



# RTIA

Road Traffic Infringement Agency

Justice in Adjudication



**'23 / '24**  
**ANNUAL REPORT**



REPORT BAD DRIVING  
AND ROAD CONDITIONS  
0881 400 800

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**RTIA**

Road Traffic Infringement Agency

**Justice in Adjudication**



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# **PART A: GENERAL INFORMATION**

# PART A

## 1. PUBLIC ENTITY'S GENERAL INFORMATION

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





## 2. LIST OF ABBREVIATIONS/ACRONYMS

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

<b>CRM</b>	<b>Customer Relations Management</b>	<b>NRSS</b>	<b>National Road Safety Strategy</b>
<b>DLTC</b>	<b>Driving License Testing Centre</b>	<b>NRTA</b>	<b>National Road Traffic Act</b>
<b>DoJ &amp; CD</b>	<b>Department of Justice &amp; Constitutional Development</b>	<b>NRTLEC</b>	<b>National Road Traffic Law Enforcement Code</b>
<b>ECTA</b>	<b>Electronic Communications and Transactions Act</b>	<b>NT</b>	<b>National Treasury</b>
<b>EFT</b>	<b>Electronic Funds Transfer</b>	<b>OHS</b>	<b>Occupational Health and Safety</b>
<b>ENE</b>	<b>Estimates of National Expenditure</b>	<b>PDS</b>	<b>Points Demerit System</b>
<b>EO/s</b>	<b>Enforcement Order/s</b>	<b>PFMA</b>	<b>Public Finance Management Act</b>
<b>EXCO</b>	<b>Executive Committee of the RTIA</b>	<b>POPIA</b>	<b>Protection of Personal Information Act</b>
<b>FAR</b>	<b>Fixed Asset Register</b>	<b>PPP</b>	<b>Public Private Partnerships</b>
<b>FB</b>	<b>Facebook</b>	<b>PrDP</b>	<b>Professional Driving Permit</b>
<b>GRAP</b>	<b>Generally Recognized Accounting Practice</b>	<b>RTIA</b>	<b>Road Traffic Infringement Agency</b>
<b>GDoCS</b>	<b>Gauteng Department of Community Safety</b>	<b>RO/s</b>	<b>Representation Officer/s</b>
<b>GCIS</b>	<b>Government Communication Information System</b>	<b>RTMC</b>	<b>Road Traffic Management Corporation</b>
<b>IA/s</b>	<b>Issuing Authority/ies</b>	<b>RSA</b>	<b>Republic of South Africa</b>
<b>ICT</b>	<b>Information Communication Technology</b>	<b>SAPO</b>	<b>South African Post Office</b>
<b>IT</b>	<b>Information Technology</b>	<b>SAPS</b>	<b>South African Police Service</b>
<b>JMPD</b>	<b>Johannesburg Metropolitan Police Department</b>	<b>SCM</b>	<b>Supply Chain Management</b>
<b>KPI</b>	<b>Key Performance Indicator</b>	<b>SLA</b>	<b>Service Level Agreement</b>
<b>MEC</b>	<b>Member of Executive Council</b>	<b>SMME</b>	<b>Small Medium and Micro Enterprises</b>
<b>MOU</b>	<b>Memorandum of Understanding</b>	<b>SMS</b>	<b>Short Messaging System</b>
<b>MTEF</b>	<b>Medium Term Expenditure Framework</b>	<b>SWOT</b>	<b>Strengths, Weaknesses, Opportunities and Threats</b>
<b>NaTIS</b>	<b>National Traffic Information System</b>	<b>TETA</b>	<b>Transport Education and Transport Authority</b>
<b>NCR</b>	<b>National Contraventions Register</b>	<b>TMPD</b>	<b>Tshwane Metropolitan Police Department</b>
<b>NDP</b>	<b>National Development Plan</b>	<b>ToR</b>	<b>Terms of Reference</b>
<b>NEDLAC</b>	<b>National Economic Development and Labour Council</b>	<b>TR</b>	<b>Treasury Regulations</b>
<b>NDOT/DoT</b>	<b>National Department of Transport</b>	<b>UNDoARS</b>	<b>United Nations Decade of Action for Road Safety</b>
<b>NICD</b>	<b>National Institute for Communicable Diseases</b>	<b>VTS WSP</b>	<b>Vehicle Testing Station Workplace Skills Plan</b>



### 3. FOREWORD BY THE CHAIRPERSON



**Mr Bonolo Ramokhele**  
**Board Chairperson**

*It is my pleasure to present the Agency's annual report for 2023/2024 financial year.*

Let Me start by giving accolades to the Management of the Agency under the leadership of the Registrar, Mr Matsemela Moloji for the outstanding improvement of the Agency's performance by a resound 26% when compare to the previous year's performance outcome.

This improvement saw the Agency move up from a paltry performance of 50% during 2022/2023 financial year to 76% during this financial year under review. The stakeholders of this report will be familiar with the operational challenges that the Agency experienced at the beginning of the financial year, as there was still the looming Constitutional Court judgement, which was anticipated anxiously by all, and sundry. The awaited judgement posed a serious business continuity and existential challenge of unparalleled levels since the establishment of the Agency in 2010. It must have been extremely difficult for the Registrar to motivate and marshal his resources in the light of such challenges. It is against this background why the achievement of this performance milestone means so much to the entire Board. It is now part of the Agency's historical archives that it prevailed against this constitutionality challenge, when the Constitutional Court issued an affirmative judgement in favour of the Agency and the Department of Transport on 12

July 2023. We sincerely hope that having cleared this challenge; the Agency will be able to revert to its pre Covid-19 outstanding performances where the Agency would in some instances easily notch up to performances of 100%.

The Board would like to once more express its sincerest gratitude to the Department of Transport for travelling this litigation journey with the Agency from the onset of the High Court proceedings, up to the Constitutional Court process. Similar accolade also goes to the Road Traffic Management Corporation (RTMC) for joining the Constitutional Court proceedings as an Intervening Party with substantial interest in the relief, which was sought by OUTA on the matter. This once again affirmed the common mantra of working as a family amongst the entities of the Department of Transport.

#### **Strategic Relationships**

The Agency managed to continue with its strategic relationships with the Road Traffic Management Corporation (RTMC), which continues to provide support in terms of the system upgrades and loading of ongoing business requests on the National Contraventions Register (NCR). The Agency further continued its strategic engagements with Municipalities around the country and assisting them with their AARTO Readiness processes. The Agency also introduced the AARTO legislative education programme, which it offered to key stakeholders around the country, such as South Africa Insurance Association, National Taxi Alliance, ESKOM, Tshwane Taxi Association, PRASA Autopax, G- Fleet, CANCOM and NEDLAC.

The Agency also initiated a partnership with the South African Insurance Association, which it was in the course of finalising at

the end of the reporting period. This partnership has identified three areas of collaboration viz, the rehabilitation programme, AARTO legislative education campaigns as well as the access to demerit points. The parties have agreed in-principle to finalise the concept document for the initiation of international conference on rehabilitation programme as part of preparation for Phase IV of AARTO Roll Out. The Agency expects to attract thought leaders in this area, from various best practice jurisdictions around the World to be key speakers at the conference.

### **Challenges faced by the board**

The challenges, which faced the Board during the period under review, were in the areas of the outstanding proclamation of the AARTO Amendment Act, the promulgation of the AARTO supporting regulations as well as the implementation of the organisational structure, which is somehow transversally dependent on the proclamation of the AARTO Amendment Act. The Board also faced challenges with the liquidity position of the Agency. Such liquidity having arose from the dysfunctionality of the National Contravention Register (NCR), which did not capture the accurate date of the serving of notices, to the extent that the infringers managed to make successful representations on infringement notices, which looked to have been served outside of the prescribed timelines, whereas such notices were served on the prescribed timelines. The only material failing being the inability of the system again to have updated the date of such serving on time. The other challenge was the serving of infringement notices outside of the legislated timeframes by the Issuing Authorities.

The business continuity challenges of SAPO continue to present a similar business continuity risk to the Agency because of the dependency of the Agency's core business operations on SAPO and further that SAPO enjoys reserved right on the serving of AARTO paper based and electronic notices. It does not assist that the business rescue process of SAPO has not yet yielded business turnaround report as anticipated at the beginning of the process. The Agency will, during the 2024/2025 financial year, embark on urgent legislative amendments, which will be geared at diversifying section 30 of the AARTO Act as well as section 17 of the AARTO Amendment Act in order to allow the Agency to contract other competent service providers to implement the service of the AARTO documents.

### **The year ahead**

The impact of the non-finalisation of the proclamation of the AARTO Amendment Act has forced the Agency to defer all the remaining phases of the AARTO Roll Out programme. The Agency will once again focus on the AARTO phases in the following: Phase II, which is planned to be rolled out in 69 Local and Metropolitan municipalities. Phase III, which is planned to be rolled out in the remaining 144 municipalities and Phase IV, which will see the introduction of the demerit points system and the rehabilitation programme during the 2024/2025 financial year.

In addition to the above programme, the Agency also plans to participate in the transgression model laws, which were initiated by the Tripartite Transport Transit Facilitation Programme (TTTFP), to integrate the law enforcement within SADAC and COMESA. These model laws also seek to introduce the decriminalisation of traffic law enforcement in the region and the introduction of a common adjudication system, which is similar to the AARTO programme, across all participating member states. The participation of the Agency in these processes will ensure that the Agency is able to introduce strategies of effecting the enforcement orders, demerit points and the rehabilitation to foreign drivers.

### **Acknowledgments / Appreciation**

The Board would like to express its heartfelt appreciation for the unwavering support and guidance that the Agency enjoyed

under the leadership of the erstwhile Honourable Minister, Ms Sindisiwe Chikunga, MP and the Honourable Deputy Minister, Mr Lisa Mangcu. I would like to also take this opportunity to thank the leadership of the erstwhile Chairperson of the Board of RTIA, Ms Bongekile Zulu, who led the Agency during the two quarters of 2023/2024 financial years. I would like to also extend further words of gratitude to the senior management at the Roads Branch of the Department of Transport, staff members of RTIA, members of SAPO, Government Printing Works (GPW), members of the Issuing Authorities for availing themselves to the sessions of the Technical Committee of the Board.



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**Mr B Ramokhele**

**RTIA: Chairperson**

**Date:** 27 September 2024





## 4. REGISTRAR'S OVERVIEW



**Mr M MOLOI**  
**REGISTRAR**

The financial year 2023/2024 under review has been seminal following the adverse Pretoria High Court Judgment, which declared the AARTO Act invalid and unconstitutional. This negatively affected the AARTO National Rollout Programme. The Department of Transport appealed the judgement leading to a successful Constitutional Court judgement handed down in favour of the RTIA on the 12th of July 2023.

This positive Constitutional Court Judgement enabled the RTIA to forge ahead with preparations for the AARTO National Rollout project. This further enabled the Agency to put together a remedial plan for a seamless implementation of annual targets, negatively affected by the Pretoria High Court judgement for implementation during the 2024/25 financial year post the positive Constitutional Court judgement that declared AARTO legal and valid. The Agency was also able to complete the AARTO Readiness Assessment Report critical to the AARTO Master Implementation Plan for a successful AARTO national rollout programme.

In the audit for the financial year under review 2023/2024, the Agency received a qualified audit opinion, which was a similar audit outcome which it obtained during 2022/2023, financial year. The material findings raised by the Auditor General of South Africa (AGSA), were on the AARTO assets and liabilities, which was impacted by the opening balance on the unallocated receipts. The auditors requested supporting documents to such unallocated receipts dating back to 2013, when the bank

accounts were handed over to the RTIA from RTMC. The Banks delayed in furnishing the Agency with financial records of more than five years because of the restrictions found in the National Archives Act. Management eventually managed to obtain such requested information, albeit after the closure of the audit process. This meant that the adjusted statement of unallocated receipts could not form part of the audit process. This delayed information will be subjected to the interim audit process, which will be undertaken before the next audit.

### Organisational Performance

As indicated above, there has been a vast improvement in RTIA's performance compared to the previous financial year. The improved performance against targets resulted in the achievement of 76% of the targets (compared to 50% in 2022/2023) contracted on the Annual Performance plan with a significant improvement in the governance and internal control environment compared to prior years. It is further important to mention that the audit outcomes of this performance information did not attract any material findings.

In the year under review the Agency, continued to build its strategic relationship with the Road Traffic Management Corporation (RTMC), which provides support with system upgrades on the National Contraventions Register (NCR). Critically, the Agency continued its strategic engagements with Municipalities around the country and assisting them with their AARTO Readiness processes. The Agency also introduced AARTO legislative training workshops offered to key stakeholders, such as South Africa Insurance Association, National Taxi Alliance, ESKOM, Tshwane Taxi Association, PRASA Autopax, G- Fleet, CANCOM and NEDLAC.

The Agency is eagerly looking forward to the proclamation of the AARTO Amendment Act, the promulgation of the AARTO supporting regulations as well as the implementation of the



organisational structure, whereupon it will implement all the outstanding phases of the AARTO Roll Out. The AARTO Roll Out prospects are also heightened by the strong financial performance which the Agency at the end of the year under review.

### The Year Ahead

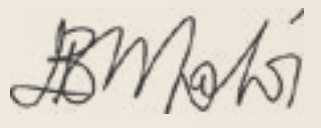
The Agency will focus on the AARTO phases as follows: Phase II, is planned to be rolled out in 69 Local and Metropolitan municipalities. Phase III, is planned to be rolled out in the remaining 144 municipalities and Phase IV, will see the introduction of the demerit points system and the rehabilitation programme during the 2024/2025 financial year.

In addition, the Agency also plans to participate in the transgression model laws initiated by the Tripartite Transport Transit Facilitation Programme (TTTFP), to integrate law enforcement and adjudication processes of South Africa in the SADAC and COMESA regions. These model laws seek to introduce the decriminalisation of traffic law enforcement in the region and the introduction of a common adjudication system similar to the AARTO programme, across all participating member states. The participation of the Agency in these

processes will ensure that the Agency is able to introduce strategies of effecting enforcement orders, demerit points and rehabilitation to foreign drivers.

### Acknowledgement

I would like to take this opportunity to thank the Board of Directors for providing leadership as well as Management and staff for their hard work and support.



**Mr M Moloi**

**Registrar**

**Date:** 23 September 2024



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

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

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

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

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

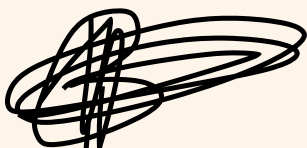
The Annual Financial Statements (Part E) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

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

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

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

**In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the financial year ended 27 September 2024.**



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**Yours faithfully**  
**Mr. B Ramokhele Chairperson:**  
**Board**  
**Date: 27/09/2024**



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**Yours faithfully**  
**Mr M Moloi**  
**Registrar**  
**Date: 27/09/2024**

## 6. STRATEGIC OVERVIEW

### 6.1 Vision

**“To be a global leader in Road Traffic, Transport Administrative Adjudication and Driver Rehabilitation “**

### 6.2 Mission

#### **Our Mission is:**

- **To encourage compliance with road traffic and transport laws in South Africa through procedurally fair and lawful adjudication.**
- **To cultivate and encourage safe road user behaviour through education, awareness and driver rehabilitation programmes.**
- **To institutionalise a scheme of Point Demerit System for delinquent driver behaviour.**



### 6.3 Values

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

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

The Agency recognize the importance of its employees in the delivery of fair administrative adjudication for the benefit of its customers and stakeholders.

## The following values of the Agency are premised on the service delivery principles (FAATIID):



**Fairness**

Approaching every case and/or incident with respect, unbiasedness and morally acceptable grounds and produce results that are for public good and benefit.



**Accessibility**

Being available to serve and be reached by all our stakeholders across the country in line with our purpose and mandate.



**Accountability**

Being responsible and answerable for our actions and decisions.



**Transparency**

Being open with stakeholders and communicating the basis upon which decisions are made and actions taken.



**Integrity**

Being truthful, uncompromising, and acting impartially, without fear or favour in our relationships with all stakeholders.



**Innovation**

To embrace new and improved ways of offering our services within our internal & external environment.



**Diversity**

Accepting of all individuals with all their differences in origin, physical appearance, religion, education, age, gender, or sexual orientation. Support all initiatives aimed at the previously disadvantaged categories.



## 7. LEGISLATIVE AND OTHER MANDATES

### Constitutional Mandate

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

Constitution	Description
<p style="text-align: center;"><b>Section 32</b></p>	<p><b>Access To Information</b></p> <ol style="list-style-type: none"> <li>1. Everyone has the right of access to               <ol style="list-style-type: none"> <li>a) Any information held by the state; and</li> <li>b) Any information that is held by another person and that is required for the exercise or protection of any rights.</li> </ol> </li> <li>6. National legislation must be enacted to give effect to this right, and may provide for reasonable measures to alleviate the administrative and financial burden on the state</li> </ol>
<p style="text-align: center;"><b>Section 33</b></p>	<p><b>Just administrative action</b></p> <ol style="list-style-type: none"> <li>1. Everyone has the right to administrative action that is lawful, reasonable and procedurally fair.</li> <li>2. Everyone whose rights have been adversely affected by administrative action has the right to be given written reasons.</li> <li>3. National legislation must be enacted to give effect to these rights, and must               <ol style="list-style-type: none"> <li>a. Provide for the review of administrative action by a court, or, where appropriate, an independent and impartial tribunal;</li> <li>b. Impose a duty on the state to give effect to the rights in subsections (1) and (2); and</li> <li>c. Promote an efficient administration.</li> </ol> </li> </ol>
<p style="text-align: center;"><b>Section 34</b></p>	<p><b>Access To Courts</b></p> <p>Everyone has the right to have any dispute that can be managed and adjudicated by the application of law decided in a fair public hearing before a court; or where appropriate, another independent and impartial tribunal or forum</p>

**Table 1: RTIA's Constitutional Mandate**

## 07. Legislative Mandate

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

Name of Act	Purpose
<b>Administrative Adjudication of Road Traffic Offences Act, 1998 (Act No. 46 of 1998)</b>	<ul style="list-style-type: none"> <li>• To promote road traffic quality by providing a scheme to discourage road traffic contraventions;</li> <li>• To facilitate the adjudication of road traffic infringements;</li> <li>• To support the prosecution of offences in terms of the national and provincial laws relating to road traffic;</li> <li>• To implement a points demerit system;</li> <li>• To provide for the establishment of an agency to administer the scheme; and</li> <li>• To provide for the establishment of the board to represent the agency</li> </ul>
<b>Promotion of Administrative Justice Act, 2002 (Act No. 3 of 2002)</b>	<ul style="list-style-type: none"> <li>• To give effect to the right to administrative action that is lawful, reasonable and procedurally fair and to the right to written reasons for administrative action as contemplated in section 33 of the Constitution of the Republic of South Africa, 1996;</li> <li>• And to provide for matters incidental thereto</li> </ul>
<b>Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)</b>	<ul style="list-style-type: none"> <li>• To give effect to the constitutional right of access to any information held by the State and any information that is held by another person and that is required for the exercise or protection of any rights; and</li> <li>• To provide for matters connected therewith</li> </ul>
<b>National Road Traffic Act, 1996 (Act No. 93 of 1996)</b>	<ul style="list-style-type: none"> <li>• To provide for road traffic matters which shall apply uniformly through the Republic and for matters connected therewith</li> </ul>
<b>Criminal Procedures Act, 1977 (Act No. 51 of 1977)</b>	<ul style="list-style-type: none"> <li>• To make provision for procedures and related matters in criminal proceedings</li> </ul>
<b>Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004)</b>	<ul style="list-style-type: none"> <li>• To provide for the strengthening of measures to prevent and combat corruption and corrupt activities;</li> <li>• To provide for the offence of corruption and offences relating to corrupt activities;</li> <li>• To provide for investigative measures in respect of corruption and related corrupt activities;</li> <li>• To provide for the establishment and endorsement of a Register in order to place certain restrictions on persons and enterprises convicted of corrupt activities relating to tenders and contracts;</li> <li>• To place a duty on certain persons holding a position of authority to report certain corrupt transactions;</li> <li>• To provide for extraterritorial jurisdiction in respect of the offence of corruption and offences relating to corrupt activities; and</li> <li>• To provide for matters connected therewith</li> </ul>

## 07. Legislative Mandate

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

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

**Table 2: Legislative Mandate**



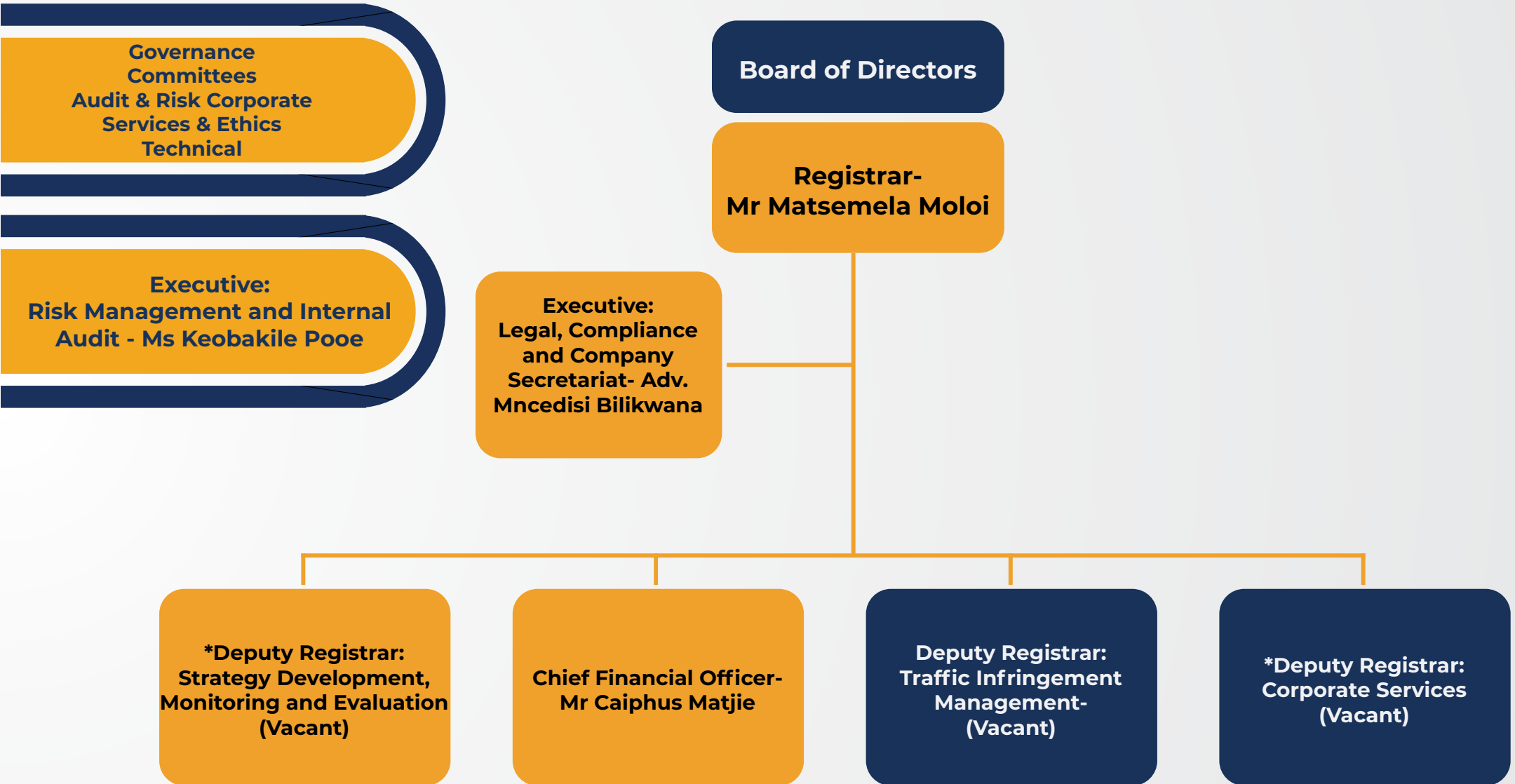
## 07. Policy Mandate

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

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

**Table 3: Policy Mandate**

## 8. ORGANISATIONAL STRUCTURE







# **PART B:**

**Performance  
information**

# PART B

## 1. AUDITOR GENERAL'S REPORT: PREDETERMINED OBJECTIVES

1. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
2. I selected the following programmes presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected programmes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
AARTO Administration and Education	35;36	The programme exists to facilitate and ensure system and processes for responsive AARTO administration, education, and awareness interventions.
Adjudication and AARTO Support	36	This programme exists to ensure adjudication and AARTO stakeholder management activities in line with the provisions of the AARTO Act.
AARTO Information and Analytics	37	This existence of this programme is the institutionalization of information management in line with the provisions of the AARTO legislative framework. Key functions and outputs include but are not limited to research, digital technologies and data management.
AARTO National Rollout Programme	40	The programme exists to position the RTIA to address seamless and coordinated implementation of AARTO by all key stakeholders countrywide. The strategy Division are actors in the programme.

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

5. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
6. I did not identify any material findings on the reported performance information for the programmes Adjudication and AARTO support and AARTO National Rollout programme.

### Other Matters

7. I draw attention to the matters below.

### Achievement Of Planned Targets

8. The tables that follow provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any under achievement of targets taken to improve performance are included in the annual performance report on pages [35 to 40].

### AARTO Administration and Education

Targets achieved: 75%		
Budget spent: 40%		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of AARTO branded billboards placed on national roads	4	0

### AARTO Information and Analytics

Targets achieved: 67%		
Budget spent 41%		
Key service delivery indicator not achieved	Planned target	Reported achievement
Big data strategy approved	1	0

### Material Misstatements

9. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for AARTO Administration and Education, and AARTO Information and Analytics. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

## 2. OVERVIEW OF PERFORMANCE

### 2.1. Service Delivery Environment

The AARTO Readiness Assessment Report has been completed with all the relevant stakeholders featured in the AARTO Master Implementation Plan which highlights that successful national rollout must be preceded by the publication of the proclamation of the AARTO Amendment Act and the gazetting of the AARTO Regulations. The readiness assessment report supports the envisaged AARTO Rollout date in the 2024/25 financial year where all the legislative processes would have been complied with.

The preparations for the AARTO National Rollout project follows a successful Constitutional Court judgement handed down in favour of the RTIA on the 12th July 2023 in a matter which declared the AARTO Act invalid and unconstitutional by the North Gauteng High Court. Prior to the announcement of the Constitutional Court judgement, all performance indicators which were impacted by the North Gauteng High Court judgement had to be put in abeyance to avoid possible violation of the judicial processes that obviously took toll on the plans to bring in place a much quicker implementation date.



The RTIA approved annual performance plan had 17 annual targets of which 13 were achieved with the remainder of 4 not being achieved during the year under review. A remedial plan has been put in place to ensure seamless implementation of those annual targets during the 2024/25 financial year.

Amongst other notable and sustainable programmes implemented, the RTIA has enhanced its public awareness and education campaigns through virtual interface with the road users and its stakeholders using the social media as well as traditional outreach interventions. The Agency has established 44 additional AARTO service outlets in all provinces which increased road user interface with the AARTO process and the RTIA National footprint.

## **2.2. Organizational Environment**

The implementation of the approved APP and the audit action plan from the previous years' audit findings were prioritised whereas some key findings were addressed and eliminated as per the plan. The Registrar has during the year under review implemented the programme of the Board to ensure achievement of the APP targets and to ensure application of the good governance practices in all the divisions of the Agency. The new Board has brought incredible stability and heightened compliance to the governance as well restoring confidence of the workforce to remain focused on attaining high performance on the Agency's performance scorecard. The DoT has filled all the Board vacancies and all board Committee vacancies have been filled to ensure seamless implementation of the RTIA mandate.

## **2.3. Key Policy Developments And Legislative Changes**

Following the assenting of the AARTO Amendment Act into law by the President of the RSA in October 2019, the RTIA has finalised the draft proclamation for the Amendment Act and developed the draft AARTO Regulations which have been submitted to the Department of Transport for further handling. The process of finalising the appointment of the AARTO Appeal Tribunal members will be resubmitted to the Department of Transport after a thorough selection and vetting of gender-balanced and race representivity, qualified candidates has been done. The Minister of Transport rejected the initial list of candidates since it did not satisfy the requirement of gender and race representivity. The Constitutional Court has announced its judgement on the validity and constitutionality of the AARTO Act on the 12 July 2023 which allows for a possible implementation of AARTO National Rollout during the 2024/25 financial year.

## **2.4. Progress Towards Achievement Of Institutional Impacts And Outcomes**

The Agency made changes to the 2020-2025 Strategic Plan to ensure alignment of the MTEF targets reflected in the approved 2023/24 annual performance plan. The related changes sought to address the A-G recommendation which emphasised the need to realign the two strategic documents on which the misalignment were occasioned by the Covid-19 and the North Gauteng High Court judgement on the validity and constitutionality of the AARTO Act.

