF	2 313 124	2 418 240
SDL	6 030 869	5 841 933
Leave gratuity	1 007 502	2 241 196
Post-employment benefits - Pension - Defined contribution plans	43 202 666	43 742 921
Travel, motor car, accommodation, subsistence and other allowances	3 642 124	5 184 460
Overtime payments	2 814 902	2 404 671
Long-service awards	317 500	502 500
Acting allowances	1 549 611	1 690 846
Car allowance	5 574 104	5 943 729
Housing benefits and allowances	21 934 726	23 181 122
Non pensionable allowances	109 531 803	133 740 557
Service bonus	18 207 672	19 866 928
	732 560 184	**724 837 512**

Employee related cost includes:

- Board and its committee members.
- An amount of R2 104 844 paid to interns as internship stipend from April 2023 to March 2024. The amount was paid on behalf of SASSETA as their payments to interns were delayed. After payment was made to the interns, SASSETA would reimburse the RTMC. This amount is included as part of sponsorship income.

Contract employees are utilised on an adhoc basis when needed.

Notes to the Annual Financial Statements

13. Revenue (continued)

	2024	2023 Restated
Staff Complement		
Permanent employees	1 073	860
Contract employees	104	170
Traffic trainees	526	811
Interns	38	14
	1 741	**1 855**

15. Depreciation and amortisation

	2024	2023 Restated
Property, plant and equipment	77 349 662	80 906 734
Intangible assets	1 972 564	2 423 080
	79 322 226	**83 329 814**

16. Impairment loss

	2024	2023 Restated
Impairments		
Intangible assets	-	12 860 939

17. Finance costs

	2024	2023 Restated
Trade and other payables	2 436	62 960
Finance leases	2 613 708	4 657 202
	2 616 144	**4 720 162**

18. Lease rentals on operating lease

	2024	2023 Restated
Office buildings		
Contractual amounts	31 979 344	34 722 494
Equipment		
Contractual amounts	522 927	614 993
	32 502 271	**35 337 487**

19. Debt impairment

	2024	2023 Restated
Contributions to debt impairment provision	102 944 577	78 009 278
Bad debts written off	219 133	-
	103 163 710	**78 009 278**

Notes to the Annual Financial Statements

20. Operating expenditure

	2024	2023 Restated
Advertising (a)	1 030 942	494 115
Ammunition (b)	1 966 926	378 747
Auditors remuneration (c)	8 662 669	7 388 803
Bank charges (d)	20 097 237	8 590 832
Catering (e)	990 377	269 424
Cleaning (f)	718 612	892 689
Compensation commissioner (g)	3 458 989	2 691 049
Computer expenses (h)	83 875 916	58 872 992
Consulting and professional fees (i)	1 026 966	2 322 524
Consumables	1 213 296	1 000 344
Corporate gifts, donations (j)	4 101	14 394
Corporate social responsibility (k)	950 204	1 551 180
Electricity	11 360 756	10 863 892
Employee wellness programme	1 559 971	1 400 044
Fuel and oil	23 820 446	25 730 009
Insurance (l)	5 155 854	6 013 824
Labour relations (m)	3 493 976	763 725
Legal fees (n)	6 936 848	6 024 494
Minor assets	1 196	7 986
Motor vehicle expenses	20 568 276	19 545 807
Postage and courier (o)	69 942 265	23 106 732
Printing and stationery	23 902 726	22 054 774
Projects- Annual Performance Plan (p)	66 686 212	75 675 695
Recruitment cost (q)	33 628 992	6 335 330
General repairs and maintenance (r)	7 709 960	5 406 067
SAPO Truebill (s)	2 509 952	449 709
Security	11 206 711	10 528 590
Staff welfare (t)	1 882 058	866 812
Storage and warehouse (u)	386 775	214 556
Subscriptions and membership fees	190 341	188 787
Telephone and fax (v)	48 915 576	62 442 894
Training (w)	3 640 459	1 826 876
Travel - local (x)	15 146 623	18 770 915
Travel - overseas (y)	248 920	453 998
Uniforms (z)	17 246 7	526 827
Venue expenses (aa)	2 875 567	861 687
	485 783 941	**391 527 123**

a) Advertising

The increase in advertising is mainly attributable to online services,media buying and branding

b) Ammunition

As part of the workplace experience, Traffic Trainees are required to undergo a firearm training programme which resulted in increased expenditure for ammunition.

c) Auditor's remuneration

The increase in audit fees is mainly attributable to increased charge out rates and audit scope.

Notes to the Annual Financial Statements

	2024	2023 Restated

20. Operating expenditure (continued)

d) Bank charges

The increase in transactions on the online service platform is directly related to an increase in NaTIS online bank charges.

e) Catering

The 2023 (April) and 2024 (March) easter holiday fell within one financial year of 2023/24 resulting in an increase in catering cost for easter launches.

f) Cleaning

The insourcing of cleaning services resulted in a decrease of outsourced cleaning services costs.

g) Compensation commissioner

The increase in Compensation commissioner costs is mainly attributed to the appointment of the first cohort of the 21st century cadre traffic officers.

h) Computer expenses

The roll-out of the CLLT project in various provinces is mainly attributable to an increase in computer expenditure.

i) Consulting and professional fees

During the current financial year the RTMC did not implement siginificant projects that required expertise outside the RTMC, resulting in a decease in the consulting and professional fees.

j) Corporate Gifts, Donations

Due to budget constraints, the RTMC did not incur any significant amounts relating to corporate gifts and donations.

k) Corporate social responsibility

Due to budget constraints, the RTMC participated in lesser CSR project initiatives.

l) Insurance

The RTMC entered into a new contract during the year under review and was able to negotiate lower premiums when compared to the previous year resulting in decreased insurance costs.

m) Labour relations

During the financial year under review, the RTMC had a significant increase in labour relations costs due to increased disciplinary hearings.

n) Legal fees

A decrease in legal fees is attributed to several stagnated legal disputes during the year under review.

o) Postage and courier

An increase in the cost of motor vehicle licence courier services is directly linked to the growth in online motor vehicle licence renewal fees.

