



Annual Report  **rt**

2021-22





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Part A: General Information

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1. C-BRTA'S General Information

Registered Name	Cross-Border Road Transport Agency
Registered Address	Eco Point Office Park Block A 350 Witch – Hazel Street Centurion, Pretoria
Postal Address	PO Box 560 Menlyn 0063 Pretoria
Telephone number	+27 12 471 2000
Fax number	+27 12 369 8485
Email Address	customercare@cbrta.co.za
Website address	www.cbrta.co.za
External Auditors	Auditor-General of South Africa
EXTERNAL AUDITORS' ADDRESS	4 Daventry Street Lynnwood Bridge Office Park Lynnwood Manor, Pretoria 0081
Bankers	First National Bank 5 th Floor, FNB Menlyn Place Cnr. Lois Avenue and Atterbury, Menlyn, Pretoria, South Africa
Company/ Board Secretary	Nomakhosi Matlala

2. List of Abbreviations/Acronyms

AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
APP	Annual Performance Plan
AEO	Authorised Economic Operator
ASCBOR	Annual State of Cross Border Operations Report
C-BRTA	Cross-Border Road Transport Agency
CBRT-RF	Cross Border Road Transport Regulators Forum
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COMESA	Common Market for Eastern and Southern Africa
COO	Chief Operations Officer
COTO	Committee of Transport Officials
CPIX	Consumer Price Index
DoT	Department of Transport
DPME	Department of Planning, Monitoring and Evaluation
EAC	East African Community
ENE	Estimate of National Expenditure
EXCO	Executive Committee
GRAP	Generally Recognised Accounting Practice
HR & REMCO	Human Resource and Remuneration Committee
iCBMS	Integrated Cross Border Management System (also referred to as Cross-Easy)
ICT	Information Communication Technology
JC	Joint Committee
JRMG	Joint Route Management Group
LAP	Linking Africa Plan
MAR	Market Access Regulation
MinMEC	Ministers and Members of Executive Councils Meeting
MTEF	Medium-Term Expenditure Framework
MTSF	Medium-Term Strategic Framework

NDP	National Development Plan
NLTA	National Land Transport Act
NRTA	National Road Traffic Act
NTB	Non-Traffic Barrier
OCAS	Operator Compliance Accreditation System
OGEFREM	Office of Multimodal Freight Management
PCOT	Portfolio Committee on Transport
PFMA	Public Finance Management Act
RAF	Road Accident Fund
RFA	Road Freight Association
REC	Regional Economic Communities
RSA	Republic of South Africa
RTI	Road Transport Inspectorate
RTMC	Road Traffic Management Cooperation
RUC	Road User Charges
SACU	Southern African Customs Union
SADC	Southern African Development Community
SANRAL	South African National Roads Agency
SARS	South African Revenue Services
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
TKC	Trans Kalahari Corridor
TRIPS	Transport Register Information Platform System
TTTP	Tripartite Transport and Transit Facilitation Programme
TVET	Technical Vocational Education and Training
X-Border RTMS	Cross Border Road Transport Management System
Programme	Refers to categorised organisational resources that are geared to achieve one or more outcomes that will enable the Agency to make the desired impact.
Sub-programme	Refers to management of projects/activities within a programme that has a specific focus on certain deliverables that are geared to contribute to achievement of outcomes.

3. Foreword by the Chairperson

INTRODUCTION

I am pleased to present the Annual Report of the Agency for the 2021/22 financial year. It has been a difficult year for the country, its people, the economy and businesses at large due to the Covid-19 pandemic. It was not an easy time for our employees as we were all trying to make sense of the new ways of work while looking after our health and safety. I am pleased to report that we have all come through it fairly well with a new Board which was appointed on 28 June 2021 for a period of three years. The Board is pleased that it has successfully executed its fiduciary responsibilities as governed by the Cross-Border Road Transport Act, Public Finance Management Act and other relevant legislation.

The Cross-Border Road Transport Agency plays an important role of facilitating regional trade, cross-border services and passenger movement in and between countries in the Southern African Development Community (SADC). Six countries in the region are land-locked, which means they rely on coastal countries to access regional and global markets. From this viewpoint it becomes imperative that the region establishes and maintains an efficient cross-border transport system to reach regional and global markets.

HIGH LEVEL OVERVIEW OF THE ENTITY'S STRATEGY AND THE PERFORMANCE

The C-BRTA's strategic outcomes are informed by the Constitutional mandate, various legislative mandates, Government policies and other directives in pursuance of the vision to be the leading economic regulator. The Agency has identified a set of strategic outcomes that are aligned to its mandate and seven apex priorities of the sixth administration.

The Agency's 2021/22 APP was set to drive the governments imperatives amid the challenges imposed by the Covid-19 pandemic. There was a decline in revenue levels which has also affected the organizational performance as a result of the pandemic. Amongst other factors, a rise in interest rates, and significant rise in fuel prices. The huge impact though was felt by our operators who could not fully conduct business which then had a ripple effect that affected their bottom line as well as that of the Agency.

Overall, the Agency achieved 66.67% of the annual targets, representing twelve (12) targets out of eighteen (18) targets that were planned for the financial year. The Agency is continuing to put measures in place to ensure recovery of unachieved targets.

Through our Research and Advisory Division, the Agency was able to produce research reports for the utilisation by the Ministry of Transport, and key stakeholders in the transport value chain.

STRATEGIC RELATIONSHIPS

The Agency in the period under review managed to reduce mobility constraints for road transport operators through strategic relations it had formed with the South African Revenue Service (SARS), Department of Home Affairs (DHA) and other strategic partners. To this effect, the Agency successfully lobbied for the commercialisation of Kosi Bay border post with effect from 01 April 2022 and a 24-hour operating regime at the Lebombo border post.

The Agency further facilitated the resuscitation of the Joint National Ministerial Task Team of the Mountain Kingdom of Lesotho and the Republic of South Africa towards the resolution of the passenger impasse in the RSA/Lesotho corridor. Work is ongoing to conclude a road transport bilateral agreement between the two countries in order to introduce regulated competition in respect of cross-border passenger road transport and reduce operational constraint for cross border road transport as whole.

CHALLENGES FACED BY THE BOARD

The current challenge faced by the Board is the lack of technical expertise in relation to the passenger cross border road transport experts as per requirement in Section 5 of the C-BRT Act. Further to that, the position of the Chairperson remains vacant which directly impacts on the proper composition of the Board and the Regulatory Committee as stipulated in Section 5 and 13 of the C-BRT Act respectively.

The Board is however confident that the positions will be filled in the short term as an advertisement by the Ministry of Transport was placed as at end of the financial year.

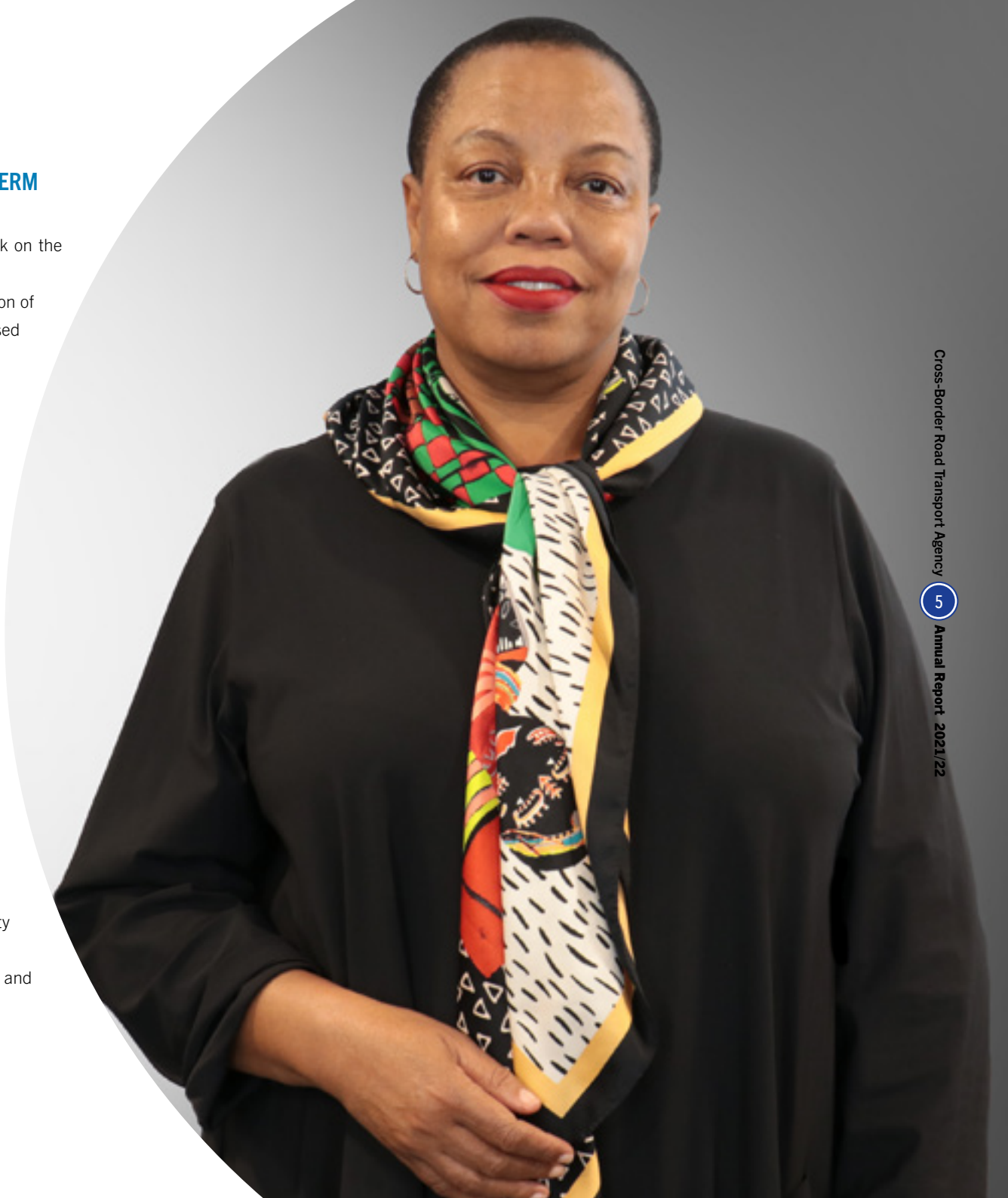
THE STRATEGIC FOCUS OVER THE MEDIUM TO LONG TERM PERIOD

In the medium to long term, the C-BRTA will continue to embark on the following activities, amongst others:

- Enhancing its efficiency in law enforcement through application of smart techniques which is a shift from manual and paper-based environment to a digital high technology approach;
- Developing and completing the Operator Compliance Accreditation System (OCAS) system to enable the implementation of quality regulation thereby improving regulatory efficiency, compliance and efficiency of cross-border road transport operations;
- Implementation of the Cross Boarder Road Safety Awareness Programme, driver fatigue management programme with a view to alleviate road carnage on the South African roads;
- Rolling out the initiatives that will contribute towards the progressive harmonisation of cross-border road transport policies in the region; and
- Implement and attract participating target groups in line with government's BEE legislation in the cross-border industry with a special emphasis on freight and tourism, amongst others.

The long term focus for the Agency, amongst others is to implement the following:

- Regional Seminar plans for Assessment of Road Safety Programmes targeting cross-border road transport.
- The Cross-border charges on foreign vehicles to create a fair and level operating environment for all cross-border operators.



3. Foreword by the Chairperson (cont.)

Over and above that, continue to offer advice to the SADC Region on cross border road transport and trade facilitation related information for better decision making and empower the cross border industry by developing an accredited cross border qualification for the industry as a whole.

ACKNOWLEDGEMENTS / APPRECIATION

On behalf of the C-BRTA Board, I would like to take this opportunity to thank all our stakeholders. We also thank our shareholder representatives, the Minister of Transport, Mr Fikile Mbalula and Deputy Minister, Ms Sindisiwe Chikunga for their continued support, guidance and stewardship.

I wish to further express my gratitude to the Chief Financial Officer and the Chief Operations Officer of the Agency for steering the Agency towards another clean audit for the seventh consecutive year.

Lastly, to the Chief Executive Officer, Executive Team and all C-BRTA staff, we are grateful and appreciative of your dedication and hard work even under these challenging and stressful conditions we have experienced in the recent past.

I also thank the Audit Committee for providing continued independent advice and guidance.

CONCLUSION

The integrity of the Annual Report is ultimately the responsibility of the Board, with the assistance of the Audit and Risk Committee as well as the Executive Team. The Board concluded that this report represents all material matters accurately and has been approved by the Board of Directors on 29 July 2022.



Ms Lerato Molebatsi

Chairperson of the Board (Acting)

Date: 29 July 2022





4. Chief Executive Officer's Overview

INTRODUCTION

It is a privilege to join the Minister of Transport, Mr. Fikile April Mbalula and the Board to present the Cross-Border Road Transport Agency (C-BRTA) Annual Report for the year ended 31 March 2022 to the Parliament of the Republic of South Africa. The purpose of this report is to highlight the Agency's performance during this period and it gives a fair presentation of the C-BRTA's efforts towards facilitating seamless movement of people and goods in the Southern African Development Community (SADC).

The performance of the business in 2021/22 continued to be challenging against a tough macro-economic context, low growth prospects, the ongoing Covid-19 pandemic and logistics constraints. Despite these challenges, the Agency achieved 66,67% of its set targets. I wish to highlight the following achievements against the 2021/22 pre-determined objectives:

- The Agency issued a total number of 73 161 permits during the period under review, representing an increase of 10 697 permits or 17,1% compared to the previous financial year to facilitate the movement of goods and passengers in the region.
- Smart law enforcement tools were implemented across various borders throughout the financial year. Furthermore, an impact assessment was conducted to ascertain the effectiveness of the tools to ensure continuous enhancement.
- The C-BRTA's Road Safety Strategy, which is guided by the National Road Safety Strategy, was implemented through various road safety Training &

Education initiatives conducted in different provinces, wherein the Driver Fatigue Management Programme was also rolled out. This targeted Freight Transport Operators; Joint Law Enforcement operations with various stakeholders at N17 Groblersbridge, Oshoek, Beitbridge and Lebombo border posts.

- As part of implementing harmonised cross-border road transport policies, 42,86% of the SADC Protocol and other agreements on cross-border matters was implemented against the 30% set implementation.
- The Agency conducted an assessment of the impact of Covid-19 Pandemic on Cross-Border Passenger Transport Operations and an assessment of accident statistics involving commercial vehicles. The results of this research study will be shared with relevant public sector stakeholders in the SADC region with a view to lobby implementation of interventions required to alleviate the impact of Covid-19 on cross-border operators.
- The cross-border charges implementation strategy was developed and approved by the Board as a milestone to facilitate implementation and enable South African cross-border operators to compete on equal level with other operators in the region.
- The cross-border road transport and trade facilitation information platform was developed updated and launched to enable users to access uploaded research on this platform.
- Phase one of the Integrated Cross-Border Management System (iCBMS) which is the permit system, also known as Cross-Easy was successfully launched during the financial year.
- All planned initiatives of the integrated communication strategy were implemented to intensify the C-BRTA brand presence and increase awareness of its programmes and research outputs through social, print, radio and TV media and conducted webinars in collaboration with the private and public sectors.
- The Covid-19 response plan was implemented successfully during the financial year to guide the business and maintain business continuity as a service driven organisation to support the cross-border clientele.
- All the Parliamentary questions received by the Agency were attended to timeously to enhance governance and oversight on the activities of the Agency.
- The Social and Ethics Committee was established, inducted and trained during the financial year. Furthermore, various ethics activities were implemented and monitored as part of the Agency's social and economic development, good corporate citizenship, environment, health and public safety, client relationships and labour and employment endeavours.
- The Agency received a clean audit outcome in its 2020/21 financial year for the sixth consecutive year.
- All valid invoices received in the financial year under review were paid within the prescribed 30 days timelines to support and sustain enterprise development and Small, Medium and Micro Enterprises (SMMs).

The Agency, through its core functional areas of advisory, facilitation, regulation and law enforcement, is intensifying

the implementation of the Linking Africa Plan (LAP) and its strategic interventions as a means to fast-track regional, social and economic integration. In the financial year under review, as the chairperson and secretariat of the Cross Border Road Transport - Regulators Forum (CBRT-RF) for the third consecutive year, the Agency spearheaded the implementation of the Forum's Annual Workplan which focused on driving the harmonisation agenda with other SADC member states. After the April 2022 elections, South Africa was elected Secretariat, with Angola elected as Chairperson and Zambia as the Deputy Chairperson of the CBRT-RF.

Furthermore, the C-BRTA produced a peer reviewed Country Profile Report for Mozambique, Comparative Assessment of Cross Border Trade Volumes Report, a comprehensive Annual State of Cross-Border Operations Report (ASCBOR), Economic Impact Assessment Report for the Trans Kalahari Corridor and various research outputs. These were produced with a view to disseminate information for use by stakeholders in the cross-border road transport environment and to advise the Minister of Transport and relevant role players on best practise to trigger policy interventions. The published reports have been uploaded on the recently developed information platform to demonstrate the Agency's value-add to cross-border operators conducting business between South Africa and other countries in the SADC region and reinforce the Agency's position as a knowledge hub on cross-border road transport related matters.



4. Chief Executive Officer's Overview (cont.)

For the year under review, the Agency hosted two virtual conferences/ seminars to present key findings of completed research projects and to inform relevant stakeholders of on-going initiatives (internal and external) that will improve the seamless movement of cross-border operations along key corridors in the region once implemented. This was delivered through hosting a private sector-focused webinar and a public sector-focused webinar during the financial year.

CHALLENGES EXPERIENCED AND HOW THEY WILL BE RESOLVED

The financial year under review has been challenging for cross-border operations globally and in the SADC region as new variants of the Covid-19 pandemic emerged, which disrupted the logistics value chains.

Engagements with cross-border stakeholders is an integral focus of C-BRTA operations. The Agency engaged stakeholders to facilitate resolution of the challenges and ensured improvements to the operating environment for cross-border operators and traders by lobbying counterparts through the Cross-Border Road Transport - Regulators Forum (CBRT-RF) in the period under review. The Agency also monitored client satisfaction through client satisfaction surveys. The feedback obtained informs our future planning with the aim of making our service provision to our clientele better and continue to enhance the regional development agenda.

Safeguarding the health of our employees remained a top priority whilst ensuring that service delivery, particularly with regard to the issuing of cross-border permits remained uninterrupted. The Agency continued with the

hybrid operating model which was re-evaluated at each adjusted level guided by the Internal Covid-19 Task Team and aligned to the recommendations of the National Coronavirus Command Council.

The regulation of passenger cross-border operations between South Africa and the Kingdom of Lesotho remained a challenge and an area of focus through various engagements under the National Ministerial Task Team in the period under review. To resolve this long outstanding impasse, there is an eminent need for the Lesotho Minister of Transport and for the South African Minister of Transport to sign the bilateral agreement between the two countries to normalise passenger cross-border operations between the two Member States.

GENERAL FINANCIAL REVIEW

The C-BRTA is a self-funding entity with permit tariff fees levied to South African cross-border operators being its primary source of income. The unprecedented impact of Covid-19 on cross-border operations required the Agency to exercise prudent financial and cash flow management measures to mitigate significant financial risk linked to a single income source, whilst adequately responding to the Covid-19 pandemic and ensuring that the Agency remains a going concern and executes its legislative mandate.

In the year under review, the Agency increased permit tariffs in line with the Consumer Price Index (CPI). To ensure business continuity, the Agency monitored the spending patterns and applied scenario plans to make assumptions on the future in light of operating under an uncertain environment.

The Agency recorded R 199,9 million in permit revenue, which was 12% above the permit revenue of R178,9 million recorded for the previous financial year. Compliance fees and penalties and fines amounting to R13,5 million (2021: R11,8 million) and R44.0 million (2021: R16,9 million) respectively were also recorded.

SPENDING TRENDS OF THE PUBLIC ENTITY

The Agency's expenditure as at end-March 2022 was R233,6 million consisting mainly of employee costs of R136,2 million and other general and operating costs. Employee costs were less than budget due to vacant positions not filled as part of cost containment. The surplus for the financial year ended 31 March 2022 was R32,1 million, which was mainly due to slightly reduced operations, cost containment measures as well as savings on some projects which were not yet implemented as at year end. The recorded surplus will fund the projects which were deferred during the financial year as well as funding other interventions to alleviate the impact of the pandemic.

CAPACITY CONSTRAINTS AND CHALLENGES

The Agency operated with an acting Chief Executive Officer for the duration of the financial year as the substantive Chief Executive Officer was undergoing a disciplinary process until his contract came to an end. Additionally, the recruitment of two positions at an executive committee level were finalised during the year with one resuming duties in the financial year under review. Officials were appointed to fulfil the roles in acting capacities to enhance delivery.

A review of how the organisation is currently configured commenced in the last quarter of the financial year under

review with a view to develop a new structure that is aligned with the latest strategic direction. As a result, only critical positions are being filled as and when they become vacant.

Another key focus on the Human Capital front has been to define a culture for the Agency to enhance brand identity, increase employee engagement, elevate productivity and improve workflows amongst other benefits. The exercise is planned to be completed in the coming financial year.

Since the emergence of Covid-19, the work environment globally has been altered permanently and the implications are that the Agency should continue to modernise its operations. It is in this context that the Agency must be more agile and enhance the use of appropriate technologies for cross border operators and employees to receive and access high-quality, professional services in a seamless, cost effective and user-friendly way.

DISCONTINUED ACTIVITIES

There were no discontinued operations that took place during the year under review.

NEW OR PROPOSED KEY ACTIVITIES

The Agency will reinforce its delivery model and keep on leveraging on international partnerships in order to create value for stakeholders. Our future focus will be on vigorous project delivery to produce tangible value and business opportunities for the cross border road transport sector.

We continue to be driven by our core values, an ethic of care and a commitment to a harmonised cross border road transport to promote regional economic development. Our focus will also remain on developing more sustainable sources of revenue to maintain our competitiveness as an employer and ensure our financial sustainability.

On the continent, there is movement towards ensuring industrialisation through the African Continental Free Trade Area (AfCFTA) envisioned by the African Union (AU). The Agency needs to be able to define a strategic role for our clientele, the cross-border operators beyond our borders and ensuring that they take up opportunities and collaborate with others within and outside the continent.

The Agency will pursue engagements with member states for the implementation of the harmonised permit issuing system and to position Cross-Easy as a tool for harmonising cross border management systems in the region. This will improve the regulation of cross-border road transport in the region which is critical for enhancing seamless cross border road transport movements towards a prosperous Africa, based on inclusive growth and sustainable development.

