

ROAD TRAFFIC MANAGEMENT CORPORATION

10 YEARS
MOVING FORWARD

ANNUAL REPORT
2014-2015



Road Traffic
Management Corporation



HOTLINE 0861

NATIONAL TRAFFIC POLICE

CJ 75 DS GP



OFFICIAL SIGN-OFF

It is hereby certified that this Annual Report:

- Takes into account all the relevant policies, legislation and other mandates for which the RTMC is responsible; and
- Accurately reflects performance against the strategic outcome-oriented goals and objectives that the RTMC committed to achieve in the 2014/15 period.

Adv Makhosini Msibi
Chief Executive Officer

Mr Zola Majavu
Chairman: RTMC Board

ABOUT THIS REPORT

1. INTRODUCTION

The 2014/15 RTMC Annual Report complies with the Public Finance Management Act (PFMA), giving effect to the legislative framework for the regulation of finances in the national and provincial governments. The Accounting Authority presents the annual report in line with Section 22 of the RTMC Act, Section 55 of the PFMA and National Treasury Regulation 55.2.

2. ANNUAL REPORTING PERIOD

The reporting cycle of the RTMC is annual ending 31 March, as prescribed by the National Treasury. Interim quarterly reports are developed and submitted to the National Department of Transport (NDoT) as per the provisions of the PFMA. This Annual Report records the organisational and financial performance for the period 1 April 2014 to 31 March 2015.

3. SCOPE OF THE REPORT

The report incorporates financial and performance information based on the approved 2014/15 Annual Performance Plan (APP) which was tabled before Parliament on 12 March 2014. The Annual Report provides for Performance Information, Governance Reports and incorporates financial statements prepared in accordance with South African Standards of Generally Recognised Accounting Practice (GRAP) as prescribed by the PFMA.

4. TARGET AUDIENCE

The report is targeted at an array of stakeholders that have an interest in the corporate affairs of the RTMC. It will be published in hard copy, placed on the website of the corporation, distributed to Parliament and Provincial Legislatures and distributed in accordance with the Legal Deposit Act.

Figure 1: Annual Report Development Process

1st Draft Annual Report

Submission by the Accounting Authority within two months (31 May 2015) after the end of the financial year to the National Treasury and the Auditor-General for *Auditing*.

2nd Draft Annual Report

Submission by the Accounting Authority within five months (31 August 2015) after the end of the financial year to the National Treasury, Executive Authority and Shareholders' Committee for *Approval*

Final Annual Report

Tabling in Parliament by the Minister and the Provincial Legislatures by the Members of the Executive Council within 14 days of receipt of the approved annual report.

Figure 2: Users of the Annual Report

Legislature

- Parliament
- Provincial Legislatures

Executive

- National Government Departments
- Provincial Government Departments

Other

- Public Entities
- Business
- Non-Governmental Organisations
- Interest Groups
- Member Associations
- Auditors

TABLE OF CONTENTS

06 PART A:
GENERAL INFORMATION

20 PART B:
PERFORMANCE INFORMATION

60 PART C:
GOVERNANCE

74 PART D:
CORPORATE SOCIAL RESPONSIBILITY

78 PART E:
HUMAN RESOURCE MANAGEMENT

88 PART F:
ANNUAL FINANCIAL STATEMENTS

10 YEARS

MOVING FORWARD

PART A:

GENERAL INFORMATION

1.	GENERAL INFORMATION	7
2.	ABBREVIATIONS/ACRONYMS	8
3.	FOREWORD BY THE CHAIRPERSON	9
4.	CHIEF EXECUTIVE OFFICER'S OVERVIEW	11
5.	STATEMENT OF RESPONSIBILITY	13
6.	STRATEGIC OVERVIEW	14
7.	LEGISLATIVE AND OTHER MANDATES	15

1. GENERAL INFORMATION

Table 1: General Information

Registered Name	Road Traffic Management Corporation
Physical Address	Boardwalk Office Park Boardwalk Boulevard Faerie Glen, 0043
Postal Address	Private Bag X147 Pretoria 0001
Telephone Number	012 999 5200
Email Address	info@rtmc.co.za
Website Address	www.rtmc.co.za
External Auditors	Auditor-General
Bankers	First National Bank
Company Secretary	Mr Mulalo Razwinani



2. ABBREVIATIONS

Table 2: List of Abbreviations

AGM	Annual General Meeting	POPCRU	Police and Prisons Civil Rights Union
AARTO	Administrative Adjudication of Road Traffic Offences	QCTO	Quality Council for Trades and Occupations
APP	Annual Performance Plan	RTIA	Road Traffic Infringement Agency
CCPR	Corporate Communications and Public Relations	RTMC	Road Traffic Management Corporation
CEO	Chief Executive Officer	RTMCA	Road Traffic Management Corporation Act
COO	Chief Operating Officer	SASQAF	South African Statistical Quality Assurance Framework
Corporation	Road Traffic Management Corporation	SADC	Southern African Development Community
CPA	Criminal Procedure Act	STATSSA	Statistics South Africa
CSI	Corporate Social Investment	SARAP	South African Road Assessment Programme
EE	Employment Equity	WHO	World Health Organisation
eNaTIS	Electronic National Traffic Information System	WSP	Work Skills Plan
GRAP	Generally Recognised Accounting Practices	UN	United Nations
ICT	Information and Communication Technology		
IRF	International Road Federation		
IT	Information Technology		
MDG	Millennium Development Goals		
MEC	Member of the Executive Council		
MOU	Memorandum of Understanding		
NCOP	National Council of Provinces		
NDOT	National Department of Transport		
NEHAWU	National Education Health and Allied Workers Union		
NRTA	National Road Traffic Act		
NTLEC	National Road Traffic Law Enforcement Code		
NTP	National Traffic Police		
PAIA	Promotion of Access to Information Act		
PAJA	The Promotion of Administrative Justice Act		
PFMA	Public Finance Management Act		

3. FOREWORD BY THE CHAIRPERSON



The 2014/15 financial year was a busy period for the Road Traffic Management Corporation. It was a period in which all the organisational weaknesses which had previously hampered performance had to be addressed. A new long-term strategic plan was adopted following extensive consultation between the RTMC management, the board and stakeholders.

The organisational structure was re-engineered and critical vacancies were filled to enable the Corporation to respond to the objectives set out in the strategic plan and deliver on its mandate to make South African roads safer and reduce road accident fatalities.

In implementing these changes, we have remained cognisant of the fact that we will only succeed if we have motivated and committed staff members who felt that their interests were taken care of. It is for this reason that the Board and leadership paid particular attention on addressing the pertinent challenge of the remuneration system within the Corporation.

As we draw to the end to the financial year, we are confident that we have turned the tide but we are cognisant of the numerous tasks that we still have to execute and the challenges we have to conquer. We have addressed the historical instability that had characterised the Corporation previously and instilled good governance practices. We are also persuaded that the executive management that has been placed at the helm of the Corporation provides leadership characterised by the values of responsibility, accountability, fairness and transparency.

The unqualified audit opinion that the Auditor General expressed on the financial performance of the Corporation bears testimony to the hard work that has been done to ensure that the RTMC is prudent in managing its funds and utilises the resource placed at its disposal with extreme care and diligence enabling it to achieve its strategic goals.

We are pleased with this achievement considering that the RTMC had never recorded such a success before. This is a first in the history of this organisation.

However, as the audit shows, there are many tasks that still have to be accomplished. In the year ahead we will have to continue the work we have started to tighten controls, improve administration practices and organisational performance.

We will not rest on our laurels when people continue to die on our roads. We will therefore pay closer focus on road safety education, engineering, law enforcement and effective evaluation of our programmes to deliver safety on our roads. We will rely on the wisdom of the Road Safety Advisory Council which was appointed by the Minister to help us implement road safety programmes that are impactful and lead to a meaningful reduction in road crashes and fatalities.

The fragmentation, and lack of coherence within the law enforcement fraternity will have to be dealt with in the year ahead to close the gaps that errant motorists are currently exploiting to break the rules of the road and cause accidents. Ensuring the visibility of law enforcement officers on a road 24 hours a day and seven days a week in all provinces will be priority in this period. Efforts to eradicate the scourge of corruption will have to be intensified to ensure that the country rids itself of corrupt activities which are inimical to the successful implementation of its road safety programmes and strategies.

The board wishes to express its appreciation to the Minister of Transport, the Shareholders' Committee and the national Department of Transport for their support and cooperation. The Board also commends the CEO and his management for the hard work, commitment and dedication shown in the drive to turnaround the Corporation. A sincere word of gratitude also goes to fellow Board Members for the stewardship and advice provided during the year under review.

Let me remind you that our task is not yet done. It has just begun as William Shakespeare wrote in his seminal play Julius Caesar:

*"There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.
On such a full sea are we now afloat,
And we must take the current when it serves,
Or lose our ventures."*

It is my pleasure, as Chairman of the RTMC, to table the 2014/15 Annual Report.



Mr Zola Majavu
Chairman

4. CHIEF EXECUTIVE OFFICER'S OVERVIEW



This annual report depicts and provides an account of the road we have traversed in our endeavour to lay a solid foundation on which to rebuild the Road Traffic Management Corporation, as an embodiment of efficiency and effectiveness, able to lead in all aspects of road safety as envisioned in the founding legislation and its mandate.

The lessons and the experiences gained as we crossed turbulent oceans and steadily climbed the steep mountains demonstrated and fortified our conviction to leave no stone unturned. Paramount to our journey was the inculcation of the business ethos and redefining our existence as well as our destiny in turning the Corporation around.

We are mindful of the enormous task we have undertaken on behalf of our country and all road users. We find solace in our unparalleled determination and commitment that as long as there are people dying due to preventable factors on our roads, we will not enervate and will galvanise all forces to partner with us in fighting this scourge in our understanding that one death is one death too many.

The appointment of the National Road Safety Advisory Council in the period under review will go a long way in assisting us, in obtaining outside expert knowledge and skills in the road safety arena. In complementing the Advisory Council, the Corporation also undertook to resuscitate and reinvigorate the road safety community councils to ensure the long term sustainability of the programme and mass based participation.

We firmly believe that we have turned the corner despite the daunting challenges we were confronted with. Our resonance and collective hard work made it possible to put in place formidable internal controls, incomparable systems and finely tuned management in ensuring that the organisation is stable and results orientated. Stringent in year monitoring systems assisted in timeous identification of areas of weaknesses and non- performance and allowed prompt interventions to be made.

Though we have made such significant progress, we are yet to summit some steep mountains as we rigorously pursue our fight to reclaim the e-Natis (National Traffic Information System) with the sole purpose of integrating and consolidating our services but most significantly improving the services to our citizens underpinned by efficiency and cost effectiveness. The battle may be painstaking and protracted but we shall never betray this noble cause, we shall soldier on, victory is certain.

The availability of reliable road traffic information is critical for planning and decision-making. This is an area that has remained a challenge for the corporation in the period under review. We found it appropriate and prudent to collaborate with key stakeholders amongst others, Department of Health, Forensic Pathology Services, the South African Medical Research Council, Ambulance Services, Towing Services and the South African Police Service, in ensuring quality

information gathering, to enhance the quality of information published, the corporation partnered with Statistics South Africa to establish the quality assurance committee.

Our unfaltering commitment for the development of the 21st century cadre in Traffic Law Enforcement saw the rigorous upskilling of our traffic officers in tandem with the professionalisation of the Traffic Fraternity. We decisively dealt with lawlessness on our roads but equally uprooted fraud and corruption in various Testing Centres. We will spare no effort in ruthlessly dealing with fraud and corruption. We are mindful of the ground to be covered prior to becoming a formidable force to be reckoned with, in the Traffic Law Enforcement space. To improve capacity in crash investigations, 100 officers were trained. This training will enable traffic officers to analyse causes of crashes, identify contributory factors and propose road safety solutions.

The Corporation continued to play a critical role in supporting the vulnerable groups such as women, the youth and people living in rural areas. As part of its corporate social investment the corporation focussed on the health and social well-being of our communities.

We spread our wings and collaborated with Provinces to fight the scourge of unemployment by initiating pilot programmes targeting unemployed youth and those still in schools to acquire drivers licences. This partnership improved the quality of drivers thus significantly impacting on the number of casualties on our roads.

Road safety is everyone's business and responsibility and we are humbled by various members of the communities who have come forward to be road safety ambassadors. Key amongst others are our artists, soccer players, musicians and faith based organisations. We really came

so far and we can look back with pride as we enjoy the fruits of our toil and commit ourselves never to be complacent until we finish the race.

I would like to extend our sincere gratitude to the Minister of Transport Mme Dipuo Peters, Deputy Minister and the National Department of Transport for ongoing support, encouragement and sterling leadership.

We acknowledge and appreciate the pivotal role that the Shareholders' Committee has played in supporting our efforts to stabilise and reposition the Corporation. Our sincere thanks also go to the Chairman and the Board for their unwavering stewardship, incomparable guidance during the squally period.

I am also grateful to the management and staff of the Road Traffic Management Corporation who immensely and altruistically contributed in ensuring that we steer the Corporation in the right direction.

We commit to continue the work that we have started to build the Road Traffic Management Corporation as a trusted, dependable lead agency on road safety. We will be satisfied with being the best when excellence can be achieved. As Nelson Mandela said:

"I have taken a moment here to rest, to steal a view of the glorious vista that surrounds me, to look back on the distance I have come. But I can rest only for a moment, for with freedom comes responsibilities, and I dare not linger, for my long walk is not yet ended."



Adv Makhosini Msibi
Chief Executive Officer

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

The Board acknowledges its responsibility to ensure the integrity of the Report. It has accordingly applied its mind to the Report and in the opinion of the Board it addresses material issues and represents fairly the performance of the RTMC. The Report has been prepared in keeping with best practice, pursuant to the recommendations of the King III Report on Corporate Governance ("King III").



Mr Z Majavu

Chairman of the Board

6. STRATEGIC OVERVIEW

6.1 VISION

The Road Traffic Management Corporation vision is:

“SAFE ROADS IN SOUTH AFRICA”

The Corporation is committed to the reduction of road crashes and deaths by creating a safe road environment through implementation of strategies and the evaluation thereof.

6.2 MISSION

The Corporation endeavours to ensure Safe, Secure and Responsible use of roads in South Africa through:

- Education
- Enforcement
- Engineering
- Evaluation
- Planning and Coordination
- Partnerships

6.3 VALUES

The values of the Corporation emanate from the Constitution of the Republic and place emphasis on the commitment to law and order on the roads and service delivery.

Table 3: Description of the RTMC values

Values	Meaning
Integrity	The Corporation pledges to execute its responsibilities in an ethical, truthful and accurate manner, consistent with the professional discipline of law enforcement, order, discipline and mobility on South African roads.
Accountability	It undertakes to be open, honest and accountable as law enforcers and road safety champions.
Transparency	It subscribes to the principles of good governance and the facilitation of free and reasonable access to information within the confines of applicable prescripts.
Teamwork	By building internal and external relationships, the Corporation has established – and maintains – shared goals. It emphasises the need to work together by providing support through collaboration. It strives to uphold dignity and respect between and among employees and partners.



Figure 1: Values

7. LEGISLATIVE AND OTHER MANDATES

The Corporation complies with the legislative mandates of the Constitution of South Africa, the Road Traffic Management Corporation Act and the National Road Traffic Act.

7.1 CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996

The Constitution is the supreme law of the Republic and it is necessary to adhere to the obligations imposed by it. Table 4 reflects the constitutional mandate of the Corporation in relation to other spheres of government.

Table 4: Implications of the Constitution

Section	Implication
Schedule 4	Sets out the areas of provincial legislative competence. The functional areas of concurrent national and provincial competence as per Schedule 4 Part A are listed as: <ul style="list-style-type: none"> • Public Transport • Road Traffic Regulation • Vehicle Licensing
Schedule 5	Provides for traffic as a schedule 5 functional area, however the Constitution also provides for the national legislative authority over schedule 5 matters under section 44(2) and the provision of section 76 (1) legislation. All the legislative mandates of the RTMC are enacted in terms of section 76 (5) of the Constitution.

7.2 ROAD TRAFFIC MANAGEMENT CORPORATION ACT (RTMCA)

The RTMCA was approved by Parliament in 1999 in line with the provisions of section 44(2) of the Constitution. The Act aimed to establish the RTMC to pool powers, resources and to eliminate the fragmentation of responsibilities for all aspects of road traffic management across the various levels of government.

The Act provides, in the public interest, for cooperative and coordinated strategic planning, regulation, facilitation and law enforcement in respect of road traffic matters by the national, provincial and local spheres of government. The objectives of the Act are captured in the table below:

Table 5: RTMCA Objectives

Objectives
<ul style="list-style-type: none"> • To establish the RTMC as a partnership between national, provincial and local spheres of government; • To enhance the overall quality of road traffic service provision, in particular to ensure safety, security, order, discipline and mobility on the roads; • To protect road infrastructure and the environment through the adoption of innovative practices and implementation of innovative technology; • To phase out, where appropriate, public funding and phase in private sector investment in road traffic on a competitive basis; • To introduce commercial management principles to inform and guide road traffic governance and decision-making in the interest of enhanced service provision; • To optimise the utilisation of public funds by: <ul style="list-style-type: none"> - Limiting investment of public funds to road traffic services which meet a social or non-commercial strategic objective and which have poor potential to generate a reasonable rate of return; and - Securing, where appropriate, full-cost recovery on the basis of the user-pays principle; • To regulate, strengthen and monitor intergovernmental contact and cooperation in road traffic matters; • To improve the exchange and dissemination of information on road traffic matters; • To stimulate research in road traffic matters and effectively use the resources of existing institutes and research bodies; and • To develop human resources in the public and private sectors that are involved in road traffic.

In accordance with the founding legislation, the Shareholders' Committee must as part of the organisational structuring establish as many functional units as are required in line with the business and financial plan. The ten (10) functions are listed in Section 18 (1) of the Act. Figure 2 shows the transfer of functions according to the Shareholders' Committee resolution.

Figure 2: Functions of the RTMC



The Shareholders' Committee has not transferred vehicle and roadworthiness testing, testing and licensing of drivers and vehicle registrations and licensing to the Corporation. These are executed by the provinces. Law Enforcement and AARTO are executed jointly with other authorities or agencies that share a common mandate with the RTMC.

7.3 NATIONAL ROAD TRAFFIC ACT (NRTA)

The NRTA encompasses all road traffic matters that apply uniformly throughout the Republic. It prescribes national principles, requirements, guidelines, frameworks and national norms and standards that must be applied uniformly in the provinces and other matters contemplated in section 146 (2) of the Constitution; It consolidates land transport functions and locates them in the appropriate sphere of government.

The Act provides specific powers to the Corporation to enable it to execute its functions. Chapter V11 of the NRTA addresses the management of road safety. Powers of the Chief Executive Officer as per section 52 of the Act are as follows:

The Chief Executive Officer may¹:

- prepare a comprehensive research programme to effect road safety in the Republic, carry it out systematically and assign research projects to persons who, in his or her opinion, are best equipped to carry them out; and
- give guidance regarding road safety in the Republic by organising national congresses, symposiums, summer schools and study weeks.

To perform his or her functions properly the Chief Executive Officer may:

- Finance research in connection with road safety in the Republic;
- Publish a periodical to promote road safety and pay fees for matters inserted therein;
- Give guidance to associations or bodies working towards the promotion of road safety in the Republic;
- Organise national congresses, symposiums, summer schools and study weeks and, if necessary, pay the costs thereof, and remunerate persons performing there at; and
- With a view to promoting road safety in the national sphere, publish advertisements in the mass-communication media.

The Chief Executive Officer exercises his or her powers and performs his or her duties subject to the control and direction of the RTMC Board.

7.4 ADMINISTRATIVE ADJUDICATION OF ROAD TRAFFIC OFFENCES ACT 46 OF 1998 (AARTO ACT)

The AARTO Act promotes road traffic quality by discouraging road traffic contraventions and facilitating the adjudication of road traffic infringements. The RTMC is an issuing authority; through the National Traffic Police it applies the AARTO infringement process.

7.5 CRIMINAL PROCEDURES ACT 51 OF 1977 ('THE CPA')

The purpose of the CPA is to regulate procedures and related matters in criminal proceedings. The Act governs how criminal cases are handled in courts of law by establishing due processes in criminal prosecutions. A Traffic Officer is appointed as a peace officer as per section 334(2) (A) of the CPA, which contains schedules of offences. It empowers peace officers to arrest individuals for contravening the law.

7.6 OTHER LEGISLATION

Apart from the mentioned legislation that anchors the RTMC's mandate and allows for the imposition of levies, the following legislation is also applicable to the RTMC's conduct of its business:

- The Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), which specifies the listing of the RTMC as a Section 3 Public Entity;
- The Promotion of Access to Information Act, 2000 (Act No. 2 of 2000) (PAIA), which determines the way the RTMC may access information; and
- The Promotion of Administrative Justice Act, 2000 (Act No. 3 of 2000) (PAJA), determines the administrative action by the RTMC that affects the rights of any person.

8. POLICY MANDATE

The policy direction on traffic and road safety legislation is provided by the National Department of Transport (NDoT). However, policy formulation is also carried out at a regional level and according to global norms.

¹ The transitional provision assigned the role to the Director-General of Department of Transport (NDoT)

Figure 3: Road safety Policies/Instruments



8.1 GLOBAL POLICY INSTRUMENTS

The Millennium Development Goals (MDGs) were crafted in 2000 in response to the development challenges facing the global community. It is accepted that road safety is linked to poverty, education and health goals. In 2009 the inaugural Global Ministerial Congress on Road Safety adopted the Moscow Declaration, which called for a Decade of Action for Road Safety 2011-2020. The UN passed the resolution 64/255 in 2010, recognising that road traffic injuries are a public health challenge that threaten the successful achievement of the MDGs.

Following the UN resolution, the Decade of Action for Road Safety 2011-2020 was launched on the 11th of May 2011. This laid out a programmatic action plan for ten (10) years aimed at reducing road traffic fatalities. The Global Plan for the Decade of Action for Road Safety 2011-2020 provides guidelines on approaches that can be applied to reduce road crashes, injuries and fatalities. South Africa, represented by the Minister of Transport, is a signatory to the Decade of Action for Road Safety. Figure 4 outlines the five pillars of action to address road safety.



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



As the lead agency on road safety, the Corporation is a participant of the United Nations Road Safety Collaboration and is responsible for monitoring local road safety programmes and reporting on progress in the reduction of road fatalities.



