



Road Traffic
Management Corporation



ANNUAL REPORT 2011/2012





Road Traffic Management Corporation

“Safe Roads – The Change We Want To See”



The RTMC is an Agency of The Department of Transport and a Member of the

United Nations Road Safety Collaboration



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

VISION

Safe Roads in South Africa

MISSION

Ensure Safe, Secure and Sustainable Roads in SA

VALUES

Integrity

Accountability

Transparency

Teamwork



Ashref Ismail

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Minister Dikobe Ben Martins



The Minister of Transport holds the responsibility of Chairperson of the RTMC Shareholders Committee as prescribed in Section 11(1) of the RTMC Act 20 of 1999. In the year under review Mr Sibusiso Joel Ndebele held the position of Chairperson of the Committee until the 12th of June 2012.

Minister Dikobe Ben Martins took office on the 12th of June 2012 as Minister of Transport and Chairperson of the RTMC Shareholders Committee.

National Road Safety Debate



Section 1

Accounting Authority Report



Ashref Ismail

The Accounting Authority Report

The year 2011/12 was both, a challenging and rewarding year. Challenging because the critical variables that are needed to make this organisation more effective and efficient remain largely unresolved. Rewarding because despite the difficult circumstances, the Road Traffic Management Corporation has slowly, but surely, emerged from a very troubled past. A past characterised by poor governance, inefficient systems and processes and general lack of morale among staff members. Key role-players and stakeholders, who had written-off the Corporation as bankrupt, inept, corrupt and lacking in direction and focus have seen it rise from the ashes like a Phoenix. Today, I can proudly hold my head up high secure in the knowledge that most of the recommendations listed by the Ministerial Task Team in its findings have been met and the Corporation is clearly out of the abyss it had found itself in two years ago. The proverbial light at the end of the tunnel is shining brighter and the prospects for traffic management in the country look promising and confidence inspiring.



Mr CP Letsoalo
Acting Chief Executive Officer

The battle to get the organisation to its current healthy state was not an easy one: a number of skirmishes had to be dealt with on a different fronts, however, we remained resolute, focused and determined in ensuring that the key mandate for the existence of the RTMC, that of co-ordination, facilitation and providing decisive leadership, was not compromised. Discord has largely been diffused by ensuring, where possible, that cordial relations have been maintained between management, the staff, organised labour, stakeholders, role-players, service providers, sponsors, our political principals, the media and the road safety public. However, relations with our key stakeholders like labour continue to be undermined by “ghosts of the past” and through lack of adherence to labour relations protocols of the corporation. There are obviously those who benefit from the instability at the RTMC and they continue to undermine our efforts.

As we built on the foundation laid in the last two years, confidence and support grew from various quarters, so much so, that skeptics have been silenced and generous sponsors for various key projects came forward. This has ensured that the RTMC stabilized and remained visible, effective and pro-active in its mandated functions.

One of the most rewarding challenges that were overcome during the period under review was to receive an unqualified report. This achievement bears testimony to the fact that the strict control measures and governance principles implemented resulted in no irregular, wasteful and/or fruitless expenses in the corporation. The battle to obtain an unqualified audit was characterised by sleepless nights and the sacrifice of blood sweat and tears was worth every hardship. I am extremely proud of the staff and the finance management team led by Ms Portia Mngomezulu, our newly appointed Chief Financial Officer, as well as the Audit Committee under the Chairpersonship of Ms Boitumelo Mabusela for this excellent achievement. The business systems, control measures and staff development initiatives implemented will be strengthened and expanded to continue this positive trend in the years to come. We aim for an unqualified opinion with no emphasis of matter for the financial year 2012/13.

This achievement comes against the backdrop of operating without a Board of Directors and a reducing senior management team. This meant that the Corporation was deprived of critical and independent advisory capacity which could lead to credibility challenges. It is hoped that this matter will be addressed shortly. The state of our finance remains another major stumbling block.

The corporation and its partners could achieve much more had adequate funding been available for key performance areas of road safety education, communication, enforcement and capacity building. Notwithstanding the funding challenges, the RTMC was able to boast achieving most of its operational goals using sponsors' funding in the main. While it has taught staff to make the most with the least and to apply themselves strategically in the allocation of scarce resources, using only sponsors' funding is neither sustainable, nor advisable.

As the lead agency for road traffic management in the country, the RTMC is proud to be the first to have introduced the United Nations Decade of Action Road Safety Programme to the sub-continent, SADC. Based on the Safe Systems Approach, the programme looks holistically at road safety under the five pillars of Road Safety Management, Safer Roads, Safer Vehicles, Safer Road Users and Post Crash Care. The re-alignment of the Corporations' strategic and operational plans is based on dealing with human behaviour shortcomings and engineering initiatives which seek to address the five pillars comprehensively. As a member of the United Nations Road Safety Collaboration, the RTMC and the country benefits from proven, global, best practice initiatives that can be adapted and adopted for our environment.

The RTMC's participation in the International Road Assessment Programme (iRAP) which looks at grading of various roads according to its hazards will ensure that closer relations are maintained with engineers and town planners to address roads infrastructure shortcomings that contribute towards crashes and casualties. However, this programme has been delayed due to funding challenges. We are also looking at introducing the New Car Assessment Programme (NCAP) for vehicles sold in South Africa to ensure that cars assembled or imported here comply, not only with international norms and standards, but are also suitable for our typical environment.

While it is pleasing to report that our flagship educational programmes, such as the Participatory Educational Techniques Competition, where learners determine road safety solutions to problems within their neighbourhoods, the Road Safety Debates Competition as well as the Scholar Patrol Programme continue to reach out to schools. Due to inadequate funding, it is nowhere near reaching the actual desired number of educational institutions. Another area that sorely requires funding is that of print, electronic and outdoor billboard advertising that are linked to enforcement operations.

Through the National Rolling Enforcement Plan (NREP), the RTMC continues to co-ordinate traffic enforcement operations across the three tiers of government in a focused, seamless and thematic approach. For the first time, the Corporation has audited the enforcement statistics of the member traffic authorities and every effort is being made to address shortcomings. A concerted drive to deal with drunken driving, "Operation Tshwara Setagwa" – "Catch the Drunkard" was introduced, which sets a target of screening a minimum of 10 000 drivers a month nation-wide. Through these types of hard hitting interventions, we hope to make a meaningful impact in reducing offence rates that lead to the senseless loss of up to forty people daily.

The cancer of corruption, particularly in this sector remains a major challenge that undermines our efforts and if left unchecked will totally reduce public support for traffic management. In this regard the RTMC has for the first time in the history of road traffic management, become a member of the Development Committee (DEVCOMM) of the Justice, Crime Prevention and Security Cluster (JCPS). As Chairperson of the DEVCOMM Task Team for Road Safety we have access to high level relations with all the enforcement agencies including the National Prosecuting Authority. Through these structures road safety and traffic enforcement issues enjoy a high level of awareness in seeking joint solutions in detection, apprehension, prosecution and incarceration. A proposal for the establishment of a National Traffic Anti-Corruption Unit (NTACU) has been tabled for funding from the Criminal Activities Recovery Account (CARA).

History was made when the National Traffic Police was established. This specialised unit focuses on public passenger transport enforcement by working independently as well as with other authorities. Given that the unit works after-hours and during

weekends, their efforts augment those of other authorities who may not be on duty. Their presence along various arterial routes in Gauteng and the neighbouring provinces add to the peace of mind of law-abiding motorists. The lack of resources remains a major challenge leading to dissatisfaction, low morale and industrial action by staff at the beginning of the 2012 year. It is unacceptable that staff must strike for what should be their basic right; uniforms and allowances, simply because the employer has funding constraints.

Provincial traffic law enforcement is not declared as an Essential Service. This has the potential to lead to disruption in service and also results in person-power not available during peak traffic flow periods, namely weekends and after hours. The RTMC's efforts to implement a 24/7 Shift System has deadlocked due to insufficient funding.

While the past year has been extremely rewarding the key challenge of funding remains a major point of concern. Road safety, which costs the economy in excess R 300 billion per annum cannot be adequately addressed with a minuscule budget of less than R 80 million. Every effort will need to be made to increase the RTMC budget in order for it to be efficient and effective. In this regard we have engaged the Department of Transport, National Treasury and the Portfolio Committee on Transport.

Notwithstanding the funding challenges that we have, I am proud to report that the Corporation was able to develop an innovative Crash Information Management System (CIMS) completely in-house with expertise drawn from existing Information Technology staff, thus not incurring any additional expense. The real-time system, which promises to provide crash data and update records immediately will be piloted in three provinces and will save time and money and provide reliable and accurate reports which are critical for smart policing and traffic management.

Investing in our most valuable resource, our human resource, remains paramount. The Corporation struck a unique partnership with the High Commission in India and twelve staff members have attended training programmes in management, administration, IT and enforcement techniques. Two of our officials attended a course in special crash investigation in Germany, while another attended a special course in anti-corruption techniques through the Federal Bureau of Investigation in the States. All these initiatives were concluded at no cost to the Corporation and our thanks go to the various facilitators.

The role and support of the various generous sponsors of the RTMC cannot be over-emphasised in ensuring that a number of our road safety objectives were realised. Building and maintaining these relationships will continue to be one of our prime objectives as the value of collaborating adds credibility and extends the reach and impact of these programmes. Every effort will be made to ensure that our relationships with critical road safety, traffic management and enforcement stakeholders and role-players are enhanced for the benefit of the broader road safety public.

The achievements of the past year could not have been realised without the dedication of the RTMC management, staff and the various government and private sector partners who have demonstrated their passion and commitment to road safety. We have had healthy engagements and robust debates on various road safety issues and their inputs and contributions remain invaluable in our quest to continuously bring down the scourge of road safety in the country.

I also wish to place on record my appreciation for the leadership shown by Minister Sibusiso Ndebele, the former Minister of Transport, Minister Ben Martins, our current Minister, Chairperson of the Shareholders' Committee and Mme Ruth Bengu, Chairperson of the Parliamentary Portfolio Committee on Transport as well as the Audit Committee for providing the necessary guidance and oversight to ensure that we remained in line with the national prerogatives of saving lives and providing a better life for all. My appreciation also goes to the Director General of the Department of Transport, Mr. George Mahlalela whose sympathetic ear was always welcome.

As we continue along the path of reducing fatalities as part of the Decade of Action, I repeat my call to action to all sectors of the South African population - government, private sector and civil organizations: road safety is a collective responsibility that requires meaningful collaborations. Let us build partnerships to strengthen our efforts at finding lasting solutions under the Five Pillars of the Decade of Action. The small, but significant year-on-year reduction proves that we are on the right road, but a lot more work needs to be done, and at haste, to prevent the further loss of lives on our roads.

To those who lost their loved ones on the road, we issue our heartfelt condolences and wish to assure you that with your help and activism, we can ensure that no other family experiences the grief that you have and are experiencing.



Mr CP Letsoalo
Acting Chief Executive Officer
Accounting Authority



Road Traffic
Management Corporation

RTMC/Transnet Launch of the Railway Level Crossing Unit



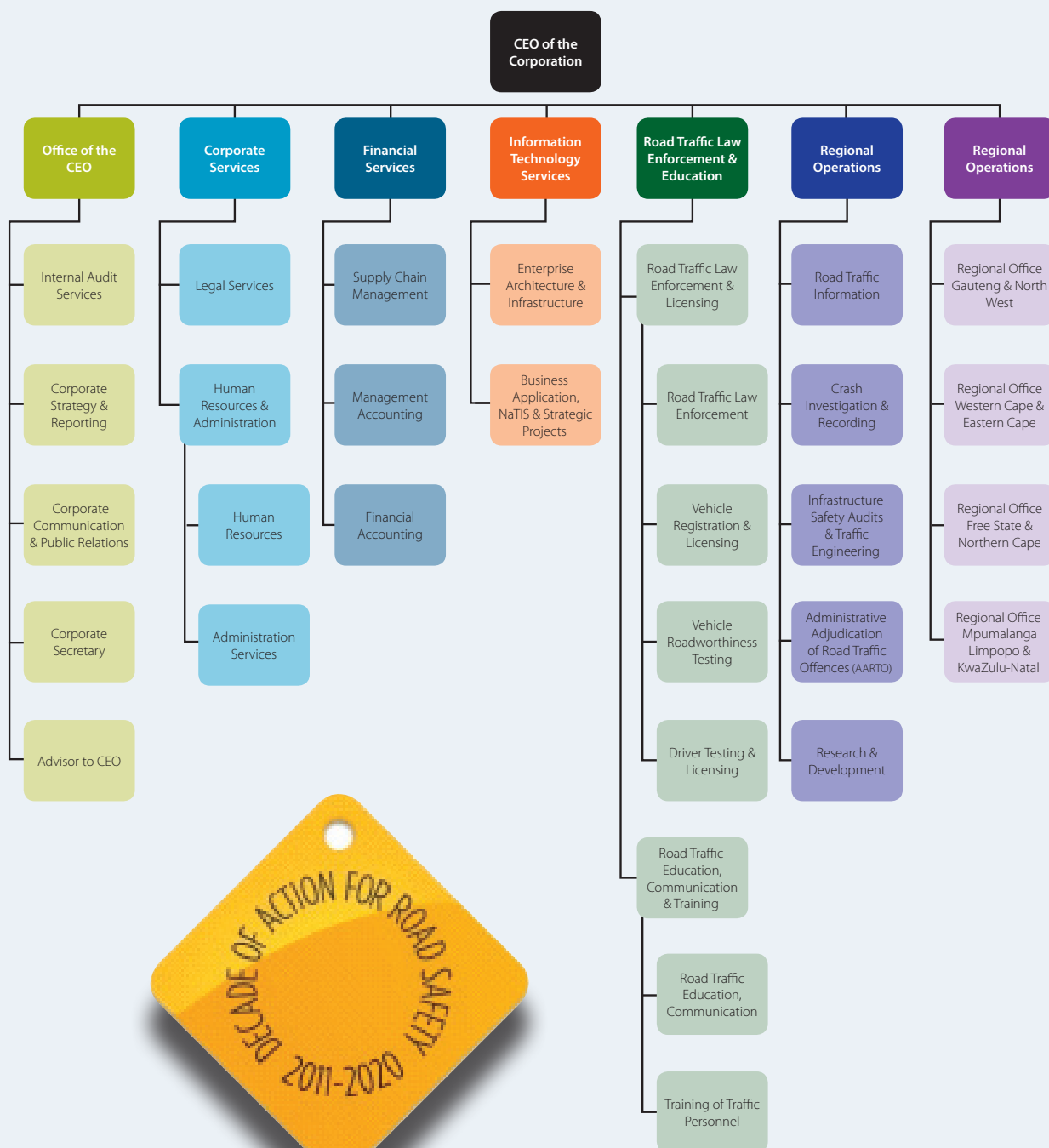
Section 2

Organisational Structure and the Executive Committee



Organisational Structure

The Corporation engaged in a process of organisational structure review to ensure its alignment with the strategic plan. It is important that the structure of the organisation provides for the most productive use of its human resource to realise the accomplishment of the strategic plan goals. The reviewed structure is complete and it will be communicated as soon as it has been approved by the Shareholders Committee.



Executive Committee

Mr Collins Letsoalo was appointed Acting CEO of the RTMC on the 11th February 2010. He was seconded from the Department of Transport where he is appointed as Deputy Director General: Financial Services.

In the absence of the Board he is also the Accounting Authority of the Corporation as prescribed in Section 49(2)(b) of the Public Finance Management Act No. 1 of 1999.

In the year under review Mr Gerrie Botha, Senior Executive Manager: Technical Specialist Advisor to the CEO and Mr Alfred Maepa, Acting Chief Financial Officer, appointed as Deputy CFO; left the employ of the Corporation.

Ms Portia Mngomezulu was appointed CFO and Mr David Tembe was appointed Chief of Traffic Police: National Traffic Police.



Collins Letsoalo (Mr)
Acting Chief Executive officer

B.Com Economics and Finance
Diploma in Central Banking
Diploma in Treasury Management and Finance
International Capital Markets Qualification
Advanced Diploma in Central Banking
CAIB (SA) – Associate of the Institute of Bankers in South Africa

Appointment Date: February 2010

Portia Mngomezulu (Ms)
Chief Financial Officer

B. Com Accounting
Postgraduate Certificate in Accounting
Postgraduate Diploma in Business Administration
Certified Management Accountant

Appointment Date: December 2011





Thabo Tsholetsane (Mr)

Senior Executive Manager: Road Traffic Law Enforcement, Education and Training

B. Juris

Appointment Date: September 2005



Segodi Mogotsi (Mr)

Acting Senior Executive Manager: Special Projects

B.A (Hons) Public Administration

B.A (Hons) Political Science

Appointment Date: February 2011



Kopano Maponyane (Mr)

Acting Senior Executive Manager: Corporate Services

National Diploma in Human Resource Management

Advanced University Diploma: Education, Training and Development

Masters in Business Administration

Appointment Date: March 2011



Refilwe Mongale (Ms)

Executive Manager: Office of the CEO

B.Com Economics

Public Sector Governance Programme

Appointment Date: September 2010



Muthuhadini Madzivhandila (Mr)
Executive Manager: Road Safety Education and Communication

BA Psychology
Masters in Development Studies

Appointment Date: March 2008

Basil Nkhwashu (Mr)
Executive Manager: AARTO

National Diploma in Traffic Science
Middle Management Certificate

Appointment Date: September 2010



David Tembe (Mr)

National Police Diploma
FBI diploma

Appointment Date: July 2011

Pius Lebaka (Mr)
Acting Chief Information Officer

National Diploma in Information Technology

Appointment Date: June 2010



Driver of the Year



Section 3

Corporate Governance Report



Ashref Ismail

3. CORPORATE GOVERNANCE REPORT

3.1. Mandate and Legislative Framework of the RTMC

The Corporation has been established in terms of Section 3 of the Road Traffic Management Corporation Act, 1999 (Act 20 of 1999), (hereafter referred to as the Act). The main purpose of the establishment of the entity is to pool together powers and resources and to eliminate the fragmentation of responsibilities for all aspects of road traffic management across the various levels of Government.

In accordance with the legislation the Corporation consists of the following governance structures:

- Shareholders Committee;
- A Chief Executive Officer;
- A Board, subject to the decision of the Shareholders Committee to establish the Board in terms of section 8 of the RTMC Act;
- Managers of functional units in terms of section 19(1) and
- Such professional, technical, administrative and support staff appointed in terms of section 20(1) as may be required for the proper performance of functions.

3.2. Legislative Framework

The Corporation is governed by a number of legislative frameworks including the RTMC Act, AARTO Act, Public Finance Management Act (PFMA), National Land Transport Act, Transport Agencies General Law Amendment Act, Criminal Procedures Act and the National Road Traffic Act.

3.3 Commitment to Corporate Governance

The Corporation subscribes to the principles contained in the Code of Corporate Practices and Conduct recommended by the King Report on Corporate Governance for South Africa, and is committed to sound corporate governance.

During the year under review corporate governance practices were improved by appointing an independent Audit Committee in line with Section 51(1)(a)(ii) of the Public Finance Management Act, which states that an Accounting Authority for a public entity must ensure that the public entity has and maintains a system of internal audit under the control and direction of an Audit Committee.

3.3.1 The Shareholders Committee

The Shareholders Committee (the Shareholders) is a forum through which the national, provincial and local spheres of government co-operate with each other and with persons or bodies concerned with road traffic matters. It consists of the Minister of Transport, who is also the Chairperson, every MEC of Transport and Safety, and two representatives nominated by the national organisation recognised in terms of section 2 (a) of the Organised Local Government Act, No. 52 of 1997.

The Act requires that the Shareholders Committee should meet at least four times in a year; however, during the year under review, the committee met twice on the 1st of April 2011 and on the 5th of March 2012. Measures are being applied to ensure that the Shareholders Committee meets the required standards.

The Department of Transport fulfills the function of the Secretariat of the Committee since 23 February 2010.

3.3.2 The RTMC Board

The Shareholders may establish a Board to which it may delegate certain powers in line with section 8 of the RTMC Act.

The main purpose of the Board is to ensure effective and efficient functioning of the Corporation by providing strategic direction and leadership. The Board collectively provides corporate governance that involves managing the relationships between the management of the Corporation, the Board members, Shareholders and Stakeholders.