Notes to the Annual Financial Statements

	2024	2023 Restated

20. Operating expenditure (continued)

p) Projects - Annual Performance Plan (APP)

During the current financial year, the RTMC managed to obtain sponsorships with various stakeholders, this resulted in a decrease in APP projects costs.

q) Recruitment cost

A national recruitment initiative of traffic trainees resulted in increased recruitment costs..

r) General repairs and maintenance

The increase in repairs and maintenance costs can be attributed to the impact of load shedding. The RTMC is reliant on the Uninterrupted Power Supply (UPS) systems and generators. The strain on these backup systems during prolonged power cuts lead to wear and tear, necessitating extensive generator maintenance and battery replacement.

s) SAPO Truebill

During the financial year under review, the printing and postage of more traffic fines led to an increase in South African Post Office Truebill costs.

t) Staff welfare

The fitness evaluation of the trainees was a part of the nationwide traffic trainee recruitment procedure, which resulted in the increased expenditure on refreshments for participants and staff.

u) Storage and warehouse

There was an increase in storage and warehouse costs due to the off-site storage for records and rotation of data tapes during the current financial year.

v) Telephone and fax

This significant decline in telephone and fax costs is attributable to the discontinuation of datalines in various centres due to closure of South African Post Office (SAPO) and as well as the gradual discontinuation of copper usage.

w) Training

The RTMC during the financial year in review, has invested in training provisioning which resulted in an increase in training costs.

x) Travel – local

Due to budget constraints, the RTMC limited travel during the financial year resulting in a decrease in travel costs.

y) Travel – overseas

Due to budget constraints, foreign travel was only limited to SADC countries relating to the extension of NaTIS services. This resulted in a decrease in foreign travel.

z) Uniforms

The RTMC encountered difficulties with the RT contract, which prevented it from obtaining combat uniforms for the Traffic Trainees. This resulted in a decrease in uniform costs.

Notes to the Annual Financial Statements

20. Operating expenditure (continued)

aa) Venue expenses

In the main, during the financial year under review, a graduation and pass-out ceremony of the traffic trainees was held. This resulted in an increase in venues expenditure

21. Cash generated from operations

	2024	2023 Restated
Surplus	141 910 924	95 261 018
Adjustments for:		
Depreciation and amortisation	79 322 226	83 329 814
Gain on sale of assets and liabilities	7 857 425	5 449 271
Finance costs - Finance leases	2 613 708	4 657 202
Impairment deficit	-	12 860 939
Provision for debt impairment	103 163 710	78 009 278
Movements in operating lease assets and accruals	(768 377)	358 561
Movements in provisions	(10 450 541)	13 247 554
Other non-cash items - sponsorship in-kind	-	(3 643 895)
CBRTA Section 42 Transfer	4 298 398	-
Changes in working capital:		
Inventories	543 069	4 464 799
Receivables from exchange transactions	(20 744 977)	(17 653 210)
Provision for debt impairment	(103 163 710)	(78 009 278)
Other receivables from non-exchange transactions	7 228 055	8 328 673
Payables from exchange transactions	126 453 022	65 981 817
	338 262 932	**272 642 543**

22. Commitments

a) Authorised capital expenditure

	2024	2023 Restated
Contract commitments		
• Property, plant and equipment	97 991 552	167 670 911
• Intangible assets	-	1 595 876
	97 991 552	**169 266 787**
Purchase order commitments		
• Property, plant and equipment	6 855 242	29 461 515
Total capital commitments		
Contract commitments	97 991 552	169 266 787
Purchase order commitments	6 855 242	29 461 515
	104 846 794	**198 728 302**

Notes to the Annual Financial Statements

22. Commitments (continued)

b) Authorised operational expenditure

	2024	2023 Restated
Contract commitments		
• Operating expenditure (*)	211 322 230	221 275 072
Purchase order commitments		
• Operating expenditure	14 769 413	2 871 694
Total operational commitments		
Contract commitments	211 322 230	221 275 072
Purchase order commitments	14 769 413	2 871 694
	226 091 643	**224 146 766**

*Included in contract commitments is the amount of R21 112 353 for ACSA that is a related party as disclosed in note 24.

Total commitments

	2024	2023 Restated
Total commitments		
Authorised capital expenditure	104 846 794	198 728 302
Authorised operational expenditure	226 091 643	224 146 766
	330 938 437	**422 875 068**

c) Commitments beyond 12 months

	2024	2023 Restated
Contract commitments	192 125 396	200 189 285

d) Below are operating lease included in the above total commitments

Operating leases - as lessee (expense)

	2024	2023 Restated
Minimum lease payments due - Office space		
- within one year	-	23 901 500
- in second to fifth year inclusive	-	4 851 104
	-	**28 752 604**
Minimum lease payments due - Office equipment		
- within one year	1 877 317	293 289
- in second to fifth year inclusive	3 304 048	53 492
	5 181 365	**346 781**

The lease relates to thirty-four photocopy machines and ninety water dispensers situated in various offices. The lease term is 01 September 2021 to 29 February 2027.

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

	2024	2023 Restated
Minimum lease payments due		
- within one year	36 183 359	47 722 919
- in second to fifth year inclusive	915 900	34 995 190
	37 099 259	**82 718 109**

Notes to the Annual Financial Statements

2024	2023 Restated

23. Contingencies

Contingent liabilities

The general nature of the contingency is disclosed, the entity could be prejudiced should further information be disclosed.

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 2017, 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 reinterim 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.
- The RTMC appointed a legal team to oppose the application.
- It appears as if Tasima has abandoned the litigation.
- Financial exposure with regards to the backpay is still to be calculated however, estimated at R32 454 578 plus legal fees.
- The Contingency amount includes claim from:
  - Roets vs RTMC
  - Solidarity ABO vs RTMC.

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.
- Judgement was handed down in favour of complainants, matter to be set down to determine quantum.
- Financial exposure is determined at R3 000 000 plus cost (R500 000 per claim) in the event that the plaintiffs are successful.

Special Investigating Unit (SIU)

- The SIU is claiming an amount of R17 642 051 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.

Skosana vs Minister of Police and RTMC, M Tlou vs RTMC, T Potwana vs RTMC

- Claim for unlawful arrest for contravention of the Disaster Management Act, COVID19 curfew.
- RTMC defended the matter.
- Financial exposure is determined at R400 000 for Skosana and R100 000 per claim for Tlou and Potwana plus legal cost in the event that the plaintiffs are successful.

Nevhulaudzi vs RTMC

- Claim for unlawful arrest arising from reckless and negligent driving.
- Financial exposure is determined at R400 000 plus legal cost in the event that the plaintiffs are successful.

Maleka vs RTMC

- Claim for unlawful arrest arising from driving under the influence of alcohol.
- Financial exposure is determined at R400 000 plus legal cost in the event that the plaintiffs are successful.

Notes to the Annual Financial Statements

	2024	2023 Restated

23. Contingencies (continued)

Liquid Telecommunication vs RTMC

- Claims for Services rendered.
- Financial exposure is determined at R651 308 plus legal cost in the event that the plaintiff is successful.

Datacentrix storage upgrade

- During the previous financial year, the NaTIS infrastructure was upgraded. A contract was entered into with Datacentrix to procure data storage. An amount of R90 205 189 was set aside to be utilised when there is a need for additional data storage.
- During the previous financial year, the RTMC utilised R3 261 487 of this amount and the remaining uncommitted amount is R86 943 702 as it unclear when the entity will require the data storage.