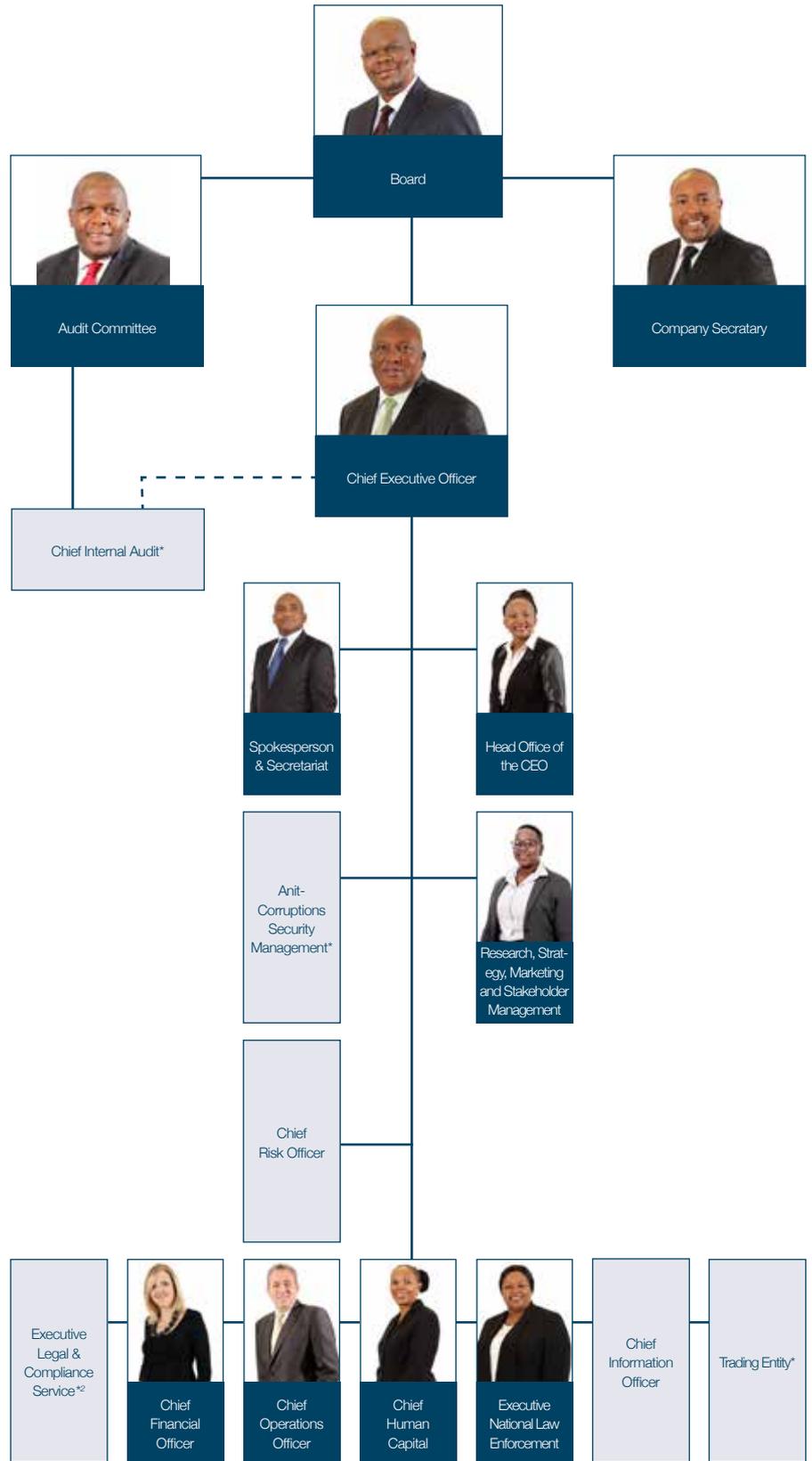
PART B:

PERFORMANCE INFORMATION

1.	ORGANISATIONAL STRUCTURE	21
2.	STATEMENT RESPONSIBILITY FOR PERFORMANCE	24
3.	AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES	24
4.	SITUATIONAL ANALYSIS	25
5.	KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES	26
6.	STRATEGIC OUTCOME ORIENTED GOALS	26
7.	PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVES	28
8.	STRATEGIES TO ADDRESS AREAS OF UNDERPERFORMANCE	55
9.	CHANGES TO PLANNED TARGETS	55
10.	LINKING PERFORMANCE OF THE ENTITY WITH THE APPROVED BUDGET	56
11.	REVENUE COLLECTION	58

1. ORGANISATIONAL STRUCTURE

The RTMC structure as at 31 March 2015



* Vacant Positions

Table 6: Executives on Organisational Structure

Name of position	Name of incumbent	Status	Employment Equity
Chief Executive Officer	Adv Makhosini Msibi	Filled	Black Male
Chief Financial Officer	Ms Liana Moolman	Filled	White Female
Chief Operations Officer	Mr Gilberto Martins	Filled	White Male
Group Executive: Human Capital	Ms Dipsy Wechoemang	Filled	Black Female
Executive National Law Enforcement	Ms Nontsikelelo Jolingana	Filled	Black Female
Divisional Head: Strategy, Marketing & Communication, Stakeholder Management and Research and Development	Ms Refilwe Mongale	Filled	Black Female
Spokesperson and Secretariat Services	Mr Simon Zwane	Filled	Black Male
Divisional Head: Anti-Corruption, Investigations and Security Management	None	Vacant	N/A
Chief Risk Officer	None	Vacant	N/A
Chief Internal Auditor	None	Vacant	N/A
Executive: Legal and Compliance Services	None	Vacant	N/A
Chief Information Officer	None	Vacant	N/A
Trading Entity	None	Vacant	N/A

The Corporation approved its revised organisational structure on 3rd July 2014.

1.1 ORGANISATIONAL STRUCTURE (ACTING APPOINTMENTS)

In the year under review the acting appointments were as follows:

Table 7: Acting Appointments

Name of Acting Person	Acting Position	Acting Duration		Comment
		Start	Finish	
Ms Liana Moolman	Chief Financial Officer	4 April 2014	31 January 2015	Ms Liana Moolman appointed as CFO from 1 Feb 2015
Ms Adelaide Mathuloe	PA to CEO	3 January 2014	31 January 2015	Ms Adelaide Mathuloe appointed as Senior Secretariat Officer from 1 Feb 2015
Ms Thato Mosena	Senior Public & Media Relations Specialist	3 January 2014	31 January 2015	Ms Thato Mosena, acting terminated
Ms Elizabeth van der Merwe	Senior Corporate Secretariat	3 January 2014	31 January 2015	Ms Elizabeth Van Der Merwe appointed as Secretariat Officer from 1 Feb
Ms Chenne Koffman	Office Administrator	3 January 2014	Still acting	Ms Chenne Koffman still acting as Office Administrator

1.2 2014/15 PROGRAMME CHAMPIONS

The management team as captured in the table below championed the 2014/15 Annual Performance Plan programmes:

Table 8: Programme Champion

Names	Gender	Position Rank	Programme	Sub-Programme
Mr Gilberto Martins	M	Chief Operating Officer	Road Safety Education, Law Enforcement and Coordination	Road safety Education, Communication and Campaigns
			Traffic Engineering, Information and Research	Road Traffic Information
			Training of Traffic Personnel	Traffic Training
Ms Ntsiki Jolingana	F	Executive: Law enforcement	Road Safety Education, Law Enforcement and Coordination	Law Enforcement and Coordination
Mr Jody Pillay	M	Deputy Chief: Coordination and Operations	Programme 2(a) Office of the CEO	National Anti-Fraud and Corruption
Ms Refilwe Mongale	F	Divisional Head: Strategy, Stakeholder management, Research and Communication and Marketing	Programme 2(a) Office of the CEO	Stakeholder Management
			Programme 2(b) Office of the CEO	Corporate Social Responsibility
			Traffic Engineering, Information and Research	Research and Development
Ms Liana Moolman	F	Chief Financial Officer	Financial Services	Finance and Supply Chain
Ms Dipsy Wechoemang	F	Group Executive: Human Capital	Corporate Services	Human Resource Management
Mr Baatile Mathibe	M	Divisional Head: IT Strategy	Information Technology Services	Information Technology



2. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION FOR THE YEAR ENDED 31 MARCH 2015

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

The performance information fairly reflects the actual achievements against planned objectives, indicators and targets as per the approved Strategic Plan (2014-2019) and Annual Performance Plan (2014/15) of the RTMC for the financial year ended 31 March 2015.

The external auditors have examined RTMC's performance information for the year ended 31 March 2015 and their report is presented on pages 92 to 93.

The Executive Authority approved the performance information of the Entity as set out from page 26 to 58.



Adv Makhosini Msibi

Chief Executive Officer

3. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The audit conclusion received from the Auditor-General on the performance against predetermined objectives is included in the report to management and the Auditor-General's report as set out from page 91 to 94.



4. SITUATIONAL ANALYSIS

4.1 SERVICE DELIVERY ENVIRONMENT

4.1.1 Transition process from previous strategy to current strategy

The Board of Directors and the CEO of the RTMC were appointed in December 2013 after almost four years of Acting CEOs and the absence of a Board. The Corporation developed a revised strategy guided by the new leadership and the robustness of the newly developed strategic programmes compared with previous periods required a “business-unusual” approach to achieve the objectives and the targets. The reinvigorated approach necessitated an introspection and cultural change that entailed historical performance analysis to identify implementation gaps and mitigations.

4.1.2 National Coordination

To realise objectives, strategic planning across all spheres of government is dependent on cooperation between the provinces and the Corporation. In past years stakeholder relations between the Corporation and the provinces have faced multifaceted challenges often because of the lack of consensus on strategic planning and reporting. The better coordinated efforts of the past year resulted in several joint operations between the Corporation, the National Department of Transport and other spheres of government which resulted in intensified road safety campaigns incorporating the 365 day programme.

4.2 ORGANISATIONAL ENVIRONMENT

4.2.1 Organisational Structure Development Process

The 2014-2019 strategy requires a structure that is responsive to the mandate of the Corporation as vested in the RTMCA. In the period under review the Corporation developed an organisational structure to ensure delivery of its strategic objectives. The Corporation approved its organisational structure on the 3rd of July 2014. The aim was to lay a sustainable foundation for the delivery of programmes. The structure is linked to the mandate of the Corporation and addresses the remuneration disparities evident in the former structure. The remuneration policy was implemented on the 30th September 2014, effective from 1st July 2014.

4.2.2 Fraud Investigations

The Corporation experienced information security breaches that resulted in the theft of funds from its bank account. Law enforcement authorities undertook investigations. This affected the support services usually rendered by the ICT, as well as the finance functions because some units had to be put on hold while the investigations continued. As a result, attaining business goals was negatively affected. The IT personnel returned to work on the 14th of July 2014. The absence of these two components had an impact on the effectiveness of operations in certain areas within the Corporation. The result can be seen in the partial achievement of the IT programme and underachievement in the Finance programme.

5. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no legislative changes during the year under review.

6. STRATEGIC OUTCOME-ORIENTED GOALS

The South African Road Safety priorities and realities guided the development of the 2014/15 goals. The RTMC's strategic goals for the period under review are shown in the figure below:

Table 9: Strategic Outcome-Oriented Goals

Improve and institutionalise Stakeholder Relations	Enable Legislation to Promote Road Safety	Improve Financial Sustainability	Create a Dynamic and Transformed Organisation	Foster Good Governance
Promote and Support Road Safety	Enforce Road Traffic Environment	Improve Revenue Generation	Develop a 21 st Century Curriculum and Cadre	Following the Rule of Law
Develop and Implement Interventions for Targeted Road Users		Effective Management of Operational Costs	Establish a Centre of Excellence	Implement Equity Imperatives
Mobilise and Sustain Relations with other Spheres of Government		Develop and Implement Funding Model	Creating a Learning Organisation	Collaborate with Other State Agencies and Government
Promote Private Sector Participation			Enhance Public Confidence and Trust in Road Traffic Information	Implement Corporate Social Investment Programmes
Combat Fraud and Corruption			Implement Innovative Technologies	Create a Conducive Environment Geared Towards Service Delivery
Collaborate with DoT on Road Safety			Develop Norms and Standards for law Enforcement and Road Safety Practitioners	

Table 10: Strategic Goal 1

Strategic Goal 1	Improve and Institutionalise Stakeholder Relations
Goal Statement	To create, operate and sustain an all-inclusive stakeholder platform that allows for collaboration in the execution of the RTMC mandate.
Justification	Active participation of all stakeholders in the prevention of road crashes.

Progress on the achievement of goals	Twenty-three programmes were implemented with both private and public sector stakeholders
---	---

Table 11: Strategic Goal 2

Strategic Goal 2	Enabling Legislation to promote Road Safety
Goal Statement	To harmonise and regulate enforcement standards, policies and procedures and to coordinate road traffic enforcement operations across the three spheres of government to reduce offences, injuries and fatalities.
Justification	Most crashes are caused as a result one or more offences being committed. Poor image of road traffic law enforcement leads to low morale and poor public support.
Progress of the achievement of goals	The National Road Traffic Law Enforcement Code has not been finalised as envisioned. However several coordinating structures within law enforcement continue to operate.

Table 12: Strategic Goal 3

Strategic Goal 3	Improve Financial Sustainability
Goal Statement	Ensure adequate funding of road safety in line with the RTMC mandate
Justification	Limited fiscal budget Promote private sector investment
Progress on the achievement of goals	<ul style="list-style-type: none"> The funding model and increase of revenue through efficiency was not achieved as envisioned. The Corporation will work with experts within the field to identify ways of improving/increasing funding for road safety aligned to the cost of crashes in the country and to investigate global policies that emphasise the need to make the road safety budget 10% of the road infrastructure budget. Several strategic positions within Finance were filled, which will lead to enhanced controls within the environment.

Table 13: Strategic Goal 4

Strategic Goal 4	Create a Dynamic and Transformed Organisation
Goal Statement	To develop a learning organisation with the necessary skills and attributes for a 21st century traffic fraternity in a conducive environment.
Justification	Development of skills for road safety due to the low skills base and shortage of staff. Capacity to build intelligence on road safety management.
Progress on the achievement of goals	<ul style="list-style-type: none"> The curriculum for traffic personnel was submitted for registration at NQF level 6; the Corporation is awaiting the final outcome. However, the Corporation did embark on an up-skilling programme for the National Traffic Police. Several strategies, such as building a centre of excellence, rationalisation of colleges and creating a deployment model, were developed as a stepping stone to the achievement of a 21st century curriculum and cadre.

Table 14: Strategic Goal 5

Strategic Goal 5	Foster Good Governance
Goal Statement	To ensure good governance in line with human development and political institution reform.
Justification	<ul style="list-style-type: none"> • Responsible corporate citizenry • Good governance • Sustainability
Progress on the achievement of goals	<ul style="list-style-type: none"> • The Corporation continues to place a premium on ensuring good governance and the Board Committees continue to play their oversight role throughout the year. • Several policies and processes were developed and approved by the Board. • Increased participation in road safety both regionally and globally. • The Corporation attended two road safety meetings: <ul style="list-style-type: none"> - Ethiopia from the 11th to 12th March 2015; and - Geneva from the 25th to 26th March 2015.

7. PERFORMANCE INFORMATION BY PROGRAMME/OBJECTIVES

7.1 PROGRAMME DESCRIPTION

Programme 1: Road Safety Education, Law Enforcement and Coordination

The programme is responsible for the core functions of road safety education, communications campaigns and law enforcement. The conceptualisation of these is in line with the Global Plan for Road Safety 2011- 2020.

Table 15: Road Safety Education, Law Enforcement and Coordination Strategic Objectives

Strategic objective 1	Promote and Support Road Safety
Objective statement	Change the behaviour and attitude of road users to inculcate a culture of voluntary compliance in the country.

Programme 2(a): Office of the Chief Executive Officer

The Chief Executive Officer is responsible for governance, coordination, planning and communications. He or she must provide leadership as the custodian of relationships and the brand. Key to achieving the objectives of the RTMC is the development and implementation of an integrated and effective communication strategy to enable it to drive its mission. The objectives are to mobilise, implement matters of mutual interest to stakeholders and monitor the impact of relationships.

Table 16: Office of the Chief Executive Officer Strategic Objectives

Strategic Objective 2	Mobilise and Sustain Relations with other Spheres of Government
Objective statement	Structure and position relationships that allow collaboration that is effective for the core business to deliver on its mandate.
Strategic Objective 3	Promote Private Sector Participation
Objective statement	Create favourable conditions for private sector investment in road safety programmes.
Strategic Objective 4	Collaborate with the Department of Transport on Road Safety
Objective statement	To ensure adequate support on the development and implementation of the 365 Days Road Safety Programme.
Strategic Objective 5	Combat Fraud and Corruption
Objective statement	Adopt a proactive, holistic approach to reducing and eliminating corrupt activities within the fraternity.
Strategic Objective 6	Develop and implement interventions for targeted road users (women and youth).
Objective statement	Develop interventions for youth and women on aspects of road safety in line with identified threats and risks.
Strategic Objective 7	Regulate road traffic environment
Objective statement	To develop instruments for the harmonisation of the traffic fraternity.

Programme 3: Financial Services

The unit provides services to guarantee the financial stability of the RTMC. This is accomplished by:

- Improving financial performance, practice and fiscal discipline;
- Executing financial management;
- Ensuring unqualified annual financial statements;
- Executing risk management and internal control systems;
- Executing supply chain management;
- Executing revenue management;
- Executing asset management; and
- Providing budget management.

Table 17: Financial Services Strategic Objectives

Strategic objective 8	Improved Revenue Generation
Objective statement	Increase the revenue base of the RTMC through efficiencies and sound corporate governance.
Strategic objective 9	Effective Management of Operational Costs
Objective statement	Reduce non-core costs to an acceptable level by ensuring value for money by implementing sound internal controls.
Strategic objective 10	Develop and Implement a Funding Model
Objective statement	Develop a model that will promote alternative sources of revenue in line with the RTMC Act.

Programme 4: Training of Traffic Personnel

The programme is responsible for the overall quality of road traffic training, determining and implementing standards for the training of traffic personnel.

Table 18: Training of Traffic Personnel Strategic Objectives

Strategic objective 11	Develop a 21st Century Curriculum and Cadre for the Traffic Fraternity
Objective statement	To enhance the quality of training and elevate the integrity of the traffic personnel.
Strategic objective 12	Establish the Centre of Excellence
Objective statement	Develop a national training framework to reposition and professionalise the fraternity.
Strategic objective 13	Develop norms and standards for law enforcement and road safety practitioners
Objective statement	Professionalise the traffic fraternity by developing standards for the profession. Develop and enhance the road safety practitioners' profession by developing and implementing recognition standards.

Programme 5: Traffic Engineering Information and Research

The unit is responsible for the overall provision of road safety intelligence, including information services and research. The objective is to provide necessary information to guide policy-makers and implementing agencies on road safety management.

Table 19: Traffic Engineering Information and Research Strategic Objectives

Strategic objective 14	Enhance Public Confidence and Trust in Road Traffic Information
Objective statement	Produce high-quality road traffic information with a 0% error margin and provide research findings for effective road safety management.

Programme 6: Corporate Services

Provide overall support to the core business by ensuring that the strategic management of talent is conducted in a consistent, deliberate and transparent manner by aligning HR processes with the organisation's current and future needs, as identified by business demands. The unit provides business support services to ensure optimal performance in the organisation.

Table 20: Corporate Services Strategic Objectives

Strategic objective 15	Create a Learning Organisation
Objective statement	Produce an integrated workforce that is capable of delivering on the RTMC mandate and provide on-going development of personnel for increased performance in a transformative manner.

Programme 7: Information Technology Services

Provide overall information technology support to the core business by responding with solutions to enhance the Corporation's product offering. The unit manages communication channels, develops technology solutions and maintains the infrastructure of the RTMC to ensure information is safeguarded.

Table 21: Information Technology Strategic Objectives

Strategic objective 16	Implement Innovative Technologies
Objective statement	Develop business systems platforms to enhance service-delivery processes.

Programme 2(b): Office of the Chief Executive Officer

Provide overall governance and assurance services to the RTMC by developing and implementing best practice instruments.

Table 22: Office of the Chief Executive Officer Strategic Objectives

Strategic objective 17	Following the Rule of Law
Objective statement	Create a compliance culture in line with the applicable laws and prescripts.
Strategic objective 18	Implement Corporate Social Investment Programmes
Objective statement	Embark on a corporate citizenry programme for the development of humanity
Strategic objective 19	Implement equity imperatives
Objective statement	Reach equity targets in line with the national demographics.
Strategic objective 20	Collaborate with other state agencies and government in the implementation of the SADC 10 point plan
Objective statement	Support the country leadership role in the SADC and the Africa region on road safety matters in line with the Decade of Action for Road Safety 2011-2020.
Strategic objective 21	Create a conducive environment geared towards service delivery
Objective statement	Create all-inclusive platforms for participation in road safety matters.



7.2 PROGRAMME PERFORMANCE BY STRATEGIC OBJECTIVE

Table 21 shows the progress of programmes based on the strategic objectives. The objectives as presented provide a synopsis of the total weight of the key activities that are performed in the realisation of the goals.

Table 23: Performance on Strategic Objectives

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from Planned Target to Actual Achievement 2014/15	Comment on Deviation
Programme 1: Road Safety Education, Law Enforcement and Coordination					
Objective 1					
Number of road safety interventions promoted and supported	Not planned for 2013/14	2,376 educational interventions promoted and supported	3,124 educational interventions promoted and supported	Overperformed: an additional 748 educational interventions promoted and supported	The continued high levels of road crashes have amplified the Corporation's implementations of programmes, in collaboration with provinces, which has resulted in greater achievements.
Number of road safety interventions promoted and supported	13,451,218	360,000 vehicles stopped and checked in collaboration with other authorities	1,355,948 vehicles stopped and checked in collaboration with other authorities	Overperformed: an additional 995,948 vehicles stopped and checked	The third-quarter period was a high peak time for the Corporation, which identified several law enforcement interventions from the provinces, integrating and coordinating these to ensure unity and maximise its ability to deal with crashes and deaths on the road.
	655 normal operations	100 high-impact operations	133 high-impact operations	Overperformed: an additional 33 high-impact operations were carried out	The third-quarter period was a high peak time for the Corporation, which identified several law enforcement interventions from the provinces integrating and coordinating these to ensure unity and maximise its ability to deal with crashes and deaths on the road.

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from Planned Target to Actual Achievement 2014/15	Comment on Deviation
Objective 2					
Number of interventions targeting women and youth	Not planned for 2013/14	53	58	Overperformed: three more interventions targeting women and youth were carried out	The continued high levels of road crashes and deaths have amplified the Corporation's implementation of programmes.
				Overperformed: two more schools enrolled in the learner licence programme	During the implementation phase of the programme there was an increased interest by both learners and schools to participate in the learner licence programme
Programme 2(a): Office of the Chief Executive Officer					
Objective 3					
Number of relations formalised and programmes implemented	4	5 MOU's concluded with other spheres of Government	5 MOU's concluded with other spheres of Government	N/A	N/A
Number of MOUs formalised with other state agencies	4	2	3	Overperformed: one more MOU finalised with state agencies	The MOU objectives of the road entity agencies had similar objectives and were concluded simultaneously resulting in the overachievement.
Participation in the issuance of liquor licenses	Not planned for 2013/14	9 Provinces	The indicator has been removed	N/A	Refer target changes on page 55.
Objective 4					
Number of agreements formalised with the private sector	Not planned for 2013/14	4	4	N/A	N/A

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from Planned Target to Actual Achievement 2014/15	Comment on Deviation
Objective 5					
Number of corruption and fraud awareness campaigns implemented and attendance to all reported cases of fraud and corruption	97%	100% investigation of all reported cases	100% investigation of all reported cases	N/A	N/A
	Not planned for 2013/14	20	48	Overperformed: an additional by 28 campaigns were carried out.	The increase in corruption within the fraternity resulted in a more vigorous undertaking of anti-fraud and corruption awareness campaigns.
Objective 6					
Submit the NTLEC to the Board	Code was published in the Government Gazette on the 10th of January 2014 and Eight Provincial Gazettes by the 27th of March 2014	Submission of the NTLEC to the Board for approval	Not achieved	Submission of the NTLEC to the Board for approval	The code was not submitted for approval as planned because of a lack of stakeholder buy-in. Consultations with sector experts are continuing and will be formalised to allow for participation and consensus on the code.
Programme 3: Financial Services					
Objective 7					
% increased revenue from current revenue streams through efficiencies	Not planned for 2013/14	Increased revenue generation by 3%	Not achieved	Underperformed: there was a 1% increase from current revenue streams through efficiencies	The Corporation did not achieve the 3% increase from current revenue streams. The Corporation is still waiting for approval to increase transaction fees from National Treasury. However, going forward the finance unit will reengineer certain processes to improve management of revenue throughout the Corporation.

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from Planned Target to Actual Achievement 2014/15	Comment on Deviation
Objective 8					
% Reduction in non-core costs	Not planned for 2013/14	Reduced non-core cost by 10%	51%	Overperformed: the Corporation reduced non-core costs by 51%, 41% more than it had planned	The Corporation reduced the non-core costs by 51% for the year ended 31 March 2015. The entity spent R1,092,019 compared with the previous financial year's R2,211,221.
Objective 9					
Developed and implemented funding model in collaboration with provinces	Not planned for 2013/14	Approved funding model	Not achieved	Underperformed: did not get funding model approved	The Corporation developed the funding model, but it was not submitted to the prescribed structures within the planned time period. Experts will be appointed to assist in the finalisation of the model. It will encapsulate the changing operation model of the Corporation.
Programme 4: Training of Traffic Personnel					
Objective 10					
Revise the basic traffic officer qualification to produce competent and ethical traffic officers and determine appropriate numbers of optimal authorised officers	Not achieved	Revised traffic officer qualification	Curriculum submitted to QCTO - awaiting registration	N/A	N/A
	Not planned for 2013/14	Developed authorised officer deployment model	Model developed	N/A	N/A
Developed driving school instructors qualification	Not planned for 2013/14	Developed qualification for driving school instructors	The indicator has been removed	N/A	Refer target changes on page 55.