The Agency will be undertaking a mid-term Strategy review to assess the relevance of interventions in the Strategic Plan 2021–2025 and the progress made towards achieving the planned objectives. This review will present an opportunity to make modifications where required looking at the strengths and weaknesses to deliver outcomes and impact.

REQUEST FOR ROLL-OVER FUNDS

The Agency obtained approval from the National Treasury for the retention of a surplus amounting to R48,8 million which was recorded in the financial year ended March 2021. This included a government grant amounting to R38,5 million. The approved surplus funds were mainly set aside for the implementation of approved projects which were still in progress at the end of the financial year.

SUPPLY CHAIN MANAGEMENT AND UNSOLICITED BIDS

The Agency has in place sound supply chain management processes aligned to the relevant laws and prescripts. The Supply Chain Management policy, which drives the procurement processes within the Agency was reviewed and aligned to the relevant practices and instruction notes as issued by the National Treasury and approved by the Board.

The Agency also has a unit which is responsible for the procurement of goods and services in a fair, equitable, transparent, cost-effective and competitive manner. With the internal control measures put in place, the Agency is geared to comply with the National Treasury's instruction notes and regulations on supply chain management as issued from time to time.

The C-BRTA did not have unsolicited bids proposals for the period under review.

4. Chief Executive Officer's Overview (cont.)

AUDIT REPORT MATTERS IN THE PREVIOUS YEAR AND HOW THEY WOULD BE ADDRESSED

The C-BRTA achieved a clean audit for the seventh consecutive year and there were no significant matters raised by the Auditor-General for the year under review. All audit findings raised by the auditors are attended to and control measures are implemented to ensure non-recurrence. Progress in this regard is monitored through an audit finding tracking register which is also presented to the Audit and Risk Committee.

OUTLOOK/PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

The focus of the Agency over the short, medium and long term will be to introduce different interventions that will be structure finalisation and placement of employees to deliver on the mandate, projects and build sustainable revenue streams for the business. We do anticipate an even tougher trading environment as exacerbated by the macroeconomic conditions and the Covid-19 pandemic. The contracted economic growth will impact the Agency's single revenue stream which is the permit fees. To this end, the Agency will vigorously pursue various revenue streams to diversify its revenue and ensure its long-term financial sustainability. The cross border charges implementation strategy was developed and approved by Board in the year under review which served as a milestone to pave way to facilitate implementation and enable South African cross border operators to compete on equal level with other operators in the region. The Agency will also be undertaking an assessment to prioritise other revenue streams that are feasible and have the potential of changing the C-BRTA landscape.

We will continue to work in partnership with relevant stakeholders to contribute to building an economy that seeks to deliver value to all stakeholder groups in the cross-border value chain.

Business development efforts will be enhanced to support focused business growth, improved revenue streams, research product offerings, customer service and brand awareness as we build towards a sustainable future.

EVENTS AFTER THE REPORTING DATE

Subsequent to year end, the Agency obtained approval from National Treasury for the condonation of irregular expenditure amounting to R1.3 million which related to the procurement of legal services in the prior year. The irregular expenditure was as a result of the complexity of the legal processes around the case, which took longer than anticipated and therefore exceeding the tender threshold of R500 000.

Condonation by National Treasury has resulted in the reduction of the balance of irregular expenditure at year end by R1.3 million.

ACKNOWLEDGEMENTS

We extend a word of gratitude to the Minister of Transport, Mr. Fikile April Mbalula for his leadership, the Deputy Minister of Transport, Ms. Sindisiwe Chikunga and the former Director-General of Transport, Mr. Alec Moemi and Mr. Mthunzi Madiya, the current acting Director-General of Transport for their ongoing support and guidance.

Words of appreciation also go to the C-BRTA Board of Directors under the leadership of its acting Chairperson, Ms. Lerato Molebatsi, for its guidance and leadership in ensuring that the Agency continues to deliver on its legislative mandate.

We recognise the sterling oversight exercised over the Agency by the South African Parliament, through the Portfolio Committee on Transport under the leadership of Mr. Mosebenzi Zwane and his Committee.

To the C-BRTA family, I can count on your unwavering dedication to take the Agency to higher ground as you have demonstrated through the Covid-19 operating environment. The delivery of the C-BRTA mandate, including, being the custodians of the Agency's reputation and the provisioning of services to the cross border clientele remains a priority of our existence.

We remain thankful to our cross border operators who are essential for building regional value chains that facilitate the socio-economic development of the SADC region. The feedback that we receive from all of our cross border operators gives us confidence that we will always succeed.



Mr Lwazi Mboyi
Chief Executive Officer

Date: 29 July 2022

5. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by Auditor General of South Africa. The annual report is complete, accurate and is free from any omissions.

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

The Annual Financial Statements (Part E) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP).

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

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


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

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2022.

Yours faithfully


Mr Lwazi Mboyi
Chief Executive Officer

Date: 29 July 2022


Ms Lerato Molebatsi
Chairperson of the Board (Acting)

Date: 29 July 2022

6. Strategic Overview



Our Vision

Leading economic cross border road transport regulator facilitating unimpeded flow of goods and people across African continent.



Our Mission

To drive an integrated African continent through excellence in cross border road transport economic regulation, law enforcement, advisory and facilitation of unimpeded flow of goods and people.



Our Values

Accountability,
Integrity,
Reliability,
Effectiveness,
Efficiency and
Social responsibility

Table 1: Values Defined

AIREES	THE VALUES, ABBREVIATED “AIREES” ARE THE CORE PRIORITIES OF THE AGENCY’S CULTURE. THE AGENCY WILL ENDEAVOUR TO ATTRACT AND RETAIN INDIVIDUALS WHO SUBSCRIBE TO THE VALUE BELOW:
Accountability	we are transparent, answerable and responsible
Integrity	we are professional, honest, fair and so not tolerate crime, fraud and corruption
Reliability	we are dependable, trustworthy and value our customers
Efficiency	we are innovative and passionate about performance
Effectiveness	we achieve our set goals and objectives with desired outcomes
Social responsibility	we seek to contribute towards the greater good of our country and continent by supporting social development and economic growth

7. Legislative and other Mandates

The C-BRTA is a Schedule 3A Public Entity in terms of the Public Finance Management Act, No 1 of 1999 (PFMA).

7.1. CONSTITUTIONAL MANDATE

The C-BRTA complies with the Constitution of the Republic of South Africa in the course of executing its mandate. The Agency recognise and uphold the Constitution of the Republic of South Africa as the supreme law and place particular focus on the following sections:

- Section 9: Bill of Rights
- Section 41: Co-operative governance values;
- Section 195: Basic values and principles governing public administration;
- Sections 231: International agreements.

7.2. LEGISLATIVE MANDATE

7.2.1. CROSS-BORDER ROAD TRANSPORT ACT

The Cross-Border Road Transport Agency (C-BRTA) was established in terms of the Cross-Border Road Transport Act, 4 of 1998, as amended. The act places the following key responsibilities on the Agency:

- Improve the unimpeded transport flow by road of freight and passengers in the region;
- Liberalise market access progressively in respect of cross-border freight road transport;
- Introduce regulated competition in respect of cross-border passenger road transport;

- Reduce operational constraints for the cross-border road transport industry as a whole;
- Enhance and strengthen the capacity of the public sector in support of its strategic planning, enabling and monitoring functions; and
- Empower the cross-border road transport industry to maximise business opportunities and to regulate themselves incrementally to improve safety, security, reliability, quality and efficiency of services

7.2.2. NATIONAL LAND TRANSPORT ACT (NLTA), 5 OF 2009

The NLTA provides for the process of transforming and restructuring the national land transport system. It provides for the mandate of the three spheres of authority in the transport sector and confers mandate to these authorities to perform certain functions that includes regulation.

7.2.3. NATIONAL ROAD TRAFFIC ACT (NRTA), 93 OF 1996 AS AMENDED

The NRTA provides for road traffic matters which shall apply uniformly throughout the Republic of South Africa. This Act provides for traffic regulations that govern licensing of motor vehicles, operation of motor vehicles, vehicle road worthiness, driver licensing and fitness.

7.2.4. CONVENTION ON ROAD TRAFFIC, OF 1968

This Act provides for facilitation of road traffic and increasing road safety through the adoption of uniform road traffic rules.

7.2.5. TOURISM ACT, 3, OF 2014

The Tourism Act provides for the development and promotion of sustainable tourism for the benefit of the republic, its residents and its visitors. The Agency issues tourism permits to the cross-border tourism operators and has the mandate to conduct law enforcement regarding compliance to road traffic regulations in the tourism sector.

7.3. OTHER POLICY MANDATES

Table 2 outlines various policies and prescripts that informs or contributes towards the mandate of the C-BRTA.



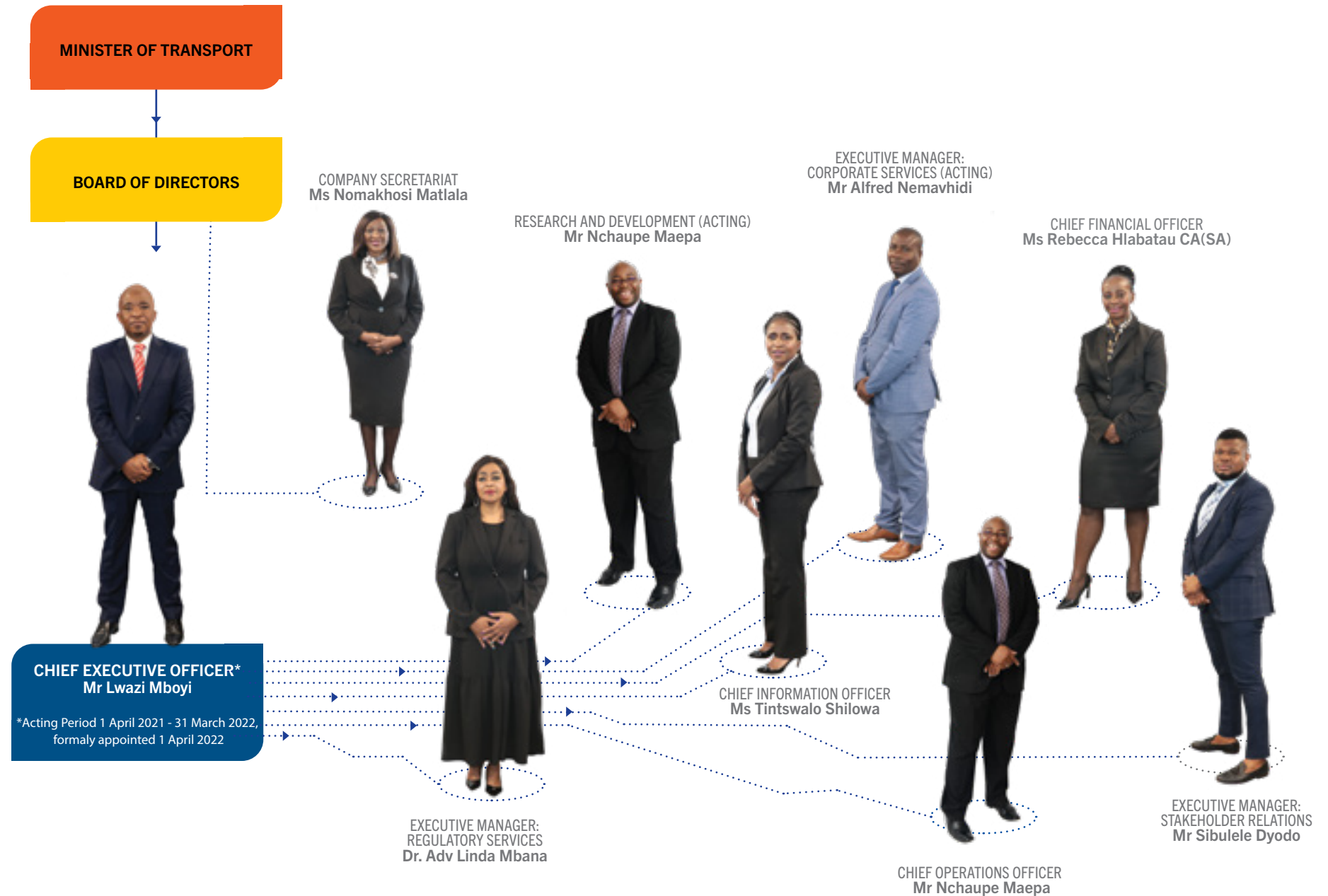
REPUBLIC OF SOUTH AFRICA



Table 2: Other Policy Mandates

POLICY MANDATES	KEY ALIGNMENTS
<p>The Seven Apex Priorities translated to Medium Term Strategic Framework for 2019-2024</p>	<ul style="list-style-type: none"> • Priority 1: A Capable, Ethical and Developmental State • Priority 2: Economic Transformation and Job Creation • Priority 3: Education, Skills and Health • Priority 4: Consolidating the social wage through reliable and quality basic services • Priority 5: Spatial Integration, Human Settlements and Local Government • Priority 6: Social Cohesion and Safe Communities • Priority 7: A better Africa and World <p>These priorities are coupled with DoT's five strategic thrusts as follows:</p> <ol style="list-style-type: none"> 1. Safety as an enabler of service delivery; 2. Public transport that enables social emancipation and an economy that works; 3. Infrastructure build that stimulates economic growth and job creation; 4. Building a maritime nation, elevating the oceans economy; 5. Accelerating transformation towards greater economic participation.
<p>SADC Protocol on Transport, Communications and Meteorology</p>	<ul style="list-style-type: none"> • Develop harmonised road transport policy providing for equal treatment, non-discrimination and reciprocity. • Liberalise market access for road freight operators.
<p>Bilateral Agreements between South Africa and Malawi, Mozambique, Zambia and Zimbabwe</p>	<ul style="list-style-type: none"> • Promote and facilitate cross-border road freight and passenger. • Simplify existing administrative requirements: Harmonisation. • Ensure compliance to regulations.
<p>1996 White Paper on National Transport Policy</p>	<ul style="list-style-type: none"> • Identifies the broad goal of transport being to achieve smooth and efficient interaction that allows society and the economy to assume their preferred form and play a leadership role as a catalyst for development. • The Paper also sets out the transport vision of the Republic to provide safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers among others.
<p>SACU MoU</p>	<ul style="list-style-type: none"> • Provides for facilitation, maintenance of effective road transport arrangements and equitable shares in road transportation with a view to supporting trade in the Customs Union; • The C-BRTA in this regard works towards a common goal of improving cross border road transport sector and its operations.
<p>Trans Kalahari Corridor (TKC) MoU</p>	<ul style="list-style-type: none"> • Provides for promotion of effective and integrated management of the TKC. • The TKC was established with a view to improve regional trade and economic development through efficient transport. • Improving the efficiency of transportation is brought about by the reduction of constraints and bottlenecks whilst at the same time reducing externalities, improving market access and improving productivity
<p>International convention on the harmonisation of frontier controls of goods, of 1982</p>	<ul style="list-style-type: none"> • Designed to enhance the harmonisation and facilitation of efficient road transport movements.

8. Organisational Structure



9. Board Members



MS LERATO MOLEBATSI
CHAIRPERSON OF THE BOARD (ACTING)

Formal Qualifications

- Post Grad Rural Development & Management
- Bachelor of Art Degree in Psychology
- Senior Executive Leadership Programme
- Diploma in Senior Management Development Programme



MS LOYISO KULA
BOARD MEMBER

Formal Qualifications

- Masters in Business Administration
- Bachelor of Commerce
- Masters of Science in Risk Management



MR KEVIN VAN DER MERWE
BOARD MEMBER

Formal Qualifications

- Diploma in Traffic Science
- National Certificate Occupationally directed at Education, Training and Development Practitioner
- Traffic Officer Diploma
- Examiner of Vehicles
- Examiner of Driving Licenses
- SANAS Certificate



MS ADILA CHOWAN
BOARD MEMBER

Formal Qualifications

- Chartered Accountants (SAICA)
- Bachelor of Accountancy
- Bachelor of Laws (LLB)
- Post Graduate Diploma in Accounting
- Admitted Advocate of the High Court

9. Board Members (cont.)



DR LESLEY T. LUTHULI
BOARD MEMBER

Formal Qualifications

- PHD: Economics and Management Sciences
- Masters in Business Administration
- Advance Diploma in Management
- Certificate in Research
- Nyukela Public Service SMS Pre-Entry Programme Certificate
- Commercial and Contract Law Certificate



MS LEBOGANG LETSOALO
BOARD MEMBER

Formal Qualifications

- Masters in Business Administration
- B-Tech Logistics
- Diploma in Purchasing



MR MONWABISI KOLANISI
BOARD MEMBER

Formal Qualifications

- Masters in (Management of People, Technology, Innovation)
- Management Development Programme
- Leadership Development Programme
- Access Programme in Economic Science
- Executive Coarse in Strategic Leadership
- Applying the Labour Relations
- Trade Union Educators Course
- Facilitator/ Educator Course



PROF ISAACS SHAI
BOARD MEMBER

Formal Qualifications

- Doctor of Laws – (LLD)
- Master of Laws – (LLM)
- Bachelor of Law – (LLB)
- Certificate in Legislative
- Bachelor of Arts
- Advocate of the High Court



MS ZUKISA RAMASIA
BOARD MEMBER

Formal Qualifications

- Postgraduate Diploma in Management
- Leadership Development Programme
- Diploma in Airline Operations
- Human Resource Management (Honours)
- Bachelor of Arts Senior
- Secondary Teachers Diploma



MR CHRIS HLABISA
DEPARTMENT OF TRANSPORT REPRESENTATIVE

Formal Qualifications

- Bachelor's Degree in Technology (Civil) Road and Rail
- Management Development Programme
- Financial Management
- Business Management
- Human Resource Management
- Organisational Behaviour
- Business Strategy and Industrial Relations



MR LWAZI MBOYI
CHIEF EXECUTIVE OFFICER (ACTING)

Formal Qualifications

- B. Admin (Public Finance)
- Honours Industrial Psychology
- Senior Executive Program
- Africa Directors Program

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Part B: Measuring Our Performance





1. Auditor's Report: Predetermined Objectives

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor's report.

Refer to page 116 of the Report of the Auditors Report, published as Part E: Financial Information.

2. Overview of Performance

2.1. SERVICE DELIVERY ENVIRONMENT

Cross border road transport plays a critical role in the transport industry with a significant volume of trade between countries in the region taking place through road transport. Cross border transport is central to connecting economic hubs in the region as well as linking landlocked countries to international markets. It is therefore given that cross border road transport is crucial to the economic development of the region.

The Agency execute its mandate to achieve its goal of facilitating seamless cross-border operations and trade flows by road, which is aligned to the objectives of its enabling act and other pieces of legislations, including the SADC Protocol on Transport, Communication and Meteorology. This in essence requires the Agency to work

with other cross border stakeholders to reduce operational constraints, Non-Tariff Barriers and advance harmonisation. The work of the C-BRTA also contribute towards the achievement of the objectives of the Tripartite Free Trade Area and the African Continental Free Trade Area, both of which South Africa is a signatory.

In order to achieve its stated goals and outcomes, the Agency collaborate with various stakeholders, both domestically and in the region. These stakeholders include those who regulate cross border in different member states in the region as well as various border stakeholders. Included in the stakeholders are various domestic municipalities who provide the infrastructure for cross border road transport passenger operations and the different law enforcement authorities. Given the nature of the cross border road transport operations, the Agency considers several domestic and regional instruments in executing its work and is susceptible to changes and developments in both domestic and regional environments.

Some of the factors which might affect the effective cross-border road transport operations include the following:

- Fragmentation of the regulatory environment owing to unharmonised road transport legislations and regulations between countries;
- Unharmonised standards such as vehicle standards, axle load standards, driver training, regulatory standards;
- Uncoordinated law enforcement operations in corridors and at border posts;
- Lack of corridor monitoring systems for monitoring performance, tracking, security and visibility;

- Unharmonised border operating times and long transit times and delays along corridors;
- Different and unharmonised regulations and health protocols implemented to curb the spread of Covid-19 and
- High logistics costs.

Central to its role of regulating the industry, the Agency grant market access to South African freight and passenger operators who intends to conduct cross border operations by road. Implementation of Covid-19 regulations by various member states had a negative impact on permit applications which are still below the pre-covid period. The number of cross border road transport permits issued for all categories of vehicles (goods, taxi, bus and tourist) increased compared to the previous year. Overall, 73, 161 permits were issued, which was 10, 697 more than the previous year. Restrictions on the movements of taxi passenger transport were eased during the year, resulting in a drastic increase of 133.9% for taxi passenger transport and 40.3% for bus passenger transport. The cross border permits for tourism operation also experienced an increase with 432 tourism permits issued compared to 47 in the previous financial year. With the impact of Covid-19 on the cross border-border taxi passenger transport, the Agency relaxed some of its requirement to enable the operators to recover from the effect of lockdowns.

Overall, the Agency achieved 67% of its targets set for the year under review, maintaining the performance level achieved in the previous financial year. Mitigation plans have been devised and will be implemented and monitored

to improve organisational performance during 2022/23 financial year.

The Agency encountered the following challenges in the financial year:

- Covid-19 restrictions on travel to other countries, which significantly impacted the passenger cross border operations. Some of the restrictions were lifted during the course of the financial year. The costs associated with some of the health protocols also had a negative impact on cross border passenger operations as operators had limited financial means to carry-out Covid-19 tests required by member states. The Agency engaged various member states to pursue harmonisation of the requirements.
- Inadequate revenue due to the impact of Covid-19 on cross border road transport operations. The low level of cross border permits applications placed pressure on the Agency's finances. To curb reliance on permit revenue as the sole source of revenue, alternative revenue streams are currently being explored to ensure financial sustainability of the Agency in the long-term.

2.2. ORGANISATIONAL ENVIRONMENT

In view of the challenges brought about by Covid-19, the Agency continued engagements with staff through virtual platforms to maintain high staff morale in pursuance of the execution of its mandate.

Furthermore, the Agency implemented various interventions to ensure compliance with the Covid-19

health protocols and regulations imposed by Government. These included amongst others, the rotation of staff reporting physically at the office with the permit issuance operating at full capacity to enable effective processing of all permit applications received as well as the application of virtual platforms to execute the mandate.