Contingent assets

Construction guarantee

- As per the construction contract of the construction of the Traffic Training College, the Contractor shall upon the date of issue of the final payment certificate submit an expense account to the RTMC showing how all monies received in terms of the construction guarantee have been expended and shall refund to the Guarantor any resulting surplus. The construction of the Traffic Training College is at a stage of practical completion and the guarantee amount is now at 4% of the contract value (R8 416 257).

Reimbursement of legal fees

- The Public Protector pursuant to complaints lodged with her office, investigated and decided against the CEO. The decision of the Public Protector was successfully reviewed by the CEO through the Court. The CEO's legal fees in the amount of R1 506 006 incurred was subsequently reimbursed. Upon taxation and payment of the costs by the Public Protector to the CEO, the CEO will be liable to repay the RTMC the taxed costs. The amount is unknown at this stage.

24. Related parties

24.1. Related party relationships

The RTMC was established in terms of Section 3 of the RTMC Act of 1999 and is ultimately controlled by the National Department of Transport and is therefore related to all other entities under common control. The governance structures of the

RTMC comprise of the Shareholders Committee and the Board of Directors. The RTMCA provides that the Shareholders Committee consist of the Minister of Transport as the Chairperson, every MEC of Provincial Transport and two representatives nominated by the South African Local Government Association (SALGA).

Notes to the Annual Financial Statements

	2024	2023 Restated

24. Related parties (continued)

During the year under review, the Shareholders Committee comprised of the following members:

Name	Designation
Ms Sindisiwe Chikunga	Minister of Transport
Mr Xolile Nqatha	MEC: Transport and Community Safety, Eastern Cape
Ms Maqueen Letsoha-Mathae	MEC: Community Safety, Roads and Transport, Free State
Ms Faith Mazibuko	MEC: Community Safety, Gauteng
Ms Kedibone Diale-Tlabela	MEC: Public Transport and Logistics, Gauteng
Mr Sipho Hlomuka	MEC: Transport, Community Safety and Liaison, KwaZulu-Natal
Ms Florence Radzilani	MEC: Transport and Community Safety, Limpopo
Mr Vusi Shongwe	MEC: Community Safety, Security and Liaison, Mpumalanga
Mr Mandla Ndlovu	MEC: Public Works, Roads and Transport, Mpumalanga
Ms Nomandla Bloem	MEC: Department of Transport, Safety and Liaison, Northern Cape
Mr Gaoage Oageng Molapisi	MEC: Public Works and Roads, North-West
Mr Sello Lehari	MEC: Community Safety and Transport Management, North-West
Mr Ricardo Mackenzie	MEC: Mobility, Western Cape
Cllr. Sebang Mothlabi	SALGA Representative

Members of key management

Key management personnel are defined as executive and non-executive management of RTMC. Related-party relationships exist between RTMC, its directors, key management personnel and parties within the national sphere of government.

Transactions and balance with related parties

The transactions with all related parties are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under the common control of the Department, these were undertaken at arms lengths.

24.2. Related party balances

a.) Balances with controlling entity

	2024	2023 Restated
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Department of Transport (DoT)	550 889	129 749

Notes to the Annual Financial Statements

24. Related parties (continued)

b.) Balances with other related parties

	2024	2023 Restated
Amounts included in Trade receivable (Trade Payable) regarding related parties		
Road Traffic Infringement Agency (RTIA) - Administration of Aarto infringements	213 396 327	125 602 901
Road Traffic Infringement Agency (RTIA) - Collection of Aarto Infringements	(416 571)	(1 874 399)
Gauteng Department of Roads and Transport (Driver licence cards)	(4 379 749)	(4 093 045)
Airport Company South Africa (ACSA)	(47 547 638)	-
CBRTA transitional arrangement receivable	502 502	-
CBRTA transitional arrangement liability	(29 000)	-
Gauteng Department of Community Safety	-	15 863
Training provisioning and facilities:		
• Limpopo Provincial Department of Transport	(179 529)	(179 529)
• Gauteng Department of Roads and Transport	7 941	-
Mpumalanga Department of Community Safety,security and Liasion	26 314	-
Online motor vehicle licence renewal:		
• Eastern Cape	(21 953 693)	(16 338 588)
• Free State	(4 050 312)	(1 522 827)
• Gauteng	(34 554 582)	(13 005 054)
• KwaZulu Natal	(12 426 867)	(7 167 474)
• Limpopo	(11 533 306)	(2 932 805)
• Mpumalanga	(11 265 148)	(5 227 181)
• North West	(3 381 322)	(1 135 067)
• Northern Cape	(30 023 054)	(5 795 724)
• Western Cape	(11 298 258)	(3 563 917)
Transaction fees:		
• Eastern Cape	11 766 291	13 319 369
• Free State	2 977 394	3 578 256
• Gauteng	23 144 400	27 676 224
• KwaZulu Natal	8 343 410	9 163 665
• Limpopo	6 302 124	5 881 513
• Mpumalanga	4 288 408	4 874 040
• North West	3 021 768	3 807 288
• Northern Cape	29 255 208	25 432 734
• Western Cape	16 941 977	9 740 267
NaTIS online motor vehicle registration and change of ownership		
• Gauteng	(32 769)	-
• KwaZulu Natal	(131 968)	-
Learner licences		
• Mpumalanga - Community Safety,Security and Liaison	1 090	-
• Gauteng Department of Roads and Transport	13 236	-
Gauteng Department of Roads and Transport (Special project)	(218 833)	-

Notes to the Annual Financial Statements

24. Related parties (continued)

c.) Commitments with other related parties

Please refer to note 22.

d.) Provision for doubtful debts related to outstanding balances with related parties

	2024	2023 Restated
Road Traffic Infringement Agency (RTIA)	(213 396 327)	(125 602 901)
Provinces (Transaction fees)		
• KwaZulu Natal	(61 683)	(73 818)
• Limpopo	(440 990)	-
• Northern Cape	(26 953 402)	(18 030 348)