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from Planned Target to Actual Achievement 2014/15	Comment on Deviation
Objective 11					
Establish an academy for road safety and develop a strategy on the rationalisation of traffic training colleges	Not planned for 2013/14	Completed feasibility study for a road safety academy and developed strategy on the rationalisation of traffic training colleges	Feasibility study for a road safety academy completed and strategy on the rationalisation of training colleges developed	N/A	N/A
Objective 12					
Develop norms and standards for road safety practitioners	Not planned for 2013/14	Developed norms and standards	Standards developed	N/A	N/A
Programme 5: Traffic Engineering, Information and Research					
Objective 13					
Improve quality of road traffic information by producing reports timeously and implementing systems and processes for quality	Not planned for 2013/14	Developed and Implemented standards	Road traffic information standards developed and implemented	N/A	N/A
	Not planned for 2013/14	Established structures for road traffic information	Road traffic information committee established through STATSSA existing structure	N/A	N/A
	1	6 state of road safety reports published	1	Underperformed: did not complete five state of road safety reports	The outstanding reports were not published in time because they were still subject to quality assurance processes.
	Not planned for 2013/14	2 research and development products	2	N/A	N/A

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from Planned Target to Actual Achievement 2014/15	Comment on Deviation
Programme 6: Corporate Services					
Objective 14					
Create a high performance culture through implementation of sound policies in a transformative manner and by extending the reach to nine provinces	Not planned for 2013/14	Reduced vacancy rate	Not achieved	Underperformed: the vacancy rate was reduced by 26%, instead of 20%	The reduction of vacancy rate to 20% was hindered by the restructuring process that led to the introduction of a new structure aligned to the Corporation's strategy.
	Not planned for 2013/14	Implemented performance management systems	100%	N/A	N/A
	Not planned for 2013/14	3 regional offices established	Not achieved	Underperformed: three regional offices not established	The Corporation halted the process because of certain matters that would have had an impact on the manner in which the RTMC operates, should the three functions from NDoT be transferred.
Programme 7: Information Technology Services					
Objective 15					
Define and implement road safety systems	Not planned for 2013/14	Developed systems	5 systems developed	Underperformed: one road safety supporting system not developed	The target was not achieved as planned because the IT unit was not functional for four months, due to the fraud incident that occurred in the Corporation.
Programme 2(b): Office of the CEO					
Objective 16					
Implement compliance processes and systems to ensure adherence to the rule of law and manage risk	Not planned for 2013/14	Establish compliance and risk management functions and implement processes	Compliance and risk management functions established and processes implemented	N/A	N/A

Strategic Objective	Actual Achievement 2013/14	Planned Target 2014/15	Actual Achievement 2014/15	Deviation from Planned Target to Actual Achievement 2014/15	Comment on Deviation
Objective 17					
Implement development programmes towards human development	Not planned for 2013/14	4 corporate social investment programmes	5 corporate social investment programmes	Over performed: 1 more CSI programme implemented	N/A
Objective 18					
Implement finance and human resource equity imperatives	Not planned for 2013/14	Achieved Equity BBBEE targets	100% implemented	N/A	N/A
Objective 19					
Support and drive the implementation programme for the SADC working group on road safety	Not planned for 2013/14	Develop action plan	Action plan developed	N/A	N/A
Objective 20					
Establish and support road safety structures	Not planned for 2013/14	Establish council	National Road Safety Advisory Council established	N/A	N/A
	Not planned for 2013/14	Supported councils	The Indicator has been removed	N/A	Refer target changes on page 55.



7.3 PROGRAMME PERFORMANCE BY KEY PERFORMANCE INDICATOR

7.3.1 Programme 1: Road Safety Education, Law Enforcement and Coordination

The programmes had 10 key performance indicators and all were achieved, which resulted in 100% achievement.

Table 24: Promote and Support Road Safety Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 1	Number of rural school educational presentations	Not planned for 2013/14	1,080	1,444	Overperformed: presentations made at 364 more rural schools
KPI 2	Number of road safety educational products developed	Not planned for 2013/14	31	31	N/A
KPI 3	Number of road safety programmes implemented in line with the 365 day programme	35	1,260	1,644	Overperformed: 384 more road safety programmes implemented in line with the 365-day programme
KPI 4	Number of flagship road safety educational programmes implemented	3	5	5	N/A
KPI 5	Development and implementation of road safety marketing strategy	Not planned for 2013/14	100%	100%	N/A
KPI 6	Number of vehicles stopped and checked in collaboration with other authorities	13,451,218	360,000	1,355,948	Overperformed: 995,948 more vehicles stopped and checked
KPI 7	Number of high-impact operations	655 Normal operations	100	133	Overperformed: 33 more high-impact operations carried out
KPI 8	Number of road safety programmes targeting youth	Not planned for 2013/14	4	6	Overperformed: two more road safety programmes targeting youth established
KPI 9	Number of road safety programmes targeting women	Not planned for 2013/14	4	5	Overperformed: one more programme targeting women
KPI 10	Number of historically disadvantaged schools on learner licence programme pilot	Not planned for 2013/14	45	47	Overperformed: two more historically disadvantaged schools on learner licence programme pilot

Rural School Educational Presentations

The objective of the rural schools educational presentation is to increase reach across communities that are marginalised and to ensure their participation in the road safety discourse. The schooling system remains a key pillar for the development of safer road users, but the inclusion of road safety in the school curriculum is limited. School presentations enhance the learning environment by instilling a level of practical exposure on the subject matter. In 2014/15 financial year 1,444 school presentations were conducted by the provinces in various rural schools.

Development of Educational Products

Educational products are conceptualised to deliver, enhance and multiply the message of the need for road safety. Products target an array of road users and are designed to find resonance with the target market. In the financial year under review 31 products were developed. These are some of the educational products developed:

Table 25: Educational Products

Educational Products	
Drunken-buster goggles	Drunk-buster goggles simulate the effects of impairment, including reduced alertness, slowed reaction time, confusion, visual distortion, alteration of depth and distance perception, reduction of peripheral vision, poor decision-making, double vision and lack of muscular coordination.
Reflective tags	Pedestrians' reflective tags were distributed to learners. These are clipped on to school bags to improve the visibility of the learner.
Reusable breathalysers	The breathalyser is used to test alcohol consumption. This product is used to create awareness of the level of alcohol consumption. The breathalysers were used during the driver-awareness activities.
Reflective harness	The product improves the visibility of pedestrians, motorcyclists and cyclists. The Reflective harnesses were distributed to road users during activations conducted during the quarter.
Tyre depth gadget	The gadget enables you to check your tyre pressure and tread depth. This gadget is used during vehicle safety awareness activities.
Car air fresheners	This is a product with a slogan and the hotline number to continually remind drivers of safe road user behaviour.
Slogan and hotline squeeze bottles	Squeeze bottles that display slogans/road safety messaging and the hotline number.
Umbrella	The umbrella conveys road safety messaging and finds resonance within the pedestrian segment of the market, especially in rural areas. It serves the purpose of a walking billboard - umbrellas were disseminated to communities throughout South Africa to spread the road safety message.
Booklet	Booklets on road safety hints and tips were distributed throughout the provinces to provide more detailed information on road safety and to empower road users to become more aware.
Pamphlets	Specific pamphlets covering topics of drunken driving, fatigue and speed were distributed at joint law enforcement and road safety awareness roadblocks throughout the country.
Breathalysers	The self-test breathalysers are used for self-regulation by drivers. They are intended to provide scientific evidence to drivers of level of alcohol. These were effectively used to test drivers at shebeens, taverns and festivals. They provide instant feedback on a person's level of sobriety.
Information brochure	The information brochure provides information on road safety hints and tips.
Retro reflective slap strap	The reflective strap is most effective for pedestrian visibility in the early hours of the morning and in the evening when it is darker. It ensures the visibility of the pedestrian.
Calendar	The calendar provides a platform for the daily transmission of road safety messaging. It is linked to the 365-day programme on road safety by capturing different themes for each month.

Educational Products	
A Frame	A teacher educational tool for use in the classroom, visual perception for stimulation on road safety.
Information brochure	Information brochure to enhance road safety awareness and educational offerings.
Reflective bands	Reflective bands for pedestrians.
Edutainment products	Edutainment products for young road users.
Easy Learning with Danny Cat booklet	Easy learning booklet.
Take a walk with Danny Cat	Take a walk booklet.
Danny Cat colouring-in book	Kids' colouring-in book.
The traffic officer and me	A lesson plan on the traffic officer and me.
Traffic Lights	A lesson plan on traffic lights.
How I get to school	A lesson plan on how to get to school safely.
Pedestrian Safety	A lesson plan on pedestrian safety.

Programmes implemented in line with the 365-day programme

The Corporation reached 1,644 road users during the financial year under review. The programme seeks to create consistent road safety awareness and education for all categories of users throughout the year and does not focus only on peak traffic periods, such as the Easter Weekend and the Festive Season.

CATEGORIES OF ROAD USERS			
<p>Drivers</p> <p>Activities include one-on-one talks with drivers at roadblocks, taxi ranks, shopping malls etc to raise awareness on driver fitness, vehicle fitness, use of seat belts, passenger overloading, distractions while driving and alcohol impairment</p>	<p>Passengers</p> <p>The awareness campaigns focus on the importance of wearing of seatbelts, especially by passengers in a taxi vehicles fitted with seatbelts and rear-seat passengers in private sedan vehicles and on buses</p>	<p>Cyclists</p> <p>The campaign focuses on raising awareness and promoting cyclist helmet usage. Aspects include increased visibility of cyclists and the distribution of reflective vests for cyclists and bicycle lights for the front and rear end</p>	<p>Pedestrians</p> <p>Pedestrians are targeted at taxi ranks, malls and vehicles stopped at roadblocks and busy crossings. The importance of using pedestrian crossings and visible clothing is emphasised at all interactive sessions</p>

Road Safety Marketing Strategy

The strategy is in support of the functional areas of the RTMC and aims to provide platforms for two-way communication and awareness. It advances segmentation by target group to raise road safety awareness and ultimately influence road user behaviour by changing the patterns of road usage and promoting safety consciousness.

National Traffic Police Services

The NTP was established to intensify traffic policing as a specialised intervention force. It is intended to augment capacity across the nine provinces to manage any traffic-related situation in the country. In the financial year under review 1,355,948 vehicles were stopped and checked and 133 high-impact operations with other authorities were undertaken. The Corporation conducted one of its high-impact operations on the 28th of November 2014 to spearhead the road safety festive launch. The Corporation collaborated with provinces, municipal police, traffic authorities, the SAPS and transport entities to amplify efforts to ensure heightened impact and reach. The overachievement of vehicles stopped and checked was as a result of the Corporation identifying several law enforcement interventions from the different provinces and integrating and coordinating them to ensure unity and to maximise the impact in dealing with the crashes, injuries and death on the roads. Increased strategic law enforcement continues to be a key pillar in executing our law enforcement activities.

Target group programmes

Road Safety Programme for Youth

“A nation that does not take care of its youth has no future and does not deserve one.” – OR Tambo.

In the 2007 report released by the World Health Organisation (WHO) titled “Youth and Road Safety”, it found that road fatalities are fast becoming the leading cause of death among young people. Road traffic injuries are the leading cause of death globally among 15 to 19-year-olds and the second-leading in the age brackets of 10 to 14 and 20 to 24.

The Corporation led by establishing youth programmes, all-inclusive platforms that target the most vulnerable and disadvantaged young people, who continue to account for the highest number of victims of crashes and they remain a focal target group in road safety interventions. The Corporation conducted six youth programmes in the 2014/15 financial year.

To maximise road safety, the Corporation with the Free State Department of Police, Roads and Transport invested in a pilot learner driver training programme that focused on developing 900 unemployed youth. Furthermore the Corporation, the Nelson Mandela Foundation and host cities among other stakeholders partnered with the Mafikizolo band for the tour targeting young South Africans. Performances attracted youngsters from all walks of life, including forward-thinking professionals, brand conscious and aspirant achievers, independent free thinkers, music and fashion lovers. As a result the Corporation overachieved by conducting six youth programmes than the planned target.

Road Safety Programmes for Women

Women have previously not been targeted in road safety education and awareness programmes. However, this changed in the 2014/15 financial year and the Corporation conducted five programmes targeting women.

Learner Licence Programme at Rural Schools

The programme endeavours to introduce learner licence skills to students while in the senior schooling phase to equip them with sound driving knowledge. It assists young people to obtain a learner’s license that will be a stepping stone towards getting their driver’s licence and to ensure that they are able to enhance their value offering post the schooling phase. In the financial year under review, 47 schools enrolled in the programme. In order to have insight and better understanding on the effectiveness of the programme an

evaluation was conducted on the schools enrolled in the programme.

7.3.2 Programme 2(a): Office of the Chief Executive Officer

There were seven performance indicators that needed to be delivered for the year under review, however, KPI 13 was removed and did not form part of the performance calculation. Therefore, only six indicators were considered for the review, resulting in 83% of the targets achieved and 17% not achieved, namely the submission of the National Traffic Law Enforcement Code (NTLEC) to the Board.

Table 26: Mobilise and sustain relations with other spheres of Government Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 11	Number of MOUs formalised with other spheres of Government	4	5	5	N/A
KPI 12	Number of MOUs formalised with other state agencies	Not planned for 2013/14	2	3	Overperformed: 1 more MOU was formalised with other state agencies
KPI 13	Participate in the application and adjudication processes on issuance of liquor licences.	Not planned for 2013/14	9 provinces	The indicator has been removed	N/A

Table 27: Promote Private Sector Participation Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 14	Number of agreements formalised with the private sector stakeholders	Not planned for 2013/14	4	4	N/A

Formalisation of relationships

The conclusion of MOU's with private sector, state agencies and public sector were finalised in the 2014/15 financial year. Improving and institutionalising stakeholder relations remains a priority for the Corporation. In this regard, it entered into five MOU's with spheres of government, three MOU's with state agencies and formalised four agreements with the private sector.

Table 28: Combat Fraud and Corruption Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 15	% of corruption and fraud complaints investigated	97%	100%	100% 69 cases received and investigated	N/A
KPI 16	Number of anti-fraud and corruption awareness programmes implemented	Not planned for 2013/14	20	48	Overperformed: 28 more anti-fraud and corruption awareness campaigns were implemented

National Traffic Anti-Corruption Operations

The National Traffic Anti-Corruption unit endeavours to curb the scourge of corruption in the sector by employing both proactive and punitive measures when corruption occurs. The unit collaborates with other law enforcement agencies to ensure those who are guilty of the act of corruption are brought to book. During the year under review 69 cases of fraud and corruption were received and investigated. This led to the arrest of 49 people for fraud and corruption practices.

The Corporation conducted 48 anti-fraud and awareness campaigns, emphasising the importance of reporting fraud and corruption via various platforms.

Table 29: Regulate Traffic Environment Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 17	Submission of the NTLEC to the Board for approval	Code was published in the Government Gazette on the 10th of January 2014 and 8 Provincial Gazettes by the 27th of March 2014	Submission of the NTLEC to the Board for approval	Not achieved	Submission of the NTLEC to the Board for approval

National Traffic Law Enforcement Code

The objective of the NTLEC is to harmonise the traffic fraternity in the country, by implementing norms and standards that will be complied with by all authorities within the three spheres of government. The Corporation did not submit the Code to the Board for approval as planned because of a lack of stakeholder buy-in, but this has since been addressed. Consultations with sector experts were still on-going at the end of the financial year and have been formalised to allow for participation, knowledge transfer and consensus on the development of the code.

7.3.3 Programme 3: Financial Services

The programme had three indicators that needed to be delivered for the year under review; 67% of the targets were achieved and 33% of the targets were not achieved.

Table 30: Improved Revenue Generation Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 18	Total % increase in revenue from current revenue streams through efficiencies	Not planned for 2013/14	3%	2%	Underperformed: 1% increase in revenue not achieved from current revenue streams.

Table 31: Effective Management of Operational Costs Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 19	Total % reduction in non-core costs	Not planned for 2013/14	10%	51%	Overperformed: there was a 51% reduction in non-core costs, 41% more than was planned.

Table 32: Develop and implement a funding model Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 20	Developed funding model in collaboration with provinces submitted to Shareholders Committee for approval	Not planned for 2013/14	Approved funding model	Not achieved	Underperformed: funding model was not approved.

Increase in revenue from current revenue streams

It was envisioned the Corporation would increase its revenue streams by 3% through efficiencies. Instead of achieving a 3% increase in revenue from the current revenue streams as planned for the 2014/15 financial year, it achieved 2% due to lack of capacity. New appointments within the finance unit, as well as executives in a different business unit will see reengineering in certain processes to improve management of revenue within the Corporation.

Reduction of non-core cost

The Corporation managed to reduce the non-core costs by 51% for the year ended 31 March 2015, the entity spent R1,092,019 compared with R2,211,221 in the 2013/14 financial year. The target was to reduce non-core costs by 10% and this was exceeded by implementation of stringent measures to manage cost effectively within the Corporation.

Approval of the funding model by the Minister/Shareholders committee

The Corporation aimed to submit the funding model to the Executive Authority and Shareholders' Committee for approval. The model was developed but was not submitted to the prescribed structures within the planned time period. Remedial measures have been undertaken to expedite the process of finalising the funding model.

7.3.4 Programme 4: Training of Traffic Personnel

The programme had six indicators that needed to be delivered for the year under review however, KPI 23 was removed and was not considered for the performance evaluation. Therefore only five indicators were considered for review, which resulted in 100% achievement.

Table 33: Develop a 21st Century Curriculum and Cadre for the Traffic Fraternity Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 21	Revise basic traffic officer qualification	Not achieved	Revised basic traffic officer qualification	Curriculum submitted to QCTO and is awaiting registration	N/A
KPI 22	Develop authorised officer deployment model	Not planned for 2013/14	Developed model	Model developed	N/A
KPI 23	Consultation on the driving school qualification in line with the driving school legislative framework	Not planned for 2013/14	Completed stakeholder consultation	The Indicator has been removed	N/A

Table 34: Establish the Centre of Excellence Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 24	Develop a strategy for the establishment of a centre of excellence for road traffic management practitioners	Not planned for 2013/14	Developed strategy	Strategy developed	N/A
KPI 25	Approved strategy on the rationalisation of traffic training colleges	Not planned for 2013/14	Approved strategy	Strategy approved	N/A

Table 35: Develop Norms and Standards for Road Safety Practitioners Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 26	Developed norms and standards for road safety practitioners	Not planned for 2013/14	Developed norms and standards	Norms and standards developed	N/A

Traffic Officer Curriculum

During the 2014/15 financial year, the Corporation submitted a revised curriculum to the Quality Council for Trades and Occupations (QCTO) as planned. The Corporation is awaiting registration of the qualification.

Authorised officer deployment model developed

The Corporation developed an authorised traffic officer deployment model. Consultations were conducted in all nine provinces and the model is being expanded to include the traffic sector as a whole to get an understanding on the needs and to focus on the strategic deployment of officers.

Approved strategy on the rationalisation of traffic training centres

The country continues to have insufficient well-trained traffic personnel. The rationalisation of traffic training centres seeks to produce highly trained officers who can meet the demand of a 21st century cadre to address the road crashes effectively. The strategy includes an analysis of training by traffic training centres in the past three years and proposes a grading model for traffic training centres, which will allow colleges to be graded according to the courses they offer and to specialise in certain training courses. In this regard, the Corporation approved the strategy on the rationalisation of traffic training centres.

Development of norms and standards for road safety practitioners

A National Road Safety Summit was convened by the Minister of Transport. The summit resolved that the RTMC develop norms and standards for road safety practitioners and develop the capacity for both traffic officers and road safety practitioners. The norms and standards will ensure the Corporation manages and coordinates the effective, efficient and uniform training of road safety practitioners in the country.

7.3.5 Programme 5: Traffic Engineering, Information and Research

The programme had four indicators that had to be delivered for the year under review, resulting in a 75% achievement and 25% of the targets were not achieved.

Table 36: Enhance Confidence and Trust in Road Traffic Information Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 27	Developed and implemented standards for traffic information	Not planned for 2013/14	Developed and implemented road traffic information standards	Road traffic information standards developed and implemented	N/A
KPI 28	Established independent road traffic information committee	Not planned for 2013/14	Established committee	Committee established through STATS SA existing structure	N/A
KPI 29	Number of published state of road safety reports	1	6	1	Underperformed: five state of road safety reports were not published
KPI 30	Number of research and development products	Not planned for 2013/14	2	2	N/A

Implementation of standards for road traffic information

The Corporation developed and implemented the road traffic management information norms and standards as planned in the 2014/15 financial year. An evaluation report on the implementation of the standards was developed to highlight the readiness of the provinces to adhere to the standards. Several challenges were identified, such as resources and supporting tools, and a process will be undertaken to mitigate the identified shortcomings in the 2015/16 financial year. A continuous effort is being made to integrate management of road traffic information across the country.

Establishment of an independent road traffic information committee

The Corporation entered into an agreement with Statistics South Africa and one strategic impetus of the MOU entailed a quality assurance committee for road traffic information. In this regard, the Corporation established a committee through the StatsSA quality assurance committee which will also provide assurance services on road traffic information; this will create an added benefit in the SASQAF process, in line with the medium-term view of the Corporation.

State of road safety reports

In the financial year under review, the Corporation did not manage to publish six states of road safety reports as planned and managed to publish only one report. A long-term strategy is being undertaken to ensure alignment, integration and coordination in the management of road traffic information which, going forward, will result in a refined operating model in the management of information.

Number of research and development products

The Corporation developed two research reports as planned in the financial year under review:

- South African Road Assessment Programme (SARAP)

The SARAP programme focuses on establishing rates and patterns of traffic offenses and crashes and provides information for strategic planning, law enforcement operations and resourcing. To reduce road deaths and serious injuries, the Corporation invited the International Road Assessment Programme to support the establishment of the SARAP. The Corporation embarked on the R573 Moloto Road assessment project as part of implementing its research priority.

- Traffic Offence Survey

The Corporation identified the need to execute a Traffic Offence Survey in the 2014/15 financial year based on traffic infringement data collected over a period of 22 months from the nine provinces and the National Traffic Police. One of the findings of the survey showed that speeding is one of the major contributors of road fatalities and it is an offence with the highest infringements. It appears that even though speed law enforcement is conducted aggressively, drivers still speed and the recorded offences have not decreased. A recommendation from the Traffic Offence Survey is that effort must be focused on two main contributors to road-related deaths, i.e. speeding and jaywalking. The research found that strategic law enforcement and deployment will ensure a decrease in the number of road-related fatalities on South African roads.

7.3.6 Programme 6: Corporate Services

The programme had four indicators that needed to be delivered for the year under review. However, 50% of the targets were achieved and 50% were not achieved.

Table 37: Create a Learning Organisation Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 31	Reduced vacancy rate	Not planned for 2013/14	20% vacancy rate	26%	Underperformed: vacancy rate of 26% was not reduced to the planned 20%.
KPI 32	Implemented performance management system	Not planned for 2013/14	100% compliance to performance management system	100%	N/A
KPI 33	% implementation of workplace skills plan	Not planned for 2013/14	100%	100%	N/A
KPI 34	Number of regional offices implemented	Not planned for 2013/14	3	Not achieved	Underperformed: no regional offices implemented; process was halted due to expected changes to the RTMC operating model.

Vacancy Management

The target for the current financial year was to reduce the vacancy rate by 20%, however the corporation did not reach the target. The reduction was hindered by the restructuring process that led to the introduction of a new structure aligned to the Corporation's strategy.

Performance Management System

The performance management system was implemented fully in the year under review. All staff members signed performance agreements and performance appraisals were completed.

Workplace Skills Plan

The Workplace Skills Plan (WSP) assists in the training and development of employees and to ensure they have a clear understanding of the human resources development requirements. The plan was developed and implemented as planned by the Corporation for the 2014/15 financial year.

Establishment of regional offices

The objective of establishing regional offices is to attain a national footprint through presence in all the provinces and to ensure effective coordination and cooperation in law enforcement and road safety. The Corporation halted the process due to the anticipated transfer of three functions from NDoT.

7.3.7 Programme 7: Information Technology Services

The programme had one indicator that needed to be delivered for the year under review, the target was partially achieved. However, even though the target was not achieved fully, significant work has been done to ensure success in the near future. IT remains a critical area for the Corporation and has been capacitated to ensure the environment is stabilised and to enable it to deliver on its strategic commitments to promote investment in new technologies for road safety and traffic environment.

Table 38: Implement Innovative Technologies Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 35	Number of road safety supporting systems developed in collaboration with provinces	Not planned for 2013/14	6	5	Underperformed: one system still needs to be developed to support road safety.

Implementation of technology solutions to support road safety

The Corporation developed five IT technology solutions systems; one was not developed because the IT unit was not functional for a period of four months.

I. 733 Roadside Checkpoints (Road Test Report)

The system provides an interface that allows the traffic authorities to capture the 733 checkpoints and save it into the central database for statistics purposes.

II. SMS line (USSD Short Code - *120*67372*245#)

This system extends a platform to members of the public, enabling them to communicate with the Corporation to report unroadworthy vehicles, faulty traffic lights, overloaded vehicles, obstructions, bad road conditions and road users committing road offences.

III. The TRAFMAN™ system

The TRAFMAN™ system is used to store and generate reports for the publication of road traffic information. This is in line with the business requirements of the RTMC and the provinces.