The Corporation does not have a Board since the term of the Board came to an end on 15 April 2010. The Committee has given consideration to the appointment of a Board and as at year end the process to appoint a Board was underway. The acting CEO has fulfilled the role of a Board in the year under review.

3.3.3 Audit Committee

The Audit Committee comprised of five members including a shareholder representative from the Department of Transport. The management of the Corporation as well as the Auditor General attend meeting on invitation. The programme of the Audit Committee also includes risk management. The Audit Committee is established in terms of Section 51 of the Public Finance Management Act and its composition is in terms of Section 77 of the same legislation; it is an independent committee.

The appointment of the audit committee members is for a period of three years with effect from 01 October 2011. Audit Committee meetings are held at least four times per year as per the treasury guidelines, in the year under review the Audit Committee met twice since their appointment in October 2011. The meeting dates and attendance are listed in the table 3.1 below.

Committee Induction		24 October 2011	
<u>Present</u>		<u>Apologies</u>	
Boitumelo Mabusela		Bernard Mofokeng	
Zola Fihlani		Dan Pretorius	
Zandile Kabini			
Committee Meeting		15 March 2012	
<u>Present</u>		<u>Apologies</u>	
Boitumelo Mabusela		Zola Fihlani	
Bernard Mofokeng		Dan Pretorius	
Zandile Kabini			

Table 3.1

The Internal Audit function audited the adequacy and effectiveness of controls and any significant or material control weaknesses were reported.

AUDIT COMMITTEE



Boitumelo Mabusela (Ms)
Chairperson



Zandile Kabini (Ms)
Member



Zola Fihlani
Member



Bernard Mofokeng
Member



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA



Dan Pretorius
Shareholder Representative

Mervin Moodley
Acting Senior Manager: Internal Audit

3.4 Executive Committee and Management Committee

The Executive Committee (EXCO) consists of Senior Executive Managers and Executive Managers under the leadership of the CEO as the Chairperson. The EXCO led the process of strategy development review and monitoring. The resolutions of the committee were targeted at ensuring strategy accomplishment.

The Management Committee consists of the Senior Executive Managers, Executive Managers and Senior Managers. The collective is a support structure to the Executive Committee.

As at year end the Executive Committee comprised of ten executive and the management committee comprised of twenty one managers

3.5 Corporate Social Investments

The Corporation has been active in supporting schools on career days as part of its CSI initiative. The Corporation has also supported other Companies in CSI initiatives with a specific focus on Road Safety.

3.6. Oversight Intervention

The Corporation appeared before the Standing Committee on Public Accounts regarding the fiscal sustainability and the financial irregularities incurred by the Corporation in the 2009/10 financial year which had an impact on the 2010/11 audited financial statements. The SCOPA recommended that the Department of Transport request additional allocation for the Corporation and further that proper budget controls be exercised by the Corporation.

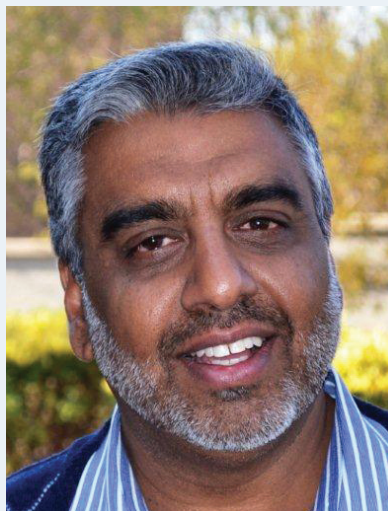
The Corporation also appeared before Portfolio Committee of Transport to present on its strategic direction. The Committee recommended adequate financial allocation to the Corporation for the implementation of the strategy, however the required allocation was not granted after following the processes that are available to an entity of government.



MANAGEMENT COMMITTEE



Mampe Kumalo (Ms)
Company Secretary



Ashref Ismail (Mr)
*Enforcement Coordination
RTMC Spokesperson*



Zanele Sihlangu (Ms)
Corporate Strategy and Reporting



Anisha Panday (Ms)
*Corporate Communications and
Public Relations*



Magadi Gainewe (Ms)
Road Traffic Information



Hlomelang Hlelesi (Mr)
Supply Chain Management

MANAGEMENT COMMITTEE



Jody Pillay (Mr)
Deputy Chief: National Traffic Police



Johan van der Westhuizen (Mr)
Legal Services



Ndengenza Masangu (Mr)
Research and Development



Paulus Plaatjies (Mr)
Training of Traffic Personnel



Morne Gerber (Mr)
Legal Services

People of the RTMC



Section 4

HUMAN RESOURCES OVERVIEW



Ashref Ismail

4. HUMAN RESOURCES OVERVIEW

4.1. Staff Complement

RTMC's staff complement has exponentially increased from 137 at the end of March 2011 to 391 by the end of March 2012. The growth was primarily influenced by the appointment of law enforcement officers to capacitate the newly established National Traffic Police Unit within the Corporation. The total staff complement of this unit is 261 comprising of the Chief of Police, 36 Assistant Superintendents and 224 Traffic Officers.

The organisation is confident that it is appointing the right calibre of staff members to deliver on its mandate. The HR strategy is integrated into the process of business strategy formulation and implementation. It expresses the intentions of RTMC and provides a basis for recruitment, selection and induction processes, human resource development and programmes for managing change. All attempts were made during the financial year to align the designated group demographics to employment equity targets.

EMPLOYMENT EQUITY STATUS BY SALARY BAND (Excluding Interns & Learners for 1 April 2011 to 31 March 2012)

Table 4.1 and 4.2 which capture employment equity status is based on the prescribed format by the Employment Equity Act, 55 of 1998

Permanent Staff (Excluding Interns & Learners)											
Occupational	Male					Female					Total
Bands	African	Coloured	Asian	White	Total	African	Coloured	Asian	White	Total	
Senior Management	8	1	1	1	11	4	0	0	0	4	15
Highly Skilled – Supervision	30	3	5	7	45	26	0	2	2	30	75
Highly Skilled – Production	12	1	0	0	13	33	1	0	2	36	49
Skilled	145	2	2	0	149	69	6	0	0	75	224
Total	195	7	8	8	218	132	7	2	4	145	363

Table 4.1

Given the above tabulated information the following must also be noted:

The organisation is striving to achieve the basic tenets of employment equity. The recruitment plan has been developed and its main objective is to address the skewed composition of the above table.

Contract Employees											
Occupational	Male					Female					Total
Bands	African	Coloured	Asian	White	Total	African	Coloured	Asian	White	Total	
Senior Management	0	0	0	0	0	1	0	0	0	1	1
Highly Skilled - Supervision	2	0	0	0	2	0	0	0	0	0	2
Highly Skilled – Production	4	0	0	0	4	2	0	0	0	2	6
Skilled	8	0	0	0	8	5	1	0	0	6	14
Lower Skilled	3	0	0	0	3	2	0	0	0	2	5
TOTAL	17	0	0	0	17	10	1	0	0	11	28

Table 4.2

4.2. Performance Management

The employee performance agreements are aligned to the organisation's strategic plan and annual performance plan as stipulated. The review of performance was implemented according to the Performance Management and Development Policy. The performance assessments for 2010/11 financial year were finalised during this period. The result of the outcomes are captured in Table 3 below.

4.2.1 Performance incentives for 2010/11 financial year as per approved Performance Management Development System policy

Table 4.3 below reflects the number of employees who received pay progression as per the PMDS policy. It must be noted that, the Corporation did not pay performance bonuses for the financial year 2010/ 11 due to the limited financial resources. The cost of the pay progression is illustrated below per salary band.

Salary Band	Number of Beneficiaries	% of total employees	Cost per Salary Band
Senior Management (Levels 13-16)	N/A	N/A	N/A
Highly Skilled Supervision (Levels 9-12)	40	N/A	R 131 634
Highly Skilled Production (Levels 6-8)	46	N/A	R 90 009
Skilled (Levels 3-5)	N /A	N /A	N/A
Lower Skilled (Levels 1-2)	N/A	N /A	N/A
Total	86	N/A	R 221 643

Table 4.3

NOTE: These figures exclude short term contract workers as they do not qualify for performance progression.

4.3. Occupational Health and Safety

In complying with the OHS Act no 85 of 1993, OHS meetings were conducted where issues of safety were discussed. A pre-inspection audit was conducted by the Department of Labour as per the request of the Corporation in preparation for the OHS legal compliance audit. The overall outcome of the pre-inspection was that, the Corporation must ensure a safe working environment in terms of emergency exits and ensure that fire-extinguishers are serviced and maintained regularly. It must also be highlighted that, the OHS Legal Compliance Audit was not conducted due to financial constraints.

4.4. Utilisation of Annual Leave

The charts below summarises the utilisation of annual leave. The wage agreement concluded with trade unions in the PSCBC in 2000 requires proper management of annual leave to prevent high levels of accrued leave being paid at the time of termination of service.

During the financial year in question the Corporation utilised the Employee Self Service system (ESS) to capture and approve leave. Although it is a fairly new system, the level of its utilisation is satisfactory however there is still room for improvement.

Chart 1 and 2 below reflect the percentage of leave utilised by both permanent and contract staff.

VACATION LEAVE UTILISATION: PERMANENT STAFF

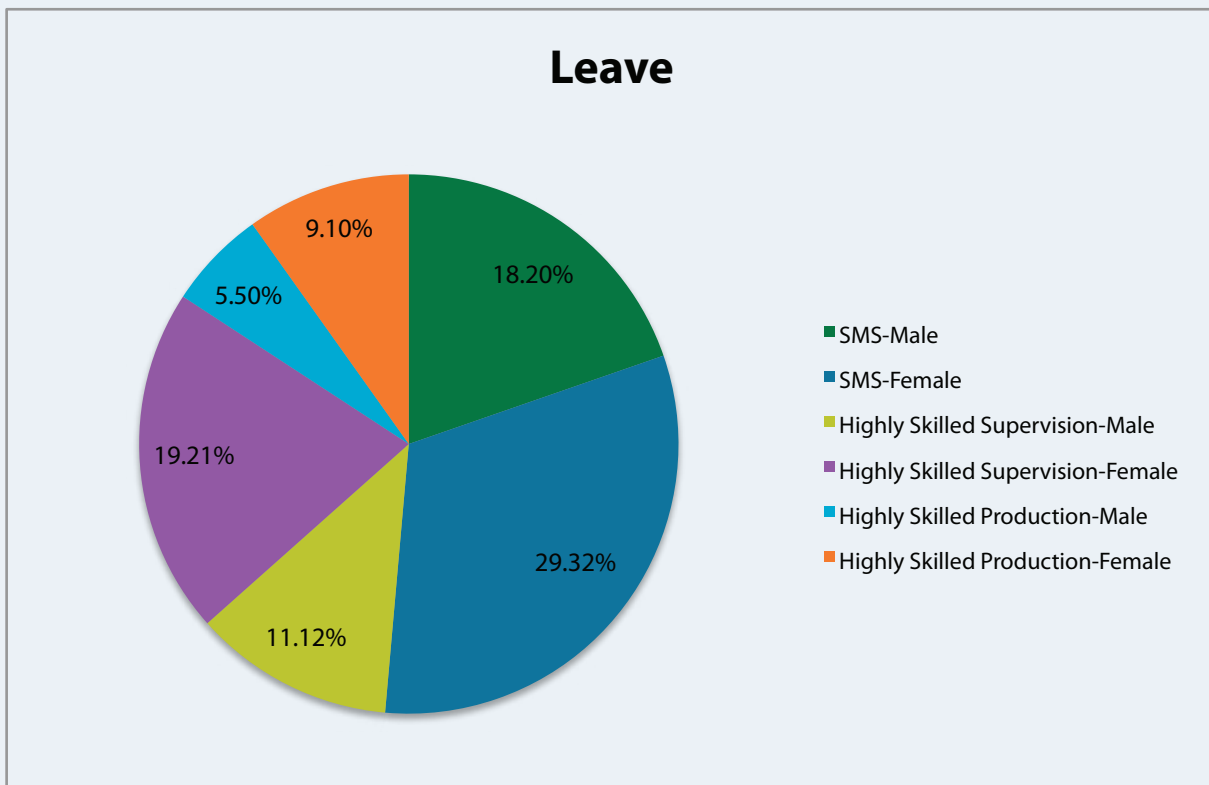


Chart 1

- On average SMS members utilised 47% of their annual leave.
- Employees on level 9-12 utilised 30% of their annual leave.
- Employees on levels 6-8 utilised 14% of their annual leave.

VACATION LEAVE UTILISATION FOR CONTRACT EMPLOYEES IN THE CORPORATION

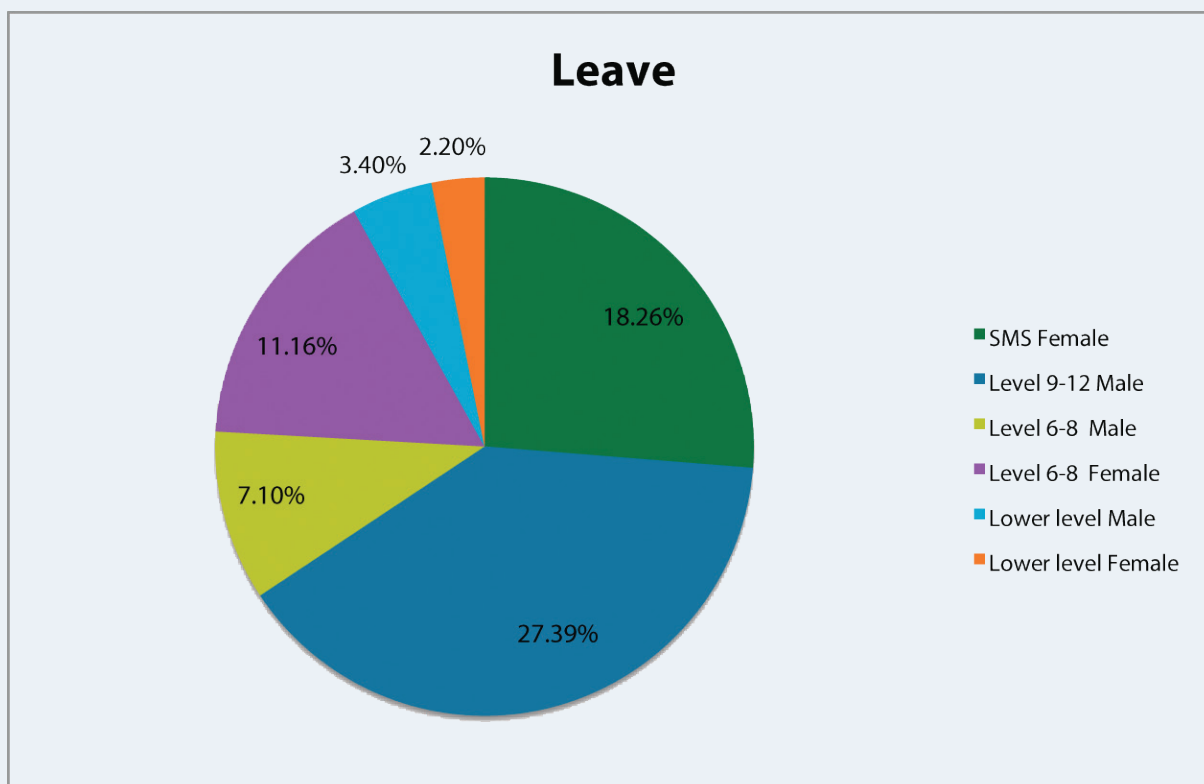


Chart 2

- * SMS female utilised 18% of their annual leave.
- * On average employees on levels 9-12 utilised 27% of their annual leave.
- * On average employees on levels 6-8 utilised 18% of their annual leave.
- * On average employees on lower levels utilised 5% of their annual leave

4.5. SKILLS DEVELOPMENT

As part of implementing the Human Resource Development Strategy, the Corporation was able to partner with the India High Commission and sent nine (9) officials to India through the Indian Technical and Economic Cooperation training programmes. The plan is to utilise this partnership with the India High Commission to broaden these opportunities and develop more officials during the coming financial year.

The Corporation has also during this financial year realigned its registration with the Safety and Security Sector Education Training Authority (SASSETA). The Seta is relevant in supporting skills development matters in the Corporation considering that the corporation has traffic officers within its employment.

Furthermore, personnel were afforded opportunities to attend a variety of skills development programmes ranging from soft skills to technical competencies programmes as per the Workplace Skills Plan.

Training interventions such as supply chain management, monitoring and evaluation and bid committee training were aimed at addressing performance gaps as illustrated in 2010/2011 performance annual report.

Table 4.4 below summarises training interventions provided during the financial year and the number of employees trained per salary band.

Occupational Bands	Type of Learning Programme	Number of employees trained
Senior Managers	Workshop on File Plan	1
	Supply Chain Management Workshop	6
	Tomorrow's Leaders Convention	1
	Monitoring & Evaluation Course	6
	Bid Committee Training	7
	Director Development Part I & II	1
	Integrated Reporting & Board Communication	1
	Effective Company Secretaries	1
	Labour Relations Workshop	6
Highly Skilled Supervision	Induction	33
	Workshop on File Plan	24
	VIP Performance Management Module	1
	Tomorrow's Leaders Convention	3
	Financial Skills Training	7
	PMDS Workshop	27
	Monitoring & Evaluation Course	14
	Bid Committee Training	12
	Performance Audit Course	1
	Financial and Regulatory Audit Course	1
	Training Programme on Information and Network Security Course	2
	Art of Driving to stay Alive	1
	Business Research Methods and Data Analysis Course	2
	Highly Skilled Supervision	Development Journalism for Non-aligned and Other Development Countries Course
Configuring, Managing and Troubleshooting Microsoft Exchange Server 2010		1
Labour Relations Workshop		24

Occupational Bands	Type of Learning Programme	Number of employees trained
Highly skilled Production	Induction	248
	Workshop on File Plan	51
	Supply Chain Management Workshop	44
	Fleet Management Workshop	24
	Art of Driving to Stay Alive	13
	Linux for Network Application Course	1
	Data Communication and IP Technology Course	1
	Tomorrow`s Leaders Convention	1
	Financial Skills Training	16
	Bid Committee Training	1
	SAPS Tactical Intervention Course	52
	eNATIS AARTO Training	9
	AARTO Refresher Training	55
	Labour Relations Workshop	213

Table 4.4

4.6. Other related achievements:

- 4.6.1. The Employment Equity Plan for the Corporation was approved and is currently being implemented.
- 4.6.2. A professional membership policy was also developed and approved to encourage and support the development of employees through membership with professional organisations.
- 4.6.3. The Corporation embarked on a policy review project which saw the review of the following policies and regulations:
- bereavement policy;
 - EAP policy and procedures;
 - bursary management policy;
 - education and training development policy;
 - conditions of services policy;
 - job evaluation policy;
 - recruitment and selection policy; and
 - grievance procedure disciplinary code.

4.7. Appointments

Table 4.5 below shows number of appointments per salary band

Occupational Bands	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Senior Management (Levels 13-16)	2	0	0	0	1	0	0	0	3
Highly Skilled Supervision (Levels 9-12)	16	3	3	3	10	0	1	0	36
Highly Skilled Production (Levels 6-8)	153	2	2	0	74	7	0	0	238
Total	171	5	5	3	85	7	1	0	277

Table 4.5

4.8. Promotions

Only one African female was promoted during the period under review

4.9. Disciplinary Action

Table 4.6 below shows the number of disciplinary action per salary band

Occupational Bands	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Senior Management (Levels 13-16)	5	0	0	0	1	0	1	0	7
Highly Skilled Supervision (Levels 9-12)	0	0	0	0	5	0	0	0	5
Highly Skilled Production (Levels 6-8)	109	1	0	0	56	1	0	0	167
Total	114	1	0	0	62	1	1	0	179

Table 4.6

Misconduct and disciplinary hearings finalised

Table 4.7 below reflects the number of disciplinary hearings finalised

Outcomes of Disciplinary Hearings/Management Actions	Number
Correctional counselling	0
Verbal warning	37
Written warning	24
Final written warning	113
Suspended without pay	1
Fine	0
Demotion	0
Dismissal	4
Not guilty	0
Case withdrawn	1
Total	180

Table 4.7

The reason for the extensive list of employees with written warnings is largely attributed to the illegal strike which ensued in January 2012. As the result of the illegal strike both Labour and Management had embarked on the RBO session which was intended to mend the relationship between the two parties. Under normal circumstances, whether the strike is lawful or unlawful, the employer is entitled to effect no work no pay principle. However, in this instance it was not appropriate to implement the no work no pay principle since this alone will tarnish/have negative impact on the improved relationship which was brought by the RBO session.