24.3. Related party transactions

a.) Transactions with controlling entity

	2024	2023 Restated
Government grants received		
Department of Transport (DoT)	220 104 000	224 179 000
Secondment's		
National Department of Transport (DLCA)	1 112 085	2 687 310
Department of Transport	421 139	129 749

b.) Transactions with other related parties

	2024	2023 Restated
Services rendered on behalf of:		
CBRTA - Administration of infringement fees	-	70 841 670
RTIA - Collection of AARTO infringements	357 529	389 270
Online services - collection agency fee:		
• Eastern Cape	8 996 145	2 838 888
• Free State	3 670 875	887 470
• Gauteng	33 598 345	9 699 888
• KwaZulu Natal	13 717 863	4 480 617
• Limpopo	2 311 804	533 978
• Mpumalanga	9 539 812	2 631 627
• North West	3 171 726	788 848
• Northern Cape	2 106 724	551 859
• Western Cape	10 231 169	3 144 080
NaTIS online motor vehicle registration and change of ownership		
• Gauteng	523 050	-
• KwaZulu Natal	122 760	-
Gauteng Department of Roads and Transport		
• DLTC Management	49 865 124	49 727 404
• Special project	2 480 495	-
Services rendered on behalf of RTMC by:		
RTIA - Administration of AARTO fines	90 891 522	48 137 172

Notes to the Annual Financial Statements

24. Related parties (continued)

	2024	2023 Restated
Collection of transaction fees:		
• Eastern Cape	51 915 240	56 742 336
• Free State	42 419 664	44 736 120
• Gauteng	323 992 296	342 661 110
• KwaZulu Natal	116 614 290	120 180 162
• Limpopo	53 129 736	53 515 800
• Mpumalanga	59 861 016	62 487 372
• North West	43 305 912	45 270 258
• Northern Cape	18 934 128	20 170 692
• Western Cape	145 561 608	150 610 752
Secondment's		
• Road Traffic Infringement Agency	-	3 543 528
• Gautrain Management Agency	-	723 260
Training provisioning and facilities		
Gauteng Department of Community Safety - Peace officer course	2 521 776	-
Deployment		
South African National Road Agency (SANRAL)	-	3 553 200

During the previous financial year, RTMC Traffic officers were deployed to Pongola on behalf of SANRAL to reduce road fatalities.

	2024	2023 Restated
Provision for debt impairment		
Road Traffic Infringement Agency (RTIA)	(87 793 426)	(44 275 511)
Transaction fees (Provinces)		
• Eastern Cape	-	(1 535 184)
• KwaZulu Natal	12 135	42 849
• Limpopo	(440 990)	(291 459)
• Northern Cape	(8 923 054)	1 742 953
Expenditure		
Gauteng Department of Roads and Transport (Driver licence cards)	(14 430 298)	(14 406 124)
Airport Company South Africa (ACSA) - Classroom rental, accomodation and meals	(66 659 082)	-
Leaner licences		
Gauteng Department of Roads and Transport	8 268	-
Mpumalanga - Community Safety, Security and Liaison	4 580	-

Utilisation of office and parking space

RTMC utilises office and parking space of other departments at no cost (refer to note 13).

Notes to the Annual Financial Statements

24. Related parties (continued)

	2024	2023 Restated
Transfer of function between entities under common control occurring during the current reporting period		
Cross Border Road Transport Agency (CBRTA)		
Assets transferred		
• Property,Plant and equipment	1 070 820	-
• Receivables from exchange transactions (Operating lease deposit)	106 823	-
	1 177 643	**-**
Liabilities relinquished		
• Operating lease liability	84 371	-
• Finance lease liability	66 269	-
• Provisions	4 320 850	-
	4 471 490	-
Difference between net assets and the consideration paid	**3 293 847**	**-**

Transactions recognised separately from the transfer of function

Accrued 13th cheque liability due to employees transferred as at 01 April 2023 amounting to R844 723, will however not be transferred to CBRTA, however will be settled by the RTMC as per Section 42 agreement. Please refer to Note 29 for furher details.

24.4. Key management

Non-executive members

2024

Name	Retainer and meeting fees	Total
NN Mufamadi - Chairperson	968 098	968 098
K.J. Kudzingana	746 658	746 658
L.M.E. Magalo	591 613	591 613
Prof. M.I. Mphahlele	779 122	779 122
X.C . Stemela	618 504	618 504
C.T. Thankge	779 122	779 122
Dr. E.M. Thebe	645 396	645 396
Prof. C.M. Twala	779 122	779 122
	5 907 635	5 907 635

Notes to the Annual Financial Statements

	2024	2023 Restated

24. Related parties (continued)

2023

Name	Retainer and meeting fees	Total
Z. Majavu CD(SA) - Chairperson Until 31 October 2022	645 399	645 399
NN Mufamadi - Chairperson appointed 01 November 2022	322 699	322 699
T.M.N. Kgomo Until 31 October 2022	486 951	486 951
K.J. Kudzingana appointed 01 November 2022	248 563	248 563
L.M.E. Magalo appointed 01 November 2022	215 132	215 132
T. Mdlulwa until 31 October 2022	519 414	519 414
Prof. M.I. Mphahlele	678 827	678 827
X.C . Stemela appointed 01 November 2022	134 457	134 457
C.T. Thankge	767 974	767 974
Dr. E.M. Thebe	645 396	645 396
Prof. C.M. Twala apponted 01 November 2022	248 563	248 563
	4 913 375	**4 913 375**

Board members' remuneration is structured into two elements consisting of a monthly retainer and meeting fees capped at their specific packages.

Executive management

2024

Name	Basic salary	Performance bonus	Other employee benefits	Acting allowance	Total
Adv. M Msibi (CEO)	3 737 941	3 925 691	2 491 961	-	10 155 593
D. Ewertse	1 429 193	221 949	952 795	-	2 603 937
N.J. Jolingana	1 603 261	212 661	678 418	-	2 494 340
M.P Juma	1 429 193	222 991	947 629	22 231	2 622 044
K. Kara-Vala	1 892 029	475 600	1 321 348	-	3 688 977
K.K. Kgosiemang	1 429 193	226 508	952 795	-	2 608 496
D.N Mobeng	2 627 754	-	875 918	-	3 503 672
R. Mongale (Acting EM Road Safety Stakeholder Relations Management from 01 June until 30 November 2023 - appointed 01 December 2023)	1 556 666	228 202	1 037 777	181 160	3 003 805
L. Moolman	1 992 095	503 629	1 328 063	-	3 823 787
T. Ndebele - until 31 May 2023	313 250	-	252 272	-	565 522
S. Petse	1 521 275	200 598	649 225	-	2 371 098
S. Podile	2 058 052	-	882 022	-	2 940 074
N.V Ramutle	2 207 367	248 716	946 014	-	3 402 097
O.P Legoale (Acting GM from 01 April 2023 until 30 June 2023)	210 371	-	122 717	66 694	399 782
	24 007 640	**6 466 545**	**13 438 954**	**270 085**	**44 183 224**

Notes to the Annual Financial Statements

	2024	2023 Restated

24. Related parties (continued)

2023

Name	Basic salary	Other employee benefits	Total
Adv. M Msibi (CEO)	3 413 645	2 275 763	5 689 408
D. Ewertse	1 305 199	870 969	2 176 168
N.J. Jolingana	1 464 165	633 452	2 097 617
M.P Juma	1 305 199	871 930	2 177 129
K. Kara-Vala	1 727 880	1 150 455	2 878 335
K.K. Kgosiemang	1 305 199	870 133	2 175 332
D.N Mobeng	2 143 832	881 375	3 025 207
R. Mongale	1 305 199	879 618	2 184 817
L. Moolman	1 819 265	1 221 141	3 040 406
T. Ndebele	1 879 499	815 373	2 694 872
S. Petse	1 389 292	599 084	1 988 376
S. Podile	1 879 499	805 500	2 684 999
N.V Ramutle (Acting EM Corporate Services from 01 July 2022 until 31 December 2022 - Appointed 01 January 2023)	1 158 465	695 810	1 854 275
	22 096 338	**12 570 603**	**34 666 941**

*No performance bonuses were paid in 2022/23.