IV. The Scholar Patrol National Database

The Scholar Patrol National Database aims to allow the provinces/districts to register all approved patrols. The information captured at the provincial level will be accessible and managed by the RTMC.

V. The Repository for National Traffic Coordination

The system is designed to track the progress of the different traffic authorities against set national targets.

7.3.8 Programme 2(b): Office of the Chief Executive Office

The programme had four indicators that needed to be delivered for the year under review. The performance resulted in the achievement of targets.

Table 39: Adherence to the Rule of Law Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 36	Established compliance function and implemented processes	Not planned for 2013/14	Established compliance function and implemented processes	Compliance function established and processes implemented	N/A
KPI 37	Established a risk management function and implemented processes	Not planned for 2013/14	Established risk management function and implemented processes	Risk management function established and processes implemented	N/A

Table 40: Implement Corporate Social Investment Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 38	Number of CSI programmes implemented	Not planned for 2013/14	4	5	Overperformed: one more CSI programme implemented.

Table 41: Implement Equity Imperatives Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 39	100% attainment of employment equity targets	Not planned for 2013/14	100%	100%	N/A
KPI 40	Development and Implementation of Supplier Development Strategy targeting women, youth and people with disabilities	Not planned for 2013/14	100%	100%	N/A
KPI 41	Number of crash investigators trained	Not planned for 2013/14	100	100	N/A

Table 42: Collaborate with other State Agencies and Government in the Implementation of the SADC Protocols Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 42	Developed action plan in support of the SADC working group on road safety in collaboration with other state agencies	Not planned for 2013/14	Developed action plan	Action plan developed	N/A

Table 43: Establish and Support Road Safety Structures Key Performance Indicators

KPI	Key Performance Indicator	Actual Achievement 2013/2014	Planned Target 2014/2015	Actual Achievement	Deviation from planned target to actual achievement for 2014/15
KPI 43	Established National Road Safety Advisory Council	Not planned for 2013/14	Established National Road Safety Advisory Council	National Road Safety Advisory Council established	N/A
KPI 44	Supported Road Safety Community Councils	Not planned for 2013/14	Supported Road Safety Community Councils	The Indicator has been removed	N/A

Establishment of Compliance and Risk Management Functions

The establishment of compliance and risk management functions is essential in providing a centralised location of accountability on the management of these two functions. The developed structure incorporated the functions and processes to ensure the execution of the key risk programmes.

Corporate Social Investment

The Corporation plays an important role in the economic and social transformation of its stakeholders and communities and aims to facilitate sustainable corporate social responsibility programmes. The CSI programmes focus on health and social welfare, part of the Corporation's focus area of building safer communities. The Corporation conducted five CSI programmes during the year under review.

Filling of vacancies and Employment Equity

As one of the retention strategies, the Corporation invited all qualified and interested employees to apply for vacant positions in the 2014/15 financial year. Positions were filled and employment equity improved significantly at senior management level.

Development and implementation of a supplier development strategy

The Corporation recognises procurement as a critical tool and catalyst that can be used to position historically marginalised groups, such as women, youth and people with disabilities, by encouraging their participation in the mainstream of the economy. To try to promote this the RTMC supplier development strategy plays a key role, identifying the following key priorities that were achieved fully in the 2014/15 financial year:

Priority 1: Enhancement of supplier's database

Placement of advertisement of potential suppliers for registration on the database with a view to attract businesses owned by women, youth, and people with disabilities

Priority 2: Competitive bidding process

SCM unit gradually introduced a method of procuring through competitive process as an attempt to enhance transparency and accountability.

Priority 3: SCM management and leadership

Appointment of SCM senior management in order to give effect to the broader Supply Chain Management strategy within RTMC and build capacity as that will help SCM to operate at a more strategic level

Priority 4: Baseline analysis and enhancement of existing supplier development strategy

The last phase of this process should be collation of existing information ie procurement spent in terms of categories outlined in the strategy (women, youth and people with disabilities). gaps identified in this particular exercise will help guide the process of enhancing the strategy.

Crash Investigation Training

Crash investigation remains a critical skill that is in short supply in the public services. To this extent the crash investigation services are outsourced to the private sector. Training of crash investigators helps traffic officers to detect contributory factors that influence crashes. Reports from the investigation of crashes also help to inform road safety solutions for implementation. To this end 100 officers were trained during the financial year under review.

SADC Road Safety Action Plan

In an effort to reduce road crashes in the region, SADC adopted the Decade of Action for Road Safety 2011-2020. An action plan was designed through a collective and coordinated process by all countries in the SADC region. The Corporation developed a work plan encompassing key strategic deliverables outlined in the SADC plan.

The emphasis is on the need to build stronger partnerships for more coherent policies to address social matters and to engage effectively with civil society. The Corporation attended a road safety conference convened by the International Road Federation (IRF) in Addis Ababa, Ethiopia, from 11 to 12 March 2015. The conference included keynote addresses from ministers of road safety/transport in Africa, providing a state of road safety perspective and sharing successes and/or milestones that were reached in the pursuit of safe roads in their countries. African countries had an opportunity to benchmark their progress and consolidate the Africa position in preparation for the Brazil conference to be held on the 17th and 18th November 2015.

National Road Safety Advisory Council

The National Road Safety Advisory Council is an important institutional structure through which road safety experts in related fields of advocacy, campaigns, road traffic information and law enforcement among others, can contribute their skills and knowledge in the road safety discourse. The establishment of the National Road Safety Advisory Council was concluded in the 2014/15 financial year. Interviews were held on the 15th of September 2014 and ten (10) members were appointed for a period of three years effective 01 October 2014.

8. STRATEGIES TO ADDRESS AREAS OF UNDERPERFORMANCE

Table 44: Key Performance Indicators not achieved

KPI No	Key Performance Indicator	Corrective Action
17	Submission of the NTLEC to the Board for approval	Consultations with sector experts are continuing and will be formalised to allow participation and also to achieve consensus on the code, which remains a key priority for the Corporation. A clear programme of action has been developed to expedite the process.
18	Total % increase in revenue from current revenue streams through efficiencies	The Corporation is reviewing its revenue collection process in an effort to improve revenue generation by streamlining internal processes and identifying new technologies to assist the management of revenue streams.
20	Developed funding model in collaboration with provinces submitted to Shareholders Committee for approval	The Corporation is appointing experts to assist in the development of a funding model that will respond to the Corporation's changing operating model and will be aligned with key national and global policies.
29	Number of published state of road safety reports	An integrated and streamlined process is being implemented across all the provinces, which will result in better coordination in the management of road crash data.
34	Number of regional offices implemented	The regional offices' model is being revised in line with the changing operating model of the Corporation. This will ensure better alignment of all functions of the Corporation.
35	Number of road safety supporting systems developed in collaboration with provinces	The Learner Information Management System will be procured/developed once the consultation process between the Corporation and other affected stakeholders is finalised.

9. CHANGES TO PLANNED TARGETS

The below targets were removed for the period under review due to the following:

KPI 13: Participate in the application and adjudication processes on issuance of liquor licences.

This KPI was found to be not in line with the basic tenant of the administrative process of the Liquor Boards. The Liquor Board agreed that in line with their Corporate Social Responsibility (CSR) imperatives they are willing to partner the RTMC on road safety programmes by providing valuable data that will help to identify areas that require intervention. The Corporation has revised the strategic deliverable in the 2015/16 APP to ensure that it undertakes road safety educational programmes with Liquor Boards across the country by implementing joint road safety programmes.

KPI 23: Consultation on the driving school qualification in line with the Driving School Legislative Framework

The Driving School Legislative Framework is still under review. During the audit process it became apparent that the KPI is beyond the power of the RTMC without the necessary and concomitant power to undertake the required changes. The Corporation will work closely with the NDoT to fast-track the finalisation of the legislation to ensure the RTMC has supporting policy for the development of

the curriculum for driving schools.

KPI 44: Supported Road Safety Community Councils

The Corporation will roll out revised Community Road Safety Councils; Minister Dipuo Peters has authorised the establishment of these councils. The APP 2015/16 encapsulates road safety community based programmes that will be undertaken by the Corporation during the year.

10. LINKING PERFORMANCE OF THE ENTITY WITH THE APPROVED BUDGET

The RTMC amended its corporate strategy in the 2014/15 financial year, resulting in a change in the reporting of programmes. In an effort to ease the reporting burden, streamline sub-programmes and stabilise the RTMC, reporting programmes increased from four to seven.

10.1 EXPENDITURE PER PROGRAMME

The table below reflects the Expenditure Per Programme

Table 45: Expenditure per programme

Expenditure per programme						
Programme/activity/Objective	Budget Allocation 2014/15	Actual Expenditure 2014/15	Under/(Over) Expenditure	Budget Allocation 2013/14	Actual Expenditure 2013/14	Under/(Over) Expenditure
Road Safety Education, Law Enforcement and Coordination	255 360 866	168 406 046	86 954 820	241 716 422	106 447 578	135 268 844
Office of the CEO	81 556 605	51 583 241	29 973 364	59 340 004	30 317 746	29 022 258
Financial Services	43 601 456	51 021 786	-7 420 330	39 045 007	55 635 887	-16 590 880
Training of Traffic Personnel	17 810 003	5 132 008	12 677 995	7 234 042	4 547 877	2 686 165
Traffic Engineering, Information and Research	50 327 025	22 890 324	27 436 701	46 312 885	13 301 163	33 011 722
Corporate Services	97 142 375	60 031 830	37 110 545	74 052 723	39 398 882	34 653 841
Information Technology	79 181 670	13 493 876	65 687 794	125 164 917	13 548 407	111 616 510
Total Expenditure	624 980 000	372 559 110	252 420 890	592 866 000	263 197 540	329 668 460

10.2 EXPENDITURE PER ECONOMIC CLASSIFICATION

Table 46: Expenditure per Economic Classification

Programme/activity/Objective	Budget Allocation 2014/15	Actual Expenditure 2014/15	Under/(Over) Expenditure	Budget Allocation 2013/14	Actual Expenditure 2013/14	Under/(Over) Expenditure
Cost of Employees	161 458 000	151 302 124	10 155 876	153 186 386	118 710 986	34 475 400
Goods & Services	382 371 000	165 490 742	216 880 258	325 762 414	125 939 161	199 823 253
Capital Expenditure	81 151 000	55 766 244	25 384 756	113 917 200	18 547 393	95 369 807
Total Expenditure	624 980 000	372 559 110	252 420 890	592 866 000	263 197 540	329 668 460

10.3 EXPENDITURE PER PROGRAMME PER ECONOMIC CLASSIFICATION

Table 47: Expenditure per economic classification

Programme/activity/Objective	Budget Allocation 2014/15	Actual Expenditure 2014/15	Under/(Over) Expenditure	Budget Allocation 2013/14	Actual Expenditure 2013/14	Under/(Over) Expenditure
Road Safety Education, Law Enforcement and Coordination	255 360 866	168 406 046	86 954 820	241 716 422	106 447 578	135 268 844
Cost of Employees	97 882 786	83 135 911	14 746 875	94 306 222	71 207 542	23 098 680
Goods & Services	98 928 080	32 751 500	66 176 580	107 018 000	27 500 677	79 517 323
Capital Expenditure	58 550 000	52 518 635	6 031 365	40 392 200	7 739 359	32 652 841
Office of the CEO	81 556 605	51 583 241	29 973 364	59 340 004	30 317 746	29 022 258
Cost of Employees	12 755 512	23 148 897	-10 393 385	12 102 004	10 171 380	1 930 624
Goods & Services	68 801 093	28 434 345	40 366 748	47 238 000	20 146 366	27 091 634
Capital Expenditure	-	-	-	-	-	-
Financial Services	43 601 456	51 021 786	-7 420 330	39 045 007	55 635 887	-16 590 880
Cost of Employees	14 482 890	12 515 705	1 967 185	12 303 007	10 334 620	1 968 387
Goods & Services	29 118 566	38 506 081	-9 387 515	26 742 000	45 301 267	-18 559 267
Capital Expenditure	-	-	-	-	-	-
Training of Traffic Personnel	17 810 003	5 132 008	12 677 995	7 234 042	4 547 877	2 686 165
Cost of Employees	6 255 534	3 562 595	2 692 939	5 935 042	4 288 601	1 646 441
Goods & Services	11 554 469	1 569 413	9 985 056	1 299 000	259 276	1 039 724
Capital Expenditure	-	-	-	-	-	-
Traffic Engineering, Information and Research	50 327 025	22 890 324	27 436 701	46 312 885	13 301 163	33 011 722
Cost of Employees	15 010 948	15 207 168	-196 220	14 241 885	10 402 530	3 839 355
Goods & Services	35 316 077	7 683 156	27 632 921	32 071 000	2 898 633	29 172 367
Capital Expenditure	-	-	-	-	-	-
Corporate Services	97 142 375	60 031 830	37 110 545	74 052 723	39 398 882	34 653 841
Cost of Employees	10 167 646	6 409 403	3 758 243	9 646 723	7 044 893	2 601 830
Goods & Services	82 597 729	52 698 986	29 898 743	54 906 000	26 672 064	28 233 936
Capital Expenditure	4 377 000	923 441	3 453 559	9 500 000	5 681 925	3 818 075
Information Technology	79 181 670	13 493 876	65 687 794	125 164 917	13 548 407	111 616 510
Cost of Employees	4 902 684	7 322 446	-2 419 762	4 651 503	5 112 036	-460 533
Goods & Services	56 054 986	3 847 262	52 207 724	56 488 414	3 310 262	53 178 152
Capital Expenditure	18 224 000	2 324 168	15 899 832	64 025 000	5 126 109	58 898 891
Total Expenditure	624 980 000	372 559 110	252 420 890	592 866 000	263 197 540	329 668 460

During the first semester of the year under review the Corporation experienced slow expenditure patterns, but the situation normalised towards the end of the financial year.

Goods and services saw an increase in expenditure over the 2014/15 financial year, which is evident from the 31% increase in this category of expenditure, year-on-year. During the third quarter of the 2014/15 financial year the Corporation embarked on recruiting personnel in key positions in an effort to stabilise its functional units and provide strategic direction. The result of the recruitment drive saw an increment of 27% in the Cost of Employee for the year. Total expenditure including capital expenditure, year-on-year, increased by 42%

During the year under review the Corporation set out to enhance the skills set of the current National Traffic Police by training more than half of its intake during Phase 1 of the up-skilling programme. The officers underwent training in practical shooting, advanced driving and selective legal subjects. Phase 2 of the training for the rest of the intake, planned for the latter part of the financial year, did not take place. It will be executed in the next financial year 2015/16 for both the remaining intake and new recruits.

To create greater road safety awareness, the Corporation embarked on a full-scale festive campaign and put more “foot soldiers” on the ground to spread the road safety message to people across all provinces. The Corporation deployed personnel across South Africa to spread messages of peace, prosperity and a “Safe South Africa for All”.

To promote the visibility of the National Traffic Police, the Corporation spent in excess of R50 million in capital expenditure to increase its existing fleet. This will help the Corporation to attain two officers per vehicle ratio.

Lack of capacity and the right skills set has been one of the main reasons for underperformance in reaching the RTMC’s objectives. For this reason a recruitment drive was started to stabilise the organisation and recruit the services of executives for each of its essential functional units. At the time of reporting, a number of advertised positions still had to be filled. Once this is completed the actual cost of employment will be close to the allocated budget and the overall vacancy rate will be decreased.

Underexpenditure in general was characterised by the delay in the execution of planned projects by sub-programmes. However, the appointment of executive managers in essential functional units, will result in greater liability for the programmes and their performance in future.

11. REVENUE COLLECTION

11.1 REVENUE STREAMS

The Corporation derived its revenue from:

- Grant Income;
- Transaction fees from licences; and
- Interest received – bank

11.2 REASON FOR UNDER COLLECTION

Transaction fees are derived from the registration licence fees paid for all vehicles on the South African roads. This was set by the Corporation at R42 per licence. During the 2014/15 financial year the Corporation launched an application to have the transaction fees increased. This still needs to be approved by the national Minister of Finance.

11.3 MEASURES TAKEN

The RTMC is in the process of outsourcing the development of a funding model that, among others aspects, seeks to enhance revenue collection. The tariff of transaction fees will also be part of this.

Table 48: Sources of Revenue

Source of revenue	2014/15			2013/14		
	Estimate	Actual Amount Collected	Over/(Under) Collection	Estimate	Actual Amount Collected	Over/(Under) Collection
Grant income	176 008 000	176 008 000	-	166 946 000	166 946 000	-
Transaction fees	428 452 000	419 458 236	(8 969 536)	420 000 000	410 027 593	(9 972 407)
AARTO						
infringements	2 040 000	12 580 245	10 540 245	1 920 000	19 627 891	17 707 891
Finance Revenue	18 480 000	20 009 686	1 529 686	4 000 000	18 168 949	14 168 949
Other income	-	1 977 862	1 977 862	-	6 882 577	6 882 577
Total revenue collected	624 980 000	630 034 029	5 954 029	592 866 000	621 653 010	28 787 010

11.4 CAPITAL INVESTMENT FINANCE

The RTMC does not have an infrastructure budget and does not maintain any buildings.

PART C: GOVERNANCE

1.	CORPORATE GOVERNANCE	61
2.	PORTFOLIO COMMITTEES	61
3.	GOVERNANCE FRAMEWORK	62
4.	SHAREHOLDERS COMMITTEE	63
5.	BOARD OF DIRECTORS	64
6.	INTERNAL AUDIT FUNCTION	71
7.	COMPLIANCE WITH LAWS AND REGULATIONS	71
8.	FRAUD AND CORRUPTION	71
9.	MANAGING CONFLICT OF INTEREST	72
10.	CODE OF CONDUCT	72
11.	HEALTH, SAFETY AND ENVIRONMENTAL ISSUES	72
12.	COMPANY SECRETARY	72

1. CORPORATE GOVERNANCE

During 2014/15 financial year, the Board focused much attention in the strengthening of good corporate governance processes. Part of this process entailed the revision and approval of formal terms of reference of Board sub-committees i.e. Audit and Risk Committee, Remuneration Committee, Social and Ethics Committee and Strategy Monitoring and Evaluation Committee. The process further entailed the review and/or development of governance enhancing policies. This included amongst others, the Code of Ethics, Whistle-Blowers Policy, Legal Compliance Framework, Integrated Risk Management Framework, Integrated Fraud Management Framework, Anti-Fraud Policy and Fraud Prevention Plan. Risk management processes have been strengthened and, as a result, the Corporation has operations and strategic registers that are managed on a regular basis. The Board will continue to strengthen the governance processes of the Corporation to ensure that the RTMC fulfils its legal mandate in the best interests of the people of South Africa.

2. PORTFOLIO COMMITTEES

Parliament is the legislative arm of the Republic. The Corporation reports on a periodic basis to the respective committees of the National Assembly and National Council of Provinces (NCOP). The Minister of Transport is a Member of Parliament and, as the Executive Authority, she is ultimately accountable for the affairs of the RTMC. MECs who comprise the Shareholders' Committee of the RTMC are accountable to their provincial legislative structures. Figure 6 depicts the various levels of governance that apply to the RTMC:

Figure 5 : Governing Structures

LEGISLATURE	EXECUTIVE AUTHORITY	ACCOUNTING AUTHORITY
<ul style="list-style-type: none"> National Assembly National Council of Provinces Provincial Legislature 	<ul style="list-style-type: none"> Shareholders' Committee 	<ul style="list-style-type: none"> RTMC Board
		

Parliament exercises its role by evaluating the performance of the public entities, which include the RTMC. It does this by interrogating the annual reports of the entities and other relevant documents that are tabled from time to time. The Portfolio Committee exercises oversight of the public entities' service delivery performance. As such, it reviews both the financial and non-financial information in annual reports and is concerned with service delivery and enhancing economic growth.

In the year under review the RTMC appeared before the Portfolio Committee on Transport and the Select Committee on Public Services. The following matters, among others, were raised:

- Financial sustainability;
- Intensification of strategies to reduce fatalities on South Africa's roads;
- Finalisation of the National Traffic Law Enforcement Code to standardise traffic across the country;
- Training of traffic personnel; and
- Strategies to deal with corruption practices in the traffic fraternity.

3. GOVERNANCE FRAMEWORK

The RTMC was established in terms of Section 3 of the Road Traffic Management Corporation Act. It is further governed by the provisions of the National Land Transport Act, the National Road Traffic Act and the Criminal Procedure Act. As a national public entity it subscribes to good corporate governance principles contained in the King III Report on Corporate Governance for South Africa 2009, the Protocol on Corporate Governance in the Public Sector 2007, Public Finance Management Act and the Companies Act, 71 of 2008.

The governance structure of the RTMC is as follows:

- Shareholders Committee;
- Board of Directors;
- Audit and Risk Committee;
- Strategy, Monitoring and Evaluation Committee;
- Social and Ethics Committee;
- Remuneration Committee; and
- Chief Executive Officer.

4. BOARD ACCOUNTABILITY – SHAREHOLDERS COMMITTEE

Figure 6: Shareholders Committee



The Board is accountable to the Shareholders' Committee in terms of the provisions of the Road Traffic Management Corporation Act, the Public Finance Management Act and the Governance Agreement entered into between the Board and the Shareholders' Committee. Inter alia, the Agreement provides for key deliverables and reporting requirements in any financial year. The RTMC periodically accounts to the National Assembly and the NCOP through the relevant parliamentary committees.

Table 49: Members of the Shareholders Committee

Name	Portfolio	Jurisdiction
Minister Dipuo Peters	Minister of Transport	National
MEC Butana Komphela	Police, Roads and Transport	Free State
MEC Vusi Shongwe	Community Safety, Security and Liaison	Mpumalanga
MEC Gaoage Molapisi	Community Safety and Transport	North West
MEC Mapula Mokaba-Phukwana	Transport, Safety, Security and Liaison	Limpopo
MEC Madoda Sambatha	Public Works and Roads	North West
MEC Sizakele Nkosi-Malobane	Community Safety and Liaison	Gauteng
MEC Ismail Vadi	Roads and Transport	Gauteng
MEC Martha Bartlett	Transport, Safety and Liaison	Northern Cape
MEC Dumisile Nhlengethwa	Public Works, Roads and Transport	Mpumalanga
MEC Donald Grant	Transport and Public Works	Western Cape
MEC Weziwe Tikana	Transport, Safety and Liaison	Eastern Cape
MEC Willies Mchunu	Transport, Community Safety and Liaison	Kwa-Zulu Natal
Mr Sizwe Ramarembela	Member	SALGA
Ms Jean De La Harpe	Member	SALGA

5. BOARD OF DIRECTORS

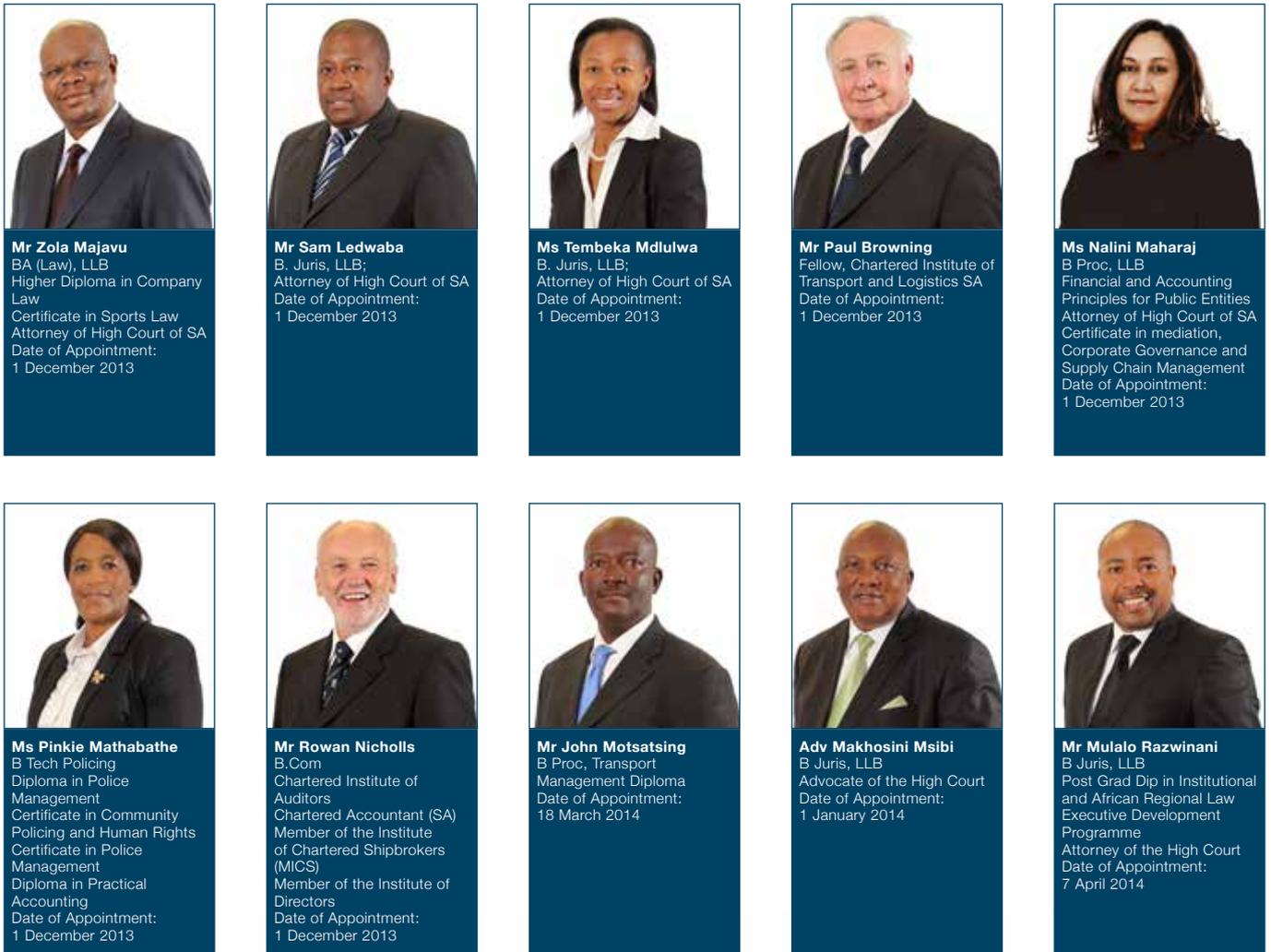
In terms of the Board Charter the responsibilities of the Board include:

- Providing effective leadership and control in terms of approving the RTMC's strategy and ensuring control over its operational implementation;
- Representing and serving the shareholders' interests by overseeing and appraising the strategies, policies and the performance of the RTMC;
- Ensuring that the RTMC continues to operate as a viable and sustainable going concern;
- Providing oversight on the human, operational and financial resources available to achieve strategic objectives;
- Ensuring appropriate balance of power and authority so that not one individual can dominate the Board's decision-making;
- Ensuring effective communication between the RTMC and its internal and external stakeholders;
- Ensuring that appropriate governance structures, policies and procedures are in place; and
- Approving the senior management structure, responsibilities and succession plans.