Table 4.8 below reflects the total number of disciplinary hearings

Disciplinary hearings	8
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Table 4.8

Grievances lodged

Table 4.9 below reflects the number of grievances lodged

Total number of grievances lodged	4
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Table 4.9

Disputes lodged

Table 4.10 below reflects the number of disputes lodged

	Number
Number of disputes upheld	0
Number of disputes dismissed	0
Total number of disputes lodged	3

Table 4.10

Strike actions

Table 4.11 below reflects the number of days lost on strike actions

Total number of working days lost	0
Total cost (R'000) of working days lost	R 45 105,00
Amount (R'000) recovered as a result of no work no pay	0

Table 4.11

4.10. Resignations

Table 4.12 below reflects the number of resignations per salary band

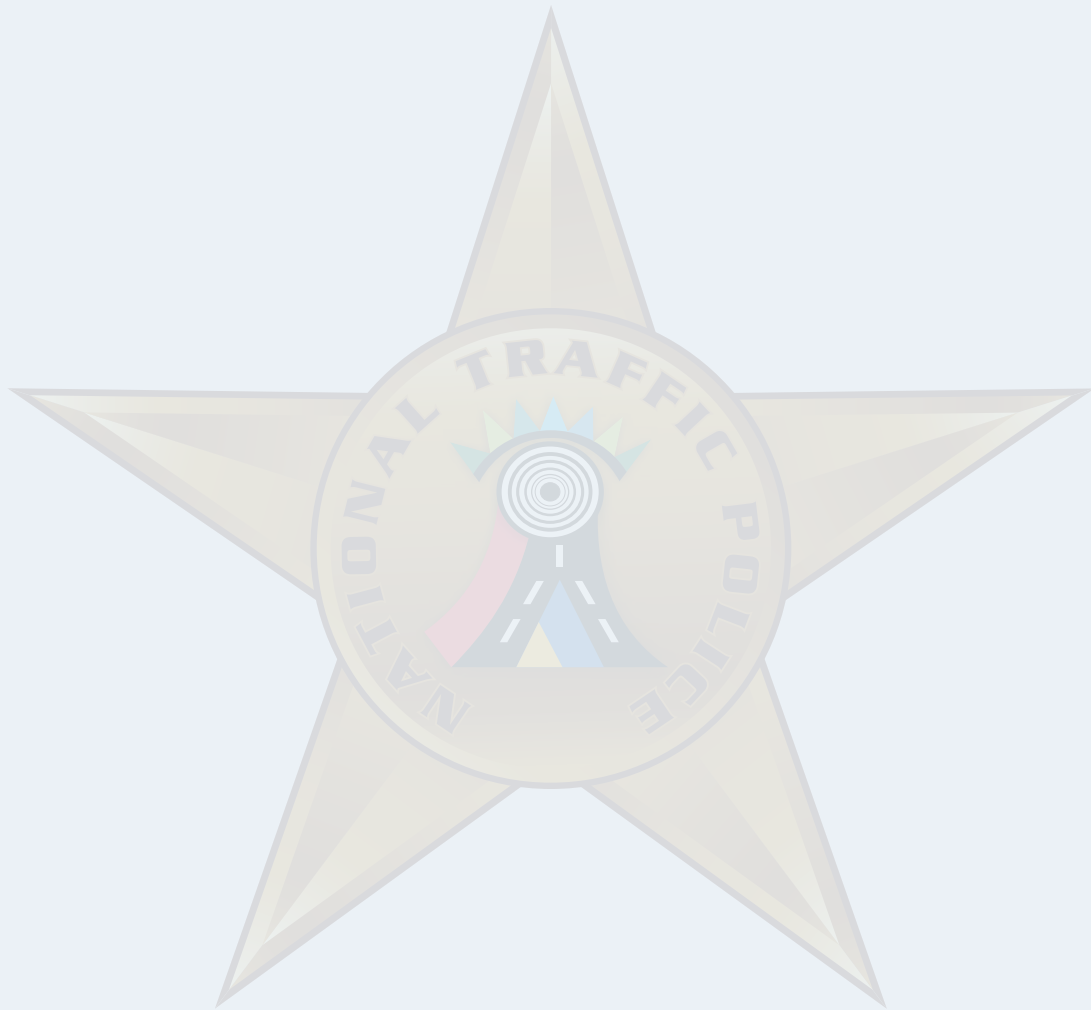
Occupational Bands	Male				Female				Total
	African	Coloured	Asian	White	African	Coloured	Asian	White	
Senior Management (Levels 13-16)	4	0	0	0	1	0	0	0	5
Highly Skilled Supervision (Levels 9-12)	3	0	0	0	2	0	0	0	5
Highly Skilled Production (Levels 6-8)	3	0	0	0	4	0	0	0	7
Skilled (Levels 3-5)	0	0	0	0	0	0	0	0	0
Lower Skilled (Levels 1-2)	2	0	0	0	1	0	0	0	3
Total	12	0	0	0	8	0	0	0	20

Table 4.12

Note: Five of the above resignations was as a result of contract expiry.

4.11. Termination of Service by Death

The Corporation lost one (01) female staff member who formed part of the newly established National Traffic Police during the period under review



Road Safety Operations



Section 5

HIGHLIGHTS OF ACHIEVEMENTS



Ashref Ismail

5 HIGHLIGHTS OF ACHIEVEMENTS

The Corporation's delivery targets for the year under review were aligned to the five pillars of the Decade of Action which seeks to stabilise and then reduce road fatalities by half in 2020. The following are the key achievements:

5.1. Road Safety Management

The Corporation has a responsibility to co-ordinate road traffic interventions across the three tiers of government and this is done through the facilitation of quarterly technical committee meetings comprising of national, provincial and metropolitan traffic departments as well as representatives from SAPS, Cross Border Road Transport Agency, Military Police and the Institute of Traffic and Municipal Police Officers amongst others. These meetings resulted in a standardisation and delivery of service in a coordinated way.

A holistic and integral draft National Traffic Law Enforcement Strategy has been developed which will eventually become part of the National Road Safety Strategy. This strategy, which will be tabled with the Shareholders' Committee will provide the blueprint for national traffic enforcement in the country and will compliment the National Traffic Law Enforcement Code.

5.1.1. First International Road Safety Conference

The Corporation together with the South African Road Federation jointly hosted the first international road safety conference which focused on the Decade of Action for Road Safety. This conference followed the official global launch of the Decade of Action for Road Safety on 11 May 2011. It was meant to action the decision taken during the launch. The delegation of the conference comprised of participants from the globe. Support for this conference was also received from the World Health Organisation.

This conference is an important platform for continuous engagement with government, business, non-governmental organisations and civil society. This bodes well for inclusive participation in road safety and allows for a platform for continuous monitoring of progress on the declaration and action plan of the conference. The conference is to take place annually for the next ten years in line with the Decade of Action period.

5.1.2. Crash Investigation

The Corporation has a responsibility to investigate major crashes that meet the following criteria;

1. Crashes in which five or more persons are killed;
2. Fatal crashes in which four or more vehicles are involved;
3. Fatal crashes in which vehicles carrying hazardous substances are involved;
4. Any high profile crash at the discretion of the Corporation.

In the year under review 138 major crashes were investigated.

5.1.3 Establishment of National Traffic Police

The Shareholders Committee of the RTMC took a resolution of the 1st of April 2011 to establish the National Traffic Police, the unit of traffic law enforcement that will perform the duties of road related law enforcement throughout the Republic of South Africa. The committee also approved the appointment of traffic officers in terms of section 3A of the Road Traffic Management Act of 93 of 1996. 224 traffic officers were duly appointed on the 15th of April 2011 to capacitate the traffic police and the acting management was in place until the appointment of the Chief of Traffic Police in July 2012, which was followed by additional supervisory appointments in August and September 2011. The National Traffic Police continues to operate as a national resource.

5.2. Safer Road Infrastructure Design

The Corporation completed the road safety audit manual, which will help the road authorities to identify hazardous locations and develop intervention and also use it when planning new road infrastructure projects. The Road Safety Audit training course will be developed using the completed road safety audit manual and the course will follow the train-the-trainer model.

5.3. Road User behaviour

The National Rolling Enforcement Plan (NREP) was launched on 13 October 2011 and it was a continuation of the stopping and checking of 1 million vehicles a month, a project which was initiated in the past year.

The NREP is a master-plan for road traffic law enforcement in the country and it gained momentum during the period under review. Since the launch of the revised NREP, the following traffic enforcement campaigns were embarked upon by all road traffic authorities countrywide:

- Compulsory stop and stretch points for all public transport vehicles along key arterial routes during peak traffic flow periods.
- Blitz on all public passenger transport vehicles
- Blitz on all freight vehicles
- Blitz on cellphone and seatbelt violations

13, 2 million vehicles have been reported as stopped and screened by the various road traffic authorities around the country. From the reports received, 5 million notices were issued for various offences such as moving violations, reckless and negligent driving, excessive speeds, vehicles defects, driver fitness and other related offences. More than 73 000 drivers were arrested for various road traffic offences. It should also be noted that this performance includes work which was done by the National Traffic Police.

5.3.1. Launch of the Railway Level Crossing Unit

The Corporation together with Transnet Freight Rail launched the railway level crossing unit which focuses on level crossing safety. This partnership between the two government agencies was a pilot and more projects of this nature will be developed with a view to attaining better coordination within government.

Sixteen traffic officers were employed to establish this unit.

5.3.2. Scholar Patrol

In a quest to ensure road safety around schools, the Corporation coordinated the implementation of the scholar patrol project in the country with 1 966 schools and more than 19 660 learners participating in the programme. Only one (1) incident was reported out of the total scholar patrols registered. This is a commendable safety record (1 / 1966 or 0.05%) considering that the majority of the schools with scholar patrols are primary schools with learners under the age of thirteen and a total of over 19 000 participating learners.

The Corporation collaborates with business on the sponsorship of uniforms and equipment for the scholar patrol programme. Syntell made a contribution by sponsoring uniforms and equipment in under privileged areas such as Diepsloot.

5.3.3. Road Safety Educational Programme

Support was secured from the of Bakwena Toll Concessionaire to roll-out the Road Safety Educational Programme that integrates road safety education into the school curriculum (Multi-Media Programme) along the N4 in the North West Province.

5.3.4. Road Safety Debates

The RTMC secured funding from the Road Accident Fund, BP South Africa, KwaZulu Natal Department of Transport and Transnet Freight Rail to implement the National Road Safety Debates for learners in grades 10 and 11, this aims to raise road safety awareness amongst peers. The elimination process started at inter-school level, at an average school enrolment level of 353, with an average of more than ten(10) schools participating per province. It can be deduced that over 9 000 learners have been reached by this programme, taking into account the audience in attendance (the assumption is that the two grades involved constitute approximately two fifths of the average school enrolment based on the Education Management Information System).

Through the project the winning schools benefitted from the prizes that included funds for the refurbishment of the school libraries and individual participant bursaries for 10 of the winners at the national level of the competition. This impacts on the enhancement of education for the learners and leaves an indelible mark in the families of participating learners as they would naturally appreciate the fact that the programme also assists the children to further their education.

The Debates received full participation from seven (07) Provinces.

5.3.5. Participatory Educational Techniques

A successful Participatory Educational Techniques programme was coordinated with more than 70 schools participating in the competitions of which seven reached the national finals. Funding for the National competition was obtained from Limpopo Department of Roads and Transport and the Road Accident Fund.

The aim of the project is for the participating learners to identify road safety challenges in their communities and to undertake research, involve relevant authorities and the community in identifying possible solutions to improve road safety in the community.

Three of the winning schools shared a total of R 65 000 for the upliftment of the schools. Furthermore, some of the identified remedial actions to enhance the safety of the community in the vicinity of the participating schools were implemented.

5.3.6. Driver of the Year

The Corporation is a custodian of a safe driver programme for professional heavy vehicle drivers. The programme begins at in-company level to district level and ultimately professional drivers compete at a provincial level for a place in the national competition. The best of the best of South African drivers were selected in February 2012 for participation in the world championship.

The Corporation also supported ESKOM on their internal company driver of the year competition.

5.3.7. Other Awareness Campaigns

Road Safety educational material was distributed in different provinces as part of the Festive Season and Easter Weekend campaigns to ensure that road users arrive safe at their destinations. These distributions included some form of interaction with drivers, pedestrians and passengers and it was done in partnership with different private sector stakeholders.

The campaigns also included a driver wellness health assessment targeting heavy vehicle drivers.

5.4. Safer Vehicles

Through the implementation of the National Rolling Enforcement Plan (NREP) 52 000 vehicles were discontinued and/or impounded.

5.5. Other related Achievements

5.5.1. Traffic Practitioners' Council

A draft discussion document detailing the proposed establishment of the Traffic Practitioners' Council was developed during March 2012. The draft document has been circulated to all relevant role-players and stakeholders for comments.

5.5.2. Training of Traffic Personnel

Table 5.1 captures the total of 242 learners who were trained at the approved Traffic Training Colleges throughout the country in 2011/2012 for the registered qualification, i.e. Further Education and Training Certificate in Road Traffic Law Enforcement (SAQA ID: 62289). The following is the list of Traffic Colleges in the country and enrolments in 2011/12 for Basic Traffic Officer Training:

	Jan 2011 - Dec 2011	Jan 2012 – Dec 2012
Provincial Colleges		
Limpopo Traffic Training College	7	0
Boekenhoutkloof Traffic Training College	17	17
KZN Traffic Training College	12	11
Lengau Traffic Training College	0	0
Gene Louw Traffic Training College	35	0
Metro / Municipal Academies		

	Jan 2011 - Dec 2011	Jan 2012 – Dec 2012
Provincial Colleges		
Matjhabeng Traffic Training College	34	(2011 course still ongoing)
Mangaung Traffic Training College	16	33
Durban Metro Police Academy	19	90
Johannesburg Metro Police Department Academy	30	9
Tshwane Metro Police Academy	0	0
Ekurhuleni metro Police Department Academy	12	(2011 course still ongoing)
Cape Town Metro Police Training Academy	47	(2011 course still ongoing)
Port Elizabeth Municipal Traffic College	13	51
Total	242	211

Table 5.1

The Further Education and Training Certificate in Road Traffic Law Enforcement (FETC: RTLE) for Traffic Officers is structured in such a way that it allows Traffic Colleges to have an intake of new recruits twice a year i.e. in January and June of every year. The summative assessments are conducted on a national basis during June and December.

The learning package for all the Unit Standards that build up the qualification was previously accredited by the Local Government Sector Education Training and Development (LGSETA). In April 2011 the Traffic fraternity was transferred from LGSETA to SASSETA. The learning package is currently being submitted to SASSETA for accreditation.

In addition to the above, a total of 1098 Examiners for Driving Licences and a total of 192 Examiners of Vehicles were trained at the various Traffic Colleges. The quality of services rendered by the Traffic Training Colleges was monitored and evaluated according to set standards to ensure compliance and to enhance the quality of Traffic Officers produced from these institutions.

The Policy Document for Traffic Training Centres was published in the Government Gazette on the 16th May 2011 (Government Gazette no. 34292). The policy is currently being implemented at all 13 NRTA approved Traffic Training Centres. In addition to this policy, a Practical/Field Training Policy and Program for Basic Traffic Officer Training was also developed and is being implemented at all Colleges to address the practical component of the registered qualification for Basic Traffic Officer Training.

The AARTO learning material was amended in accordance with the draft replacement Regulations. Traffic Colleges as well as Provincial AARTO training co-ordinators were provided with the training Compact Discs of the amended learning material. Facilitators of Colleges and Provincial Field Training Officers were trained/refreshed on the AARTO draft Replacement Regulations as well as on the National Contravention Register (NCR).

The FETC: RTLE is expiring at the end of June 2012 and a request has already being made to the Quality Council for Trades and Occupations for the development of an Exit Level Outcomes qualification.

Learning material for Examiners of Vehicles as well as for Peace Officers and Traffic Wardens was developed and submitted to SASSETA for accreditation. An expression of Interest for Examiners of Vehicle's Private Training Providers was published in the Government Bulletin.

5.5.3. National Traffic Call Centre

The National Traffic Call Centre resumed its operations in on a 24/7 basis in October 2011 after it had been terminated in June 2012 due to financial constraints, during this time it was only operating during office hours only.

In 2011 the call centre received a total traffic offence reports which totalled 7808 as compared to the 14278 reports received in 2010. The registered Voluntary Traffic Police (VPTOs) have however increased from 38 in 2010 to 445 in 2011, which is a good indication that the public members are partners in ensuring safe roads in the country.

5.5.4. AARTO Implementation

The Corporation worked in earnest to prepare for the national roll-out of AARTO. The NCR functionality assessments and readiness checks were conducted to identify areas of modifications and upgrade and where feasible implemented. All standard operating procedures were completed and sent to all the issuing authorities. The regulations have been drafted and have been submitted to the Minister of Transport for approval. The AARTO train-the-trainer programme for nine (09) and the thirteen (13) Traffic Training Centres was completed. It is expected that the trained officers will cascade the training down in their respective provinces.

There is still a need to do a comprehensive national AARTO communication campaign before the National roll out.

5.5.6 Stakeholders Relations

There have been tangible results from the ongoing stakeholder engagement. The results include the successful road safety activations, the annual road safety conference, support of vehicles, driver of the year and scholar patrol uniforms amongst other areas. Without these partnerships the Corporation would not have realised the recorded successes in delivering on its targets.



Participatory Educational Techniques



Section 6

PERFORMANCE INFORMATION REPORT



Ashref Ismail

6 PERFORMANCE INFORMATION REPORT

STRATEGIC GOAL: TO MAKE ROADS SAFE IN SOUTH AFRICA			
Objective: To ensure safe road infrastructure			
Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
4000km Road Infrastructure assessed by March 2012	4 000 km infrastructure assessment through the International Road Assessment Program (IRAP)	The project is not achieved however the following has been done. Stakeholders' consultations on the implementation of IRAP were undertaken. Business plan, project charter and project scope completed.	The project was put on hold due to budget constraints.