Audit and Risk Committe members

2024

Name	Meeting attendance	Total
R. Cuna (Appointed 01 August 2020 until 31 July 2023)	64 927	64 927
H.N. Jaxa (Appointed 01 August 2020)	267 112	267 112
D. Maithufi (Appointed 01 July 2023)	248 563	248 563
M. Ramutsheli (Appointed 01 October 2023)	80 674	80 674
	661 276	**661 276**

2023

Name	Meeting attendance	Total
R. Cuna	226 274	226 274
H.N. Jaxa	215 130	215 130
N.M. Mufamadi (Until 31 October 2022)	357 097	357 097
	798 501	**798 501**

Notes to the Annual Financial Statements

	2024	2023 Restated

25. 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 retrospectively from 01 April 2023.

The useful lives of items of property, plant and equipment were previously estimated as follows:

Item	Depreciation method	Average useful life
Communication devices	Straight-line	02-05 years
Computer equipment	Straight-line	02-20 years
Motor vehicles	Straight-line	05-20 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
Communication devices	Straight-line	02-06 years
Computer equipment	Straight-line	03-30 years
Leasehold improvements	Straight-line	As per lease term
Motor vehicles	Straight-line	05-20 years

The effect of this assessment has decreased the depreciation in the current period of R8 905 105 (2023: R30 447) resulting from the assets' remaining useful lives, which were changed from varied useful lives to new useful lives on March 31, 2024, having effect from April 1, 2023 is included in the depreciation for 2024. Future periods will see an increase in depreciation of R8 905 105 as a result of this adjustment. The below table articulates the impact of the change in useful lives:

Impact of changes in accounting estimates	March 2024	Restated March 2023
Decrease in depreciation in property plant and equipment	8 905 105	30 447
Increase in net surplus	(8 905 105)	(30 447)
	-	-

Notes to the Annual Financial Statements

		2024	2023 Restated

26. Prior period errors

The correction of the error(s) results in adjustments as follows:

Statement of financial position			
Increase in receivables from exchange transactions	(a)		4 210 102
Decrease in property, plant and equipment	(b)		(6 412 815)
Increase in intangible assets	(c)		601
Increase in payables from exchange transactions	(d)		(290 429)
Decrease in opening accumulated surplus	(e)		521 121
			(1 971 420)
Statement of financial performance			
Decrease in revenue from exchange transactions	(f)		548 015
Decrease in employee related costs	(g)		(1 136)
Decrease in depreciation and amortisation	(h)		(150)
Increase in operating expenditure	(i)		1 424 691
			1 971 420

a) Receivables from exchange transaction

- Overstatement - Electricity claim was incorrectly calculated resulting in an overbilling (R649 974); Petty cash receipts were erroneously ommited resulting in an overstatement of petty cash debtors (R14 603); Payroll deduction of a petty cash debt was incorrectly allocated to accrued employee costs (R1 050); Self-insurance expense was erroneously ommitted during the 2020/2021 financial year resulting in an overstatement of prepayment (R128 738).
- Understatement - Incorrect billing of electricity and water (R140 508); Redhat licence prepaid for a period of 4 years was erronously capitalised as computer equipment (R4 762 001); Secondment debt was erroneously ommitted in the previous year (R129 749); Insurance proceeds received were erroneously recorded as accrued income. (R27 790).

b) Property, plant and equipment

- Overstatement - An error in the change in estimate resulted in an incorrect calculation of depreciation (R63 578); Redhat licence was erroneously capitalised as computer equipment (R6 349 334).
- Understatement - Consumables were erroneously capitilised as computer equipement (R98).

c) Intangible assets

- Overstatement - An error in the change in estimate resulted in an incorrect calculation of amortisation (R601).

d) Payables from exchange transactions

- Overstatement - Invoice relating to legal fees was incorreclty billed to the RTMC (R4 428); Overtime payable was approved for a certain number of hours not hours claimed (R1 136); Payroll deduction of a petty cash debt was incorrectly allocated to accrued employee costs (R1 050).
- Understatement - Late receipt of invoice resulted in an understatement of project expenditure (R243 752): Late receipt of invoce resulting in an understatement of legal expenditure (R31 108); Invoice relating to legal fees was incorreclty billed to the RTMC (R22 183).

Notes to the Annual Financial Statements

2024	2023 Restated

26. Prior period errors (contineud)

e) Accumulated surplus

- Understatement - An error in the change in estimate resulted in an incorrect calculation of depreciation (R63 127); Petty cash receipts relating to 2019 to 2022 financial year were errounsly ommited resulting in an understatement of petty cash expenditure (R11 789); Software licence relating to 2021/22 was incorrectly capitalised as computer equipment resulting in an understatement of computer expense (R317 467); Self-insurance expense was erroneously ommitted during the 2020/2021 financial year resulting in an understatement of Insurance expenditure (R128 738).

f) Revenue from exchange transactions

- Overstatement - Electricity claim was incorrectly calculated resulting in an overbilling (R649 974); Insurance proceeds received were erroneously recorded as accrued income. (R27 790).
- Understatement - Secondment income was erroneously ommitted in the previous financial year (R129 749).

g) Employee related costs

- Overstatement - Overtime payable was approved for a certain number of hours not hours claimed (R1 136).

h) Depreciation and amortisation

- Overstatement - An error in the change in estimate resulted in an incorrect calculation of depreciation(R150).

i) Operating expenditure

- Overstatement - Incorrect billing of electricity and water (R140 508); Invoice relating to legal fees was incorreclty billed to the RTMC (R4 428); Consumables were erroneously capitised as computer equipement (R98).
- Understatement - Petty cash receipts were erroneously ommited resulting in an understatement of expenditure (R2 815); Expenditure for software licence was incorrectly capitalised as computer equipment resulting in an understatement of computer expense (R1 269 867); late receipt of invoice resulted in an understatement of project expenditure (R243 752); Late receipt of invoce resulting in an understatement of legal expenditure (R 31 108); Invoice relating to storage and warehouse was incorreclty billed to the RTMC (R22 183).