## Measuring the Impact

Impact Statement		Progress Statement
<b>Building Safer Road Communities</b>	Enhance road-user behaviour, and sustained enforcement of road traffic laws & standards through procedurally fair, reasonable, and lawful administrative processes	<ul style="list-style-type: none"> <li>• Deployed AARTO Public Awareness and Education Messages through social media platforms and Traditional Outreach platforms</li> <li>• Held several Radio and Television interviews further enhance awareness and education messages about AARTO and Road Safety</li> </ul>
<b>Enhance Socio- Economic Infrastructure</b>	Build relevant capacity as road traffic infringement regulator, adjudicator & integrator to stimulate economic growth and support social-economic development goals	<ul style="list-style-type: none"> <li>• 44 AARTO Service Outlets established across the nine provinces which provide enhanced access to AARTO services to the users</li> </ul>
<b>Partner for Economy and Employment</b>	Generate a virtuous cycle of rising confidence, rising investment, higher employment, rising productivity, and incomes through effective partnerships across society	<ul style="list-style-type: none"> <li>• Ongoing maintenance of collaborations with the stakeholders, the University of Limpopo, Reakgona Disability Centre and Taxi Associations</li> <li>• Appointment of youth and women as AARTO Service Outlet Operators, AARTO Ambassadors and Representation Officers</li> </ul>

## Measuring Outcomes

Outcome	Outcome Statement	Outcome Indicator	Progress Statement
<b>Improve RTIA Accessibility &amp; Voluntary Compliance</b>	Improve RTIA accessibility & administrative efficiencies to enable voluntary compliance to road traffic laws.	RTIA Footprint & Reach - Service Outlets, Regional Offices and Digital Channels	The RTIA has approved a AMIP Rollout plan which has a phased approach towards implementing AARTO in the 213 municipal jurisdiction areas, though the national footprint was achieved through presence in all 9 provinces.
<b>Cultivate Good Road User Behaviour</b>	Cultivate an informed and complaint road user to reduce road infringements, crashes and fatalities	Transport safety and security index/ Impact of AARTO Public Awareness and Legislative Education	The Agency has expanded its communication channels through the multiple social media accounts. During the year under review the RTIA has deployed 665 AARTO Education and awareness Social Media Campaign Messages and 467 AARTO Education and Awareness Traditional Media Campaigns.  Education and awareness performance increased significantly due to deployment of national radio, TV and print media campaigns through a collaborative effort with GCIS to educate and dispel uncertainty caused by the North Gauteng High Court Ruling on AARTO Constitutional invalidity.
<b>Efficient &amp; Fair Adjudication Process</b>	Improve RTIA adjudication efficiencies to ensure compliance with nforcement orders	Adjudication turnaround time & success rate- reduction in court hearings	The provision of extended services to road users continues to take place through the AARTO Service Outlets and visits to the rural communities, taxi ranks and shopping centres as well as participating in road blocks set up by the traffic authorities or law enforcement officers. Processes to capacitate the adjudication function are underway through fixed term contracting pending the CC decision.
<b>Integrated Point Demerit Ecosystem</b>	Enable an integrated & efficient points demerit ecosystem to improve the quality of road infringement information, analytics & knowledge	Reduction of infringements/ contraventions through world class points demerit system	Efforts to advance the long awaited points demerit system have been temporarily derailed by the North Gauteng High Court Judgement on the AARTO Act.
<b>Reliable Road User Research &amp; Analytics</b>	Establish the prescribed information management system connected to the national contraventions register and other relevant road safety systems, to create, process and maintain records with regard to RTIA mandate	Provision of AARTO research & analytics	Collaboration efforts with Institutions of Higher Learning are underway to conduct research on AARTO. An AARTO Operations Report on the analysis of the AARTO system and internal environment has been developed and identified shortcomings with the view to improve system and internal controls.



### 3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

The RTIA annual performance has seen a tremendous improvement during the year under review mainly as a result of solid board guidance and management strategic approaches employed across the Agency. The approved APP had a total of 17 annual targets out of which 13 were achieved and 4 were not achieved. The total aggregate percentage of the annual performance is sitting at 76% in comparison to the 50% annual performance output based on a total of 12 annual targets wherein 6 targets were achieved and the other 6 were not achieved.

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

Summary of Performance for Main Programme Annual Targets				
Programme	Sub- Programmes	Main programme Annual targets	Year to Date Performance	Status
1	1.1	270 AARTO Education and Awareness Social Media Campaigns deployed	665 AARTO Education and awareness Social Media Campaign messages deployed, was Captured.	Achieved
	1.2	120 Mainstream AARTO Education and Awareness Campaign activations deployed	467 Mainstream AARTO Education and Awareness Campaign Activations Deployed.	Achieved
	1.3	8 Stakeholders Groups trained on AARTO Legislation	8 Stakeholders Groups trained on AARTO Legislation	Achieved
	1.4	4 AARTO Branded Billboards placed on national Roads	0 AARTO Branded Billboards placed on National Roads	Not Achieved
2	2.1	100% of received representations adjudicated within 21 days of the date of capture	100% of received representations adjudicated within 21 days of the date of capture	Achieved
	2.2	Revised Adjudications Framework Approved	Revised Adjudications Framework Approved	Achieved
3	3.1	50% of the ICT Strategy initiatives implemented	51% of the ICT Strategy Initiatives implemented	Achieved
	3.2	2 Research Reports approved	3 Research Reports were produced and approved: -The AARTO Revenue Sharing Model - Research Study Report on the Point Demerit System and the AARTO Rehabilitation Programme	Achieved
	3.3	Approved Big Data Strategy	Big data strategy not finalised	Not Achieved

## Summary of Performance for Main Programme Annual Targets

Programme	Sub- Programmes	Main programme Annual targets	Year to Date Performance	Status
4	4.1	Approved Big Data Strategy100% Implementation of Audit Action Plan based on the 2022/23 AGSA report	91% Implementation of Audit Action Plan based on the 2022/23 AGSA report	Not Achieved
	4.2	100% responses to parliamentary questions	100% responses to Parliamentary Questions within the stipulated timelines.	Achieved
	4.3	3 Initiatives of the SET Strategy implemented	3 SET Strategy Initiatives implemented: CSI Strategy, Ethics Survey, and Public Relations	Achieved
	4.4	95% Resolution(Investigation Stage) of reported incidents of Corruption within 90 days	There were no reported incidents of Corruption within 90 days.	Achieved
	4.5	100% reduction of cases of wasteful & fruitless expenditure	100% reduction of cases of wasteful & fruitless expenditure attained	Achieved
	4.6	95% reduction of cases of irregular expenditure	100% reduction of cases of irregular expenditure attained	Achieved
	4.7	30-days payment turnaround time.	Less than 30- days turnaround time achieved	Not Achieved
5	5.1	Approved AARTO Readiness Assessment Report	AARTO Readiness Assessment Report has been approved	Achieved

**Table 4: Summary of Strategic Objectives Achievements**

### 3.1 Originally Tabled APP

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

#### PROGRAMME 1: AARTO ADMINISTRATION AND EDUCATION

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Audited Actual Achievement 2022/23	Planned Actual Target 2023/24	Actual Achievement 2023/24	Deviation From The Planned Target To The Actual Achievement 2023/24	Reasons for Deviations	Reasons for revisions to the Output/Output Indicators/ Annual Targets
<b>Cultivate good road user behaviour through educational programs</b>	Social Media Messages produced	No of AARTO Education and Awareness Social Media Campaigns deployed	N/A	263 AARTO Education and Awareness Social Media Campaigns deployed	665 AARTO Education and awareness Social Media Campaign Messages deployed.	270 AARTO Education and Awareness Social Media Campaigns deployed	665 AARTO Education and awareness Social Media Campaign Messages deployed.	+395 AARTO Education and awareness Social Media Campaign Messages deployed	<p>The Transport DM's visit to the RTIA provided a good platform to profile his visit to meet Board and staff, as part of the Agency AARTO education effort.</p> <p>The positive ConCourt outcome has generated a lot of interest from stakeholders and mainstream media. More information sessions and media interviews were requested to explain the Court outcome.</p> <p>The lifting of the Enforcement Orders necessitated more communication with members of the public.</p> <p>More AARTO education and community awareness messages were posted as part of October Transport month.</p> <p>RTIA supported the launch and implementation of the festive season road safety programme as conducted by the Minister of Transport on 26 November 2023 – AARTO education and awareness messages were posted on social during the quarter.</p>	None
<b>Cultivate good roaduser behavior through educational programs</b>	AARTO Education material developed and shared	Number of Mainstream AARTO Education and Awareness Campaign activations	39 AARTO Public Awareness campaigns deployed	224 AARTO Education and Awareness Traditional Media Campaigns deployed	145 AARTO Education and Awareness Mainstream Media Campaigns deployed	120 Mainstream AARTO Education and Awareness Campaign activations deployed	467 Mainstream AARTO Education and Awareness Campaign activations deployed.	+347 Mainstream AARTO Education and Awareness Campaign activations deployed.	<p>The Agency conducted a series of community education activations across the country through AARTO Public Awareness Ambassadors. The Agency also received added value media appearance by directly sourcing advertising space with public broadcaster.</p>	None



## PROGRAMME 1: AARTO ADMINISTRATION AND EDUCATION

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Audited Actual Achievement 2022/23	Planned Actual Target 2023/24	Actual Achievement 2023/24	Deviation From The Planned Target To The Actual Achievement 2023/24	Reasons for Deviations	Reasons for revisions to the Output/Output Indicators/ Annual Targets
Cultivate good road user behaviour through educational programs	Stakeholder Groups trained on AARTO Legislation	Number of Stakeholder Groups trained on AARTO Legislation	New Target	New Target	New Target	8 stakeholder Groups trained on AARTO Legislation	8 Stakeholders Groups were trained on AARTO Legislation	None	N/a	None
Cultivate good road user behaviour through educational programs	AARTO Advertised on National Roads	Number of AARTO Branded Billboards placed on National Roads	New Target	New Target	New Target	4 AARTO Branded Billboards placed on National Roads	4 AARTO Branded Billboards were not placed on National Roads	4 AARTO Branded Billboards were not placed on National Roads	Digital Branded Billboards did not satisfy the requirements outlined in the TID.	None

## PROGRAMME 2: ADJUDICATION AND AARTO SUPPORT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Audited Actual Achievement 2022/23	Planned Actual Target 2023/24	Actual Achievement 2023/24	Deviation From The Planned Target To The Actual Achievement 2023/24	Reasons for Deviations	Reasons for revisions to the Output/Output Indicators/ Annual Targets
Efficient and Fair Adjudication Processes	Improved & Efficient AARTO system & processes	% of presentations adjudicated within 21 days of date of capture	N/A	N/A	38.82% of Presentations adjudicated within 21 days of the date of receipt	100% of received presentations adjudicated within 21 days of the date of capture	100% of received presentations adjudicated within 21 days of the date of capture	None	N/a	None
	Approved Adjudications Framework	Revised Adjudications Framework Approved	New Target	New Target	New Target	Revised Adjudications Framework Approved by Board	Revised Adjudications Framework has been approved by Board	None	N/a	None

## PROGRAMME 3: AARTO INFORMATION AND ANALYTICS

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Audited Actual Achievement 2022/23	Planned Actual Target 2023/24	Actual Achievement 2023/24	Deviation From The Planned Target To The Actual Achievement 2023/24	Reasons for Deviations	Reasons for revisions to the Output/Output Indicators/ Annual Targets
<b>RTIA IT Business Enablement</b>	ICT Strategy Implemented	% approved ICT Strategy Initiatives Implemented	N/A	ICT Strategy developed	50% of ICT Strategy Initiatives identified for year 1 were not implemented	50% of the ICT Strategy Initiatives Implemented	51% of the ICT Strategy Initiatives were implemented	+1%	Implementation of Bring your own device (BYOD) to work. [employees allowed bring devices like cell-phones to work to access emails]	None
<b>Reliable Road User Research &amp; Analytics</b>	Research Reports Approved	Number of Research Reports approved	N/A	Annual State of AARTO Operations Report developed	Four (4) Research Papers were not produced	2 Research Reports approved	3 Research Reports were approved: -The AARTO Revenue Sharing Model -Research Study Report on the Point Demerit System and the AARTO Rehabilitation Programme -RTIA Impact Study Report on Tshwane and Johannesburg	+1%	The need to develop an AARTO Revenue Sharing Model became necessary in order to support the revised AARTO  Regulations which were to be implemented with AARTO National Rollout.	None
<b>Reliable Road User Research &amp; Analytics</b>	Big Data Strategy approved	Big Data Strategy approved	New Target	New Target	New Target	Big Data Strategy approved	Big Data Strategy not finalised	Big Data Strategy not finalised	The project for development of a Big Data Strategy was not finalised at the close of the financial year	None

## PROGRAMME 4: GOVERNANCE AND SUSTAINABILITY

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Audited Actual Achievement 2022/23	Planned Actual Target 2023/24	Actual Achievement 2023/24	Deviation From The Planned Target To The Actual Achievement 2023/24	Reasons for Deviations	Reasons for revisions to the Output/Output Indicators/ Annual Targets
Improved governance and strengthened control environment	100% of AG recommendations Implemented	% Implementation of Audit Action Plan	N/A	% decrease in the number of negative audit findings not achieved, however, audit outcome improved from a disclaimer to a qualification	84% implementation of an audit action plan based on the 2021/22 AGSA report No Clean Audit	100% Implementation of Audit Action Plan based on the 2022/23 AGSA report	91% Implementation of Audit Action Plan based on the 2022/23 AGSA report	-9% implementation of an audit action plan based on the 2022/23 AGSA report	The allocation of the budget and the procurement process was delayed	None
	Adequate & timeous responses to Parliamentary Questions	100% Responses to Parliamentary questions within the stipulated timeframes	N/A	100% of responses to parliamentary questions were done within the stipulated timelines	100% of responses to parliamentary questions were done within the stipulated timelines	100% of Parliamentary questions responded to within stipulated timeframes	100% of Parliamentary questions were responded to within stipulated timeframes	None	N/a	None
Improved governance and strengthened control environment	Resolution of reported incidents of corruption	% resolution (Investigation Stage) of reported incidents of corruption	N/A	95% Resolution of reported incidents of Corruption/ Disciplinary processes underway for the pending cases	95% Resolution of reported incidents of Corruption within 180 days  Internal Audit completed its investigations of two cases of alleged corruption.	95% Resolution (Investigation Stage) of reported incidents of Corruption within 90 days	There were no incidents of Corruption within 90 days reported	None	N/a	None
	Functional social and ethics structures SET Strategy Implemented	Number of SET Strategy Initiatives implemented	N/A	Operations of Social and Ethics Committees monitored	12 Social & Ethics Champions Trained and appointed	3 Initiatives of SET Strategy implemented	3 SET Strategy Initiatives implemented: CSI Strategy, Ethics Survey, and Public Relations Strategy	None	N/a	None

## PROGRAMME 4: GOVERNANCE AND SUSTAINABILITY

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Audited Actual Achievement 2022/23	Planned Actual Target 2023/24	Actual Achievement 2023/24	Deviation From The Planned Target To The Actual Achievement 2023/24	Reasons for Deviations	Reasons for revisions to the Output/Output Indicators/ Annual Targets
Improved governance and strengthened control environment	Elimination of wasteful and fruitless expenditure	% reduction of wasteful & fruitless expenditure	N/A	100% reduction of Fruitless and Wasteful Expenditure	1 instance of Wasteful and Fruitless Expenditure incurred for the reporting period	100% reduction of cases of wasteful & fruitless expenditure	100% reduction of cases of wasteful & fruitless expenditure attained	None	N/a	None
	'Reduction of irregular expenditure	% reduction of cases of irregular expenditure	N/A	95% cases of Irregular Expenditure reduced	Zero instances of irregular expenditure were identified for the reporting period	95% reduction of cases of irregular expenditure	100% reduction of cases of irregular expenditure attained	None	N/a	None
Compliance to the 30-day payment requirement	Compliance to 30-days payment of valid invoices	Payment of supplier turnaround time	N/A	100% of valid invoices paid within 30 days	30 Days payment turnaround time not achieved	30-days payment turnaround time.	Less than 30-days turnaround time achieved	Less than 30-days turnaround time achieved	Cashflow constraints as a result of the low collection of infringement fees experienced.	None



## PROGRAMME 5: AARTO NATIONAL ROLLOUT

Outcome	Output	Output Indicator	Audited Actual Performance 2020/21	Audited Actual Performance 2021/22	Audited Actual Achievement 2022/23	Planned Actual Target 2023/24	Actual Achievement 2023/24	Deviation From The Planned Target To The Actual Achievement 2023/24	Reasons for Deviations	Reasons for revisions to the Output/Output Indicators/ Annual Targets
<b>AARTO National Rollout</b>	AARTO Readiness Reports developed	Number of AARTO Readiness reports developed	New Target	New Target	New Target	Approved AARTO Readiness Assessment Report	AARTO Readiness Assessment Report has been approved	None	N/a	None

### 3.1.1 Programme 1: AARTO Administration & Education

- Provide the purpose of the programme:**

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

- List the sub-programmes:**

- 3.1.1 Number of AARTO Education and Awareness Social Media Campaigns Deployed
- 3.1.2 Number of AARTO Education and Awareness Mainstream Media Campaigns Deployed
- 3.1.3 Number of Stakeholder Groups trained on AARTO Legislation
- 3.1.4 Number of AARTO Branded Billboards placed on National Roads

- List the purpose and description of the sub programmes**

Number of AARTO Education and Awareness Social Media Campaigns Deployed

The performance output indicator relates to the deployment of 270 AARTO Social Media education and awareness campaign messages posted through social media platforms (Instagram, Twitter & Facebook) to heighten AARTO awareness and encourage voluntary compliance. A campaign is defined by the number of social media engagements / posts / activities designed to communicate one message. Depending on the level of importance, a campaign can be repeated in a different quarter. The Agency planned to implement 270 AARTO Education and Awareness Social Media Campaigns and managed to deploy 665 campaign messages. The total number of campaigns deployed exceeded the set target by 395 campaigns.

### Number of Mainstream AARTO Education and Awareness Campaign Activations Deployed

The mainstream media campaigns relate to education and awareness campaign activations conducted through community activations or print media platforms or radio stations to heighten AARTO awareness and encourage voluntary compliance. A target of 120 AARTO Education and Awareness Mainstream media campaigns and public/community campaigns were set to be conducted through face-to-face or online or print media platforms or radio stations (commercial/national / community) or electronic

or static billboards to heighten AARTO awareness. During the year under review, the RTIA has deployed 467 campaigns against a set target of 120 Mainstream AARTO Public awareness and education campaigns. The annual target was exceeded by 347 campaigns

## Number of Stakeholder Groups trained on AARTO Legislation

The AARTO environment is highly litigious owing to the infancy of the type of regulation this legislation is introducing in the Republic. The recent constitutional court judgement in favour of the applicant, the Minister of Transport and the RTIA is an example of the gravity of the impact this continuous training on AARTO legislation would have on interacting with this legislation, primarily by the key stakeholders in the AARTO value chain as well as ordinary road users. It is on this basis that the RTIA sought to implement 08 AARTO legislative training to the stakeholders during the year under review. The education and awareness created around this legislation also find support from successful campaigns undertaken by the communications team in consultation with various society groups in the nine provinces.

### Changes to planned targets

None

### Linking performance with budgets

Programme 1	2023/2024			2022/2023		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	11 427	8 372	3 055	10 935	7 816	3 119
Operating expenses	47 562	1 594	45 968	45 514	15 607	29 907
<b>Total</b>	<b>58 989</b>	<b>9 966</b>	<b>49 023</b>	<b>56 449</b>	<b>14 643</b>	<b>33 026</b>

Although the number of AARTO Branded Billboards placed on National Roads was not achieved owing to its implementation not being alligned to Technical indicator, the RTIA has implemented a successful marketing and advertising campaign which took the form of 4 digital AARTO billboards placed on the national roads and flighted through the SABC television and radio stations in between daily programmes.

The coverage received from this intervention is recorded at approximately 33,000 viewers. This initiative has brought maximum interest for users to continue to research and interact with the AARTO brand.

## Strategy To Overcome Areas Of Underperformance

During the year under review, the RTIA deployed a high number of AARTO public awareness and education campaigns including participating in Road Safety initiatives hosted by the Minister of Transport to ensure sustained public awareness about AARTO programmes. There is no underperformance recorded on these performance indicators.

### 3.2.2 Programme 2: Adjudication & AARTO Support

- Provide the purpose of the programme:  
This programme exists to ensure adjudication and AARTO stakeholder management activities in line with the provisions of the AARTO Act.
- List the sub-programmes:  
100% of representations adjudicated within 21 days of the date of capture Revised Adjudications Framework Approved

#### List the purpose of the sub programme

% of representations adjudicated within 21 days of the date of capture The output indicator measures the percentage of representations adjudicated that falls within the window period from the captured date. The method of calculation is described as 100% of captured representations between 1 April 2023 to 31 March 2024 should be finalised within 21 days from the date of capture onto the NCR, despite whether representations are successful or not. The 21 Days is calculated per calendar days.

This formula applies despite the reporting period. Monthly, quarterly and Annual reports will outline:

- Consider the total number of applications actually processed during the calendar month concerned (the period of consideration), irrespective of the outcome (successful, cancelled or rejected): Total applications processed

(denominator). E.g. 100;

- Determine the number of applications processed within {21} days from the actual date the application was captured on the NaTIS, irrespective of the outcome (successful, cancelled or rejected): Applications processed within {21} days (numerator). E.g. 95;
- The “achievement” is then a simple calculation as follow: Applications processed within {21} days / Total applications processed = 95 /100 = 95%. The Number of applications processed against the received and captured applications.

#### Revised Adjudications Framework Approved

The Adjudications Framework was set under a review process to accommodate the changes in line with the AARTO Act and Regulations, including the latest reviews performed on the Natis system that must be observed before representations can be concluded. The Adjudications developed draft Framework which consulted with MANCO and EXCO for inputs and comments. A final draft Framework was approved by the Board based on the recommendation of EXCO.

Strategy to overcome areas of underperformance

There is no under performance recorded on the two performance indicators. The Agency has achieved 100% of the representations adjudicated within 21 days of capture. The Adjudications Framework was equally achieved and approved by the Board.

## Changes to planned targets

None

## Linking performance with budgets

Programme 2	2023/2024			2022/2023		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	69 928	21 858	48 070	66 917	30 669	36 248
Operating expenses	76 256	95 823	-19 567	79 500	23 752	55 748
<b>Total</b>	146 184	117 689	28 503	146 417	54 421	91 966

### 3.2.3 Programme 3: AARTO Information & Analytics

- **Provide the purpose of the programme:**

This existence of this programme is the institutionalization of information management in line with the provisions of the AARTO legislative framework. Key functions and outputs include but are not limited to research, digital technologies and data management.

- **List the sub-programmes:**

% of ICT Strategy Initiatives Implemented Number of Research Reports approved Big Data Strategy approved

- **List the purpose and description of the sub programmes**  
**% approved ICT Strategy initiatives implemented**

The purpose for this target was meant for the implementation of 50% initiatives identified in the approved ICT Strategy for the 1st year. The ICT Strategy was approved with the Implementation Plan detailing the initiatives targeted for implementation in the year of the ICT Strategy. The target was as result achieved.

### Number Of Research Papers Approved

The purpose of this target was to produce the 2 approved Research Study Papers on the following key issues which impact on the implementation of AARTO Act:

- The AARTO Revenue Sharing Model
- Research Study on the Point Demerit and the Rehabilitation

### Programme Big Data Strategy Approved

#### Strategy to overcome areas of underperformance

The Big Data Strategy project was awarded for implementation towards the end of the financial year and is anticipated to be finalised in the next financial year. The other two performance indicators were successfully achieved.



## Changes to planned targets

None

## Linking performance with budgets

Programme 3	2023/2024			2022/2023		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	8 926	5 594	3 332	8 542	4 107	4 435
Operating expenses						
<b>Total</b>	<b>8 926</b>	<b>5 594</b>	<b>3 332</b>	<b>8 542</b>	<b>4 107</b>	<b>4 435</b>

### 3.2.4 Programme 4: Governance & Sustainability

#### • Provide the purpose of the programme:

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

#### List the sub-programmes:

- % implementation of audit action plan based
- 100% responses to parliamentary questions within stipulated timelines
- % resolution of reported incidents of corruption within 180 days
- Number of SET strategy Initiatives implemented
- % reduction of cases of Wasteful and Fruitless Expenditure
- % reduction of cases of irregular expenditure
- Payment of supplier turnaround time

#### List the purpose of the sub-programmes:

- % implementation of audit action plan based The RTIA to adhere and monitor the audit action plan and achieve clean audit opinion.
- 100% responses to parliamentary questions within stipulated timelines.
- The ability of the RTIA to formally respond to official parliamentary questions within the time stipulated in each question
- % resolution of reported incidents of corruption within 180 days
- The Agency is required to report on a Bi-annual basis on the status of each case of corruption reported in line with the RTIA Fraud prevention policy and fraud prevention plan.
- Number SET strategy initiatives implemented
- The following 3 SET Strategy Initiatives were implemented: CSI Strategy, Ethics Survey, and Public Relations
- Zero instances of Wasteful and Fruitless Expenditure incurred
- Entity to put internal control measures in place to maintain 0% wasteful and Fruitless expenditure.

- Zero instances of irregular expenditure incurred
- The RTIA to enhance application of internal control measures in order to reduce irregular expenditure by 100% during the year under review.
- 100% compliance to 30-day Payment turnaround time requirement
- The RTIA to comply with PFMA requirement to ensure

Service Providers are paid within 30 days from date of receipt of invoice.

### Strategy to overcome areas of underperformance

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

### Changes to planned targets

None

### Linking performance with budgets

Programme 4	2023/2024			2022/2023		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	89 915	72 668	17 247	119 370	65 223	47 209
Operating expenses	43 232	42 063	1 169	156 244	49 192	3 579
<b>Total</b>	133 147	114 731	18 416	275 614	114 415	50 788

### 3.2.5 Programme 5: AARTO National Rollout

- Provide the purpose of the programme:**

The programme exists to position the RTIA to address seamless and coordinated implementation of AARTO by all key stakeholders countrywide. The Strategy Division are actors in the programme.

- List the sub-programmes:**

Number of AARTO Readiness Reports Developed  
 List the purpose and description of the sub programmes  
 The purpose of this programme is to outline the readiness assessment criteria and provide an update to management, Technical Committee and the RTIA Board on the state of readiness of issuing authorities

**Changes to planned targets**

None

**Linking performance with budgets**

within the 69, inclusive of Tshwane and Johannesburg and the 144 local and metropolitan municipal areas throughout the country that have been identified for Phase 2 and 3 respectively of the AARTO Roll-Out as announced by the Minister.

### Strategy To Overcome Areas Of Underperformance

No underperformance was reported during the year under review.

Programme 5	2023/2024			2022/2023		
Expenditure Items	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Personnel	17 331	10 316	8 275			
Operating expenses	144 351	6 117	138 234			
<b>Total</b>	161 682	16 433	146 509			

## OVERVIEW OF THE ANNUAL ROAD TRAFFIC INFRINGEMENT STATISTICAL PRESENTATION

- 4.1 Number of Infringement Notices Captured
- 4.2 Number of Notices Captured Per Issuing Authority
  - 4.2.1 Johannesburg Metropolitan Police Department (JMPD)
  - 4.2.2 Tshwane Metropolitan Police Department (TMPD)
  - 4.2.3 Gauteng Department of Community Safety (GDoCS)
  - 4.2.4 Road Traffic Management Corporation (RTMC)
- 4.3 Elective options exercised by Infringers
  - (a) Payment of the Penalty
  - (b) Notifications to make payment in Instalment
  - (c) Submission of Representations
  - (d) Nomination of Drivers
  - (e) Elections to be Tried in Court
- 4.4 Adjudication of Representations
- 4.5 Courtesy Letters Issued
- 4.6 Enforcement Orders Issued
- 4.7 Applications for the Revocation of Enforcement Orders

The statistics in this section were derived from the National Contraventions Register (NCR) for 2022-2023 and 2023-2024 financial years and are based on the records captured and uploaded thereto by the four Issuing Authorities (IA's) in the AARTO jurisdictional area which include Johannesburg Metropolitan Police Department (JMPD); Tshwane Metropolitan Police Department (TMPD); the Gauteng Department of Community Safety (GDoCS) and the Road Traffic Management Corporation (RTMC).

### 4.1. Number of Infringement Notices Captured

The table below shows the number of notices captured by all the issuing authorities per month on the NCR during the 2023-2024 financial year per AARTO type.

Number of Notices Captured per Type:						All IA's
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2023	44 996	102	261 757	16 282	0	323 137
May 2023	62 564	135	383 946	22 581	0	469 226
Jun 2023	73 394	164	279 716	21 408	0	374 682
Jul 2023	73 580	152	325 269	21 295	0	420 296
Aug 2023	83 398	112	261 412	23 114	0	368 036
Sep 2023	63 275	76	332 361	12 169	0	407 881
Oct 2023	71 106	97	385 577	11 840	0	468 620
Nov 2023	80 095	95	332 885	9 858	0	422 933
Dec 2023	60 445	137	264 448	12 424	0	337 454
Jan 2024	83 295	107	397 212	17 697	0	498 311
Feb 2024	90 008	108	312 584	22 516	0	425 216
Mar 2024	88 769	127	301 741	21 205	0	411 842
<b>Year Total</b>	<b>874 925</b>	<b>1 412</b>	<b>3 838 908</b>	<b>212 389</b>	<b>0</b>	<b>4 927 634</b>

The table above shows a total of 4 927 634 captured AARTO notices by all the issuing authorities in this 2023-2024 financial year. The table also shows:

- **AARTO 01 - Handwritten infringement notices that are issued by the road side and a total of 874 925 notices were captured by all the issuing authorities;**
- **AARTO 02 - Weighbridge electronic infringement notices at Donkerhoek N4 Weighbridge. There was a total of 1 412 electronic notices captured by Gauteng Department of Community Safety (GDOCS);**
- **AARTO 03 - Camera captured infringement notices. There was a total of 3 838 908 infringement notices captured;**
- **AARTO 31 – Unattended vehicle notices.**



The total number of captured AARTO 31's is 212 389 by Johannesburg Metropolitan Police Department (JMPD) and Tshwane Metropolitan Police Department (TMPD) ; and

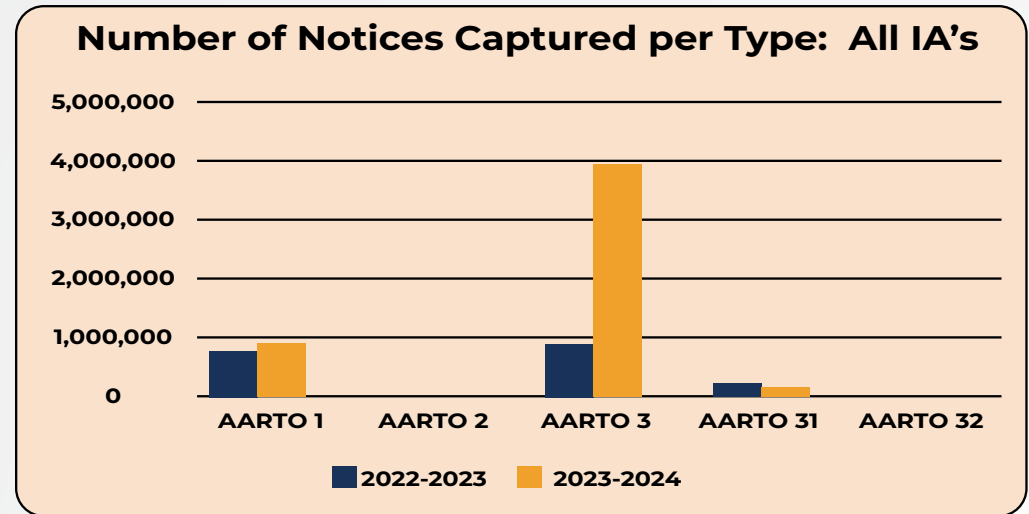
- **AARTO 32 – There were no offences captured at the roadside in 2023-2024.**

The table below shows the changes in number of notices captured by all the IA's in 2022-2023 2023-2024 financial years.