STRATEGIC GOAL: TO MAKE ROADS SAFE IN SOUTH AFRICA

Strategic Objective: To develop and implement Road User Regulations

Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
<p>AARTO national roll-out in 9 provinces, 205 local traffic authorities SAPS, RTMC and SANParks by December 2011 monitoring and evaluation against SOPs, AARTO Regulations and NCR</p>	<p>AARTO national roll-out in 9 provinces, 205 local traffic authorities, SAPS, RTMC and SANParks monitoring and evaluation against SOPs, AARTO Regulations and NCR</p>	<p>AARTO has not been rolled-out however the following has been achieved to ensure a process and system readiness for national roll-out: A User Acceptance Testing (UAT) on the National Contravention Register (NCR) was conducted and a status report prepared. A readiness check on the preparedness of Issuing Authorities for the national roll-out of AARTO was conducted and a report prepared The 9 provinces were visited and assisted in preparations for AARTO national roll out. As a result of these provincial visits all provinces confirmed their readiness at the National Task team meeting held on the 28th March 2012. All 11 standard operating procedures were completed and sent to all issuing authorities. AARTO Regulations have been amended and are currently in the Minister's office for approval and gazetting. The SLA was drafted and sent to all issuing authorities. The Business Process and Financial Model have been completed and will be distributed as soon as the Regulations are published/gazetted.</p>	<p>The rollout of AARTO to all 9 provinces and 205 local traffic authorities, SAPS, RTMC and SANPARKS by December 2011, could not be achieved due technical challenges.</p>

STRATEGIC GOAL: TO MAKE ROADS SAFE IN SOUTH AFRICA			
Strategic Objective: To develop and implement Road User Regulations			
Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
1 law enforcement strategy finalised by 30 September 2011	1 law enforcement strategy	Draft National Traffic Enforcement Strategy developed but not approved	The Strategy was tabled at MANCO. Process was placed on hold pending outcome of Shareholders' Committee decision.
1 National Rolling Enforcement Plan finalised by 30 September 2011 and 1000 000 vehicles stopped and checked monthly	1 National Rolling Enforcement Plan	<p>The National Rolling Enforcement Plan was approved and signed off.</p> <p>The following is the progress noted in its implementation:</p> <p>First quarter</p> <p>Vehicles stopped and checked: 3 328 459</p> <p>Notices Issued: 1 325 410</p> <p>Vehicles discontinued/impounded: 10 821</p> <p>Motorists arrested: 10 727</p> <p>2nd quarter</p> <p>Vehicles stopped: 3 020 682</p> <p>Notices Issued: 1 409 812</p> <p>Vehicles discontinued/impounded: 9 893</p> <p>Motorists arrested: 12 779</p> <p>3rd Quarter:</p> <p>Vehicles stopped: 3 501 724</p> <p>Notices Issued: 1 242 530</p> <p>Vehicles discontinued/impounded: 18 360</p> <p>Motorists arrested: 28 496</p>	N/A

STRATEGIC GOAL: TO MAKE ROADS SAFE IN SOUTH AFRICA

Strategic Objective: To develop and implement Road User Regulations

Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
1 Legislated National Enforcement Code by December 2011	1 Legislated National Enforcement Code	<p>4th Quarter: Vehicles stopped: 3 394 584 Notices Issued: 1 104 357 Vehicles discontinued/impounded: 13 901 Monthly reports on the operations were compiled and press releases generated on output The Minister of Transport also launched the Easter Enforcement Plan on 13 March 2012.</p>	
		<p>The project has not been achieved however further consultations were undertaken and the code was updated to include gathered comment. The Draft Code was reviewed with the Work Group and report drafted to be tabled at the RTMCC and then to the Shareholders' Committee</p>	No funding for publication of the Code

STRATEGIC GOAL: TO MAKE ROADS SAFE IN SOUTH AFRICA			
Strategic Objective: To develop and implement Road User Regulations			
Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
Capacitation and operationalisation of National Traffic Police	Establishment of national traffic police unit	<p>Traffic Police, Superintendents and a National Chief of Traffic Police were appointed to capacitate the unit.</p> <p>The force operate on a 24/7 shift.</p> <p>The following is progress on the operations:</p> <p>3rd quarter: 163 Operations were conducted, 23 of which were joint operations (roadblocks) and 140 were Roadside check points. The output is that 24 238 prosecutions were written</p> <p>4th quarter: 273 operations categorised as follows:</p> <p>172 Roadside checks, 29 Joint Operations, 04 Learner transport, 18 K78 Roadblocks, 30 Drunk driving, 08 Public Transport and 12 Crime prevention operations. The output out of these operations is 480 vehicles discontinued and 9330 infringements (citation or prosecution) written</p>	N/A

STRATEGIC GOAL: TO MAKE ROADS SAFE IN SOUTH AFRICA

Objective: To coordinate safe road users education

Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
1 Approved Road Safety Strategy	1 Approved Road Safety Strategy	The strategy has not been finalised and approved however the 1st draft strategy which is discussion document was compiled.	No funding for stakeholder consultation process.
20010 learners on Scholar patrol programme	20010 learners on scholar patrol	Acquired Scholar Patrol insurance 19660 learners participating in Scholar Patrol Updated scholar patrol database with learners on the programme	35 schools withdrawn from the scholar patrol programme
2 x training workshops 18 RSO on Road safety multimedia	2x training workshops and 18 Road Safety Officers (RSO) of multimedia	Project is not achieved however the following was done: Consolidated provincial action plans for project Secured the support of Bakwena Toll Concessionaire to roll-out the Multi-Media programme along the N4 in the North West Province MOU with Bakwena for use of resource material drafted	No funding for acquisition of Learner & Teacher Support Material (LTSM). School Curriculum under revision
45 learners on National Road Safety Debates	45 learners on national road safety schools debates	Debates successfully held with Seven Provinces participating. 35 learners reached on National Road Safety Debates. Sponsorship acquired from RAF, Transnet and BP for the competition.	Two provinces did not participate in the National Finals due to cited financial constraints
90 learners in 9 schools on Participatory educational techniques competition	90 learners in 9 schools on PET	National Participatory Educational Techniques successfully held with 70 Learners in 7 Schools participating. PET Competition Sponsorship sought from RAF, Transnet and BP. Support also acquired from Limpopo Dept of Roads and Transport.	Non-participation by two provinces due to lack of funding.

STRATEGIC GOAL: TO MAKE ROADS SAFE IN SOUTH AFRICA			
Objective: To coordinate safe road users education			
Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
05 Mkhuzeni Campaigns targeting drivers, passengers, pedestrians, cyclists and stray animals	Driver, Passenger, Pedestrian, Cyclists and stray animal Mkhuzeni campaigns	<p>Mkhuzeni campaigns not held however the following was done to ensure education of road users:</p> <p>Secured sponsorship from Imperial Holding for support with 50 000 road safety themed leaflets for distribution to provinces even during the festive season.</p> <p>Scania partnership also secured for the festive season campaign where heavy vehicles and buses were stopped to create road safety awareness on drivers and passengers. The project targeted four provinces.</p> <p>Secured partnership with QASA for the distracted driving campaign.</p> <p>Secured publicity material dispatched to provinces to be used for the Easter-Weekend and beyond (100 000 leaflets and 50 000 posters) .</p>	Financial constraints

STRATEGIC GOAL: TO MAKE ROADS SAFE IN SOUTH AFRICA			
Strategic Objective: To ensure Safe Cars on The roads			
Indicator/ Measure	Annual Target 2010/11	Actual Performance	Reasons for under performance
New Car Assessment Programme (NCAP) established in South Africa	Establishment of the New Car Assessment Programme	NCAP not established however consultations with industry stakeholders underway.	Consultations with stakeholders taking long

STRATEGIC GOAL: TO ENSURE EFFECTIVE CORPORATE SUPPORT

Strategic Objective: Provide a support platform for core business to deliver on the RTMC Mandate

Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
An organisational structure developed and approved	Organisational structure aligned to the RTMC Strategy developed and approved	Organisational structure developed but not approved	Approval of the structure was awaiting approval of strategic plan
National Training Framework Approved	1 NTF approved	National Training Framework (NTF) is in a draft form but the project is suspended due to financial constraints.	NTF Project implementation suspended due to lack of funding and because of new developments in SAQA landscape.
100% AARTO Training	Train trainers on AARTO for 9 Provinces and 12 Approved Traffic Training Colleges in preparation for National roll out of AARTO	<p>Co-ordinated and facilitated AARTO Legislation (theory) train- the- trainer session for 9 provinces and 13 NRTA Approved Traffic Training Centres.</p> <p>Coordinated NCR train-the trainer training in 09 provinces.</p> <p>Conducted 3 sessions of AARTO training for the National Traffic Police. (including one for the National Traffic Police in the Transnet Freight Rail Project in Rustenburg)</p> <p>Amended and produced current AARTO learning material that is aligned to AARTO replacement Regulations.</p> <p>Compiled a Standard Operating Procedure for arrest in regard to AARTO offences.</p> <p>Assessed AARTO summative assessments for implementation by trainers</p> <p>Produced AARTO CDS and distributed together AARTO NCR training DVD to all Traffic Training Colleges and provincial AARTO training co-ordinators</p>	N/A

STRATEGIC GOAL: TO ENSURE EFFECTIVE CORPORATE SUPPORT			
Strategic Objective: Provide a support platform for core business to deliver on the RTMC Mandate			
Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
Annual monitoring and evaluation of 13 national road act traffic training centres	13 colleges monitored and evaluated	<p>Monitoring and evaluation conducted for traffic training colleges as follows:</p> <p>Monitored training at Lengau Traffic College. Gene Louw, Kwa-Zulu Natal, Port Elizabeth, Mangaung, Matjhabeng, Durban Metro Police, Ekurhuleni Metro Police and Cape Town Metro Police Training Academies/Colleges. Follow-up monitoring of training at Matjhabeng Traffic Training College, Cape Town Metro Police Academy and Port Elizabeth Traffic Training Colleges</p> <p>Conducted college evaluations at Tshwane Metro Police Academy, Johannesburg Metro Police Academy, Ekurhuleni Metro Police Academy, Cape Town Metro Police Academy, Durban Metro Police Academy, Port Elizabeth ,Matjhabeng, Boekenhoutkloof, Kwa-Zulu Natal, Lengau, Limpopo and Mangaung Traffic Training Colleges.</p> <p>Co-ordinated and conducted a workshop on Assessments for National Road Traffic Act and Legals Unit standards. Compiled Summative Assessments for both Unit Standards.</p> <p>Monitored Crash Investigation practical training at Boekenhoutkloof.</p>	Gene Louw college requested their evaluation of college to be postponed as they were renovating the college facilities and premises.

STRATEGIC GOAL: TO ENSURE EFFECTIVE CORPORATE SUPPORT

Strategic Objective: Provide a support platform for core business to deliver on the RTMC Mandate

Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
	<p>Prepare assessments and examination for different courses</p>	<p>Compiled, produced and distributed Examiners for Driving Licences Grade F, L, D, B and C summative assessments and re-assessments. Compiled, produced and distributed summative assessments and re-assessments for course 01/2011 of the FEET: Road Traffic Law Enforcement.</p> <p>Conducted workshops to sensitize facilitators on the qualification: FETC: Road Traffic Law Enforcement at CTMP and on Communication Unit Standard at Gene Louw Traffic College.</p> <p>Compiled, produced and distributed Examiners of Vehicles' summative assessments and re-assessments.</p> <p>Compiled assessment instruments for Traffic Colleges with the Communication Unit Standard.</p> <p>Compiled produced and distributed EDL Grades F, L, D, B and C final and supplementary examinations.</p> <p>Compiled, produced and distributed EOY final and supplementary examinations.</p> <p>Compiled, produced and distributed special summative assessments and re-assessments for NLTA and AARTO for Boekenhoutkloof and Matjhabeng Colleges.</p> <p>Conducted follow-up moderation of assessments at Ekurhuleni Metro Police Academy, Boekenhoutkloof, Matjhabeng, Lengau, Mangaung and Cape Town Metro Police Academy.</p> <p>Submission of EOY learning package for accreditation at SASSETA</p>	<p>Matjhabeng college did not write assessments in Nov/ Dec 2012 because practical training was not conducted.</p>

STRATEGIC GOAL: TO ENSURE EFFECTIVE CORPORATE SUPPORT			
Strategic Objective: Provide a support platform for core business to deliver on the RTMC Mandate			
Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
	Review and register Qualification/programmes for Authorised Officers on NQF	<p>Co-ordinated the Working Group meeting to review the current qualification for Authorised Officers: FETC: Road Traffic Law Enforcement</p> <p>Workshop conducted to review the qualification. Draft Qualification framework compiled; exit level outcomes and objectives as well as model title plans for each exit level outcome. The draft reviewed Traffic Officers Qualification send to the Heads of all 13 NRTA Approved Traffic Training Centres for comments.</p> <p>As part of the review the following was done:</p> <ul style="list-style-type: none"> Learning package for Peace Officer and Traffic Warden finalised. Completed the draft basic first aid learning material Commenced with the refresher training learning package for drunken driving. Conducted a presentation for CBRTA-on NRTA with the inclusion of the responsibilities of the Road Transport Inspectors as provided for in the various statutes. Participated in the Recognition of Prior Learning (RPL) meeting for Emergency Services Disciplines in the 3 Unit Standards for Incident Management. MOU between RTMC and SASSETA signed by RTMC CEO. 	<p>The planning with regard to this project was done in line with the previous SAQA processes for the development and registration of a qualification. The new QCTO process took effect in the meantime and we therefore commenced with the QCTO process, which include the appointment of an external QCTO approved Quality Development Facilitator (QDF). This new process delayed our initial planning.</p>

STRATEGIC GOAL: TO ENSURE EFFECTIVE CORPORATE SUPPORT			
Strategic Objective: Provide a support platform for core business to deliver on the RTMC Mandate			
Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
Develop and obtain accreditation of a Training programme for Driving School Instructors	Develop a training programme for Driving School Instructors.	<p>The development of the training programme for Driving Schools Instructors was not achieved however preparatory work was done and it included the following:</p> <ul style="list-style-type: none"> Draft Terms of Reference compiled for the National Driving School Forum (NDSF) Co-ordinated a Special NDSF meetings with the members of the NDSF and DoT. Co-ordinated the Steering Committee meeting between the RTMC and DoT 	<p>This target is dependent on a Driving School Summit where in by-in from the Driving School Industry will be sought to develop a responsive training programme</p>

STRATEGIC GOAL: TO ENSURE AN EFFECTIVE CORPORATE SUPPORT			
Strategic Objective: To provide Financial Services to guarantee the financial sustainability of the Corporation			
Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
1 Integrated Financial Management Strategy Approved	1 Integrated Financial Management Strategy developed and approved	Drafted integrated financial management strategy and submitted for review	Capacity constraints
100% implementation of agreed upon audit recommendations	100% implementation of agreed upon audit recommendations	Implementation plan for 2010/2011 audit findings developed 100% implementation of audit findings	N/A
100% Revenue management	Approved revenue generation strategy	The revenue generation strategy forms part of the integrated financial management strategy. AARTO regulations amended to include the road safety levy	Capacity constraints
	02 sponsorship agreements for road safety	The following projects were conducted through partnership with other stakeholders: – Participatory Education Techniques (PET) – Debate Competition – Road safety campaign for heavy vehicles	N/A

STRATEGIC GOAL: AFFECTIVE STAKEHOLDER MANAGEMENT

Strategic Objective: Ensure an effective, efficient and inclusive stakeholder platform for continuous engagement, involvement and contribution to fulfil the mandate of the RTMC

Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
1 stakeholder management framework developed and implemented	1 stakeholder management framework developed and implemented	A stakeholder database has been developed and the stakeholder management framework is being developed. New relations forged and stakeholder engagements are ongoing	Capacity constraints

STRATEGIC GOAL: TO ENSURE CORPORATE EXCELLENCE WITHIN THE CORPORATION

Strategic Objective: Improve collection of data and strengthen road safety information management

Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
No. of major crashes investigations and reconstruction completed	Investigate and reconstruct reported major crashes	138 Major crashes were investigated	N/A
1 traffic offence survey and road traffic injuries and research	1 traffic offence survey and road traffic injuries and research conducted	Traffic offence survey not done, however consultations with Statistics South Africa to improve data collection processes and analysis were conducted. Environmental scanning report approved and submitted to Statistics South Africa (STATSSA) Data Gap Analysis report and project plan completed.	A decision was taken not to continue with the process used for data collection but to seek STATSSA direction.

STRATEGIC GOAL: TO ENSURE CORPORATE EXCELLENCE WITHIN THE CORPORATION			
Strategic Objective: Improve collection of data and strengthen road safety information management			
Indicator/ Measure	Annual Target 2011/12	Actual Performance	Reasons for under performance
1 crash data recording system developed	1 crash data recording system developed and implemented	System database has been developed, data migration in progress The Crash data recording system (Crash Information Management System) in its design phase, the draft project plan, draft project scope, draft system architecture document and draft project charter have been completed	The process is taking longer than anticipated
Quarterly and annual reports on state of road safety compiled	4 Quarterly report 1 Calendar year report 1 Financial year report	Produced the financial year road safety report for 2010/11 1 st , 2 nd and 3 rd quarter reports could not be compiled due to systems problems. 1 Draft state of traffic report for the Calendar Year Report is done; the financial year end report will build on the calendar year report which is in draft.	The reports could not be compiled in time due to system challenges and weakened stakeholder participation

INCOMPLETE PROJECTS FOR 2010/11

STRATEGIC GOAL 1: EFFECTIVE AND SUSTAINED TRAFFIC LAW ENFORCEMENT AND TRAFFIC CONTROL			
Strategic objective: Reduction in road traffic offences, accidents and incidents			
Indicator/ Measure	Annual Target 2010/11	Actual Performance	Reasons for under performance
5% reduction of offences and fatalities through 60% electronic law enforcement and 40% active law enforcement	Reduce road traffic fatalities and offences by 5%	<p>The following is noted progress for the 1st quarter: Number of vehicles stopped and checked: 3 328 459 Notices Issued: 1 325 410 Vehicles discontinued/ impounded: 10 821 Motorists arrested: 10 727</p> <p>The following is noted progress for the 2nd quarter: Number of vehicles stopped and checked: 3 020 682 Notices Issued: 1 409 812 Vehicles discontinued/ impounded: 9 893 Motorists arrested: 12 779</p> <p>3 Monthly reports compiled and 12 press releases generated. Monthly reports compiled and press releases generated 2010/11 project completed during the 2nd quarter This two quarters form part of the NREP which covered the last two quarters of 2010/11 financial year.</p> <p>The noted reduction of fatalities for 2010/11 was 0.86%</p>	N/A
24/7 uninterrupted provincial traffic law enforcement services	Declaration of provincial traffic as essential services	The project is implemented as part of the 2011/12 projects under Road Traffic Law Enforcement Code	N/A

STRATEGIC GOAL 1: EFFECTIVE AND SUSTAINED TRAFFIC LAW ENFORCEMENT AND TRAFFIC CONTROL			
Strategic objective: Reduction in road traffic offences, accidents and incidents			
Indicator/ Measure	Annual Target 2010/11	Actual Performance	Reasons for under performance
Gazetted and implemented National Road Traffic Law Enforcement Code (NRTLEC)	Finalise consultation and gazette the National Traffic Law Enforcement Code	The project is implemented as part of the 2011/12 projects and is reflected in the APP	N/A
100% operational special national intervention unit	Recruitment and selection and training of key unit members	Progress on the operations of the unit are reported as part of the 2011/12 APP above	N/A

STRATEGIC GOAL 1: EFFECTIVE AND SUSTAINED TRAFFIC LAW ENFORCEMENT AND TRAFFIC CONTROL			
Strategic objective: Reduction in road traffic offences, accidents and incidents			
Indicator/ Measure	Annual Target 2010/11	Actual Performance	Reasons for under performance
1x multi-media implementation MoU with Department of Education (DOE)	11 300 schools reached through road safety communication, education and campaigns	The project is redesigned on the 2011/12 App and reported above	N/A
1x concept document on learner licence programme for grade 11		Project shelved due to financial constraints	Financial constraints
9 provincial road safety councils trained	Train 9 provincial council on road safety	Not done: Project taken up by DoT	N/A
Installed flashers and rotating speed cameras	Pilot speed calming measures in one province	Not achieved	No longer a priority
Pilot in one province and roll-out in two provinces	Introduce speed calming measures in two provinces	The project is no longer a priority	
EVI tags developed	Pilot EVI in one province and preparation for the national roll-out	The project is no longer a priority	N/A
EVI pilot project implemented			

STRATEGIC GOAL 3: ROAD TRAFFIC INFORMATION HUB			
Strategic Objective: Effective and efficient road traffic information and knowledge management system (to ensure 80% accuracy and completeness of information and 99% system uptime)			
Indicator/Measure	Annual target 2010/11	Actual Performance	Reasons for under performance
1 Financial year Road Traffic Report two months after the end of financial year (by 31 May 2011)	Publication and distribution of 1 financial year road traffic report	The financial year end state of traffic report form part of the Corporation's 2010/11 annual report	N/A
Pilot and roll-out of the real-time accident recording system	Implement Pilot in one province for Real-Time Accident recording system	The new project is reported on in the 2011/12 APP The Corporation is currently developing a new system internally through an Indian open source code. Full roll out to be in 2012 before the beginning of new financial year in 2012/2013.	N/A
80% Accurate and complete information on all systems	80% accuracy and completeness of information	70% accuracy and completeness of information attained	The assessment for Oracle database still outstanding.
99% systems uptime and accessibility	99% system uptime and accessibility (NaTIS, ERP, ARS, Traffman, Websites, ITIL)	80% system uptime attained VIP, ESS and Pastel Evolution (ERP) has been setup / configured and running. ITIL assessment still outstanding	Systems were down due to spam emails
99% operational system uptime	Efficient provision of IT business maintenance and support	All systems up and running including the Call Centre Systems.	N/A
Implement a 24/7 call centre and produce 4 quarterly reports	Implement a 24/7 call centre	The call centre is 100% operational in its current state with NTP officials assisting with operating the call centre after-hours, weekends and public holidays. Draft MOU between RTMC and UNISA completed.	N/A
Signed SLA with identified research institution			
Number of research and evaluation reports completed		No research conducted, it will be determined after the finalisation of the SLA above	Dependent of MOU finalisation

STRATEGIC GOAL 4: STRENGTHEN INSTITUTIONAL CAPACITY

Strategic objective: Sound corporate governance			
Indicator/ Measure	Annual Target 2010/11	Actual Performance	Reasons for under performance
Annual Performance Plan (APP) developed	1 Annual Performance Plan (for next MTEF)	APP for 2012/13 development completed approved by the Shareholders Committee as part of the strategic plan.	N/A
100% compliance with current policies HR policies and procedures	43 HR policies and related procedures approved and implemented	The total number of policies to be developed has been reviewed and will not be 43 policies as initially planned. 10 new policies have been reviewed 100% compliance to policies attained	N/A

STRATEGIC GOAL 5: PROTECT ROAD INFRASTRUCTURE AND THE ENVIRONMENT

Strategic objective: Sustainable environment			
Indicator/ Measure	Annual Target 2010/11	Actual Performance	Reasons for under performance
100% review of South African Road Safety Manual	Reviewed SARSM	RSA Manual complete	N/A

INCOMPLETE PROJECTS 2009/10

2. INFORMATION TECHNOLOGY				
Outputs	Indicator	Outcome	Actual Achievements at 31 March 2011	Reasons for under performance
2.1. To effectively and efficiently provide technological support and services to enable the attainment of the business objective of the corporation by 31 March 2010				
IT Support Services Management contract + Network Security and monitoring system	SLA with supplier 85% customer satisfaction Progress reports Network security monitoring report	100% Confidentiality, integrity and 95% availability of business support systems for business continuity	95% complete	The project will be declared fruitless.
2.2. To effectively and efficiently provide technological support and services to enable the attainment of the business objective of the corporation by 31 March 2010				
Enterprise Content Management – Website	SLA report Percentage of trained users	24 X 7 website functional system	Website 100% implemented Intranet 95% complete	Intranet not completed

Section 7

ANNUAL FINANCIAL STATEMENTS



Asraf Ismail

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Annual Financial Statements for the year ending 31 March 2012

Corporate Information

Directors

Mr RJ Rakgoale (Resigned) Mr CP Letsoalo (Acting CEO)

There are no board of directors as the board was dissolved in April 2010. The Acting CEO, Mr. Collins Letsoalo was appointed as an Accounting Authority in terms of section 49 of the PFMA.