j) Reclassification

- Computer expenses were erroneously classified as minor assets in the previous financial year (R1 393 353).

k) Disclosures

1. During the previous financial year the following were erroneously ommitted from the related party disclosure note:

Related party balances
- Department of Transport (DoT) (R129 749)
- Gauteng Department of Roads and Transport (Driver licence cards) (R4 093 045)
- Provinces online motor vehicle licence renewal (R56 688 641)

Related party transactions
- Department of Transport grant income (R224 179 000)
- Department of Transport secondment income (R129 749)
- Provinces online services - collecting agency (R25 557 253)
- Gauteng Department of Roads and Transport - DLTC management (R49 727 404)
- Provision for AARTO infringement debt impairment (-R44 275 511)
- Provision for NaTIS transaction fee debt impairment:

Notes to the Annual Financial Statements

2024	2023 Restated

26. Prior period errors (contineud)

- Eastern Cape (-R1 535 184)
- KwaZulu Natal (R42 849)
- Limpopo (-R291 459)
- Northern Cape (R1 742 953)
- Gauteng Department of Roads and Transport - Driver licence cards (-R14 406 124)

2. During the previous financial year the following were erroneously included in the risk management disclosure note:
- Statutory receivables (R269 021 868)
- mpairment of statutory receivables (R183 652 708)
- Prepayments (R30 723 307)

3. During the previous financial year the disclosure of statutory receviables was amended to include aging of the statutory receivables.

27. Risk management

Capital risk management

The RTMC 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 RTMC's risk management framework. The Accounting Authority has established the Risk Management Committee, which is responsible for developing and monitoring the RTMC's risk management policies. The committee reports regularly to the Accounting Authority on its activities

The RTMC's risk management policies are established to identify and analyse the risks faced by the RTMC, 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 RTMC's activities. The RTMC, 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 RTMC's Audit Committee oversees how management monitors compliance with the RTMC's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the RTMC. The RTMC's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The RTMC's exposure to risk, its objectives, policies and processes for managing the risk arising from its financial instruments and methods used to measure the RTMC's exposure to these risks, have not changed significantly from the prior year.

The RTMC does not have major exposure to credit, liquidity and market risk, which is described in more detail below.

The RTMC'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.

Notes to the Annual Financial Statements

	2024	2023 Restated

27. Risk management (continued)

Financial liabilities - 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease obligation	35 422 674	810 584	-	-
Payables from exchange transactions	266 364 518	-	-	-
	301 787 192	**810 584**	**-**	**-**

Financial liabilities - 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Finance lease obligation	45 195 388	34 565 402	-	-
Payables from exchange transactions	145 999 222	-	-	-
	191 194 610	**34 565 402**	**-**	**-**

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 RTMC'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 RTMC does establish an allowance for impairment.

Credit risk exposure

The gross carrying amount of the receivables for 2023/24: R32 690 525 and 2022/23: R21 311 069 and represents the maximum credit exposure at the reporting.

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:

Financial assets exposed to credit risk at year end were as follows:

Financial instruments	2024	2023 Restated
Cash and cash equivalents	214 483 331	55 300 398
Deposits	1 567 729	1 959 945
Receivables - Other	7 457 971	9 046 170
Training provisioning	11 688 744	2 530 150
Prepayments (Self insurance fund)	4 403 301	3 892 897
Staff debtors	679 016	751 662
Online service receivable	6 666 569	2 476 908
	246 946 661	**75 958 130**

Notes to the Annual Financial Statements

	2024	2023 Restated

27. Risk management (continued)

Financial assets - 2024	Neither past nor impaired	1 - 2 months	3 - 5 months	More than 5 months	Impaired financial assets	Total
Trade and other receivables	17 957 190	2 148 361	2 108 092	8 909 153	(227 195)	30 895 601
Cash and cash equivalents	214 483 331	-	-	-	-	214 483 331
Deposits	1 567 729	-	-	-	-	1 567 729
	234 008 250	**2 148 361**	**2 108 092**	**8 909 153**	**(227 195)**	**246 946 661**

Financial assets - 2023	Neither past nor impaired	1 - 2 months	3 - 5 months	More than 5 months	Impaired financial assets	Total
Trade and other receivables	11 551 782	4 765 514	1 015 411	2 018 417	(653 337)	18 697 787
Cash and cash equivalents	55 300 398	-	-	-	-	55 300 398
Deposits	1 959 945	-	-	-	-	1 959 945
	68 812 125	**4 765 514**	**1 015 411**	**2 018 417**	**(653 337)**	**75 958 130**

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 RTMC`s financial assets and the amount of the RTMC`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 RTMC`s exposure to market risk and its objectives, policies and procedures for managing market risks have not changed significantly from the prior period.

Interest rate risk

The RTMC 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 RTMC has no exposure to equity price risk.

28. Irregular and Fruitless and Wasteful Expenditure

	2024	2023 Restated
Fruitless and wasteful expenditure	88 955	2 876 574

***Refer to reconciling notes in the annual report**

Additional Narratives

Reprint and delivery of vehicle licences

The prior year R2 876 574 that resulted due to reprints of motor vehicle licences due to leap year. Consequence management was in the offing when the responsible employee resigned.

Fraudulent salary payment

Discussions and investigations are underway on a salary allegedly paid into an incorrect account due to a phishing scam.

Notes to the Annual Financial Statements

29. Transfer of functions between entities under common control

Transfer of functions between entities under common control occurring during the current reporting period

During 2017, the CBRTA and RTMC entered into an Inter-Agency Co-Operation Agreement that was amended on 31 May 2018, ("Principal Agreement").

In terms of Principal Agreement, the Road Transport Inspectorate of the CBRTA within the National Department of Transport was and subject to legislative amendment, to be transferred to the RTMC. The RTMC would, pending legislative amendment, render law enforcement services on behalf of and in favour of the CBRTA.

The Minister in consideration of the parties resolved to terminate the Principal Agreement which termination will enable the CBRTA to perform the Road Transport Agency Inspectorate law enforcement services once more as from 1 April 2023. This agreement resulted in the termination of the principal agent relationship as at 31 March 2023.

The Parties entered into an agreement to regulate the transitional provisions applicable to the transfer of assets and liabilities in terms of Section 42 of the Public Finance Management Act, 1 of 1999 and support to be provided by the RTMC to the CBRTA.