Change in Number of Notices Captured per Type :						All IA's
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
<b>2022-2023</b>	773 234	1 649	701 519	290 360	0	<b>1 766 762</b>
<b>2023-2024</b>	874 925	1 412	3 838 908	212 389	0	<b>4 927 634</b>
<b>Change</b>	101 691	-237	3 137 389	-77 971	0	<b>3 160 872</b>
<b>% change</b>	<b>13,15%</b>	<b>-14,37%</b>	<b>447,23%</b>	<b>-26,85%</b>	<b>-</b>	<b>178,91%</b>

The table above shows a huge increase in number of notices captured with a total of 3 160 872 from 1 766 762 in 2022-2023 to 4 927 634 in 2023-2024, which is 178,91% of the total captured. There has been an increase of 101 691 in capturing of AARTO 01's, a decrease of 1 412 in AARTO 02. The AARTO 03's shows a massive increase of 3 838 908 and AARTO 31 shows a decrease of 77 971.

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



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

Number of Notices Captured per Issuing Authority					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2023	268 309	33 779	16 695	4 354	323 137
May 2023	378 020	33 779	16 695	7 360	469 226
Jun 2023	273 355	63 165	27 937	10 225	374 682
Jul 2023	333 784	46 331	26 144	14 037	420 296
Aug 2023	267 194	52 412	31 619	16 811	368 036
Sep 2023	330 178	39 313	25 781	12 609	407 881
Oct 2023	394 134	29 123	30 071	15 292	468 620
Nov 2023	327 263	40 951	29 970	24 749	422 933
Dec 2023	252 025	46 852	25 570	13 007	337 454
Jan 2024	406 658	49 541	29 014	13 098	498 311
Feb 2024	330 695	43 828	32 650	18 043	425 216
Mar 2024	322 685	40 761	27 461	20 935	411 842
<b>Year Total</b>	<b>3 884 300</b>	<b>542 830</b>	<b>329 984</b>	<b>170 520</b>	<b>4 927 634</b>

The table above shows that JMPD has captured majority of the AARTO notices with a total of 3 884 300, followed by TMPD with 542 830, and then GDoCS and RTMC with 329 984, and 170 520 respectively.

## 4.2. Number of Notices Captured Per Issuing Authority

The change in the number of notices captured per Issuing Authority from between 2022-2023 and 2023-2024 is shown in the table below.

Change in Number of Notices Captured per AI's					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2022-2023	758 020	529 881	379 419	99 442	1 766 762
2023-2024	3 884 300	542 830	329 984	170 520	4 927 634
Change	3 126 280	12 949	-49 435	71 078	3 160 872
% change	412,43%	2,44%	-13,03%	71,48%	178,91%

The information in the table above shows the change in total number of notices captured by the four IA's in 2023-2024 have increased with 3 160 872 from 1 766 762 in 2022-2023 to 4 927 634 in 2023-2024, which is 178.91% change. The number of notices captured by JMPD have increased by 3 126 280 which is 412.43% change and caused the overall change of 178.91% for the total change. RTMC also has a big change of 71.48% with a total increase of 71 078,

### 4.2.1. Johannesburg Metropolitan Police Department (JMPD)

The information is reflected in the table below.

Number of Notices Captured per Type:						All	AI's
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total	
Apr 2023	9 445	0	254 291	4 573	0	268 309	
May 2023	6 817	0	368 235	2 968	0	378 020	
Jun 2023	9 307	0	261 644	2 404	0	273 355	
Jul 2023	14 760	0	311 754	7 270	0	333 784	
Aug 2023	24 214	0	231 919	11 061	0	267 194	
Sep 2023	18 538	0	304 043	7 597	0	330 178	
Oct 2023	21 622	0	362 334	10 178	0	394 134	
Nov 2023	19 058	0	301 925	6 280	0	327 263	
Dec 2023	11 977	0	234 839	5 209	0	252 025	
Jan 2024	25 143	0	372 542	8 973	0	406 658	
Feb 2024	23 574	0	297 183	9 938	0	330 695	
Mar 2024	23 598	0	288 273	10 814	0	322 685	
<b>Year Total</b>	<b>208 053</b>	<b>0</b>	<b>3 588 982</b>	<b>87 265</b>	<b>0</b>	<b>3 884 300</b>	

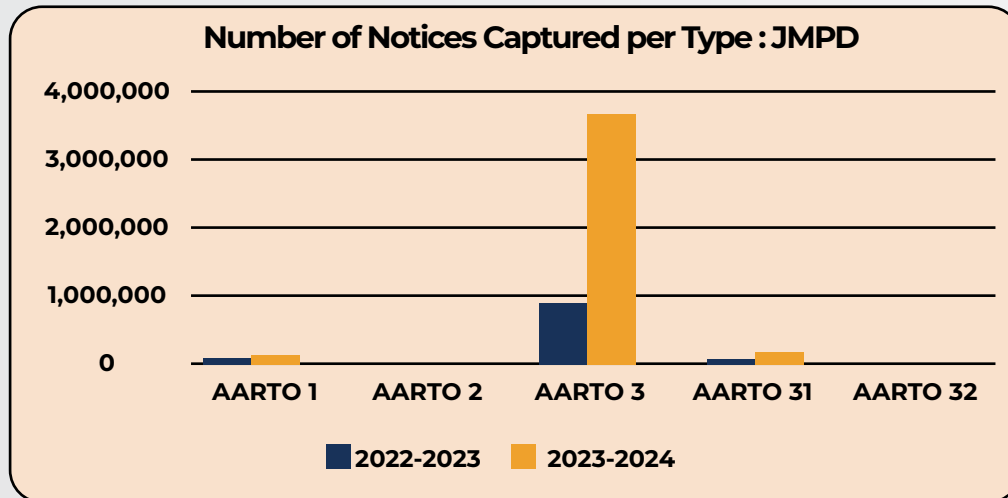
In this year under a review, JMPD have captured a total of 3 884 300 notices. The camera infringements that were captured by JMPD were the factor in high number of infringements captured during this financial year under a review. The AARTO 01's and AARTO 31's captured were 208 053 and 87 265 respectively.

The changes in number of notices captured by the JMPD from 2022-2023 and 2023-2024 are shown in the table below.

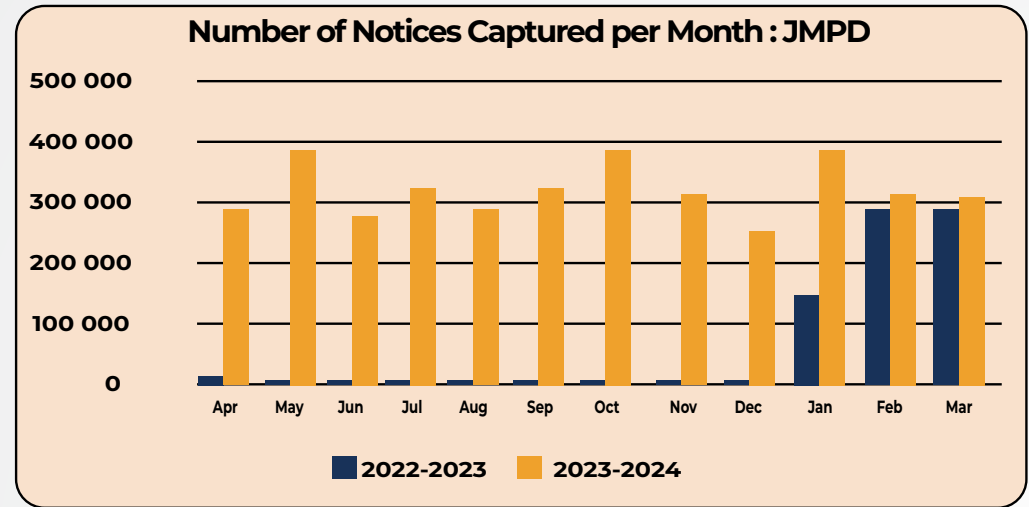
Change in Number of Notices Captured per Type :						JMPD
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
<b>2022-2023</b>	66 244	0	674 296	17 480	0	<b>758 020</b>
<b>2023-2024</b>	208 053	0	3 588 982	87 265	0	<b>3 884 300</b>
<b>Change</b>	141 809	0	2 914 686	69 785	0	<b>3 126 280</b>
<b>% change</b>	<b>214,07%</b>	-	<b>432,26%</b>	<b>399,23%</b>	-	<b>412,43%</b>

The above table shows a huge increase in capturing of notices by JMPD in 2023-2024 as compared to 2022-2023. All the notices captured per type have increased by a total of 3 126 280 with the AARTO 03's having the highest increase of 2 914 686, which is 432.26%, followed by AARTO 31 with 399.23% change and AARTO 01 with 214.07% change.

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



The graph below shows the month-to-month comparison of notices captured between 2022-2023 and 2023-2024 financial years.



#### 4.2.2. Tshwane Metropolitan Police Department (TMPD)

The table below shows the number of notices per type captured by TMPD on the NCR during the 2023-2024 financial year.

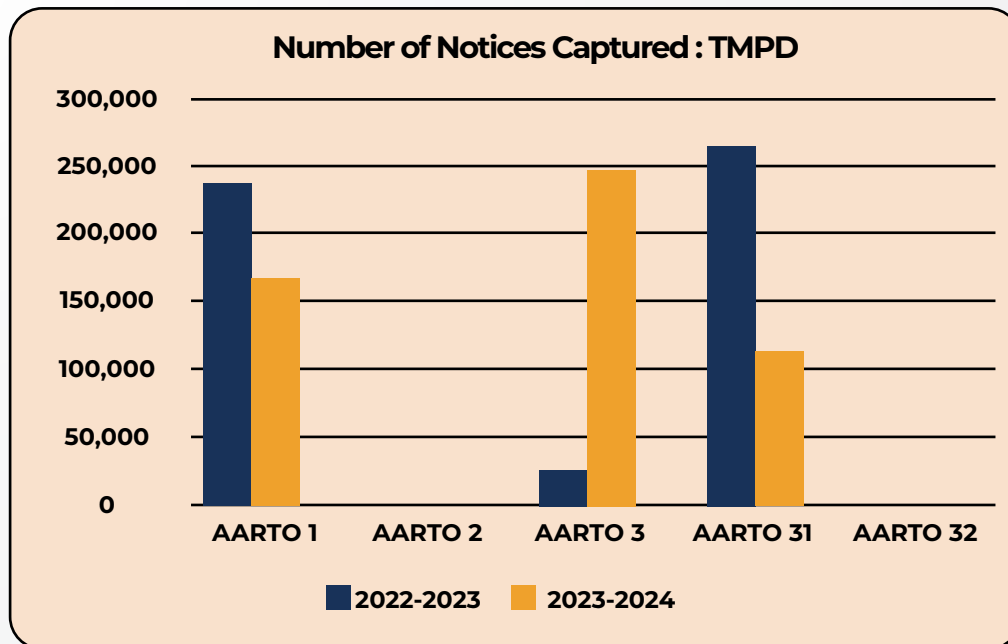
Number of Notices Captured per Type :						TMPD
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
<b>Apr 2023</b>	14 604	0	7 466	11 709	0	<b>33 779</b>
<b>May 2023</b>	21 450	0	15 711	19 613	0	<b>56 774</b>
<b>Jun 2023</b>	26 089	0	18 072	19 004	0	<b>63 165</b>
<b>Jul 2023</b>	18 791	0	13 515	14 025	0	<b>46 331</b>
<b>Aug 2023</b>	10 866	0	29 493	12 053	0	<b>52 412</b>
<b>Sep 2023</b>	6 423	0	28 318	4 572	0	<b>39 313</b>
<b>Oct 2023</b>	4 218	0	23 243	1 662	0	<b>29 123</b>
<b>Nov 2023</b>	6 413	0	30 960	3 578	0	<b>40 951</b>
<b>Dec 2023</b>	10 028	0	29 609	7 215	0	<b>46 852</b>
<b>Jan 2024</b>	16 147	0	24 670	8 724	0	<b>49 541</b>
<b>Feb 2024</b>	15 849	0	15 401	12 578	0	<b>43 828</b>
<b>Mar 2024</b>	16 902	0	13 468	10 391	0	<b>40 761</b>
<b>Year Total</b>	<b>167 780</b>	<b>0</b>	<b>249 926</b>	<b>125 124</b>	<b>0</b>	<b>542 830</b>

The table above shows TMPD have captured a total of 542 830 notices in the 2023-2024 financial year. The highest number was recorded for the AARTO 03's with a total of 249 926 followed by the AARTO 01's with 167 780 and AARTO 31's with 125 124.

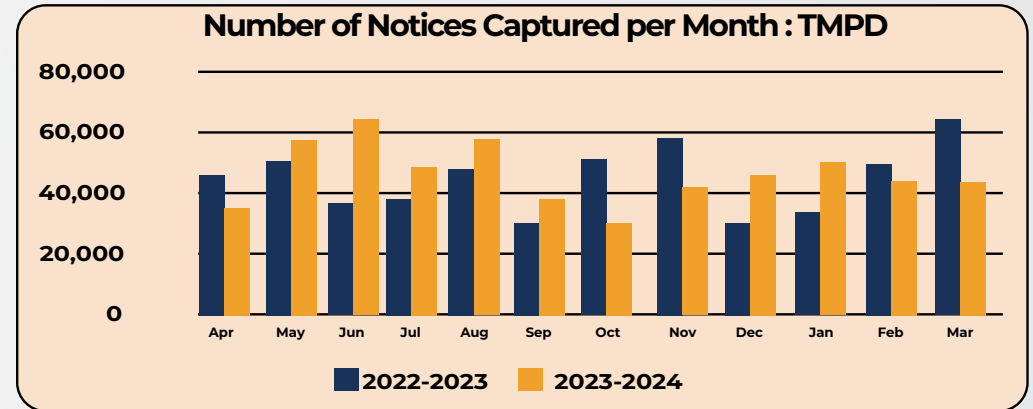
The changes between the two financial years for TMPD is shown in the table below

Change in Number of Notices Captured per Type :						TMPD
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
<b>2022-2023</b>	229 781	0	27 223	272 877	0	<b>529 881</b>
<b>2023-2024</b>	167 780	0	249 926	125 124	0	<b>542 830</b>
<b>Change</b>	-62 001	0	222 703	-147 753	0	<b>12 949</b>
<b>% change</b>	<b>-26,98%</b>	-	<b>818,07%</b>	<b>-54,15%</b>	-	<b>2,44%</b>

The change in number of notices captured 2023-2024 have increased with 12 949, which is 2.44%. The information is reflected in the bar chart below.



The chart below shows the month-to-month comparison of notices captured in 2022-2023 and 2023-2024 financial years by RTMC.



### 4.2.3. Gauteng Department of Community Safety (GDoCS)

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

Number of Notices Captured per Type :						GDoCS
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
<b>Apr 2023</b>	16 593	102	0	0	0	<b>16 695</b>
<b>May 2023</b>	26 937	135	0	0	0	<b>27 072</b>
<b>Jun 2023</b>	27 773	164	0	0	0	<b>27 937</b>
<b>Jul 2023</b>	25 992	152	0	0	0	<b>26 144</b>
<b>Aug 2023</b>	31 507	112	0	0	0	<b>31 619</b>
<b>Sep 2023</b>	25 705	76	0	0	0	<b>25 781</b>
<b>Oct 2023</b>	29 974	97	0	0	0	<b>30 071</b>
<b>Nov 2023</b>	29 875	95	0	0	0	<b>29 970</b>
<b>Dec 2023</b>	25 433	137	0	0	0	<b>25 570</b>
<b>Jan 2024</b>	28 907	107	0	0	0	<b>29 014</b>
<b>Feb 2024</b>	32 542	108	0	0	0	<b>32 650</b>
<b>Mar 2024</b>	27 334	127	0	0	0	<b>27 461</b>
<b>Year Total</b>	<b>328 572</b>	<b>1 412</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>329 984</b>



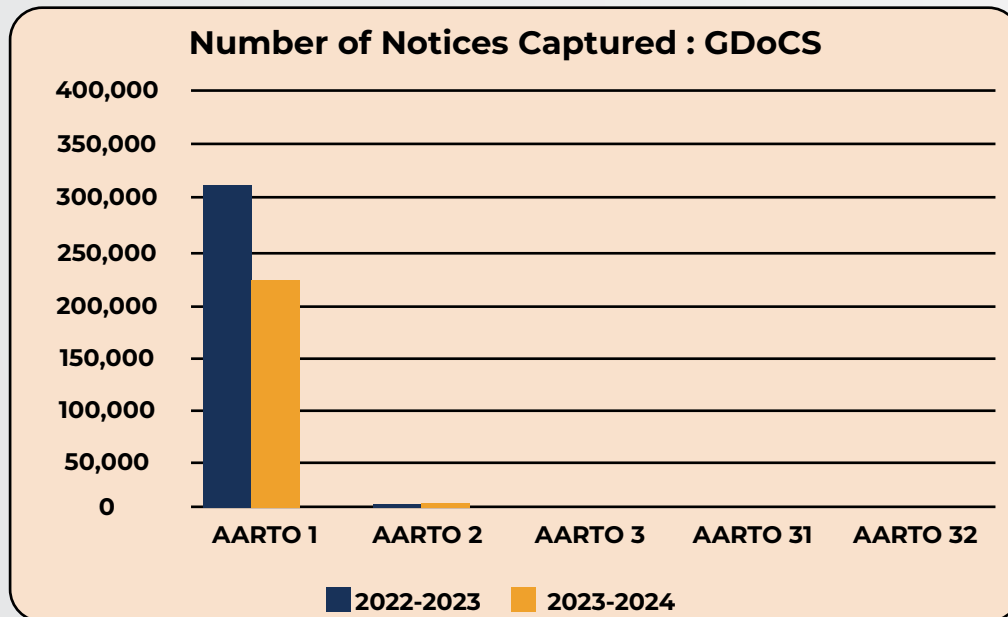
The information in the table above shows that GDoCS has captured a total of 329 984 notices in 2023-2024. There was a total of 328 572 AARTO 01's and 1 412 AARTO 02's captured in this period.

The change in the number of notices captured per type in 2022-2023 and 2023-2024 financial years is shown in the table below.

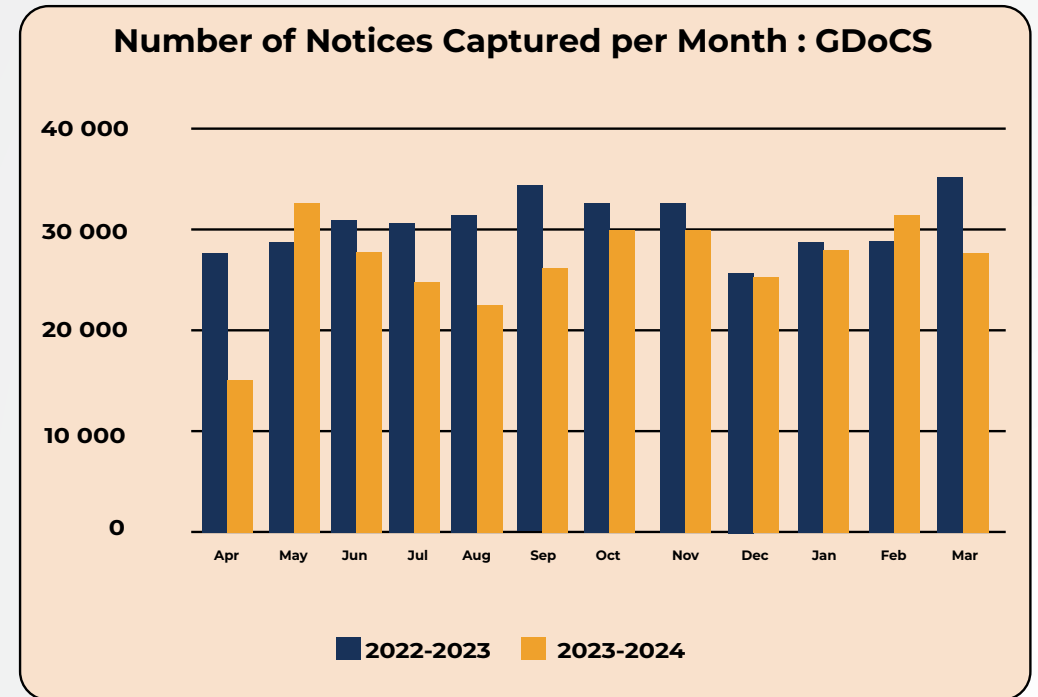
Change in Number of Notices Captured per Type :						JMPD
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
<b>2022-2023</b>	377 767	1 649	0	3	0	<b>379 419</b>
<b>2023-2024</b>	328 572	1 412	0	0	0	<b>329 984</b>
<b>Change</b>	-49 195	-237	0	-3	0	<b>-49 435</b>
<b>% change</b>	<b>68,94%</b>	<b>0,50%</b>	-	-	-	<b>-13,03%</b>

The information in the table above shows the change in number of notices captured by GDoCS, it shows a decrease in capturing notices by the GDoCS with 68.94% less for AARTO 01's and 0.50% less for AARTO 02's.

The information is also reflected in the chart below.



The chart below shows the month-to-month comparison of notices captured in 2021-2022 and 2022-2023 financial years.



#### 4.2.4. Road Traffic Management Corporation (RTMC)

The total number of notices captured per month on the NCR during the 2023-2024 financial year by the RTMC is shown in the table below per AARTO type.

Number of Notices Captured per Type :						RTMC
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
Apr 2023	4 354	0	0	0	0	4 354
May 2023	7 360	0	0	0	0	7 360
Jun 2023	10 225	0	0	0	0	10 225
Jul 2023	14 037	0	0	0	0	14 037
Aug 2023	16 811	0	0	0	0	16 811
Sep 2023	12 609	0	0	0	0	12 609
Oct 2023	15 292	0	0	0	0	15 292
Nov 2023	24 749	0	0	0	0	24 749
Dec 2023	13 007	0	0	0	0	13 007
Jan 2024	13 098	0	0	0	0	13 098
Feb 2024	18 043	0	0	0	0	18 043
Mar 2024	20 935	0	0	0	0	20 935
<b>Year Total</b>	<b>170 520</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>170 520</b>

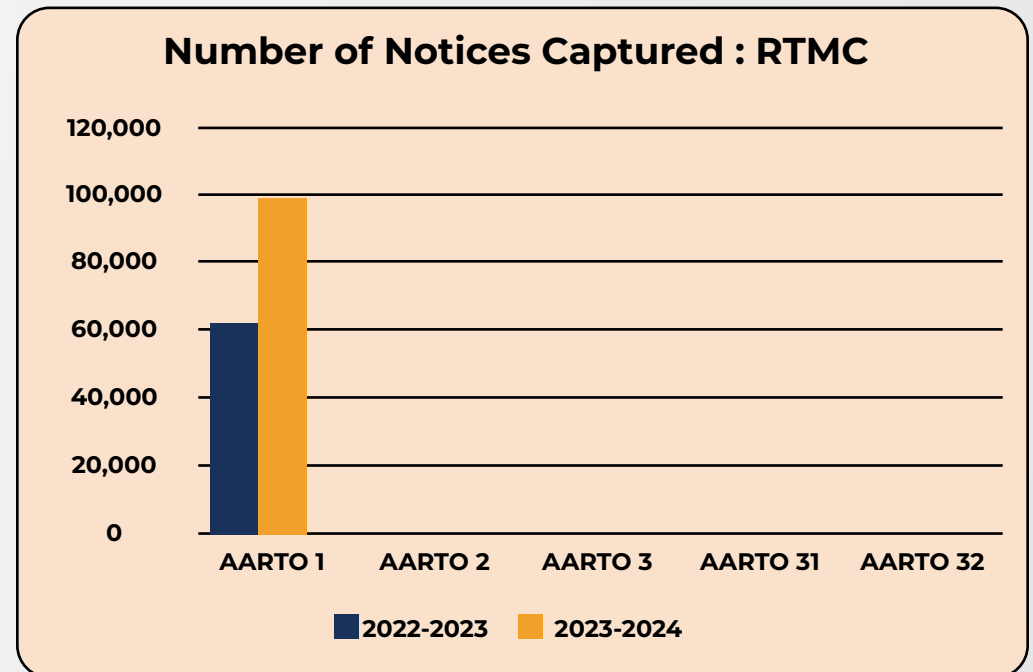
The information in the table above shows that only the AARTO 01's was captured by RTMC with a total number of 170 520. It must be noted that the RTMC does not prosecute for camera and unattended vehicle infringements.

The change in the number of notices captured in 2022-2023 and 2023-2024 financial years is shown in the table below.

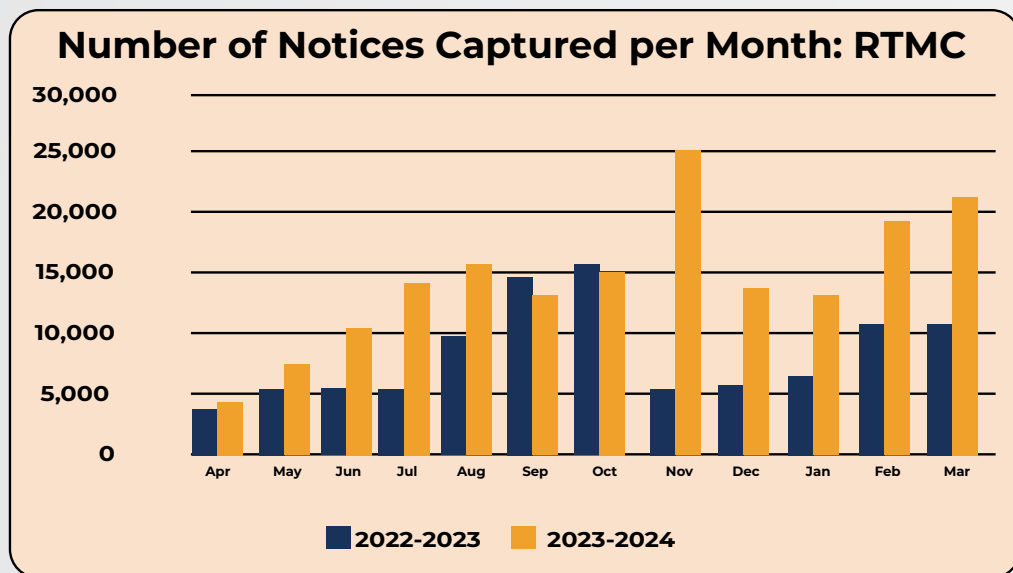
Change in Number of Notices Captured per Type : RTMC						
Year	AARTO 01	AARTO 02	AARTO 03	AARTO 31	AARTO 32	Total
<b>2022-2023</b>	99 442	0	0	0	0	<b>99 442</b>
<b>2023-2024</b>	170 520	0	0	0	0	<b>170 520</b>
<b>Change</b>	71 078	0	0	0	0	<b>71 078</b>
<b>% change</b>	<b>71,48%</b>	-	-	-	-	<b>71,48%</b>

The information in the table above shows a change in capturing of the AARTO notices with an increase of 71 078, from 99 442 in 2022- 2023 to 170 520 in 2023-2024 which is 71.48%.

The information is also reflected in the chart below.



The chart below shows the month to month comparison of notices captured in 2022-2023 and 2023-2024 financial years.



### 4.3. Elective Options Exercised By Infringers

Upon being served an infringement notice, either in person or through registered mail, the AARTO process allows infringers to select any one of the following five (5) elective options to be followed within a period of 32 days after having received such notice:

- **Payment of the penalty discounted by 50%**, in which case the infringer may pay the penalty at any of the pay points indicated on the notice; or
- **Notification to make payment in Instalments**, in which case the infringer has to submit a completed form AARTO 04 to the RTIA; or
- **Submit a Representation**, in which case the infringer has to submit a completed form AARTO 08 to the RTIA providing sufficient motivation in cases where an infringer

disputes the alleged violation or is of the opinion that he/she should not be held responsible for the violation; or

- **Nomination of the driver or person in control of the vehicle at the time the infringement was committed**, which can be submitted for any one of the following notice types : AARTO 03 (camera); AARTO 31 (issued as an AARTO 03b notice for an unattended vehicle) and AARTO 03a (operator) infringement notices, and in which case the infringer has to submit a completed form AARTO 07 to the Issuing Authority that served the notice, nominating the driver or person in control of the vehicle at the time the infringement was committed. The original infringement is cancelled once the nomination was successful and a new Infringement Notice is created on the NCR and served on the nominated driver; or
- **Elect to be tried in court**, in which case the infringer has to submit a completed form AARTO 10 an election for the case to be tried in court to the Issuing Authority that served the notice.

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

#### (a) Payment of the Penalty

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

#### (b) Notifications to make payment in Instalments

The table below shows the change in number of notifications to make payments in instalments submitted using the AARTO 04 form in 2022- 2023 in comparison with the 2023-2024.