Business address	Boardwalk Office Park Phase 5, Boardwalk, Boulevard Faerie Glen Pretoria
Postal address	Private Bag x 147 Pretoria 0001
Bankers	Standard Bank First National Bank ABSA Nedbank
Auditors	Auditor-General of South Africa

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

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The reports and statements set out below comprise the annual financial statements presented to the Minister of Transport:

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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

APPROVAL AND STATEMENT OF RESPONSIBILITY

The accounting authority, which is the Board of Directors of the Road Traffic Management Corporation (RTMC), is responsible for the maintenance of adequate accounting records and the preparation, integrity and fair presentation of the financial statements of the corporation and related information. As at the reporting date, the RTMC had no Board of Directors. As in accordance with section 49 of the PFMA, the chief executive officer of the entity shall act as the accounting authority where the board or controlling body is not in place. The Acting CEO has been appointed as the Accounting Authority in terms of section 49 of the PFMA.

The Auditor General of South Africa is responsible for independently auditing and reporting on the fair presentation of the financial statements in conformity with International Standards of Auditing.

The accounting authority is also responsible for the systems of internal financial controls. These are designed to provide reasonable, but not absolute assurance as to the reliability of the financial statements, and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatements and losses. Nothing has come to the attention of the accounting authority to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

The financial statements have been prepared on the going concern basis, since the accounting authority has every reason to believe that the Corporation has resources in place to continue in operation for the foreseeable future. Even though the Corporation has reported a net deficit and a state of technical insolvency, there are government grants allocated to the Corporation for the next three years, thus the Corporation will continue to exist albeit on a limited scope.

The accounting authority is satisfied that the information contained in the financial statements fairly presents the results of the operations for the year and the financial position of the corporation at year end.

The annual financial statements set out on pages 68 to 122 have been approved by the accounting authority and were signed on its behalf by:



Mr. CP Letsoalo

Acting Chief Executive Officer

Date: 31 July 2012

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ROAD TRAFFIC MANAGEMENT CORPORATION REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of the Road Traffic Management Corporation set out on pages 81 to 120, which comprise of the statement of financial position as at 31 March 2012, the statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The accounting authority is responsible for the preparation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (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.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the **General Notice** issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. 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 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the PFMA.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Emphasis of matters

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

Restatement of corresponding figures

8. Misstatements in the corresponding figures were identified during our audit of the financial statements of the current year relating to finance revenue which amounted to R 2 787 403. Management corrected the misstatement by restating the corresponding figure for finance revenue. Furthermore, misstatements relating to the AARTO creditors and debtors amounting to R7 646 780 and R18 075 508 respectively were identified during our audit.

Going concern

9. The accounting authority's report on page 78 indicates that the Road Traffic Management Corporation incurred a net deficit of R41 069 577 during the year ended 31 March 2012 and, as of that date, the public entity's current liabilities exceeded its total assets by R203 174 215. These conditions, along with other matters as set forth in the accounting authority's report, indicate the existence of a material uncertainty that may cast significant doubt on the public entity's ability to operate as a going concern.

Material losses

10. The public entity wrote off the IT Service Desk and network system with a book value of R 8 186 884 during the reporting period. Furthermore, an impairment on debtors to the value of R 26 243 915 is recognised due to uncertainty regarding the recoverability of the debtor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and the General Notice issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the information in the performance information report as set out on pages 45 to 66 of the annual report.
13. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the National Treasury annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

The reliability of the information in respect of the selected objectives is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).

14. The material findings are as follows:

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Usefulness of information

15. In accordance with the National Treasury Guide for the preparation of the annual report, institutions should disclose reasons for variances between planned targets and actual achievements under a separate heading of the performance report. Reasons for deviations are also reported under the actual performance, which does not comply with the National Treasury Guide for preparation of the annual report.
16. The National Treasury Framework for managing programme performance information (FMPPi) requires that performance targets be specific in clearly identifying the nature and required level of performance. A total of 22% of the targets selected for audit purposes were not specific in clearly identifying the nature and the required level of performance. This was due to the fact that management was aware of the requirements of the FMPPi but chose not to apply the principles contained in the FMPPi.
17. The National Treasury Framework for managing programme performance information (FMPPi) requires that indicators should have clear unambiguous data definitions so that data is collected consistently and is easy to understand and use. A total of 33% of the indicators selected for audit purposes were not well defined in that clear, unambiguous data definitions were not available to allow for data to be collected consistently. This was due to the fact that management was aware of the requirements of the *FMPPi* but chose not to apply the principles contained in the FMPPi.

Additional matters

18. I draw attention to the following matters below. These matters do not have an impact on the predetermined objectives audit findings reported above.

Achievement of planned targets

19. Of the total number of planned targets, only 9 were achieved during the year under review. This represents 70% of total planned targets that were not achieved during the year under review.

Performance relating to previous annual performance plans

20. The information relating to incomplete projects of the prior reporting periods set out on pages 61 to 66 does not form part of the performance information report and is presented as additional information. I have not performed procedures on this information.

Compliance with laws and regulations

21. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Annual financial statements, performance and annual report

22. The financial statements submitted for auditing were not supported by full and proper records as required by section 55(1) ((a) and (b)) of the PFMA. Material misstatements of non-current assets, current assets, liabilities, expenditure and disclosure items identified by the auditors in the submitted financial statement were subsequently corrected.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Non-compliance to the Road Traffic Management Corporation Act

23. The shareholders committee convened only once during the year under review instead of the required four times as required by section 11(2) of the Road Traffic Management Corporation Act.

Internal control

27. I considered internal control relevant to my audit of the financial statements, performance information report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the performance information report and the findings on compliance with laws and regulations included in this report.

Leadership

24. The public entity did not exercise oversight responsibility regarding financial and performance reporting and compliance and related internal controls. The public entity did not establish and communicate policies and procedures to enable and support understanding and execution of internal control objectives, processes, and responsibilities.

Financial and performance management

25. The public entity did not implement proper record keeping in a timely manner to ensure that complete, relevant and accurate information is accessible and available to support financial and performance reporting and did not implement controls over daily and monthly processing and reconciling of transactions. The public entity did not prepare regular, accurate and complete financial and performance reports that are supported and evidenced by reliable information.

Governance

26. The review of the annual financial statements did not identify non-compliance to the applicable accounting standards and provide oversight over the effectiveness of the internal control environment including financial and performance reporting and compliance with laws and regulations.

AUDITOR - GENERAL

Pretoria

31 July 2012

Auditor-General of South Africa



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Audit Committee Report for the year ended 31 March 2012

Audit Committee Members and Attendance

The Audit Committee consist of the members listed on page 20 and they met twice during the financial year.

1. Audit Committee Responsibility

The audit committee was established during the 3rd quarter of the financial year 2011/12. The committee reports that it has complied with its role and responsibilities arising from section 38 (1)(a) of the Public Finance Management Act and treasury regulations 3.1. The committee also reports that it has tabled the appropriate terms of reference in the form of a Draft Audit Committee Charter, and has regulated its affairs and discharged its responsibilities in compliance with the draft charter, which will be adopted in the 2012/13 financial financial year.

2. The Effectiveness of Internal Controls

In line with the requirements of the PFMA, internal audit provides the Audit Committee and management with the assurance that the internal controls are appropriate and effective. This is achieved by means of risk management process, as well as the identification of corrective actions and recommended enhancements to the controls and processes.

The reports of the Internal Auditors, the Audit Report on the Annual Financial Statements and the management report of the Auditor-General, indicate deficiencies in the systems of internal controls, in particular that of the financial and performance management environments. There is need for attention in these areas, to ensure that the performance information is relevant, reliable and measurable in compliance with the PFMA and that a proper record keeping system is implemented to ensure complete, relevant and accurate information that is accessible and available to support financial reporting. In certain instances, the matters reported previously have not been fully and satisfactorily addressed.

Although these have not resulted in any significant financial loss, and had no impact on the overall audit opinion, the committee views the non-compliance as an area of improvement going forward.

Accordingly we can report that the system of internal control was not entirely effective for the year under review. Management has acknowledged that these issues must be addressed as a matter of urgency, and has assured the committee that measures are being introduced, despite the financial pressures and under staffing limitations facing the organisation.

The Audit Committee would like to highlight the time its taking to fill in the permanent post of the Chief Executive Officer and other Senior Management posts. The Committee is satisfied that the Chief Financial Officer post has been filled resulting in significant improvement. This is also evident from the audit opinion from the Auditor-General, in comparison to the previous financial year.

The Audit Committee will continue to monitor progress of matters raised above and related issues.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

3. Evaluation of Annual Financial Statements

The audit committee has performed the following function in relation to the financial statements of the RTMC for the year ended 31 March 2012:

- Reviewed and discussed the audited financial statements to be included in the annual report with the management and the Auditor-General;
- Reviewed the Auditor General's management report and management responses thereto;
- Reviewed the appropriateness of accounting policies;
- Reviewed and discussed the appropriateness of assumptions made by Management in preparing the financial statements;
- Reviewed and discussed the significant accounting and reporting issues, and understanding their impact on the financial statements;
- Reviewed and discussed significant adjustments resulting from the audit; and
- Obtained assurance from Management with respect to the accuracy of the financial statements.

The Audit Committee concurs and accepts the Auditor-General's conclusions and is of the opinion that the audited annual financial statements be accepted and read together with the report of the Auditor-General.

4. Governance Structure

The non existence of the Board of Directors is a serious concern to the audit committee, especially noting that the Shareholders Committee convened twice during the financial year. This structure is critical in dealing with the Going Concern issue, which has been reported for the past two years without any remedial action to address the matter.

5. Internal Audit

The audit committee has expressed the need to fill the position of Head of Internal Audit and to employ additional resources to capacitate the unit. These appointments would address the capacity constraints within the unit.

6. Auditor-General

The Audit Committee has met with the Auditor-General: South Africa, to ensure that there are no unresolved issues

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

7. Conclusion

The Audit committee wishes to thank the Acting CEO, management team and the staff of RTMC, for their continued commitment to the sustainability of the Entity. We congratulate the RTMC for an improved audit opinion in the year under review. Our appreciation extends to the Chief Financial Officer and the Finance team for their efforts regarding the financial statements for the year and to the Auditor-General team for the value they continue to add to the RTMC.



Ms Boitumelo Mabusela

Chairperson: Audit Committee

Date: 31 July 2012

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

ACCOUNTING AUTHORITY'S REPORT

The Accounting Authority presents the audited annual financial statements of the Road Traffic Management Corporation (the Corporation) for the year ended 31 March 2012. The annual financial statements have been prepared on the going concern basis since the accounting authority has every reason to believe that the corporation has resources in place to continue in operation for the foreseeable future.

1. Introduction

The Corporation is listed as a national public entity in Schedule 3 Part A of the Public Finance Management Act (Act 1 of 1999 as amended) (PFMA). It was established in terms of Section 3 of the Road Traffic Management Corporation Act, 1999 (Act No 20 of 1999) (the RTMC Act).

The function of the Corporation is 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 RTMC Act provides, in the public interest, for co-operative and co-ordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters by the national, provincial and local spheres of government.

The Board of Directors is the accounting authority in terms of the PFMA. As in accordance with section 49 of the PFMA, the chief executive officer of the entity shall act as the accounting authority where the board or controlling body is not in place. The Board has since been dissolved and the Acting CEO has been appointed as the Accounting Authority in terms of section 49 of the PFMA.

2. Review of Activities

Principal activities and review of operations

The Corporation is a partnership between the national, provincial and local spheres of government to specifically deal with the management of road traffic and safety issues. The functions of the Corporation are provided for in section 18(1) of the RTMC act, 1999 as amended

In the course of implementing its mandate, the Corporation maintained focus on its objectives, which are captured in the RTMC Strategic Plan.

The total grant income for RTMC was R77,9 million (2011: R73,6 million). The operating costs amounted to R178 million (2011: R156 million).

3. Organisation Structure

The Corporation is accountable to the Shareholders' Committee (the Shareholders) comprising of the Minister of Transport and MEC's responsible for traffic and/or transport matters in nine provinces and two representatives of SALGA, who in terms of the PFMA, is the executive authority.

The Board of Directors may be appointed by the Shareholders and comprises of 7 members plus the Chief Executive Officer.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

The Shareholders dissolved the Board of the Corporation in April 2010 and appointed Mr. Collins Letsoalo as the Accounting Authority in terms of section 49 of the Public Finance Management Act.

Management comprises of heads of functional units and support units who are appointed by the Chief Executive Officer.

4. Events Subsequent to Statement of Financial Position Date

The Corporation is not aware of any matter or circumstance which may have arisen since the end of the financial year, not otherwise dealt with in the annual financial statements, which significantly affects the position of the Corporation or the results of its operations.

5. Bankers

Standard Bank Ltd is the principal bankers of the Corporation.

6. Auditors

The Auditor-General of South Africa is the designated auditor of the Corporation.

7. Directors

The Corporation had no Board of Directors for the year ending 31 March 2012 as the Board was dissolved in April 2010.

8. Secretary

M Kumalo is the Company Secretary of the Corporation.

10. Shareholder Relations

The Corporation reported to and held discussions with the Executive Authority through the shareholders Committee meeting and Transport MINMEC. The Corporation also provides information on law enforcement, crash information, statistics as well Road Safety Campaigns.

11. Materiality and significance framework

A materiality and significance framework has been reviewed during the year for reporting losses through criminal conduct and irregular, fruitless and wasteful expenditure, as well as for significant transactions envisaged per section 54(2) of the PFMA that requires Ministerial approval.

12. Stakeholder Relations

A great deal of interaction as part of the Corporation's outreach initiatives was carried out during the current reporting year, through meetings and forums. The Corporation maintained good relations with the stakeholders, through the Road Traffic Management Coordination Committee (RTMCC), through its technical committees dealing with various such as NREP(National Rolling Enforcement Plan), the Department of Transport and Parliamentary Portfolio Committee on Transport, and the Standing Committee on Public Accounts(SCOPA). In addition, the Corporation interacted with civil society and maintained relations with other strategic partners such as the media and civil society

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

13. Going Concern

The financial statements have been prepared on the going concern basis, since the accounting authority has every reason to believe that the Corporation has resources in place to continue in operation for the foreseeable future. Even though the Corporation has reported a net deficit and a state of technical insolvency, there are government grants allocated to the Corporation for the next three years, thus the Corporation will continue to exist albeit on a limited scope. The Corporation has projected its expenditure in accordance with the approved allocation. Furthermore the Corporation will continue to pursue other sources of funding including transaction fees charged in accordance with section 24 of the RTMC act, 1999, as amended.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Statement of Financial Position

	Notes	2012 R	2011 R
			Restated
ASSETS			
Current assets			
Deposits	2	603 035	1 503 457
Trade and other receivable	3 & 10	155 899 475	141 923 918
Inventory	4	18 497	98 536
Cash and cash equivalents	5	130 441 120	74 159 585
		286 962 127	217 685 496
Non – current assets			
Property, plant and equipment	6, 10 & 11	7 641 214	8 830 172
Intangible assets	7, 10 & 11	1 560 920	11 013 748
		9 202 134	19 843 920
TOTAL ASSETS		296 164 261	237 529 416
LIABILITIES			
Current liabilities			
Trade and other payables	8 & 10	499 338 476	384 317 560
Provisions	9	-	862 230
		499 338 476	385 179 790
TOTAL LIABILITIES		499 338 476	385 179 790
Accumulated Deficit		(203 174 215)	(147 650 374)
		296 164 261	237 529 416

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Statement of Financial Performance

	Notes	2012 R	2011 R
			Restated
Grant income	13	77 949 000	73 619 000
AARTO Infringements fees	14	2 530 409	883 608
Other income	15	53 118 793	3 797 355
Operating expenses	16	(178 209 685)	(156 273 227)
Operating Deficit		(44 611 483)	(77 973 264)
Finance revenue	17	3 648 334	5 626 878
Finance costs	18	(106 428)	(163 211)
Deficit for the year		(41 069 577)	(72 509 597)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Statement of Changes in Net Assets

	Note	Accumulated surplus/ (deficit)	Total net assets
		R	R
Balance as at 01 April 2010		(94 162 965)	(94 162 965)
Correction of prior year error		19 022 188	19 022 188
Restated balance as at 31 March 2011		(75 140 777)	(75 140 777)
(Deficit) for the year	10	(72 509 597)	(72 509 597)
Balance as at 31 March 2011		(147 650 374)	(147 650 374)
(Deficit) for the year		(41 069 577)	(41 069 577)
Aarto adjustment		(14 454 264)	(14 454 264)
Balance as at 31 March 2012		(203 174 215)	(203 174 215)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Cash Flow Statement

	Notes	2012 R	2011 R
			Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		688 998 046	536 931 453
Payments		(649 849 372)	(570 827 444)
Cash generated from operations	21	39 148 674	(33 895 991)
Finance revenue	17	3 648 334	2 839 475
Finance costs	18	(106 428)	(163 211)
Net cash from operating activities		42 690 580	(31 219 727)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(2 602 528)	(715 371)
Purchase of intangible assets	7		(566 752)
Proceeds on disposal of assets	6 & 7		539 755
Net cash from investing activities		(2 602 528)	(742 368)
CASH FLOWS FROM FINANCING ACTIVITIES			
Aarto and eNatis loans		16 193 483	
Net cash from financing activities		16 193 483	-
TOTAL CASH MOVEMENT FOR THE YEAR		56 281 535	(31 962 095)
Cash at the beginning of the year		74 159 585	106 121 680
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	6	130 441 120	74 159 585

Accounting Policies

1. Significant accounting policies

The Road Traffic Management Corporation (RTMC) is a National Public Entity as specified in Schedule 3A of the Public Finance Management Act (PFMA), Act No. 1 of 1999 (as amended by Act 29 of 1999).