The following are some of the key achievements registered during the year under review:

- Developed and implemented first phase of CrossEasy, which is an online permit application system. The system was successfully launched during the financial year and also integrate with eNaTIS (for vehicles verification services), Payment Gateway (online permit payment services) and Sage Evolution (financial transactions and reconciliation with accounting system). The launch of the system enhances the Agency value offering and enables the operators to apply for permits from the comfort of their offices or homes, thereby reducing costs and saving time for the operators.
- Developed Transport and Trade Information Platform, which will be used to disseminate information aimed at enhancing cross border road transport and trade facilitation. The platform houses a number of advisory research outcomes which include the Annual State of Cross Border Operations Report (ASCBOR), Economic Impact Assessment for the Cross Border Flow Calculator, Comparative Assessment of Trade Volumes and Values Passing through border posts and Country Profiles of different countries in the region.
- Deployment of the smart law enforcement vehicle

at eleven key border posts with a view to enhance efficiency and effectiveness of law enforcement with respect to cross-border road transport. The smart law enforcement vehicle is fitted with an Automatic Number Plate Recognition System and interfaces to various data bases (e.g Cross-Easy, ENATIS, etc.). Through this vehicle, the Agency is able to profile operators' conduct and gather intelligence necessary to direct the cross-border law enforcement inspections which are sustained through a principal-agency relationship with the RTMC.

- Implementation of the Cross Border Road Safety Strategy which included Joint Law Enforcement Operations, Driver Fatigue Management Programme, road safety training and education for freight operators and regional seminar on road safety.
- The cross border charges implementation strategy was developed and shared with the Department of Transport. The implementation of cross border charges on foreign commercial vehicles will enable harmonisation of the regulatory environment and creating a fair and equal operating environment for South African cross border road transport operators.
- Pursued the joint pilot of OCAS and SARS's Authorised Economic Programme in one of the key cross border corridors. The pilot and subsequent implementation of OCAS and AEO will facilitate higher levels of cross-border road transport and trade as well as contribute towards the reduction of delays and transit times in corridors and at border posts. The necessary planning logistics for the joint pilot were completed during the year and the pilot will commence in the new financial year.

2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no changes to relevant policies or legislation during the period. The Agency continued its engagements with the Department of Transport with a view of finalizing the review of its legislation and consideration of the various proposed regulations to enhance mandate execution.

2.4. PROGRESS TOWARDS ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The table below provides a high-level progress towards the attainment of outcomes in the Agency’s five-year strategy plan, which is aligned to the Medium Term Strategic Framework and the Apex priorities of the 6th Administration.

Table 3: Progress Towards Achieving Outcomes

OUTCOMES	FIVE-YEAR TARGETS	OUTCOME INDICATOR	PROGRESS MADE TOWARDS ACHIEVEMENT OF OUTCOMES
Enhanced regulatory regime by implementing quality regulation	<ul style="list-style-type: none"> Implemented Operator Compliance Accreditation System (OCAS) 	<ul style="list-style-type: none"> Developed and implemented Operator Compliance Accreditation System (OCAS) 	The Agency continued with the development of OCAS IT System. The registration module was developed and piloted in the previous financial year. The service provider is on board to develop the various modules of OCAS during 2022/2023 financial year with the certification and accreditation modules planned to be piloted. The operator profiling and risk modules will be piloted in the 2023/2024 financial year.
Improved compliance to cross border road transport regulation	<ul style="list-style-type: none"> Implemented smart law enforcement 	<ul style="list-style-type: none"> Efficient smart law enforcement 	The Agency procured and deployed a Smart Law Enforcement Vehicle, which is fitted with the Automatic Number Plate Recognition System, and it is linked to the CBRTA Permit system, eNaTIS and SAPS Circulation System. The vehicle was deployed at various key borders and corridors and was able to provide the information and intelligence that support smart deployment of road transport inspectors. The Agency also conceptualized and together with RAF, developed a Driver Fatigue Management Tool, which is able to provide real-time reporting of statistics for variables included in the tool. The tool can be adopted for enhanced into a broad road safety tool. Additional smart law enforcement tools will be considered in the coming financial years.

OUTCOMES	FIVE-YEAR TARGETS	OUTCOME INDICATOR	PROGRESS MADE TOWARDS ACHIEVEMENT OF OUTCOMES
Safe and reliable cross border road transport	<ul style="list-style-type: none"> Implemented cross border road safety strategy 	<ul style="list-style-type: none"> Developed and implemented C-BRTA road safety strategy 	<p>The Cross Border Road Safety Strategy, aligned to the Decade of Action and National Road Safety Strategy was developed and implementation is ongoing. Various joint law enforcement operations are conducted with domestic and regional law enforcement authorities.</p>
Harmonized economic regulations	<ul style="list-style-type: none"> 90% compliance to cross border road transport policies 	<ul style="list-style-type: none"> Percentage implementation of harmonised cross border road transport policies 	<p>The Agency is pursuing this outcome through the implementation of the Cross Border Road Transport - Regulators Forum, which is a body comprising of all the cross-border regulators in the region. Seventy percent (70%) of the plan was achieved in 2020/2021 financial year and just over 40% of the plan was achieved in the year under review. Some of the key interventions in the plan include implementation of Road Transport Law Enforcement, Trade Facilitation and Passenger Regulations, Establishment of the Route Management Groups.</p>
Increased participation by historically disadvantaged individuals	<ul style="list-style-type: none"> 5% increase in the number of participating target groups freight & tourism cross border road transport industry: Women = 3%, Youth = 2% and People with disabilities = 1%¹ 	<ul style="list-style-type: none"> Percentage increase in the number of participating target groups in the freight and tourism cross border road transport industry 	<p>The Agency determined a baseline which serves as a measurement tool towards the attainment of the five-year target. The Agency was able to attract women and youth into the market during the period under review, which represented 0,82% from the baseline. Efforts to attract people with disabilities did not yield positive results. More efforts will be applied during the 2022/2023 financial year to attract more women, youth and people with disabilities into the industry. The Agency has also developed a Transformation Framework, which it is anticipated to contribute towards achieving the planned targets.</p>
Fair operating environment for cross border road transport operators;	<ul style="list-style-type: none"> Implemented cross border road transport charges 	<ul style="list-style-type: none"> Developed and implemented cross border road transport charges model 	<p>The business case for the levying of cross border charges and the pricing model was developed. The implementation strategy for the cross border charges was also developed and shared with the Department of Transport. The implementation of the cross-border charges is awaiting a policy decision from the Department of Transport and National Treasury.</p>

¹ 1% of people with disabilities will not be additional but part of either women or youth

OUTCOMES	FIVE-YEAR TARGETS	OUTCOME INDICATOR	PROGRESS MADE TOWARDS ACHIEVEMENT OF OUTCOMES
Functional and reliable cross border road transport trade facilitation information	<ul style="list-style-type: none"> • Functional cross border road transport trade facilitation information platform 	<ul style="list-style-type: none"> • Developed and implemented cross border road transport and trade facilitation information platform 	<p>The transport and trade information platform was developed and launched during the year under review. Various research outcomes, including amongst others, the Annual State of Cross Border Operations Report, Country Profiles, Cross-Border Trade Volume and Trade report are loaded in the platform.</p>
Viable cross border road transport economic regulator	<ul style="list-style-type: none"> • Implemented new revenue streams • Functional iCBMS • Implemented organisational practice and culture strategy • Implemented 100% of communication strategy 	<ul style="list-style-type: none"> • Implemented strategy on commercialised information • Implemented cross border management system • Implemented culture enhancements initiatives • Developed and implemented Integrated Communication Strategy • Implemented Covid-19 response plan initiatives 	<ul style="list-style-type: none"> • The Agency identified training as one of the revenue streams to fund the operation of the Agency. To that effect, the framework of the training curriculum was developed with inputs from the SADC Member States and was approved by the Executive Committee. The efforts of developing the curriculum for accreditation did not yield results. The Agency is pursuing collaboration with other institutions in this regard. The established transport and trade information platform will also be used to pursue commercialization of information as an alternative revenue stream. • First phase of iCBMS (Cross-Easy) was developed and implemented, with operators submitting permit applications online. The development of the second phase is underway (in 2022/2023 financial year), which include introduction of digital permits. • Implementation of various culture enhancement initiatives were implemented during the financial year, including the ethics survey and awareness on organizational values. The process of culture definition was with workshops held with staff. • The Communication Strategy was developed and the interventions are being implemented as per the implementation plan. All planned activities for the year under review were achieved with the Agency being profiled in a number of publications. • All planned activities as per the Covid-19 response plan are implemented. The Agency continues assess the risk associated with the spread of Covid-19 and also aligns its plans according to Government decision and protocols.

OUTCOMES	FIVE-YEAR TARGETS	OUTCOME INDICATOR	PROGRESS MADE TOWARDS ACHIEVEMENT OF OUTCOMES
Improved governance and strengthen control environment	<ul style="list-style-type: none"> • 100% responses to Parliamentary questions • 95% resolution of reported incidents of corruption • Ethics Committees operationalised • 100% implementation of action plans to address audit findings • Clean audit outcomes • 100% compliant to valid invoices 	<ul style="list-style-type: none"> • Percentage responses to Parliamentary questions within stipulated timelines • Percentage resolution of reported incidents of corruption • Ethics committees established and operationalised • Percentage implementation of action plans to address audit findings • Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA) • Percentage compliance to 30-day payment requirement 	<p>Outcomes relating to the strengthening of governance and internal control environment were achieved. The Agency was able to:</p> <ul style="list-style-type: none"> • Provide adequate responses to Parliamentary question within the stipulated time-frames • Over 90% of the fraud and corruption incidents reported during the year were investigated and finalized. • Ethics Committee, both at the oversight level and at management level were established and are operational. The Ethics Strategy was developed for implementation in the 2022-2023 financial year. • Over 90% of the external and internal audit findings were resolved. • The Agency maintained a clean audit for the six consecutive years. • Supplier invoices are paid within 30-days of receipt or of resolving the disputes as per the Public Finance Management Act.

3. Institutional Programme Performance Information

This section provides an overview of the Agency’s overall performance against the targets and the outputs set out in the 2021/22 Annual Performance Plan (APP). The Annual Performance Plan had eighteen outputs linked to eight (8) strategic outcomes. The achievement of output targets is a positive indication that the Agency is drawing closer to the realisation of the five years targets and the intended impact of the 2021-2025 Strategic Plan (SP).

For successful implementation of the 2021-2025 Strategic Plan and related annual performance plans, the Agency had structured itself into five programmes which are mainly aligned to its core mandate as captured in its enabling act.

Performance is therefore reported in line with the following five programmes:

<p style="text-align: center;">PROGRAMME 1</p> <p style="text-align: center;">REGULATORY SERVICES</p> <p>is responsible for regulating access to the cross border road transport market through a permit administration process and advances the overall execution of the Agency’s regulatory mandate;</p>	<p style="text-align: center;">PROGRAMME 2</p> <p style="text-align: center;">LAW ENFORCEMENT</p> <p>plays a role of ensuring that cross border operators comply with the Cross Border Road Transport Act, permit conditions, road and traffic legislations and the relevant regional prescripts;</p>	<p style="text-align: center;">PROGRAMME 3</p> <p style="text-align: center;">FACILITATION</p> <p>plays the role of fostering collaborations and strategic partnerships with key stakeholders with a view of facilitating the unimpeded flow of goods and people. Across the region;</p>	<p style="text-align: center;">PROGRAMME 4</p> <p style="text-align: center;">RESEARCH AND ADVISORY</p> <p>conducts in-depth research in relevant areas to enable evidenced based decision-making by the industry and to provide sound advisory service to the Ministry of Transport and other relevant stakeholders on cross border matters;</p>	<p style="text-align: center;">PROGRAMME 5</p> <p style="text-align: center;">ADMINISTRATION</p> <p>provide support to the execution of the Agency’s mandate and delivery of targets and outcomes.</p>
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Overall, the Agency achieved 66.67% of the annual targets, representing twelve (12) targets out of eighteen (18) targets that were planned for the financial year. The Agency is continuing to put measures in place to ensure recovery of unachieved targets.

Figures 1 & 2 provide a snapshot of the annual performance per Programme

Figure 1: C-BRTAs Annual Organisational Performance

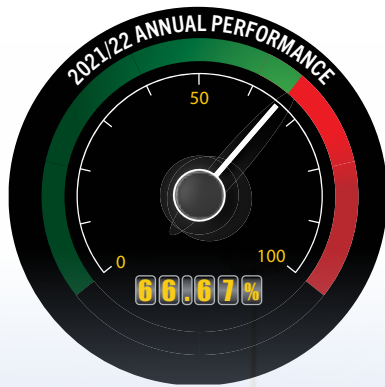
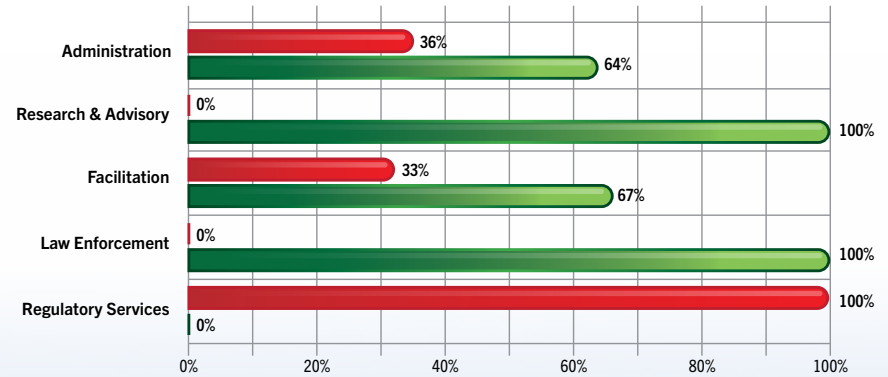


Figure 2: Actual Annual Performance Per Programme



The table below provides a summary of performance during the year under review.

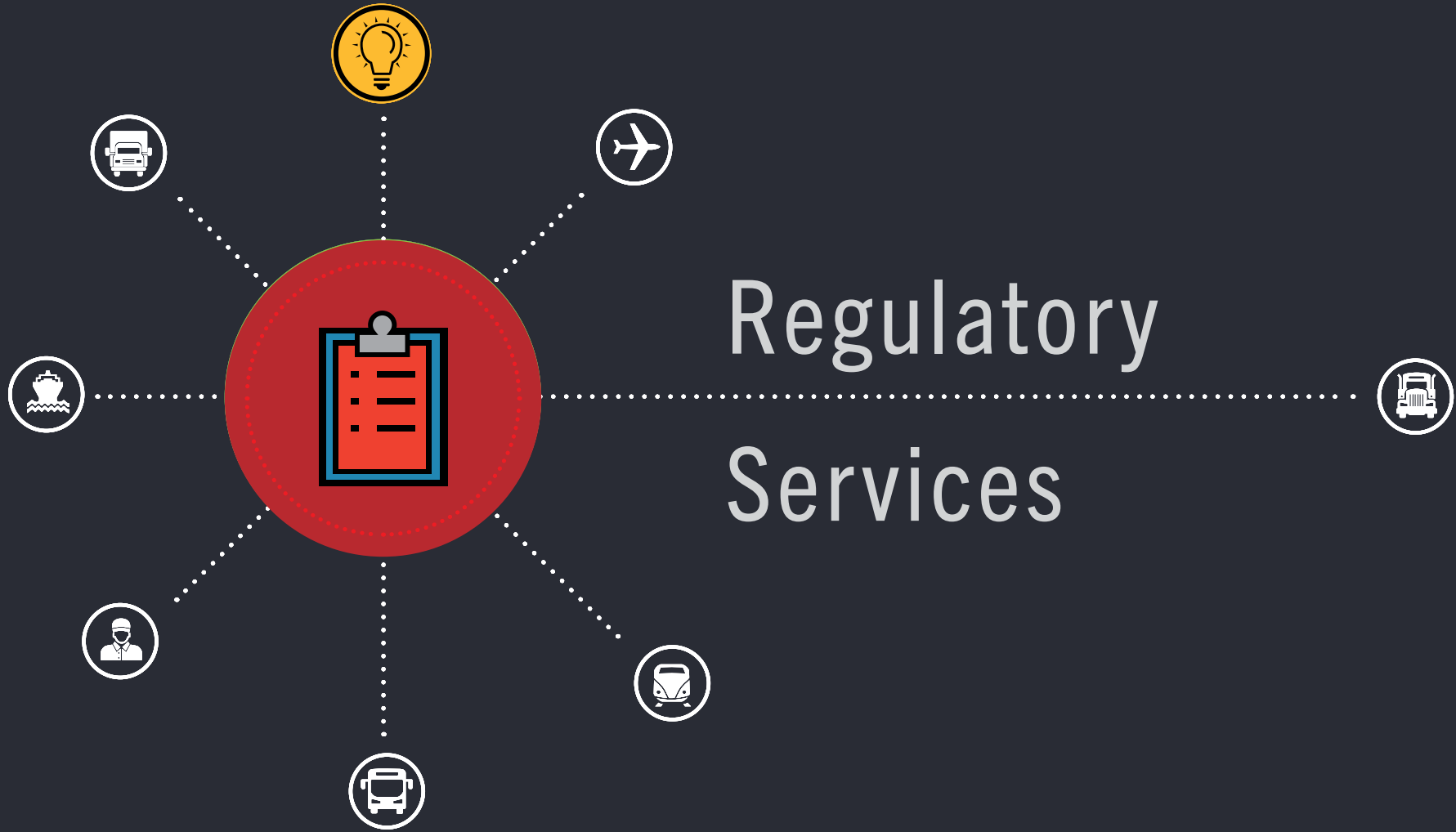
Table 4: Summary of Actual Annual Performance

PROGRAMME	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
REGULATORY SERVICES	1.1 Developed and implemented Operator Compliance Accreditation System (OCAS)	Developed OCAS IT System	<p>Target not achieved</p> <p>The service provider for the development of the system was appointed and the Service Level Agreement finalized and signed. Scoping workshops have also been conducted with service provide.</p>
LAW ENFORCEMENT	2.1 Efficient smart law enforcement	Implemented smart law enforcement tools	<p>Target achieved</p> <p>Smart law enforcement tools were implemented across a total of eleven (11) borders and other strategic locations throughout the financial year. Furthermore, an impact assessment was conducted in the last quarter of the financial year to assess the effectiveness of the smart law enforcement vehicle.</p>
	2.2 Developed and implemented C-BRTA road safety strategy	Implemented C-BRTA Road Safety Strategy	<p>Target achieved</p> <p>Various road safety programmes were implemented in line with the strategy. The following are some of the key programmes implemented during the financial:</p> <ul style="list-style-type: none"> i) Road safety training & education focusing on freight transport operators; ii) Joint Law Enforcement operations with various stakeholders and law enforcement authorities. Joint law enforcement operations were conducted in Kwa-Zulu Natal Province, North-West province, N17 Groblersbridge in Limpopo, Oshoek, Beitbridge and Lebombo; iii) Driver Fatigue Management Programme (iv) Conducted regional seminar to assess various road safety programmes implemented in some of the member states.

PROGRAMME	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
FACILITATION	3.1 Percentage implementation of harmonised cross border road transport policies	Implemented 30% of the SADC Protocol and other agreements on cross border related matters	<p>Target overachieved</p> <p>Implemented 42.86% (a total of 9 out of 21 activities planned for the year) of the C-BRTA linked activities of the SADC Protocol and other agreements. The achievement was made possible by constant engagements and follow-ups with member states on planned activities of the Cross Border Road Transport– Regulators Forum. The C-BRTA was chair and secretariat of the forum.</p>
	3.2 Percentage increase in the number of participating target groups in the freight and tourism cross border road transport industry	0,5% increase in the number of participating women, youth and people with disabilities in the freight cross border road transport industry	<p>Target not achieved</p> <p>New entrants in the cross border market increased by a total of 0.82% as a result of new entrants into the market by women and youth. Although the target has been overachieved for the other target groups i.e. women and youth, the overall target remains unachieved due to non-achievement of sub-target related to attraction of people living with disabilities.</p>
	3.3 Developed and implemented cross border road transport charges model	Developed Cross Border Charges Implementation Strategy	<p>Target achieved</p> <p>The cross-border charges implementation strategy was developed and approved by Board during the last quarter of the financial year.</p>
RESEARCH & ADVISORY	4.1 Developed and implemented cross border road transport and trade facilitation information platform	Updated cross border road transport and trade facilitation information platform	<p>Target achieved</p> <p>The Transport and Trade Information Platform was developed and implemented as at the end of the financial year. The platform was updated with previously approved research reports for access by the users.</p>

PROGRAMME	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
ADMINISTRATION	5.1 Implemented strategy on commercialised information	Developed and submitted prioritised cross border training curriculum for accreditation	<p>Target not achieved</p> <p>Scoping report for cross border qualification curriculum was developed and approved during the financial year. The scoping report was submitted to the Quality Council for Trades and Occupations (QCTO). Efforts to appoint a service provider to assist with the development of the cross-border training curriculum did not yield positive results. The Agency also obtained a legal opinion from State Law Advisors which indicated that the Agency had no legal basis to establish a Training Academy. A decision was taken to look at various options for the rolling out of the training curriculum.</p>
	5.2 Implemented cross border management system	Integrated the new iCBMS with external or third-party systems	<p>Target overachieved</p> <p>iCBMS was successfully launched during the financial year and integrated with three (3) other systems i.e. Sage Evolution (for financial transactions), eNATIS (for vehicle verification services) and the Payment Gateway (for online permit payment services).</p>
	5.3 Implemented culture enhancements initiatives	Implemented prioritised culture enhancement initiatives as per 2021/22 Implementation Plan	<p>Target not achieved</p> <p>The only initiative that the Agency was able to roll out is the C-BRTAs Values campaigns that was mainly through internal communications platforms. The other initiatives could not be implemented due to delays in the culture definition project. The service provider was appointed, and the project of the culture definition is currently underway.</p>
	5.4 Developed and implemented Integrated Communication Strategy	Implemented initiatives in the integrated communication strategy	<p>Target achieved</p> <p>All planned initiatives of the integrated communication strategy were implemented as planned. This included media awareness sessions, webinars on cross border matters and various media campaigns on the new Integrated Cross-Border Management System.</p>
	5.5 Implemented Covid-19 response plan initiatives	Implemented Covid-19 response plan	<p>Target achieved</p> <p>Various interventions as outlined in the Covid-19 Response Plan were implemented successfully during the year.</p>

PROGRAMME	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE
	5.6 Percentage responses to Parliament questions within stipulated timelines	100% responses to Parliament questions	Target achieved All the Parliament questions received by the Agency were attended to timeously.
	5.7 Percentage resolution of reported incidents of corruption	95% resolution of reported incidents of corruption	Target not achieved A total of twelve (12) incidents were reported during the year and only eleven (11) of them were resolved, resulting in a 91.67% resolution of incidents reported. The target could not be achieved as the last case was reported in the 22nd March 2022 and could be finalised by the end of the financial year.
	5.8 Established and operationalised ethics committees	Monitored operations of ethics committees	Target achieved The Social and Ethics Committee was established, inducted and trained during the financial year. The Committee held several meetings during the financial year to consider matters relevant to its scope of work.
	5.9 Percentage implementation of action plans to address audit findings	100% implementation of action plans to address audit findings	Target not achieved The Agency has managed to resolve 94% (322/344*100) of the audit findings during the financial year. The other twenty-two (22) could not be resolved as they had external dependencies and required deadlines to be extended.
	5.10 Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	Unqualified Audit Report with no significant findings	Target achieved The Agency received a clean audit for the 2020/21 financial year.
	5.11 Percentage compliance to 30-day payment requirement	100% of valid invoices paid within 30 days	Target achieved All valid invoices received were paid with the prescribed timelines.