Notifications to Pay In Instalments				
Month	2022-2023	2023-2024	Change	% Change
Apr	75	46	-29	-38,67%
May	24	62	38	158,33%
Jun	33	52	19	57,58%
Jul	44	82	38	86,36%
Aug	62	80	18	29,03%
Sep	58	64	6	10,34%
Oct	50	92	42	84,00%
Nov	38	49	11	28,95%
Dec	20	41	21	105,00%
Jan	46	33	-13	-28,26%
Feb	59	49	-10	-16,95%
Mar	50	56	6	12,00%
<b>Total</b>	<b>559</b>	<b>706</b>	<b>147</b>	<b>26,30%</b>

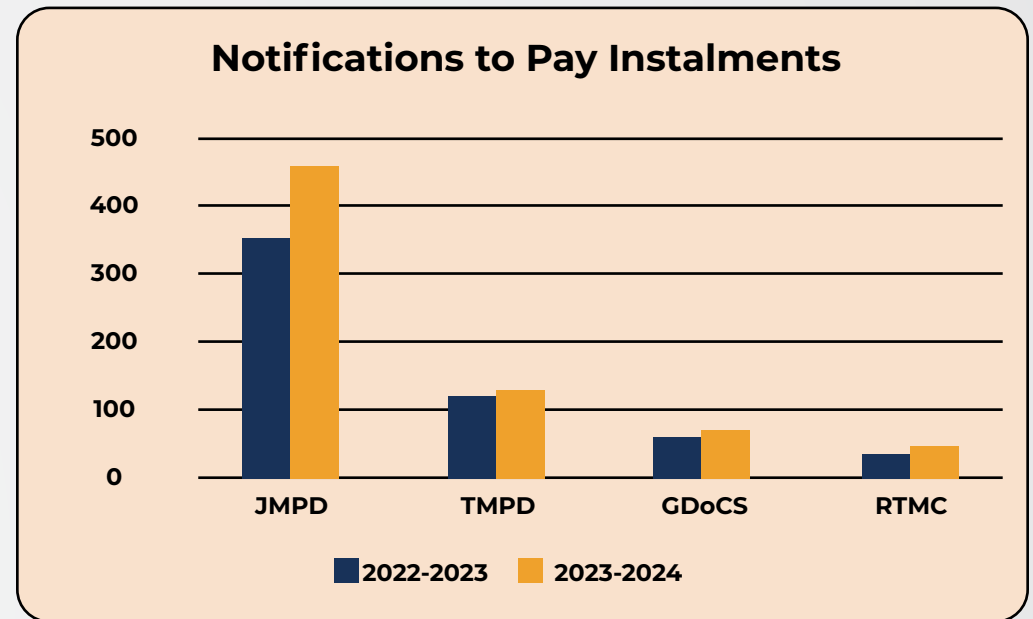
The number of applications to pay instalment has increased with a total of 147 from 559 to 706 in 2023-2024, which is 26.30%.

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

Change in Number of Notifications to Pay in Instalments					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2022-2023	356	131	42	30	559
May 2023	457	139	46	64	706
Jun 2023	101	8	4	34	147
<b>Year Total</b>	<b>28,37%</b>	<b>6,11%</b>	<b>9,52%</b>	<b>113,33%</b>	<b>26,30%</b>

The table above show an increase for notices issued under the four IA's. The highest change was RTMC with 113.33%, JMPD with 28.37% , GDoCS with 9.52% and TMPD with 6.11%. This makes a total change of 26.30%.

The data is also reflected in the graph below.



### (c) Submission of Representations

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



Number of Representations Submitted					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2023	8 559	2 093	447	77	11 176
May 2023	13 162	2 195	489	90	15 936
Jun 2023	13 026	2 206	485	129	15 846
Jul 2023	11 613	2 099	480	109	14 301
Aug 2023	12 936	1 793	556	144	15 429
Sep 2023	14 613	2 129	747	180	17 669
Oct 2023	15 550	1 933	728	292	18 503
Nov 2023	15 091	1 797	589	267	17 744
Dec 2023	8 939	954	389	212	10 494
Jan 2024	10 740	1 268	431	135	12 574
Feb 2024	12 339	1 342	408	151	14 240
Mar 2024	16 667	1 397	620	232	18 916
<b>Year Total</b>	<b>153 235</b>	<b>21 206</b>	<b>6 369</b>	<b>2 018</b>	<b>182 828</b>

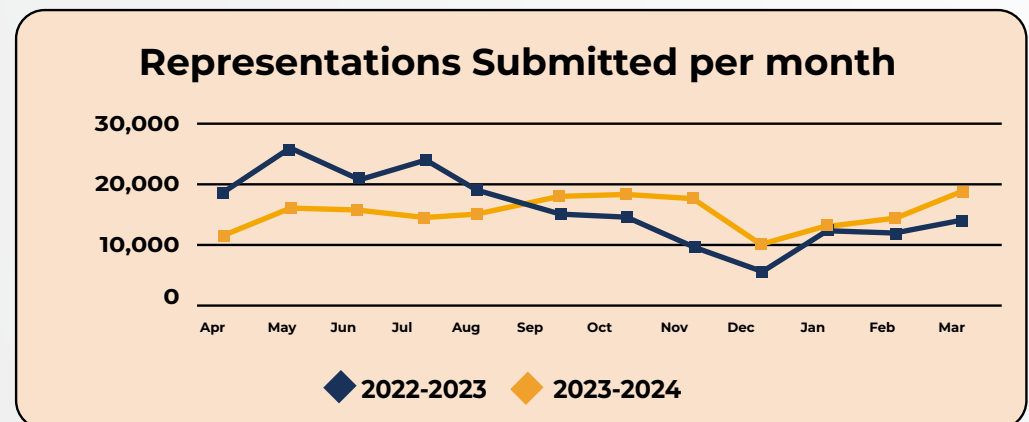
The information in the table above shows number of applications for representation submitted for consideration by the RTIA in 2023-2024. These applications are based on notices issued by the various IA's. The highest number of applications were under JMPD with a total of 153 235, followed by TMPD with a total of 21 206, GDoCS and RTMC with 6 369 and 2 018 respectively.

The change in the total number of representations submitted during 2023-2024 is given in the table below in comparison with the 2022-2023 financial year.

Change in Number of Representations Submitted				
Month	2022-2023	2023-2024	Change	% Change
Apr	19 130	11 176	-7 954	-41,58%
May	26 291	15 936	-10 355	-39,39%
Jun	21 073	15 846	-5 227	-24,80%
Jul	24 643	14 301	-10 342	-41,97%
Aug	18 574	15 429	-3 145	-16,93%
Sep	15 587	17 669	2 082	13,36%
Oct	14 583	18 503	3 920	26,88%
Nov	9 877	17 744	7 867	79,65%
Dec	5 120	10 494	5 374	104,96%
Jan	12 300	12 574	274	2,23%
Feb	11 481	14 240	2 759	24,03%
Mar	13 888	18 916	5 028	36,20%
<b>Total</b>	<b>192 547</b>	<b>182 828</b>	<b>-9 719</b>	<b>-5,05%</b>

The table above shows a decrease of 9 719 in number of submissions of the representations, which is 5.05% decrease from 192 547 in 2022-2023 to 182 828 in 2023-2024.

The information is also reflected in the graph below.



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

**(d) Nomination of Drivers**

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

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

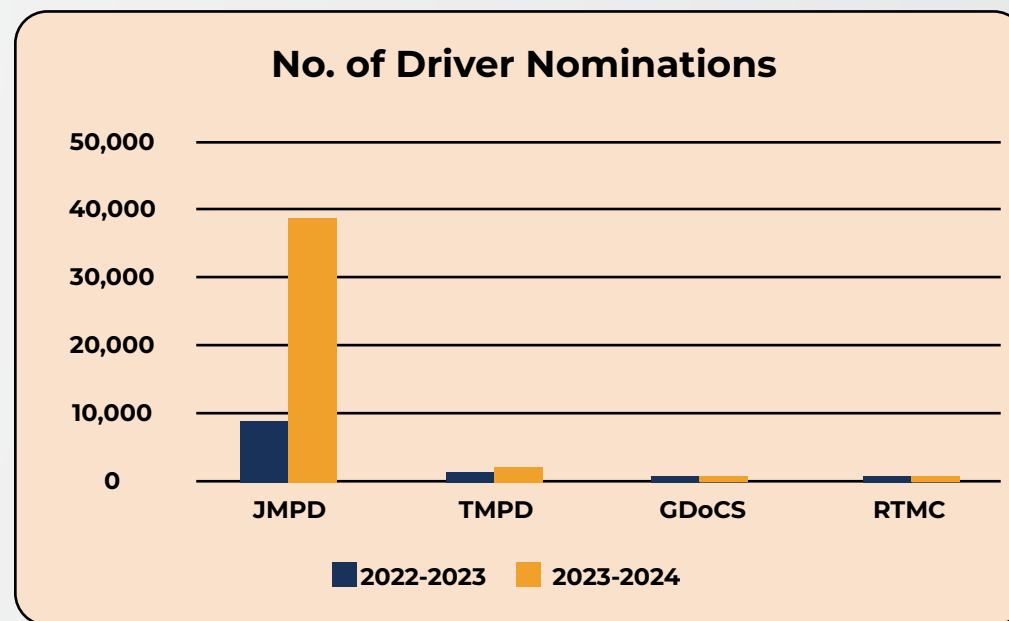
Number of Driver Nominations					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2023	1 025	41	0	6	1 072
May 2023	2 035	211	2		2 248
Jun 2023	1 388	67	0		1 455
Jul 2023	4 816	138	1	1	4 956
Aug 2023	2 334	57	1		2 392
Sep 2023	3 884	57	2	1	3 951
Oct 2023	5 175	102	5		5 282
Nov 2023	3 822	204	1		4 027
Dec 2023	2 139	208	1	6	2 354
Jan 2024	3 856	257	0		4 113
Feb 2024	5 120	227	1		5 348
Mar 2024	3 384	211	4	1	3 600
<b>Year Total</b>	<b>38 978</b>	<b>1 787</b>	<b>18</b>	<b>15</b>	<b>40 798</b>

The information in the table above shows a total of 40 798 applications for driver nominations for 2023-2024. The highest number of nominations were based on JMPD issued notices with a total of 38 978, followed by TMPD, GDoCS and RTMC with 1 787, 18 and 15 respectively.

Change in Number of Driver Nominations					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2022-2023	8 368	784	17	2	9 171
2023-2024	38 978	1 787	18	15	40 798
<b>Change</b>	<b>30 610</b>	<b>1 003</b>	<b>1</b>	<b>13</b>	<b>31 627</b>
<b>% change</b>	<b>365,80%</b>	<b>127,93%</b>	<b>5,88%</b>	<b>650,00%</b>	<b>344,86%</b>

The driver nominations under JMPD has increased with 30 610, which is 365.80% and a big change from 8 368 in 2022-2023, followed by nominations under TMPD with an increase of 127.93% from 784 in 2022-2023. The number of driver nominations for GDoCS and RTMC shows an increase of only 1 (5.88%) and 13 (650.00%) respectively in 2023-2024.

The information is also reflected in the bar chart below.

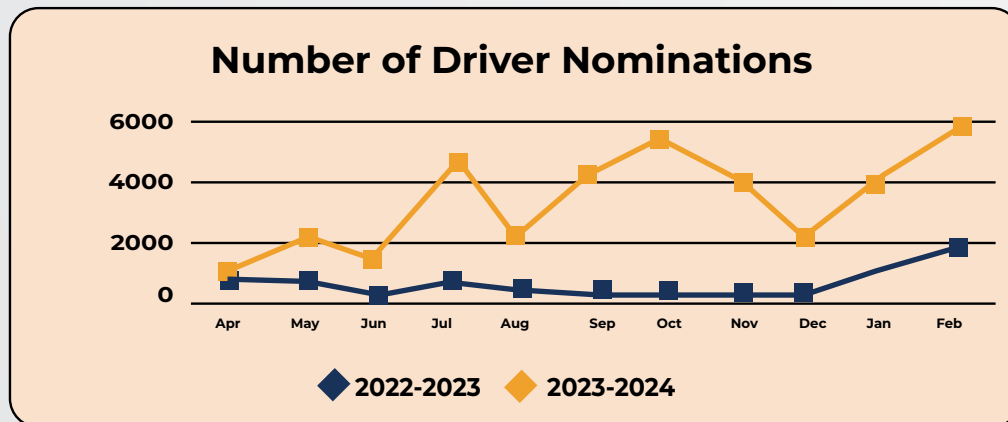


The table below shows change in number of driver nominations.

Number of Driver Nominations				
Month	2022-2023	2023-2024	Change	% Change
Apr	802	1 072	270	33,67%
May	766	2 248	1 482	193,47%
Jun	466	1 455	989	212,23%
Jul	708	4 956	4 248	600,00%
Aug	628	2 392	1 764	280,89%
Sep	483	3 951	3 468	718,01%
Oct	319	5 282	4 963	1555,80%
Nov	226	4 027	3 801	1681,86%
Dec	273	2 354	2 081	762,27%
Jan	826	4 113	3 287	397,94%
Feb	1 820	5 348	3 528	193,85%
Mar	1 854	3 600	1 746	94,17%
<b>Total</b>	<b>9 171</b>	<b>40 798</b>	<b>31 627</b>	<b>344,86%</b>

The change in number of driver nominations have increased from 9 171 in 2022-2023 to 40 798 in 2023-2024 with a total change of 31 627, which is 344.86%.

The information is also reflected on the graph below.



### (e) Elections to be Tried in Court

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

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

Number of Elections to be Tried in Court					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2023	5 709	1 446	596	198	7 949
May 2023	5 690	2 513	751	208	9 162
Jun 2023	6 632	2 809	1043	395	10 879
Jul 2023	7 011	2 559	747	292	10 609
Aug 2023	9 544	3 060	991	396	13 991
Sep 2023	7 360	2 225	699	194	10 478
Oct 2023	6 424	1 718	574	250	8 966
Nov 2023	8 608	2 284	600	321	11 813
Dec 2023	6 225	1 750	631	286	8 892
Jan 2024	5 790	1 824	564	308	8 486
Feb 2024	7 419	2 173	560	250	10 402
Mar 2024	8 521	2 375	635	343	11 874
<b>Year Total</b>	<b>84 933</b>	<b>26 736</b>	<b>8 391</b>	<b>3 441</b>	<b>123 501</b>

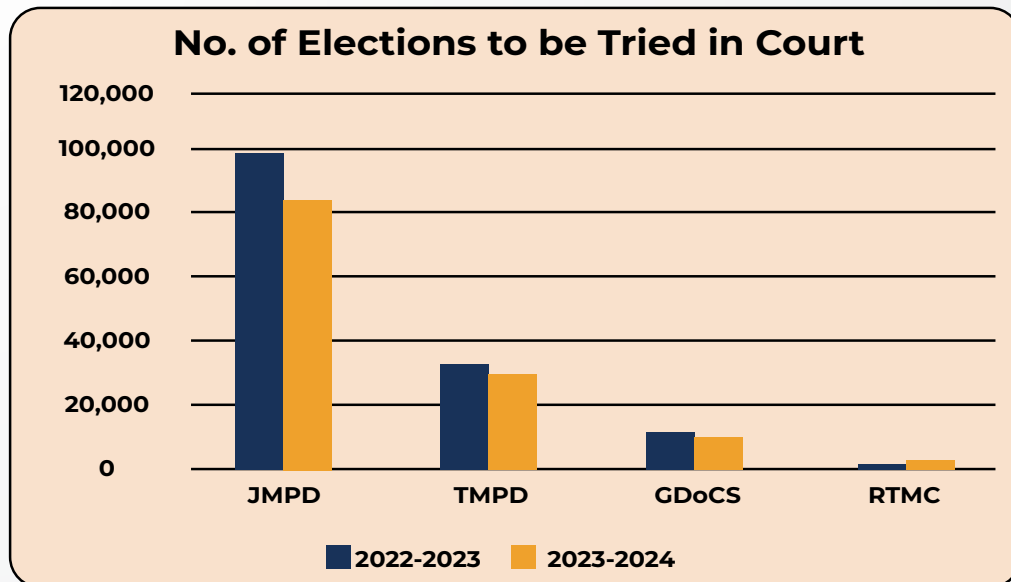
The table above shows that a total of 123 501 number of elections to be tried in court were recorded for all the issuing authorities. The highest number of elections were recorded based on the notices issued by the JMPD having a total of 84 933, followed by TMPD, GDoCS and RTMC with 26 736, 8 391 and 3 441 respectively.

The table below shows the change in number of elections to be tried in court between 2022-2023 and 2023-2024.

Change in Number of Elections to be Tried in Court					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2022-2023	97 525	32 553	10 757	2 289	143 124
2023-2024	84 933	26 736	8 391	3 441	123 501
Change	-12 592	-5 817	-2 366	1 152	-19 623
% change	-12,91%	-17,87%	-21,99%	50,33%	-13,71%

The tables above show a decline in number of elections to be tried in court in 2023-2024 as compared to 2022-2023 financial year. The total number of elections to be tried in court in 2023-2024 were 123 501, which is lower as compared to 143 124 in 2022-2023. The change is 19 623, which is 13.71% less than the last financial year.

The chart below reflects the changes between 2021-2022 and 2022-2023 financial years.



The table below show the changes in number of elections to be tried in court between 2022-2023 and 2023-2024 financial years.

Number of Elections to be Tried in Court				
Month	2022-2023	2023-2024	Change	% Change
Apr	16 089	7 949	-8 140	-50,59%
May	12 723	9 162	-3 561	-27,99%
Jun	11 652	10 879	-773	-6,63%
Jul	12 900	10 609	-2 291	-17,76%
Aug	14 139	13 991	-148	-1,05%
Sep	12 542	10 478	-2 064	-16,46%
Oct	11 750	8 966	-2 784	-23,69%
Nov	12 674	11 813	-861	-6,79%
Dec	9 436	8 892	-544	-5,77%
Jan	10 044	8 486	-1 558	-15,51%
Feb	9 169	10 402	1 233	13,45%
Mar	10 006	11 874	1 868	18,67%
Total	143 124	123 501	-19 623	-13,71%

The table above shows that the number of elections to be tried in court has declined with a total of 19 623 as compared to 2022-2023, which is 13.71% less.

*(Continues on the next page)*



There were no Court Hearings, Outcomes, Failure to Appear, Cases Postponed and Warrants recorded for this 2023-2024 financial year. The table below shows the change from 2022-2023 to 2023-2024 in number of court hearings.

The information in the tables above shows that the total number of 50 court hearings that were captured on the NCR only in January of 2022 - 2023.

Change in Monthly Number of Court Hearings				
Month	2022-2023	2023-2024	Change	% Change
Apr	0	0	0	-
May	0	0	0	-
Jun	0	0	0	-
Jul	0	0	0	-
Aug	0	0	0	-
Sep	0	0	0	-
Oct	0	0	0	-
Nov	0	0	0	-
Dec	0	0	-0	-
Jan	50	0	-50	-100%
Feb	0	0	0	-
Mar	0	0	0	-
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-50</b>	<b>-100%</b>

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

Change in No. of Court Hearings, Outcomes, Failure to Appear, Cases Postponed and Warrants											
Month	Court hearings	Main Charge		Alternative charge		Failure to appear in court	Cases postponed	Remove from court roll	Warrant of Arrest Authorised	Cases Pending	Other
		Guilty	Not Guilty	Guilty	Not Guilty						
2022-2023	50	0	0	0	0	0	0	0	0	47	0
2023-2024	0	0	0	0	0	0	0	47 209	0	0	0
<b>Change</b>	<b>-50</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3 579</b>	<b>0</b>	<b>-47</b>	<b>0</b>
<b>% change</b>	<b>-100%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-100%</b>	<b>-</b>

The information in the table above shows that there were no court hearings and cases pending recorded in 2023-2024 and only in 2022- 2023 with 50 court hearings and 47 cases pending recorded.

#### 4.4. Adjudication of Representations

Adjudication of representations is done in terms of Section 18 of the AARTO Act, 1998 (Act. No 46 of 1998). In terms of this section any infringer may, if reasonable grounds are present, submit a representation to the RTIA in which evidence is presented that indicates that such infringer must not be held liable for the contravention as charged. A duly appointed representations officer

may then consider the facts presented and make an appropriate outcome known to the alleged infringer, which may include that the representation is allowed and the infringer is not liable for payment; or the representation is rejected due to a lack of evidence and the infringer is liable for the penalty and/or any additional administrative fees payable to the RTIA or the applicable Issuing Authority. The infringer may on rejection of the representation elect to be tried in a court of law in order for the court to consider the facts presented.

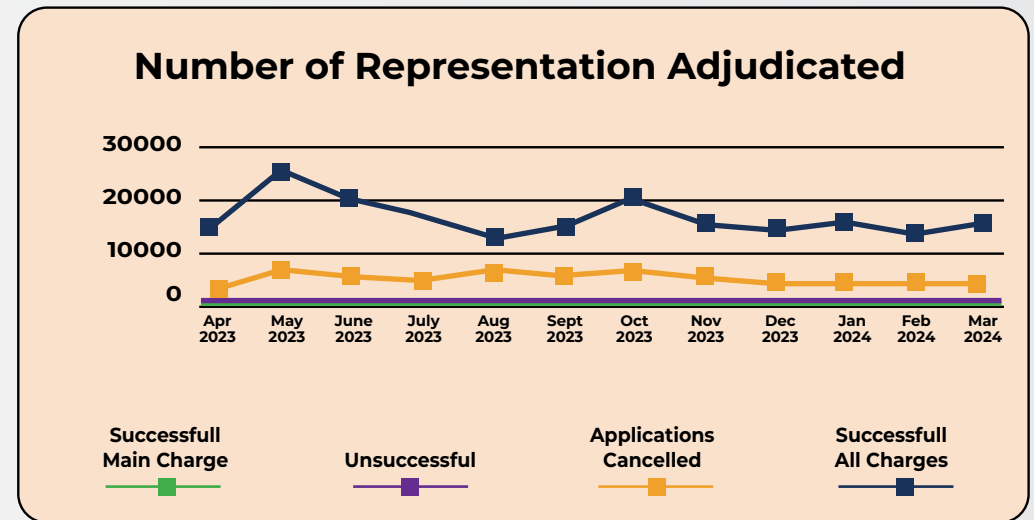
The total number of representation applications received and adjudicated during the year is given in the table below.

Number of Representation Adjudicated per Month					
Month	Applications Received	Applications Cancelled	Successful All Charges	Successful Main Charge	Unsuccessful
Apr 2023	11 176	3 972	5 897	11	82
May 2023	15 936	4 036	9 063	7	61
Jun 2023	15 846	4 953	8 788	11	57
Jul 2023	14 301	3 289	8 440	10	72
Aug 2023	15 429	3 814	9 873	18	149
Sep 2023	17 669	2 423	14 453	15	122
Oct 2023	18 503	4 359	12 531	17	148
Nov 2023	17 744	5 036	11 963	9	157
Dec 2023	10 494	2 428	7 079	12	152
Jan 2024	12 574	2 623	8 484	13	215
Feb 2024	14 240	4 068	9 017	11	191
Mar 2024	18 916	5 756	10 382	14	281
<b>Year Total</b>	<b>182 828</b>	<b>46 757</b>	<b>115 970</b>	<b>148</b>	<b>1 687</b>

The table above shows a total number of 182 828 applications were received by RTIA for representations. Out of the total received, 46 757 were cancelled, 115 970 were successful on all charges, less than 148 were successful on the main charge, and only 1 687 were unsuccessful. Please note that the gap of 18266 between the number of received representations

(182828) the number of representations adjudicated (164562) is caused by duplicated representations (re-submission), pending representations and payments made while the representation was still pending.

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



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

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

*(Continues on the next page)*

Some charges on which representations are based		
Infringement Category	2022-2023	2023-2024
Vehicle registration & licencing	6 804	6 259
Vehicle number plates	236	168
Learner & driving licences	2 719	1 596
Professional driving permits	1 267	462
Vehicle roadworthiness - general	2 618	2 090
Vehicle - Brakes	203	136
Vehicle - Lights	1 240	963
Vehicle - Tyres	609	484
Seatbelts	2 724	1 449
Passenger carrying vehicles	214	201
Road signs, signals & markings	5 128	4 002
Exceeding speed limits	159 093	155 775
Rules of the road & driving signals	5 277	4 328

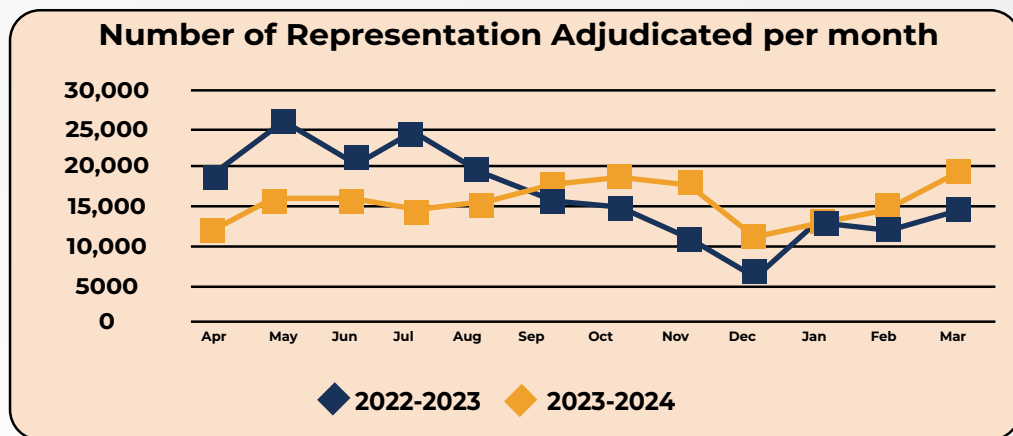
The information in the table above shows a decrease in all the categories in which representations are based. More representations were based on the infringements which were exceeding speed limit followed by the vehicle registration & licencing.

The number of representations received per month during 2022-2023 in comparison with the 2023-2024 financial year is given in the table below.

Change in Number of Representations Adjudicated per Month				
Month	2022-2023	2023-2024	Change	% Change
Apr	19 130	11 176	-7 954	-41,6%
May	26 291	15 936	-10 355	-39,4%
Jun	21 073	15 846	-5 227	-24,8%
Jul	24 643	14 301	-10 342	-42,0%
Aug	18 574	15 429	-3 145	-16,9%
Sep	15 587	17 669	2 082	13,4%
Oct	14 583	18 503	3 920	26,9%
Nov	9 877	17 744	7 867	79,6%
Dec	5 120	10 494	5 374	105,0%
Jan	12 300	12 574	274	2,2%
Feb	11 481	14 240	2 759	24,0%
Mar	13 888	18 916	5 028	36,2%
<b>Total</b>	<b>192 547</b>	<b>182 828</b>	<b>-9 719</b>	<b>-5,0%</b>

The table above shows a decrease of 9 719 in number of representations received from 192 547 in 2022-2023 to 182 828 in 2023-2024, which is 5.0% decrease. The number of representations adjudicated decreased month to month between April and August whereas an increase between September and March were noted.

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



- the failure of SAPO to upload and update the NCR on the posting status of registered/secure mail items;
- the failure of SAPO to upload and update the NCR on the delivery and collected status of mailed items; and
- the failure of SAPO to post and deliver documents within the required time frames;

The table below shows the comparison of the number of courtesy letters that were issued during the 2022-2023 and 2023-2024 financial years.

#### 4.5. Courtesy Letters Issued

With regard to the serving of Courtesy Letters and Enforcement Orders, note must be taken of the following facts that impacts heavily on the status of basically all AARTO documents in the registered/secure mailing process; as well as the information available on the NCR:

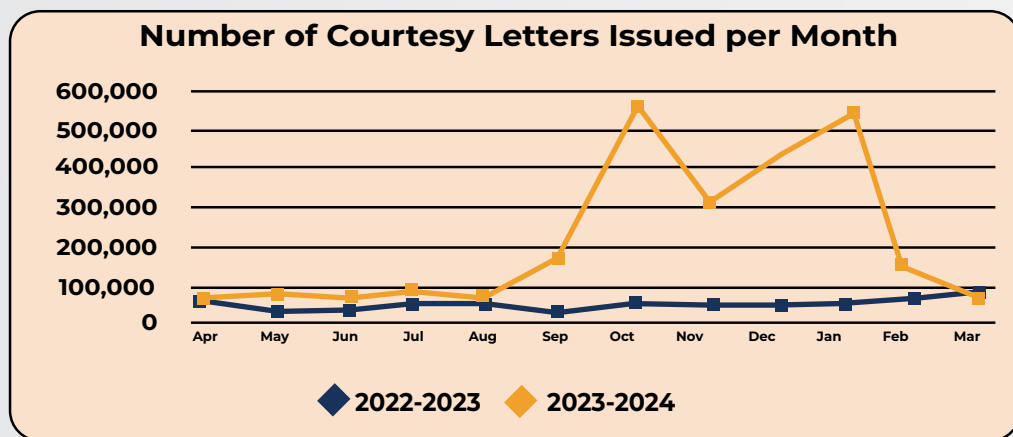
- some Courtesy Letters and Enforcement Orders may never be posted due to incomplete and incorrect postal addresses and postal codes not correlating to the name and code of the receiving post office, which incorrect/incomplete information in this regard is that as contained in the e-NaTIS;
- although it may be delivered to the intended receiving post office, some mailed items may never be collected by infringers due to wrong and incorrect postal addresses; or the previous owner to whom the Courtesy Letter or Enforcement Order is addressed may no longer be the owner of the address;

Number of Courtesy Letters Issued per Month				
Month	2022-2023	2023-2024	Change	% Change
Apr	51 896	82 031	30 135	58,07%
May	20 317	85 430	65 113	320,49%
Jun	19 386	97 214	77 828	401,46%
Jul	50 548	102 509	51 961	102,80%
Aug	44 108	98 337	54 229	122,95%
Sep	35 444	109 647	74 203	209,35%
Oct	44 361	105 756	61 395	138,40%
Nov	45 891	95 908	50 017	108,99%
Dec	43 680	283 181	239 501	548,31%
Jan	43 583	212 985	169 402	388,69%
Feb	51 262	163 158	111 896	218,28%
Mar	79 511	288 948	209 437	263,41%
<b>Total</b>	<b>529 987</b>	<b>1 725 104</b>	<b>1 195 117</b>	<b>225,50%</b>

The information in the table above shows that the change in number of courtesy letters issued in 2022-2023 compared to 2023-2024. There is a massive increase of 1 195 117 from 529 987 in 2022-2023 to 1 725 104 2023-2024. This is 225.50% change.