The principle accounting policies applied in the preparation and presentation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

1.1 Basis of preparation

The Road Traffic Management Corporation financial statements are prepared in compliance with Generally Recognised Accounting Practice (GRAP), as determined by Directive 5 (Determining the GRAP Reporting Framework) issued by the Accounting Standards Board (ASB) in accordance with Section 55 and 89 of the Public Finance Management Act, Act No. 1 of 1999 (as amended by Act 29 of 1999).

These financial statements are prepared in concurrence with the going concern principle and on an accrual basis with the measurement base applied being the historical cost unless stated otherwise.

In terms of Notice 991 and 992 in Government Gazette 28095 of December 2005 and Notice 516 in Government Gazette 31021 of 9 May 2008 the RTMC must comply with the requirements of GRAP. Directive 5 details the GRAP Reporting Framework comprising the effective standards of GRAP, interpretations (IGRAPs) of such standards issued by the ASB, ASB guidelines, ASB directives, and standards and pronouncements of other stand setters, as identified by the ASB on an annual basis. Those relevant to the RTMC are listed below:

TITLE OF STANDARD	STANDARD
GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 9	Revenue from Exchange Transactions
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 17	Property Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of non-cash generating assets
GRAP 100	Non-Current Assets held for sale and Discontinued operations
GRAP 102	Intangible Assets
IPSAS 20	Related Party Disclosures

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Accounting Policies (continued)

TITLE OF STANDARD	STANDARD
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 39	Financial Instruments: Recognition and Measurement

Accounting policies for material transactions, events or conditions not covered by the GRAP reporting framework, as detailed above, have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3 and the hierarchy approved in Directive 5 issued by the Accounting Standards Board.

In applying accounting policies management is required to make various judgements, apart from those involving estimations, which may affect the amounts of items recognised in the financial statements. Management is also required to make estimates of the effects of uncertain future events which could affect the carrying amounts of certain assets and liabilities at the reporting date. Actual results in the future could differ from estimates which may be material to the financial statements. Details of any significant judgements and estimates are explained in the relevant policy where the impact on the financial statements may be material.

Accounting Policies (continued)

1.2 Standards and amendments to standards issued but not effective

The following standards and amendments to standards have been issued but are not fully effective.

STANDARD	SUMMARY AND IMPACT	EFFECTIVE DATE
GRAP 18 – Segment Reporting	This standard establishes principles for reporting financial information by segments. The impact on the financial results and disclosure is considered to be minimal.	Issued by the ASB – March 2005 Effective date 1 April 2012
GRAP 21 – Impairment of Non-cash-generating Assets	This standard prescribes the procedures that the RTMC applies to determine whether a non-cash generating asset is impaired and to ensure that impairment losses are recognised. The impact on the financial results and disclosure is considered to be minimal.	Issued by the ASB – March 2009 Effective date - 1 April 2012
GRAP 23 – Revenue from Non-exchange Transactions	This standard prescribes the requirements for the financial reporting of revenue from non-exchange (grants and transfer payments transactions). The impact on the financial results and disclosure is considered to be minimal.	Issued by the ASB – February 2008 Effective date - To be determined by the Minister of Finance
GRAP 24 – Presentation of Budget Information in the Financial Statements	This standard prescribes the requirements for the reconciliation of the budget information and actual expenditure. The impact on the financial results and disclosure is considered to be minimal.	Issued by the ASB – 1 April 2012
GRAP 25 – Employee Benefits	The standard prescribes the accounting treatment and disclosure for employee benefits. The impact on the financial results and disclosure is considered to be minimal.	Issued by the ASB – November 2009 Effective date - To be determined by the Minister of Finance
GRAP 26 - Impairment of Cash-generating Assets	This standard prescribes the procedures to determine whether a cash generating asset is impaired and to ensure that impairment losses are recognised. The impact on the financial results and disclosure is considered to be minimal.	Issued by the ASB – 1 April 2012
GRAP 104 – Financial Instruments	This standard establishes principles for recognising, measuring, presenting and disclosing financial instruments. The impact on the financial results and disclosure is considered to be minimal.	Issued by the ASB – 1 April 2012

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Accounting Policies (continued)

STANDARD	SUMMARY AND IMPACT	EFFECTIVE DATE
*** Improvements to the Standards of GRAP	<p>Improvements are proposed to the following standards of GRAP: GRAP 1- 4, 9-14, 16-17, 19 and 100 as part of the ASB's improvement project.</p> <p>The impact on the financial results and disclosure is considered to be minimal.</p>	Proposed effective date - 01 April 2011
* Amendment to IFRS 7 – Financial Instruments: Disclosures	<ul style="list-style-type: none"> • Presentation of finance cost • Amendment dealing with improving disclosures of financial instruments • Amendments enhancing disclosures of fair value and liquidity risk <p>This standard will not have an impact on the financial results or disclosure as it has been removed from the framework prescribed in Directive 5 for periods beginning on 1 April 2010.</p>	Issued by the IASB in March 2009 but the effective date was back dated to 01 January 2009. As per confirmation with the ASB, this standard is not effective for the year ended 31 March 2011 but can be applied. .
** Amendment to IFRS 7 – Financial Instruments: Disclosures	<p>Clarifications of disclosures</p> <p>The amendment to the Standard clarifies certain disclosures.</p> <p>This standard will not have an impact on the financial results or disclosure as it has been removed from the framework prescribed in Directive 5 for periods beginning on 1 April 2010.</p>	01 January 2011
IFRS 9 – Financial Instruments	<p>New standard issued relating to the classification and measurement of financial assets, which will replace the relevant portions of IAS 39.</p> <p>This standard will not have an impact on the financial results or disclosure as it has been removed from the framework prescribed in Directive 5 for periods beginning on 1 April 2010.</p>	01 January 2013
*Amendment to IAS 19 – Employee Benefits	<ul style="list-style-type: none"> • Curtailments and negative past service cost Plan administration costs • Replacement of term “fall due” • Guidance on contingent liabilities <p>The impact on the financial results and disclosure is considered to be minimal.</p>	Issued by the IASB in March 2009 but the effective date was back dated to 01 January 2009. As per confirmation with the ASB, this standard is not effective for the year ended 31 March 2011 but can be applied.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Accounting Policies (continued)

STANDARD	SUMMARY AND IMPACT	EFFECTIVE DATE
Amendment to IAS 32 – Financial Instruments: Presentation	Certain financial instruments will be classified as equity whereas, prior to these amendments, they would have been classified as financial liabilities. This standard will not have an impact on the financial results or disclosure as it has been removed from the framework prescribed in Directive 5 for periods beginning on 1 April 2010.	Issued by the IASB in March 2009 but the effective date was back dated to 01 January 2009. As per confirmation with the ASB, this standard is not effective for the year ended 31 March 2011 but can be applied.
Standard	Summary and impact	Effective date
*Amendment to IAS 39 – Financial Instruments: Recognition and Measurement	<ul style="list-style-type: none"> • Reclassification of derivatives into or out of the classification of at fair value through profit or loss • Designating and documenting hedges at the segment level • Applicable effective interest rate on cessation of fair value hedge accounting <p>This standard will not have an impact on the financial results or disclosure as it has been removed from the framework prescribed in Directive 5 for periods beginning on 1 April 2010.</p>	Issued by the IASB in March 2009 but the effective date was back dated to 01 January 2009. As per confirmation with the ASB, this standard is not effective for the year ended 31 March 2011 but can be applied.
Amendment to IAS 39 – Financial Instruments: Recognition and Measurement	Clarifies two hedge accounting issues: <ul style="list-style-type: none"> • Inflation in a financial hedged item • A one-sided risk in a hedged item <p>This standard will not have an impact on the financial results or disclosure as it has been removed from the framework prescribed in Directive 5 for periods beginning on 1 April 2010.</p>	01 July 2009
Amendment to IAS 39 – Financial Instruments: Recognition and Measurement	Amendments for embedded derivatives when reclassifying financial instruments. This standard will not have an impact on the financial results or disclosure as it has been removed from the framework prescribed in Directive 5 for periods beginning on 1 April 2010.	01 July 2009
* Amendment to IAS 39 – Financial Instruments: Recognition and Measurement	<ul style="list-style-type: none"> • Treating loan prepayment penalties as closely related embedded derivatives • Scope exemption for business combination contracts • Cash flow hedge accounting <p>This standard will not have an impact on the financial results or disclosure as it has been removed from the framework prescribed in Directive 5 for periods beginning on 1 April 2010.</p>	01 January 2010

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Accounting Policies (continued)

1.3 Presentation and functional currency

These annual financial statements are presented in South African currency.

1.4 Going concern assumptions

These financial statements have been prepared on a going concern basis.

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

1.5 Significant judgements and estimates

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.

Significant judgements and estimates include:

- Impairment of plant, property and equipment
- Impairment of intangible assets
- Provisions
- Residual values on property, plant and equipment
- Fair values

Property plant and equipment

In determining the useful lives and residual values of each property, plant and equipment, management took into consideration the nature of each asset type, and the usage of assets .

Intangible assets

In determining the useful lives of computer software, management assumed the software will have to be upgraded every three to five years. The residual values of computer software and internally developed systems are regarded as zero due to the fact that computer software and internally developed systems are not saleable.

Accounting Policies (continued)

1.6 Property, plant and equipment

Property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with it will flow to the corporation and the cost of that item can be measured reliably. Property, plant and equipment are disclosed at cost less accumulated depreciation and any accumulated impairments losses.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met. If a replacement cost is recognised in the carrying amount of an item of property plant and equipment, the carrying amount of the replaced part is derecognised.

Depreciation is calculated using the straight-line method to allocate their cost to the residual value over the estimated useful lives. The annual depreciation rates are based on the following estimated asset lives:

Item	Average useful life
Furniture and fixtures	5 – 7 years
Office equipment	4 – 6 years
Computer equipment	3 – 5 years
Motor vehicles	5 years
Fire arms	10 years

Repairs and maintenance expenses are charged to the surplus or deficit during the financial year in which they are incurred. The cost of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Corporation and the cost of the items can be measured reliably.

The gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is charged to surplus or deficit. The assets residual value and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Accounting Policies (continued)

1.7 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity;
- and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost and comprise software licenses and costs associated with the development of computer programs. The amortisation periods for intangible assets are reviewed every year-end.

Intangible assets include both acquired software and internally generated systems. Internally generated systems are recognised as intangible assets at cost including any development costs and qualifying research expenses. Internally generated systems are classified as work in progress while they are still under construction and only amortised when completed and deployed in the service delivery environment.

Cost Model

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. Amortisation is not provided for these intangible assets. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period, residual values and the amortisation method for intangible assets are reviewed every reporting date.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	4 – 6 years

1.8 Lease

Finance lease

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

The discount rate used in calculating the present value of the minimum lease payments is the entity's incremental borrowing rate.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability.

Accounting Policies (continued)

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 determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset. The classification of the lease is determined using GRAP 13 – Leases.

Operating lease

Leases in which a significant portion of the risk and rewards of ownership are retained by the lessor are classified as an operating lease. 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 liability. This liability is not discounted. Any contingent rentals are expensed in the period they are incurred.

1.9 Impairment of assets

An entity shall assess at each reporting date whether there's any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable service amount of the asset. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of an asset's net selling price and value in use. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

1.10 Financial instruments

Financial Assets

Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets. The RTMC has not classified any of its financial assets in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non-current assets. The corporation's loans and receivables comprise 'trade and other receivables' and cash and cash equivalents in the Statement of Financial Position.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Accounting Policies (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the reporting date.

Regular purchases and sales of financial assets are recognised on the trade-date which is the date on which the Corporation commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss initially recognised at fair value and transaction costs are charged to the surplus or deficit. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest rate method. The RTMC has not classified any of its financial instruments into this category.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating income.

Trade and other receivables are classified as loans and receivables.

Financial Liabilities

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks and investments in money market instruments.

Accounting Policies (continued)

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

Effective interest rates

The Corporation used a market interest rate to discount future cash flows.

1.11 Employee benefits

Short-term employee benefits

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

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

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

1.12 Provisions

Provisions are recognised when the Corporation has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Corporation. Provisions are not recognised for future operating losses.

1.13 Revenue recognition

Grants and receipts:

Government grants are recognised when there is reasonable assurance that:

- a) the Corporation will comply with the conditions, if any, attached to them; and
- b) the grants will be received.

Government grants are recognised as income in the year in which they are received or deferred when conditions for the grant are not met.

A government grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Corporation with no future related costs is recognised as income in the period in which it becomes receivable.

Interest income:

Interest income is recognised on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the Corporation reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Accounting Policies (continued)

the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

Other income:

Other income is recognised when the outcome of the transaction can be measured reliably and it is probable that economic benefits or service potential associated with the transaction will flow to the corporation.

AARTO collection fees:

Revenue from AARTO notice fees is recognised as revenue at 3% of the value of infringements collected by the RTMC when it is allocated on the eNATIS system as received.

Aarto infringement fees

Revenue from Aarto infringements are recognised when an infringer pays for their infringement notice.

1.14 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is defined as expenditure that was made in vain and would have been avoided had reasonable care been exercised. The expenditure must be investigated and action taken against any official who commit such an expenditure.

Such expenditure is treated as an expense in the year in which they occur. If liability is determined and the amount subsequently recovered for an official, it is accounted for as income in the year in which it is recovered.

1.15 Irregular expenditure

Irregular expenditure is defined as expenditure, other than unauthorised expenditure, incurred in contravention or not in accordance with a requirement or any applicable legislation, the PFMA or any legislation providing for procurement procedures. Irregular expenditure is accounted for as expenditure in the year in which they occurred and where subsequently recovered, it is accounted for as income in the year in which it is recovered.

1.16 Comparative figures

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

1.17 Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Inventories

Inventory comprises of finished goods and is valued at the lower of cost and net realizable value. Cost is assigned on the first in first out (FIFO) basis.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

	2012 R	2011 R
2. Deposits		
Cash Deposits	603 035	1 503 457
The amount relates to deposits paid to MT Development on leased premises to the amount of R603 035 to enter into lease agreements for rental of office accommodation. The lease term with MT Developments commenced on the 1st of January 2011 and will expire on the 31st of December 2014.		
Cash Deposits	1 503 457	1 503 457
Provision for doubtful debts	(900 422)	-
	603 035	1 503 457

The lease with Mohlaleng commenced on the 1st of August 2008 and was due to expire on the 31st of January 2020. The contract was subsequently terminated due to Mohlaleng's failure to perform to the terms and conditions of the contract and the premises were vacated on the 31st of December 2010. The deposit has not been paid back to the Corporation and has been outstanding for more than 180 days, hence we recognise a provision for doubtful debts.

3. Trade and other receivables

eNaTIS transaction fees due	137 691 892	125 219 767
Prepayments	45 876	440 915
Sundry receivables	368 607	7 823 851
Receivables – AARTO infringements fees (Collecting Authority)	17 793 100	8 439 385
	155 899 475	141 923 918

Sundry receivables include an amount of R26 243 915 owed by SANRAL, as per the entities agreement, of which the recovery is doubtful.

Sundry receivables	26 612 522	7 823 851
Provision for doubtful debts	(26 243 915)	-
	368 607	7 823 851

4. Inventory

Inventory consists of stationery and other consumables.

Opening Balance	98 536	102 436
Purchases	1 414 207	1 629 190
Less Issues	(1 494 246)	(1 633 090)
Inventory on hand	18 497	98 536

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

5. Cash and cash equivalents

Cash and cash equivalents consist of:

	2012 R	2011 R
Petty cash	1 760	1 125
Cash at bank	5 030 025	3 354 310
AARTO current/call accounts	32 916 297	55 285 149
eNaTIS current/call accounts	92 493 038	15 519 001
Total	130 441 120	74 159 585

The accounts for AARTO and eNaTIS are restricted and not utilized for normal daily operations. However, an amount of R15 million was utilised from Unallocated amount to pay for normal operations upon approval by the CEO and the Department of Transport and is treated as a loan. Further the Minister of Transport approved an amount of R12,5 million to be utilised out of eNaTIS transaction fees for Aarto training. Of this amount, R1 million was utilised for salary backpay (on approval by the CEO) and was subsequently paid back in April 2012.

6. Property, plant and equipment

Description	2012			2011		
	Cost valuation	Accumulated depreciation	Carrying value	Cost valuation	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Leasehold Improvements	2 960 498	(2 176 439)	784 059	2 960 498	(1 432 292)	1 528 206
Furniture and fixtures	3 583 469	(2 590 666)	992 801	3 908 912	(2 465 373)	1 443 539
Motor vehicles	4 111 570	(2 606 557)	1 505 013	3 575 618	(1 818 266)	1 757 350
Office equipment	470 889	(340 360)	130 529	474 285	(286 332)	187 953
Computer equipment	8 703 214	(6 134 325)	2 568 889	9 524 451	(5 611 327)	3 913 124
Fire arms	1 792 884	(132 961)	1 659 923			
Total	21 622 524	(13 981 310)	7 641 214	20 443 764	(11 613 592)	8 830 172

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

Reconciliation of property, plant and equipment - 2012

Description	Opening balance	Additions	Depreciation	Disposal	Total
	R	R	R	R	R
Leasehold improvements	1 528 206		(744 147)	-	784 059
Furniture and fixtures	1 443 539		(360 749)	(89 989)	992 801
Motor vehicles	1 757 350	803 928	(781 640)	(274 625)	1 505 013
Office equipment	187 953		(55 708)	(1 716)	130 529
Computer equipment	3 913 124		(1 167 880)	(176 355)	2 568 889
Fire arms		1 798 578	(133 324)	(5 331)	1 659 923
Total	8 830 172	2 602 506	(3 243 448)	(548 016)	7 641 214

Reconciliation of property, plant and equipment - 2011

Description	Opening balance	Additions	Depreciation	Disposal	Total
	R	R	R	R	R
Leasehold improvements	1 447 727	797 989	(715 817)	(1 693)	1 528 206
Furniture and fixtures	1 666 412	127 332	(350 205)	-	1 443 539
Motor vehicles	2 569 786	-	(715 124)	(97 312)	1 757 350
Office equipment	144 760	98 652	(55 459)	-	187 953
Computer equipment	2 949 763	1 899 764	(883 568)	(52 835)	3 913 124
Total	8 778 448	2 923 737	(2 720 173)	(151 840)	8 830 172

Property, plant and equipment which are fully depreciated and are still being used

Description	2012		
	Cost valuation	Accumulated depreciation	Carrying value
	R	R	R
Furniture and fixtures	370 489	(370 489)	-
Office equipment	35 316	(35 316)	-
Computer equipment	1 766 793	(1 766 793)	-
Total	2 172 598	(2 172 598)	-

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

7. Intangible assets

Description	2012			2011		
	Cost valuation	Accumulated depreciation	Carrying value	Cost valuation	Accumulated depreciation	Carrying value
	R	R	R	R	R	R
Internally developed systems						
IT Service Desk and network diagnostic system – WIP	-	-	-	8 186 884	-	8 186 884
Other software						
Computer software	2 083 754	(522 834)	1 560 920	4 729 703	(1 902 839)	2 826 864
Total	2 083 754	(522 834)	1 560 920	12 916 587	(1 902 839)	11 013 748

Reconciliation of intangible assets - 2012

Description	Opening balance	Additions	Amortisation	Disposal/Write-off	Total
	R	R	R	R	R
	-				
IT service desk and network diagnostic system – WIP	8 186 884	-	-	(8 186 884)	-
Other software					
Computer software	2 826 864	259 585	(637 962)	(887 567)	1 560 920
Total	11 013 748	259 585	(637 962)	(9 074 451)	1 560 920

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

Reconciliation of intangible assets - 2011

Description	Opening balance	Additions	Amortisation	Disposal/ Write-off	Total
	R	R	R	R	R
Internally developed systems					
Accident reporting system-WIP	57 736 347	-	-	(57 736 347)	-
IT service desk and network diagnostic system – WIP	8 186 884	-	-	-	8 186 884
Other software					
Computer software	2 819 394	566 752	(559 282)	-	2 826 864
Total	68 742 625	566 752	(559 282)	(57 736 347)	11 013 748

8. Trade and other payables

	2012	2011
	R	R
Creditors and accruals	10 382 811	11 735 281
Department of Transport (Operating Account)	63 131	-
SARS (PAYE Liability)	2 176	889 680
Accrued employee costs	6 305 142	3 285 405
Lease smoothing liability (refer note 13)	1 749 384	1 315 427
Department of Transport (eNaTIS transaction fees)	430 644 116	338 978 538
AARTO Fines and penalties	50 191 716	28 113 229
RTIA Creditor	-	-
SAPO Creditor	-	-
	499 338 476	384 317 560

The R213 758 771 (2011) has been moved from Department of transport (Operating Account) to the Department of Transport (eNaTIS transaction fees).