5.1 BOARD COMPOSITION

The RTMC has a unitary Board of nine directors, comprising an independent non-executive chairperson, six independent non-executive directors, one shareholder representative and the chief executive officer. In line with King III recommendation, the roles of the chairman and chief executive officer are separate. The chairman's role is to lead the Board and the CEO is responsible for managing the day-to-day activities of the RTMC.

Figure 7: RTMC Board of Directors



Every financial year the Board holds a minimum of four meetings and one strategy session. However, due to the magnitude of organisational stabilisation work that was required during 2014/15 financial year, owing to the fact that the RTMC did not have a Board since the expiry of the previous Board's term in 2010, 16 Board meetings (including two strategy sessions) were held. Much of the Board's work included the redesign of the organisational structure, development of policies such as the Supply Chain Management Policy, Anti-Fraud Policy, Whistleblower Policy, Fraud Response Plan, Human Resources Policies, ICT Policies, etc.

5.2 BOARD MEETINGS

Table 50 reflects meetings attended:

Table 50: Board Meeting Attendance

Board of Directors and Attendance of Meetings							
Board Member	03/04/14	23/01/14	14/05/14	29/05/14	03/07/14	30/07/14	18/08/14
Mr Zola Majavu (Chairman)	P	P	P	P	P	P	P
Ms Nalini Maharaj	P	P	P	P	P	P	P
Adv Makhosini Msibi (CEO)	P	P	P	P	P	P	P
Ms Pinkie Mathabathe	P	P	P	P	P	P	P
Mr Paul Browning	P	P	P	P	P	P	P
Mr Sam Ledwaba	P	P	P	P	P	P	P
Ms Tembeka Mdlulwa	P	P	P	P	P	P	A
Mr Rowan Nicholls	P	A	P	P	P	P	P
Mr John Motsatsing* ¹	P	P	A	P	P	P	A

P Present

A Absent with apology

Table 51: Board Meeting Attendance Continuation

Board of Directors and Attendance of Meetings								
Board Member	27/08/14	28/08/14	11/09/14	27/10/14	27/11/14	10/12/14	02/02/15	24/03/15
Mr Zola Majavu (Chairman)	P	P	P	P	P	P	P	P
Ms Nalini Maharaj	P	P	P	A	P	P	P	P
Adv Makhosini Msibi (CEO)	P	P	P	P	P	P	P	P
Ms Pinkie Mathabathe	P	P	P	P	A	P	P	P
Mr Paul Browning	P	P	P	P	P	P	P	P
Mr Sam Ledwaba	P	P	P	P	A	P	P	P
Ms Tembeka Mdlulwa	P	P	P	P	P	A	P	A
Mr Rowan Nicholls	P	A	P	P	P	P	P	P
Mr John Motsatsing	A	A	P	P	P	P	P	A

P Present

A Absent with apology

5.3 BOARD COMMITTEES

5.3.1 Audit and Risk Committees

The Audit and Risk Committee has five members, of whom two are independent non-executive directors (appointed by the Board) and three independent members (appointed by the Shareholders' Committee) who are neither members of the Board nor managers of the RTMC. The Audit and Risk Committee's Terms of Reference were approved by the Board, and they define the committee's role and responsibilities. These include:

- Ensuring the integrity of integrated reports, including the accuracy of financial statements;
- Overseeing the implementation of the Integrated Risk Management Framework and Fraud Prevention Plan;
- Overseeing the Internal Audit;
- Ensuring the effectiveness of internal control systems; and
- Overseeing technology governance.

Figure 8: Audit Committee Members



Member	Date of appointment
Mr Xolani Sibiyi	1 October 2011 (retired 30 September 2014)
Ms Boitumelo Mabusela	1 October 2011 (retired 30 September 2014)

The Audit and Risk Committee fulfilled its duties by meeting and reviewing, inter alia, quarterly financial information, Internal Audit Reports and ICT governance. Table 52 records the attendance of members at Committee meetings.

Table 52: Audit and Risk Committee Meetings

Audit and Risk Members and Attendance of Meetings				
Members	26/05/14	30/07/14	05/12/14	20/01/15
Dr Cleopas Sanangura (Chairperson)	-	-	P	P
Ms Nomusa Mufamadi	-	-	P	P
Mr Rowan Nicholls	A	P	P	A
Ms Nalini Maharaj	P	P	P	P
Ms Zandile Kabini	P	P	P	P
*Ms Boitumelo Mabusela	A	P	-	-
*Mr Xolani Sibiyi	P	P	-	-

P Present

A Absent with apology

⁵ Retired by rotation - 30 September 2014

- Not yet appointed/no longer a member

5.3.2 Strategy, Monitoring and Evaluation

The Board has established the Strategy Monitoring and Evaluation Committee, comprising four independent non-executive directors and the chief executive officer. The Board has approved the Committee's Terms of Reference which define the Committee's role and responsibilities and these include assisting the Board in:

- Developing a long-term strategy that is aligned to the legislative mandate;
- Developing an annual performance plan and key performance indicators;
- Monitoring the implementation of the long-term strategy and annual performance plan; and
- Ensuring the preparation and review of the annual performance report.

The Strategy Monitoring and Evaluation Committee members are:

Table 53: Strategy Monitoring and Evaluation Committee

Members	Date of Appointment
Mr Sam Ledwaba (Chairperson)	26 February 2014
Ms Tembeka Mdlulwa	26 February 2014
Ms Pinkie Mathabathe	26 February 2014
Mr Paul Browning	26 February 2014
Mr John Motsatsing	14 July 2014
Adv Makhosini Msibi (CEO)	26 February 2014

The role and responsibilities of the Committee include:

- Ensuring and overseeing the strategy development process;
- Monitoring the strategy implementation and evaluating performance; and
- Recommending quarterly and annual performance reports to the Board.

During the year under review the Strategy Monitoring and Evaluation Committee fulfilled its duties as per the approved Terms of Reference.

Table 54: Strategy and Monitoring and Evaluation Committee Attendance of Meetings

Member	14/04/14	27/05/14	14/07/14	20/10/14	28/10/14	26/11/14	19/01/15
Mr Sam Ledwaba	P	P	P	P	A	P	P
Ms Tembeka Mdlulwa	P	P	P	P	P	P	P
Ms Pinkie Mathabathe	P	P	P	P	P	P	P
Mr Paul Browning	P	P	P	P	P	P	P
Mr John Motsatsing	-	-	P	A	A	P	A
Adv Makhosini Msibi (CEO)	P	P	P	P	P	P	P

P Present

A Absent with apology

- Not yet appointed/no longer a member

5.3.3 Social and Ethics Committee

The Social and Ethics Committee comprises four independent non-executive directors and the chief executive officer. In terms of the Committee's approved Terms of Reference, its role and responsibilities include:

- Monitoring the RTMC's activities relating to social and economic development;
- Ensuring that adequate internal controls are in place to detect and prevent fraud, bribery and other corrupt activities;
- Monitoring the implementation and adherence of the Code of Ethics;
- Overseeing the implementation of Corporate Social Responsibility projects;
- Developing and monitoring the implementation of the Ethics Risk and Opportunity Profile; and
- Ensuring the RTMC has an effective disclosure of interest system.

Table 55 : Social and Ethics Committee Members

Members	Date of Appointment
Mr Rowan Nicholls (Chairperson)	26 February 2014
Ms Pinkie Mathabathe	26 February 2014
Mr Paul Browning	26 February 2014
Adv Makhosini Msibi (CEO)	26 February 2014

During the year under review the Social and Ethics Committee fulfilled its duties as per the approved Terms of Reference. Since Social and Ethics Committees are fairly new in South Africa and to ensure its members understand the role of such committees, a training session conducted by the Ethics Institute of South Africa was held in January 2015. All members attended the session.

Table 56: Social and Ethics Committee Attendance of Meetings

Member	14/04/14	2/06/14	18/08/14	05/12/14	20/01/15
Mr Rowan Nicholls	P	P	P	P	P
Ms Nalini Maharaj	P	P	P	P	P
Mr Paul Browning	P	P	P	P	P
Ms Pinkie Mathabathe	P	A	P	P	P
Adv Makhosini Msibi (CEO)	P	A	P	P	P

P Present

A Absent with apology

5.3.4 Remuneration Committee

The Board established the Remuneration Committee, comprising three independent non-executive directors and the chief executive officer. The Committee has approved Terms of Reference. Its role and responsibilities include:

- Assisting the Board with developing and implementing a succession plan for executive managers;
- Reviewing the executive management structure and recommending any changes to the Board;
- Assisting the Board with developing and monitoring the implementation of human resources related policies;
- Assisting the Board with the development and implementation of performance measurement criteria; and
- Ensuring that executive managers are fairly, but responsibly rewarded for their individual contribution to the achievement of RTMC objectives.

Table 57: The Remuneration Committee members

Members	Date of Appointment
Ms Tembeka Mdlulwa (Chairperson)	26 February 2014
Ms Nalini Maharaj	26 February 2014
Mr Sam Ledwaba	26 February 2014
Adv Makhosini Msibi (CEO)	26 February 2014

During the year under review the Remuneration Committee fulfilled its duties as per the approved Terms of Reference.

Table 58: Remuneration Committee Attendance of Meetings

Member	21/05/14	19/06/14	26/06/15	03/09/14	09/09/14	19/01/14	25/02/15
Ms T Mdlulwa	P	P	P	P	P	P	P
Mr S Ledwaba	P	P	P	P	P	P	P
Ms N Maharaj	P	P	P	P	P	P	P
Adv M Msibi	P	P	P	P	P	P	P

P Present

A Absent with apology

5.4 BOARD EVALUATION

A Board evaluation was conducted during the year and the assessment was led by the Chairman. The overall feedback received from Board members was that the Board was working well and fulfilling its fiduciary responsibilities properly. The following areas of improvement were identified and will receive more attention during 2015/16 financial year:

- Research to inform the development of long-term strategy;
- Risk and crisis management processes;
- Stakeholder management;
- Organisational performance metrics; and
- Developmental training of Board Members.

5.5 RISK MANAGEMENT

The Board considers risk management an important element in ensuring the sustainability of the RTMC and the achievement of its strategic objectives. To this end, during the year under review, the Board approved the Integrated Risk Management Framework and, through its implementation, the following six major strategic risks were identified:

- Financial unsustainability due to limited funding;
- Inadequate skills within the road traffic fraternity;
- Inadequate stakeholder management;
- Unquantified impact analysis of road safety programmes;
- Inadequate information management systems that can affect business continuity; and
- Fraud and corruption.

The following measures will be implemented during 2015/16 financial year to mitigate the identified risk:

- Development of a new funding model that will identify alternative sources of revenue;
- Effective monitoring and management of transaction fees;
- Development of a new traffic officers' curriculum to ensure compliance of training standards;
- Establishment of formal structures to deal with stakeholder relations both in public and private sectors;
- Establishment of internal and external structures to conduct a trend analysis of traffic-related data;
- Development and implementation of Business Continuity and Disaster Recovery Plans; and
- Implementation of an approved Fraud Prevention Plan, Code of Ethics, Whistleblowers Policy and Anti-Corruption awareness campaigns.

6. INTERNAL AUDIT FUNCTION

In accordance with the definition of internal auditing and the authority to establish and maintain an internal audit function as contained in the PFMA and its Treasury Regulations. The objective of the RTMC internal audit function is to:

- Provide independent and objective assurance on the effectiveness of the entity's internal controls, systems, processes and procedures and compliance with laws and regulatory frameworks. Key areas of the audit include: Finance, Human Resources, Performance Information, Information Technology, Operations and Supply Chain Management.
- For the period under review the following work was undertaken:
 - The Internal Audit annual operations and its three-year plans were considered and approved by the Audit and Risk Committee.
 - All Internal Audit work performed, including Internal Audit reports and progress reports, were reviewed by the Audit and Risk Committee.
 - During the review period, the Internal Audit Unit planned 25 assignments and completed 21.
 - The four audits that were not completed related to contract management, fleet management, management accounts and an ICT follow-up audit. All audits that were not completed have been deferred to the next financial year.

7. COMPLIANCE WITH LAWS AND REGULATIONS

Compliance with laws and regulations is recognised as an important element in the governance and due diligence of organisations, more particularly in the public sector space. It is important because non-compliance has the potential to erode the goodwill and governance of an organisation. In the year under review, a legal compliance framework was developed and approved by the Board for implementation. The framework proactively promotes the culture of compliance with all applicable laws, statutes and regulations. In the next financial year, the Corporation will focus more attention on the implementation of the legal compliance framework to ensure that the Corporation conducts its business within the confines of the law.

8. FRAUD AND CORRUPTION

During the year under review the Board strengthened the Corporation's ability to fight fraud and corruption through the development and approval of the Integrated Fraud Management Framework, Anti-Fraud Policy, Fraud Prevention Plan and Whistleblowers Policy. The implementation of these policies will significantly reduce or prevent incidences of fraud and corruption.

9. MANAGING CONFLICT OF INTEREST

On an annual basis, directors are required to submit their general declaration of interests form detailing the following:

- Shareholdings held in public companies;
- Shareholdings and members' interests held in private companies and close corporations;
- Directorships in companies;
- Interests in entities, such as partnerships, joint ventures and trusts;
- Interests held by spouse and/or dependents/relatives within the second degree of consanguinity; and
- Interests in contracts to do with the RTMC.

Board members are required to sign a disclosure of interests register at the commencement of each meeting to indicate if they have an interest in any of the business to be transacted during the meeting.

10. CODE OF CONDUCT

The Board has approved a Code of Ethics that regulates, inter alia, relationships between employees and third parties, intra-employee relationships, conflicts of interest and clarifies what are or are not acceptable practices. Any breach of the code of ethics is dealt with as misconduct in terms of RTMC's disciplinary code.

11. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The RTMC cares about its employees and their work environment and seeks to ensure, as far as it is reasonably possible, the health and safety of all employees in the workplace, as well as that of all other people conducting business on its premises. The Corporation is committed to the fulfilment of the requirements stipulated in the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993) and, to this end, it has established a Health and Safety Committee to monitor its employees and their work environment. The following measures have been implemented to ensure compliance with the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993):

- A policy statement signed by the CEO is displayed at all strategic positions within the Corporation.
- The return of earnings was successfully completed and submitted to the Compensation Commissioner.
- A letter of good standing was issued to the Corporation.

12. COMPANY SECRETARY

The Board appointed a Company Secretary and all directors have access to his advice and services. The Company Secretary is responsible to the Board for ensuring compliance with procedures, applicable laws and effective administration of Board affairs. The Company Secretary ensures the efficient and effective functioning of the Board through the timely distribution of information that helps members to perform their duties properly. The Company Secretary is responsible for the training of Board members and the induction of new members.



13. AUDIT AND RISK COMMITTEE REPORT

Report of the Audit and Risk Committee in Terms of Regulation 27.1 of the Public Finance Management Act No.1 of 1999, as Amended

The Audit and Risk Committee reports that its Charter is duly approved by the Board and it has performed its duties in terms of the provisions of the Charter and has discharged all responsibilities contained therein, during the period under review. The Audit and Risk Committee has, inter alia, reviewed the following:



- **Internal Control, Risk Management and Compliance with Laws:**
 - The effectiveness of the internal control systems resulted in the Committee recommending various policies to the Board for approval;
 - The risk areas that could inhibit the achievement of strategic objectives;
 - The effectiveness of the Corporation's compliance with legal and regulatory provisions;
 - The effectiveness of the system and process of risk management, resulting in the Committee recommending the Integrated Risk Management Framework, Anti-Fraud Policy and Fraud Prevention Plan to the Board for approval, and overseeing implementation thereof; and
 - ICT governance.
- **Financial Information and Finance Function:**
 - The adequacy, reliability and accuracy of financial information provided by management and other users of such information; and
 - The experience, expertise and resources of the finance function which resulted in the capacitation of the function through the appointment of the chief financial officer and filling other critical positions within finance.
- **Internal Audit and External Audit:**
 - Accounting and auditing concerns identified as a result of internal and external audits;
 - The effectiveness of the internal audit. The Committee has noted that the internal audit function needs to be capacitated and this area will receive more focus during 2015/16 financial year;
 - The activities of the internal audit, including its annual work programme, coordination with the Auditor-General and the responses of management to specific recommendations; and
 - The independence and objectivity of internal and external auditors.
- **The Audit and Risk Committee is of the opinion, based on the information and explanation given by management and internal audit, as well as discussions with the Auditor-General on the result of their audits, that:**
 - The internal accounting controls are adequate to ensure that the financial records may be relied upon for preparing the financial statements and that accountability for assets and liabilities is maintained;
 - With the appointment of new staff that occurred during the period under review, the expertise, resources and experience of the finance function are adequate;
 - The system and process of risk management is adequate, more so with the establishment of the risk management function which will be fully operational in 2015/16 financial year;
 - The internal audit charter was approved by the Committee and it is satisfied that the internal audit performed its duties in accordance with the approved internal audit plan; and
 - The Committee is satisfied with the independence and objectivity of the Auditor-General.

The Audit and Risk Committee is satisfied that the financial statements are based on appropriate accounting policies, supported by reasonable and prudent judgments and estimates. The Audit and Risk Committee is further satisfied that the financial statements of the RTMC comply, in all material respects, with the requirements of the Public Finance Management Act No.1 of 1999, as amended, and Generally Recognised Accounting Practice. The Audit and Risk Committee has therefore recommended the adoption of the financial statements by the Board.

Dr C Sanangura
Audit and Risk Committee Chairman



PART D:

CORPORATE SOCIAL RESPONSIBILITY

1. CORPORATE SOCIAL RESPONSIBILITY

The Corporation plays an important role in the economic and social transformation of its stakeholders and communities; and aims to facilitate sustainable corporate social responsibility programmes. The RTMC recognises the need for involvement in projects that promote equity and have a lasting impact on the lives of marginalised citizens in South Africa. The CSI programmes focus on health and social welfare, part of the Corporation's focus area of building safer communities and making a valuable contribution to the lives of people, including vulnerable children. In this regard the corporation conducted five CSI programmes during the year under review:

1.1 NELSON MANDELA INTERNATIONAL DAY

"Nelson Mandela International Day" – 18th July – is a day that people around the world are encouraged to spend at least 67 minutes "giving back" to their communities in honour of the 67 years that the former and late President Mandela gave in service and sacrifice to free South Africa from the shackles of apartheid.

On the 18th of July 2015, the RTMC team visited 115 learners at Paballong Day Care Centre, in Bethlehem, Free State, where, using Danny Cat, it gave a presentation on the basic rules of road use, road signs, robots and pedestrian crossings, as part of the Corporation's Road Safety Education and Awareness Campaign. Members of the team were volunteers, who selflessly gave of themselves to help the needy children. The team helped to paint the centre and gave the children presents, including school bags, puzzles and Danny Cat booklets.

1.2 SCHOOL VISITS

Members of the Corporation visited the Grootrietvlei Farm School in Kroonstad, Free State, on 25th August 2014. Working with the Free State Province, the Corporation donated school uniforms, string bags, stationery and road safety games for children at the school. Danny Cat helped to get the message across.

1.3 WOMEN'S MONTH

The Corporation rolled out a CSI programme on the 29th of August 2014. Colleagues visited the Qhowaneng Public Primary School and the Mehopung Primary School in Ficksburg. The aim of the project was to provide sanitary towels to pupils who do not have sufficient resources to buy these. The programme targeted three schools where sanitary towels, schoolbags and stationery were distributed to learners.

1.4 COMMUNITY OUTREACH

On the 22nd of December 2015 the Corporation hosted a child-headed household project in the communities of Vilkrust, Armersfort, Perdekop and Daggaskraai in Mpumalanga. The project reached out to 100 families that do not have a guardian to help them. The Corporation donated 100 grocery packs, as well as corporate umbrellas and bags.

1.5 HOSPITAL VISIT

The Corporation's Marketing and Communications colleagues visited Tembisa Hospital on 31st March 2015. The CSI programmes focus on health and social welfare, part of the Corporation's focus on building safer communities, including vulnerable children. The Corporation donated soft toys to the children's ward at Tembisa Hospital. The aim was to benefit the children by giving them toys to stimulate them and help them to read, write and colour-in pictures, as part of their progressive recovery and learning process and to make their hospital stay more comfortable.

The project attracted media attention. The Midrand Reporter published a front-page story about the impact the project had on the children and their parents during their hospital stay. They described the project as "successful" because it helped to transform the children's hospital stay and made it more comfortable. The following contributions were made:

- Rattles – different sizes;
- Rubber balls;
- Baby beads;
- Teddy bears;
- Colouring-in books; and.
- Crayons.

CSI continues to play an integral role, ensuring the Corporation supports government in its initiatives to deal with problems in society.





PART D:

HUMAN RESOURCE MANAGEMENT

1.	INTRODUCTION	79
2.	HUMAN RESOURCE STATISTICS	82

1. INTRODUCTION

Integral to the RTMC strategy of realising “Safe Roads in South Africa” is to ensure that it has the resources of talented and skilled people who are passionate about their work. The staff complement increased from 371 at the end of March 2014 to 401 at the end of March 2015 an increase of 7.4%.

Attracting the best talent available remained a key driver of the human resources agenda in the year under review. The Corporation is fully committed to transformation and the intention is to ensure that the natural demographics of the South African society are reflected in the workforce. The Corporation embarked on a recruitment drive for the financial year under review, which resulted in the employment of five executive managers, four of whom are women. This increased top management from 25% to 75%; 67% of which are women.

In the period under review, the RTMC implemented a matching and placing process, which required a deeper understanding of the skills, competencies and the role of each employee, helping the Corporation to achieve its objectives. Organised labour was engaged in the process.

The RTMC continues to foster strong relationships with relevant role-players, such as organised labour unions, to ensure that employees’ interests are respected and protected and that there is mutual understanding. NEHAWU and POPCRU are recognised trade unions entrusted with the promotion of the interests of employees. Staying in touch with employees is an integral part of ensuring good relations.

An intranet portal that houses policies and information for employees to stay abreast of developments is available to all employees.

1.1 POLICY DEVELOPMENT

The Corporation reviewed its human resources-related policies and an organisation-wide consultation process was undertaken during the year under review with the primary intention of mitigating against all identified limitations. Organised labour was consulted to ensure that the said policies are informed by the inputs of all role-players.