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



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

Number of Courtesy Letters Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2023	8 307	21 589	42 132	10 003	82 031
May 2023	9 743	23 566	37 047	15 074	85 430
Jun 2023	27 440	25 934	31 709	12 131	97 214
Jul 2023	22 163	22 925	41 471	15 950	102 509
Aug 2023	36 378	18 662	25 910	17 387	98 337
Sep 2023	56 742	28 640	14 485	9 780	109 647
Oct 2023	52 370	23 088	17 288	13 010	105 756
Nov 2023	48 594	15 598	20 153	11 563	95 908
Dec 2023	218 849	53 731	5 838	4 763	283 181
Jan 2024	157 706	33 557	12 803	8 919	212 985
Feb 2024	98 370	33 543	20 720	10 525	163 158
Mar 2024	98 591	93 774	51 341	45 242	288 948
<b>Year Total</b>	<b>835 253</b>	<b>394 607</b>	<b>320 897</b>	<b>174 347</b>	<b>1 725 104</b>
<b>% of Total</b>	<b>48,42%</b>	<b>22,87%</b>	<b>18,60%</b>	<b>10,11%</b>	

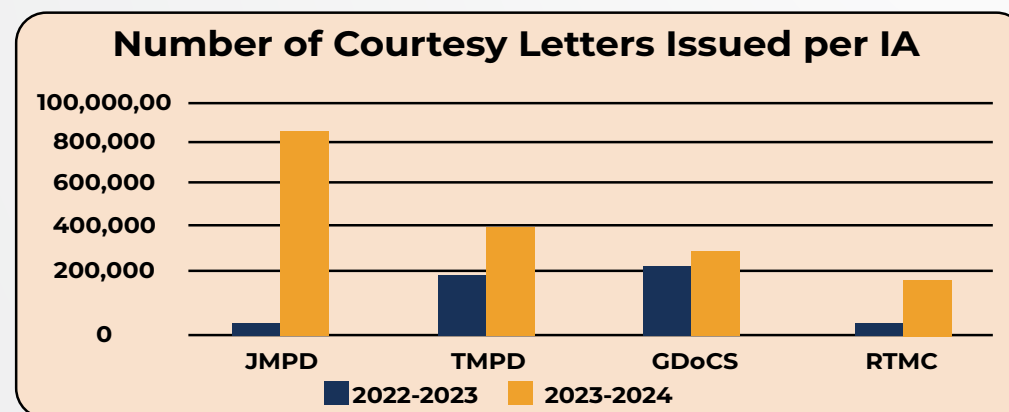
The table above shows a total of 1 725 104 courtesy letters were issued in 2023-2024, JMPD has recorded 835 253, which is the highest number of notices which the courtesy letters issued were based. The second highest was TMPD with 394 607, followed by GDoCS and RTMC with 320 897 and 174 347 respectively.

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

Number of Courtesy Letters Issued per IA					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2022-2023	61 553	187 887	242 037	38 510	529 987
2023-2024	835 253	394 607	320 897	174 347	1 725 104
<b>Change</b>	<b>773 700</b>	<b>206 720</b>	<b>78 860</b>	<b>135 837</b>	<b>1 195 117</b>
<b>% change</b>	<b>1256,97%</b>	<b>110,02%</b>	<b>32,58%</b>	<b>352,73%</b>	<b>225,50%</b>

The information in the table above shows that there was a total of 1 725 104 courtesy letters issued in 2023-2024 and this is a massive increase of 1 195 117 from 529 987 in 2022-2023 to 1 725 104 in 2023-2024. JMPD has recorded the highest big change of 1 256.97%, which is 773 700 increase, followed by RTMC, TMPD and GDoCS with 352.50%, 110.02% and 32.58% respectively.

The bar chart below reflects on the changes for the issuing authorities in the 2022-2023 and 2023-2024 financial years.



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

Number of Courtesy Letters Issued per Notice Type						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
Apr 2022	81 897	114	19	0	1	82 031
May 2022	83 184	130	1 992	52	72	85 430
Jun 2022	73 370	77	20 205	716	2 846	97 214
Jul 2022	88 383	183	12 823	67	1 053	102 509
Aug 2022	69 006	112	24 685	1 928	2 606	98 337
Sep 2022	46 323	48	48 170	3 595	11 511	109 647
Oct 2022	55 766	56	40 590	2 439	6 905	105 756
Nov 2022	51 473	56	36 183	2 385	5 811	95 908
Dec 2022	7 873	5	233 307	13 055	28 941	283 181
Jan 2023	30 209	15	151 189	8 932	22 640	212 985
Feb 2023	48 916	51	85 722	5 110	23 359	163 158
Mar 2023	122 591	138	114 743	21 395	30 081	288 948
<b>Year Total</b>	<b>758 991</b>	<b>985</b>	<b>769 628</b>	<b>59 674</b>	<b>135 826</b>	<b>1 725 104</b>
<b>% of Total</b>	<b>44,00%</b>	<b>0,06%</b>	<b>44,61%</b>	<b>3,46%</b>	<b>7,87%</b>	

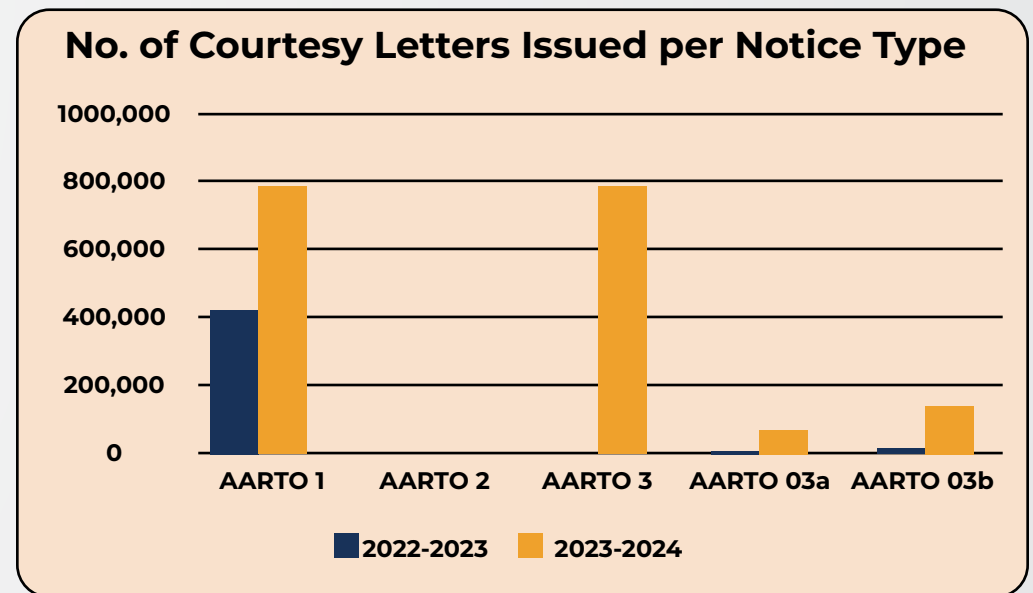
The table above shows that majority of the courtesy letters issued were emanated from the AARTO 03's with a total of 769 628, which is 44.61% followed by the AARTO 01's with a total of 758 991, which is 44.00% of the total issued. The AARTO 03b's has recorded the third highest with a total of 135 826 followed by AARTO 03a and AARTO 02's with a total of 59 674 and 985 respectively.

The change in the Number of Courtesy Letters issued between 2022-2023 and 2023-2024 financial years is shown in the table below:

Change in Number of Courtesy Letters Issued per Notice Type						
Month	AARTO 01	AARTO 02	AARTO 03	AARTO 03a	AARTO 03b	Total
2022-2023	490 791	618	1 785	9 895	26 898	529 987
2023-2024	758 991	985	769 628	59 674	135 826	1 725 104
<b>Change</b>	<b>268 200</b>	<b>367</b>	<b>767 843</b>	<b>49 779</b>	<b>108 928</b>	<b>1 195 117</b>
<b>% Change</b>	<b>54,65%</b>	<b>59,39%</b>	<b>43016,41%</b>	<b>503,07%</b>	<b>404,97%</b>	<b>225,50%</b>

The information in the table above shows an increase in number of courtesy letters for all the AARTO types with a total change of 1 195 117 from 529 987 in 2022-2023 to 1 725 104 in 2023-2024, which is 225.50%. The AARTO 03's recorded the highest change of 767 843 in 2023- 2024, which is a massive 43 016.41% increase. This big change is followed by AARTO 03a with 503.07% increase and AARTO 03b with an increase of 404.97% change. The AARTO 01 and AARTO 02 also recorded an increase of 54.65% and 59.39% respectively.

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



## 4.6. Enforcement Orders Issued

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

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

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

The number of Enforcement Orders issued during this 2023-2024 financial year is given in the table below. The information presented in this table below is based on the infringement notices served by the applicable Issuing Authority which resulted in an Enforcement Order.

Number of Enforcement Orders Issued per IA					
Month	JMPD	TMPD	GDoCS	RTMC	Total
Apr 2023	4 828	4 167	8 737	976	18 708
May 2023	124 402	67 377	131 918	15 756	339 453
Jun 2023	447 983	12 930	166	1	461 080
Jul 2023	164 446	1 893	0	0	166 339
Aug 2023	0	0	0	0	0
Sep 2023	0	0	0	0	0
Oct 2023	0	0	0	0	0
Nov 2023	0	0	0	0	0
Dec 2023	0	0	0	0	0
Jan 2024	30 406	7 939	14 124	7 900	60 369
Feb 2024	8 992	16 714	17 186	6 615	49 507
Mar 2024	0	0	0	0	0
<b>Year Total</b>	<b>781 057</b>	<b>111 020</b>	<b>172 131</b>	<b>31 248</b>	<b>1 095 456</b>

The information in the table above shows the total number of 1 095 456 Enforcement Orders were issued by all the four Issuing Authorities. There were no Enforcement orders authorised from August 2023 to December 2023.

The change in the number of enforcement orders issued between 2022-2023 and 2023-2024 financial years is shown in the table below:

Change in No. of Enforcement Orders Issued					
Year	JMPD	TMPD	GDoCS	RTMC	Total
2022-2023	45 280	65 904	132 975	25 915	270 074
2023-2024	781 057	111 020	172 131	31 248	1 095 456
<b>Change</b>	<b>735 777</b>	<b>45 116</b>	<b>39 156</b>	<b>5 333</b>	<b>825 382</b>
<b>% change</b>	<b>1624,95%</b>	<b>68,46%</b>	<b>29,45%</b>	<b>20,58%</b>	<b>305,61%</b>

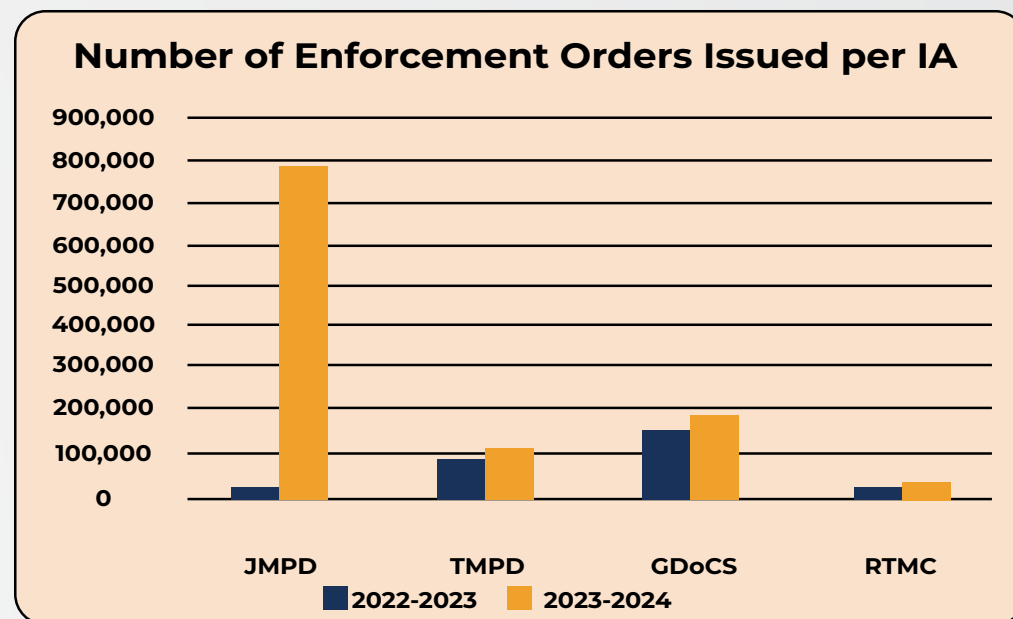
The table above shows that there was an increase in number of enforcement orders authorised in 2023-2024 with a total of 1 095 456 from 270 074 in 2022-2023, which is 305.61% change. JMPD has the highest number of issued enforcement orders in which the authorisations were based with a total increase of 735 777, which is 1 624.95%. The second highest was TMPD with 68.46% increase and followed by GDoCS and RTMC with 29.45% and 20.58% increases respectively

This information is also shown on the table below with a month-to-month comparison.

Number of Enforcement Orders Issued per Month				
Month	2022-2023	2023-2024	Change	% Change
Apr	0	18 708	18 708	-
May	0	339 453	339 453	-
Jun	0	461 080	461 080	-
Jul	0	166 339	166 339	-
Aug	0	0	0	-
Sep	0	0	0	-
Oct	0	0	0	-
Nov	0	0	0	-
Dec	0	0	0	-
Jan	0	60 369	60 369	-
Feb	134 270	49 507	-84 763	-63,13%
Mar	135 804	0	-135 804	-100,00%
<b>Total</b>	<b>270 074</b>	<b>1 095 456</b>	<b>825 382</b>	<b>305,61%</b>

The authorisation of enforcement orders in 2022-2023 financial year were done only in February and March with a total of 270 074. In 2023- 2024 financial year, the enforcement orders were authorized only 6 months and that is from April to July and again in January and February with a combined total of 1 095 456. The total change of 825 382 was recorded, which is 305.51% change.

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



#### 4.7. Applications for the Revocation of Enforcement Orders

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



the adjudication process entails that upon receipt of applications for revocation of enforcement orders from the alleged infringers the Enforcement Orders Officers as delegated by the Registrar must perform the following:

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

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

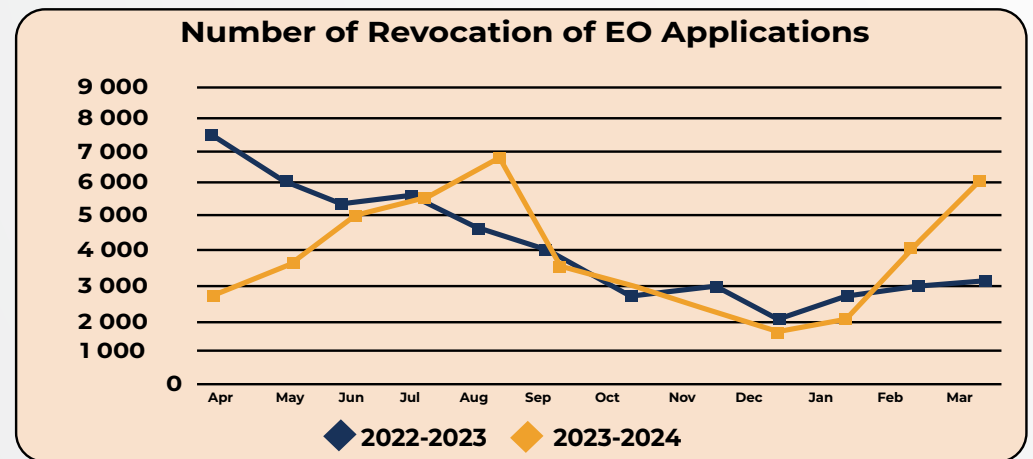
After having been served with an Enforcement Order, the number of AARTO 14 applications submitted by infringers for the revocation of such Orders during the year under review in comparison with

the previous financial year, is given in the table and reflected in the graph below.

Number of Revocation of EO Applications				
Month	2022-2023	2023-2024	Change	% Change
Apr	7 581	2 641	(4 940)	-65,16%
May	5 963	3 494	(2 469)	-41,41%
Jun	5 434	5 057	(377)	-6,94%
Jul	5 554	5 596	42	0,76%
Aug	4 725	6 651	1 926	40,76%
Sep	4 057	3 528	(529)	-13,04%
Oct	2 620	3 209	589	22,48%
Nov	2 962	2 488	(474)	-16,00%
Dec	2 106	1 690	(416)	-19,75%
Jan	2 702	1 939	(763)	-28,24%
Feb	2 792	4 322	1 530	54,80%
Mar	3 214	5 776	2 562	79,71%
<b>Total</b>	<b>49 710</b>	<b>46 391</b>	<b>(3 319)</b>	<b>-6,68%</b>

The table above shows that the change in number of revocations of EO applications has decreased from 49 710 in 2022-2023 to 46 391 in 2023-2024, which is a decline of 6.68% change.

The information is also reflected in the graph below.



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

No. of Revocation of EO Applications Processed				
Month	2022-2023	2023-2024	Change	% Change
Apr	5 350	2 668	(2 682)	-50,13%
May	6 905	3 388	(3 517)	-50,93%
Jun	6 215	4 473	(1 742)	-28,03%
Jul	6 505	5 548	(957)	-14,71%
Aug	5 958	6 050	92	1,54%
Sep	3 948	4 573	625	15,83%
Oct	2 949	3 340	391	13,26%
Nov	2 747	2 457	(290)	-10,56%
Dec	2 319	1 769	(550)	-23,72%
Jan	2 752	1 918	(834)	-30,31%
Feb	2 783	3 607	824	29,61%
Mar	3 166	5 417	2 251	71,10%
<b>Total</b>	<b>51 597</b>	<b>45 208</b>	<b>(6 389)</b>	<b>-12,38%</b>

The number of processed enforcement orders has declined in 2023-2024 with a total of 6 389, which is 12.38% from 51 597 in 2022-2023 to 45 208 in 2023-2024.

The number of applications considered by the RTIA during 2022-2023 with their outcomes is given in the table below.

Total Number of EO Revocation Applications			
Month	Applications Received	Successful	Unsuccessful
Apr-23	2 641	2 208	417
May-23	3 494	2 704	603
Jun-23	5 057	3 518	637
Jul-23	5 596	4 715	538
Aug-23	6 651	5 372	476
Sep-23	3 528	3 938	479
Oct-23	3 209	2 867	320
Nov-23	2 488	1 979	352
Dec-23	1 690	1 098	594
Jan-24	1 939	1 310	510
Feb-24	4 322	2 316	1 204
Mar-24	5 776	3 634	1 389
<b>Total</b>	<b>46 391</b>	<b>35 659</b>	<b>7 519</b>

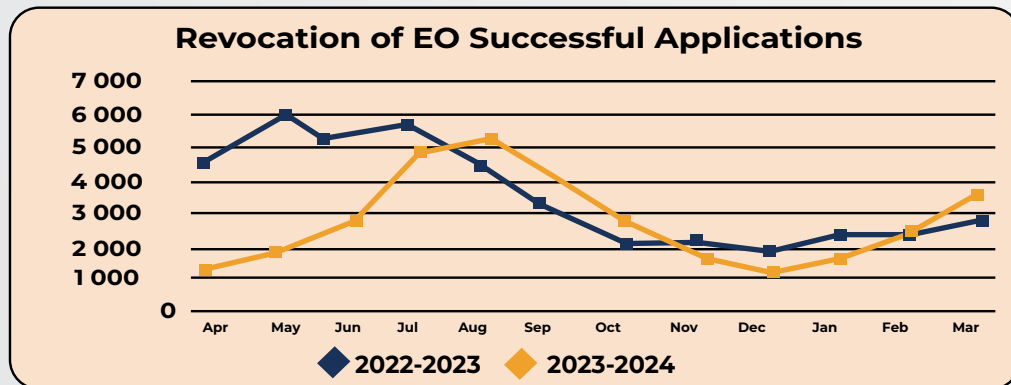
The information in the table above shows that out of 46 391 applications for revocation received in 2023-2024, 35 659 were successful and 7 519 were unsuccessful. Please note that the gap between the number of received application and the the number of adjudicated matters is caused by duplicated applications (re-submission), pending applications and payments made while the application was still pending.

The reasons for successful EO revocation applications for 2022-2023 in comparison with 2023-2024 are shown in the table below.

Reasons for Successful EO Revocation Applications		
Reasons	2022-2023	2023-2024
Proof of payment received	103	7
Instalment application proof received	12	1
Representation proof received	4 011	2 126
Proof of nomination received	-	-
Court election notice received	3	6
Proof of court appearance received	1	2
Affidavit received	2 832	3 899
Incorrect driver captured	52	25
Opted for tribunal	1	1
Appeared in the tribunal	1	-
Other:	35 588	29 592
<b>Total</b>	<b>42 604</b>	<b>35 659</b>

The information in the table above shows the reasons why the enforcement orders were successful. There has been a decrease in totals for all the reasons in 2023-2024 as compared to 2022-2023 financial years.

The information is also reflected in the graph below shows.

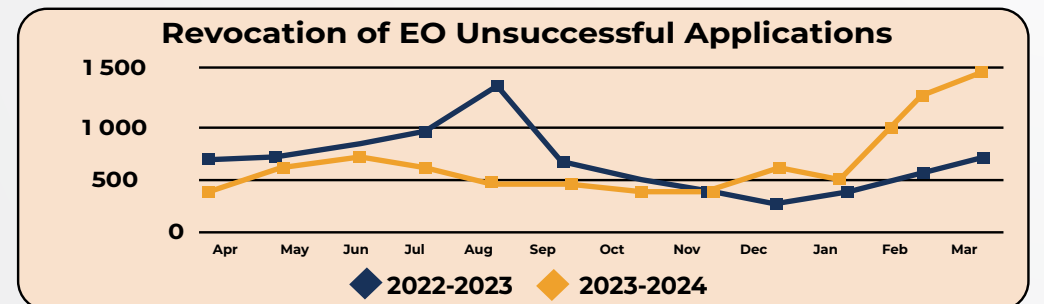


The reasons for revocation applications being unsuccessful during 2022-2023 in comparison with the number during the previous year are given in the table below.

Reasons for Unsuccessful EO Revocation Applications		
Reasons	2022-2023	2023-2024
Applied for representation	0	
No proof for not appearing in court	7	12
No proof of new driver/person in control	175	66
No proof of representation application	1	2
AARTO 14 form not completed	6	2
No proof of non-service of infringement notice	134	2 032
No proof of court option	7	1
No proof of payment	1	9
The Infringement Notice was captured on time	0	61
Courtesy Letter was served or presumed served as prescribed	0	3
Application form blank/not uploaded	7 507	5 327
<b>Total</b>	<b>7 838</b>	<b>7 519</b>

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

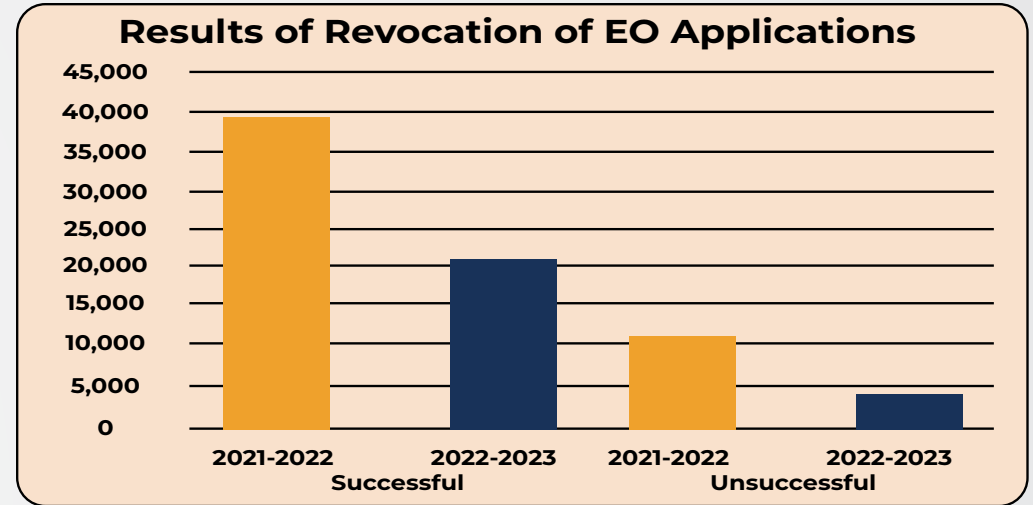
The graph below shows a month-to-month comparison of the unsuccessful Enforcement Order revocation applications for 2022-2023 and 2023-2024



The graph below shows the comparison of successful and unsuccessful revocations of the enforcement orders between 2022-2023 and 2023-2024.

Results of Revocation of EO Applications				
Month	Successful		Unsuccessful	
	2022-2023	2023-2024	2022-2023	2023-2024
Apr	4510	2208	691	417
May	6010	2704	735	603
Jun	5247	3518	773	637
Jul	5503	4715	895	538
Aug	4593	5372	1270	476
Sep	3242	3938	658	479
Oct	2391	2867	492	320
Nov	2200	1979	453	352
Dec	1920	1098	330	594
Jan	2261	1310	447	510
Feb	2222	2316	516	1204
Mar	2505	3634	578	1389
<b>Total</b>	<b>42 604</b>	<b>35 659</b>	<b>7 838</b>	<b>7 519</b>

The information is also presented in a graph below.



The successful and unsuccessful results of enforcement orders have declined in 2023-2024 as compared with 2022-2023 financial year.





# **PART C: GOVERNANCE**

PART C

## 1. THE ACCOUNTING AUTHORITY / BOARD

### Introduction

- 1.1** The Board constitutes the fundamental base of corporate governance within the RTIA.
- 1.2** As the Accounting Authority, the Board has the absolute responsibility for the effective performance of the Agency and is accountable to the Executive Authority for such performance. As a result, the Board should give strategic direction to RTIA and, in concurrence with the Minister or Executive Authority, ensure that an effective continuity plan is in place and adhered to for all Directors and key executives.
- 1.3** Audit and Risk Committee has developed and implements an ICT Governance Framework aligned with the performance and sustainability objectives of the Agency.
- 1.4** Ensure that the Audit and Risk Committee does not reduce its functions and duties, except with respect to the appointment, fees and terms of engagement of the auditor.
- 1.5** Ensure that all board members have unrestricted access to accurate, relevant and timely information concerning or held by the RTIA and act on a fully informed basis, in good faith, with diligence, skill and care and in the best interest of the RTIA, whilst taking account of the interests of the Shareholder and other stakeholders, including employees, creditors, suppliers and local communities. To this end, the Board must monitor the process of disclosure and communication and exercise objective judgment on the affairs of the RTIA, independent of management. In so doing, each individual member of the Board must keep confidential all confidential matters of the RTIA.
- 1.6** The Board, as whole and/or individual Board members may, if necessary, solicit independent professional advice at the expense of the RTIA. This process should be followed in accordance with the RTIA's Procurement Processes and Procedures, except where good cause can be shown why the procurement of such services cannot be procured using the RTIA procurement system. The Chairperson of the Board should ensure that all Board members are familiar with such procedure and comply with it.
- 1.7** Without derogating from its fiduciary duties, the Board should ensure that the Shareholder's performance objectives are achieved and that same can be measured in terms of the performance of the RTIA. In addition, the Board should ensure that the RTIA prepares annual budgets against which, its performance can be measured.
- 1.8** The Board must take appropriate and effective steps to –
  - 1.8.1** prevent irregular, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the RTIA;
  - 1.8.2** manage available working capital efficiently and economically;
  - 1.8.3** institute disciplinary steps against any employee of the RTIA who –
    - 1.8.4** contravenes or fails to comply with a provision of the PFMA;
- 1.9** Commits an act which undermines the financial management and internal control system of the RTIA;

## Board Charter

### The purpose of this Board Charter is to:

**1.10** set out the vision, mission, roles and responsibilities of the Board of RTIA;

**1.11** ensure that –

**1.11.1** all Board members are aware of their individual and collective duties and responsibilities;

**1.11.2** Board members are aware of the various legislation, regulations and policies affecting their conduct; and

**1.11.3** the principles of good corporate governance are applied in their dealings in respect of, and on behalf of the RTIA. It covers the following areas:

- Fiduciary responsibilities

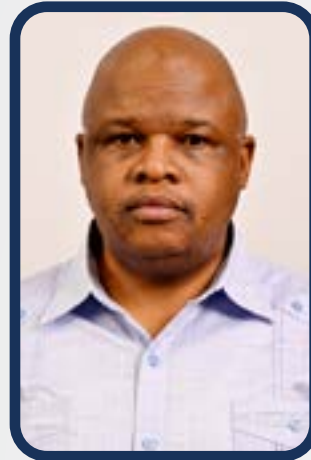
- Role of the Board
- Role of the Chairman
- Appointment of the Registrar
- Roles and Responsibilities of the Registrar and Management
- Role of Executive and Non – Executive Directors
- Role of the Company Secretary
- Remuneration of Directors
- Committees of the Board
- Formal Evaluation of Board Committees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