The transfer is in accordance with section 42 of the PFMA as follows:
- All related assets are transferred from the RTMC to the CBRTA;
- All liabilities, short and long term, are transferred to and to be incurred by the CBRTA;

The transfer excludes the budget allocation to the RTMC for the purposes of the inspectorate for operational purposes;

The revenue generated and expenditure incurred is assumed by the CBRTA;

The staff is also be transferred to the CBRTA in line with a Section 197 of the Labour Relations Act.

Transactions recognised separately from the transfer of functions

Accrued 13th cheque liability due to employees transferred as at 01 April 2023 amounting to R844 723, will however not be transferred to CBRTA, but be settled by the RTMC as per Section 42 agreement.

Value of assets

	2024	2023 Restated
Assets transferred		
Property, plant and equipment	1 070 820	-
Receivables from exchange transactions (Operating lease deposits)	106 823	-
	1 177 643	**-**
Liabilities relinquished		
Operating lease liability	84 371	-
Finance lease liability	66 269	-
Provisions	4 320 850	-
	4 471 490	**-**
Difference between net assets and the consideration paid	**3 293 847**	**-**

Notes to the Annual Financial Statements

	2024	2023 Restated

30. Events after the reporting date

Adjusting events

a.) Performance bonus payment

In December 2023, the RTMC paid performance bonuses to qualifying employees on the annual performance assessments for the 2022/23 financial year. Ten employees were erroneously excluded from the list of employees eligible for performance bonuses for the financial year 2022/2023.

On 20 May 2024, the CEO approved payment of the performance bonuses to qualifying employees who were erroneously omitted amounting to R261 396.

b.) Reimbursement of legal fees

The Public Protector pursuant to complaints lodged with her office, investigated and decided against the CEO. The decision of the Public Protector was successfully reviewed by the CEO through the Court. The CEO's legal fees in the amount of R1 506 006 incurred was subsequently reimbursed.

Non-adjusting events

a.) Transfer of function

The Shareholders committee resolved that the Drivers Licence Card Manufacturing (DLCM) currently being operated by the Drivers Licence Card Account (DLCA) be transferred to the RTMC with effect from 01 July 2024.

31. Accounting by principals and agents

The entity is a party to a principal-agent arrangements.

Details of the arrangments are as follows:

RTMC acts as an agent to:

1.) RTIA - infringement collection

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.

2.) 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 licensing. Further, only the provinces have the power to determine the minimum service performance of the RTMC.

Notes to the Annual Financial Statements

	2024	2023 Restated

31. 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.This arrangement is still in place.

3.) Online motor vehicle registration and change of ownership

In February 2022, the RTMC regulations for 2022 which includes Online Motor Vehicle Registration and Change of Ownership came into effect. These regulations as made by the Minister of Transport allows the RTMC to collect registration and change of ownership fees as gazetted by the different MEC's in their respective provinces.

The online vehicle registration fee will be levied on all registrations performed by Financial Institutions, Motor Dealers, Insurance Companies and Large Fleet Operators. The online registration function will allow an approved entity the ability to register a vehicle to themselves as title holder.

The fee collected will include both the Convenience fee for the RTMC which is R330 and registration or change of ownership fee as determined by the MEC's in the different provinces. RTMC as an agent, will therefore collect the registration and change of ownership fee on behalf of the Provincial Department of Transport.

The risks associated with the execution of the function remains with the provinces.This arrangement is still in place.

4.) Cross-Border Road Transport Agency (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, interalia, 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.

This arrangement ended on 31 March 2023. (See note 29)

Notes to the Annual Financial Statements

	2024	2023 Restated

31. Accounting by principals and agents (continued)

5.) Special project income

The National Road Traffic Act 1996 Act No 93, provides that the registration and licensing system of motor vehicles for the province shall b as prescribed by the Member of the Executive Council of the Province.

The MEC of the Province may prescribe fee s and penalties, relating to the application for the registration or licensing of a motor vehicle or licencing of a motor trade number. Failure to pay the prescribed fees and penalties timeously shall constitute debts, due to the province by the title holder, owner or holder, as the case may be.

In terms of an agreement between the RTMC and Gauteng Department of Roads and Transport, the province ceded its rights to recover the debt from debtors to the RTMC to enable the RTMC to pursue recovery of the debt upon recovery of such debt by the RTMC, will share the recovered amounts with the province on a recovered revenue sharing basis which RTMC is to retain of any recovered revenue and will pay over 60% of such to the province.

The risks associated with execution of the function remains with the province. This arrangement is still in place.

Payments are made monthly inline with the agreement between the parties.

Entity as agent

Revenue recognised

The aggregate amount of revenue that the entity recognised as compensation for the transactions carried out on behalf of the principal is R90 798 299 (2023: R96 788 175).

	2024	2023 Restated
Revenue		
RTIA - Aarto Infringements collection fees	357 529	389 270
Administration Fees - RTI Infringements	-	70 841 670
Online motor vehicle licence renewal - Collection agency fee	87 314 464	25 557 235
Online registration and transfer of ownership (*)	645 810	-
Special project income	2 480 496	-
	90 798 299	**96 788 175**

Cost incurred in the provision of the services	Marketing	Bank charges	Bulk Printing and Dispatch	Total
Online Motor Vehicle Licence Renewal - Collection Agency Fee	250 000	18 765 679	67 342 781	86 358 460

Resources held on behalf of the principal(s), but recognised in the entity's own financial statements

	Assets	Liabilities
RTIA - Aarto Infringements (collecting authority capacity)	416 571	(416 571)
Online motor vehicle licence renewal - Collection agency fee	140 486 550	(140 486 550)
Online registration and transfer of ownership	164 706	(164 706)
Special project income	218 833	(218 833)
	141 286 660	**(141 286 660)**

* Assets under the custodianship of the RTMC comprises of receivables from exchange transactions and cash and cash equivalents.

Payments are made within 21 days in line with the service level agreement between the RTMC, RTIA and the provinces.

Notes to the Annual Financial Statements

	2024	2023 Restated

31. Accounting by principals and agents (continued)

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 (collecting authority capacity)	1 874 399	11 573 656	(13 031 484)	416 571
Online motor vehicle licence renewal - Collection agency fee	56 688 641	1 004 116 332	(920 318 423)	140 486 550
Online registration and transfer of ownership	-	164 706	-	164 706
Special project income	-	3 720 743	(3 501 910)	218 833
	58 563 040	**1 019 575 437**	**(936 851 817)**	**141 286 660**

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.

2.) Provinces - Transaction fees

RTMC is a principal to the provincial Departments of Transport for the purposes of collection of transaction fees, this is in terms of the RTMC Regulation, 2022 of the RTMC Act, 2022. The terms and conditions of this arrangement is clearly stipulated in the 2022 RTMC Regulations

Payments are made within 30 days in accordance with 2022 RTMC Regulation.