1.2 EMPLOYEE HEALTH AND WELLNESS

The RTMC has a comprehensive wellness programme that encourages employees to choose healthier, more-balanced lifestyles. The objective is to offer a productive environment where an employee’s emotional wellbeing is valued and to enhance productivity in the workplace. The Wellness Programme gives employees the chance to check the status of their health. On wellness days, employees are given the opportunity to undergo health screenings. They are given counselling, if required, and offered health advice. Motivational speakers are in attendance and employees are encouraged to perform physical exercises. The process informs the health status of the Corporation, resulting in the implementation of relevant interventions.

1.3 INTERNAL PROGRAMMES

1.3.1 HIV/AIDS Awareness

The RTMC continues to recognise HIV/AIDS as one of the areas of concern in the country. It is actively involved in HIV/AIDS awareness campaigns, providing up-to-date information and sharing and disseminating relevant data to all staff members. As part of the campaign, the Corporation used World AIDS day and month to reflect on the HIV/AIDS pandemic.

1.3.2 World Aids Day

World Aids Day was held on the 1st December 2014 and the Corporation used it as a vehicle to spread the message about the plight of HIV and AIDS and to educate staff members, who were also encouraged to remember those infected and affected by the virus. Stakeholders were invited to commemorate the day and to conduct activities:

Guest Speaker	Addressed the topic of HIV and AIDS, as well as No Violence against Women and Children
GEMS	Conducted health risk assessments (measuring blood pressure, cholesterol, blood sugar levels and voluntary counselling and testing)
Optometrist	Conducted eye examinations
Audiologist	Conducted audio tests;
Physiotherapist	Examined any defects caused by sitting for a prolonged period of time;
Wellness Energy Networks	Conducted body assessments for fat and muscle composition
Virgin Active	Gave an aerobics class

1.3.3 Women's Day

Women's Day is commemorated annually on the 9th August to remember the 1956 march by about 20,000 women to the Union Buildings in Pretoria to petition against the country's pass laws. The women showed no fear in their quest to fight against the oppressive apartheid regime.

Women's Day is a day on which issues deliberated on, such as economic freedom, equity in the workplace and violence against women and children. Women who may be suffering in silence against these ills are encouraged to break their silence.

The RTMC women held a commemorative event on 19th September 2014 in Pretoria, where Deputy Minister of Transport Ms Sindisiwe Chikunga delivered the keynote address. Virgin Active, in Faerie Glen, conducted an aerobic session for female employees. A motivational speaker from Reach for Recovery gave a brief talk on breast cancer. There was also a financial awareness briefing.

1.3.4 Men's Health Day

The men of RTMC were also taken care of and supported on male-related issues, such as parenting, men's health and how to support their spouses.

1.3.5 Newsletter Articles

Information is continually shared with staff on a monthly basis through the Corporation's newsletter. The objective is to encourage healthy lifestyles to address social issues that may negatively affect the performance of an employee at work. Some of the information that was shared with staff through the monthly newsletter articles included:

- Healthy Habits;
- Seven Ways to Love your Heart;
- Financial Freedom;
- Male Circumcision;
- The Importance of Organ Donation;
- Harassment in the Workplace;
- Mental Health Awareness;
- Autism and Challenges faced by Parents;
- 16 days of Activism for no violence against women and children; and
- Sexually Transmitted Infections.

1.4 SKILLS DEVELOPMENT

The RTMC is a learning organisation committed to the continual training and development of employees by means of various learning programmes, such as internships, learnerships, bursaries, mentorship and coaching, seminars and registration on professional bodies for certain categories of professions. A total amount of R4,875,902 was spent on training and development programmes. A total of R263,596.50 was spend on existing bursaries. The commitment to promote a learning culture that enables employees to develop their full potential will continue and will be intensified.

1.5 CHALLENGES

The human resource challenges faced by the Corporation during the period under review include the following:

- The structure of the Corporation was finalised in June 2014. As a result there was a slowdown in the recruitment drive to reduce the vacancy rate because of the transition from the old structure to the new one. It would have been a challenge to fill the posts on the old structure, while dealing with the new structure.
- The integrated human resource strategy to support the new organisational structure included, among others, a review of job profiles, remuneration dispensation aligned to performance management, as well as matching and placement of personnel in accordance with their skills and competencies. This process was met with resistance from some staff members and its finalisation was delayed.
- The transfer of Electronic National Traffic Information Management System (eNatis) to the RTMC will mean a readjustment and expansion of scope in terms of certain positions and also a review of job profiles and remuneration dispensation.

1.6 FUTURE PLANS

The integration of the Road Traffic Information Management System in terms of personnel needs a review of the integrated human resource strategy to support the RTMC as a learning organisation, focusing on reorientation, change management interventions and strategies to enable a smooth transition into the new organisational culture.

2. HUMAN RESOURCE STATISTICS

2.1 PERSONNEL COST BY BRANCH

Programme Activity Objectives	Total expenditure for the entity	Personnel Expenditure	Personnel Expenditure as a % of total exp.	No. Of employees	Average personnel cost per employee
	(R'000)	(R'000)	(R'000)		(R'000)
Office of the CEO	51,583	21,544	6%	23	937
Financial Services	51,022	12,516	3%	23	544
Training of Traffic Personnel	5,132	3,710	1%	7	530
Corporate Support	60,032	6,262	2%	25	250
Traffic Engineering, information and Research	22,890	15,207	4%	72	211
Information Systems	13,494	7,322	2%	17	431
Law Enforcement Education and Training	168,406	83,136	22%	234	355
Total	272,559	149,697	40%	401	373

2.2 PERSONNEL COST BY SALARY BAND

Level	Personnel Expenditure	% of personnel expenditure to total personnel cost	Personnel Expenditure as a % of total exp.	No. of employees	Average personnel cost per employee
	(R'000)	(R'000)	(R'000)		(R'000)
Top Management	7,502	5%	2%	6	1,250
Senior Management	18,613	12%	5%	22	846
Professional Qualified	16,539	11%	4%	27	613
Skilled	33,706	23%	9%	70	482
Semi-Skilled	73,336	49%	20%	276	266
Total	149,697	100%	40%	401	373

Employee expenditure constitutes 23% of the total budget of the RTMC and 40% of the total goods and services spent.

2.3 PERFORMANCE REWARDS

The RTMC has a well-embedded and standardised process for setting performance objectives and the evaluation of performance. Formal performance reviews are conducted twice a year in September and March. Year-End performance ratings are key inputs in determining performance incentives. As far as the performance management systems concerned, all staff members have signed performance agreements and performance appraisals were being finalised at the time of reporting.

Programme/Activity Objectivity	Performance Rewards	Personnel Expenditure (R'000)	% Performance Rewards to total personnel costs
Top Management	0	7,502	0%
Senior Management	0	18,613	0%
Professional Qualified	0	16,539	0%
Skilled	0	33,706	0%
Semi-Skilled	0	73,336	0%
Total	0	149,697	0

The Corporation is finalising the moderation of performance for 2014/15 and a provision of 1.5% of the total personnel budget was set aside.

2.4 TRAINING COSTS

Programme/Activity Objectivity	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training as a % of personnel costs	No. of employees trained	Avg. Training cost per employee
Top Management	7,502	14	0%	4	3.53
Senior Management	18,613	176	0%	56	3.14
Professional qualified	16,539	11	0%	70	0.15
Skilled	33,706	681	0%	106	6.43
Semi-skilled	73,336	3,898	3%	674	5.78
Total	149,697	4,780	3%	910	5.25

A total of R4,78 million was spent on training, which constitutes 3% of the total personnel budget. The prescribed budget according to skills development strategy is 1% of the total personnel budget. There were 910 training opportunities provided to 401 employees. The WSP and Annual Training Report were submitted before the due date of 31 March.

2.5 EMPLOYMENT AND VACANCY BY BRANCH

Programme	2013/14 No. of employees	2014/15 Approved Posts	2014/15 No. of employees	% of vacancies
Office of the CEO	25	50	23	54
Financial Services	24	32	23	26
Corporate Support	22	35	25	26
Traffic Engineering	41	0	0	0
Information Systems	12	17	17	0
Law Enforcement	247	411	313	24
Total	371	545	401	26

The RTMC is endeavouring to reduce the vacancy rate. In the year under review the vacancy rate dropped from 31% in the previous year to 26%. The restructuring process increased the number of posts in the new structure. The Corporation intends filling posts to reduce the number of vacancies.

2.6 EMPLOYMENT AND VACANCY BY SALARY BAND

Salary band	2013/14 No. of employees	2014/15 Approved Posts	2014/15 No. of employees	% of vacancies
Top Management	2	8	6	25
Senior Management	18	36	22	37
Professional Qualified	82	42	27	36
Skilled	269	147	70	52
Semi-skilled	0	312	276	12
Total	371	545	401	26

2.7 ANNUAL TURNOVER RATES BY SALARY BAND

Salary Band	Number of employees at beginning of period-April 2014	Appointments and transfers into the RTMC	Terminations and transfers out of the RTMC	Promotions	Employees at the end of the period
Top Management	2	3	1	2	6
Senior Management Service	18	8	2 (-2 promoted)	0	22
Professional Qualified	22	6	1 (-2 appointed at lower level)	2	27
Skilled	58	0 (+8 from lower level)	0	4	70
Semi-Skilled	267	40	19 (-12 appointed at higher level)	0	276
Total	367	65	39	8	401¹

2.8 REASONS FOR TERMINATION OF EMPLOYMENT

Termination Type	Number	% of Total number of staff leaving
Death	0	-
Resignation	23	-
Total	23	-

2.9 MISCONDUCT AND DISCIPLINARY HEARINGS FINALISED

Nature of Disciplinary Action	Number
Verbal warning	0
Written warning	0
Final written warning	3
Suspended without pay	0
Suspended with pay	2

2.10 EQUITY TARGETS

Levels	Male							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	2	0	0	0	0	1	0
Senior Management Service	12	13	1	1	2	1	0	2
Professional Qualified	12	25	2	3	1	2	3	4
Skilled	27	40	3	7	2	2	4	7
Semi-Skilled	144	143	2	15	2	2	0	15
Total	196	233	8	26	6	7	8	217

Levels	Female							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	2	0	1	0	0	0	0
Senior Management Service	4	10	0	1	0	0	3	1
Professional Qualified	8	19	0	2	1	1	1	2
Skilled	24	36	1	8	0	1	1	6
Semi-Skilled	130	120	6	15	0	4	1	11
Total	166	187	7	27	1	6	6	20

The recruitment of personnel is based on attaining the goals set by the Corporation. It is important to achieve EE at top levels of management; the 50/50 split between males and females is reasonably acceptable. Of the 401 posts filled, 45% were female and 55% male. Other aspects of race and disability are also considered when posts are filled.

2.11 DISABILITY TARGETS

Levels	Male			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management Service	0	0	1	1
Professional Qualified	0	0	0	1
Skilled	0	0	0	2
Semi-Skilled	0	0	0	0
Total	0	0	1	4

The RTMC will continue to ensure that people with disabilities are considered and given an opportunity when posts are filled.



¹ It should be noted that 23 employee resigned out of the RTMC.

PART D:

ANNUAL FINANCIAL STATEMENTS

CORPORATE INFORMATION	89
ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL	90
REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE ROAD TRAFFIC MANAGEMENT CORPORATION	91
AUDIT COMMITTEE REPORT	95
STATEMENT OF FINANCIAL POSITION	97
STATEMENT OF FINANCIAL PERFORMANCE	98
STATEMENT OF CHANGES IN NET ASSETS	99
CASH FLOW STATEMENT	100
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS	101
ACCOUNTING POLICIES	102
NOTES TO THE ANNUAL FINANCIAL STATEMENTS	112

CORPORATE INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Road Safety
Business address	Boardwalk Office Park, Phase 5, Boardwalk Boulevard, Faerie Glen, Pretoria, 0001
Postal address	Private Bag X147, Pretoria, 0001
Bankers	First National Bank Standard Bank
Auditors	Auditor-General of South Africa

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

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

The Accounting Authority acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and places considerable importance on maintaining a strong control environment. To enable the members 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 members have reviewed the entity's cash flow forecast for the year to 31 March 2016 and, in the light of this review and the current financial position, they are satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The matter pertaining to the interpretation and management of Section 53 (3) of the PFMA and Section 24 (1) of the RTMC Act relating to the repayment of accumulated surpluses is **yet** to be finalised between National Treasury, National Department of Transport and Road Traffic Management Corporation. *Emphasis mine*

The accounting authority is primarily responsible for the financial affairs of the entity.

The Auditor-General of South Africa is responsible for independently reviewing and reporting on the entity's annual financial statements.

The annual financial statements set out on pages 97 to 141 which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2015 and were signed on its behalf by:



Mr Zola Majavu

Chairman: RTMC Board

Report of the auditor-general to Parliament on the Road Traffic Management Corporation

Report on the financial statements

Introduction

1. I have audited the financial statements of the Road Traffic Management Corporation set out on pages 97 to 140, which comprise the statement of financial position as at 31 March 2015, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting authority's responsibility for the financial statements

2. The board of directors, which constitutes the accounting authority, is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act of South Africa, 1999 (Act No. 1 of 1999) (PFMA), and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Road Traffic Management Corporation as at 31 March 2015 and its financial performance and cash flows for the year then ended, in accordance with GRAP and the requirements of the PFMA.

Emphasis of matters

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

Material losses

8. As disclosed in note 17 to the financial statements, the public entity suffered a material financial loss of R8 598 325,74 due to fraudulent transactions that took place when hackers hacked into the bank account. An amount of R4 398 128,45 has since been recovered, while the balance was written off as irrecoverable.

Events after reporting date relating to transfer of e-Natis function

9. With reference to note 33 to the financial statements, the shareholders committee resolved on 6 February 2015 that the public entity shall accept the handover and delivery of the road traffic information management functions and the e-Natis system from the Department of Transport and TASIMA with effect from 1 May 2015. This is subject to the outcome of a legal ruling that is currently on appeal.

Report on other legal and regulatory requirements

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, non-compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information for the following selected objectives presented in the annual performance report of the public entity for the year ended 31 March 2015:
 - Programme 1: Road safety education, law enforcement and coordination, on pages 32 to 33
 - Programme 2: Office of the chief executive officer, on pages 33 to 34
 - Programme 5: Traffic engineering, information and research, on pages 36.

12. I evaluated the reported performance information against the overall criteria of usefulness and reliability.
13. I evaluated the usefulness of the reported performance information to determine whether it was presented in accordance with the National Treasury's annual reporting principles and whether the reported performance was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's *Framework for managing programme performance information*.
14. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
15. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected objectives.

Additional matter

16. Although I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matter:

Achievement of planned targets

17. Refer to the annual performance report on pages 32 to 56 for information on the achievement of the planned targets for the year.

Compliance with legislation

18. I performed procedures to obtain evidence that the public entity had complied with applicable legislation regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA, are as follows:

Annual financial statements

19. The accounting authority submitted financial statements for auditing that had not been prepared in all material respects in accordance with the SA Standards of GRAP, as required by section 55(1)(b) of the PFMA. Material misstatements identified by the auditors in the submitted financial statements were subsequently corrected, which resulted in the financial statements receiving an unmodified audit opinion.

Procurement and contract management

20. Goods and services with a transaction value above R500 000 were procured without inviting competitive bids, as required by the *Treasury regulations*. The procurement of goods and services was split into parts or items of a lesser value, resulting in non-compliance with the requirements of *Practice note 8 of 2007/08*.

Internal control

21. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. The following matters reported below are limited to the significant internal control deficiencies that resulted in the findings on non-compliance with legislation included in this report.

Leadership

22. Leadership did not exercise due care in ensuring that the financial statements submitted for auditing were fully aligned to the SA Standards of GRAP.

Financial and performance management

23. Compliance with applicable procurement laws and regulations and the PFMA was not adequately reviewed and monitored.

AUDITOR-GENERAL

Pretoria
31 July 2015



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2015.

Audit committee members and attendance

The audit committee consists of five members and should meet four times per annum as per its approved Terms of Reference. During the current year three of the meetings were quorate.

Audit committee responsibility

The audit committee reports that it has complied with its responsibilities arising from section 51 of the PFMA and Treasury Regulation 27.

The audit committee also reports that it has adopted appropriate formal terms of reference as its audit committee charter, has regulated its affairs in compliance with this charter and has regulated its affairs and discharged its responsibilities in compliance with the charter.

The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the PFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the audit committee and management with assurance that the internal controls are appropriate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. The Auditor-General reports, found internal control deficiencies that resulted in the findings on non-compliance with legislation included in the report particularly in the financial environment. The Audit Committee will work closely with management to ensure the deficiencies are addressed.

The quality of in-year management and monthly/quarterly reports were submitted in terms of the PFMA and the Division of Revenue Act.

The audit committee is satisfied with the content and quality of monthly and quarterly reports prepared and issued by the Accounting Authority of the entity during the year under review.

Evaluation of annual financial statements

The audit committee has:

- Reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the Accounting Authority;
- Reviewed the Auditor-General of South Africa's management report and management's response thereto;
- Reviewed changes in accounting policies and practices;
- Reviewed the entities compliance with legal and regulatory provisions; and
- Reviewed significant adjustments resulting from the audit.

The audit committee concurs with and accepts the Auditor-General of South Africa's report, the annual financial statements, and is of the opinion that the audited annual financial statements should be accepted and read together with the report of the Auditor-General of South Africa.

AUDIT COMMITTEE REPORT

Internal audit

The audit committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits.

Auditor-General of South Africa

The audit committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.



Dr Sanangura

Chairperson of the Audit Committee

STATEMENT OF FINANCIAL POSITION

For the year ended 31 March 2015

		2015	2014
	Notes	R	Restated R
Assets			
Current assets			
Receivables from exchange transactions	2	7 337 226	8 902 040
Cash and cash equivalents	3	454 445 421	624 767 927
Receivables from non-exchange transactions	4	95 227 639	167 356 978
		557 010 286	801 026 945
Non-current assets			
Property, plant and equipment	5	72 943 648	26 338 596
Intangible assets	6	631 907	1 005 229
		73 575 555	27 343 825
Non-Current Assets		73 575 555	27 343 825
Current Assets		557 010 286	801 026 945
Total assets		630 585 841	828 370 770
Liabilities			
Current liabilities			
Finance lease obligation	7	824 239	1 311 653
Operating lease liability	8	-	962 903
Payables from exchange transactions	9	58 948 852	25 336 663
Provisions	10	8 966 770	5 857 875
		68 739 861	33 469 094
Non-current liabilities			
Finance lease obligation	7	95 661	686 077
Non-Current Liabilities		95 661	686 077
Current Liabilities		68 739 861	33 469 094
Total liabilities		68 835 522	34 155 171
Assets		630 585 841	828 370 770
Liabilities		(68 835 522)	(34 155 171)
Net assets		561 750 319	794 215 599
Accumulated surplus		561 750 319	794 215 599

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2015

		2015	2014
	Notes	R	Restated R
Revenue			
Revenue from exchange transactions			
Collection fees	11	-	2 425 736
Other income	12	519 698	1 680 327
Project income - Sponsorships		1 458 164	5 202 250
Interest received	13	20 009 686	18 168 949
Total revenue from exchange transactions		21 987 548	27 477 262
Revenue from non-exchange transactions			
Transfer revenue			
Government grants and subsidies	14	176 008 000	166 946 000
Infringement fees (AARTO income)		12 580 245	17 202 155
Transaction fees		419 458 236	410 027 593
Total revenue from non-exchange transactions		608 046 481	594 175 748
Total revenue from exchange transactions		21 987 548	27 477 262
Total revenue from non-exchange transactions		608 046 481	594 175 748
Total revenue	15	630 034 029	621 653 010
Expenditure			
Employee related cost	16	(151 302 126)	(118 710 986)
Financial loss - fraud	17	(4 200 197)	-
Depreciation and amortisation		(8 326 104)	(6 270 194)
Finance costs	18	(394 473)	(268 747)
Debt impairment	19	(11 638 074)	(25 563 077)
Repairs and maintenance		(218 725)	(1 281 006)
Loss on assets written-off	5	(295 633)	(911 053)
Other operating expenditure	21	(140 417 535)	(91 645 084)
Total expenditure		(316 792 867)	(244 650 147)
Surplus for the year		313 241 162	377 002 863

STATEMENT OF CHANGES IN NET ASSETS

For the year ended 31 March 2015

	Accumulated surplus	Total net assets
	R	R
Balance at 01 April 2013	418 382 593	418 382 593
Prior year adjustments	(1 169 857)	(1 169 857)
Net income (losses) recognised directly in net assets	(1 169 857)	(1 169 857)
Surplus for the year	377 002 863	377 002 863
Total recognised income and expenses for the year	375 833 006	375 833 006
Total changes	375 833 006	375 833 006
Balance at 01 April 2014	794 215 599	794 215 599
Revaluation of property plant and equipment	133 205	133 205
Distribution of accumulated surplus funds to provinces	(545 900 000)	(545 900 000)
Administered funds	60 353	60 353
Net income (losses) recognised directly in net assets	(545 706 442)	(545 706 442)
Surplus for the year	313 241 162	313 241 162
Total recognised income and expenses for the year	(232 465 280)	(232 465 280)
Total changes	(232 465 280)	(232 465 280)
Balance at 31 March 2015	561 750 319	561 750 319

CASH FLOW STATEMENT

For the year ended 31 March 2015

		2015	2014
	Notes	R	Restated R
Cash flows from operating activities			
Receipts			
Receipts from customers		5 587 651	35 355 440
Grants		259 481 000	83 473 000
Interest income		20 009 686	18 168 949
Transaction fees		406 409 265	409 985 934
Other income		194 555	10 753 397
		691 682 157	557 736 720
Payments			
Employee costs		(150 862 607)	(118 561 598)
Suppliers		(144 085 489)	(173 009 759)
Finance costs		(259 906)	(163 066)
Distribution of accumulated surplus		(510 864 000)	-
		(806 072 002)	(291 734 423)
Total receipts		691 682 157	557 736 720
Total payments		(806 072 002)	(291 734 423)
Net cash flows from operating activities	22	(114 389 845)	266 002 297
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(55 766 244)	(18 547 393)
Property, plant and equipment obtained by means of finance lease	5	280 265	2 623 451
Proceeds from disposal of property, plant and equipment		1 045 979	-
Purchase of other intangible assets	6	-	(254 794)
Net cash flows from investing activities		(54 440 000)	(16 178 736)
Cash flows from financing activities			
Payments made - Finance lease liabilities		(1 492 661)	(731 402)
Net increase/(decrease) in cash and cash equivalents		(170 322 506)	249 092 159
Cash and cash equivalents at the beginning of the year		624 767 927	375 675 768
Cash and cash equivalents at the end of the year	3	454 445 421	624 767 927

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

Budget on Accrual Basis for the year ended 31 March 2015

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R	R	R	R	R	
Statement of Financial Performance						
Revenue from exchange transactions						
Infringement fees and Collections	2 040 000	-	2 040 000	12 580 245	10 540 245	33a
Sundry income	-	-	-	1 977 862	1 977 862	33b
Interest received	18 480 000	-	18 480 000	20 009 686	1 529 686	33c
	20 520 000	-	20 520 000	34 567 793	14 047 793	
Total revenue from exchange transactions	20 520 000	-	20 520 000	34 567 793	14 047 793	
Revenue from non-exchange transactions						
Government grants	176 008 000	-	176 008 000	176 008 000	-	
Transaction fees	428 452 000	-	428 452 000	419 458 236	(8 993 764)	
Total revenue from non-exchange transactions	604 460 000	-	604 460 000	595 466 236	(8 993 764)	
Total revenue	624 980 000	-	624 980 000	630 034 029	5 054 029	
Employee cost	(161 458 000)	-	(161 458 000)	(151 302 126)	10 155 874	33d
Depreciation and amortisation	(9 816 600)	-	(9 816 600)	(8 326 104)	1 490 496	33e
Finance cost	(35 000)	-	(35 000)	(394 473)	(359 473)	33f
Repairs and maintenance	(33 604 500)	-	(33 604 500)	(422 438)	33 182 062	33g
General expenses	(338 914 900)	-	(338 914 900)	(156 052 094)	182 862 806	33h
Loss on disposal of assets	-	-	-	(295 634)	(295 634)	33i
Capital expenditure (Actual - R55 766 244)	(81 151 000)	-	(81 151 000)	-	81 151 000	
Total expenditure	(624 980 000)	-	(624 980 000)	(316 792 869)	308 187 131	
Total revenue	624 980 000	-	624 980 000	630 034 029	5 054 029	
Total expenditure	(624 980 000)	-	(624 980 000)	(316 792 869)	308 187 131	
Deficit for the year	-	-	-	313 241 160	313 241 160	
Profit (loss) before taxation	-	-	-	313 241 160	313 241 160	
Taxation	-	-	-	-	-	

ACCOUNTING POLICIES

1. PRESENTATION OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (GRAP), as issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act, (Act No 1 of 1999).