Regulatory Services

3.1 PROGRAMME 1 REGULATORY SERVICES

The Regulatory Services Programme is responsible for regulating access to the cross border road transport market, freight and passengers, through a permit administration process. It advances the execution of the regulatory mandate and regulating access to the cross border road transport markets (freight and passenger) through a permit administrative regime. The programme has the following business units:

- **Licensing unit** – is primarily responsible for the administration and maintenance of the cross-border road transport permits.
- **Policy and Regulation unit** – is tasked with the responsibility of developing and maintaining regulatory practices, policies and regulation.

This programme contributes towards the achievement of the following outcome:

- Enhanced regulatory regime by implementing quality regulation



3.1.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

3.1.1.1. Output Indicator 1.1: Developed and implemented Operator Compliance Accreditation System (OCAS)

The target of development of an OCAS IT System was not achieved. The need to conduct a detailed due diligence with respect to the recommended bidder led to delays in the appointment of the service provider. The bidder was subsequently appointed and contracted and started with the necessary planning processes. Although the required processes for the development of IT system commenced, the target could not be achieved in the financial year. Recovery plans were put in place for the target to be achieved in the subsequent year to enable achievement of the five-year target.

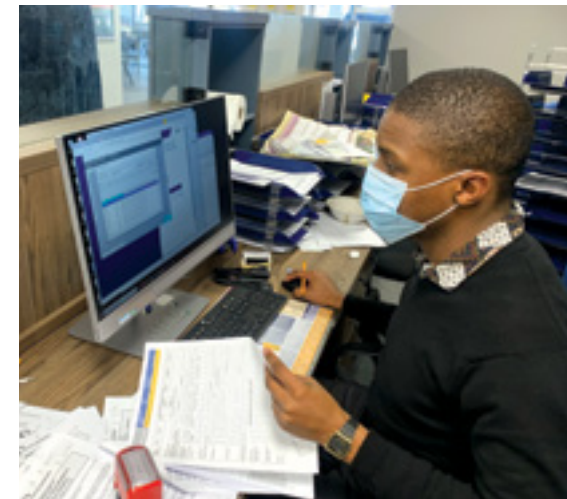


Table 5: Programme Performance against planned target

PROGRAMME: REGULATORY SERVICES									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
1.1	Enhanced regulatory regime by implementing quality regulation	OCAS IT System	Developed and implemented Operator Compliance Accreditation System (OCAS)	Developed OCAS Registration Platform	Target Achieved The OCAS registration module developed and refined successfully	Developed OCAS IT System	Target not achieved The service provider for the development of OCAS was appointed and Service Level Agreement signed. The scoping workshops were also conducted with the service provider.	There was no deviation from planned targets, however the target was not achieved	Delays were caused by a long due-diligence and risk assessment process that had to be conducted on the preferred bidder.

3.1.2. LINKING PERFORMANCE WITH BUDGETS

The table below provides the expenditure incurred against the budget for the programme.

Table 6: Performance against Budgets

PROGRAMME	2021/2022			2020/2021		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Regulatory Services	24,105	22,581	1,524	25,473	23,080	2,393
Total	24,105	22,581	1,524	25,473	23,080	2,393

3.1.3. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Agency has successfully appointed as service provider to assist with the development of a credible OCAS IT system. It is anticipated that the system will be fully developed in the course of 2022/2023 financial year.

3.1.4. OTHER PROGRAMME PRIORITIES

This section provides a highlight of other priorities that are of operational importance in fulfilling the regulatory mandate of the Agency. Amongst these priorities is the licensing or issuance of both passenger and freight permits.

3.1.4.1. Licensing Services

The Agency issued a total number of 73 161 permits during the year under review, which translates into an increase of 10 697 permits or 17,1% year-on-year.

i. Goods permits

Permits issued for goods operations increased by 5.5% during the year under review, up from 56 637 to 59 782. Hereto follows a statistical overview of the goods permits issued per country.

Table 7: Freight Permit Stats Per Country

COUNTRY	2020/21	2021/22	% MOVEMENT
Angola	142	363	155.6
Botswana	6 380	6 446	1
Democratic Republic of Congo	5 163	4 850	(6)
Kenya	09	24	166.6
Lesotho	2 640	2 803	6.2
Malawi	2 962	2 868	(3.2)
Mozambique	8 166	12 600	54.3
Namibia	3 815	4 070	6.7
Eswatini	4 113	4 507	9.6
Tanzania	362	561	54.9
Zambia	9 288	8 779	(5.5)
Zimbabwe	13 468	11 856	(11.9)
Uganda	0	1	100
Cabotage	129	52	(59.70)
TOTAL	56 637	59 782	5.5

ii. Taxi Passenger Permit Statistics

Permits issued for taxi operations increased by 133.9% during the year under review, up from 5 160 to 12 069. Hereto follows a statistical overview of the taxi permits issued per country.

Table 8: Taxi Permit Stats Per Country

COUNTRY	2020/21	2021/22	% MOVEMENT
Botswana	16	153	856.2
Democratic Republic of Congo	01	03	200
Lesotho	146	509	248.6
Malawi	06	124	1 966.6
Mozambique	3 365	8 095	140.6
Namibia	06	94	1 466.7
Eswatini	22	126	472.7
Zambia	02	21	950
Zimbabwe	1 596	2 944	83.8
TOTAL	5 160	12 069	133.9

iii. Bus Passengers Permit Statistics

Permits issued for bus operations increased by 40.3% during the quarter under review, up from 620 to 870. Here follows a statistical overview of the bus permits issued per country.

Table 9: Bus Permit Stats Per Country

COUNTRY	2020/21	2021/22	% MOVEMENT
Botswana	07	11	57.1
Democratic Republic of Congo	0	02	100
Lesotho	02	36	1 700
Malawi	216	212	(1.85)
Mozambique	82	118	43.9
Namibia	21	08	(61.9)
Eswatini	07	02	(71.4)
Zambia	08	13	62.5
Zimbabwe	277	468	68.9
TOTAL	620	870	40.3

iv. Tourist Permits Statistics

Permits issued for tourist operations increased by 836.1% during the quarter under review, up from 47 to 440. Hereto follows a statistical overview of the tourist permits issued.

Table 10: Tourist Permit Statistics

COUNTRY	2020/21	2021/22	% MOVEMENT
Regional	47	432	819.1
Cabotage	0	8	100
TOTAL	47	440	836.2

The Beitbridge border into the Zimbabwe was only fully opened for passenger transport during February 2022 due to Covid-19 restrictions. This had a huge impact on the movement of taxi passenger transport on the route.

Licensing Services were part of engagements with various stakeholders as part of its service delivery. Some of the key engagements held with representatives of the operator stakeholder groups included discussions on issuing of temporary permits on the Zimbabwe route, application of taxi relief for the cross-border taxi operators and challenges relating to the operations to Beira in Mozambique. Amongst others, the unit also had engagements with Moghaka Local Municipality regarding

the formation of new cross-border taxi associations and with Lepelle-Nkumpi Municipality regarding the capacity of the ranking facility to accommodate new cross-border taxi associations. Various government stakeholders were also engaged on matters relating to the regulation of the cross-border road transport industry.

The unit also participated in the various bilateral meetings arranged with the member states, particularly Zimbabwe and Namibia.

3.1.4.2. Policy And Regulation

Policy and Regulation unit developed the Discussion Paper on the regulation of Taxi Associations, a document which was approved by the Regulatory Committee for implementation. Efforts were also exerted towards the review of the Market Access Regulation (MAR) Tool, which is a regulatory tool utilized by the Regulatory Committee to balance supply and demand of cross-border road transport passenger operations. The reviewed tool was approved during the financial year.

The unit worked on logistics and also participated in various engagements in preparation for the launch of the AEO/OCAS pilot project.



Law Enforcement

3.2 PROGRAMME 2 LAW ENFORCEMENT

The Law Enforcement function ensures that there is compliance with cross border road transport act, permit requirements, road transport and traffic legislations and maintaining records of operators. This function has been split into two, namely:

- **Road Transport Inspectorate** is mandated with the responsibility of ensuring that transporter of commuters and freight are in possession of valid cross-border permits and monitors drivers' compliance with the law and road safety regulations by carrying out vehicle inspections along border-corridor routes.
- **Profiling Services** is responsible for the gathering and generating intelligence for law enforcement purposes; profile operators based on operational conduct that is used for evidence-based decision making and developing law enforcement standards benchmarks.

This programme contributes towards the achievement of the following outcomes:

- Improved compliance to cross border road transport regulation; and
- Safe and reliable cross border road transport

3.2.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

3.2.1.1. Output Indicator 1.1: Developed and implemented Operator Compliance Accreditation System (OCAS)

The Agency successfully deployed the smart law enforcement vehicle at strategic areas, including at

key border posts. The smear law enforcement vehicle has been installed with an Automatic Number Plate Recognition System used to collect intelligence through road patrols and during participation in joint law enforcement operations. The collected intelligence is utilised to direct law enforcement deployments and such information is also handed over to the law enforcers during law enforcement operations for purposes of investigation and prosecution where necessary. The vehicle uses a Licence Plate Recognition System (LPRS) which interface to the Joint Information (JIS) to cross reference vehicle registration with various data bases (CBRTS, ENATIS & SAPS circulations).

For the year under review, the vehicle was deployed at eleven border posts that were targeted and other strategic points, namely Lebombo port of entry and Machado Toll Plaza, Maseru Bridge, Ficksburg Bridge and Caledonspoor, Golela, Mahamba and Pongola, Kopfontein, Skilpadshek and Ramatlabama, Mooi River, Marianhill and Delmas, Groblersbridge and Stockpoort, Oshoek, Jeppesreef and Mananga, Beitbridge. This initiative afforded the Agency visibility in Gauteng, Limpopo, Mpumalanga, KwaZulu Natal, North-West and Free State.

The impact assessment of the smart vehicle was conducted which concluded that the ANPR vehicle was effective in enabling road transport inspectors and other law enforcers to conduct targeted law enforcement, concentrating resources on non-compliant road users. The smart car was able to identify vehicles with permit violations, including those with no permits and those with expired permits. Suspected cloned

/stolen vehicles and those operated with expired /fraudulent disc licenses were detected, stopped, and handed over to relevant law enforcing authorities.

3.2.1.2. Output Indicator 2.2: Developed and implemented C-BRTA Road Safety Strategy

The Agency successfully implemented initiatives of the road safety strategy as per the pre-determined activities outlined in the APP. The strategy guides and informs the road safety programmes implemented by the Agency, focusing on improving road safety with respect to cross-border road transport. Cross-Border Road Safety Awareness Programme was launched in Lebombo border post. That was followed by Road Safety Training and Road Safety Education which focused on freight transport at the Maseru Bridge, Ficksburg, and Caledonspoor border post in Free State province. The implementation of the strategy also included the Agency leading and coordinating domestic joint law enforcement operations at N3 North South Corridor, N2 Pongola, KwaZulu Natal as well as the rolling-out of the driver fatigue management programme which was initially launched in Groblersbridge in an event attended by the MEC of Transport in Limpopo. The database of non-compliance operators was also established.

The Agency, in collaboration with SANRAL, also convened a Regional Seminar to assess various road safety programmes implemented by some of the entities in the region.

Table 11: Programme Performance Against Planned Target

PROGRAMME: LAW ENFORCEMENT									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
2.1	Improved compliance to cross border road transport regulation; and	Implemented smart Law enforcement vehicle	Efficient smart law enforcement	-	Target achieved Feasibility of prioritised Smart Law Enforcement technology report was completed and noted by EXCO	Implemented smart law enforcement tools	Target achieved Smart law enforcement tools were implemented across a total of eleven (11) borders and other strategic locations throughout the financial year. Furthermore, an impact assessment was conducted to assess the effectiveness of the tool.	None, target achieved	N/A
2.2	Safe and reliable cross border road transport	Implemented C-BRTA road safety strategy	Developed and implemented C-BRTA road safety strategy	-	Target Achieved The Cross Border Road Safety Strategy and the 2021/2022 Implementation Plan were developed and approved by the Executive Committee.	Implemented C-BRTA Road Safety Strategy	Target achieved Various road safety programmes were implemented during the financial year namely: i) Road safety awareness, training & education focusing on freight transport operators; ii) Joint Law Enforcement operations with various stakeholders in KZN, Northwest Province; N17 Groblersbridge, Oshoek Beitbridge and Lebombo; iii) Implementation of Driver Fatigue Management Programme; and iv) Conducted Regional Seminar	None, target achieved	N/A

3.2.2. LINKING PERFORMANCE WITH BUDGETS

The table below provides the expenditure incurred against the budget for the programme.

Table 12: Performance against Budget

PROGRAMME	2021/2022			2020/2021		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Law Enforcement	35,735	41,626	(5,890)	30,845	18,819	12,026
Total	35,735	41,626	(5,890)	30,845	18,819	12,026

3.2.3. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Agency has successfully implemented all the targets for this programme and therefore there are no areas of under achievement. Worth noting however, is that Profiling operations were mostly affected by poor network connectivity at some of the border posts where the smart vehicle was deployed. However, alternative solutions of establishing backup IT networks to curb such recurrences are being pursued.

3.2.4. OTHER PROGRAMME PRIORITIES

This section provides a highlight of other priorities that are of operational importance in fulfilling the law enforcement mandate.

The cross border law enforcement function is being performed by Road Transport Inspectorate at the RTMC through a principal/agent relationship. Thus, the Agency developed a tool to monitor the performance of this important function as it remains part of its mandate.

The tool provides performance information against the set targets. For the year under review, the Agency developed the law enforcement performance monitoring tool to report performance against targets. Various engagements were held with the RTMC to ensure intelligence- based deployment and proper reporting.

Furthermore, the Joint Law Enforcement were convened with all law enforcement authorities to ensure joint efforts toward enhancing compliance to the road traffic and transport prescripts. Joint law enforcement operations were conducted in Beitbridge border post, Lebombo border post and Johannesburg Inner City amongst other locations.





Facilitation

3.3 PROGRAMME 3 FACILITATION

The program collaborates and forms relations with both primary and secondary stakeholders within the industry to encourage the desired state of free-flowing transport along the corridors. It is through the functioning of this programme that the Agency can achieve the regional integration through a structured campaign that seeks to influence the African agenda for change.

The Agency conducts its operations through engagements and discussions with operators, government, corridor management authorities, SADC Member States, and international stakeholders to reduce operational constraints for the cross border road transport industry as a whole and improve the unimpeded flow by road of freight and passengers in the region.

This programme contributes towards the achievement of the following outcomes:

- Harmonised economic regulations;
- Increased participation by historically disadvantaged individuals; and
- Fair operating environment for cross border road transport operators.

3.3.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

3.3.1.1. Output Indicator 3.1: Percentage implementation of harmonised cross border road transport policies

As part of the Agency's efforts to contribute towards harmonisation of economic regulations, for the current

2021/2022 financial year, the Agency was set to implement 30% of SADC Protocol and other agreements on cross border related matters. Initiatives/activities are guided by an action plan which captures activities and defines certain milestones as determined by the C-BRTF, a forum that has been set to specifically monitor progress with respect to implantation of the protocol and related agreements.

For the year under review, a total of twenty-one (21) activities were outlined for implementation. The Agency successfully implemented a total of nine (9) activities resulting in an achievement of 42.86% for the year. Some of the key milestones are development of cross-border passenger framework, establishment of route management committees and joint road transport law enforcement.

3.3.1.2. Output Indicator 3.2: Percentage increase in the number of participating target groups in the freight and tourism cross border road transport industry

This output was identified to assist the Agency to drive transformation in the cross-border industry. The target for the year was 0.50% increase in participation of target groups in the cross-border freight operations. These groups are made up of 0.25% increase for women, 0.15% increase for youth and 0.1% increase for people living with disabilities.

The target for the year was not achieved. Although the Agency achieved an increase of 0.82% in the participation of previously disadvantaged in the cross-border industry, this could not be recorded as an achievement as the no increase was recorded for the participation of people living with disabilities. The Agency observed that there

is reluctance in operators expanding into cross-border operations and this could be attributed to the challenges inherent in the cross-border road transportation space. Further to that, the Agency encountered difficulty in getting the participation of differently abled people, which could be attributed to the fact that only 7.5% of the population lives with disabilities and that includes children and the elderly who cannot participate actively in economic activities.

3.3.1.3. Output Indicator 3.3: Developed and implemented cross border road transport charges mode

The Agency successfully developed a cross-border charges implementation strategy as planned for the year under review. The strategy amongst others outlines the implementation approach, collection sites and infrastructure requirements, resource requirements, risks and mitigation strategies. The implementation strategy was considered and approved by the Board. The strategy will be used to guide the implementation of cross border charges in South Africa with a view to ensure that a fair operating environment for cross border operators is ultimately realised.

Furthermore, this will create an environment characterised by fair competition amongst all cross-border operators. Over and above achieving the above results, implementation of cross-border charges will also have a positive impact on improving road safety and service quality owing to competition.

Table 13: Programme Performance Against Planned Targets

PROGRAMME: FACILITATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
3.1	Harmonised economic regulations	Harmonised cross border road transport policies	Percentage implementation of harmonised cross border road transport policies	-	Target Achieved Implemented 70% of the SADC Protocol and other agreements on cross-border related matters	Implemented 30% of the SADC Protocol and other agreements on cross border related matters	Target overachieved Implemented 42.86% (a total of 9 out of 21 activities planned for the year) of the C-BRTA linked activities of the SADC Protocol and other agreements.	There was no deviation from the planned target however an overachievement occurred	The over-achievement is as a result of constant follow up with Member states on planned activities, which was made possible by C-BRTA being a chairperson and secretariat of the CBRT-RF.



PROGRAMME: FACILITATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
3.2	Increased participation by historical disadvantaged individuals	Growing participation by target groups in the freight and tourism cross border road transport industry	Percentage increase in the number of participating target groups in the freight and tourism cross border road transport industry	-	Target not achieved Consultations were held with Regulatory and IT divisions in establishing the baseline. Developed a questionnaire and a survey tool that will be used to collect the required information from operators.	0,5% increase in the number of participating women, youth and people with disabilities in the freight cross border road transport industry	Target not achieved New entrants in the cross-border market increased by a total of 0.82% (2.73/334,73*100%). Although the target has been overachieved for the other target groups i.e. women and youth, the overall target remains unachieved.	There was no deviation from planned targets, however the target was not achieved	The reason for non-achievement is due to non-achievement of sub-target related to the attraction of disabled individuals.



PROGRAMME: FACILITATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
3.3	Fair operating environment for cross border road transport operators	Cross border charges Implementation Strategy	Developed and implemented cross border road transport charges mode	-	Target Achieved The cross-border road transport charges pricing model was approved by EXCO and submitted to National Treasury and DoT.	Developed Cross Border Charges Implementation Strategy	Target achieved The cross-border charges implementation strategy was developed and approved by Board during the last quarter of the financial year.	None, target achieved	N/A target achieved

3.3.2. LINKING PERFORMANCE WITH BUDGETS

The table below provides the expenditure incurred against the budget for the programme.

Table 13: Performance against Budgets

PROGRAMME	2021/2022			2020/2021		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Facilitation	19,426	19,508	(81)	14,035	14,687	(652)
Total	19,426	19,508	(81)	14,035	14,687	(652)

3.3.3. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Agency has successfully implemented all the targets for this programme and therefore there are no areas of under achievement.

3.3.4. OTHER PROGRAMME PRIORITIES

This section provides a highlight of other priorities that are of operational importance in the programme. Below is a summary of those priorities:

i. **Development and percentage implementation of the resolution of the RSA/Lesotho cross-border passenger impasse**

Activities in line with the annual programme for the resolution of the RSA/Lesotho impasse were implemented as planned during the year, bringing the two countries closer to resolving an impasse that has been on-going for over twenty years. Various models to enable cross-border operations in the route were considered and relevant stakeholders consulted on the preferred model. Once finalised and engaged with the Ministers of Transport from the two countries, the Bilateral Agreement will be concluded in line with the agreed model.

ii. **Stakeholders engaged in line with stakeholder management plan (SMP)**

The programme continued to engage various stakeholders in line with the stakeholder management plan. Operator stakeholders were engaged and different operators forá were convened to discuss challenges facing the operators and the proposed solutions. The government stakeholders were engaged through the National Consultative Forum as well as in bilateral discussion to discuss matters of common interest. Some of the Member States were also engaged through Joint Committees as prescribed in the Bilateral Agreements.

The Agency also convened a number of meetings of the Cross Border Road Transport – Regulators Forum to take stock of the progress on the implementation of the Forum action plan and to discuss other matters of interest.

A detailed report on the outcomes of the engagements was presented to the oversight structures.

iii. **Percentage of constraints addressed within 6 months**

The reported constraints affecting the cross-border operations were attended during the year mainly relating to constraints experienced outside the borders of South Africa. A total of 18 international constraints were reported and resolved during last quarter of the financial year.

iv. **Adoption of SA position on the third-party insurance by Government and private sector stakeholder**

The Agency continued to engage with various government stakeholders concerning the adoption of third-party insurance. A task team was established, constituted by various government departments. The Agency spearheaded the development of the discussion document on third-party insurance for presentation to the Executive Committee and the Department of Transport.

v. **Implemented International Relations Strategy**

The Agency had developed an International Relations Strategy outlining key international engagements to be undertaken during the year. Seven (7) out of the eleven (11) planned engagements were undertaken during the financial year under review.

vi. **Implementation of Industry Development Strategy (IDS)**

The Agency continued with the implementation of the various intervention as outlined in the IDS annual implementation plan with 89% of the intervention implemented.



Research and Advisory

3.4 PROGRAMME 4 RESEARCH AND ADVISORY

The Agency conducts in-depth research in relevant areas with the aim of providing scientifically driven solutions to the Ministry of Transport and key industry stakeholders with relevant information on cross border road transport matters. The information is disseminated with a view to inform relevant policies, strategies and decision-making towards resolving challenges in the cross-border road transport industry, enhancing the unimpeded flow of cross-border road transport movements, regional trade, regional integration, the development of the industry and providing information towards the overall development of the sector. The Agency also conducts strategic projects to enable the organisation to achieve its desired impact.

This programme contributes towards the following achievement of the outcome below:

- Functional and reliable cross border road transport trade facilitation information.