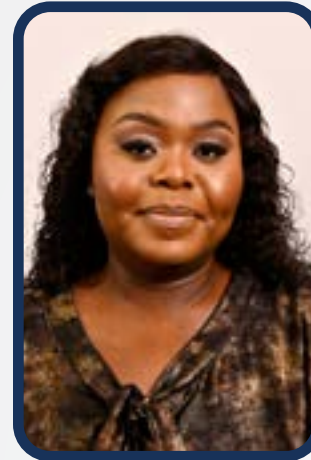
## Board Members



**Mr. Bonolo Ramokhele**  
**CHAIRPERSON**



**Mr. Matsemela Moloi**  
**REGISTRAR**



**Dr. Dorcas Khosa**  
**BOARD MEMBER**



**Mr Sandile Keswa**  
**BOARD MEMBER**



**Dr Mpostol Mashinini**  
**BOARD MEMBER**



**Adv. Nomonde January**  
**BOARD MEMBER**



**Adv. Sibongile Mzinyathi**  
**NPA NOMINEE**

## Executive Members



**Mr. Matsemela Molo**  
**REGISTRAR**



**Mr Caiphus Matjie**  
**CHIEF FINANCIAL  
OFFICER**



**Adv. Mncedisi Bilikwana**  
**EXECUTIVE LEGAL,  
COMPLIANCE AND  
COMPANY SECRETARY**



**Ms Keobakile Pooe**  
**EXECUTIVE RISK  
MANAGEMENT AND  
INTERNAL AUDIT**

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

## Composition of the Board - Period: 01 April 2023 – 13 December 2023

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit Committee / Ministerial task team)	No. of Meetings attended
<b>Ms Bongekile Zulu</b>	Public Entity	06 – 08 – 2020	B.Proc, MBA	Corporate Governance, Legal Advisory, Compliance Management and Strategy Development.	Board Member – KZN Growth Fund, Board Member – CIDB.		17
<b>Mr Matsemela Moloji</b>	Registrar	01 – 03 – 2022	BA Honours, M.A (Applied Linguistics), MBA	Law Enforcement			
<b>Dr Prittish Dala</b>	Public Entity	06 – 08 – 2020	PHD (IT), M. IT, CDPSE, CEH, CGEIT, CHFI, CISA, CISM, COBIT, CRSC, LA27001 (CISSP),	PhD (Information Technology), Masters (Information Technology) and BSc Hons (Computer Science), Bachelor of Information Technology, Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001 (LA ISO 27001), Certified in the Governance of Enterprise Information Technology (CGEIT), Certified in Risk and Information Systems Control (CRISC), Certified Ethical Hacker (CEH), Computer Hacking Forensic Investigator (CHFI) and Certified Data Privacy Solutions Engineer (CDPSE).			22
<b>Dr Dorcas Khosa</b>	Public Entity	06 – 08 – 2020	B. Tech & Master's degree – Policing (TUT), D.Litt. et Phil– Police Science (UNISA).	Traffic Law Enforcement	RTIA	HR & Remuneration Committee and Technical Committee.	21

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g: Audit Committee / Ministerial task team)	No. of Meetings attended
<b>Mr Owen Mtsetweni</b>	Public Entity	06 – 08 – 2020	B. Tech – Traffic Municipal Police Management, National Diploma B. Admin, National Diploma – Traffic Municipal Police Management.	Traffic Law Enforcement	RTIA	HR & Remuneration Committee and Technical Committee.	25
<b>Adv. Sibongile Mzinyathi</b>	NPA	01 – 10 – 2022	B. Iuris, LLB & LLM	Legal, Adjudication and Prosecution.		Audit & Risk Committee, HR & Remuneration and Technical Committee.	8
<b>Mr Bonolo Ramokhele</b>	Public Entity	06 – 08 – 2020	B Acc. Sci., H. Dip Acc, CA (SA).	Finance and Auditing	RTIA Board Member, Audit Committee member, Finance Committee member and Innovations and Linkages Committee member – Central Johannesburg College.  Finance Committee Chairperson and Audit Committee member – Gauteng CET College.  Board Member and served in various committees – Black Business Council.	Audit & Risk Committee and HR & Remuneration	21

Table : Composition of Board

## Period: 01 April 2023 – 13 December 2023 -

Name	Designation (in terms of the Public Entity Board structure)	Date appointed	Qualifications	Area of Expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g. Audit Committee / Ministerial task team)	No. of Meetings attended
<b>Mr Bonolo Ramokhele</b>	Public Entity	Dec. 2023	B Acc. Sci., H. Dip Acc, CA (SA).	Finance and Auditing	RTIA Board Member, Audit Committee member, Finance Committee member and Innovations and Linkages Committee member- Central Johannesburg College. Finance Committee Chairperson and Audit Committee member – Gauteng CET College. Board Member and served in various committees – Black Business Council.		10
<b>Mr Matsemela Molo</b>	Registrar	01 – 03 – 2022	BA Honours, M.A (Applied Linguistics) and MBA	Law Enforcement			10
<b>Adv. Nomonde January</b>	Public Entity	06 – 02 – 2024	B. Proc, LLB, Project Man. and Conveyancing				5
<b>Mr Sandile Keswa</b>	Public Entity	06 – 02 – 2024	B. Admin, Diploma in Man. and MBA				5
<b>Dr Dorcas Khosa</b>	Public Entity	Dec. 2023	B. Tech & Master's degree – Policing (TUT), D.Litt. et Phil– Police Science (UNISA).	Traffic Law Enforcement	RTIA	HR & Remuneration Committee, Social & Ethics Committee and Technical Committee.	11
<b>Dr Mpostol Mashinini</b>	Public Entity	06 – 02 – 2024	M. Degree in IT, ND in Computer Data Processing, B. Degree in IT (Hons), Bach. of Bus. Admin, MBA and Doctorate of ICT (PhD).				4
<b>Adv. Sibongile Mzinyathi</b>	NPA	Dec. 2023	B. Iuris, LLB & LLM	Legal, Adjudication and Prosecution.		Audit & Risk Committee, HR & Remuneration and Social & Ethics Committee.	2

Table : Composition of Board



## Board Committees

Committee	Name of Members (01 April 2023 – 13 December 2023) “Old Board”	Name of Members (01 January 2024 – 30 April 2024) “New Board”
<b>Audit &amp; Risk Committee</b>	<ol style="list-style-type: none"> <li>Mr Bonolo Ramokhele (Chairperson)</li> <li>Dr Pritish Dala</li> <li>Adv. Sibongile Mzinyathi</li> <li>Mr Owen Mtsetweni</li> </ol>	<ol style="list-style-type: none"> <li>Mr Sandile Keswa (Chairperson)</li> <li>Adv. Sibongile Mzinyathi</li> <li>Ms Clarinda Simpson</li> <li>Ms Margaret Phiri</li> <li>Dr Dorcas Khosa</li> </ol>
<b>Technical Committee</b>	<ol style="list-style-type: none"> <li>Dr Pritish Dala (Chairperson)</li> <li>Dr Dorcas Khosa</li> <li>Mr Owen Mtsetweni</li> <li>Ms Bongekile Zulu</li> <li>Adv. Sibongile Mzinyathi</li> </ol>	<ol style="list-style-type: none"> <li>Dr Mpostol Mashinini (Chairperson)</li> <li>Dr Dorcas Khosa</li> <li>Mr Sandile Keswa</li> <li>Ms Andiswa Dlanga</li> </ol>
<b>HR &amp; Remuneration Committee</b>	<ol style="list-style-type: none"> <li>Mr Owen Mtsetweni (Chairperson)</li> <li>Dr Pritish Dala</li> <li>Ms Bongekile Zulu</li> <li>Dr Dorcas Khosa</li> <li>Mr Bonolo Ramokhele</li> </ol>	<ol style="list-style-type: none"> <li>Adv. Nomonde January (Chairperson)</li> <li>Dr Dorcas Khosa</li> <li>Mr Sandile Keswa</li> <li>Dr Mpostol Mashinini</li> <li>Adv. Sibongile Mzinyathi</li> <li>Mr Bonolo Ramokhele</li> </ol>

### Table: Board Committees

#### Legends:

The Board term of the Agency ended on 13 December 2023. The Department informed of newly appointed Board Members in December 2023 and February 2024.

#### Remuneration of Board Members

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

Chairperson		Member	
Daily Rate	Hourly Rate	Daily Rate	Hourly Rate
<b>R 4 880</b>	<b>R 608</b>	<b>R 3 852</b>	<b>R 481</b>

#### Ordinary and Special Meetings

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

#### Emergency Meetings

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

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

- Speaking on behalf of the RTIA: Attendance will be remunerated using hourly rates limited to daily rate. Preparation fee of 1-day will be paid.
- Where a member is invited as a guest and representing the RTIA the payment will be limited to daily rate or the time spent on the function. Reimburse travel Kilometer's (The calculation of the mileage should be based on the official Distance Calculator).
- Number of days or hours in attendance, whichever rate is appropriate.
- Preparation Fee of 2-days is payable if the activity is more than 5-hours and where there is evidence of documents, which had to be prepared for the meeting.

### None Attendance of the Meeting

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

### Successive Board and Committee Meetings

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

Item	Name of Members (01 April 2023 – 13 December 2023) "Old Board"	Name of Members (01 January 2024 – 30 April 2024) "New Board"
1	Ordinary RTIA Board and Sub Committee meetings / Board and Committee workshops and Strategy sessions.	1 x daily rate for meeting attendance (attendance fee) and 3 x daily rate for preparation (preparation fee)
2	Board and Sub Committee Special meetings.	1 x daily rate for meeting attendance (attendance fee) and 1 x daily rate for preparation (preparation fee).
	Emergency meetings.	Hourly rate limited to daily rate. Preparation fee of 1 x daily rate will only be paid if the members are given documents by the RTIA that will be discussed in that meeting. Time allocated should be recorded or be confirmed in the invitation.
3	Functions / Conferences / Seminars / Study tours / Consultative meetings / Training / Meetings / Lekgotla's with Parliament / Minister / Department.	1 x daily rate for each day in attendance (attendance fee) and 1 x daily rate for preparation (preparation fee).
4	Claims for kilometer's travelled.	<ul style="list-style-type: none"> <li>• Department of Transport's Kilometre rates shall be used for all reimbursed travel claims.</li> <li>• Reimbursement on kilometres will be paid for distance travelled to a meeting outside Gauteng.</li> </ul>
5	None Attendance of the Meeting	Members unable to attend meetings should submit meeting inputs to the Company Secretary within 12 hours before the meeting. The fees payable for this purpose will be limited to the preparation fee that is applicable to that particular meeting (ordinary or special meeting).
6	Successive Board and Committee meetings	<ul style="list-style-type: none"> <li>• Preparation fee will be given for each of the meetings as the member would have spent the equivalent amount of that time to prepare for each meeting.</li> <li>• However, the attendance fee will be limited to 1 x daily rate (at-tendance fee) when meetings take place on the same day and are back to back.</li> </ul>

Total Meetings, Engagements and Activities

## Total Meetings, Engagements and Activities

Member	Board	Special Board 1	Audit and Risk Committee 2	Special Audit and Risk Committee	Human Resource and Remuneration Committee	Social and Ethics Committee	Technical Committee	AGM	AARTO Project Roll- Out 3	Forensic, Legal Consultations and Consequence Management 4	Other Engagements and Activities 5	Total Meetings	Fees
Ms Bongekile Zulu								1					R 312 320,00
Dr Prittish Dala								1					R 332 052,00
Dr Dorcas Khosa								1					R 480 744,00
Mr Owen Mtsetweni								1					R 337 756,00
Adv. Sibongile Mzinyathi								0					R 0,00
Mr Bonolo Ramokhele								1					R 515 188,00
Adv. Nomonde January													R 96 560,00
Mr Sandile Keswa													R 100 672,00
Dr Mpostol Mashinini													R 81 152,00
Ms Clarinda Simpson													R 61 632,00
Ms Margret Phiri													R 46 224,00
Mr Charley Cain													R 46 224,00
Ms Andiswa Dlanga													R 30 816,00

## 5. RISK MANAGEMENT

The RTIA as a public entity, is required to comply with the requirements of the Public Finance Management Act, 1999 (Act No. 1 of 1999) ('PFMA') by establishing and maintaining an effective, efficient and transparent risk management systems. The RTIA adheres to the risk policies and processes aligned with the King IV Code of Corporate Governance. The Audit and Risk Committee is responsible for risk management oversight. The RTIA acknowledges that risk management and internal controls are the basis for sound corporate governance. The organisation has adopted an Enterprise-wide Risk Management (ERM) approach to manage risks impacting the strategic and operational objectives of the organisation. The RTIA Board actively manages risk in pursuit of organisational goals and objectives. The RTIA Board also recognises that the realisation of its mandate depends on the ability of the leadership team to mitigate the risk compromising the RTIAs' legislative mandate and delivery of quality service to all stakeholders.

### The risk management portfolio includes:

- Strategic Risk Management
- Operational Risk Management
- Project Risk Management
- Anti-corruption, Fraud Prevention and Awareness
- Combined Assurance
- Business Continuity Management

The Risk Management Unit engages in a systematic process of coordinating the identification, monitoring, analysis, reporting and responding to risks. Amongst others, the Unit is charged with the following responsibilities:

- Oversee the effective functioning of the Agency's operations to ensure that proper processes are implemented to manage and mitigate risks;

- Empowering department's risk champions and management to perform effectively in their risk management responsibilities through proper communication and risk awareness initiatives;
- Coordinate the alignment of functional risk management methodologies and processes with the Agency's Business Units;
- Ensuring that departments execute their responsibilities in line with the risk management strategy and maintaining a cooperative relationship with management and risk champions;
- Ensure that management maintains a functional risk profile which is within the Agency's risk tolerance and appetite.

During the year under review, the Agency conducted a strategic risk assessment, the risks identified were incorporated in the Combines Assurance Plan. The strategic risk register is monitored and reported to the Board through the Audit and Risk Committee on quarterly basis. The below risks are significant to the RTIA and its operating environment:

Priority I	Priority II	Priority III	Priority IV
Prevalence of administrative deviation	Failure of municipalities to handover collected AARTO fees	Exposure to cyberattacks and data breaches	Ineffective ICT enablement
Inability to sustain the RTIA operations	Over reliance on AARTO implementing partners		
Failure to influence change in road user behaviour			

### 5.1 Combined Assurance

The RTIA has adopted a "five lines of defence" model to manage risk. The model defines the roles and responsibilities for the management of risk and emphasises the fundamental

concept that risk ownership and management are everyone's responsibility, from the Accounting Authority level and throughout the business. The model is summarised below.

Line of Defence	Responsibility	Identification & Management of Risks & Controls	Risk Assurance Instrument/Report
First Line Owns and manage risk	Executive Management/ Senior Management	Risk Identification/ Risk Management	Control Self assessment Reports/ Management Reports
Second Line Oversee risk	Risk Management/ Compliance/ OHS	Risk Assessment and Support	Risk Analysis Report/ Compliance Report/OHS Report
Third Line Provides Independent Assurance	Internal Audit	Risk Assessment, Financial Risk Identification	Internal Audit Reports, Quarterly IA Activity reports, Report on effectiveness of Controls
Forth line Provides Independent Assurance	External Audit (AGSA)	Risk Assessment, Financial Risk Identification	AGSA Audit and Management Reports
Fifth Line Ultimately Accountable for Risk	Board & Sub-Committee	Oversees the activities of RTIA and accounts to the shareholder for strategy and performance	Publish an assessment of the state of risk management and internal controls as recommended by ARC

## 5.2 Business Continuity Management

Business continuity management (BCM) focus predominantly on minimizing the business disruptions and promoting resilience in the event of an incident that could bring business to a standstill. In order to achieve this, the RTIA implements a Business Continuity Management in line with the approved policy. In an effort to capacitate employees for the implementation and maintenance of the business continuity and to raise awareness on the minimization of the impact of disruptive incidents in the delivery of services, the RTIA conducted employee awareness sessions. The implementation of BCM is currently being rolled out in phases across the Agency.

## 6. INTERNAL CONTROL UNIT

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

## 7. INTERNAL AUDIT AND AUDIT COMMITTEES

The Internal Audit department (IAD) is an independent and objective assurance provider. It delivers on its mandate through a risk-based approach methodology, offering reasonable assurance on the effectiveness of the internal controls, risk management, compliance management and governance. All audit activities conform to international standards for the professional practice of internal auditing as provided by the Institute of Internal Auditors (IIA). The Internal Audit department operates according to its charter, which is approved by the Audit and Risk Committee.

To remain an objective and independent assurance provider, the Executive: Internal Audit and Risk Management (CAE) reports administratively to the Registrar and functionally to the Audit and Risk Committee.

The effectiveness of internal audit activity is assessed through internal and external evaluations. These programmes identify opportunities for improvement that are implemented and monitored by the CAE.



The IADs' effective stakeholder management ensured efficiencies across all internal audit activities. Identified assurance gaps and duplications by RTIA's assurance providers were addressed through combined assurance plan managed by the Risk Management Unit in collaboration with the IAD.

***The risk-based internal audit plan focused on the following focal points, which are fundamental to the RTIA as required by Treasury Regulation:***

- The information technology system environment
- The reliability and integrity of financial and operational performance information
- The effectiveness of operations and performance of the RTIA
- Ensuring that RTIA assets are safeguarded
- RTIA complies with relevant laws and regulation, relevant agency instructions and standard operating procedures.

The internal audit department completed 29 of the 30 audits as per the approved audit plan and four ad hoc assignments for 2023/2024 financial year.

## **8. COMPLIANCE WITH LAWS AND REGULATIONS**

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

## **9. FRAUD AND CORRUPTION**

The Audit and Risk Committee provides oversight over the fraud and corruption prevention controls and mechanisms within the RTIA' operating environment. Accordingly:

- Fraud Risk Register is developed and monitored.
- Risk incidents are logged.
- The RTIA has a toll-free whistleblowing hotline operated by an external service provider. Employees are encouraged to report any suspected corrupt, fraudulent, criminal, or unethical practices. There were no incidents of fraud or corruption reported through the toll-free whistleblowing hotline during the 2023/24 financial year.

## **10. MINIMISING CONFLICT OF INTEREST**

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

## **11. CODE OF CONDUCT**

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

## **12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES**

The Agency has embarked on the process of ensuring that, the Agency complies with the stipulations of the Occupational

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

### 13. COMPANY /BOARD SECRETARY

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



**Adv. MLT Bilikwana**

Executive Manager: Legal, Compliance & Company Secretary

**Date:** 27 September 2024

### 14. SOCIAL RESPONSIBILITY

During the period under review a sub-committee of the board on social and ethics committee was established. The development of the Social and Ethics strategy was finalised and approved by the committee during the year under review. The Agency plans to implement strategy in the new financial year among which a corporate social responsibility strategy would be developed and implemented. The social responsibility plans will be premised on the stakeholder analysis which has been drafted in the social and ethics strategy.

## 15. AUDIT AND RISK COMMITTEE REPORT

The Road Traffic Infringement Agency (RTIA) Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2024.

### Audit and Risk Committee Responsibility

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

### Membership

In terms of membership, the ARC comprised of three members from the RTIA Board and two independent members. A list of the members and their respective qualifications as well as a record of their attendance is provided in the Governance section of this report.

### The Effectiveness of Internal Control

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

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

- Quality of the annual financial statements;
- Capacity within the Finance department;

The ARC has raised concern that the work of Internal Audit in terms of control, governance, and risk management is hampered by slow implementation of the agreed action plans for findings raised. This emanates from a number of issues of which the root cause is the limited human resources. The delay in proclamation of the AARTO Act resulted in the agency not fully implementing the APP and the related budget.

### **In-Year Management and Monthly/Quarterly Reports**

The RTIA has reported to the National Treasury and the Department of Transport in accordance with the requirements of the PFMA. The ARC provided management with recommendations to improve the quality of performance information and financial reporting.

### **Evaluation of Financial Statements**

The ARC has:

- Reviewed the unaudited financial statements with due consideration of the management assurance provided (supported by a Generally Recognised Accounting Practice (GRAP) review by a service provider engaged by management) as well as the independent assurance from Internal Audit which included a scope limitation. During the review the ARC raised specific concerns in relation to the financial position, high risk of recurring audit findings, quality of the unaudited annual financial statements.

- Reviewed changes in accounting policies and practices;
- Reviewed the AGSA audit and management reports;
- Reviewed and discussed the audited financial statements to be included in the annual report, with management and reported to the Accounting Authority;
- Reviewed the information on predetermined objectives to be included in the annual report and raised specific concern with accuracy and reliability of the performance information;

- Reviewed compliance with legal and regulatory provisions; and
- Reviewed the audited financial statements for any significant adjustments resulting from the audit report.
- The ARC recommend the unaudited AFS and APR for approval to the board on 31 May 2024.

### **AGSA Audit Report**

The ARC notes with concern the consecutive qualified audit opinion from AGSA especially in relation to the AARTO assets and liabilities.

Overall the agency maintained the same rating on overall audit outcomes with improvement realized on expenditure management. The agency has developed a turnaround strategy to improve on the audit outcome.

### **Consequence Management Material Finding**

AGSA also issued material finding on non-implementation of consequence management emanating from irregular expenditure and fruitless and wasteful expenditure for transactions that were identified and disclosed in the financial period (2021/22). The AGSA's finding is premised on management not submitting the evidence that there were investigations conducted and that the disciplinary letters written to affected officials were not sufficient. The ARC will oversee the implementation of the Irregular Expenditure Framework to avoid such findings in future.

### **Internal Control Overall Assessment**

The AGSA did identify material non-compliance and internal control deficiencies with legislation on financial management processes.



## Qualification Audit Findings

The following auditing findings contributed toward the agency obtaining qualification from the AGSA:

- AARTO Liabilities - Unallocated Receipts  
(Basis for Qualification)

AGSA was unable to obtain sufficient appropriate audit evidence that AARTO liabilities- unallocated receipts for the current and previous year had been properly accounted for due to the status of accounting records. Consequently, AGSA was unable to determine whether any further adjustment was necessary to the AARTO liabilities - unallocated receipts stated in Note 6 to the financial statements at 87 256 196 (2023: R82 718 225. The Agency agreed with AGSA that they will allocate the infringement fees to as far back as the supporting documents allows. The agency contracted a service provider to assist with allocation and due to the volume and complexity of the process the exercise could not be completed on 31 May 2024.

- **AARTO Liabilities Understatement  
(Basis for qualification)**

Receivables from statutory receivables (exchange transactions) is materially understated by R12 632 909.3 million (2022: R2.3 million) and infringement fees are consequently understated. Management didn't have sufficient time to correct material misstatement before the final report was issued.

## Conclusion

The ARC was able to confirm the system of internal control, governance and risk management in the Agency as adequate and

partially effective in managing risks and allowing the management to understand the management of such risks.



**Mr Sandile Keswa**

Audit and Risk Committee Chairperson

Date: 26 September 2024

## 16. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

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

Has The Department / Public Entity Applied Any Relevant Code Of Good Practice (B-Bbee Certificate Levels 1 – 8) With Regards To The Following:		
Criteria	Response Yes / No	The RTIA is Established in terms of an Act of Parliament
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The RTIA is Established in terms of an Act of Parliament
Developing and implementing a preferential procurement policy?	Yes	Implemented in line with Treasury guidelines and the preferential procurement policy
Determining qualification criteria for the sale of state- owned enterprises?	Yes	This requirement criteria is always stipulated in the applicable tenders issued by the RTIA to the public
Developing criteria for entering into partnerships with the private sector?	Yes	There is an existing partnership with private institutions
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad- Based Black Economic Empowerment?	Yes	There is an existing partnership with private institutions





# **PART D: HUMAN RESOURCE MANAGEMENT**

# PART D

## 1. INTRODUCTION

The Human Capital Management, HCM of the Agency, continues to implement the approved HCM strategy with its various aspects such as organisational reengineering and performance, talent management framework, learning and development, organisational culture, employee relations, employee wellness, performance management, compensation and benefits.

The Agency through its Human Capital Management continued to manage its internal study assistance programme aimed at building skills, knowledge, and competencies. It was delighted to report the successful completion of studies by staff.

## 2. HUMAN RESOURCES OVERSIGHT STATISTICS

The table below provides employee costs for the period under review per programme. The Agency ended the financial year with 184 staff complement comprising permanent and contract employees.

**Table 2.1:** Personnel Cost by Programme

Personnel Cost by Programme				
Programme	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee
1	11 514 169	10%	19	606 009
2	20 744 058	19%	12	1 728 671
3	3 812 503	3%	7	544 643
4	73 612 168	66%	144	511 196
5	2 125 393	2%	2	1 062 696
<b>Total</b>	<b>111 808 290</b>	<b>100%</b>	<b>184</b>	<b>4 453 216</b>

**Table 2.2:** Employee Costs by Salary Band

Personnel Cost by Salary Band				
Salary Bands	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost	No. of employees	Average personnel cost per employee (R'000)
Top Management (Level 15-16)	8 396 125	8%	4	2 099 031
Senior Management (Levels 13-14)	20 457 241	18%	15	1 363 816
Professional Qualified (Levels 9-12)	40 629 431	36%	53	766 593
Skilled (Levels 6-8)	41 114 440	37%	107	384 247
Semi-skilled (Levels 3-5)	1 211 054	1%	5	242 211
Unskilled	-	0		
<b>Total</b>	<b>111 808 290</b>	<b>100%</b>	<b>184</b>	<b>4 855 898</b>

**Table 2.3:** Performance Rewards per Occupational Category

Performance Rewards per Occupational Band			
Occupational Bands	Performance rewards	Personnel Expenditure	% of performance rewards to total personnel cost
Top Management	-	8 396 125	0%
Senior Management	-	20 457 241	0%
Professional qualified	-	40 629 431	0%
Skilled	-	41 114 440	0%
Semi-skilled	-	1 211 054	0%
Unskilled	-	-	0%
<b>Total</b>	<b>-</b>	<b>111 808 290</b>	<b>0%</b>

**Table 2.4:** Training Costs per Business unit

Training Costs per Business Unit					
Business Unit	Personnel Expenditure	Training Expenditure	Training Expenditure as a % of Personnel Cost.	No.of Employees Trained	Avg Training Cost Per Employee
Internal Audit	6 902 771	118 613	1.72%	2	59 306
Enterprise Development	22 626 490	3 096	0.01%	12	258
Back Office	5 975 874	5 964	0.10%	14	426
Finance	7 972 586	-	0.00%	0	-
Supply Chain	4 779 750	5 848	0.12%	2	2 924
Office of Registrar	6 906 147	8 960	0.13%	1	8 960
Representation	30 318 427	15 960	0.05%	7	2 280
Adjudication	16 026 679	36 400	0.23%	16	2 275
Operations and Information Management	5 594 171	6 848	0.12%	2	3 424
Secreriariat and Corporate Governance	4 705 395	35 900	0.76%	1	35 900
<b>TOTAL</b>	<b>111 808 290</b>	<b>237 589</b>	<b>3%</b>	<b>57</b>	<b>4 168</b>

**Table 2.5:** Employment and Vacancies per Programme

Employment and Vacancies per Programme					
Programme	2022/2023 No. of Employees	2022/2023 Filled Posts	2023/2024 No. of Employees	2023/2024 Vacancies	% of vacancies
1	18	9	18	9	33%
2	7	7	13	7	35%
3	11	0	10	0	0%
4	122	17	131	17	11%
5	17	0	12	0	0%
<b>TOTAL</b>	<b>175</b>	<b>33</b>	<b>184</b>	<b>33</b>	<b>15%</b>

**Table 2.6:** Changes in Employee Numbers and Movements

Personnel Cost by Salary Band				
Salary Bands	Employment At Beginning Of Period	Appointments	Terminations	Employment At End Of The Period
Top Management (Level 15-16)	4	0	0	4
Senior Management (Levels 13-14)	15	2	2	15
Professional Qualified (Levels 9-12)	51	4	3	52
Skilled (Levels 6-8)	110	1	3	108
Semi-skilled (Levels 3-5)	5	0	0	5
Unskilled (Levels 1-2)	0	0	0	0
<b>Total</b>	<b>185</b>	<b>7</b>	<b>8</b>	<b>184</b>

**Table 2.7:** Reasons for staff leaving

Reasons for Staff Leaving		
Reason	Number	% of total no. of staff leaving
Death	0	0
Resignation	7	7
Dismissal	0	0
Retirement	1	1
Ill health	0	0
Expiry of contract	0	0
<b>Other</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>8</b>	<b>8</b>

**Table 2.8:** Labour Relations: Misconduct and Disciplinary Action

Nature of disciplinary Action	Number
Verbal Warning	0
Written Warning	6
Final Written warning	0
Suspension	0
Dismissal	0
<b>Total</b>	<b>6</b>

Table 2.9 Employment Equity and Targets

Labour Relations : Equity Target and Employment Equity Status – Male										
Race Group	African		Coloured		Asian		White		Total Male	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	3	0	0	0	0	0	0	0	3	0
Senior Management Professional qualified	9	0	0	1	0	1	1	2	10	4
Skilled	23	0	1	1	1	1	0	1	25	3
Semi-skilled	43	0	1	1	0	0	0	0	44	1
Unskilled	2	0	0	0	0	0	0	0	2	0
TOTAL	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>80</b>	<b>0</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>84</b>	<b>8</b>

**Table 2.9(b)** Employment Equity and Targets

Labour Relations : Equity Target and Employment Equity Status – Female										
Race Group	African		Coloured		Asian		White		Total Male	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	1	0	0	0	1	1	4
Senior Management Professional qualified	5	6	0	1	0	1	0	1	5	9
Skilled	23	0	2	0	1	0	1	0	27	0
Semi-skilled	58	59	5	6	0	1	1	1	64	67
Unskilled	2	2	1	2	0	1	0	0	3	5
TOTAL	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>89</b>	<b>69</b>	<b>8</b>	<b>10</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>100</b>	<b>83</b>

**Table 2.9(c)** Employment Equity and Targets

Labour Relations : Equity Target and Employment Equity Status – Total										
Race Group	African		Coloured		Asian		White		Total Male	
Occupational Bands	Current	Target	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	4	2	0	1	0	0	0	1	4	4
Senior Management Professional qualified	14	6	0	2	0	2	1	3	15	13
Skilled	46	0	3	1	2	1	1	1	52	3
Semi-skilled	101	59	6	7	0	1	1	1	108	68
Unskilled	4	2	1	2	0	1	0	0	5	5
TOTAL	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>169</b>	<b>69</b>	<b>10</b>	<b>13</b>	<b>2</b>	<b>5</b>	<b>3</b>	<b>6</b>	<b>184</b>	<b>91</b>



**Table 2.9 d** Members of Staff living with Disability

Members of Staff Living with Disability						
Gender	Male		Female		TOTAL	
Occupational Bands	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0
Professional qualified	0	1	0	0	0	1
Skilled	0	0	0	1	1	1
Semi-skilled	1	0	0	0	0	0
Unskilled	0	0	0	0	0	0
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>



# **PART E:**

# **FINANCIAL INFORMATION**

# **PART E**

## **PART E: FINANCIAL INFORMATION**

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## Road Traffic Infringement Agency

Annual Financial Statements for the year ended 31 March 2024 -  
General Information

<b>Country of incorporation and domicile</b>	South Africa
<b>Nature of business and principal activities</b>	Adjudication of road traffic infringements
<b>Members</b>	MLB Molo BM Ramokhele Adv. NN January Mr SJ Keswa Dr D Khosa Dr MJ Mashinini Adv. S Mzinyathi Adv. MLT Bilikwana
<b>Registered office</b>	Waterfall Edge B Howick Close Waterfall Office Park Midrand 1685
<b>Controlling entity</b>	Department of Transport
<b>Bankers</b>	Standard Bank South Africa
<b>Auditors</b>	Auditor General of South Africa Registered Auditors
<b>Secretary</b>	Adv. MLT Bilikwana

## Road Traffic Infringement Agency

Annual Financial Statements for the year ended 31 March 2024

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

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## Report of the auditor-general to Parliament on Road Traffic Infringement Agency

### Report on the audit of the financial statements

#### Qualified opinion

1. I have audited the financial statements of the Road Traffic Infringement Agency set out on pages 110 to 175, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, except for the effects and possible effects of the matters described in the basis for qualified opinion section of this report, the financial statements present fairly, in all material respects, the financial position of the Road Traffic Infringement Agency as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

#### Basis for qualified opinion

##### AARTO liabilities - unallocated receipts

3. I was unable to obtain sufficient appropriate audit evidence that the AARTO liabilities - unallocated receipts for the current and previous year had been properly accounted for, due to the status of the accounting records.