Fee paid

	2024	2023 Restated
RTIA - Aarto Infringements	92 943	115 850

RTMC pays 3% of the transaction fee as compensation for services performed.

Payments are made within 21 days in line with the service level agreement between the RTMC and RTIA.

Resources under custodianship of agent - assets and liabilities	Opening balance	Amounts collected on behalf of the principal	Resources remitted by agent	Fees paid to agent as compensation	Closing balance
RTIA - Aarto Infringements	125 602 901	90 891 522	(3 098 096)	-	213 396 327
Transaction fees					
• Eastern Cape	13 319 329	51 915 240	(53 468 278)	-	11 766 291
• Free State	3 578 256	42 419 664	(43 154 280)	-	2 843 640
• Gauteng	27 676 224	323 992 296	(328 524 120)	-	23 144 400
• KwaZulu Natal	9 163 665	116 614 290	(117 434 544)	-	8 343 411
• Limpopo	5 881 513	53 129 736	(52 709 125)	-	6 302 124
• Mpumalanga	4 874 040	59 861 016	(60 446 648)	-	4 288 408
• North West	3 807 288	43 305 912	(44 091 432)	-	3 021 768
• Northern Cape	25 432 725	18 934 128	(15 111 645)	-	29 255 208
• Western Cape	9 740 263	145 561 608	(138 359 893)	-	16 941 978
	229 076 204	**946 625 412**	**(856 398 061)**	**-**	**319 303 555**

These principal-agent arrangements are still in place.

Notes to the Annual Financial Statements

	2024	2023 Restated

32. 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:

a.) NaTIS online motor vehicle registration and change of ownership

The RTMC introduced a convenience service during the previous financial year which enables motor dealerships and financiers to register and change ownership of motor vehicles online. Revenue generation is driven by the dealerships up-take of the service, which was considerably slower than anticipated due to computerised development issues which proved to be time consuming, hence resulted in an under-recovery of revenue.

b.) Revenue items that are not budgeted for under normal operations.

Some revenue items are incidental to the normal operations of the RTMC and as a result not budgeted for. These include:

- Special project income
- RTIA – Aarto infringement collection fees – revenue generated as a result of Aarto infringement payments at the RTMC DLTC's.
- NaTIS data charge
- Revenue from previously written off assets
- Secondment income
- Sundry income
- Project income – Sponsorship
- Sponsorship-in-kind
- Insurance reimbursement
- Interest received
- Impound fees
- Penalties charged
- Unclaimed liabilities

c.) Training provisioning and facilities

The RTMC did not anticipate training initiatives of material nature, however during the end of the second quarter Border Management Authority (BMA) training was initiated resulting in an over-recovery at financial year-end.

d.) NaTIS online motor vehicle licence renewal and courier fees

The generation of revenue is driven by the number of public take-up of the services which exceeded anticipated expectation, resulting in an over-recovery of the revenue

e.) DLTC Management

The RTMC's generation of revenue from the function is driven by the rate of public take-on. All functions have also not been activated as anticipated. The RTMC reflected an under-recovery at year-end.

f.) Infringement fees (AARTO income)

The appointment of the first cohort of 21st century cadre traffic officers contributed to the significant increase in AARTO fines along with the eforce roll out.

g.) Transaction fees

Revenue generation includes online Transaction fees which is driven by the public up-take of the service. The revenue generation exceeds the anticipated targets, resulting in an over-recovery.

Notes to the Annual Financial Statements

	2024	2023 Restated

32. Budget differences (continued)

h.) NRTA section 56 infringement fees

The NTP unit has invested its time and resources on AARTO jurisdictions as there are less restrictions when compared to Section 56 notices. Section 56 fines can only be issued in the jurisdictions where court approvals have been obtained. This resulted in an under-recovery of revenue.

i.) Employee related cost

The RTMC over projected the compensation of employee costs.

j.) Depreciation

During current financial year the Coporation anticipated the construction of the training traffic college will be completed and capitalised resulting in increase in the anticipated depreciation. However, the consent to use has not been granted by the City of Tshwane. This resulted in a favourable variance

k.) Finance cost

The RTMC did not budget for finance cost relating to the finance lease. This resulted in over-expenditure.

l.) Lease rental on operating lease

The RTMC anticipated that the extension of the lease agreement with the training facility service provider would come with an increase in the monthly fee. The extension however came at no increase which resulted in the lower than budget expense reflected.

m.) Expense items not included for under normal operations.

Some expenses are incidental to the normal operations of the RTMC and as a result not budgeted for. These include:
- Provision for debt impairment.
- Loss on disposal of assets and liabilities.

n) Operating expenditure

During the financial the year the RTMC realised an overspend in total operating expenditure. It should be noted that the RTMC implemented a budget shift during the 4th quarter. The budget shift was tabled at Board and was henceforth approved. The budget shift resulted in a shift between Capital Expenditure and Compensation of Employees, as well as shift between budget programmes and sub-programmes. The budget intended to eliminate over and underspend, detected during the budget monitoring process. Further analysis of the main contributors to the overspend is given below:
- Bank charges: The expenditure is driven by the number of public take-up of the online services which was higher than anticipated, this resulted in an overspend in the current financial year.
- Computer expenses: During the financial year under review, the RTMC procured equipment relating to the CLLT projects which contributed mainly to the overspend.
- Courier fees: Courier fees are paid in relation to the delivery of motor vehicle licence discs that are renewed online as part of the new online services. The number of deliveries increased in the current financial year leading to a higher spend than anticipated.
- Motor vehicle expenses: The aging fleet of the RTMC requires more frequent maintenance which results in an overspend on budget.

Notes to the Annual Financial Statements

2024	2023 Restated

33. New standards and interpretations

33.1 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 2024 or later periods:

GRAP 104 (as revised): 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 revisions is not yet set by the Minister of Finance.

The entity expects to adopt the revisions for the first time when the Minister sets the effective date for the revisions.

It is unlikely that the standard will have a material impact on the entity's annual financial statements.

Notes

Notes

Notes

Road Traffic
Management Corporation

Physical Address
Eco Origin Office Park, Block F
349 Witch-Hazel Street
Highveld Ext 79, 0157
Centurion, Gauteng
South Africa

Email: Info@rtmc.co.za
Tel: (012) 999-5200
Fax: (012) 991-0371

Postal Address
Private Bag X147
Pretoria, 0001

The Road Traffic Management Corporation (RTMC)
is an Agency of The Department of Transport and a
Member of the United Nations Road Safety Collaboration

ISBN Number:
978-1-77997-094-7

RP Number:
185/2024

30 YEARS OF FREEDOM
South Africa 1994 - 2024

ARRIVE ALIVE
A proud initiative of
The Department of Transport

DECADE OF ACTION FOR
ROAD SAFETY
2021 - 2030