3.4.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

3.4.1.1. Output Indicator 4.1: Developed and implemented cross border road transport trade facilitation platform

The Agency is committed to continually research and make available reliable information that is most needed for cross border transport trade facilitation. In line with that, the Agency was set to develop a cross-border road transport and trade facilitation information platform, that will be used to disseminate information aimed at enhancing cross-border road transport movements and trade facilitation by road. The platform will capacitate the Agency to render effective advisory and advocacy to the industry and bring many benefits to stakeholders in the cross-border value chain including consignees and consignors, cross-border road transport operators, institutions involved in trade facilitation and government departments involved in trade facilitation, economic development and cross-border road transport.

The Agency achieved its annual target upon successful development of the information platform. The platform was tested, piloted and implemented. The research reports which were completed in prior financial years together with other research reports that were reviewed and approved by the Executive Committee in 2021-22 were also uploaded on the information platform.



Table 15: Programme Performance against Planned Target

PROGRAMME: RESEARCH & ADVISORY									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
4.1	Functional and reliable cross border road transport trade facilitation information	Functional Cross border road transport and trade facilitation information platform	Developed and implemented cross border road transport trade facilitation platform	-	Target not Achieved The bid process for the appointment of a service provider to assist the Agency with the development of the platform was finalised and the report presented to the Bid Adjudication Committee for consideration and further processing.	Updated cross border road transport and trade facilitation information platform	Target achieved The information platform was developed and piloted during the last quarter of the year as a recovery of prior quarters. The platform was then updated with previously approved research reports for the users.	None, target achieved as planned	N/A target achieved

3.4.2. LINKING PERFORMANCE WITH BUDGETS

The table below provides the expenditure incurred against the budget for the programme.

Table 16: Performance against Budgets

PROGRAMME	2021/2022			2020/2021		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Research & Advisory	29,289	24,134	5,154	31,189	26,549	4,640
Total	29,289	24,134	5,154	31,189	26,549	4,640

3.4.3. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Agency has successfully implemented the target planned for this programme and therefore there are no areas of under achievement.

3.4.4. OTHER PROGRAMME PRIORITIES

This section provides a highlight of other priorities that are of operational importance in fulfilling the advisory mandate. Below are some of the highlights of such activities:

i. Joint OCAS and Authorised Economic Operator Pilot Project

The Agency identified an opportunity for a joint pilot of OCAS and the Authorised Economic Operator Programme led by SARS. The aim of the joint pilot is to demonstrate and determine the impact of the two programmes on implementation of both C-BRTA and SARS's respective mandates. It is expected that the pilot will achieve higher levels of cross-border road transport movement facilitation, trade facilitation and reduction of delays and transit times in corridors and at border posts. Furthermore, this will inculcate voluntary compliance behaviour for both transport operators and traders which in turn would lead to improved compliance to cross-border road transport regulation. Improved compliance would ultimately lead to establishment of a safe and reliable cross-border road transport system which is able to effectively facilitate legitimate cross-border trade.

Several activities took place during the year under review. This includes among other things, technical design and development of the pilot framework, stakeholder consultations, virtual engagements and registration of transport operators who intend to participate in the pilot project, profiling and risk assessment of clients and auditing of the operators in line with the Standard Operating Procedures for the pilot.

ii. Annual State of Cross-Border Operations Report

The Annual State of Cross-Border Road Transport Report (ASCBOR) provides advice and consolidated information to the Minister of Transport, the Department of Transport and other key stakeholders in the trade and transport value chains. The report for the current financial year focused on the state of cross-border operations and bottlenecks affecting cross-border road transport and trade in SADC region, developments in the cross-border environment, impact of Covid-19 on the sector, trade volumes, the cost of doing business and other corridor performance related matters. The report will also provide interventions aimed at addressing bottlenecks, enhancing cross-border road transport system performance and regional trade flow by road. The findings and recommendations will be shared with stakeholders in the cross-border value chain. It is expected that implementation of the recommendations will address policy, regulatory and operational bottlenecks negatively affecting the performance of the cross-border road transport system, yield a safe and reliable cross-border road transport system, improve regional trade and regional integration.

iii. Country Profile Report for Mozambique

The aim of the country profile report is to provide an up-to-date consolidated report for the dissemination of information which is useful to key stakeholders in the cross-border environment, particularly cross-border road transport operators, regulatory authorities, and trading parties. The objective is to provide information which can be used to improve business opportunities, operational efficiency, productivity, and sustainability. The successfully developed the updated country profile report for Mozambique as planned for the year.

The findings particularly on opportunities in the cross-border transport and trade sectors in Mozambique will be shared with current, new and aspirant cross-border road transport operators, investors and the business community with special focus on previously disadvantaged individuals (PDIs). It is expected that this will increase the update of opportunities in the cross-border environment especially for the PDIs.

iv. Cross-Border Flow Calculator: Comparative Economic Impact Assessment

The Agency developed a Cross-Border Flow Calculator in the 2017/18 financial year to determine transit times in cross-border corridors and at the border posts. Since then, the Calculator was piloted at selected major border posts in 2018/19 financial year. The model was also piloted on the TKC corridor segment in South Africa in 2019/20 financial year. The main aim of the project in the 2021/22 financial year is to conduct comparative economic impact assessment of

delays and long transit times for TKC and the Maputo Development corridor using data that was obtained from the pilot studies conducted in the previous years. The findings and recommendations will be shared with public sector stakeholders responsible for policy making (DoT, DTI), infrastructure development (DPW, SANRAL), law enforcement, (RTMC, Provincial Road Traffic) border operations (BMA, SARS, DHI) and corridor operations (TKCS, transport associations, transport operators). It is expected that implementation of the recommendations outlined in the report will address bottlenecks which result in delays and long transit times, and high cost of doing business on the corridors. This is expected to yield a safe and reliable cross-border road transport system, improve regional trade and regional integration.

v. Assessment of Corridor Performance Indicators

The Agency conducted baseline corridor performance assessment on the TKC corridor in 2019/20 financial year using predetermined Corridor Performance Indicators (CPIs). It is envisaged that by monitoring corridor performance, the Agency will be able to identify bottlenecks and challenges that impeded seamless cross-border movements and recommend interventions to stakeholders for implementation. For the year under review, the Agency achieved its target of assessing movement of the CPIs to track the performance of the TKC corridor. Tracking of the CPIs will lead to targeted response to specific bottlenecks affecting cross-border operations and in turn, this will result in improved turnaround times regarding

resolution of corridor bottlenecks and operational constraints affecting cross-border transport and trade.

vi. Assessment of Trade Volumes between South Africa and neighbouring countries

The Agency conducts research to assess cross-border road transport trade volumes between South Africa and neighbouring countries. The conducted a comparative assessment of trade volumes conveyed by road transport passing through respective border posts over a period of three years resulting in achievement of the target that was set for the year. The report articulates the important role and contribution of the road transport sector to South Africa and SADC region's economy. The findings will be used for targeted engagements with key stakeholders regarding interventions required to improve the reliability of the cross-border road transport system and trade flow between South Africa and neighbouring countries.

vii. Linking Africa Plan: Number of C-BRTA led LAP Initiatives Implemented

In this financial year, the target for the Agency was to implement the EXCO approved C-BRTA LAP Annual Work Plan for 2021/22, derived from the approved Linking Africa Plan. The Work Plan articulates C-BRTA led initiatives which must be implemented towards addressing challenges facing cross-border road transport, improving safety, enhancing road transport system efficiency, and enhancing trade flow in the SADC region, the COMESA-EAC-SADC tripartite an Africa at large.

viii. Assessment of the Cost of Doing Cross-Border Business for Cross-Border Operators

The Agency conducts research to estimate the cost of doing cross-border for road transport business. This is conducted with a view to understand the true cost of doing business in various corridors connecting South Africa to the region. The results of this research study will be shared with relevant public and private sector stakeholders with a view to prioritise interventions required to improve safety and reliability of cross-border operations and in turn reduce the cost of doing business.

ix. Hosted 2 virtual Cross-Border Seminars or Conferences

For the year under review, the Agency planned to host two virtual conferences/seminars in the 2021/22 financial year to present key findings of completed research and to inform relevant stakeholders of on-going initiatives (internal and external) that will improve the seamless movement of cross-border operations along key corridors in the region once implemented. This was achieved upon hosting a private sector-focused webinar and a public sector-focused webinar during the financial year. An action Plan which outlines recommended interventions required to address challenges affecting the cross-border sector was developed. It is expected that implementation of the interventions will improve compliance, and the safety, quality and reliability of the cross-border road transport and trade system.

x. Developed report on Impact of Covid-19 on Cross-Border Passenger Transport Operations with recommendations

The Agency conducted an assessment of the impact of Covid-19 Pandemic on Cross-Border Passenger Transport Operations. The results of this research study will be shared with relevant public sector stakeholders in the SADC region with a view to lobby implementation of interventions required to alleviate the impact of Covid-19 on cross-border operators and result in safe cross-border road transport operations. The Agency will also pursue interventions required to ensure safe cross-border operations.

xi. Developed Cross-border road transport accidents statistics analysis report

The Agency conducted an assessment of accident statistics involving commercial vehicles; particularly cross-border vehicles in the country. The Agency also targets to come up with recommendations to improve road safety in the country and the SADC region. The results of this research study will be shared with

relevant stakeholders in the SADC region with a view to lobby implementation of interventions required to improve road safety. This is expected to result in a safe and reliable cross-border road transport system.

xii. Publish relevant papers or Present at relevant conferences/ summits/ workshops

The Agency is tasked to publish articles and papers and present, and participate in conferences, seminars, and workshops with a view to share information and enhance the visibility of the Agency. During the year under review, the Agency compiled four papers and submitted for publication. Further to that, the Agency conducted presentations at various conferences and workshops based on research findings from the ASCBOR, Country Profile report, CBFC report, CPI report, Trade Volumes report and the Covid-19 report. The Agency hosted a public sector-focused webinar in October 2021 and a private sector-focused webinar in March 2022, based on: Cross-Easy, OCAS and the Smart law enforcement initiative. The annual target was achieved.





Administration

3.5 PROGRAMME 5 ADMINISTRATION

This programme exists to ensure effective leadership and administrative support to the C-BRTA on the delivery of its set objectives. It has five (5) line functions as outlined below:

- **Information and Communication Technology (ICT)** provides information and communication technology support to the Agency while ensuring compliance with statutory requirements and best practice models.
- **Corporate Services** provides professional advice and support that includes human resources, legal services and facilities management to enable and enhance business delivery.
- **Finance and SCM** provides financial and supply chain management services to the Agency while ensuring compliance with statutory and best practice models.
- **Office of Chief Operations Officer** oversee the day-to-day administrative and operational functions of the business including strategic planning, business performance and monitoring, performance reporting as well as integrity management services.
- **Office of the Chief Executive Officer** provide direction, leadership and strategic support to the Agency and also oversee implementation of sound corporate governance practices, provisioning of enterprise risk management and internal audit.

This programme contributes to the following outcomes:

- Viable cross border road transport economic regulator; and
- Improved governance and strengthened control environment

3.5.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

3.5.1.1. Output Indicator 5.1: Implemented strategy on commercialised information

The Agency identified the establishment of a cross-border training academy as one of the revenue streams to fund its operations. To that effect, the framework of the training curriculum was developed and approved by the Executive Committee. The target for the financial year was not achieved as the efforts of appointing a service provider to assist with the development of the training curriculum did not yield positive results. The Agency also obtained an external opinion that created legal uncertainty with respect to the establishment of the academy. A decision was taken to consider alternative approaches to the provision of cross-border training. Management is considering partnering with other training institutions to roll-out training programmes.

3.5.1.2. Output Indicator 5.2: Implemented cross border management system

Viable institutions have effective and efficient information technology management systems in place. The output for the implementation of an effective permit issuance system was identified as the key system to enhance the

value offering of the C-BRTA. For the year under review, the Agency's target was to integrate the Integrated Cross-Border Management System (iCBMS) with external or third-party systems.

The Agency launched the iCBMS (also referred to as Cross-Easy) and further integrated the system with the following third-party systems:

- Sage Evolution (for financial transactions).
- eNATIS (for vehicle verification services).
- Payment Gateway (for online permit payment services).

3.5.1.3. Output Indicator 5.3: Implemented culture enhancements initiatives


Organizational culture enhancement initiatives are at the centre for overall life cycle of an employee through employee engagement, performance, retention and achievement of the Agency's objectives. The Agency set an annual target to implement a culture enhancement plan in response to the gaps that were identified during the previous employee satisfaction survey. It is envisaged that the initiatives undertaken through the implementation of the plan would turn the culture of the Agency around.

The Agency could not achieve the set target that included initiating mentorship, coaching and leadership programs, implementation of talent management programs and change management programs. These could not be implemented as planned due to delays in the culture definition project that was dependant on appointment of service provider. The Agency however raised awareness

on organisational values through a virtual communication platform. With regard to the culture definition project, a service provider was appointed during the fourth quarter of the financial year and some processes were already underway as the year ended.

3.5.1.4. Output Indicator 5.4: Developed and implemented Integrated Communication Strategy

The Agency developed an Integrated Communication Strategy in 2020/21 financial year which identified different innovative outreach channels that can be utilized to support the strategic vision, mission and initiatives of the Agency. The implementation of this strategy assists in creating an awareness of the Agency's brand. For the year under review, the initiatives undertaken includes awareness raising through Media Broadcast on PowerFM and Print Media through Sowetan and The Star Newspaper. This included a live interview with the Acting Chief Executive Office on PowerFM. The Agency also conducted webinars and created of a video on permit application processes. Further to that, media campaigns on Cross-Easy were also conducted and published on the Mahikeng Mail.



Cross-Easy, an accurate, convenient and secure way to apply and track your cross-border permits online.
Available 24/7/365

You can now pay for your Permits Online on the Cross•Easy System in 5 Easy Steps

- 1 Log into CrossEasy and go to "My Accounts – View Accounts", and select the account you want to deposit money into.
- 2 On the selected account, select the "Fund Account" option from the drop-down list.
- 3 On the CrossEasy payment screen, enter the amount to be paid, and click "Complete Payment".
- 4 From the PayGate portal, complete the required payment information and click "Next". The system will then ask you to authenticate the payment.
- 5 Once completed successfully, the system will display a confirmation message, a confirmation email will be sent, and your account will be credited with the funds.

You can then proceed to have your permits processed and printed. There is no need to queue at the cashiers!

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Click & Connect with the C-BRTA from the comfort your office!



Cross•Easy
an accurate, convenient and secure way to apply and track your cross-border permits online.
Available 24/7/365



Cross-Easy is a newly developed and easily accessible innovative online system developed by the Cross-Border Road Transport Agency (C-BRTA), which allows cross-border road transport operators the convenience of applying for permits anytime and anywhere. The C-BRTA supports the South African economy by facilitating the seamless cross-border movement of goods and commuters. Through the reduction of operational constraints, regulating market access and issuing of permits, the C-BRTA plays a vital role in the socio-economic development of South Africa and the Southern African Development Community.

The C-BRTA embarked on an innovative digital approach to improve its service delivery to cross-border road transport operators through a technological makeover, which brings about a digitised cross-border road transport operator experience through an online new permit application system. This online permit application system eases the process of doing business with the C-BRTA through the provision of a digitised solution to cross-border road transport operators. The system offers the following benefits, amongst others:

- Supporting documents can be uploaded online
- Payments can be made securely online through a secure payment portal
- Allows for the tracking of applications online
- Short messaging service (SMS) notification or email notification once a permit is ready for collection from the C-BRTA office
- Monitor status of permit applications
- Available customer assistance through the C-BRTA Help Desk
- Permits can be collected from the C-BRTA office or operators can have it delivered via registered mail or courier service

CROSS-EASY BENEFITS

- Allows for the submission of applications online on any web-enabled smart device such as tablet, computer or cell phone
- Can be accessed anytime and from anywhere

ENQUIRIES
Customercare@cbirta.co.za

For more information visit www.cbirta.co.za

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3.5.1.5. Output Indicator 5.5: Implemented Covid-19 response plan initiatives

The Agency continued to implement the Covid-19 Response Plan that was developed during 2020/21 in response to the legislative requirement from the Department of Labour and Employment and the Department of Health. There is a Covid-19 Compliance Officer who monitors compliance with the Covid-19 Response Plan and the approved guidelines. Some of the activities that are conducted in line with the plan include the daily completion of the register for staff, operators and visitors as well as raising awareness on social distancing, promotion of personal hygiene and cleaning of all surfaces and offices. The Agency achieved the annual target of implementing the Covid-19 Response Plan.

3.5.1.6. Output Indicator 5.6: Percentage responses to Parliament questions within stipulated timelines

In line with the Agency's drive to improve governance, the Agency is responsive to the Parliamentary questions that are received. The Agency coordinates the responses to the Parliamentary Questions and ensure that all questions received are appropriately responded to and within the specified timelines. A register for all questions is kept and updated as and when questions are received. All replies are published in the Parliamentary website as public information. For the year under review, the Agency achieved its annual target of 100% response.

3.5.1.7. Output Indicator 5.7: Percentage resolution of reported incidents of corruption

The target in the APP is 95% resolution of reported incidents of corruption with the admissible evidence being a progress report noted by the Executive Committee. All

reported incidents which come through various reporting platforms (hotline, email, walk-in, etc) are considered in calculating the percentage resolution of reported incidents. A total of twelve (12) incidents were reported during the year, and eleven (11) were investigated and closed, translating into a 91.7% resolution rate. The one incident that remained outstanding as at the end of the financial year was only reported on the 22 March 2022 which did not provide adequate time to investigate and close the matter.

3.5.1.8. Output Indicator 5.8: Established and operationalised ethics committees

This output was planned with a view of improving governance and strengthening control environment. The target for the year under review was to operationalise the Social and Ethics Committee (SEC) which was achieved. The achievement is marked by several activities that were undertaken including the establishment of Committee. The Committee convened its first meeting in August 2021. The Committee was inducted on its roles and responsibilities outlined in its Terms of Reference and received ethics training. The training on ethics was also provided to the Board, Executive Committee and the Management Committee as well as other staff members. Furthermore, an Ethics Forum was established, and the forum members were also trained on ethics strategy. The ethics strategy was drafted for consideration by the oversight structures. The signing of the Ethics Pledge by the Chairperson of the Board marked the commitment of the Agency to continue to improve on work ethics.

3.5.1.9. Output Indicator 5.9: Percentage implementation of action plans to address audit findings

The Agency continued to pursue all best practices for continued improvement with regard to responding to audit findings. In pursuance of achieving strong internal control, the Agency monitors implementation of both internal and external audit findings. For the year under review, the Agency recorded non-achievement in view of the quarterly target of 100% implementation of findings. The Agency had an accumulated 344 audit findings (both external and internal audit findings) being attended to during the year of which 322 findings were resolved, constituting 94% resolution for the year.

3.5.1.10. Output Indicator 5.10: Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)

This output was identified as one that would enhance governance and strengthen the environment. The Agency's annual financial statements and the annual performance report were audited with an audit outcome of an unqualified audit report with no significant findings for the 6th consecutive year.

3.5.1.11. Output Indicator 5.11: Percentage compliance to 30-day payment requirement

For the year under review, the Agency was set to ensure that it achieves 100% compliance with respect to payment of valid invoices within 30 days. The Agency developed an email-based system whereby it uses one email address for invoices and therefore able to track the progress of invoices with ease. The target of making payments within a 30-day period was achieved for all valid invoices that were received.

Table 17: Programme Performance against Planned Targets

PROGRAMME: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
5.1	Viable cross border road transport economic regulator	Prioritised training curriculum	Implemented strategy on commercialised information	Target not achieved Piloted strategy on commercialised information	Target not achieved The bid specifications for the appointment of the service provider were approved for advertisement.	Developed and submitted prioritised cross-border training curriculum for accreditation	Target not achieved Scoping report for cross border qualification curriculum was approved by EXCO during the financial year. However, the project could not continue as proposals received from service providers were either above the budgeted amounts or could not meet the specifications. The legal opinion from State Law Advisors had indicated that the Agency had no legal basis to establish a Training Academy.	There was no deviation from planned targets, however the target was not achieved	Target could not be achieved as the Agency was unable to attract a service provider to assist with the development of the curriculum. The procurement process did not yield positive results.

PROGRAMME: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
5.2	Viable cross border road transport economic regulator	Effective permit issuance system	Implemented cross border management system	Target not achieved Approved Enterprise Architecture, Roadmap & Business Case	Target not achieved After the termination of the initial contract, a new service provider was appointed through an RFQ process to finish Phase 1 and go-live with the iCBMS. Other processes are being followed to bring additional resources on board	Integrated the new iCBMS with external or third-party systems	Target over-achieved iCBMS was successfully launched during the financial year and integrated with three (3) other external systems i.e. Sage Evolution (for financial transactions), eNATIS (for vehicle verification services) and the Payment Gateway (for online permit payment services).	None, target achieved	Th integration of some external third-party systems ran parallel with the iCBMS development, leading to over-achievement of the target.