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. They are presented in South African Rand.

The principal accounting policies applied in the preparation of these annual financial statements, are set out below. These accounting policies are consistent with those applied in the preparation of the prior year annual financial statements, unless specified otherwise.

1.1 COMPARATIVE FIGURES

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are also reclassified and restated, unless such comparative reclassification and/or restatement is not a standard of GRAP. The nature and reason for such reclassification and restatements are also disclosed.

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

The presentation and classification of items in the current year is consistent with prior periods.

1.2 PROPERTY, PLANT AND EQUIPMENT

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

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

- It is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- The cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost at which the asset is recognised.

Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost when acquired through exchange transaction. However when property, plant and equipment are acquired through non-exchange transactions, those items are initially measured at their fair value as at date of acquisition.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

ACCOUNTING POLICIES

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

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

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

The assets' residual values, useful lives and depreciation methods are reviewed at each financial year-end and adjusted prospectively.

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

Item	Average useful life
Furniture and fixtures	5-7 years
Motor vehicles	5 years
Office equipment	4-6 years
Computer equipment	3-5 years
Firearms	10 years

1.3 INTANGIBLE ASSETS

An asset is identified as an intangible asset when it:

- Is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, assets or liability; or
- Arises from contractual rights or other legal rights, regardless whether those rights are transferable or separate from the entity or from other rights and obligations.

An intangible asset is recognised when:

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

Intangible assets are initially recognised at cost.

An intangible asset acquired through a non-exchange transaction, the cost shall be its fair value as at the date of acquisition.

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

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

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

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

ACCOUNTING POLICIES

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

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

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

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

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

Item	Useful life
Computer software	4 - 6 years

Intangible assets are derecognised:

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

1.4 FINANCIAL INSTRUMENTS

Initial recognition

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

Initial measurement of financial assets and financial liabilities

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

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

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

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

ACCOUNTING POLICIES

Reclassification

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

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

If fair value can no longer be measured reliably for an investment in a residual interest measured at fair value, the entity reclassifies the investment from fair value to cost. The carrying amount at the date that fair value is no longer available becomes the cost.

If a reliable measure becomes available for an investment in a residual interest for which a measure was previously not available, and the instrument would have been required to be measured at fair value, the entity reclassifies the instrument from cost to fair value.

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

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

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

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date.

ACCOUNTING POLICIES

Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

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

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

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

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

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

Financial liabilities

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

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

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

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position only when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ACCOUNTING POLICIES

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

1.5 EMPLOYEE BENEFITS

Short-term employee benefits

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

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The expected cost of surplus sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

1.6 LEASES

Leases are classified as finance leases where substantially all the risks and rewards incidental to ownership of an asset are transferred to the entity through the lease agreement. Assets subject to operating leases, i.e. those leases where substantially all the risks and rewards incidental to ownership are not transferred to the lessee through the lease.

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 future minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

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

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

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

Operating leases - lessee

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

The operating lease liability is derecognised when the entity's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the other entity no longer anticipates economic benefits to flow from the asset.

ACCOUNTING POLICIES

1.7 REVENUE FROM EXCHANGE TRANSACTIONS

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

An exchange transaction is one in which the corporation receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

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

Measurement

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

Interest, royalties and dividends

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

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity; and
- The amount of the revenue can be measured reliably.

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

1.8 REVENUE FROM NON-EXCHANGE TRANSACTIONS

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

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

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

Measurement

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

1.8.1. Traffic fines

As part of the RTMC's legislative mandate, it is required to issue fines. At the time of issuing of the infringement, there may be uncertainty as to whether the revenue will ultimately be collected.

Initial recognition

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

ACCOUNTING POLICIES

Subsequent recognition

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

1.8.2. Government grants

Government grants are recognised as revenue when:

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

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

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

1.9 BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any investment income on the temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset.
- The borrowing costs capitalised do not exceed the total borrowing costs incurred.

The capitalisation of borrowing costs commences when all the following conditions have been met:

- Expenditures for the asset have been incurred;
- Borrowing costs have been incurred; and
- Activities that are necessary to prepare the asset for its intended use or sale are undertaken.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognised as an expense in the statement of financial performance in the period in which they are incurred.

1.10 TRANSFER OF FUNCTIONS BETWEEN ENTITIES

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.

ACCOUNTING POLICIES

1.11 IRREGULAR EXPENDITURE

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

- (a) This Act; or
- (b) The State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
- (c) Any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the PFMA requires the following (effective from 1 April 2008):

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

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

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

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

1.12 FRUITLESS AND WASTEFUL EXPENDITURE

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

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

1.13 BUDGET INFORMATION

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

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

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

ACCOUNTING POLICIES

The approved budget covers the fiscal period from 2014/04/01 to 2015/03/31.

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

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

1.14 RELATED PARTIES

The entity has processes and controls in place to aid in the identification of 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.

Related party relationships where control exists are disclosed regardless of whether any transactions took place between the parties during the reporting period.

Where transactions occurred between the entity and any one or more related parties, and those transactions were not 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 within the normal operating parameters established by the reporting entity's legal mandate.

Further details about those transactions are disclosed in the notes to the financial statements.

1.15 NEW STANDARDS AND INTERPRETATIONS

1.15.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2015 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 20 : Related Party Disclosures	Not yet determined	Unlikely to have a material impact
GRAP 32 : Standard of GRAP on Service Concession Arrangements: Grantor	Not yet determined	Unlikely to have a material impact
GRAP 108 : Statutory Receivables	Not yet determined	Unlikely to have a material impact
IGRAP 17: Interpretation of the Standard of GRAP on Service Concession Arrangements Where a Grantor Controls a Significant Residual Interest in an Asset	Not yet determined	Unlikely to have a material impact

The aggregate impact of the initial application of the statements and interpretations on the entity's annual financial statements is not expected to be material.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

2. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2015	2014
	R	Restated R
Deposits	603 035	603 035
Receivables - other	4 603 830	5 734 430
Prepayments	2 738 099	1 425 394
RTIA Debtors Accounts	-	948 159
Sundry Receivables	509 888	428 062
	8 454 852	9 139 080
Reconciliation of provision for impairment of trade and other receivables		
Opening balance	237 040	42 856
Provision for impairment	1 117 626	237 040
Amounts written off as uncollectable	(201 384)	-
Unutilised amounts reversed	(35 656)	(42 856)
	1 117 626	237 040
Receivables from exchange transactions after impairment		
Deposits	603 035	603 035
Receivables - other	3 486 204	5 734 430
Prepayments	2 738 099	1 425 394
RTIA Debtors Accounts	-	711 119
Sundry Receivables	509 888	428 062
	7 337 226	8 902 040

3. CASH AND CASH EQUIVALENTS

	2015	2014
	R	Restated R
Cash and cash equivalents consist of:		
Cash on hand	163	364
Bank balances	35 658 950	6 182 449
eNaTIS current and call accounts	418 786 308	618 585 114
	454 445 421	624 767 927

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

4. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	2015	2014
	R	Restated R
AARTO - Infringements	25 225 558	18 145 819
Government grants and subsidies	-	83 473 000
Customer Control - eNatis	112 923 170	99 605 826
	138 148 728	201 224 645
Reconciliation of provision for impairment of receivables from non-exchange transactions		
Opening balance	33 867 668	19 318 270
Provision for impairment	11 214 560	33 147 588
Amounts written off as uncollectible	(1 441 059)	(9 934 936)
Unused amounts reversed	(720 080)	(8 663 254)
	42 921 089	33 867 668
Receivables from non-exchange transactions after impairment		
AARTO - Infringements	-	2 160 239
Government grants and subsidies	-	83 473 000
Customer Control - eNatis	95 227 639	81 723 739
	95 227 639	167 356 978

During the financial period under review there were discrepancies between RTMC and provinces on the amount owed with regards to transaction fees. These discrepancies were resolved through reconciliations and correspond with the provinces towards the end of the financial year. Active debt collection can commence in the next financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

5. PROPERTY, PLANT AND EQUIPMENT

	2015			2014		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying Value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying Value
Firearms	1 787 189	(659 922)	1 127 267	1 792 884	(482 741)	1 310 143
Furniture and fittings	4 426 659	(2 277 054)	2 149 605	5 096 741	(2 617 997)	2 478 744
Motor vehicles	71 211 477	(9 074 570)	62 136 907	21 047 187	(6 693 019)	14 354 168
Office equipment	1 450 907	(612 143)	838 764	1 286 833	(609 567)	677 266
Computer equipment	11 873 646	(6 218 523)	5 655 123	14 167 612	(8 775 332)	5 392 280
Leasehold improvements	2 960 498	(2 861 295)	99 203	2 960 498	(2 762 093)	198 405
Communication devices	81 490	(18 465)	63 025	-	-	-
Finance lease equipment	2 664 683	(1 790 929)	873 754	2 499 668	(572 078)	1 927 590
Total	96 456 549	(23 512 901)	72 943 648	48 851 423	(22 512 827)	26 338 596

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Revaluations	Depreciation	Total
Firearms	1 310 143	-	(3 903)	-	(178 973)	1 127 267
Furniture and fittings	2 478 744	200 431	(38 789)	36 486	(527 267)	2 149 605
Motor vehicles	14 354 168	52 518 635	(803 668)	-	(3 932 228)	62 136 907
Office equipment	677 266	361 255	(28 657)	-	(171 100)	838 764
Computer equipment	5 392 280	2 324 168	(418 194)	96 720	(1 739 851)	5 655 123
Leasehold improvements	198 405	-	-	-	(99 202)	99 203
Communication devices	-	81 490	-	-	(18 465)	63 025
Finance lease equipment	1 927 590	280 265	(48 403)	-	(1 285 698)	873 754
	26 338 596	55 766 244	(1 341 614)	133 206	(7 952 784)	72 943 648

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**Reconciliation of property, plant and equipment - 2014**

	Opening balance	Additions	Disposals	Depreciation	Total
Firearms	1 489 431	-	-	(179 288)	1 310 143
Furniture and fittings	696 986	2 366 686	(72 264)	(512 664)	2 478 744
Motor vehicles	10 285 293	7 739 359	(695 760)	(2 974 724)	14 354 168
Office equipment	114 620	691 788	(17 942)	(111 200)	677 266
Computer equipment	1 605 610	5 126 109	(33 790)	(1 305 649)	5 392 280
Leasehold improvements	397 902	-	-	(199 497)	198 405
Finance lease equipment	-	2 623 451	(91 296)	(604 565)	1 927 590
	14 589 842	18 547 393	(911 052)	(5 887 587)	26 338 596

Property, plant and equipment which are fully depreciated

Description	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying Value
Furniture and fittings	313 183	(313 183)	-
Motor vehicles	1 210 133	(1 210 133)	-
Office equipment	21 410	(21 410)	-
Computer equipment	1 469 055	(1 469 055)	-
Leasehold improvements	2 162 509	(2 162 509)	-
	5 176 290	(5 176 290)	-

Assets subject to finance lease (Net carrying amount)

	2015	2014
	R	Restated R
Finance lease equipment	873 754	1 927 590

Revaluations for impairment

The effective date of the revaluations was 31 March 2015. Revaluations were performed by an independent valuer on assets with impairment indicators.

The valuation was performed using the deemed cost method as per Directive 7 of GRAP.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

5. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Finance lease equipment

Finance lease equipment consists of Push To Talk (PTT's), phones and iPads®.

Cellphones, PTT's and iPads® are leased from MTN on a two-year contract basis. The contract commenced during the 2014 financial period.

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

6. INTANGIBLE ASSETS

	2015			2014		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	2 491 901	(1 859 994)	631 907	2 491 901	(1 486 672)	1 005 229

Reconciliation of intangible assets - 2015

	Opening balance	Amortisation	Total
Computer software	1 005 229	(373 322)	631 907

Reconciliation of intangible assets - 2014

	Opening balance	Additions	Amortisation	Total
Computer software	1 132 970	254 794	(382 535)	1 005 229

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

7. FINANCE LEASE OBLIGATION

	2015	2014
	R	Restated R
Minimum lease payments due		
- within one year	860 860	1 077 255
- in second to fifth year inclusive	99 538	1 067 784
	960 398	2 145 039
less: future finance charges	(40 498)	(147 309)
Present value of minimum lease payments	919 900	1 997 730
Present value of minimum lease payments due		
- within one year	824 239	1 311 653
- in second to fifth year inclusive	95 661	686 077
	919 900	1 997 730
Non-current liabilities	95 661	686 077
Current liabilities	824 239	1 311 653
	919 900	1 997 730

It is entity policy to lease certain property, plant and equipment under finance leases.

The lease term was two years for phones and iPads®.

Interest rates are fixed at the contract date. All leases have fixed payment terms. The phones and iPads® bear interest at 9.25% per year. No arrangements have been entered into for contingent rent.

The entity's obligations under finance leases are secured by the lessor's charge over the leased assets. Refer note 5.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

8. OPERATING LEASE ASSET / (LIABILITY)

	2015	2014
	R	Restated R
Current liabilities	-	(962 903)
	-	(962 903)

Operating lease consists of buildings and copiers.

Xerox and Minolta machines are leased from Bytes Technologies for a period of three years. The rental expenses are different for each type of machine leased. Nine machines are currently in use by the RTMC. On 1 November 2012 RTMC agreed to lease a Xerox WC 7556 colour copier and six WC 5755 copiers at a monthly rental of R 3 894,79 and R 1 374,84 respectively. On 4 July 2013 RTMC agreed to lease a Xerox WC 5855 copier at a monthly rental of R 1 374,80. On 5 August 2013 a lease contract for Xerox WC 7125 colour copier was entered into at a monthly rental of R 2 898,14.

The Office buildings are leased from M & T Developments. The lease of building block A and B commenced on 1st of January 2011 and expired on 31 December 2014 (48 months). RTMC decided in 2013/14 financial year to lease Block C and the lease commenced on 1 July 2013 and expired on 31 December 2014 (18 months). The lease contract for all the buildings has since been extended for the six months period starting from 1 January 2015 to 30 June 2015. A commitment has been raised in this regard. The monthly lease payment for block A, B and C escalates at 9% per year and takes place on the 1st of January (Block A and B) and 1st of July (Block C) each year.

9. PAYABLES FROM EXCHANGE TRANSACTIONS

	2015	2014
	R	Restated R
Trade payables	11 575 739	5 344 244
Payments received in advance - contract in process	-	1 416 070
Department of Transport	-	63 131
Accrued employee costs	3 118 918	6 751 112
AARTO infringement fees	89 496	5 819 932
Other accrued expenses	44 121 085	5 936 639
Insurance Premiums Control	-	1 790
Staff creditors	43 614	3 745
	58 948 852	25 336 663

Accrued expenses include distribution of accumulated surplus funds to Western Cape and North West provinces.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

10. PROVISIONS**Reconciliation of provisions - 2015**

	Opening balance	Additions	Utilised during the year	Total
Compensation Commissioner	368 393	-	(368 393)	-
Performance bonus	-	2 421 870	-	2 421 870
Provision for leave (Including capped leave)	5 489 482	6 544 900	(5 489 482)	6 544 900
	5 857 875	8 966 770	(5 857 875)	8 966 770

Reconciliation of provisions - 2014

	Opening balance	Additions	Utilised during the year	Reversed during the year	Total
Compensation Commissioner	-	368 393	-	-	368 393
Performance bonus	2 219 388	-	(1 258 040)	(961 348)	-
Provision for leave	3 809 274	1 680 208	-	-	5 489 482
	6 028 662	2 048 601	(1 258 040)	(961 348)	5 857 875

The provisions represent management's best estimate of the entity's liabilities.

11. COLLECTION FEES

	2015	2014
	R	Restated R
Administration and management fees received - AARTO	-	2 425 736

The AARTO fees relate to the 3% collection fees charged for collection of infringement fees on behalf of other issuing authorities.

The AARTO function was however handed over to RTIA in the 2014 financial year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

12. OTHER INCOME

	2015	2014
	R	Restated R
Sundry Income	519 698	1 122 377
Tender fees	-	35 000
Insurance claims received	-	522 950
	519 698	1 680 327

13. INVESTMENT REVENUE

	2015	2014
	R	Restated R
Interest revenue		
Bank	20 009 686	18 168 949

14. GOVERNMENT GRANTS AND SUBSIDIES

	2015	2014
	R	Restated R
Unconditional grants		
Department of Transport Grant	176 008 000	166 946 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

15. REVENUE

	2015	2014
	R	Restated R
Infringement fees	12 580 245	17 202 155
Government grants and Subsidies	176 008 000	166 946 000
Collection fees	-	2 425 736
Interest received	20 009 686	18 168 949
Project Income - Sponsorships	1 458 164	5 202 250
Sundry income	519 698	1 680 327
Transaction fees	419 458 236	410 027 593
	630 034 029	621 653 010
The amount included in revenue arising from exchanges of goods or services are as follows:		
Collection fees	-	2 425 736
Interest received	20 009 686	18 168 949
Project Income - Sponsorships	1 458 164	5 202 250
Sundry income	519 698	1 680 327
	21 987 548	27 477 262
The amount included in revenue arising from non-exchange transactions is as follows:		
Transfer revenue		
Government grants and Subsidies	176 008 000	166 946 000
Infringement fees	12 580 245	17 202 155
Transaction fees	419 458 236	410 027 593
	608 046 481	594 175 748

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

16. EMPLOYEE RELATED COSTS

	2015	2014
	R	Restated R
Basic salaries	92 722 819	77 498 184
Bonus (reversal)	2 429 290	(961 348)
Medical aid - Company Contributions	2 457 702	5 013 508
UIF	736 614	621 048
SDL	1 267 706	961 002
Leave pay provision	720 871	1 916 744
Post-employment benefits - Pension - Defined contribution plan	9 085 151	9 136 235
Travel, motor car, accommodation, subsistence and other allowances	2 531 565	864 121
Overtime payments	10 611 560	2 449 488
Acting allowances	674 289	1 212 754
Car allowances	3 023 557	3 009 845
Housing benefits and allowances	8 023 485	4 797 109
Non Pensionable Allowances	10 851 517	4 591 889
Service bonuses	5 105 849	4 955 050
Back pay	1 060 091	2 645 245
Bargaining Council Levies	60	112
	151 302 126	118 710 986

The staff complement increased from 371 in 2014 to 401 in 2015.

17. FINANCIAL LOSS - FRAUD

	2015	2014
	R	Restated R
Financial loss - fraud	4 200 197	-

As reported in the 2013/14 annual report under subsequent events, the RTMC suffered a financial loss of R8 598 325,74 due to fraudulent transactions that took place during the weekend of 03 May 2014 where the hackers hacked into the bank accounts.

R4 398 128,45 has since been recovered, the balance was written off as irrecoverable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

18. FINANCE COSTS

	2015	2014
		Restated
	R	R
Trade and other payables	7 526	163 066
Finance leases	134 567	105 681
Late payment of tax	252 380	-
	394 473	268 747

Refer to note 29.

19. DEBTS IMPAIRMENT

	2015	2014
		Restated
	R	R
Contributions to debt impairment provision	11 557 353	25 398 597
Debts written off	80 721	164 480
	11 638 074	25 563 077

20. DISTRIBUTION OF ACCUMULATED SURPLUS FUNDS TO PROVINCES

During the 2014/15 financial year the RTMC Shareholders' Committee resolved that funds will be distributed to provinces from accumulated surpluses. Subsequent to the resolution taken and receiving the required business plans, the RTMC transferred funds amounting to R545 900 000 to the respective provinces based on the business cases presented by them for the below mentioned respective programmes.

1) Road safety related programmes

Province	Amount distributed
Eastern Cape	40 000 000
Free State	40 000 000
Gauteng	40 000 000
KwaZulu Natal	40 000 000
Limpopo	33 400 000
Mpumalanga	40 000 000
North West	40 000 000
Northern Cape	40 000 000
Western Cape	40 000 000
	353 400 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

2) Early childhood development & rural development

Province	Amount distributed
Free State	20 000 000
Gauteng	10 000 000
Limpopo	20 000 000
Northern cape	20 000 000
	70 000 000

3) Law enforcement and road safety improvement

Province	Amount distributed
Free State	17 500 000
Gauteng	25 000 000
Mpumalanga	15 000 000
North West	35 000 000
	92 500 000

4) CCTV Traffic and Law Enforcement Command Centre

Province	Amount distributed
Gauteng	30 000 000
	30 000 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

21. OTHER OPERATING EXPENDITURE

	2015	2014
		Restated
	R	R
Advertising	9 217 909	9 571 849
Auditors remuneration	2 301 799	3 603 749
Bank charges	165 163	1 111 187
Cleaning	665 992	670 850
Community development and training	6 000 000	-
Compensation commissioner expense	79 802	1 910 247
Computer expenses	2 720 896	219 031
Consulting and Professional fees	14 823 843	3 524 588
Corporate Gifts, Donations	769 596	66 834
Electricity	1 601 927	1 586 250
Employee Wellness Programme	42 020	141 529
Entertainment	1 887 402	2 078 873
Fuel and oil	2 791 102	833 130
General Expenses	195 008	155 754
Insurance	1 612 398	1 652 785
Labour Relations	6 940 454	583 822
Lease rentals on operating lease	12 299 963	10 262 030
Legal fees	3 504 673	3 020 585
Licence fees	6 789	8 537
Motor vehicle expenses	2 516 977	3 986 282
Postage and courier	544 685	345 999
Printing and stationery	2 440 057	2 183 341
Projects - Annual Performance Plan	20 285 400	12 604 084
Promotions	2 000 000	-
Recruitment Cost	2 954 473	526 778
SAPO Truebill	96 268	1 284 998
Security	912 369	2 254 208
Staff welfare	246 127	68 667
Subscriptions and membership fees	64 326	35 147
Telephone and fax	6 012 985	4 568 609
Training	11 350 637	2 891 976
Travel - local	20 227 113	16 601 852
Uniforms	1 814 400	1 314 911
Venue expenses	1 324 982	1 976 602
	140 417 535	91 645 084

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

21. OTHER OPERATING EXPENDITURE (CONTINUED)

Due to lack of capacity, professional and training fees increased to enhance skills. There was a significant increase in the performance of the Corporation hence the increase in fuel, travel and Annual Performance Plan (APP) projects. The Corporation also became involved in Corporate Social Investment(CSI) programmes.

22. CASH (USED IN) GENERATED FROM OPERATIONS

	2015	2014
	R	Restated R
Surplus	313 241 162	377 002 863
Adjustments for:		
Depreciation and amortisation	8 326 104	6 270 194
Gain on sale of assets and liabilities	295 633	911 053
Finance costs - Finance leases	134 567	105 681
Debt impairment	11 638 074	25 563 077
Movements in operating lease assets and accruals	(962 903)	(560 541)
Movements in provisions	3 108 895	(170 787)
Prior year error	60 354	-
Distribution of accumulated surplus funds to provinces	(545 900 000)	-
Changes in working capital:		
Receivables from exchange transactions	1 564 814	(5 126 941)
Other receivables from non-exchange transactions	72 129 339	(43 858 878)
Reversal of debt impairment	(11 638 074)	(25 563 077)
Payables from exchange transactions	33 612 190	(68 570 347)
	(114 389 845)	266 002 297

23. OPERATING LEASES

Operating leases - as lessee (expense)

	2015	2014
	R	Restated R
Minimum lease payments due		
- within one year	-	9 287 714

Operating lease payments represent rentals payable by the Corporation for the properties leased and water coolers leased from Sivaya Trading Investment and Consulting CC. The monthly rental escalates at 9% each year for the premises. The coolers are leased for one year and the monthly rental amounts to R 35 529.35. The cooler rental agreement commenced on 1 March 2014. Leases are negotiated for an average term of four years and rentals are fixed for an average of one year. No contingent rent is payable.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

23. OPERATING LEASES (CONTINUED)

The office buildings are leased from M & T Developments. Building blocks A,B and C (unit C3 and C4) are leased from M & T Developments. The lease of building block A and B commenced on 1st of January 2011 and expired on 31 December 2014 (48 months). The RTMC decided in 2013/14 financial year to lease Block C and the lease commenced on 05 June 2013 and expired on 31 December 2014 (18 months). The monthly lease payment for block A, B and C escalates 9% per year and takes place on the 1st of January (Block A and B) and 1st of July (Block C) each year. The monthly rental for Block A and B was R 816 771,38 (April 2013 to December 2013) and R 890 280,80 (January 2014 to March 2014). In the 2012/13 financial year R 687 460,13 per month (April 2012 to December 2012) and R 749 331,54 (January 2013 to March 2013) and for Block C - R 88 976,37 per month (05 June 2013 to March 2014). Refer to note 8

24. CONTINGENCIES

CIVAIR issued summons against the RTMC for payment of helicopter services rendered during April 2013. The RTMC defended the matter and CIVAIR subsequently brought a Summary Judgment application against the RTMC. The parties, through an order of court, agreed that the RTMC will pay CIVAIR an amount of R84 000 for services actually rendered and the parties further agreed that the RTMC may proceed with its defence against the remainder of the claim. The RTMC is to file its plea and the matter is ongoing. Quantum R 43 500.