I was unable to confirm the AARTO liabilities - unallocated receipts by alternative means. Consequently, I was unable to determine whether any adjustments were necessary to AARTO liabilities - unallocated receipts stated in note 6 to the financial statements at R87 256 196 (2023: R82 718 225).

##### AARTO liabilities - Road Traffic Infringement Agency

4. Not all outstanding amounts meeting the definition of a liability were recognised in accordance with GRAP 1, *Presentation of financial statements*. Adequate records of outstanding payments for infringement fees collected but not yet paid at year-end were not maintained. This resulted in AARTO liabilities - Road Traffic Infringement Agency disclosed in note 6 to the financial statements being understated by R12 632 909 and the comparative for 2023 being understated by R2 311 055.

#### Context for opinion

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

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

### Emphasis of matters

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

### Restatement of corresponding figures

9. As disclosed in note 24 to the financial statements, the corresponding figures for 31 March 2023 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2024.

### Material impairments - trade debtors

10. As disclosed in note 4 to the financial statements, material impairments of R4 160 529 were incurred as a result of revenues not recoverable from statutory receivables.

### Responsibilities of the accounting authority for the financial statements

11. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
12. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern

basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

13. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
14. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 106 to 107, forms part of our auditor's report.

### Report on the audit of the annual performance report

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

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

Programme	Page numbers	Purpose
AARTO Administration and Education	35;36	The programme exists to facilitate and ensure system and processes for responsive AARTO administration, education, and awareness interventions
Adjudication and AARTO Support	36	This programme exists to ensure adjudication and AARTO stakeholder management activities in line with the provisions of the AARTO Act.
AARTO Information And Analytics	37	This existence of this programme is the institutionalization of information management in line with the provisions of the AARTO legislative framework. Key functions and outputs include but are not limited to research, digital technologies and data management.
AARTO National Rollout	40	The programme exists to position the RTIA to address seamless and coordinated implementation of AARTO by all key stakeholders countrywide. The strategy Division are actors in the programme.

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

18. I performed procedures to test whether:
- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives.
  - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included.
  - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements.
  - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated.
  - the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents.
  - the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
  - there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets taken to improve performance.
19. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.
20. I did not identify any material findings on the reported performance information for the programmes Adjudication and AARTO support and AARTO National Rollout programme.



## Other matters

21. I draw attention to the matters below.

### Achievement of planned targets

22. The tables that follow provide information on the achievement of planned targets and lists the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets taken to improve performance are included in the annual performance report on pages [35 to 40].

#### AARTO Administration and Education

<b>Targets achieved: 75%</b>		
<b>Budget spent: 40%</b>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Number of AARTO branded billboards placed on national roads	4	0

#### AARTO Information and Analytics

<b>Targets achieved: 67%</b>		
<b>Budget spent 41%</b>		
Key service delivery indicator not achieved	Planned target	Reported achievement
Big data strategy approved	1	0

## Material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for AARTO Administration and Education, and AARTO Information and Analytics. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

### Report on compliance with legislation

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

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

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

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

## Annual financial statement, performance and Annual report

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

## Consequence management

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

## Other information in the annual report

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

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

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

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

## Internal control deficiencies

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

35. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for the qualified opinion, the material findings on the annual performance report and the material findings on compliance with legislation included in this report.

36. Management did not adequately design and implement internal controls to ensure accurate records are kept in support of the AARTO liabilities - unallocated receipts and resulted in a limitation on the audit of the balance.
37. Management did not have adequate reconciliation controls to ensure that AARTO liabilities - Road Traffic Infringement Agency, is reconciled to the related financial statements items.
38. Management did not adequately design and implement internal controls for preparation, review and approval of annual financial statements and the annual performance report which resulted in material misstatements being identified.
39. Management did not adequately design and implement internal controls to prevent non compliance with laws and regulations.



## Annexure to the auditor's report

### The annexure includes the following:

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

## Auditor-general's responsibility for the audit

### Professional judgement and professional scepticism

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

### Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating

to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern.

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

## Communication with those charged with Governance

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

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

## Compliance with legislation - selected legislative requirements

The selected legislative requirements are as follows:

Legislation	Sections or Regulations
Public Finance Management Act 1 of 1999 (PFMA)	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); 55(1)(c)(i); 56(1); 57(b)
Treasury Regulations	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); 16A6.1; 16A6.2(a); 16A6.2(b); 16A6.3(a); 16A6.3(a); 16A6.3(b); 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); 16A 9.1(d); 16A9.1(e); 16A9.1(f); 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; 31.2.5; 33.1.1; 33.1.3
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 2020/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 2020/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



# Road Traffic Infringement Agency

Annual Financial Statements for the year ended 31 March 2024

## Index

### Abbreviations used:

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

# Road Traffic Infringement Agency

Annual Financial Statements for the year ended 31 March 2024

## Accounting Authority's Responsibilities and Approval

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content, integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the members to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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

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

The Accounting Authority acknowledges that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the Accounting Authority sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate

segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Authority is of the opinion, based on the assurance, information, confirmation and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable and not absolute assurance against material misstatement. The Accounting Authority have reviewed the entity's cash flow forecast for the period to 31 March 2025 and in the light of this review and the current financial position, they are satisfied that the entity has or has access to adequate resources to continue in operational existence for the foreseeable future, subject to the retention of the surplus funds. The entity is dependent on the infringements fees for the continued funding of the operations. The annual financial statements are prepared on the basis that the entity is a going concern and that the RTIA has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

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

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

The annual financial statements set out on page 110 to 119 which have been prepared on the going concern basis, were approved by the Accounting Authority on 31 May 2024 and were signed on its behalf by:



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**Mr B Ramokhele**  
**RTIA: Chairperson**  
**Date:** 27 September 2024



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**Mr M Moloji**  
**Registrar**  
**Date:** 23 September 2024

## Statement of Financial Position as at 31 March 2024

Figures in Rand	Note(s)	2024	2023 - Restated
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	108 644 944	156 816 593
Receivables from exchange transactions	4	34 278 488	27 369 115
Receivables from non-exchange transactions	5	71 764 000	-
AARTO Assets	6	139 118 689	136 638 010
		<b>353 806 121</b>	<b>320 823 718</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	1 523 689	3 729 959
Intangible assets	8	3 191 616	2 197 636
		4 715 305	5 927 595
<b>Total Assets</b>		<b>358 521 426</b>	<b>326 751 313</b>

Statement of Financial Position as at 31 March 2024

Figures in Rand	Note(s)	2024	2023 - Restated
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Payables from exchange transactions	9	34 117 529	12 637 109
AARTO Liabilities	6	139 118 689	136 638 010
		173 236 218	149 275 119
<b>Total Liabilities</b>		<b>173 236 218</b>	<b>149 275 119</b>
Net Assets		<b>185 285 208</b>	<b>177 476 194</b>
Accumulated surplus		185 285 208	177 476 194
<b>Total Net Assets</b>		<b>185 285 208</b>	<b>177 476 194</b>



## Statement of Financial Performance

Figures in Rand	Note(s)	2024	2023 - Restated
<b>Revenue</b>			
<b>Revenue from non-exchange transactions</b>			
Grants	10	152 997 000	9 068 000
<b>Revenue from exchange transactions</b>			
Infringements fees	10	102 348 320	112 948 779
Interest received	10	9 726 165	12 784 486
Sundry Income	10	143 350	355 182
<b>Total revenue from exchange transactions</b>		<b>112 217 835</b>	<b>126 088 447</b>
<b>Total revenue</b>		<b>265 214 835</b>	<b>135 156 447</b>
<b>Operating expenses</b>			
Employment costs	11	(111 808 290)	(107 815 341)
Depreciation and amortisation on assets	7&8	(8 162 015)	(7 651 443)
Other operating expenses	12	(139 873 913)	(77 370 763)
Repairs and Maintenance		(808 256)	(970 539)
Impairment of receivables		3 246 653	(1 394 073)
<b>Total expenditure</b>		<b>(257 405 821)</b>	<b>(195 202 159)</b>
<b>Surplus (deficit) for the year</b>		<b>7 809 014</b>	<b>(60 045 712)</b>

## Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus / deficit	Total net assets
<b>Balance at 01 April 2022 * Restated</b>	<b>384 492 655</b>	<b>384 492 655</b>
Changes in net assets		
Surplus for the period	104 705 656	104 705 656
National Treasury surplus surrenders	(147 000 000)	(147 000 000)
<b>Total changes</b>	<b>(42 294 344)</b>	<b>(42 294 344)</b>
Opening balance as previously reported	342 198 311	342 198 311
Adjustments		
Correction of errors	(164 722 118)	(164 722 118)
<b>Balance at 01 April 2023 * Restated</b>	<b>177 476 194</b>	<b>177 476 194</b>
Changes in net assets		
Surplus for the year	7 809 014	7 809 014
<b>Total changes</b>	<b>7 809 014</b>	<b>7 809 014</b>
<b>Balance at 31 March 2024</b>	<b>185 285 208</b>	<b>185 285 208</b>
Note(s)		

## Statement of cash flows

Figures in Rand	Note(s)	2024	2023
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Infringement receipts		97 837 310	128 328 252
Grants received		81 233 000	9 068 000
Interest income		9 726 165	12 784 486
Other receipts		991 640	355 182
AARTO collections		173 063 137	168 653 664
		<b>362 851 252</b>	<b>319 189 584</b>
<b>Payments</b>			
Employee costs		(111 459 959)	(108 399 111)
Suppliers		(119 517 918)	(81 663 660)
Payment to National Treasury		-	(147 000 000)
AARTO Disbursements		(173 063 137)	(168 653 664)
		(404 041 014)	(505 716 435)
<b>Net cash flows from operating activities</b>	<b>14</b>	<b>(41 189 761)</b>	<b>(186 526 851)</b>

## Statement of cash flows

Figures in Rand	Note(s)	2024	2023
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(146 816)	(412 894)
Purchase of other intangible assets	8	(6 835 072)	(3 134 190)
<b>Net cash flows from investing activities</b>		<b>(6 981 889)</b>	<b>(3 547 084)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		156 816 593	346 890 528
<b>Cash and cash equivalents at the end of the year</b>	3	<b>108 644 943</b>	<b>156 816 593</b>

The accounting policies on pages 120 to 142 and the notes on pages 143 to 175 form an integral part of the annual financial statements.



## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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### Statement of Financial Performance Revenue

Infringement fees	326 072 000	-	<b>326 072 000</b>	102 348 320	<b>223 723 680</b>	N1
Grant	152 997 000	-	<b>152 997 000</b>	152 997 000	-	N1
Grant - MTEF	9 468 000	-	<b>9 468 000</b>	9 468 000	-	
Grant - AARTO rollout	143 529 000	-	<b>143 529 000</b>	143 529 000	-	
<b>Total revenue</b>	<b>479 069 000</b>	-	<b>479 069 000</b>	<b>255 345 320</b>	<b>223 723 680</b>	

### Revenue

#### Other income

Sundry income	-	-	-	143 350	(143 350)	N1
Interest received	-	-	-	9 726 165	(9 726 165)	N3
	-	-	-	<b>9 869 515</b>	<b>(9 869 515)</b>	
<b>Transfer revenue</b>	<b>479 069 000</b>	-	<b>479 069 000</b>	<b>265 214 835</b>	<b>213 854 165</b>	

## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
<b>Expenditure</b>						
Employment cost	197 527 990	-	<b>197 527 990</b>	111 808 290	<b>85 719 700</b>	N2
Administration and other expenses	78 270 460	-	<b>78 270 460</b>	22 649 642	<b>55 620 818</b>	N3
Impairment loss/ Reversal of impairments	-	-	-	3 246 653	<b>3 246 653</b>	
Advertising and marketing	-	-	-	593 541	<b>(593 541)</b>	N4
Consultants	31 275 190	-	<b>31 275 190</b>	3 766 105	<b>27 509 085</b>	N5
Legal costs	6 000 000	-	<b>6 000 000</b>	4 143 206	<b>1 856 794</b>	N6
Operating leases	5 500 000	-	<b>5 500 000</b>	4 688 017	<b>811 983</b>	N7
Expenditure of AARTO issued notices	16 966 360	-	<b>16 966 360</b>	95 445 800	<b>(78 479 440)</b>	N8
AMIP - AARTO rollout	143 529 000	-	<b>143 529 000</b>	6 117 042	<b>137 411 958</b>	N9
<b>Total expenditure</b>	<b>479 069 000</b>	-	<b>479 069 000</b>	<b>252 458 296</b>	<b>226 610 704</b>	

## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Reconciliation						
Basis Difference						
Impairment and reversal of statutory receivables				(3 246 653)	<b>3 246 653</b>	N10
Depreciation and amortisation on assets				8 162 015	<b>(8 162 015)</b>	N10
Write-offs of property, plant and equipment				32 163	<b>(32 163)</b>	N10
				<b>4 947 525</b>	<b>(4 947 525)</b>	
<b>Net surplus as per statement of financial performance</b>				<b>7 809 014</b>	<b>(7 809 014)</b>	
<b>Net surplus as per statement of financial performance</b>				<b>7 809 014</b>	<b>(7 809 014)</b>	
<b>Capital expenditure and Balance sheet</b>						
Total assets	23 509 510	-	23 509 510	6 981 889	16 527 621	N3
Approved surplus	199 632 000	-	199 632 000	-	199 632 000	N11

## Statement of Comparison of Budget and Actual Amounts

### Budget on Accrual Basis

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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The approved original budget was submitted to the Executive Authority in line with the Public Finance Management Act, 1999, Chapter 6 Public Entities Part 2, Par 53. The budget was approved by the Accounting Authority.

N1 - The revenue generated from collected infringement fees has fallen by 69% below the anticipated target. This shortfall can be attributed to a reduction in the number of issued notices by the relevant Issuing Authorities responsible for enforcing the Administrative Adjudication of Road Traffic Offences (AARTO) regulations. Additionally, the decline in the collection is a result of serving notices that were outside the legislated time frames. The allocated grant with conditions is related to the AARTO rolloutring-fenced funds of R143 million for the year that ended. A sum of R71 million was requested and received.

***The overall budget spending was not achieved for all planned projects, especially the AARTO rollout program. This resulted invariances in most expenditure line items for the year under review:***

- N2** - Employment-associated costs were 43% behind budget.
- N3** - Underspending of admin expenses by 66% due to non-AARTO rollout.
- N4** - Advertising and marketing was not separately allocated a budget.
- N5** - Consultants underspent due to none rollout of AARTO.
- N6** - Legal costs is 31% behind budget.
- N7** - Operating leases is 15% below budget set.
- N8** - The expenditure of AARTO notices issued exceeded the budget allocation, this was augmented through savings made from consultants and other expenses.
- N9** - Only 4% of the budget was spent on the AARTO rollout expenditure the remaining balance was committed at year end via purchase order.
- N10** - Non-cash items included in the surplus.
- N11** - Surplus retention approved for the 2022-23 financial year

## Significant Accounting Policies

### 1. Significant accounting policies

#### Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting.

Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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

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

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

These accounting policies are consistent with the previous period.

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

#### Entity

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

#### Basis of measurement

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

#### Functional and presentation currency

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

#### Comparative figures

##### Budget

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



## Significant Accounting Policies

### Prior year comparatives

The presentation and classification of items in the current period is consistent with prior years, unless otherwise specified. The current period annual financial statements have been presented in accordance with industry standards. The information content has remained the same.

### 1. Significant accounting policies

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

### 1.1 Significant Judgements And Sources Of Estimation Uncertainty

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

#### Judgements

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

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

#### Adequacy of the leave pay provision

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

#### Estimates

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

The preparation of annual financial statements in conformity with GRAP, requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. These judgements

## Significant Accounting Policies

and estimates are reviewed annually by management. Revisions and accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

### Impairment testing

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

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

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

### Provisions

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

Employees entitlement to annual leave is recognised when it accrues from 1 January to 31 December which will be forfeited

on the 30 June of the following year. A provision is raised on the estimated liability for annual leave arising from the obligation to honour the services rendered by employees at reporting date.

A provision is raised on the estimated liability for annual leave arising from the obligation to honour the services rendered by employees at the reporting date. The leave pay provision is calculated based on the actual days accrued at the rate of remuneration set according to the approved policy of the Agency.

Any changes in the rate of remuneration are determined on an annual basis. According to the Agency's policy, employees can accrue annual leave in excess of 15 working days. However, any excess leave that is not taken within six months after the leave cycle will be forfeited unless the employee can demonstrate that operational requirements prevented them from taking the leave. Leave that is not taken will not be compensated unless the employee's contract of employment is terminated. In this case, timing is certain (within six months after the annual leave cycle has expired), but the amount may be uncertain (i.e. an estimate of the leave that will be forfeited should be made in measuring the liability). Management will use its judgement in deciding whether the uncertainty is more or less in measuring the liability. The bonus provision is based on the approved estimates in terms of the Performance Management Framework of the Agency.

The provision becomes due and payable provided the performance bonus qualification criteria is met, subject to the performance measurement assessments or at the discretion of the Board based on the outcome of the



## Significant Accounting Policies

investigation. Payment of performance bonuses is at the sole discretion of the Board. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date assuming that all employees qualify in terms of the performance measurement criteria. These estimates are based on judgements made by management and these judgements are supported by experience of similar transactions in the past.

### Impairment of statutory receivables

On receivables, an impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired. The impairment loss is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted using the risk free interest rate, computed at initial recognition. The measurement of receivables is derived after consideration of the allowance for receivables. Management makes certain assumptions regarding the categorisation of receivables into groups with similar risk profiles so that the effect of any impairment loss on a group of receivables would not differ materially from the impairment that would have been determined had each receivable been assessed for impairment loss on an individual basis. The determination of this allowance is predisposed to the utilisation of estimates, assumptions and management judgements. In determining this allowance, the estimates are made about the probability of recovery of the receivables based on their past payment history and risk profile. The Agency assesses its receivables for impairment loss at each reporting date. In determining whether impairment for receivables should be recognised, management will make

judgements as to whether there is objective evidence indicating that the receivable may be impaired.

### Asset lives and residual values

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

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

Intangible assets are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation,

## Significant Accounting Policies

product life cycles and maintenance programmes are taken into account.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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

### Leave provision

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

### RTIA acts as an agent to the Issuing Authorities

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

### Statutory receivables

Statutory receivables arise from legislation or an equivalent

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

Statutory receivables arise from exchange transactions of the infringements fees.

The initial measurement is at the amount specified in the legislation or similar means, with reference to specific fees basis. Statutory receivables are carried at cost less provision made for impairment of these receivables and it is assessed at least annually for possible impairment. The impairment is determined in accordance with the accounting policy for impairments, statutory receivable is impaired if there is evidence that the collection of the receivable has decreased as a result of the debtor being credit impaired (i.e. financial difficulty or default). Impairment adjustments are made through the use of an allowance account.

### RTIA acts as a principal to the Collecting Agents

RTIA is a principal to the Collecting Agents for the purposes of the collection of the penalties on behalf of the Issuing Authorities in terms of Section 5(1) of the AARTO Act. The role of the relationship is managed through the legislation or binding agreements concluded between the RTIA and the collecting agents in terms of the subcontracting relationship.



## Significant Accounting Policies

Where a binding agreement is not concluded which is the case mainly for the municipalities in which the legislation prevails. The collecting agents provide a payment platform facility to collect all AARTO notices and as such the funds collected are required to be deposited into the AARTO accounts by a legislated timeframe of which all collecting agents are required to conform. Not all collecting agents meet the definition of an agent in terms of the standard, therefore will be excluded from the provisions of this standard. Those collecting agents who do meet the definition will be treated in terms of this standard.

### 1.2 Provisions

Provisions are recognised when:

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

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

A provision is used only for expenditures for which the provision was originally recognised.

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

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

## Significant Accounting Policies

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

If an entity has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. A constructive obligation to restructure arises only when an entity:

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

### Litigation costs

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

## 1.3 Contingencies

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

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

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

## 1.4 Property, plant and equipment

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

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

## Significant Accounting Policies

Property, plant and equipment is initially measured at cost.

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

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

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

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

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses. The depreciation method

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

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

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

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

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

## Significant Accounting Policies

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

### 1.5 Intangible assets

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

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

Intangible assets are derecognised on disposal or when no future economic benefits are expected from its use or disposal. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in surplus or deficit as incurred.

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

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

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

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

Amortisation of the depreciable amount is provided to write down the intangible assets on a straightline basis to their residual values as follows:



## Significant Accounting Policies

Item	Amortisation method	Average useful life
Computer software and licenses	Straight-line	1 - 4 years
Intangible assets under development	Straight-line	1 - 4 years

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

### 1.6 Financial instruments

#### Initial recognition and measurement

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

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

#### Receivables from exchange transactions

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

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

#### Receivable from non-exchange transactions

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



## Significant Accounting Policies

### Prepayments

Prepayments are amounts paid in advance for a benefit not yet received. This type of expenses normally includes costs paid in one fiscal year that benefits a future year (period). A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

### Payables from exchange transactions

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

Payables from exchange transactions are initially measured at fair value.

### Cash and cash equivalents

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

### Offsetting

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

### Derecognition

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

### Financial assets

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

### Financial liabilities

Offsetting is only allowed if RTIA has the intention to settle on a net basis and has a legally enforceable right to set off the amounts. The amortised cost of a financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

## 1.7 Taxation

The RTIA is exempt from taxation in terms of the provision of section 10 (1) (cA) (i) of the Income Tax Act, 1962 (Act No. 58 of 1962) and the Value-Added Tax Act, 1991 (Act No. 89 of 1991). The

## Significant Accounting Policies

RTIA is exempt from the payment of Value Added Tax (VAT) on the transfer received. However, the RTIA is liable to pay VAT on imported services received. VAT paid by the RTIA for other goods and services is not refundable by SARS. As a result, some of the items of revenue and expenditure and assets and liabilities include VAT.

### 1.8 Leases

#### Finance leases

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

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

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease. Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant

periodic rate on the remaining balance of the liability. Any contingent rents are expensed in the period in which they are incurred. The finance lease liabilities are derecognised when the entity's obligation to settle the liability is extinguished. The assets capitalised under the finance lease are derecognised when the entity no longer expects any economic benefits or service potential to flow from the asset.

#### Operating leases

Leases where the lessor retains the risk and rewards of ownership of the underlying asset are classified as operating leases.

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

## Significant Accounting Policies

### 1.9 Impairment

#### Financial assets

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

#### Assets carried at amortised cost

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The reversal shall not result

in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

#### Non-financial assets

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

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

#### Reversal of impairment loss

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

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the

## Significant Accounting Policies

estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods. A reversal of an impairment loss is recognised immediately in surplus or deficit. These increases in carrying amounts are treated as reversals of impairment losses for individual assets.

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

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

### 1.10 Employee benefits

#### Identification

##### Short-term employee benefits

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

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

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

#### Defined contribution plan

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

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

#### Termination benefits

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



## Significant Accounting Policies

### 1.11 Revenue from exchange transactions

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

#### Infringement fees

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

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

The outcome of these transactions can be reliably measured when all of the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits or service potential associated with the transactions will flow to the Agency after legal entitlement under the AARTO Act has been established;
- The stage of completion of the transaction can be measured

reliably once the amount collected on behalf of the Issuing Authorities has been established; and

- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

The fulfilment of the service is binary, thus these conditions are met at the point where fees are collected from the infringers.

RTIA is entitled to the revenue from the amounts of penalties collected and paid over to the Issuing Authorities under Section 32 of the AARTO Act. The amount that the Agency earns is predetermined by virtue of the fact that the Agency is entitled to 50% of the amounts collected from infringers.

### 1.12 Revenue from non-exchange transactions

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

#### Grants and virements received

Government grants are recognised when there is reasonable assurance that:

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



## Significant Accounting Policies

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

RTIA does not receive conditional grants in terms of the vote received from the Department of Transport except where there is a national key program that the public entity is required to deliver upon on behalf of the Minister of Transport. Such a grant will be appropriated according through the Act of Parliament by the Minister of Finance and National Treasury will make a provision for such in their budget vote allocation to the DOT. Stipulations are enforceable through administrative processes.

### Stipulations

can either be in the form of conditions or in the form of restrictions. For conditions, a recipient may be required to use the transferred asset for a particular purpose. However, a condition has an additional requirement which states that the asset or its future economic benefits or service potential should be returned to the transferor should the recipient not use the asset for the particular purpose stipulated. A condition imposes on the recipient a performance obligation, this performance obligation should be a consequence of the condition itself. Performance obligations requires the recipient to consume the future economic benefits or service potential embedded in the transferred asset as specified, or return the asset or other future

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

### Unclaimed liabilities

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

### 1.13 Accumulated surplus/deficit

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

### 1.14 Interest

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

## Significant Accounting Policies

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

### 1.15 Financing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

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

### 1.16 Repairs and maintenance

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

### 1.17 Other operating expense

Expenses are decreases in the net financial position of the entity, other than decreases arising from ownership distributions.

Expenses may arise from exchange and non-exchange transactions or from individual transactions or groups of transactions.

Expenses are recognised on the accrual basis of accounting when the transactions, other events and conditions occur, not when cash is paid or received. Expenses are measured at the historical cost which measures using information derived from the price of the transaction or other event that gave rise to them. 1.18 Fruitless and wasteful expenditure Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a one previous financial year comparative analysis.

*(Continue next page)*

## Significant Accounting Policies

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

- fruitless and wasteful expenditure incurred and confirmed in the previous financial year;
- fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
- fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year. Fruitless and wasteful expenditure must be recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of fruitless and wasteful expenditure incurred and confirmed in that current financial year unless it is impractical to determine, in which case reasons must be provided in the annual report.

### 1.19 Irregular expenditure

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

For determining whether irregular expenditure occurred, the following must be present: expenditure incurred in contravention of, or not in accordance with legislation expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial

position (where expenditure is not reflected in the statement of financial performance) in a case of institutions that are required to comply with Standards of Generally Recognised

### Accounting Practice

(GRAP) or the International Financial Reporting Standards (IFRS). The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

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

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

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

## Significant Accounting Policies

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

### Condonation of Irregular Expenditure

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

### Removal of Irregular Expenditure

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

## 1.20 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

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

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

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information



## Significant Accounting Policies

about the nature of the transactions and the related outstanding balances, to enable users of the entity's annual financial statements to understand the effect of related party transactions on its annual financial statements.

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

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

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

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

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

### 1.21 Services received in kind

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

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

## Significant Accounting Policies

### 1.22 Commitments

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

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

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

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

### 1.23 Transfer of functions between entities under common control

#### Definitions

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

### 1.24 Assets held for distribution

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

### 1.25 Post balance sheet events

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

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

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

## Significant Accounting Policies

### Recognition and measurement

Adjusting events after the end of the reporting period.

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

Non-adjusting events after the end of the reporting period

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

## Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2024	2023
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### 2. New standards and interpretations

#### 2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 21: The Effect of Past Decisions on Materiality	01 April 2023	The impact of the is not material.
• GRAP 25 (as revised): Employee Benefits	01 April 2023	The impact of the is not material.
• GRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2023	The impact of the is not material.
• GRAP 2020: Improvements to the Standards of GRAP 2020	01 April 2023	The impact of the is not material.
• Guideline: Guideline on Accounting for Landfill Sites	01 April 2023	The impact of the is not material.
• GRAP 1 (amended): Presentation of Financial Statements (Materiality)	01 April 2024	The impact of the is not material.



## Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2024	2023
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### 2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 Mergers	Minister to determine effective date	Unlikely there will be a material Impact
• GRAP 106 Transfer of Functions Between Entities Not Under Common Control	Minister to determine effective date	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	Minister to determine effective date	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	Minister to determine effective date	Unlikely there will be a material impact
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Minister to determine effective date	Unlikely there will be a material impact
• GRAP 103 (as revised): Heritage Assets	Minister to determine effective date	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact
• GRAP 22 Foreign Currency Transactions	01 April 2025	Unlikely there will be a material impact

## Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2024	2023
<b>3. Cash and cash equivalents</b>			
Cash and cash equivalents consist of:			
Bank balance - operational account		108 402 942	156 581 627
Bank balance - salaries account		242 002	234 966
		<b>108 644 944</b>	<b>156 816 593</b>

## 4. Receivables from exchange transactions

Cash and cash equivalents consist of:

AARTO statutory receivables		27 809 082	23 413 409
Impairment of receivables		(4 160 529)	(7 407 182)
AARTO Receivables from exchange transactions		23 648 553	16 006 227
Deposits		1 558 546	1 558 546
Sundry receivables		114 803	492 139
Reclassified payables into receivables		282 458	18 700
Suspense - AARTO deposits		8 162 881	8 311 302
Staff receivables		443 403	450 089
Prepayments		67 844	532 112
		<b>34 278 488</b>	<b>27 369 115</b>

The net AARTO receivables for the current year is R12 971 259.

## Notes to the Annual Financial Statements

### Figures in Rand

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#### 4. Receivables from exchange transactions (Continued)

##### AARTO statutory receivables past due but not impaired

AARTO statutory receivables which are less than 90 days past due and owing from collecting agencies are not considered to be impaired. Management have assessed the recoverability of receivables and there are indications that the balance is impaired. This is a result of the impact of the covid-19 pandemic on the collecting agents who are administered under the Municipal Finance Management Act, Act No. 56 of 2003 (MFMA), municipalities that have been placed under interventions in terms of sections 100 or 139 of the Constitution, and those that were implicated under the VBS Mutual Bank that was placed into final liquidation by the North Gauteng High Court on 13 November 2018. The impairment that has been provided for is R 4 160 529 (2023 R 7 407 182).