PROGRAMME: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
5.3	Viable cross border road transport economic regulator	Implemented culture change initiatives	Implemented culture enhancements initiatives	Target achieved Revised organisational practice and culture	Target not Achieved The Agency continued to roll out leaning and development programmes with a total of 100 staff trained from the year. Culture enhancement initiatives were implemented as per approved plan	Implemented prioritised culture enhancement initiatives as per 2021/22 Implementation Plan	Target not achieved The initiative that the Agency was able to roll out is the C-BRTAs Values campaigns that mainly used internal communications platform on outlook. With regard to the culture definition project, the service provider was appointed and the project is underway.	There was no deviation from planned targets, however the target was not achieved	The target could not be achieved due to delays in the culture definition project.
5.4	Viable cross border road transport economic regulator	Implemented Integrated Communication Strategy	Developed and implemented Integrated Communication Strategy	-	Target Achieved Digital platform was used to implement initiatives planned for Q4 after approval of the Strategy	Implemented Integrated Communication Strategy	Target achieved All planned initiatives of the integrated communication strategy were implemented as planned	None, target achieved as planned	N/A target achieved

PROGRAMME: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
5.5		Covid-19 Regulations Compliant	Implemented Covid-19 response p	-	Target achieved Implementa- tion of the response plan was monitored through various communication and awareness programs to staff at the different alert levels. PPE was also provided to staff coming to the office.	Implemented Covid-19 re- sponse plan	Target achieved The Covid-19 response plan was implemented successfully during the year.	None, target achieved as planned	N/A target achieved
5.6	Improved governance and strengthened control environment	Adequacy of responses to Parliamentary questions	Percentage responses to Parliamentary questions within stipulated time-lines	N/A New Indica- tor	N/A New Indica- tor	100% responses to Parliamentary questions	Target achieved All parliamentary ques- tions received by the Agency were attended to timeously	None, target achieved as planned	N/A target achieved

PROGRAMME: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
5.7	Improved governance and strengthened control environment	Resolution of reported incidents of corruption	Percentage resolution of reported incidents of corruption	N/A New Indicator	N/A New Indicator	95% resolution of reported incidents of corruption	Target not achieved A total of twelve (12) incidents were reported during the year and only eleven (11) of them were resolved, resulting to a 91.67% resolution of incidents reported.	There was no deviation on the planned target, however target was not achieved	The target could not be achieved as one incident was reported on the 22 March 2022 and could not be resolved by the end of the financial year.
5.8	Improved governance and strengthened control environment	Functionality of ethics structures and adequate capacity	Ethics committees established and operationalised	N/A New Indicator	N/A New Indicator	Ethics Committees operationalised	Target achieved The Social and Ethics Committee was established, inducted and trained during the financial year. Ethics training was also provided to various internal structures. The activities of the Committee were monitored.	None, target achieved as planned	N/A target achieved

PROGRAMME: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2019/2020	AUDITED ACTUAL PERFORMANCE 2020/2021	PLANNED ANNUAL TARGET 2021/2022	**ACTUAL ACHIEVEMENT 2021/2022	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2021/2022	REASONS FOR DEVIATIONS
5.9	Improved governance and strengthened control environment	Implementation of action plan to address audit findings	Percentage implementation of action plans to address audit findings	N/A New Indicator	N/A New Indicator	100% implementation of action plans to address audit findings	Target not achieved The Agency has managed to resolve 94% (322/344*100) of the audit findings during the financial year.	There was no deviation on the planned target, however target was not achieved	Target not achieved due the other twenty-two (22) could not be resolved as they had external dependencies and required deadlines to be extended.
5.10	Improved governance and strengthened control environment	Maintenance of unqualified audit outcomes	Regulatory Audit Outcome by the Auditor General of South Africa (AGSA)	N/A New Indicator	N/A New Indicator	Unqualified Audit Report with no significant findings	Target achieved The Agency received a clean audit in its 2020/21 financial year.	None, target achieved as planned	N/A target achieved
5.11	Improved governance and strengthened control environment	Compliance to 30-day payment requirement	Percentage compliance to 30-day payment requirement	N/A New Indicator	N/A New Indicator	100% compliance	Target achieved All valid invoices received were paid with the prescribed timelines.	None, target achieved as planned	N/A target achieved

3.5.2. LINKING PERFORMANCE WITH BUDGETS

The table below provides the expenditure incurred against the budget for the programme.

Table 18: Performance against Budgets

PROGRAMME	2021/2022			2020/2021		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	149,851	125,838	24,013	115,125	118,518	(3,393)
Total	149,851	125,838	24,013	115,125	118,518	(3,393)

3.5.3. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

With regard to the cross-border training curriculum, the Agency is pursuing partnerships with other training institutions to ensure successful implementation of the cross-border training programme. Measures and recovery plans are also put in place to ensure recovery of the under-achieved targets.

3.5.4. OTHER PROGRAMME PRIORITIES

This section provides a highlight of other organisational priorities that are of operational importance in fulfilling the regulatory mandate. Below is a few of such significant activities:

i. Optimised Information Technology Infrastructure

The Agency implemented the optimised information technology infrastructure plan. Some of the

achievements was the development of electronic forms and workflow automation solution. The workflow automation for the SCM Request Management Solution and the SCM Contract Management Solution have both been completed. The SCM Request Management Solution will allow for the submission of RFQ procurement requests to be submitted online using SharePoint forms, automated workflow, and digital approval processes.

ii. Payment Gateway System

The payment gateway platform, to be used for the online payment of permits, has been integrated with iCBMS (Cross-Easy). Design and implementation of the payment gateway services integration with Cross-Easy was completed and the payment services was activated with Cross-Easy on the 25th of March 2022.

iii. IT Governance

IT Governance forms a critical component of the management of IT and ensures effective and efficient use of IT to achieve the Agency's goals. The ICT Steering Committee continues to play an oversight role in critical IT decision making, monitoring IT performance, and ensure on-going alignment of the IT strategy with the business strategy. The IT Steering committee meets quarterly in line with the approved charter and provides strategic direction to the IT Division.

iv. Implementation of Security and ISMS Roadmaps

- ISMS Roadmap

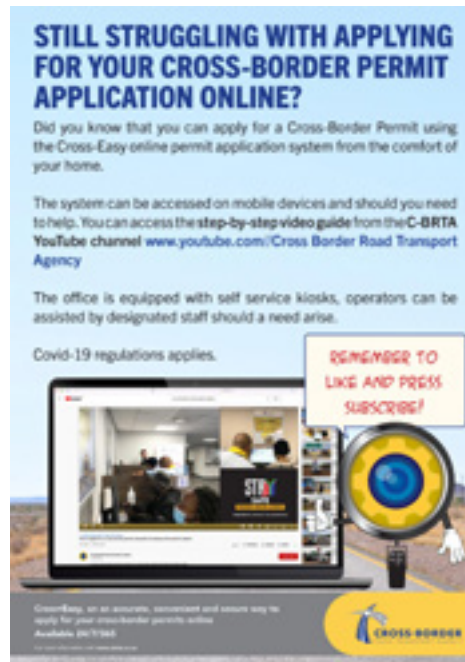
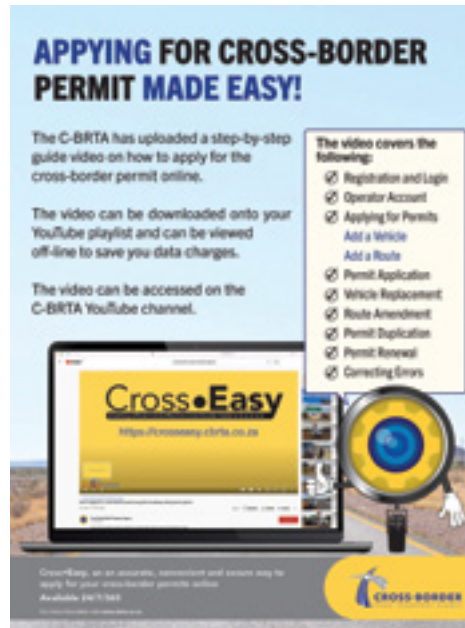
The Information Security Management System (ISMS) plan for the year 2021/22 has been developed and approved, with the key focus on user access management, security of information, and POPIA compliance. The plan had a total of 18 deliverables to be deployed throughout the financial year, of which all the 18 ISMS activities were on track or have been completed.

- IT Security Strategy

The IT Division is required to provide progress regarding the implementation of the initiatives as per the approved IT Security Strategy. The plan for the 2021/22 financial year had a total of thirteen initiatives to be deployed throughout the financial year. Three of the activities are on hold due to resources and/or budget unavailability and are planned to be implemented in the 2022/23 financial year. To date, 76% (10 out of 13) of the IT security initiatives have been completed or are ongoing, and one activity is on track.

(v) Implementation of governance, risk and compliance (GRC) processes

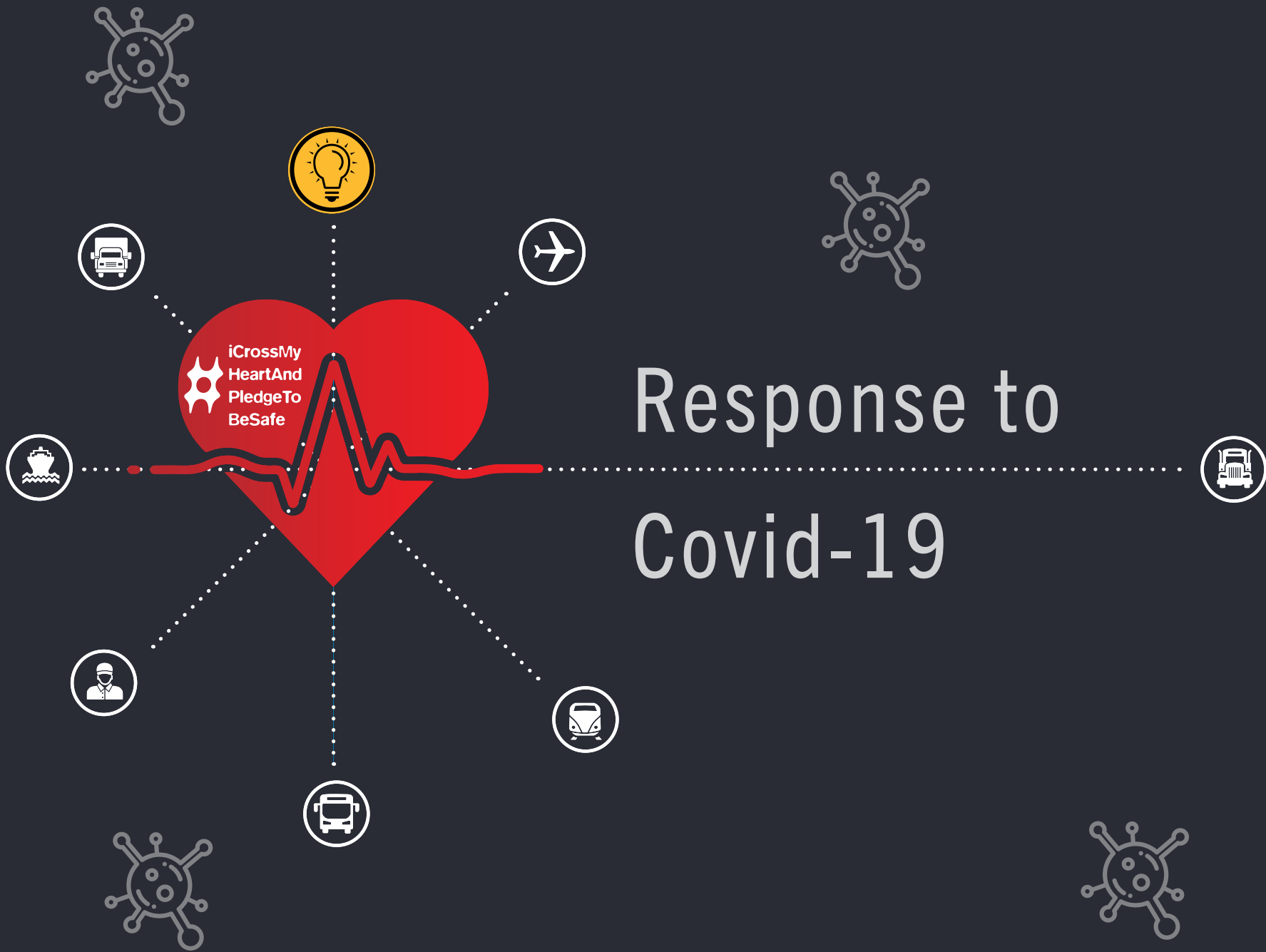
Compliance report highlighting key compliance risks facing the Agency, mitigation controls and recommendations is prepared on a quarterly basis for consideration by the oversight structures. The Agency was able to ensure compliance with the POPIA during the financial year.



(vi) Organisational Re-alignment (Redesign)

The service provider to assist with the development of the organization redesign was appointed and engagements with various internal stakeholders undertaken. The project steering committee was appointed, and project plan and the charter were approved, which enabled the service provider to conduct the review of critical document such as the current structure, approved five years strategy, APP and job profiles and had interviews with executives and senior management to develop the As-Is report. The committee also considered the AS-IS report, which paves a way for the benchmarking exercise with best practise and other entities or agencies with relatively similar mandates and size.





Response to Covid-19

4. Reporting on the Institutional Response to the Covid-19 Pandemic

The Agency implemented internal interventions in response to the Covid-19 pandemic. This table below reflects budget that was allocated to Covid-19 interventions and highlight expenditure thereof.

Table 19: Performance of Covid-19 interventions

PROGRAMME/ SUB PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (PROVINCE/ DISTRICT/ LOCAL MUNICIPALITY) (WHERE POSSIBLE)	NO. OF BENEFICIARIES (WHERE POSSIBLE)	DISAGGREGATION OF BENEFICIARIES (WHERE POSSIBLE)	TOTAL BUDGET ALLOCATION PER INTERVENTION (R'000)	BUDGET SPENT PER INTERVENTION (R'000)	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
Administration Programme	Implementation of the Agency's Covid-19 Response Plan which includes raising awareness on social distancing and promotion of personal hygiene, provision of survival packs, body temperature reading (employees, clients and visitors) as well as environmental cleaning.	C-BRTA Offices in Pretoria	All staff members, clients and other visiting to the C-BRTA offices.	No applicable	750	73	Implementation of the Response Plan enabled the Agency to achieve the APP output relating to compliance with Covid-19 Regulations.	Ensured compliance with various Government Health Protocols aimed at reducing the risk of contracting Covid-19.

5. Revenue Collection

Since the year 2020/2021 financial year the country and the world at large experienced a Covid-19 pandemic which has resulted in the President of the Republic declaring the national lockdown in response to the pandemic. The lockdown has resulted in the C-BRTA not being able to operate in full capacity during the previous and current financial year. As the lockdown continued, albeit at a reduced scale, the business of the C-BRTA, which is primarily funded from the permit fee tariffs charged to cross-border transport operators, had been adversely affected. However, the Agency has since seen improvement in revenue collections throughout the remainder of the financial year despite some restrictions still in place. Consequently, the actual permit revenue was below budget due to lower permits issued than anticipated. Fines issued by Road Transport Inspectorate have exceeded the budget due to more inspectorate operations conducted than previously anticipated while interest was received from excess cash invested in short term financial instruments.

Long-term sustainability remains critical to the Agency given its limited revenue streams. With the permit tariffs increasing by a mere CPI (3.3%) from 01 April 2021, future expenditure commitments will be made taking this financial limitation into account. This will result in further cost containment measures being implemented as well as adoption of technology to limit expenditure to affordable levels. This is also so as the full impact of the Covid-19 on cross border operations remain unknown.

Table 20: Revenue Collection

SOURCES OF REVENUE	2021/2022			2020/2021		
	ESTIMATE	ACTUAL AMOUNT COLLECTED	OVER/(UNDER) COLLECTION	ESTIMATE	ACTUAL AMOUNT COLLECTED	OVER/(UNDER) COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Permit fees	218,447	213,508	(4,939)	181,460	187,126	5,666
Fines	35,735	44,038	8,303	30,845	16,870	13,975
Other Income	726	1,891	1,164	708	105	(603)
Interest received	4,411	5,868	1,457	4,000	4,289	289
Government grants	-	419	419	0	38,500	38,500
Total	259,319	265,821	6,502	217,013	246,890	29,877

6. Capital Investment

The Agency did not have major infrastructure development plans, other than the development of the permit issue management system to replace the old system. While phase 1 of the project was completed, phase 2 project was delayed due to the delays in finalising phase 1 of the project, leading to spending less than budgeted for. Furthermore, the development of OCAS system was also delayed for the same reasons. The project to develop and implement vehicle development plans was cancelled as the tender process received far exceeded the available budgets

Table 21: Capital Investments

INFRASTRUCTURE PROJECTS	2021/2022			2020/2021		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Integrated Cross Border Management System	15,220	3,244	11,976	8,100	2,035	6,065
OCAS	12,000	-	12,000	-	-	-
Information Platform	2,500	2,523	(23)	-	-	-
Business Automation	480	236	244	-	-	-
Vehicle Registration System (VRS) Pilot	3,000	-	3,000	-	-	-
Office Furniture, equipment and leaseholds	1,000	514	486	-	2,785	(2,785)
Computer Equipment	5,120	3,095	2,025	2,000	1,879	121
Motor Vehicle	800	-	800	-	-	-
Total	40,120	9,612	30,508	10,100	6,699	3,401



Part C: Governance





1. Introduction

The C-BRTA Board is established through the Cross-Border Road Transport Act. In the year under review, the Minister of Transport appointed a new Board of Directors on 28 June 2021. The tenure of the old Board expired on 30 April 2019 and was renewed pending the appointment of the new Board.

The Board as the Accounting Authority provides the Agency with strategic direction and monitors performance of the Agency in terms of the desired impact and strategic outcomes set.

The Board in carrying out its responsibilities observe and comply with the provisions of the C-BRT Act, Public Finance Management Act, 1 of 1999, as amended, (“PFMA”), National Treasury Regulations and any legislation applicable to the Agency. The Board is further committed to good governance as espoused in King IV to provide ethical and effective leadership in order to achieve the core governance outcomes of an ethical culture, good performance, effective control and legitimacy.



2. Portfolio Committees

During the year under review, the C-BRTA Board appeared (virtually) before the Parliament oversight Committees as follows:

- 2.1 The Board presented the 2021/22 Annual Performance Plan to the National Council of Provinces (NCOP) Select Committee on 05 May 2021.
- 2.2 The second (virtual) appearance was on 10 November 2021 to the Portfolio Committee on Transport to present the 2020/21 Annual Report.

On both occasions there were no material issues raised. There was general satisfaction with the performance of the Agency and that it continued to obtain clean audits for the six consecutive year.

3. Executive Authority

In terms of the National Treasury Regulations issued in accordance with the PFMA, the Board concluded a Shareholder Compact (Performance Agreement) documenting the mandated key performance measures and indicators to be attained by the Agency as agreed between the Board and the Executive Authority.

Quarterly Performance Reports approved by the Board were all submitted to the Executive Authority within the required timelines set by the Public Finance Management Act.

The Annual Report incorporating the audited 2020/21 Annual Financial Statements was presented to the Executive Authority for approval at the Annual General Meeting held on 28 September 2021.

4. The Accounting Authority / Board

4.1. INTRODUCTION

The C-BRTA is governed and represented by a Board of Directors (“the Board”) appointed by the Minister of Transport (“Minister”) in terms of section 5 of the CBRT Act. The Board is the accounting authority in terms of the PFMA and is responsible for providing oversight and strategic direction to the Agency. Furthermore, the Board is committed to a high standard of business integrity, accountability and transparency. The Board reports to the Minister of Transport on a quarterly basis and annually on the overall performance of the Agency.

The Board is primarily responsible for providing oversight and strategic direction and approves the five (5) year Strategic Plan, the Annual Performance Plan and the related budget, which are submitted to the Minister of Transport.

The Board further monitors the Agency’s financial and non-financial performance on a quarterly basis through the Audit and Risk Committee. At every quarterly Board meeting, the Board considers the quarterly financial and performance reports of the Agency.

The Board further monitors compliance with all laws that are applicable that have an impact on the Agency’s business and adherence to the best standards and codes. Where necessary, policies are developed and reviewed to align with the legislative requirements, thereby improving compliance with laws and regulations.

4.2 THE ROLE OF THE BOARD

The Board is primarily responsible for providing oversight and strategic direction and approves the five (5) year Strategic Plan, the Annual Performance Plan and the related budgets, which are submitted to the Minister of Transport and tabled in Parliament.

The Board is responsible for the following, amongst others:

- Providing strategic direction and ethical leadership
- Monitor and evaluate the implementation of strategies and the management of performance;
- Ensuring good corporate governance and ethics; Ensuring that appropriate policies are in place;
- Ensuring that the Agency complies with all relevant laws, regulations and government policy;
- Ensuring that risks of the organisation are properly managed and mitigated;
- Defining the levels of materiality;
- Assessing the effectiveness of the internal control environment;
- Setting the corporate governance systems;
- Ensuring sound ICT governance and effective and efficient use of IT systems;
- Recommending the appointment and reviewing the performance of the CEO; and
- Discharging legislative duties and exercise any power conferred to it by the C-BRT Act.

4.3 BOARD CHARTER

The Board adopted its Charter at its Inaugural Board Meeting for the 2021/22 financial year. As recommended by the King Code, the Board Charter at a minimum sets out the following:

- The board's responsibility for the adoption of strategic plans,
- Monitoring of operational performance and management,
- Determination of policy processes to ensure the integrity of the public entity risk management and internal controls, and
- Communication policy, and director selection, orientation and evaluation.

It further sets out the roles, structures and functions of the Board and its various committees as well as procedures for Board meetings. It makes a provision for the evaluation of the Board's performance to ensure that it remains effective and addresses challenges that may be hampering its effectiveness.

The Board meets four (4) times a year as stipulated in the Charter. Special meetings are convened as and when the need arises. Board meetings are scheduled in advance and members are provided with the necessary information well in time to prepare for the meeting.

In line with the recommendations of King IV, the Board evaluation is conducted every two years. The current Board was appointed in July 2021 and the evaluation is being conducted in the first quarter of the 2022/2023 financial year.



4.4 COMPOSITION OF THE BOARD

The C-BRT Act requires that the Board should comprise of twelve (12) members, of whom eleven (11) are Non-Executive Directors who are appointed by the Minister for a term of three years. As of 31 March 2022, a total of three (3) vacancies existed on the Board, namely, the Chairperson and two members with technical expertise in cross-border road transport of passengers. The matter of the composition of the Board is being attended to by the Shareholder.

The Chief Executive Officer is the only executive member on the Board as prescribed by the Cross-Border Road Transport Act.