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

2012	2011
R	R

9. Provisions

Reconciliation of provisions – 2012

	Opening balance	Additions	Reversed during the year	Total
	R	R	R	R
Performance Bonus	862 230	-	862 230	-
	862 230	-	862 230	-

Reconciliation of provisions – 2011

	Opening balance	Additions	Utilised/reversed during the year	Total
	R	R	R	R
Performance Bonus	647 560	214 670	-	862 230
	647 560	214 670	-	862 230

10. Prior year error

Adjustments due to an error

The Corporation had various transactions that were erroneously recorded in the prior year periods. The effect of the prior year error on the annual financial statements is as follows:

Statement of Financial Position

- Decrease in receivables	-	41 503 376
- Decrease in payables	-	67 789 241
- Decrease in accumulated deficit	-	26 285 865

Prior period error as a result of the Corporation not reviewing the useful lives and the residual values of its assets and the fixed assets register being updated with actual physical verification details. The useful lives and residual values were reviewed in the current period.

Statement of Financial Position

- Decrease in property, plant and equipment	-	(1 180 318)
- Increase in Intangible assets		1 274 556
- Increase in accumulated deficit		94 238

Effect on Statement of financial performance

- Decrease in operating expenditure		(4 604 770)
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ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

	2012 R	2011 R
Correction of prior year error as a result of finance revenue not recognised.		
Statement of Financial Position		
- Increase in finance revenue	-	2 787 403
- Decrease in accumulated deficit	-	(2 787 403)
Correction of prior year error as transactions incorrectly classified		
Statement of Financial Position		
- Increase in liability	-	573 104
- Increase in creditors		279 965
Effect on Statement of financial performance		
- Decrease in operating expenditure		(853 068)
Correction of prior year error as a result of employee related payables being included under provisions.		
Statement of financial Position		
- Increase in trade and other payables		887 328
- Decrease in provisions		887 328

11. Change in accounting policy and estimates

11.1 Change in accounting policy

During the financial year, the Corporation changed its accounting policy and estimate of useful lives when reporting its assets as follows:

PPE Item	Average useful life
Furniture and fixtures	5 – 7 years
Office equipment	4 – 6 years
Computer equipment	3 – 5 years

12. Lease smoothing liability

The lease smoothing liability is the difference between the lease expense and lease payment. The amount accrued relates to the rental of property located at Fairie Glen held with MT Developments.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

	2012	2011
	R	R

13. Grant income

Grant income represents government grant allocation received from the Department of Transport.

Government grant income	77 949 000	73 619 000
	77 949 000	73 619 000

14. AARTO Infringements Collection fees

The RTMC issues infringements in terms of section 18(1)(a) of the RTMC act. The RTMC collects infringement fees on behalf of other issuing authorities and charges 3% collection fee as per the AARTO regulations.

Collection Agency fee – 3% fee	1 462 924	883 608
Infringement fees	1 067 485	
	2 530 409	883 608

15. Other income

Sundry Income	286 247	445 950
SANRAL income	47 741 681	-
Tender fees	39 000	75 000
Sponsorship – Traffic Trainees	4 500 000	2 996 405
FV adjustment	267 651	-
Other sponsorships	284 214	280 000
	53 118 793	3 797 355

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

2012	2011
R	R

16. Operating expenditure

Operating expenditure of R178 209 685 (2011: R156 273 227) mainly represent the following items:

Depreciation, amortisation and impairment	3 881 410	3 279 455
Lease rentals on operating lease	10 073 272	7 645 079
Projects – Appropriation	7 184 991	13 369 826
Projects – eNaTIS	-	-
Projects – AARTO	329 088	904 254
Salaries and wages	100 836 049	59 519 025
Assets write-off & intangible assets retired	-	68 132
Impairment of assets	9 579 232	56 322 400

17. Finance revenue

Fair value adjustment		1 730 985
Interest received	3 648 334	3 895 893
	3 648 334	5 626 878

18. Finance costs

Interest	106 428	163 211
	106 428	163 211

19. Staff Costs

Salaries and Wages	100 836 049	59 519 025
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20. Staff turnover

During the current financial year RTMC retained 390 (2011:135) staff members.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

2012	2011
R	R

21. Cash generated from operations

Deficit for the year

(41 069 577) (72 509 597)

Adjustment for:

Depreciation/Amortisation

3 881 410 3 279 454

Finance revenue

(3 648 334) (2 839 475)

Finance costs

106 428 163 211

Loss on disposal of assets

- (445 950)

Fair value adjustments

2 941 332 (1 730 985)

Asset written off and impairment

9 579 233 56 761 934

Bad debts written off

- 472 850

Increase in provisions for doubtful debts

27 144 337

Correction of prior year balance

(56 507 433) (69 425 644)

Decrease/increase in provisions

(862 230) 74 444

Changes in working capital

Trade and other receivables

(13 975 557) 117 898 934

Deposits

- (603 035)

Inventory

80 055 3 900

Trade and other payables

115 020 916 (62 407 768)

Assets held for sale

88 000

Cash generated from operations

42 690 580 (31 219 727)

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Notes to the Annual Financial Statements

22. Directors emoluments

Executive

2012

Name	Basic	Other Allowances	Other Benefits	Total
	R	R	R	R
C Letsoalo (Acting CEO)	650 413	386 752	306 133	1 343 298
R Rakgoale (CEO (Resigned))	535 807	225 344	691 271	1 452 422
P Mngomezulu CFO	233 561	96 232	73 009	402 802
A N Maepa (Resigned - Acting CFO)	430 878	196 073	278 337	905 288
JS Mogotsi	423 521	360 866	284 889	1 069 276
K Maponyane	412 662	116 004	179 139	707 802
A Lucen (SEM (Dismissed))	192 948	44 999	86 863	324 810
H Moyana (SEM (Dismissed))	184 524	71 240	39 810	295 574
T Tsholetsane (SEM)	617 386	146 648	270 356	1 034 390
B Nkwashu	500 170	219 683	125 499	845 352
D Tembe	455 807	243 261	75 642	774 710
G Botha (SEM)	617 386	20 400	410 744	1 048 530
R Mongale	500 170	71 101	306 360	877 631
M Madzivhandila	507 670	200 700	157 389	865 759
P Lebaka (Acting CIO)	412 662	133 737	289 158	835 557
	6 675 565	2 533 040	3 574 596	12 783 201

Non-executives'

An audit committee was appointed during the year under review, they held one meeting since their appointment.

2012

Name	Basic	Allowances	Total
	R	R	R
BZ Mabusela	3 055	-	3 055
LZ Fihlani	1 855	-	1 855
ZM Kabini	1 855	-	1 855
P Mofokeng	-	-	-
	6 765	-	6 765

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Notes to the Annual Financial Statements

2012	2011
R	R

23. Related parties

Related party transactions

(a) Transactions paid on behalf of the RTMC

Salaries – Department of Transport	3 592 030	31 778 766
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(b) Key management

Salaries and other short term employee benefits	12 783 201	10 119 003
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(c) Sponsorship – Road Safety Debate Competition

Road Accident Fund – Renovations of school library, bursaries and promotional items	230 000	-
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(d) Sponsorship – Participatory Educational Techniques

Road Accident Fund – Prizes for winners	106 000	-
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Related party balances

(e) eNaTIS transaction fees

eNatis transaction fees debtor/(creditor) – Department of Transport	(430 644 116)	(338 978 538)
Salaries paid on behalf of RTMC – Department of Transport	(5 157 886)	

(f) SANRAL transactions

Payments made in respect of SANRAL agreement: Salaries and other cost	40 529 953	361 614
Receivables in respect of SANRAL agreement: salaries for traffic officers	-	

(g) Third party balances and RTIA administrative functions

RTIA debtor– administrative functions	50 454	7 343 659
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24. Related parties information

The Corporation is governed by the Shareholder Committee in accordance with the RTMC Act and the PFMA.

Related party amounts have been disclosed on the Statement of Financial Position:

- (i) RTMC has collected eNaTIS transaction fees from the various provinces. All fees collected by the Corporation and not paid over to the Department of Transport are disclosed as payables. Fees still outstanding from the provinces are disclosed as receivables and as payables to the Department of Transport.

Notes to the Annual Financial Statements

- (ii) RTMC received funds on behalf of the Road Traffic Infringements Agency and issuing authorities relating to the management of the Administrative Adjudication of Road Traffic Offences ("AARTO") fines and penalties.

25. Contingent Liability and Assets

25.1 Contingent Liability

The following are contingent liabilities identified by the Road Traffic Management Corporation:

- Contingent liability relating to assessment rates charged by the former landlord (Abreal) without the municipality invoices amount to R510 186.
- Waymark was appointed to develop and install an Enterprise Resource Planning System (ERP). The project was since halted by the RTMC and Waymark has declared a dispute. The dispute was not resolved and Waymark instituted legal action against the RTMC for the outstanding Contract price, in the amount of R 6 774 750.00.
- Ncube Incorporated Attorneys instituted legal action against the RTMC for a disputed invoice to the value of R469 863.
- Total contingent liability for the year amounts to R7 754 799.

25.2 Contingent Asset

- On 29 May 2008, the RTMC and Mohlaleng signed a formal Contract (SDB 7.2) for the rental of the buildings as per the agreement. The total cost of the Bid, for a lease period of 10 years, was approximately R658, 520, 927. The Lease Agreement (hereinafter referred to as "the Agreement") made provision for payment of a deposit in the amount of R900 421,93, which deposit was effected on the 1st of September 2008. Attorneys were appointed to institute legal action against Mohlaleng for the outstanding deposit as well as for all costs occasioned as a result of the RTMC relocating offices from Silver Lakes. Legal services attempted to arrange a consultation with the Attorneys to discuss the issue with regard to the relocation costs. Subsequently, summons was issued in respect of the outstanding deposit, before a consultation was held and Mohlaleng defended the matter. Total contingent asset amount to R900 422.
- The RTMC was involved in disciplinary hearings where certain officials of the Corporations were suspended. The Corporation had to pay legal cost for the proceedings. Even though some of the cases are still in progress, the RTMC has however won some of these cases with costs. The total amount receivable from hearings amounts to R219,685.

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2012	2011
R	R

26. Sponsorships

Most of the sponsorship in the current year were in form of services rendered instead of cash.

(a) Sponsorship – DOTY

Limpopo Provincial Department	-	50 000
Western Cape Provincial Department	-	50 000
Kwa-Zulu Natal Provincial Department	-	50 000
Eastern Cape Provincial Department	-	50 000
Engen Petroleum – One truck	-	-
Syntell - Catering	20 000	-
ABI	4 080	-

(b) Sponsorship – Road Safety Debate Competition

BP SA – 5 Laptops, 5 Printers, 5 Desktops	69 950	-
Road Accident Fund – Renovations of school library, bursaries and promotional items	230 000	-
Transnet Freight Rail – Bursaries and accommodation	198 293	-
KwaZulu Natal Department of Transport – Conference package	70 851	-

(c) Sponsorship – Participatory Educational Techniques

Road Accident Fund – Prizes for winners	106 000	-
Limpopo Department of Roads & Transport – Gala dinner	122 000	-

27. Financial Risk and Capital Risk Management

Capital risk management

The Corporation is exposed to financial risk through its financial assets and financial liabilities.

The accounting authority has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The accounting authority has established the Risk Management Committee, which is responsible for developing and monitoring the Corporation's risk management policies. The committee reports regularly to the exco and audit committee.

The Corporation's risk management policies are established to identify and analyse the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Corporation's activities. The Corporation, through its

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training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

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

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

Market risk

Market risk is the risk that changes in market prices, such as interest rate, foreign exchange rates and equity prices will affect the value of the Corporation's financial assets and the amount of the Corporation's financial liabilities.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The nature of the Corporation's exposure to market risk and its objectives, policies and procedures for managing market risks have not changed significantly from the prior period. Refer below for more detail.

Interest rate risk

The Corporation has limited exposure to interest risk. Cash and cash equivalents carry interest at a variable rate. The RTMC is not allowed to have an overdraft facility, in terms of the PFMA

Equity price risk

The Corporation has no exposure to equity price risk.

Currency risk

The Corporation has no exposure to currency risk as it operates in the ZAR environment only.

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	2012	2011
	R	R

Interest risk sensitivity analysis

Interest rate sensitivity

Interest received for the period	3 648 334	3 895 893
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A change of 50 basis points in the South African prime interest rate at the reporting date would have increased (decreased) the surplus by the amounts shown below. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2011.

Increase of 50 basis points	298 966	141 974
Decrease of 50 basis points	(298 966)	(141 974)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation. Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as outstanding receivables and committed transactions. For banks and financial institutions, only highly reputable financial institutions are used.

Trade and other receivables

The Corporation's exposure to credit risk is influenced mainly by the Department of Transport.

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. The exposure to credit risk will result if the Department of Transport fails to refund the RTMC for expenditure that the RTMC incurred and had already paid for. The exposure to credit risk will increase should the expenditure incurred not be approved by the Department of Transport.

The Corporation does not establish an allowance for impairment.

Credit risk exposure

The carrying amount of financial assets represents the maximum credit exposure at the reporting date.

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Notes to the Annual Financial Statements

2012	2011
R	R

Concentrations 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 are as follows:

Geographical Area (Provinces)

Gauteng	50 968 530	48 755 790
Eastern Cape	10 115 574	7 289 512
Free State	15 730 980	10 360 530
Kwa Zulu Natal	4 303 517	4 493 822
Limpopo	12 437 052	17 120 278
Mpumalanga	31 529 888	21 578 951
Northern Cape	5 169 039	4 794 820
North West	-	14 162 919
Western Cape	7 537 310	7 421 031
Unallocated receipts	-	(9 833 646)
Fair value	-	(924 241)
	-	-
TOTAL	137 791 890	125 219 767

Major receivables of the Corporation consists of the following:

Provincial Departments of Transport	137 791 890	125 219 767
	137 791 890	125 219 767

The other receivables of the Corporation consists of the following:

Prepayments	45 876	440 915
AARTO Infringements fees – receivables	17 793 100	8 439 385
Sundry receivables	368 607	7 823 851
TMPD debtor	-	-
	155 999 473	141 923 918

The PFMA prohibits the Corporation to have any credit facility. The RTMC has limited credit risk exposure as all its cash and cash equivalents are placed with highly reputable financial institutions.

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AARTO is included in Gauteng as the expenses were incurred for the JMPD & TMPD which are in Gauteng.

Ageing of Financial Assets

The following table provides information regarding the credit quality of assets which expose the Corporation to credit risk:

Financial assets that are past due but not impaired

2012

	Neither past due not impaired	0-2 months	3-5 months	More than 5 months	Impaired financial assets	Total carrying amount
	R	R	R	R	R	R
Trade and other receivables	155 899 475	-	414 487	155 484 988	26 243 915	155 899 475
Cash and cash equivalents	130 441 120	-	-	-	-	130 441 120
Deposits	603 035	-	-	603 035	900 422	603 035
TOTAL	286 943 630		414 487	156 088 023	27 144 337	286 943 630

Financial assets that are past due but not impaired

2011

	Neither past due not impaired	0-2 months	3-5 months	More than 5 months	Impaired financial assets	Total carrying amount
	R	R	R	R	R	R
Trade and other receivables	141 923 918	-	7 823 851	134 100 067	-	141 923 918
Cash and cash equivalents	74 159 585	-	-	-	-	74 159 585
Deposits	1 503 457	-	-	603 035	-	1 503 457
TOTAL	217 586 960	-	7 823 851	134 703 102	-	217 586 960

There are no financial assets that would have been past due or impaired had the terms not been renegotiated for the current or prior year. The trade debtors have been present valued to reflect their fair value.

Impairment losses - Trade and other receivables

The Corporation will provide for impairment of its trade and other receivables in the current year.

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Security and collateral

The Corporation does not have collateral or other credit enhancements for its credit risk exposure from financial assets during the current or prior year. In addition, there were no instances during the current or prior year where the Corporation has taken possession on any collateral it holds as security.

28. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Based on the historical information and the nature of debtors, there is no concern regarding recoverability.

2012

	Loans and receivables	Assets at fair value through profit and loss R	Derivative used for hedging	Available for sale	Total
	R	R	R	R	R
Trade and other receivables	155 899 475				155 899 475
Cash and cash equivalents	130 441 120	-	-	-	130 441 120
Deposits	603 035	-	-	-	603 035
TOTAL	286 943 630	-	-	-	286 943 630

2011

	Loans and receivables	Assets at fair value through profit and loss	Derivative used for hedging	Available for sale	Total
	R	R	R	R	R
Trade and other receivables	141 923 918	-	-	-	141 923 918
Cash and cash equivalents	74 159 585	-	-	-	74 159 585
Deposits	1 503 457	-	-	-	1 503 457
TOTAL	217 586 960	-	-	-	217 586 960

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2012	2011
R	R

29. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

2012

	Liabilities at FV through Profit and loss	Derivatives used for hedging	Other financial liabilities	Total
	R	R	R	R
Trade and other payables	499 338 476	-		499 338 476

2011

	Liabilities at FV through Profit and loss	Derivatives used for hedging	Other financial liabilities	Total
	R	R	R	R
Trade and other payables	384 317 560	-		384 317 560

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2012

2011

R

R

30. Commitments

Authorised expenditure

The following commitments have been made for outstanding work in terms of contracts awarded but not effected in the accounting records:

Employee Health and Wellness programme	149 144	148 111
Provision of security service	986 728	-
Cleaning service	1 380 773	-
Compilation of National Training Framework	-	376 200
Development of pay scale model	50 160	-
Maintenance of Trafman system	-	235 069
IT management solution	-	23 569
Organisational restructuring	-	265 976
Extension of trafman and progress implementation	92 594	-
Photocopying machines	90 832	-
Pastel Evolution systems	137 000	232 586

Operating leases – as lessee

Minimum lease payments due

Buildings

- within one year	9 194 298	8 435 135
- between 1 year and 5 years	18 034 312	27 228 610
- greater than five years	-	-

27 228 610

35 663 745

Equipment

- within one year	82 243	545 225
- between 1 year and 5 years	8 589	114 341

90 832

659 566

The RTMC leases its operating buildings from MT Developments commencing 1st January 2011. The monthly rentals are R749 331 with a yearly escalation of 9%. The original lease expires on 31st December 2014.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

2012	2011
R	R

The Corporation entered into an operating lease agreement with Konika Minolta and the contract expires in 30 June 2013. The Corporation entered into an operating lease agreement with Nashua for the lease of three photocopiers effective 1st June 2009. The lease rental for the machines is R23 940 per month with a yearly escalation of 15% and expires in May 2012.

31. Irregular, fruitless and wasteful expenditure

31.1 Irregular expenditure

Opening Balance	408 828 166	374 752 203
Charges for the year		
- Irregular lease agreement (2008/09)	-	15 965 074
- Irregular procurement of IT help desk (2008/09)	-	8 186 884
- Irregular purchase of IT Infrastructure (2008/09)	-	9 924 005
- Expenditure exceeded the contract price	150 637	-
Irregular expenditure	408 978 803	408 828 166

Analysis of previous year's irregular expenditure

Incident	Disciplinary steps/ criminal proceedings
Procurement of IT services where the contract price was exceeded – R150 637	An internal process is underway to ensure that the responsible officials account.