##### Trade receivables

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

1 month past due	34 218 290	16 400 408
2 months past due	1 400 285	(77 261)
3 months past due	(11 360 677)	7 090 262
	24 257 898	23 413 409

##### Reconciliation of provision for impairment of trade and other receivables

Opening balance	7 407 182	6 013 109
Impairment of receivables from exchange transactions	4 160 529	7 407 182
Reversal of impairment	(7 407 182)	(6 013 109)
	4 160 529	7 407 182

## Notes to the Annual Financial Statements

### Figures in Rand

#### 5. Receivables from non-exchange transactions

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

AARTO rollout conditional grant not received	71 764 000	-
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#### 6. Accounting By Principals And Agents

##### AARTO statutory receivables past due but not impaired

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

##### Entity as agent

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

##### Agent-principal relationship

In terms of the Administrative Adjudication of Road Traffic Offences ("AARTO") Act, section 4(1), the RTIA is mandated to administer a procedure to discourage the contravention of road traffic laws and support adjudication of infringements; to enforce penalties imposed. The Agency will perform the respective section of section 4(1) by adherence to section 4(2) and section 4(3) respectively requirements of the AARTO Act. The RTIA is the agent in this relationship and this was determined since the inception of the RTIA. The RTIA manages this relationship through section 32 read together with section 13(1), therefore the Agency is required to collect penalties as a service to the issuing authority for which RTIA is compensated by the retention of the commission which is disclosed as Infringement fees.

The assets and liabilities are managed in terms of the Administrative Adjudication of Road Traffic Offences ("AARTO") Act. The AARTO Act requires the issuing authorities and collecting agencies to deposit all the money collected into the AARTO bank accounts managed by the Road Traffic Infringement Agency ("RTIA") by the 7th of each following month. The deposits are in turn



## Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2024	2023
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### 6. Accounting By Principals And Agents (Continued)

required to be appropriately disbursed to the issuing authorities within 21 days from the date of last receipt in accordance with the AARTO Act. The amounts collected are not for the benefit of the Agency, therefore RTIA is an agent to the Issuing Authorities. In terms of section 32 read together with section 13 (1)(b) of the AARTO Act, any penalty received by the Agency must be paid to the Issuing Authority that originated or issued the infringement notice. The collection of penalties in terms of the AARTO Act is a service rendered to the Issuing Authority. The total AARTO collections for 2024 is R173 million (2023: R168 million)

#### AARTO receivables

	39 220 894	35 488 081
SAPO	-	29 083
Pay@services	1 180 100	1 317 235
Payfine	6 401 539	2 653 713
Payfine	102 778	-
PayMyfineTMT	1 643 293	820 373
Other Collecting Agents	28 578 588	28 987 836
Tshwane Metropolitan Police Department	1 115 168	14 768
Road Traffic Management Corporation	199 427	1 665 073

#### AARTO Banks

	99 897 795	101 149 929
Standard Bank - Current A/C- 00000321888	3 402 495	4 369 128
Standard Bank Call A/C 0000588501891-004	1 723 007	1 596 880
ABSA Bank Current A/C 4076267008	63 735 341	61 226 177
First National Bank Current A/C 62161889	24 181 784	20 404 535
ABSA AARTO Disbursement A/C - 4082705939	6 855 169	13 553 209
Nedbank - Current A/C - 1105258300	-	-

**139 118 689**      **136 638 010**

## Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2024	2023
<b>AARTO Payables/ Statutory Payables</b>		<b>37 939 437</b>	<b>41 766 700</b>
Gauteng Department of Community Safety		2 464 515	3 474 989
Johannesburg Metropolitan Police Department		20 087 049	17 118 695
SAPO		137 561	-
Pay@		43 844	-
Road Traffic Infringement Agency		15 176 713	21 102 354
PayMyfine TMT		29 755	70 662
<b>Other Payables - Unallocated Receipt</b>		<b>101 179 252</b>	<b>94 871 310</b>
Unallocated receipts		87 256 196	82 718 225
Other collecting agents		4 507 265	5 516 767
Net profit		5 948 938	3 169 465
Unallocated receipts - Take on		3 466 853	3 466 853
		<b>139 118 689</b>	<b>136 638 010</b>

### Entity as principal - Principal-agent relationship

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

## Notes to the Annual Financial Statements

Figures in Rand	Note(s)	2024	2023
<p>These collecting agents that meet the definition of the principal-agent arrangement include the Road Traffic Management Corporation (“RTMC”) and the Gautrain Management Agency (“GMA”), both of which are public-entities in terms of the PFMA. The Agency has concluded an agreement with RTMC and is managing the relation with GMA through the provisions of the AARTO Act. Below is the impact of this relationship for the current year which reflects the compensation fee paid to the agent:</p>			
Road Traffic Management Corporation		356 824	391 636
Gautrain Management Agency		231 322	244 775
		<b>588 146</b>	<b>636 411</b>

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

Other collecting agents		7 634 164	6 934 142
		<b>7 634 164</b>	<b>6 934 142</b>

## Notes to the Annual Financial Statements

### Figures in Rand

### 7. Property, plant and equipment

	2024			2023		
	Cost / Valuation	Accumulated depreciation and Accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and Accumulated impairment	Carrying value
Furniture and fixtures	2 841 908	(2 654 582)	187 326	2 841 908	(2 420 009)	421 899
Motor vehicles	2 157 988	(2 157 988)	-	2 157 988	(2 157 988)	-
Office equipment	1 265 277	(979 733)	285 544	1 230 088	(779 777)	450 311
IT equipment	10 377 161	(9 326 342)	1 050 819	10 333 033	(7 475 284)	2 857 749
<b>Total</b>	<b>16 642 334</b>	<b>(15 118 645)</b>	<b>1 523 689</b>	<b>16 563 017</b>	<b>(12 833 058)</b>	<b>3 729 959</b>

### Reconciliation of property, plant and equipment - 2024

	Opening Balance	Additions	Retired-Cost	Retired- Accumelated depreciation	Depreciation	Total
Furniture and fixtures	421 899	-	-	-	(234 573)	187 326
Office equipment	450 311	35 188	-	-	(199 955)	285 544
IT equipment	2 857 748	111 628	(67 500)	35 338	(1 886 395)	1 050 819
	<b>3 729 958</b>	<b>146 816</b>	<b>(67 500)</b>	<b>35 338</b>	<b>(2 320 923)</b>	<b>1 523 689</b>

## Notes to the Annual Financial Statements

### Figures in Rand

#### Reconciliation of property, plant and equipment - 2023

	Opening Ballance	Additions	Retired-Cost	Retired- Accumelated depreciation	Depreciation	Total
Furniture and fixtures	680 771	-	(26 794)	26 794	(258 872)	421 899
Motor vehicles	84 682	-	(226 054)	219 185	(77 813)	-
Office equipment	505 920	151 145	(171 939)	171 630	(206 445)	450 311
IT equipment	6 261 568	261 749	(848 171)	814 914	(3 632 311)	2 857 749
	<b>7 532 941</b>	<b>412 894</b>	<b>(1 272 958)</b>	<b>1 232 523</b>	<b>(4 175 441)</b>	<b>3 729 959</b>

#### 8. Intangible assets

	2024			2023		
	Cost / Valuation	Accumulated depreciation and Accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and Accumulated impairment	Carrying value
Computer software	8 906 800	(5 715 184)	3 191 616	5 066 918	(2 869 282)	2 197 636



## Notes to the Annual Financial Statements

### Figures in Rand

#### Reconciliation of intangible assets - 2024

	Opening balance	Additions	Amortisation	Total
Computer software	2 197 636	6 835 072	(5 841 092)	3 191 616

#### Reconciliation of intangible assets - 2023

	Opening balance	Additions	Amortisation	Total
Computer software	2 539 448	3 134 190	(3 476 002)	2 197 636

### 9. Payables from exchange transactions

	2024	2023
Trade payables	14 956 497	4 051 300
Reclassification trade payables to receivables	282 458	18 700
Reclassification from trade receivables	14 837 819	4 576 568
Suspense - AARTO	296	296
Leave accrual	4 040 308	3 571 998
Accrued expense	-	298 117
Payroll accrual	151	120 130
	<b>34 117 529</b>	<b>12 637 109</b>

The suspense account for AARTO relates to infringers paying into RTIA's bank account and not the AARTO designated bank accounts, the amounts are required to be allocated first to the paid infringement notices. For the period ended, this account was sitting as a receivable and has been disclosed under receivables.

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 10. Revenue

During the year revenue from non-exchange and exchange transactions comprises of the following:

Grants	152 997 000	9 068 000
Infringement fees	102 348 320	112 948 779
Sundry income	143 350	355 182
Interest received	9 726 165	12 784 486
	<b>265 214 835</b>	<b>301 071 447</b>

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

Grants	152 997 000	9 068 000
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The amount included in revenue arising from exchange transactions is as follows:

#### Transfer revenue

Sundry income	143 350	355 182
Infringement fees	102 348 320	112 948 779
Interest received	9 726 165	12 784 486
	<b>112 217 835</b>	<b>126 088 447</b>

Basis on which fair value of inflowing resources was measured

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>11. Employee related costs</b>		
13th Cheques	3 485 396	3 460 060
Acting allowances	1 302 933	717 393
Basic salary	75 683 288	66 935 199
Car allowance	699 084	861 827
Company contribution expenses	11 911 963	13 303 782
Housing benefits and allowances	17 672 847	16 541 960
Leave pay provision charge	657 116	78 096
Medical aid - company contributions	423 654	324 930
Overtime payments	-	256 441
Secondment Costs	(27 275)	4 006 728
Travel, subsistence and other allowances	158 706	1 337 901
Leave without pay	(159 422)	(8 976)
	<b>111 808 290</b>	<b>107 815 341</b>

## Notes to the Annual Financial Statements

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### 12. Other operating expenses

Accounting fees	4 025	39 963
Advertising	6 710 583	4 808 730
Asset losses	32 163	40 811
Assets expensed	3 767	98 168
Auditors remuneration	6 728 592	5 842 699
Bank charges	46 092	56 739
Bursaries	339 141	218 014
Bus Diesel	550 021	411 796
Catering expenses	60 795	919 781
Cleaning	66 666	38 704
Conferences and seminars	47 190	119 066
Consulting and professional fees	3 766 105	4 201 814
Consumables	469 821	386 050
Courier	42 497	229 626
Delivery expenses	90 007	27 031
Donations	606 051	135 770
Fines and penalties	905	53 190
Fleet	151 467	1 136 708
Fraud Hotline	52 440	70 993
IT expenses	353 002	1 032 804

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
<b>12. Other operating expenses (Continued)</b>		
Installation costs	20 835	117 760
Insurance	400 127	464 735
Legal costs	4 143 206	6 966 079
OHS related costs	296 385	70 974
Postage	95 445 800	23 109 186
Premises Lease	4 498 724	2 503 866
Printing and stationery	560 819	411 931
Rentals	1 262 863	980 907
Security	1 507 864	1 064 345
Software expenses	540 694	1 664 349
Staff welfare and wellness	566 054	398 330
Subscription and member fees	27 126	55 551
Sundry expenses	2 139 959	3 678 583
Telephone and fax	5 302 505	5 159 886
Training	1 359 669	(66 871)
Translation services	100 336	-
Travel - local	1 538 496	10 746 294
Vetting services	41 121	176 401
	<b>139 873 913</b>	<b>77 370 763</b>



## Notes to the Annual Financial Statements

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### 13. Operating surplus (deficit)

Operating surplus (deficit) for the year is stated after accounting for the following:

#### Advertising and marketing

Advertising and AARTO awareness	6 710 583	4 808 730
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#### Remuneration, other than to employees, for:

Auditors remuneration	6 728 592	5 841 012
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#### Operating lease charges

Premises		
· Contractual amounts	4 498 723	2 677 086

Impairment on trade and other receivables	4 160 529	1 394 073
Reversal of impairment on trade and other receivables	7 407 182	-
Amortisation on intangible assets	5 841 092	3 476 002
Depreciation on property, plant and equipment	2 320 923	4 175 441
Expenditure of AARTO issued notices	95 445 800	23 109 186
Asset write off	32 163	40 811

## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 13. Operating surplus (deficit) (Continued)

#### Defined contribution plan

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

Contributions paid to defined contribution plan	8 722 054	10 209 155
	8 722 054	10 209 155

### 14. Net cash flows from operating activities

Surplus for the period	7 809 014	(60 045 712)
<b>Adjustments for:</b>		
Depreciation and amortisation	8 162 015	7 651 443
Impairment on receivables reversal	(3 246 653)	1 394 073
Asset write off	32 163	40 811
Non-cash items	-	(1 164 547)
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(3 662 720)	13 985 400
Other receivables from non-exchange transactions	(71 764 000)	-
Payables from exchange transactions	21 480 420	(1 388 319)
National Treasury surplus surrender	-	(147 000 000)
AARTO Assets	(2 480 679)	14 807 202
AARTO Liabilities	2 480 679	(14 807 202)
	<b>(41 189 761)</b>	<b>(186 526 851)</b>

## Notes to the Annual Financial Statements

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### 15. Service in-kind

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

### 16. Commitments

For the year ended, the Agency had a firm committed towards the serving of AARTO notices. The South African Post Office is a strategic key driver in serving of AARTO related documents by registered mail in terms of section 30 of the AARTO Act read in conjunction with regulation 21 of the AARTO Regulations. This relationship is managed through the renewable three-year service level agreement to serve all AARTO notices. The value of this agreement is forecasted at R126 million (without AARTO roll-out) for the next twelve months based on infringement notices, courtesy letters and enforcement orders that will be issued.

At year end the Agency concluded the following agreements and thus made a commitment towards the goods or services: Acquisition of new office space through leasing arrangement to the value of R52.6 million. Capital expenditure commitment towards furniture and fittings of R5.5 million and computer equipment of R6.9 million respectively.

#### Operating leases - as lessee (expense) Minimum lease payments due

- within one year

-

493 757

## Notes to the Annual Financial Statements

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## 16. Commitments (Continued)

### Operating lease - as lessee (expense)

The Agency operating lease contracts that were operational during the current year comprise of the office rental premises, office rental machines, rental of offsite storage, rental of standing breeze coolers, rental of hygiene services equipment, and CRM customer solution respectively.

### Office rental premises

The current office space lease rental of the premises for RTIA refers to the building together with the parking bays namely: Waterfall Edge, Bekker Road, Midrand. The contract is currently on three to six monthly extension interval period pending the acquisition of the new office space. The last contract extension period is from the 14 December 2023 to 13 April 2024 at a value of R3.1 million. The Agency further extended the contract at year end with contract value of R2 million.

### Printer rental machines

The rental of printers is through a transversal contract of National Treasury, the contract commenced from 16 October 2023 for 36 months at a contract value of R1.4 million.

The value in respect of offsite storage, rental of standing breeze economy cooler, and the hygiene sanitiser equipment is not material to warrant a separate disclosure. This has not been included in the above disclosure. The lease contract has no escalation costs therefore it is not material.

### Integrated customer Relationship Management

The Agency concluded an agreement on 26 May 2023 with the service provider to deliver centralised CRM solution which is cloud based hosted. The contract is for a period of 5 years at a value of R1.9 million.

### Rental of offsite storage

The Agency entered into an agreement for offsite backup storage for a period of 36 months beginning on 18 January 2024. The contract value over the period is R121 524.

## Notes to the Annual Financial Statements

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## 17. Contingencies and contingent liabilities

### Defamation Matter

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

### Other Former Employee Matters

The applicant referred an automatic unfair dismissal dispute to the Commission for Conciliation Mediation and Arbitration ("CCMA"). The matter was subsequently referred to the Labour Court for trial to be conducted. The Parties were subsequently required to re-conduct a pre-trial conference as a result of the amendments to the pleadings by the applicant.

In accordance with the Order, an amended Statement of Response was filed on the RTIA's behalf and parties filed a further Pre-Trial Minute, thus the matter is ripe for hearing. It is anticipated that a hearing date will be allocated in 2024 or 2025, considering the tremendous backlog the Labour Court currently faces.

### Unfair Discrimination

The Applicants referred the matter to the CCMA for unfair discrimination. Conciliation was unsuccessful and the applicants have referred the matter to the Labour Court, no papers have been served to the Agency yet.

### Surrender of surpluses

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

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

The surpluses are surrendered for re-depositing into the relevant Revenue Fund by no later than 30 November of each year, as prescribed. Failure by the entity to submit a surplus retention



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request to the relevant Treasury by 30 September each year will result in the entity having to surrender the surplus to the relevant Revenue Fund by 30 November, unless there has been a delay in the finalisation of the audit.

In the case of a delay in the finalisation of the audit:

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

For the current year the expected surplus retention amount is R108 million. The previous year's surplus retention was approved by National Treasury, and the approved amount of R199.6 million was retained.

### Bonus Pool

There is a currently pending dispute with 67 staff members in relation to the bonuses which staff alleges to be owing to them by the Agency since 2020. The estimated value of the liability in this matter is R36 000 000.

### Unfair dismissal

- a) The former employee is contesting her dismissal and has referred the matter to the CCMA for arbitration hearing. The estimated liability with regards to the contest is R1 607 079.
- b) There was another former employee who referred the matter to a private arbitration process of rule on a settlement claim.

The estimated liability in this matter is R 23 240 198.

## Notes to the Annual Financial Statements

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## 18. Related parties

### Relationships

#### Controlling entity Department of Transport

The Road Traffic Infringement Agency is 100% owned by the Executive Authority, the Department of Transport. The RTIA is a Schedule 3A Public Entity in terms of the PFMA. As a consequence, Road Traffic Infringement Agency has a significant number of related parties that are public entities, issuing authorities and key management personnel of the RTIA or its Executive Authority. Unless specifically disclosed, these transactions are concluded on an arms' length basis.

#### Related party balances

##### Amounts owed to related parties

South Africa Post Office	8 037 055	1 373 506
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##### Conditional grant not received

Department of Transport	71 794 000	-
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Related party transactions

##### Revenue

Department of Transport	152 997 000	9 068 000
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##### AARTO Notices

South African Post Office	95 445 800	23 109 186
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##### Remuneration paid to related parties

Executives	8 444 450	15 072 567
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##### Fees paid to:

Board members	2 235 343	2 587 466
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Independent committee members	184 896	994 738
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## Notes to the Annual Financial Statements

Figures in Rand	2024	2023
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### 19. Going concern

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

A material uncertainty may exist in relation to the decreased collection of infringement fees issued and paid. Sufficient mitigating actions were taken by management to address the uncertainties to conclude that the Agency is able to continue as a going concern.

### 20. Irregular expenditure and Fruitless and wasteful expenditure

Fruitless and wasteful expenditure	-	61 778
Irregular expenditure	-	6 361 481
	-	<b>6 423 259</b>

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

### Amounts of material losses through criminal conduct

There were none reported for the current period.

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

There were none reported for the current period. Further details to the above disclosure are contained the annual report.

## Notes to the Annual Financial Statements

Figures in Rand

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### 21. Events after the reporting date

Imminent proclamation of AARTO pending the finalisation of the appointment of the Appeals Tribunal.

The Agency has officially committed to liquidating all of its assets by the end of the year. To facilitate this process, a service provider has been appointed to auction all assets located on the premises before the Agency moves to its new building in July 2024. The new location has been secured, and the relocation is on track to take place as planned. Consequently, fully depreciated assets and those assessed as poor will be addressed through the upcoming auction, resolving the issue of fully depreciated assets still in use by the end of the year.

## Notes to the Annual Financial Statements

	Note(s)	Financial instruments carried at amortised cost	Financial instruments carried at fair value	Total
<b>22. Financial instruments disclosure</b>				
<b>Categories of financial instruments</b>				
<b>2024</b>				
<b>Financial assets</b>				
Trade and other receivables from exchange transactions	4	10 562 091	-	10 562 091
Cash and cash equivalents	3	-	108 644 944	108 644 944
AARTO Assets	6	110 540 101	-	110 540 101
		<b>121 102 192</b>	<b>108 644 944</b>	<b>229 747 136</b>



## Notes to the Annual Financial Statements

	Note(s)	Financial instruments carried at amortised cost	Total
<b>Financial liabilities</b>			
Trade and other payables from exchange transactions	8	30 077 221	30 077 221
AARTO Liabilities	6	139 118 689	139 118 689
		<b>169 195 910</b>	<b>169 195 910</b>

	Note(s)	Financial instruments carried at amortised cost	Financial instruments carried at fair value	Total
<b>2023</b>				
<b>Financial assets</b>				
Trade and other receivables from exchange transactions	4	10 830 776	-	10 830 776
Cash and cash equivalents	3	-	156 816 593	156 816 593
AARTO Assets	6	107 650 174	-	107 650 174
		<b>118 480 950</b>	<b>156 816 593</b>	<b>275 297 543</b>

## Notes to the Annual Financial Statements

	Note(s)	Financial instruments carried at amortised cost	Total
<b>Financial liabilities</b>			
Trade and other payables from exchange transactions	8	9 065 111	9 065 111
AARTO liabilities	6	136 638 010	136 638 010
		<b>145 703 121</b>	<b>145 703 121</b>

### Financial risk management

#### Overview

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

The Agency is mainly exposed to the liquidity risk of the financial instruments.

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

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, which will result in financial loss to the Agency. The Agency is exposed to minimal credit risk.

The major rate of credit risk lies with the Issuing Authorities, as they are exposed to the losses as a result of the infringers not paying amounts to which the Issuing Authorities are entitled by virtue of the road traffic laws and regulations.

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

#### Liquidity risk

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

## Notes to the Annual Financial Statements

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### 22. Financial instruments disclosure (Continued)

Agency receives a guaranteed subsidy from National Treasury through the Medium Term Expenditure Framework allocation process to meet all its current and future obligations.

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

#### Market risk

The Agency was exposed to interest rate risk on its cash balances at bank; this is a market risk factor.

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### 23. Remuneration disclosure

#### Executive

#### 2024

	Earnings	Total
MLB Moloji	2 578 620	2 578 620
MLT Bilikwana (Adv.)	1 965 074	1 965 074
K Poee	1 961 053	1 961 053
C Matjie	1 939 703	1 939 703
	<b>8 444 450</b>	<b>8 444 450</b>

## Notes to the Annual Financial Statements

### Figures in Rand

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### 23. Remuneration disclosure (Continued)

#### 2023

	<b>Earnings</b>	<b>Total</b>
MLB Moloji	2 391 547	2 391 547
P Moalusi CA(SA) (ended July 2022)	1 124 274	1 124 274
K Pooe 2 003 158 2 003 158		
JK Monyepao (Dr.) (ended December 2022)	3 550 755	3 550 755
G Van Eeden (ended March 2023)	2 013 742	2 013 742
C Matjie**	1 977 700	1 977 700
Adv. MLT Bilikwana	2 011 390	2 011 390
	<b>15 072 566</b>	<b>15 072 566</b>

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

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

#### Non-executive

#### 2024

	<b>Members' fees</b>	<b>Total</b>
B Zulu	322 080	322 080
Dr. D Khosa-Shikwambana	465 359	465 359
BM Ramokhele CA(SA)	514 160	514 160
TO Mtsetweni	351 052	351 052
Dr. P Dala	362 868	362 868
Adv. NN January	77 040	77 040
SJ Keswa	81 152	81 152
MJ Mashinini	61 632	61 632
	<b>2 235 343</b>	<b>2 235 343</b>

## Notes to the Annual Financial Statements

### Figures in Rand

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### 23. Remuneration disclosure (Continued)

#### 2023

	Earnings	Total
B Zulu	594 112	594 112
Dr. D Khosa-Shikwambana	438 368	438 368
BM Ramokhele CA(SA)	499 348	499 348
TO Mtsetweni	480 266	480 266
Dr. P Dala	575 372	575 372
	<b>2 587 466</b>	<b>2 587 466</b>

#### Committees fees

#### 2024

	Audit and Risk Committee	HR and REMCO	Technical committee	Total
CF Cain	-	61 632	-	61 632
MM Phiri CA(SA)	46 224	-	-	46 224
CE Simpson CA(SA)	46 224	-	-	46 224
A Dlanga	-	-	30 816	30 816
	<b>92 448</b>	<b>61 632</b>	<b>30 816</b>	<b>184 896</b>



## Notes to the Annual Financial Statements

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### 23. Remuneration disclosure (Continued)

2023

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

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

## Notes to the Annual Financial Statements

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### 24. Prior-year corrections

#### 2023

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

#### Statement of financial position

#### 2023

	Note	As previously reported	Correction of error	Restated
Intangible Assets		5 067 833	(915)	5 066 918
Receivables from non-exchange transactions		184 751 841	(165 915 000)	18 836 841
Payables from exchange transactions		5 245 101	1 193 797	6 438 898
		<b>195 064 775</b>	<b>(164 722 118)</b>	<b>30 342 657</b>
Accumulated surplus		<b>342 198 307</b>	<b>(164 722 118)</b>	<b>177 476 189</b>

## Notes to the Annual Financial Statements

Figures in Rand

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### 24. Prior-year corrections (Continued)

#### Statement of financial performance

2023

	Note	As previously reported	Correction of error	Re-classification	Restated
Revenue from non-exchange transactions		174 983 000	(165 915 000)	-	9 068 000
Net Profit (Accumulated)		(441 581 395)	29 251	-	(441 552 144)
General expenditure		67 227 622	-	-	67 227 622
Other operating expenses		30 844 776	1 163 631	(1 394 073)	30 614 334
Impairment of trade and other receivables		-	-	1 394 073	1 394 073
<b>Net impact</b>		<b>(168 525 997)</b>	<b>(164 722 118)</b>	<b>-</b>	<b>(333 248 115)</b>



# **PART F: PFMA COMPLIANCE REPORT**

# PART F



## PART F PFMA COMPLIANCE REPORT

### 1. IRREGULAR, FRUITLESS and WASTEFUL EXPENDITURE & MATERIAL LOSSES

#### 1.1 Irregular Expenditure

##### (a) Reconciliation of Irregular Expenditure

Description	2023/24	2022/23
Opening Balance	209 324 596	202 963 115
Add: Irregular expenditure confirmed	0	6 361 481
Less: Irregular expenditure condoned	0	0
Less: Irregular expenditure not condoned & removed	0	0
Less: Irregular expenditure recoverable	0	0
Less: Irregular expenditure not recovered & written off	0	0
Closing balance	209 324 596	209 324 596

This information relates to the irregular expenditure completeness investigation commissioned by management. There was limitation of R87m experienced of historic records to support the transactions as a result of poor record management by the previous SCM manager. Additional irregular expenditure was recorded owing to conflict of interest by one of the executive.

##### (a) Reconciling Notes

Description	2023/24	2022/23
Irregular expenditure under assessment	- R	-
Irregular expenditure relating to 2023 identified in 2023/24	- R	-
Irregular expenditure current year	R -	R 6 361 482
	R	R 6 361 482

##### (b) Details Of Current And Previous Irregular Expenditure (Under Assessment, Determination And Confirmed)

Description	2023/24	2022/23
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-

##### (c) Details Of Current And Previous Year Irregular Expenditure Condoned

Description	2023/24	2022/23
Irregular expenditure condoned	-	-

##### (d) Details Of Current And Previous Year Irregular Expenditure Removed (Not Condoned)

Description	2023/24	2022/23
Irregular expenditure not condone and removed	-	-

##### (e) Details Of Current And Previous Irregular Expenditure Recovered

Description	2023/24	2022/23
Irregular expenditure recovered	-	-

Recovery is in progress

##### (f) Details Of Current And Previous Year Irregular Expenditure Written Off (Irrecoverable)

Description	2023/24	2022/23
Irregular expenditure written off	-	-

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

Disciplinary Steps Taken	
Disciplinary steps were taken against the current employees who are responsible for causing irregular expenditure and recovery in process regarding unlawful remuneration paid to the current and former executives. The matter is still ongoing and is being handled by the legal representatives acting on behalf of the Agency. The former SCM manager had resigned prior to disciplinary steps being taken.	

## 1.2. FRUITLESS and WASTEFUL EXPENDITURE

### (a) Reconciliation Of Fruitless And Wasteful Expenditure

Description	2023/24	2022/23
Opening Balance	1 756 012	1 694 234
Add: Fruitless and wasteful expenditure confirmed	-	61 778
Less: Fruitless and wasteful expenditure condoned	-	-
Less: Fruitless and wasteful expenditure not condoned & removed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recovered & written off	-	-
<b>Closing balance</b>	<b>1 756 012</b>	<b>1 756 012</b>

### Reconciling notes

#### (a) Reconciling Notes

Description	2023/24	2022/23
Fruitless and wasteful expenditure that was under assesment	R - R	-
Fruitless and wasteful expenditure relating to 2023 identified in 2023/24	R - R	-
Fruitless and wasteful expenditure for the current year	R - R	61 779
	R - R	61 779

### (b) Details Of Current And Previous Fruitless And Wasteful Expenditure (Under Assessment, Determination And Confirmed)

Description	2023/24	2022/23
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
	-	-

### (c) Details Of Current And Previous Year Fruitless And Wasteful Expenditure Removed (Not Condoned)

Description	2023/24	2022/23
Fruitless and wasteful expenditure not condone and removed	-	-
	-	-

### (d) Details Of Current And Previous Fruitless And Wasteful Expenditure Recovered

Description	2023/24	2022/23
Fruitless and wasteful expenditure recovered	-	5 000,00
	-	5 000,00

### (e) Details Of Current And Previous Year Fruitless And Wasteful Expenditure Written Off (Irrecoverable)

Description	2023/24	2022/23
fruitless and wasteful expenditure written off	-	-
	-	-

“f) Details of current and previous year disciplinary, referred for condonation or criminal steps taken as a results of fruitless and wasteful expenditure.”

Description	2023/24	2022/23
Disciplinary Procedures	61 778	61 778
Criminal Charges	-	-
To Be Referred For Condonation	1 694 243	1 694 243
	1 756 012	1 756 012









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