Table 22: Composition of Board from 28 June 2021

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Ms Lerato Molebatsi	<ul style="list-style-type: none"> Board Chairperson (Acting) 	28 June 2021	N/A	<ul style="list-style-type: none"> Post Grad Rural Development & Management Bachelor of Art Degree in Psychology Senior Executive Leadership Programme Diploma in Senior Management Development 	<ul style="list-style-type: none"> Strategy and planning Financial Services Mining Public Sector experience Non-Profit Organisation Professional Service Industries Corporate Social Investment Stakeholder Relations Governance Policy Development Black Economic Empowerment Marketing and investor relations Transformation management Communications and public affairs. 	<ul style="list-style-type: none"> South African Reserve Bank Spur Corporation Financial Sector Conduct Authority (FSCA) African Piping Projects 	<ul style="list-style-type: none"> Chairperson of the Regulatory Committee (Acting) Member of the Human Resource and Remuneration Committee (HR and REMCO) 	5 out of 5

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Prof Isaac Shai	Board Member	28 June 2021	N/A	<ul style="list-style-type: none"> • Doctor of Laws – (LLD) • Master of Laws – (LLM) • Bachelor of Law- (LLB) • Certificate in Legislative • Bachelor of Arts • Admitted Advocate 	<ul style="list-style-type: none"> • Legal expertise • Strategic legal and policy advisory • Policy development and policy drafting Regulatory law advisory International law advisory • Legislative drafting • Contract drafting • Corporate Governance 		Member of the Regulatory Committee	3 out of 5
Ms Zukiswa Ramasia	Board Member	28 June 2021	N/A	<ul style="list-style-type: none"> • Post Grad Diploma in Management • Leadership Development • Human Resource Development (Hons) • Bachelor of Arts • Senior Secondary Teachers Diploma 	<ul style="list-style-type: none"> • Corporate Governance • Leadership in large complex organisation • Stakeholder Management • Drive Transformation • Global Business Strategy and Execution 	<ul style="list-style-type: none"> • SANParks • GGT2030 Technical Advisory Committee Panel Member • Chairperson Tourism Committee • Member of Conservation and Socio – Economic Transformation Committee 	<ul style="list-style-type: none"> • Chairperson of the Human Resources and Remuneration Committee • Member of the Regulatory Committee 	5 out of 5

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Advocate Adila Chowan CA (SA)	Board Member	28 June 2021	N/A	<ul style="list-style-type: none"> Chartered Accountant CA (SA) Bachelor of Accountancy Bachelor of Laws (LLB) Post Graduate Diploma in Accounting Admitted Advocate of the High Court 	<ul style="list-style-type: none"> Serving in both public and private company boards as a Non-Executive Director and as an Audit Committee member. Registered Auditor with experience in both governance and finance Chartered accountancy expertise in corporate environment Practicing Advocate 	<ul style="list-style-type: none"> Council of Geoscience Communicare NPO NECSA NTP Radioisotope 	<ul style="list-style-type: none"> Member of the Audit and Risk Committee 	5 out of 5
Ms. Lebogang Letsoalo	Board Member	28 June 2021	N/A	<ul style="list-style-type: none"> Master's in Business Administration B-Tech Logistics Diploma in Purchasing 	<ul style="list-style-type: none"> Supply Chain Management (Advocacy) Logistics (Freight) BEE (Compliance and creating Black Industrialists) Coaching women in the Transport Sector in collaboration with UN Women and Industry bodies. 	<ul style="list-style-type: none"> Sincpoint AWISCA Thola Trust Sonae Arauco Ibis Consulting Booyco Engineering Jet Demolition 	<ul style="list-style-type: none"> Member of the Regulatory Committee 	4 out of 5

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Mr Monwabisi Andile Kolanisi	Board Member	28 June 2021	N/A	<ul style="list-style-type: none"> • Masters in (Management of People, Technology, Innovation) • Management Development Programme • Leadership Development • Access Programme in Economic Science • Executive Course in Strategic Leadership • Applying the Labour Relations • Trade Union Educators Course • Facilitator/ Educator Course 	<ul style="list-style-type: none"> • Labour Relations • Human Capital • Strategy development and implementation • Performance Management 	<ul style="list-style-type: none"> • Khumbeni Supplies 	<ul style="list-style-type: none"> • Member of the Social and Ethics Committee • Member of the Human Resources and Remuneration Committee 	5 out of 5

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Mr Kevin D. van der Merwe	Board Member	28 June 2021	N/A	<ul style="list-style-type: none"> Diploma in Traffic Science Occupation Directed Education Training and Development Practitioner. Traffic Officer Diploma Examiner of Vehicles Examiner of Driving Licenses SANAS Certificate 	<ul style="list-style-type: none"> Freight expert South African Association of Road Transport - Consultant 	<ul style="list-style-type: none"> ATL Mobility CC Mpumalanga Transport Consultants (Pty) Ltd ATL Mobility Consulting (Pty) Ltd. Free State Consulting (Pty) Ltd. 	<ul style="list-style-type: none"> Member of the Regulatory Committee 	4 out of 5
Ms Loyiso Kula	Board Member	28 June 2021	N/A	<ul style="list-style-type: none"> Masters of Science in Risk Management Masters in Business Administration Bachelor of Commerce 	<ul style="list-style-type: none"> Corporate Strategy Corporate Governance Oversight and people management Project Management Communications and Stakeholder Engagement Operations 	<ul style="list-style-type: none"> Social and Ethics Committee Member of the HR and REMCO 	<ul style="list-style-type: none"> Chairperson of the Social and Ethics Committee Member of the HR and REMCO 	5 out of 5

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED
Dr Lesly T. Luthuli	Board Member	28 June 2021	N/A	<ul style="list-style-type: none"> Advanced Diploma in Management (ADM) Milpark Business School Commercial and Contract Law Certificate (UCT) Nyukela Public Service SMS Pre-Entry Programme Certificate Master of Business Administration (MBA) Milpark Business School PhD from the Faculty of Economic and Management Sciences with main field of study in Business Administration (NWU) 	<ul style="list-style-type: none"> Corporate Governance Business Strategy and Execution Consultant in Business Development: Rail and Energy and Infrastructure Financial Management Economics 	<ul style="list-style-type: none"> Andasoul 	<ul style="list-style-type: none"> Member of the Social and Ethics Committee 	5 out of 5

INFORMATION OF THE BOARD OF DIRECTORS WHOSE TENURE EXPIRED ON 28 JUNE 2021

Table 23: Composition of Board up till 28 June 2021

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	TENURE EXPIRED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED BY THE FORMER BOARD TILL 28 JUNE 2021
Mr Mo-soeunyane Ramathe	Board Chairperson	01 May 2016	28 June 2021	<ul style="list-style-type: none"> B Com, Wits B Com Acc, Wits Chartered Accountant (SA) Diploma in Project Management (RAU) 	<ul style="list-style-type: none"> Finance, Accounting and Corporate Governance 	<ul style="list-style-type: none"> Ramathe (Central) Inc. Ramathe Inc. Ramathe Ranti Joint Venture 	<ul style="list-style-type: none"> Chairperson of the Regulatory Committee 	3 out of 3
Prof Jan Havenga	Deputy Board Chairperson	01 May 2016	28 June 2021	<ul style="list-style-type: none"> Doctor of Philosophy in Logistics Management, University of Stellenbosch MBL (UNISA) BA Hons, (UOFS) 	<ul style="list-style-type: none"> Freight industry expert and Cross-Border freight analyst 	<ul style="list-style-type: none"> Gain Group (Pty) Ltd. Growth and Intelligence Network 	<ul style="list-style-type: none"> Deputy Chairperson of the Regulatory Committee 	3 out of 3

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	TENURE EXPIRED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED BY THE FORMER BOARD TILL 28 JUNE 2021
Ms Ignatia Sekonyela	Board Member	01 May 2016	28 June 2021	<ul style="list-style-type: none"> Advanced Labour Law, UNISA Senior Management Development Programme, UP Business School Diploma HR, Damelin B A Honneurs Sielkunde, RAU B Cur Degree: MEDUNSA 	<ul style="list-style-type: none"> Human Resources 	<ul style="list-style-type: none"> Zizamele Cebekhulu College (POPCRU) Tucoprox Pty LTD 	<ul style="list-style-type: none"> Human Resources and Remuneration Committee Chairperson 	3 out of 3
Ms Keitumetse Mahlangu	Board Member	01 May 2016	28 June 2021	<ul style="list-style-type: none"> B.PROC, University of Zululand LLB, University of Natal MAP, Wits Business School Certificate in Fraud Examination , UP Legislative Drafting 	<ul style="list-style-type: none"> Legal Services, Legislative Drafting, Corporate Governance and Investigations 	<ul style="list-style-type: none"> Seape Mahlangu Attorneys OHSC Rental Housing Tribunal Sedibeng Liquor Committee 	<ul style="list-style-type: none"> Audit and Risk Committee Member 	2 out of 3

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	TENURE EXPIRED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMITTEES OR TASK TEAMS (E.G: AUDIT COMMITTEE / MINISTERIAL TASK TEAM)	NO. OF MEETINGS ATTENDED BY THE FORMER BOARD TILL 28 JUNE 2021
Mr Dennis Baloyi	Board Member	01 May 2016	28 June 2021	<ul style="list-style-type: none"> • M Sc (Town and Transport Planning) • M Phil (Urban Studies) • BA (Development Studies) 	<ul style="list-style-type: none"> • Transport Planning, Public Transport Planning/Management • Town Planning, • Economic Development and Financial • Literacy Training 	<ul style="list-style-type: none"> • Nkukwana Development CC • African Leadership Academy (NGO, voluntary, no remuneration) • Ekukhuseleni-Tshireletso Homecare Hospice (Winterville) 	<ul style="list-style-type: none"> • Member of the Regulatory Committee 	2 out of 3
Mr Lucky Thekisho	Board Member	01 May 2016	28 June 2021	<ul style="list-style-type: none"> • BLC, LLB, LLM (Labour Law), • Advanced Labour Law, • Legislative Drafting, • Environmental Law and Compliance 	Legal and Compliance Labor Relations and Human Resources	<ul style="list-style-type: none"> • Lucky Thekisho Inc 	<ul style="list-style-type: none"> • Member of the Regulatory Committee • Member of the Human Resources and Remuneration 	3 out of 3

4.5. COMMITTEES

Board committees constitute an important element of the governance process and should be established with clearly agreed reporting procedures and a written scope of authority. Each Committee operates within the ambit of its defined Terms of Reference that set out the composition, role, and responsibilities, delegated authority and meeting requirements of each Committee.

The following Committees have been established to assist the Board in discharging its responsibilities.

1. Human Resources and Remuneration Committee
2. Regulatory Committee (also takes responsibility for Regulatory Hearings)
3. Audit and Risk Committee
4. Social and Ethics Committee



Table 24: Composition of Board up till 28 June 2021

HUMAN RESOURCES AND REMUNERATION COMMITTEE			
<ol style="list-style-type: none"> 1. The implementation and adherence to a sound human resources and remuneration philosophy, strategy and policy of the C-BRTA; 2. The maintenance of vigilant oversight of the management of the human resources function and Remuneration practices; 3. The establishment of a formal and transparent procedure for developing a policy on executive remuneration and for the reviewing of remuneration packages for employees and the members of the Board; 4. The consideration of matters and the review of salaries against the benchmark for employees as well as the recommendation of such remuneration packages to the Board for approval. 5. Generally managing all matters in relation to human resources and remuneration as may be determined by the Board from time to time. 6. The Committee assumes the role of the Nomination Committee to: <ol style="list-style-type: none"> 6.1.1 To oversee the development of a formal induction programme for new directors. 6.1.2 To oversee the development and implementation of continuing professional development programmes for Non-Executive Directors. 6.1.3 To oversee the annual evaluation of the performance and effectiveness of the Committees, Board, Chairperson and individual Non-Executive Directors 			
NAMES OF COMMITTEE MEMBER	NO. OF MEETINGS HELD	NO. OF MEMBERS	NUMBER OF ATTENDED
Committee Members of the old Board whose tenure expired on 28 June 2021			
Ms I Sekonyela	1	3	1
Mr L Thekisho			0
Mr R Baloyi			1
Committee Members of the Current Board appointed on 28 June 2021			
Ms Zukisa Ramasia (Chairperson)	8	4	7
Ms Lerato Molebatsi			6
Ms Loyiso Kula			8
Mr Andile Monwabisi Kolanisi			8

REGULATORY COMMITTEE			
<p>It provides the required administrative, secretarial, research and technical assistance to the Board in support of the execution of its advisory, regulatory, facilitatory and law-enforcement functions with respect to the following:</p> <ol style="list-style-type: none"> 1. Regulates market access through a permit administration process; 2. Grant permits subject to certain terms and conditions; 3. Withdraw or suspend permits; 4. The Committee may withdraw, suspend or amend permit conditions when permit holder was convicted of a road transport / traffic offence; 5. Assist the Board in the execution of its functions; 6. The Committee may consider all traffic or transport-related contraventions; 7. Maintenance of database for cross-border road transport operators; 8. Ensure equitable market access through transformation mechanisms; and 9. Liaises with internal and external regulatory authorities through an application referral process. 			
NAMES OF COMMITTEE MEMBERS	NO. OF MEETINGS HELD	NO. OF MEMBERS	NUMBER OF ATTENDED
Committee Members of the old Board whose tenure expired on 28 June 2021			
Mr Moss Ramathe	1	6	1
Prof Jan Havenga			1
Mr Lucky Thekisho			0
Mr Raymond Baloyi			1
Mr Chris Hlabisa (Shareholder Representative)			0
Mr Lwazi Mboyi (Chief Executive Officer – Acting)			1

Committee Members of the Current Board appointed on 28 June 2021			
Ms Lerato Molebatsi			2
Ms Zukisa Ramasia (Chairperson)			3
Ms Lebogang Letsoalo			3
Mr Kevin van der Merwe	3	7	3
Prof Isaac Shai			1
Mr Chris Hlabisa (Shareholder Representative)			1
Mr Lwazi Mboyi (Chief Executive Officer – Acting)			2



SOCIAL AND ETHICS COMMITTEE

The Social and Ethics Committee is a new Committee established in 2021. The role of the Committee is to advise the Board on good corporate citizenship and ethical relationships, reporting to the Board Agency's commitment in this regard. The functions of Committee is to monitor the company's performance in:

1. Social and economic development (including the United Nations Global Compact Principles, the Organisation for Economic Co-operation and Development recommendations regarding corruption, the Employment Equity Act and the Broad-Based Black Economic Empowerment Act);
2. Good corporate citizenship;
3. Environment, health and safety;
4. Consumer relationships; and
5. Labour and employment.
6. To ensure that the ethics of the Agency are managed in a way that supports the establishment of an ethical culture including:
7. To monitor the interaction and engagement with the stakeholders of the Agency to ensure that the interest, needs and expectation of all material stakeholders in the interests of the Agency are met through:
8. The Committee to further monitor progress on the following:
 - 8.1. Responsible and transparent tax practices
 - 8.2. Fair remuneration
 - 8.3. Pollution
 - 8.4. Waste disposal
 - 8.5. Biodiversity

NAMES OF COMMITTEE MEMBERS IN THE SEC	NO. OF MEETINGS HELD	NO. OF MEMBERS	NUMBER OF ATTENDED
Ms Loyiso Kula (Chairperson)	3	4	3
Mr Andile Monwabisi Kolanisi			3
Dr Lesley Luthuli			3
Mr Lwazi Mboyi (Chief Executive Officer – Acting)			2

AUDIT AND RISK COMMITTEE			
<p>The Audit and Risk Committee ensures that the C-BRTA carries out its responsibilities as they relate to:</p> <ol style="list-style-type: none"> 1. Financial, management and other reporting practices; 2. Strategic guidance and assistance with respect to accounting policies and procedures; 3. Internal controls and management of risks; 4. Monitoring of risk management policy and plan; 5. Compliance with laws, regulations and ethics; 6. IT Governance; 7. Performance Information; 8. Responsibilities related to the Internal Audit function; 9. Financial reporting risks; 10. Fraud and IT risks as they relate to financial reporting, 11. Sustainability Reporting and all related risks. 12. Combined assurance; and 13. Risk governance 			
NAMES OF COMMITTEE MEMBERS	NO. OF MEETINGS HELD	NO. OF MEMBERS	NUMBER OF ATTENDED
Members of the Audit and Risk Committee			
Mr Piet Fourie – Chairperson (term expired on 28 Feb 2022)	8	4	8
Mr Ayanda Wakaba (term expired on 28 February 2022)			5
Ms Zuziwe Ntsalaze – Chairperson (member of the ARC since 01 February 2021 and appointed chairperson with effect from 01 March 2022)			8
Advocate Adila Chowan (with effect from 28 July 2021)			3
Advocate Keitumetse Mahlangu (Term expired on 28 June 2021)			2
Mr Bryan Chaplog (appointed with effect from 01 March 2022)			Not applicable
Ms Margaret Phiri – (appointed with effect from 01 March 2022)			Not applicable

4.6. REMUNERATION OF BOARD MEMBERS

The Board is remunerated in accordance with the rates determined by the Minister of Transport in consultation with the Minister of Finance. The Shareholder Representative is not remunerated for attending Board meeting. The Agency has developed a Board Remuneration Policy that is awaiting the approval of the Minister of Transport.

The full details of the remuneration paid to each Board member is included in the Annual Financial Statements, in page 152 of the Annual Report.

5. Risk Management

The Board assumes responsibility for risk governance and oversee the implementation of the risk management through the work of the Audit and Risk Committee. Annual risk assessments are performed to determine the effectiveness of the risk management strategy and to identify new and emerging risks. Quarterly reports are presented to the Board by the Audit and Risk Committee on the effectiveness of the system of risk management.

The Agency's revised enterprise-wide risk management framework was approved by the Board during the reporting period. The three-year risk implementation plan as well as the annual implementation plan were also approved. Both instruments are utilised to assist the Agency towards the desired risk intelligence level 5. The adopted risk appetite framework continues to be utilised as a critical component of an effective risk management and governance framework. The risk appetite framework supports conscious and profitable risk-taking, enables performance and helps avoid catastrophic failures.

6. Internal Control Unit

The implementation of Internal Controls continued during the 2021/22 financial year, focusing on all the divisions of the Agency. The Board acknowledges that an effective internal controls environment is fundamental to the achievement of objectives of the Agency and takes overall responsibility. The function of overseeing the assurance arrangements of the system of internal controls is delegated to the Audit and Risk Committee.

7. Internal Audit and Audit Committees

7.1. KEY OBJECTIVES OF THE INTERNAL AUDIT FUNCTION

In line with the Public Finance Management Act (PFMA) and Treasury Regulations, the Cross-Border Road Transport Agency has established an Internal Audit Function. The Internal Audit Function provides assurance to the Board, through the Audit and Risk Committee, that the system of risk management, governance and control is appropriate, adequate, and effective to mitigate business risk. Furthermore, the function ensures that there is improvement in the internal control within the Agency, as well as compliance with applicable legislation.

The internal audit reports functionally to the accounting authority through the Audit and Risk Committee and administratively to the Chief Executive Officer.

7.2. ACTIVITIES OF THE INTERNAL AUDIT FUNCTION

The activities of the Internal Audit Function centred around the evaluation of the effectiveness of the internal control system of the Agency to ensure:

- The achievement of the Agency's strategic objectives,
- The efficiency and effectiveness of the Agency's operations,
- Safeguarding of the Agency's assets,
- The reliability and integrity of financial and non-financial information, and
- Compliance with laws and regulations

Internal Audit assisted Management in identifying, evaluating and assessing significant organisational risks and provided reasonable assurance as to the adequacy and effectiveness of related internal controls, i.e. whether controls are appropriate and functioning as intended

7.2.1 SUMMARY OF WORK DONE

The Internal Audit Function prepared a three-year Strategic plan and Annual Operational Audit Plan after consideration of major risks facing the Agency. The plans were approved by the Audit and Risk Committee.

Progress against the Annual Audit Plan was reported on a quarterly basis. The Internal Audit Function executed and completed 15 of the 16 audits on the approved plan. Where controls were found to be deficient or not operating as intended, recommendations for enhancement or improvement were provided. Significant deficiencies were reported to the Audit and Risk Committee on a quarterly basis. Audits were performed, amongst others, in the following areas:

- Finance Discipline
- Supply Chain and Contract Management
- IT Vulnerability Assessment
- Employee and Labour Relations
- Law Enforcement
- Performance Information
- Corporate Governance

The primary purpose of the Audit and Risk Committee is to provide oversight of the financial and non-financial reporting process, the audit process, the systems of risk management, financial management, internal audit, internal controls and compliance with laws and regulations.

8. Compliance with Laws and Regulations

C-BRTA has sought to implement a compliance system that goes beyond mere legal compliance toward maintaining a strong, principled organisational culture.

Given the importance of compliance in its operations, the Agency established a compliance function to support management in fulfilling the various legal requirements within its compliance universe. The function's primary role is to assist the Board and management in ensuring that it complies with all relevant regulatory and best practice requirements and is conducted in accordance with the highest ethical standards. It is responsible for facilitating compliance throughout the Agency through awareness creation, independent monitoring, reporting and the provision of practical solutions or recommendations.

The function also provides quarterly reports to the oversight structures as part of the combined assurance model.

The process of compliance management encompasses:

- Identifying and prioritising all Acts and regulations at a company level applicable to C-BRTA.
- Incorporating regulatory requirements into control measures such as standard operating procedures, processes, manuals and policies;
- Recommending corrective measures or steps to ensure compliance; and
- Monitoring compliance through the adequacy and effectiveness of control measures.

The risk of non-compliance is being managed through:

- The regular review and update of the compliance regulatory universe;
- The compilation of compliance risk management plans for; and
- The continuous monitoring of the regulatory environment.

The key areas of non-compliance reported during the year includes composition of the Board, failure by the cross-border operators to submit consignment notes and passenger lists as well as the return of expired permits. The Agency was able to put in place all the requirements for compliance with the POPIA, which imposes an obligation on companies to ensure that personal information is processed in accordance with the conditions of the POPIA.

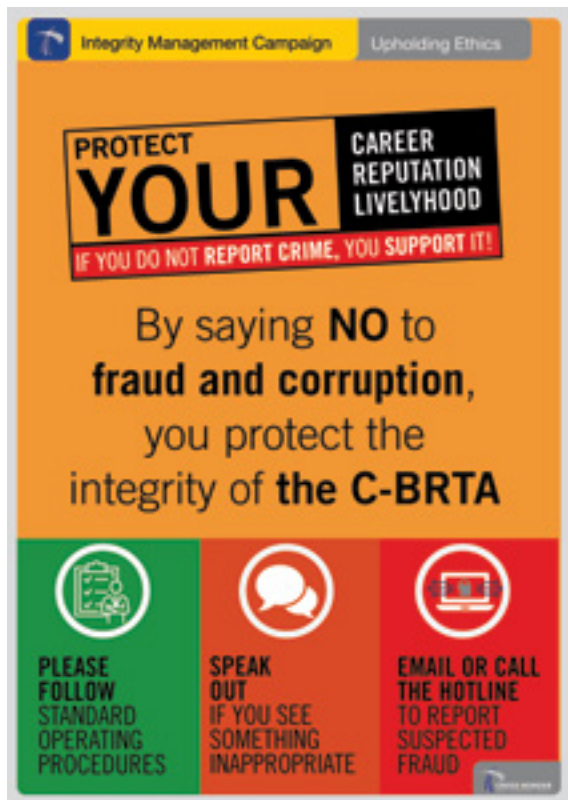


9. Fraud And Corruption

The Agency has a zero-tolerance approach towards fraud, corruption and unethical conduct. The Agency adopted a Anti-Fraud and Corruption Strategy. Central to the implementation of the strategy is the implementation of the whistleblowing mechanisms to enable reporting of alleged incidents of fraud and corruption. The following whistleblowing reporting channels are in place:

- Public Service Commission hotline at 0800 701 701;
- Email ethicsline@cbrta.co.za;
- Log on to C-BRTA website and report on the “Report fraud tab”; and
- Report directly to officials of the Integrity Management Unit.

Reports received are treated with confidentiality and can be made anonymously. Reported incidents are independently evaluated by officials from the Integrity Management Services and where appropriate investigated internally and/ or referred to appropriate party. All the reported incidents were investigated, and reports issued. Only one case reported on the 22 March 2022 is carried over to the next financial year.