31.2 Fruitless and Wasteful expenditure

Opening Balance	67 723 733	18 912 819
Charges for the year		
- IT helpdesk	8 186 884	-
- Interest paid on settlement of suppliers	106 428	163 211
- Development of the Accident Reporting System – discontinued		48 647 703
Fruitless and Wasteful expenditure	76 017 045	67 723 733

Analysis of current year's fruitless and wasteful expenditure

Incident	Disciplinary steps/ criminal proceedings
IT helpdesk – R8million	The Corporation is conducting disciplinary actions as per the recommendations of the Ministerial Task Team.
Interest paid on supplier invoices – R106 428	Cash flow crisis led to the Corporation paying suppliers later than expected.

Notes to the Annual Financial Statements

32. Income Tax

The Corporation is exempt from income tax as an institution established by Law for the purposes 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 the dissolution of the institution the remaining assets must be transferred to any body with objects similar to those of the institution and which is itself exempt from income tax in terms of section 10(1)(cA)(i) of the Act or the State.

33. VAT

The RTMC is a Schedule 3(a) entity in terms of the PFMA. These entities fall within paragraph (b)(i) of the definition of "enterprise" as these entities are regarded as public authorities with effect from 1 April 2005. Unless the entities make taxable supplies which are similar to those in the private sector and have been notified by the Commissioner to register their activities, the RTMC is generally out of scope for VAT purposes and does not have to register for VAT. The RTMC is VAT exempted.

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Notes to the Annual Financial Statements

2012	2011
R	R

34. Reconciliation between budget and statement of financial performance

Reconciliation of the budget deficit with the deficit as reflected in the statement of financial performance.

Net deficit per the statement of financial performance

Adjust for:

- Fair value adjustments
- Write-off on assets and intangible assets impaired
- Provision for bad debts
- Decrease in provisions
- Depreciation and amortization
- Finance cost
- Finance revenue

Net Deficit

- AARTO Infringement fees not included in the budget
- Expenditure incurred not budgeted for

Net Deficit per approved budget

(41 069 577)	(72 509 597)
1 915 469	1 730 985
9 579 233	56 761 934
27 144 337	-
(862 230)	(74 444)
3 881 410	3 279 455
106 428	163 211
(3 648 334)	(3 895 893)
(2 953 265)	(14 544 349)
-1 114 355	-14 904 018
4 067 620	29 448 367
-	-

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

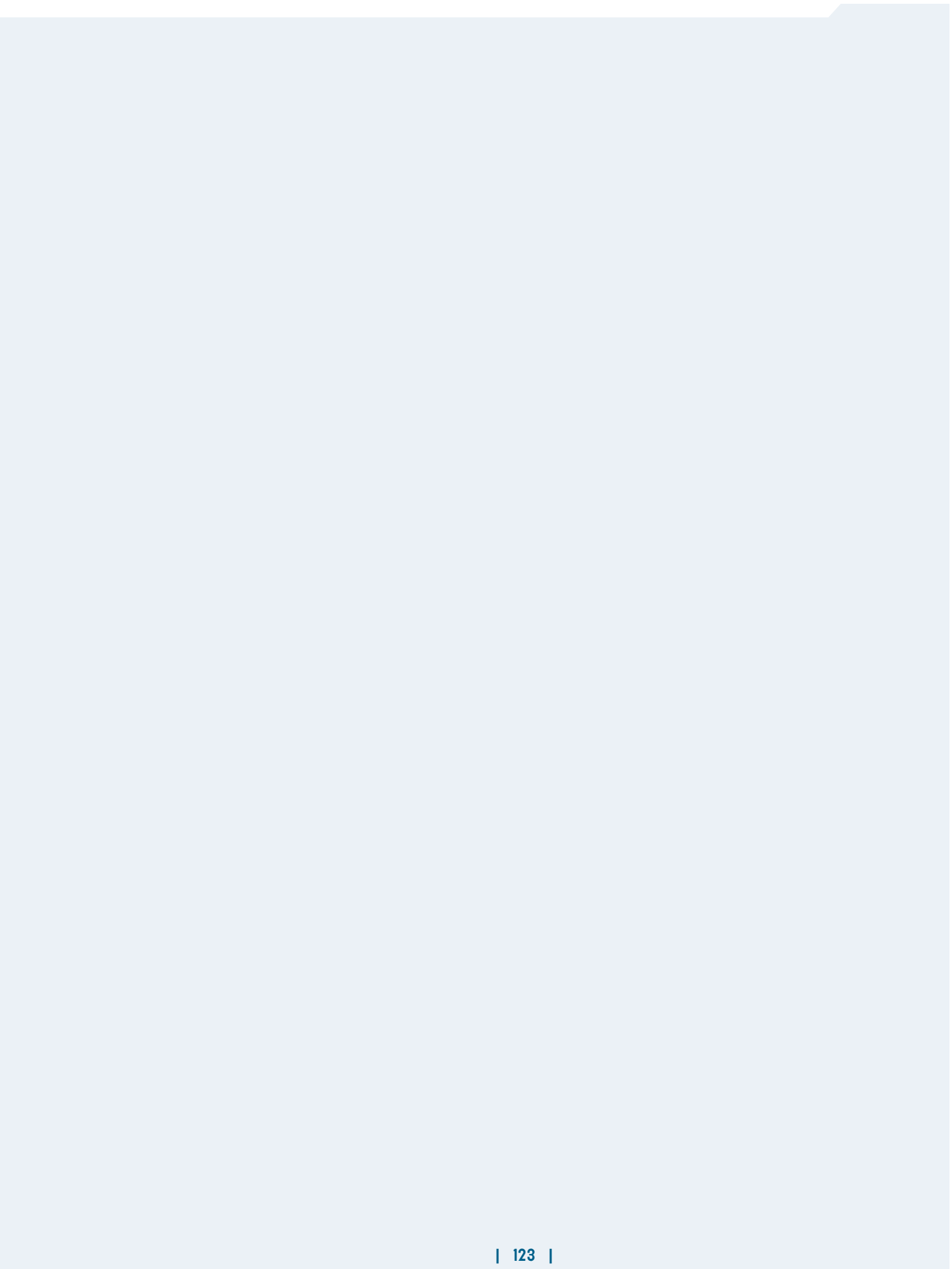
Detailed Income Statement

	2012 R	2011 R
Revenue		
Grant income	77 949 000	73 619 000
	77 949 000	73 619 000
AARTO infringements fees	2 530 409	883 608
Other income	53 118 793	3 797 355
Interest received	3 648 334	5 626 878
	59 297 536	10 307 841
Expenses	(178 209 685)	(156 273 227)
Operating deficit	(40 963 149)	(72 346 386)
Finance costs	(106 428)	(163 211)
Surplus (Deficit) for the year	(41 069 577)	(72 509 597)

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Detailed Income Statement

	2012	2011
	R	R
Operating expenses		
Advertising	161 859	674 259
Assets written-off and Intangible assets retired	9 579 232	56 390 532
Auditors remuneration	1 740 707	1 977 556
Bank charges	165 628	35 717
Bad debts written off	-	472 850
Board fees	4 031	4 037
Cleaning	480 854	58 591
Computer expenses	362 104	1 615 507
Conferences, venues and facilities	27 000	190 549
Consulting fees	3 250 000	3 045 957
Depreciation, amortisation and impairment	3 881 410	3 279 455
Employee health and wellness	-	67805
Entertainment and catering	117 512	181 075
General expenses	12 355	128 275
Insurance	440 833	108 142
Lease rentals on operating lease	11 284 323	7 645 079
Motor vehicle expenses	1 604 330	24 827
Postage and courier	538 867	202 564
Printing and stationery	1 114 730	1 887 487
Projects – Appropriation	7 184 991	13 369 826
Projects – eNaTIS	-	-
Projects – AARTO	329 088	904 254
Provision for bad debts	27 144 337	-
Salaries and wages	100 836 049	59 519 025
Security	398 122	103 772
Staff training and development	388 589	434 993
Storage and warehouse	-	-
Subscription and membership fees	180 398	181 825
Telephone and faxes/ Communication	2 521 193	2 228 183
Travel and accommodation	975 516	1 055 689
Repairs and maintenance	186 900	426 038
Recruitment costs	89 744	-
Fair value adjustment	3 208 983	-
TOTAL	178 209 685	156 273 227



RTMC/SARF International Road Safety Conference



Section 8

Road Safety Conference Declaration and Action Plan





**SOUTH AFRICAN ROAD FEDERATION /
ROAD TRAFFIC MANAGEMENT CORPORATION ROAD SAFETY CONFERENCE**

7 – 8 JUNE 2011

ROAD SAFETY INITIATIVES TOWARDS A DECADE OF ACTION

CONFERENCE DECLARATION AND ACTION PLAN

DECLARATION AND ACTION PLAN

The United Nations proclaimed 2011-2020 the Decade of Action for Road Safety. The guiding principles underlying the Global Plan for the Decade of Action are those included in the 'Safe System' approach. This approach aims to develop a road transport system that is better able to accommodate human error and take into consideration the vulnerability of the human body.

The South African Road Federation and the Road Traffic Management Corporation hosted a Conference on 'Road Safety Initiatives towards a Decade of Action' on 7 and 8 June 2011 in the City of Tshwane, South Africa.

The speakers of the Conference addressed a wide variety of issues under the five pillars of the Global Plan for the Decade of Action, namely:

- Pillar 1: Road safety management
- Pillar 2: Safer roads and mobility
- Pillar 3: Safer vehicles
- Pillar 4: Safer road users
- Pillar 5: Post crash responses

The conference delegates called for measures and actions to be implemented to ensure that the issues raised at the conference are addressed in an integrated manner. The deliberations and discussion demonstrated a high level of commitment from those in attendance to deliver key actions.

The conference delegates formulated the following recommendations:

General Resolutions:

1. That the Conference be held on an annual basis to track and facilitate implementation of recommendations.
2. That a task team consisting of representatives from the RTMC, DoT, Department of Health, Department of Education, SARF, Provincial Departments, Metropolitan Municipalities, affected stakeholders and bodies be established to allocate responsibilities for the implementation of the above recommendations and to monitor the progress on the recommendations.

Pillar 1: Road safety management

- **Funding:**
 - That the creation of a dedicated Road Safety Fund be investigated to ensure funding for road safety.
 - Road safety audits be given priority and corrective action be implemented as preventative intervention.

- **Road Safety Capacity and Skills Development:**

- That road safety is made part of curricula in schools and that the matter is taken up with the Department of Basic Education, including pre-school levels.
- That a Chair in Road Safety be established at tertiary institutions in order to coordinate the necessary training courses to address the shortage of Road Traffic Safety Engineers and practitioners.
- That skills development be pursued through partnerships between government, private sector and tertiary institutions.
- That management and skills capacity in the road safety sector be improved through appropriate interventions.
- That there be continued interaction by authorities, agencies, organisations and non-governmental organisations with schools and universities to identify students with technical and mathematical skills who can study to become civil engineers and technicians and road safety Practitioners.

- **Road Safety Databases:**

- That reliable crash data management systems be implemented, enhanced or improved.
- That the implementation of a pilot project of the "Road Accident Analysis and Management of Data Base" as developed by the Malaysian Institute of Road Safety Research (MIROS) to determine relevance on applicability to South African conditions, be investigated.

- **Institutional Matters:**

- That the Road Traffic Management Corporation be capacited to carry out its mandate .
- That the National Road Traffic Management, AARTO and RTMC Acts be fully implemented.
- That the Road Accident Fund (RAF) be transformed from fault based system to a Benefit Scheme System.
- That corruption in the traffic industry be eradicated especially at testing centers.
- That road safety initiatives by different role players (government, public, private and NGO) are integrated.
- That international traffic, especially transport of hazardous goods ('special vehicles') be investigated to determine responsibilities for 'hazardous' carriages. Cross Border Road Agency (CBRA) be approached and to work in collaboration with other agencies to clarify issues such as procedures regarding international vehicles.
- That the driving schools be regulated and given capacity to produce competent drivers.
- That the RTMC be adequately funded to allow it to execute its mandate.
- That there be collaboration between the Trauma Society of South Africa, the Road Accident Fund, the Road Traffic Management Corporation and the Department of Health.

Pillar 2: Safer roads and mobility

- **Road Safety Infrastructure Plans:**

- That road safety assessment programmes be implemented to develop road safety infrastructure intervention programmes for road authorities.
- That authorities be encouraged to develop road safety master plans to identify hazardous locations and integrate engineering, enforcement and education.

- **Road Safety Designs and Standards:**

- That designs and provision of infrastructure also focus on the needs of vulnerable road users such as pedestrians and cyclists.
- That specialist road safety courses be developed for practitioners, including Road Safety Audit courses, Road Safety Investigations and Road Safety Assessments.
- That National guidelines/ standards on road design, road safety manual, law enforcement and the SADC Road Traffic Signs Manual be updated.
- That the National Standards for Level Crossings be implemented at Railway Level Crossings.
- That Chapter 13 of the SADC RTSM be updated as a matter of urgency.
- That a safe physical environment be established through low cost improvements and measures – e.g. pedestrian crossing, roundabouts, speed humps and lowering of speed limits (especially near schools and places of recreation or areas with high pedestrian activity).

Pillar 3: Safer vehicles

- **Vehicle Standards:**

- That interventions from government be initiated and implemented to monitor industry standards for vehicles.
- That South Africa and other African countries develop a New Car Assessment Programme (NCAP) to assess the safety performance of its vehicles.

- **Vehicle Testing:**

- That mandatory annual testing of vehicles be implemented.
- That focused law enforcement be done on roadworthiness of vehicles with special emphasis on public transport and heavy duty vehicles.
- That brake and tyre project to empower Traffic Officers be continued.

Pillar 4: Safer road users

- **Traffic Law Enforcement:**

- That the Blood Alcohol Content levels be standardized in Africa.
- That the reduction of urban speed limits be investigated.
- That 24-hour traffic law enforcement be instituted.
- That a high level of seat belt enforcement be ensured and penalties be increased to at least R1 000 per infringement.
- That drink driving enforcement be increased especially on weekends starting Thursday to Sunday.
- That special operations focusing on passenger safety be launched.
- That heavy vehicle testing be carried out in appropriate weight vehicles, loaded and training and testing procedures be improved.
- That clarity on legislative requirements for children in respect to seat-belt wearing, and public relations/ education around that issue be obtained.
- That child restraints be mandatory with every new vehicle sold.
- That helmets be mandatory with every bicycle sold.
- That emphasis be given to moving violations enforcement.

- **Road Safety Education and Awareness:**

- That a comprehensive National Road Safety Campaign Strategy be developed and adopted.
- That the current driver test be reviewed.
- That the Road Safety Campaign be integrated with the National Rolling Enforcement Plan.
- That road safety media coverage be improved through partnerships with the media.
- That road safety education be reintroduced into the school curriculum.
- That a driver education / training programme be introduced at Secondary School level.
- That the public transport industry be engaged in road safety education and awareness campaigns.
- That a probation period be introduced for new drivers (introduction of novice driver category).
- Specific Road Safety Education / Awareness Initiatives:

- That seat belt usage be improved through education and enforcement projects/programmes.
- That spending on community education programmes be increased
- That baseline data on behavioral changes (human error) be obtained
- That more initiatives/prosecutions on distractive driving be implemented e.g. cell phone driving
- That a motorist education programme on rules and regulations be launched
- That safe scholar transport be provided for school children (including seat belts and no overloading).
- That the scholar patrol programme be expanded to all areas in South Africa, especially in historically black areas.
- That safe facilities be provided for children to cross the roads e.g. pedestrian crossing bridges.

Pillar 5: Post-crash responses

- **Incident Management Systems:**

- That effective tools be developed to track progress / monitor compliance of incident management.
- That legislation be amended to align IM with Disaster Management (more backing by political portfolio committees) with more focus on IM.
- That effective cleanup of crash scenes be implemented.
- That training be done on the dangers of post crashes
- That coordination of stakeholders at crash site be improved
- That a facility be established for public to report / highlight dangerous road situations, e.g. signs not visible, traffic lights not working, road markings not visible, potholes, etc.


- **Institutional Matters:**

- That Incident Management (IM) be developed further to incorporate and improve coordination and integration between the parties
- That more focus be given on prevention of accidents and lack of resources (challenge to implementation)
- That training of emergency medical technicians and physiotherapists be prioritise to alleviate the shortage.


- **Health and Emergency Medical Care:**

- That rehabilitation be improved to enable more survivors go back to work. For example 85% of survivors could go back to work (Anglo Mine example)

- That trauma centres be funded
- That new legislation be drafted to enable 'bypass' of small hospitals where there are no adequate resources (discretion of EMT Society of SA / others or authorities)
- That a trauma information database be established
- That the removal of victims of crash be improved by inculcating information on modern vehicles into the orientation of crash site management staff
- That post-crash management be improved by:
 - o Involving all stakeholders
 - o Enabling for better education and coordination (ETM training)
 - o Improving efficiency by sending victims to the appropriate facility to avoid overloading emergency rooms and yet save lives
 - o Making data on post-crash victims accessible to all stakeholders
- That there be improvement on availability of ambulance service in all provinces.
- That country capacity to provide emergency care and definitive treatment be increased by considering geographic availability of the service and upgrading of existing facilities and their accreditation.
- That the rate of rehabilitation be increased to reduce time involved with patient
- That relevant stakeholders (including RAF) be involved to improve access to rehabilitation for rural dwellers
- That there be an increase in the number of rehabilitation centres for accident victims.



Mutshutshu Nxumalo
President: South African Road Federation
28/06/2011



Collins Letsoalo
Acting CEO: Road Traffic
Management Corporation
29/06/2011

Section 9

ACRONYMS



Ashref Ismail

9 ACRONYMS

AARTO	Administrative Adjudication of Road Traffic Offences
AG	Auditor-General
Authorities	Road Traffic Authorities
BBBEE	Broad Base Black Economic Empowerment
CBRTA	Cross Border Road Transport Agency
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIMS	Crash Information Management System
Corporation	Road Traffic Management Corporation
DOTY	Driver of the Year
eNaTIS/ENaTIS	National Traffic Information System
ERP	Enterprise resource programme
EDL	Examiner of Driver's Licences
EOV	Examiner of Vehicles
ESS	Employee Self Service system
EVI	Electronic Vehicle Identification
EXCO	Executive Committee of the Corporation
FAR	Fixed Asset Register
GAAP	Generally Accepted Accounting Practices
GIS	Geographical Information System
iRAP	International Road Assessment Program
IRTAD	International Traffic Safety Data and Analysis Group
ISA	Infrastructure Safety Auditors
IT	Information Technology
JIPSA	Joint Initiative on Priority Skills Acquisition
JTRC	Joint Transport Research Centre
JMPD	Johannesburg Metropolitan Police Department
KZN	KwaZulu-Natal
LETCOM	Law Enforcement Technical Committee
LGSETA	Local Government Sector Education Training Authority
MOU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
NAR	National Crash Register
NCAP	New Car Assessment Program
NCR	National Contravention Register
NDOT/DoT	National Department of Transport

NFCIC	National Fatal Crash Information Centre
NLTTA	National Land Transport Transition Act
NRTA	National Road Traffic Act
NRTLEC	National Road Traffic Law Enforcement Code
NT	National Treasury
NTCC	National Traffic Call Centre
OHS-Act	Occupational Health and Safety Act
PDP	Performance Development Plan
PDS	Point Demerit System
PFMA	Public Finance Management Act
PDMS	Performance Management and Development System
PrDP	Professional Drivers Permit
PSCBC	Public Sector Chamber Bargaining Council
RAF	Road Accident Fund
RBO	Relationship by Objectives
RPL	Recognition of Prior Learning
RTEC	Road Traffic Education Committee
RTIA	Road Traffic Infringement Agency
RTMC	Road Traffic Management Corporation
SANRAL	South African national Roads Agency
SAPS	South African Police Services
SAQA	South African Qualification Authority
SLA	Service Level Agreement
SMS	Senior Management Service
SOPs	Standard Operating Procedures
TETA	Transport Education Training Authority
TFR	Transnet Freight Rail
TMPD	Tshwane Metropolitan Police Department
TOR	Terms of Reference
TPC	Traffic Practitioners Council
UNRSC	United Nations Road Safety Collaboration
VTO's	Voluntary Traffic Officers

NOTES



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