Van der Merwe du Toit Inc. Attorneys, on behalf of Tijger Vallei 1 (Pty) Ltd, Carlswald Gardens (Pty)Ltd, Jamwa Beleggings (Pty)Ltd, Awaiz @ 5th Avenue InvestmentsCC and Clifton Dunes Investments 166 (Pty)Ltd ("the Owners"), issued summons to recover outstanding amounts relating to the various lease agreements concluded, for the offices situated in Halzel Dean Office Park, Silver Lakes with the RTMC. The RTMC defended all the matters on the basis that the rates and damages to the properties were never substantiated with any documents. The assessment rates were based on estimated costs and the general damages on a claim from Abreal, a company that is an agent of all the owners. The parties are currently attempting to settle the matter. Quantum R212 895.

Intercape Ferreira Interliner issued summons against the RTMC, claiming that it suffered damages as a result of the operations of the National Traffic Police Unit and the statement made by the then Acting CEO, which statements, as claimed, were made to defame Intercape Ferreira Interliner and to injure its reputation. The RTMC defended the matter and took exception against the particulars of the claim of Intercape Ferreira Interliner. Intercape subsequently amended its particulars of claim and the RTMC proceeded to file its plea herein. The matter is ongoing. Quantum R634 904.

Makhabela Huntley Adekeye Inc (MHA) Attorneys were appointed to institute legal action against Mohlaleng for the outstanding deposit of R900 422 as well as for all expenses the RTMC incurred as a result of the RTMC relocating offices from Silver Lakes. MHA issued summons to claim the deposit and was instructed to recover the costs for relocating offices in the amount of R1 102 323. Mohlaleng filed a counter claim in the amount of R1 831 950.

Waymark was appointed to develop and install an Enterprise Resource Planning system (ERP). During April 2010, Waymark demanded payment from the RTMC and declared a dispute with regard to services to be performed under the agreement. Waymark instituted legal action against the RTMC in 2010 for the the outstanding contract price, in the amount of R6 774 750.

The RTMC successfully defended the matter as the court ordered absolution from the instance because Waymark failed to prove its case. On 29 October 2013, Waymark informed the RTMC that the effect of the judgment was that the agreement between the parties is still in force and effect. Subsequently Waymark attorneys were informed that it was common cause that the RTMC denied terminating or unlawfully terminating the agreement and the RTMC emphasised that it was Waymark's action which terminated the oral agreement as alleged in the plea, while the said unlawful termination was accepted by the RTMC. Accordingly, based on the aforesaid, the RTMC could not accept any meeting with Waymark to reach an agreement regarding the future implementation of the agreement. Up until this date the RTMC received no further correspondence from Waymark's attorneys. On 23 May 2014 Waymark again instituted legal action against the RTMC for the same amount, R6 774 750, and the RTMC instructed Adams & Adams to assist in defending the action.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

24. CONTINGENCIES (CONTINUED)

Legal action was instituted against the RTMC and Mr. S. Xulu by Mr. A Culverwell. Mr. Culverwell alleged, amongst others, that Mr. Xulu whilst acting within the course and scope of his employment with the RTMC bashed on Mr. Culverwell's window, compelled him to remove his number plate, shouted at Mr. Culverwell and issued an infringement notice on him. Based on these allegations Mr. Culverwell alleged that Mr. Xulu unlawfully, intimidated, humiliated, insulted and embarrassed Mr. Culverwell and that he feared for his wife's safety. The RTMC referred the matter to the RTMC's insurers and they appointed Mr. P. Vijoer of Savage Jooste & Adams Inc. to act on its behalf. Pleadings are closed and the plaintiff enrolled the matter for 21 April 2015 but withdrew the notice. Quantum of R50 000.

Opposing Tasima's application and to transfer the eNaTIS system to the RTMC. A dispute arised on the validity of the eNaTIS agreement. The department and the RTMC jointly opposed Tasima's position that the agreement remains in force, despite the termination as per the terms and conditions of the agreement. The matter is ongoing and the RTMC is awaiting judgment on its application. Quantum of R5 000 000.

25. RELATED PARTIES

	2015	2014
	R	Restated R
Related party transactions		
National road safety debate		
Mpumalanga Department of Community Safety Security & Liaison	2 516 203	-
Road safety festive season launch		
Free State Department of Police, Roads and Transport	947 690	-
Road safety programme		
Mpumalanga Department of Community Safety Security & Liaison	1 500 000	-
Key management		
Salaries and other short-term employee benefits	10 776 959	8 062 798
Transactions paid on behalf of RTMC		
*Salaries - Department of Transport	1 384 261	1 889 267
Distribution of accumulated surplus funds to provinces:		
1) Road Safety related programmes		
Eastern Cape Provincial Government: Transport	40 000 000	-
Free State Provincial Government: Department of Police, Roads and Transport	40 000 000	-
Gauteng Provincial Government: Department of Community Safety PMG	40 000 000	-
KwaZulu Natal Department of Transport	40 000 000	-
Limpopo Provincial Government: Department of Roads and Transport	33 400 000	-
Mpumalanga Department of Community Safety Security & Liaison	40 000 000	-
North West Department of Public Safety and Liaison	40 000 000	-
Northern Cape Department of Transport, Safety & Liaison	40 000 000	-
Western Cape Department of Transport Public Works	40 000 000	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

25. RELATED PARTIES (CONTINUED)

	2015	2014
	R	Restated R
2) Early childhood development and rural development		
Free State Provincial Government: Department of Police, Roads and Transport	20 000 000	-
Gauteng Department of Social Development	10 000 000	-
Limpopo Provincial Government: Department of Roads and Transport	20 000 000	-
Northern Cape Department of Transport, Safety & Liaison	20 000 000	-
3) Law enforcement and road safety improvement		
Free State Provincial Government: Department of Police, Roads and Transport	17 500 000	-
Gauteng Provincial Government: Department of Community Safety PMG	25 000 000	-
Mpumalanga Department of Community Safety Security & Liaison	15 000 000	-
North West Department of Public Safety and Liaison	35 000 000	-
Corporate Social Investment		
Free State Provincial Government: Department of Police, Roads and Transport	3 000 000	-
Gauteng Department of Social Development	3 000 000	-
CCTV Traffic and Law Enforcement Command Centre		
Gauteng Department of Community Safety	30 000 000	-
Free State Transport Month (Imbizo)		
Free State Provincial Government: Department of Police, Roads and Transport	2 000 000	-
Audit Risk Committee members		
Meeting and Travelling fees	216 386	134 011

* Salaries paid by the Department of Transport were for an employee seconded in by them during the year. The period in the 2015 financial year, for which this employee was seconded, was from September 2013 to January 2015.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

26. BOARD MEMBERS AND EXECUTIVE MANAGEMENT'S REMUNERATION

Executive Management

2015	Remuneration	Other benefits*	Total
N.J. Jolingana (Appointed 01 March 2015)	85 000	50 874	135 874
D.D. Wechoemang (Appointed 01 February 2015)	170 000	116 138	286 138
M. Razwinani	668 583	462 698	1 131 281
Adv. M Msibi (CEO)	1 740 000	1 368 634	3 108 634
G.P. Martins	1 027 436	684 508	1 711 944
L. Moolman	561 258	676 127	1 237 385
B. Mathibe	631 232	441 229	1 072 461
R. Mongale	632 043	479 953	1 111 996
A. Ismail	491 711	489 535	981 246
	6 007 263	4 769 696	10 776 959

2014	Remuneration	Other benefits*	Total
C.P. Letsoalo - (Acting CEO)	237 769	304 992	542 761
Adv. M. Msibi (CEO)	435 000	233 450	668 450
G.P. Martins	527 750	307 892	835 642
B. Mathibe	539 994	213 365	753 359
R. Mongale	853 926	248 721	1 102 647
M. Kumalo	600 588	339 156	939 744
P. Mngomezulu	884 757	302 943	1 187 700
M. Mogorosi	924 424	22 854	947 278
A. Ismail	723 840	361 377	1 085 217
	5 728 048	2 334 750	8 062 798

Other benefits comprised of travel allowances, acting allowances and medical benefits.

Non-executive members

2015	Meeting attendance	Travel reimbursement	Total
Z. Majavu - Chairperson	569 342	65 973	635 315
Dr N. Maharaj	293 787	24 008	317 795
P.J. Browning	275 695	3 532	279 227
R.G. Nicholls	185 890	2 326	188 216
S. Ledwaba	278 215	14 492	292 707
M.M. Mathabathe	298 215	9 926	308 141
T. Mdluwa	339 367	26 777	366 144
	2 240 511	147 034	2 387 545

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

**26. BOARD MEMBERS AND EXECUTIVE MANAGEMENT'S REMUNERATION
(CONTINUED)****Non-executive members**

2014	Meeting attendance	Travel reimbursement	Total
Z. Majavu - Chairperson	120 806	18 569	139 375
Dr N. Maharaj	46 048	3 978	50 026
P.J. Browning	46 048	668	46 716
R.G. Nicholls	37 414	-	37 414
S. Ledwaba	46 048	2 643	48 691
M.M. Mathabathe	37 414	1 137	38 551
T. Mdluwa	34 536	1 429	35 965
	368 314	28 424	396 738

Audit and Risk Committee members remuneration

2015	Meeting attendance	Travel reimbursement	Total
Dr. C. Sanangura - Chairperson	54 128	2 512	56 640
N.M. Mufamadi	13 056	786	13 842
R.G. Nicholls	14 144	221	14 365
Z.M. Kabini	23 636	2 083	25 719
X. Sibiya	10 580	733	11 313
B.M. Mabusela	88 896	5 611	94 507
	204 440	11 946	216 386

2014	Meeting attendance	Travel reimbursement	Total
B.Z. Mabusela - Chairperson	47 356	5 840	53 196
S.W. Mda	4 112	407	4 519
L.Z. Fihlani	14 157	3 035	17 192
Z.M. Kabini	37 991	2 848	40 839
X. Sibiya	16 448	1 817	18 265
	120 064	13 947	134 011

The term of the previous audit committee came to an end, the current audit committee was appointed on 19 September 2014.

The previous chairman of the audit and risk committee was Ms. B.Z. Mabusela and the current chairman is Dr. C. Sanangura.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

27. PRIOR PERIOD ERRORS

Staff debtors

- The bursary debt was erroneously omitted when the former Chief Financial Officer (CFO) left the organisation (R143 579.58).
- The repayments of staff debt were incorrectly classified.

Prepaid expenses

- The computer warranty expenses were incorrectly expensed in the prior year instead of being raised as a prepayment (R221 400.80).
- The advance payment for the purchase of fire arms was incorrectly expensed instead of being raised as a prepayment (R193 743).

Transaction fees

- Credit notes on transaction fees were incorrectly issued against provinces (R54 900).
- Provinces were incorrectly overcharged in prior years (R23 825).
- The cumulative disbursement reports showed a difference from the monthly disbursement reports at year end as these reports run live (R10 585).

Accruals

- An incorrect accrual for training fees was raised in the prior year (R12 600).
- Accruals of prior year were incorrectly raised twice (R1 927 604.03).

Trade payables

- Ford motors issued a credit note but was not captured (R6 142.62).
- Vodacom credit note for 2013/2014 financial year incorrect billing was received in the 2014/2015 financial year (R119 833.54).
- Acting allowance was omitted in the previous financial year (R149 383.91).

Trade receivables

- Transaction fees were incorrectly classified as exchange transaction (R81 682 080).

Transnet sponsorship

- The income from the Transnet sponsorship was not appropriately recognised in line with the occurrence of the related expenses. This has been corrected for the entire duration of the contract.

Other operating expenditure

- Various expenditure items were incorrectly classified under different items within expenditure and some were expensed instead of being capitalised.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

27. PRIOR PERIOD ERRORS (CONTINUED)

	2015	2014 Restated	Difference
Entertainment	2 147 541	(2 078 873)	68 668
General expenses	213 836	(155 754)	58 082
Motor vehicle expenses	4 336 267	(3 986 282)	349 985
Staff welfare	-	(68 667)	(68 667)
Consulting and professional fees	6 545 174	(3 524 588)	3 020 586
Legal fees	-	(3 020 585)	(3 020 585)
Corporate gifts, donations	3 442	(66 834)	(63 392)
Donations	63 392	-	63 392
Repairs and maintenance	1 275 780	(1 281 006)	(5 226)
Computer expenses	422 744	(219 031)	203 713
	15 008 176	(14 401 620)	606 556

Property, plant and equipment

- A new Fixed Asset Register (FAR) was compiled due to audit qualification in the prior year. In the preparation of the financial statements for 2014/15, a decision was made to use the 2012/13 FAR as the baseline hence the 2013/14 assets were therefore restated to reflect a more accurate value.

Finance leases

- Photocopy machines were incorrectly classified as finance leases instead of operating leases.

Take-on balances

- Take-on balances from 2011 that could not be substantiated were written off.

Infringement fee revenue

- The infringement fee revenue was incorrectly recognised as IGRAP 1 was not deemed applicable to RTMC. This resulted in the debtor and revenue from non-exchange transactions to be understated. (R15 265 501)
- Subsequently the debtor should have been reviewed for possible impairment. This resulted in the provision for bad debts to be understated. (R15 265 501)

The effect of the above is as follows on the annual financial statements:**Statement of financial position**

Increase/(decrease) in trade and other receivables from exchange transactions	(81 160 730)
(Increase)/decrease in trade and other payables	2 043 268
(Increase)/decrease in finance lease liability	660 730
(Increase)/decrease in accrued employee costs	(149 384)
Increase/(decrease) in trade and other receivables from non-exchange transactions	96 989 240
Increase/(decrease) in cost - PPE and intangible assets	10 838 840
(Increase)/decrease in accumulated depreciation - PPE and intangible assets	(15 731 618)
(Increase)/decrease in accumulated surplus	6 721 108
(Increase)/decrease in provision for bad debt	(15 265 501)
(Increase)/decrease in deferred income	(1 416 070)
	3 529 883

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

27. PRIOR PERIOD ERRORS (CONTINUED)

Statement of financial performance

Increase/(decrease) in finance cost	(61 172)
Increase/(decrease) in repairs & maintenance	5 226
Increase/(decrease) in loss on disposal of assets	(1 476 437)
Increase/(decrease) in depreciation / amortisation	1 205 445
Increase/(decrease) in provision for bad debt	15 265 501
(Increase)/decrease in revenue from non-exchange transactions	(15 307 160)
Increase/(decrease) in acting allowance	149 384
Increase/(decrease) in bursary expense	(142 620)
Increase/(decrease) in communication costs	(151 163)
Increase/(decrease) in advertising	(7 410)
Increase/(decrease) in projects	(1 591 725)
Increase/(decrease) in venues and facilities	(3 616)
Increase/(decrease) in courier and delivery services	(52 117)
Increase/(decrease) in talent management	(18 414)
Increase/(decrease) in cleaning services	(8 193)
Increase/(decrease) in uniform expense	(193 743)
(Increase)/decrease in revenue from exchange transactions	(491 571)
Increase/(decrease) in motor vehicle expenses	(349 984)
Increase/(decrease) in general expenses	(96 401)
Increase/(decrease) in computer expenses	(203 713)
	(3 529 883)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

28. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT

Capital risk management

The Corporation is exposed to financial risk through its financial assets and financial liabilities. The Accounting Authority has overall responsibility for the establishment and oversight of the Corporation's risk management framework. The Accounting Authority has established the Risk Management Committee, which is responsible for developing and monitoring the Corporation's risk management policies. The committee reports regularly to the Accounting Authority on its activities.

The Corporation's risk management policies are established to identify and analyse the risks faced by the Corporation, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Corporation's activities. The Corporation, through its training and management standard and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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

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

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

Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

Credit risk

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

Trade and other receivables

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

Due to the nature and mandate of the RTMC's activities, and the sector in which the RTMC operates, the Corporation works in an environment that deals mainly with the Department of Transport. There are no external sales value contracts.

The Corporation does establish an allowance for impairment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

28. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (CONTINUED)

Credit risk exposure

The carrying amount of financials represent the maximum credit exposure at the reporting date.

Concentrations of credit risk

We consider provinces having different risk associated with credit risk and therefore disclose them as such. The concentrations of credit risk for trade and other receivables are as follows:

Geographical Area (Provinces)

The PFMA prohibits the Corporation to have any credit facility.

The RTMC has limited credit risk exposure as all its cash and equivalents are place with highly reputable financial institutions.

AARTO is included in Gauteng as the expenses were incurred for the Johannesburg Metro Police Department (JMPD) and Tshwane Metro Police Department (TMPD) which are in Gauteng.

Provinces	2015	2014 Restated
Gauteng	14 686 928	14 553 378
Eastern Cape	9 766 008	8 166 375
Free State	1 945 872	2 320 514
KwaZulu Natal	4 600 703	2 634 576
Limpopo	5 149 761	7 305 084
Mpumalanga	48 473 786	46 554 414
Northern Cape	10 165 929	8 491 981
Western Cape	3 828 514	2 216 802
North West	19 904 295	11 513 803
Unallocated receipts (All Provinces)	(5 598 625)	(4 182 175)
Provision for bad debts	(17 695 532)	(17 882 087)
	95 227 639	81 692 665

Financial instrument	2015	2014 Restated
Major receivables of the Corporation consists of the following:		
eNaTIS - Transaction fees	95 227 639	81 723 739
AARTO collection fees	-	2 160 239
Department of Transport - Grant	-	83 473 000
The other receivables of the Corporation consists of the following:		
Prepayments	2 738 099	1 425 394
RTIA	-	711 119
Sundry receivables	3 996 092	6 162 492
	101 961 830	175 695 988

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

28. FINANCIAL RISK AND CAPITAL RISK MANAGEMENT (CONTINUED)**Financial assets that are past due but not impaired - 2015**

Financial asset	Neither past due nor impaired	0-2 months	3 - 5 months	More than 5 months	Impaired financial assets	Total carrying amount
Trade and other receivables	39 036 937	6 269 711	5 267 121	101 025 401	(44 038 715)	107 560 455
Unallocated receipts	(5 598 625)	-	-	-	-	(5 598 625)
Cash & cash equivalents	454 445 421	-	-	-	-	454 445 421
Deposits	603 035	-	-	-	-	603 035
	488 486 768	6 269 711	5 267 121	101 025 401	(44 038 715)	557 010 286

Financial assets that are past due but not impaired - 2014

Financial asset	Neither past due nor impaired	0-2 months	3 - 5 months	More than 5 months	Impaired financial assets	Total carrying amount
Trade and other receivables	59 335 363	45 452 749	5 492 945	103 662 686	(34 104 708)	179 839 035
Unallocated receipts	(4 182 175)	-	-	-	-	(4 182 175)
Cash & cash equivalents	624 767 927	-	-	-	-	624 767 927
Deposits	603 035	-	-	-	-	603 035
	680 524 150	45 452 749	5 492 945	103 662 686	(34 104 708)	801 027 822

Market risk

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

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

Interest rate risk

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

Equity price risk

The Corporation has no exposure to equity price risk.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

29. FRUITLESS AND WASTEFUL EXPENDITURE

	2015	2014
	R	Restated R
Interest paid on supplier invoice	7 526	161 372
Penalty paid to SARS	252 380	-
Cancellation fees	31 217	-
	291 123	161 372

Interest paid on late payments to Webber Wentzel and Samagaba Cleaners. Penalty paid to SARS on late payment of employee taxes which was due to investigation of fraud that occurred and bank accounts were suspended. An appeal has been lodged with SARS and the outcome is still pending. Penalty charges for bookings cancelled on flights and charges to RTMC for accommodation bookings made but not used. Investigation and discussions to address these issues are under way.

30. IRREGULAR EXPENDITURE

	2015	2014
	R	Restated R
Opening balance	212 603 117	209 592 634
Add: Irregular Expenditure - current year	3 660 012	3 010 483
	216 263 129	212 603 117
Analysis of expenditure awaiting condonation per age classification		
Current year	3 660 012	3 010 483
Prior years - Process of investigation is on going	212 603 117	209 592 634
	216 263 129	212 603 117

Details of irregular expenditure – current year

Incident	Disciplinary steps taken/criminal proceedings	Amount R
Non compliance	Process of investigation is on going	193 488
- Cost containment measures (Accommodation exceeding limit)		
Non compliance	Process of investigation is on going	3 466 524
- SCM processes (Goods and services)		
		3 660 012

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

31. IN-KIND DONATIONS AND ASSISTANCE RECEIVED

	2015	2014
	R	Restated R
Sponsorships - DOTY		
SASSETA	-	637 028
Trans Freight Rail	-	4 037 652
	-	4 674 680

32. COMMITMENTS

The following commitments have been made in terms of contracts awarded but not affected in the Financial Statements.

Contract commitments	2015
Security services	239 424
Cleaning services	180 354
Communication services	2 754 210
Rental of photocopiers	442 370
Water supply	28 423
Traffic management system	590 983
Electronic board papers	47 880
Office space	3 685 727
	7 969 371
Other commitments	
Branding	1 283 868
Competency assessment	57 952
Blue lights & sirens	2 040 697
Audit fee	3 018 346
	6 400 863

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 31 March 2015

33. TRANSFER OF FUNCTIONS

Transfer of eNaTIS

The Shareholders' Committee meeting held on 6 February 2015 resolved as follows:

- The Road Traffic Management Corporation shall accept the handover and delivery of the road traffic information management functions and the eNaTIS system from the Department of Transport and TASIMA with effect from 01 May 2015.
- The eNaTIS system, the management of the eNaTIS system and services, directly, indirectly and/or incidental to the system shall be handed over or delivered to and accepted by the RTMC with effect from 01 May 2015.
- The Road Traffic Information Management functions and eNaTIS system will be executed by the RTMC with effect from 01 May 2015.
- The RTMC shall, with immediate effect, take all steps necessary to ensure the smooth and seamless handover or delivery of the eNaTIS system, management and services from TASIMA with effect from 01 May 2015.
- All Sectional Heads in the Department of Transport tasked with the eNaTIS functions shall cooperate with the handover process and provide full support to the RTMC.
- The RTMC shall, with the cooperation of the Department of Transport, institute an investigation regarding the extension of the eNaTIS contract (RT1194KA) and any other possible irregularities relating to the said contract.
- A communication plan should be developed to communicate all matters relating to the handover or delivery of the eNaTIS system from the Department and TASIMA to RTMC.
- Certain expenditure has been incurred during the 2015/2016 financial period in anticipation of the transfer of eNaTIS.
- RTMC won the case against TASIMA on 23 June 2015, however TASIMA has since lodged an appeal. Legal matter still pending.

34. BUDGET DIFFERENCES

Material differences between budget and actual amounts

Reasons for variances greater than 10% between Approved Budget and Actual Amount on the various items disclosed in the Statement of Financial Performance are explained below:

Statement of Financial Performance

- a) National Traffic Police had a number of high-impact operations during which infringement notices were issued, the effect of which is evident in the increment.
- b) Insurance payments received for 4 cars written off in accidents. The revenue was not budgeted for.
- c) Interest received is higher than budgeted due to the high bank account balances maintained.
- d) The Corporation intensified its recruitment drive and a number of positions, although advertised, were still vacant at the time of reporting.
- e) During the period under review the Corporation spent only 69% of its CAPEX budget which would have had an increasing effect on the depreciation charge.
- f) Relates mainly to a late payment to SARS. The matter is under investigation and a response from SARS is awaited.
- g) Saving due to the eNaTIS system that was not transferred during the financial year under review.
- h) Although the Corporation started off with a slow expenditure trend, it picked up during the third and fourth quarter.
- i) The Corporation, in complying with the required laws and regulations, conducted a full asset verification process which resulted in assets being identified for disposal and impairment.

Capital expenditure

During the 2014/15 financial year the Corporation spent R55 766 244 on capital expenditure.

Registered Name Road Traffic Management Corporation

Physical Address Boardwalk Office Park
Boardwalk Boulevard
Faerie Glen, 0043

Postal Address Private Bag X147
Pretoria
0001

Telephone Number 012 999 5200

Email Address info@rtmc.co.za

Website Address www.rtmc.co.za

RP 166/2015

ISBN: 978-0-623-43684-6