10. Minimising Conflict of Interest

C-BRTA officials are required to make annual financial declarations and declare any conflict of interest as and when it arises. These are reviewed and analysed by integrity Management Services (IMS). Where a potential conflict is identified an enquiry is registered by IMS and the matter is investigated further. Financial declarations were received for all officials for the 2021/22 financial year.

A gift policy is place, which introduced a no-gift principle with the receipt of gifts only limited to the exceptions provided in the policy. There were no gifts declared by officials in the financial year

11. Code of Conduct

The Agency has a code of conduct that promotes ethical and exemplary conduct by all officials. The Agency established an Ethics Management function under the Integrity Management Services (IMS). The Code of Conduct for the Board was developed and approved by the Board. As part of enhancing ethical culture, the Ethics Pledge was developed and signed-off by the Chairperson of the Board and the Chief Executive Officer.

12. Health Safety and Environmental Issues

The Agency has an Occupational Health and Safety Committee which exists to oversee health and safety issues across the organisation. The Agency also continued with the operations of the Covid-19 Task Team to deal solely with daily matters related to health and safety of employees during the outbreak. Part of managing risk exposure relating to the pandemic, a Covid-19 Response Plan was developed, and its implementation monitored, and quarterly reports provided to the oversight structures.

The Agency maintained an approach of some employees working from home whilst others worked on a rotational schedule. All employees were provided with Covid-19 PPE survival packs that are refillable, cleaning and sanitising of the entire office space was conducted daily, and sanitisers were made available at all common areas and entrances. Staff, operators and other visitors were screened before entering the office premises.

13. Company /Board Secretary

The Company Secretary assists the Board Chairperson in determining the Annual Board Plan as well as raise matters that may warrant the attention of the Board. Part of the key roles of the office of the company secretary is to make the Board aware of their legislative duties and responsibilities, including the latest case studies relevant to the role of the Board. The office also records and keep the minutes of all Shareholders Meetings, Board Meetings and the meetings of any committees of the Board.

The Company Secretary also provide administrative support to the Board and its committees.

14. Social Responsibility

The Agency did not pursue social responsibility projects during the year under review due to Covid-19 restriction and its impact on operations, other than the initiatives linked to the industry development strategy. The Social Responsibility Policy was developed and approved by the Board, with a budget set aside for future social responsibility activities.



15. Audit Committee Report

We are pleased to present our report for the financial year ended 31 March 2022.

15.1 LEGISLATIVE REQUIREMENTS

The Audit and Risk Committee herewith presents its report for the financial year ended 31 March 2022, as required by section 55 of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) read with Treasury Regulation 27.1.10 (Published under Government Notice R 225 of 15 March 2005, as amended)

15.2 MEMBERSHIP AND ATTENDANCE

The Committee comprised of three (3) independent members including the Chairperson and one Non-Executive Member of the Accounting Authority whose term expired on 28

June 2021 and was replaced by another Non-Executive Director. Later, two of the external members' tenure expired on 28 February 2022. They were subsequently replaced by two appointments made by the Accounting Authority effective on 01 March 2022.

In terms of Section 77 (b) of the PFMA, the Committee must meet at least twice a year. During the financial year ended 31 March 2022, the Committee met on eight (8) occasions. The agency schedules standing quarterly ARC meetings to consider quarterly Performance Information, Risk management, Compliance, Internal Audit and Financial Reporting. Additional meetings are scheduled based on a specific need, such as, approval of draft Financial Statements, Annual Reports and the Consideration of the Annual Performance Plan.

For the table below shows the attendance of these meetings:

Table 25: Membership and Attendance

NAME	23 APRIL 2021	24 MAY 2021	26 MAY 2021	21 JULY 2021	21 OCTOBER 2021	19 NOVEMBER 2021	20 JANUARY 2022	26 JANUARY 2022	TOTAL ATTENDANCE
Mr P S Fourie	✓	✓	✓	✓	✓	✓	✓	✓	8 out of 8
Mr A Wakaba	✓	✓	✓	✓	✓	✘	✘	✘	5 out of 8
Ms Z Ntsalaze	✓	✓	✓	✓	✓	✓	✓	✓	8 out of 8
Advocate Adila Chowan (Appointed on 28 July 2021)					✘	✓	✓	✓	3 out of 4
Ms K Mahlangu (Term expired on 28 June 2021)	✘	✓	✓						2 out of 3
✓ Present ✘ Apology A Absent									

The members of the Audit and Risk Committee held meetings with the Executive Management, Internal Audit function and Members of the Auditor-General South Africa (AGSA) collectively and individually, on matters related to governance, internal controls and risk throughout the reporting period.

15.3 AUDIT COMMITTEE RESPONSIBILITY

The Committee has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the PFMA and Treasury Regulation 27.10. The Committee also reports that it has adopted appropriate formal Terms of Reference (Charter), regulated its affairs and discharged all its responsibilities in compliance with the Charter.

The review of the Committee's effectiveness in line with the adopted Charter was found to be satisfactory.

15.4 EFFECTIVENESS OF INTERNAL CONTROLS

The Committee acknowledges management's efforts to strengthen the system of internal controls financial controls and risk management. Internal Audit provides the Committee and Management with assurance that the internal controls are appropriate and effective. From the various management reports issued by Internal Audit and the Auditor-General South Africa, no matters were reported that indicate material deficiencies in the system of internal control and management continues to address significant audit and risk exposures. Accordingly, the Committee can report that the system of internal control over financial and performance reporting as well as compliance with laws and regulations for the period under review, was reasonably and materially efficient and effective.

15.5 QUALITY OF THE QUARTERLY REPORTS SUBMITTED IN TERMS OF THE PFMA

The Committee is also largely satisfied with the content and the quality of the quarterly reports tabled by Executive Management for endorsement by the Committee. The Committee had engaged with the Executive Management to remedy shortcomings especially relating to the reports on performance against predetermined objectives. The Committee is also satisfied with the progress recorded by the Accounting Authority in terms of its oversight responsibility in addressing reported weaknesses within human resources governance and the law enforcement function under the existing principal/agency service level agreement.

15.6 INTERNAL AUDIT FUNCTION

The Accounting Authority is obliged in terms of Section 51 (a) (ii) of the PFMA, to ensure that the entity has a system of internal audit under the control and direction of the audit committee. The Committee is satisfied that the internal audit has discharged its functions and responsibilities during the year under review and operated effectively. The internal Audit focus was aligned to the risks pertinent to the Agency. The following internal audit projects were completed during the year under review:

- Finance Discipline Review
- Supply Chain and Contract Management
- Vulnerability Assessment
- Corporate Governance
- Performance Information Q1, Q2, Q3 and Q4
- Human Resources – Payroll
- Review of the Annual Performance Plan – (First and Second Draft)
- Review of the Annual Financial Statements and Annual Reporting
- IT Service Continuity – Disaster Recovery Plan
- Performance Management – 2019/2020 Bonus Payment
- APP Supplementary Review

15.7 RISK MANAGEMENT FUNCTION

Section 51(1)(a)(i) of the Public Finance Management Act requires that 'an Accounting Authority for a public entity must ensure that that public entity has and maintains effective, efficient and transparent systems of financial and risk management and internal control'.

In applying the system of risk management, the Agency applies the international standard in risk management, namely the International Organisation for Standardisation (ISO) 31000: 2018. The Agency also subscribes to risk and opportunity fundamental concepts and philosophy as described in the King Report on Corporate Governance (King IV) and is working towards the aspirational ideals and principles of risk governance as described therein.

The Agency's revised enterprise-wide risk management framework was approved by the Board at the beginning of the financial year. The three-year risk implementation plan as well as the annual implementation plan were also approved, both instruments were utilised to assist the Agency towards the desired risk intelligence level 5. The adopted risk appetite framework continues to be utilised as a critical component of an effective risk management and governance framework. The risk appetite framework supports conscious and profitable risk-taking, enables performance, and helps avoid catastrophic failures. This report is in line with the revised enterprise-wide risk management framework.

The Committee is satisfied with the effectiveness of the risk management processes as reported during this reporting period.

15.8 EVALUATION OF EFFECTIVENESS OF THE FINANCE FUNCTION

The Committee is satisfied with the expertise, resources and experience of the Agency's finance function. In addition, the Committee is satisfied with the sustainability of the expertise and experience of the Chief Financial Officer.

15.9 PERFORMANCE MANAGEMENT

The Agency achieved 66.67% against the 2021/22 Annual Performance Plan (APP), representing successful implementation of twelve (12) targets out of eighteen (18) targets that were planned for the year. The following targets were not achieved during the year under review:

- Developed Operator Compliance Accreditation System (OCAS) IT System
- 0.5% Increase in the number of participating women, youth and people with disabilities in the freight cross-border road transport industry.
- Developed and submitted prioritised cross-border training curriculum for accreditation
- Implemented prioritised culture enhancement initiatives as per 2021/22 Implementation Plan
- 95% Resolution of reported incidents of corruption
- 100% Implementation of action plans to address audit findings

15.10 EVALUATION OF ANNUAL FINANCIAL STATEMENTS

The Committee has:

- Reviewed and discussed the audited financial statements with Executive Management and the Chief Executive Officer which was thereafter approved by the Accounting Authority;
- Reviewed the Auditor-General South Africa's Management Report and Executive Management's responses thereto;
- Reviewed the Agency's compliance with legal and regulatory provisions;
- Reviewed the information on predetermined objectives to be included in the annual report; and
- Reviewed the going concern assessment as endorsed by the Accounting Authority.

15.11 EXTERNAL AUDITOR'S REPORT

The Auditor-General South Africa (AGSA) performs the external audit function. The Committee has satisfied itself that the external auditor is independent of the entity and exercised its duties in an independent and objective manner. The Committee has, throughout the reporting period, met with the Auditor-General South Africa to ensure that there are no unresolved issues on eight occasions. The Committee has also reviewed the implementation plan for audit issues reported in the prior year and is satisfied that the reported matters have been resolved in the most part.

15.12 CONCLUSION

The Audit and Risk Committee acknowledges with appreciation the work performed by Internal audit and External Audit and the Executive Management of Cross-Border Road Transport Agency.

Ms Zuziwe Ntsalaze CA(SA)

Chairperson: Audit And Risk Committee

Date: 31 August 2022

16. B-BBEE Compliance Performance Information

The Agency went through a verification for the BBEE certification, which was issued during the financial year. Through the verification, the Agency identified gaps and is implementing interventions to improve the level of BBEE certification.

The Agency has applied relevant code of Code of Good Conduct (B-BBEE Certificate Level 1-8) as follows:

Table 26: B-BBEE Compliance Performance Information

HAS THE DEPARTMENT / PUBLIC ENTITY APPLIED ANY RELEVANT CODE OF GOOD PRACTICE (B-BBEE CERTIFICATE LEVELS 1 – 8) WITH REGARDS TO THE FOLLOWING:		
CRITERIA	RESPONSE YES / NO	DISCUSSION
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	No	The Agency issue permits to Cross-Border Road Transport Operators, however, the criteria for B-BBEE is not yet applied in the issuance of permits. The Agency has developed a transformation framework which include various policy options to enforce the requirement of the B-BBEE in issuance of permits and the permit management processes. The legal opinion was also sourced to direct the Agency on how it can apply the provisions of the BBEE Act in permit issuance.
Developing and implementing a preferential procurement policy?	Yes	The Agency's has developed and implemented a Supply Chain Management Policy which is aligned to the Preferential, Procurement Policy Framework Act. Goods and services are procured in line with the preferential point system.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	The Agency is not involved in the selling of state-owned enterprises and as such did not develop any qualification criteria in that respect.
Developing criteria for entering into partnerships with the private sector?	No	The Agency has not entered any partnership with private sector institutions.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	No	As a regulator, the Agency has not awarded any incentives, grants and investment schemes. The Agency has developed a transformation framework, which include options to incentivize BBEE compliant cross border permit applicants.



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Part D: Human Resource Management





1. Introduction

1.1. OVERVIEW OF HR MATTERS AT THE PUBLIC ENTITY

The C-BRTA human resources practices during the 2021/2022 financial year demonstrated the Agency's resilience and the commitment to deliver on its mandate. This came after the Agency, like many other organisations in the country had to adopt strategies to remain in business and unabatedly discharged its human resource management commitments. During this period, the Agency lost a bargaining partner when the union that was recognised by the Agency had its union membership within the Agency dropping below the recognition threshold. This presented certain challenges where staff no longer had a representative following the exit by the union that enjoyed the recognition of the Agency

With the appreciation that optimal organisational effectiveness relies on the alignment of strategy, systems, technology and organisational designs, the C-BRTA has recalibrated its programmes for the delivery of an organisational structure that is fit-for-purpose, the development of which structure is expressed in the strategic plan of the C-BRTA.

The approved organisational redesign project will ensure that a structure that optimal for organisational effectiveness and the achievement of set objectives are delivered. Despite the challenges experienced in the past year, the Human Resource is geared up to deliver on its strategic projects among other objectives with one set back in the area of Labour Consultative Forum.

1.2. Set HR priorities for the year under review and the impact of these priorities

The Human Resource priorities during the period under review included the following activities among others:

- Kickstarting the Organisational Redesign and Organisational Culture Definition projects.
- Strengthening the Human Resource unit thereby filling the position of Manager: OD & Training in order to increase the unit's response time and to discharge support functions to other business units optimally. This included the temporary appointment of the former interns to increase capacity in business units where their services are needed.

- An offer of employment for the newly appointed Executive Manager: Corporate Services was accepted in March 2022 with the new appointee commencing employment in May 2022. This is meant to close the leadership gap in the Corporate Services and Human Resources unit in particular.
- Improving the Performance Management system to include additional components in the employee performance assessment system.

1.3. WORKFORCE PLANNING FRAMEWORK AND KEY STRATEGIES TO ATTRACT AND RECRUIT A SKILLED AND CAPABLE WORKFORCE

The Agency remains restricted from filling some of the vacant positions due to the Organisational Redesign process that is underway. With exception of staff recruitment, the Agency has made strides during the period under review, to upskill its human capital.

Furthermore, management continues to encourage staff to acquire new skills thereby providing bursaries to staff among other interventions which include the creation of opportunities for employees to act in higher positions.

1.4. Employee performance management framework

Although the employee performance management includes the automation of the review processes, the system needed further improvements, which have since commenced during the last month of the 4th quarter.

1.5. Employee wellness programmes

During the period under review, there were insignificant cases that required management intervention through the employee wellness programme.

1.6. Policy development

A total of eighteen (18) policies have been reviewed during the period under review. A research work was conducted during the period under review to assess the need to continue with certain policies that were occasioned by the Covid-19 pandemic.

1.7. Highlight achievements

During the year under review, the corporate services was able to deliver 78% of its planned targets, some of which were carried over from the 2020/21 plans that were impacted by Covid-19. These include the planned training where notable achievement was recorded. Of all the C-BRTA bursars, 95% have passed all their subjects and qualified for further financial assistance from the Agency in line with our bursary policy.

1.8. Challenges faced by the public entity

Among the challenges that faced the C-BRTA in the context of human resource management is the loss of recognition by the trade union that enjoyed recognition by the C-BRTA. This placed some challenges within the Labour Consultative Forum (LCF) of the C-BRTA. There have been plans that could not be carried out in the past financial year resulting in those plans having to be carried over to the current financial year. This created a financial challenge to the Agency in that the cost of some of the critical activities that could not be undertaken in the past year had gone up.

2. Human Resource Oversight Statistics

The public entity must provide the following key information on human resources. All the financial amounts must agree to the amounts disclosed in the annual financial statements. Where considered appropriate provide reasons for variances.

2.1 PERSONNEL RELATED EXPENDITURE

Table 27: Personnel Cost by programme/ activity/ objective

PROGRAMME	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF EXP.	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Regulatory Services	22 581	21 616	96%	38	569
Facilitation	19 508	17 556	90%	18	975
Research and Development*	65 639	21 618	33%	31	697
Administration	125 934	73 888	59%	82	901
TOTAL	233 662	134 678**	58%	169	797
Research and development include both Law Enforcement and Research and Advisory					
** Personnel expenditure exclude board remuneration					

Table 28: Personnel cost by salary band

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	12 528	9%	6	2 088
Senior Management	27 615	21%	18	1 534
Professional qualified	35 149	26%	34	1 034
Skilled	31 071	23%	59	527
Semi-skilled	27 120	20%	43	631
Unskilled	1 156	1%	6	193
Interns	39	0%	3	13
TOTAL	134 678*	100%	169	797

*Total personnel expenditure excludes Board remuneration

Table 29: Performance Rewards

PROGRAMME	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management	-	-	-
Senior Management	11	1 249	21%
Professional qualified	27	2 065	35%
Skilled	38	1 403	24%
Semi-skilled	35	1 113	19%
Unskilled	6	76	1%
TOTAL	117	5 906	100%

Table 30: Training costs

PROGRAMME	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST.	NO. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
Regulatory Services	21 616	75	0.3	38	1 974
Facilitation	17 556	67	0.3	18	3 722
Research and Development	21 618	114	0.5	31	3 677
Administration	73 888	1 698	2.3	82	20 707
TOTAL	134 678	1 954	1.5	169	11 562

Table 31: Employment and vacancies per programme

PROGRAMME	2020/2021 NO. OF EMPLOYEES	2021/2022 APPROVED POSTS	2021/2022 NO. OF EMPLOYEES	2021/2022 VACANCIES	% OF VACANCIES
Regulatory Services	34	48	38	10	21%
Stakeholder Relations	13	18	18	0	0%
Research and Development	34	61	31	30	49%
Administration	76	121	82	39	32%
TOTAL	157	248	169	79	32%

Table 32: Employment and vacancies per level

PROGRAMME	2020/2021 NO. OF EMPLOYEES	2021/2022 APPROVED POSTS	2021/2022 NO. OF EMPLOYEES	2021/2022 VACANCIES	% OF VACANCIES
Top Management	5	10	6	4	40%
Senior Management	19	20	18	2	10%
Professional qualified	32	59	34	25	42%
Skilled	57	107	58	49	46%
Semi-skilled	38	46	47	(1)	(2%)
Unskilled	6	6	6	0	0
TOTAL	157	248	169	79	32%

Table 33: Employment changes

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	5	1	2	4
Senior Management	19	0	1	18
Professional qualified	32	3	1	34
Skilled	57	8	4	61
Semi-skilled	38	7	4	41
Unskilled	6	0	0	6
Total	157	19	12	164

Table 34: Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	1	0.61
Resignation	5	3.03
Dismissal	2	1.21
Retirement	1	0.61
Ill health	0	0
Expiry of contract	3	1.82
Other	0	0
Total	12	

Explanations: The attrition of staff from the employ of the C-BRTA was occasioned by different factors. Of the 12 employment contract terminations, five (5) employees resigned from the employ of the Agency voluntarily and for personal reasons. Contracts for three employees could not be renewed for various reasons including the organisational redesign project which was underway.

Table 35: Labour Relations: Misconduct and disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	0
Final Written warning	0
Dismissal	2
TOTAL	2

Table 36: Equity Target and Employment Equity Status - Male

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	2	0	0	0	0	0	0	0
Senior Management	7	0	0	0	0	0	2	0
Professional qualified	16	1	1	0	0	0	1	0
Skilled	18	0	1	0	0	0	0	0
Semi-skilled	20	0	1	0	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0
Total	65	1	3	0	0	0	3	0

Table 37: Equity Target and Employment Equity Status - Female

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	2	1	0	0	0	0	0	0
Senior Management	7	0	0	0	2	0	0	0
Professional qualified	12	0	1	0	0	0	2	0
Skilled	31	0	1	0	1	0	1	0
Semi-skilled	24	0	3	0	0	0	2	0
Unskilled	4	0	0	0	0	0	0	0
Total	81	1	5	0	3	0	5	0

Table 38: Equity Target and Employment Equity Status - People with disabilities

LEVELS	DISABLED STAFF			
	AFRICAN COLOURED		INDIAN WHITE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
Total	0	0	0	0



Part E: Financial Information



STOP

Danger
Stop Ahead
400m

572 Swartwater ↑
N11 Mokopane →
N11 Grobler's Bridge ←

CBRTA 1 GP

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Abbreviations

C-BRTA	Cross-Border Road Transport Agency
CCMA	Commission for Conciliation Mediation and Arbitration
CPI	Consumer Price Index
DoT	Department of Transport
GRAP	Generally Accepted Accounting Practice
PFMA	Public Finance Management Act, Act No. 1 of 1999
RTMC	Road Transport Management Corporation
SoC	State-Owned Company

Accounting Authority's responsibilities and Approval

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the Cross- Border Road Transport Agency ("Agency") as at the end of the financial year and the results of its operations and cash flows for the year 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 judgements and estimates.

The Accounting Authority acknowledge that it is ultimately responsible for the system of internal financial control established by the Agency and place considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the it has sets standards for internal control aimed at reducing the risk of error 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 Agency and all employees are required to maintain the highest ethical standards in ensuring the Agency's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Agency is on identifying, assessing, managing and monitoring all known forms of risk across the Agency. While operating risk cannot be fully eliminated, the Agency endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

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

During the year the agency increased its revenue collection, which was a sign of recovery from the impact Covid-19 had on the organisation in prior year. However, permit volumes remain constrained and the Agency is yet to fully recover from the pandemic, as some of the borders remained closed. As a result, it is envisaged that the Agency will continue to implement cost containment measures as appropriate to mitigate against the risk of loss on revenue and to ensure short term sustainability of the Agency. The Accounting Authority has reviewed cost containment measures proposed by management and is satisfied that they are adequate to mitigate against the loss of revenue that may occur in future. The Accounting Authority has also reviewed the Agency's cash flow forecast for the year to 31 March 2023 and, considering this review and the current financial position, it is satisfied that the Agency has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements are prepared on the basis that the Agency is a going concern.

The external auditors are responsible for independently reviewing and reporting on the Agency's annual financial statements. The annual financial statements have been examined by the Auditor-General South Africa and their report is presented on page 5.

The annual financial statements set out on page 112 to 160, which have been prepared on the going concern basis, were approved by the Accounting Authority on 29 July 2022 and were signed on its behalf by:



Ms. Lerato Molebatsi
Chairperson of the Board (Acting)



Mr. Lwazi Mboyi
Chief Executive Officer

Pretoria
29 July 2022

Report of the Auditor-General to Parliament on Cross-Border Road Transport Agency

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Cross-Border Road Transport Agency set out on pages 119 to 160, which comprise the statement of financial position as at 31 March 2022, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget information with actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Cross-Border Road Transport Agency as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

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

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with GRAP and the requirements of the PFMA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

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

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

Report on the audit of the annual performance report

Introduction and scope

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the public entity's annual performance report for the year ended 31 March 2022:

Programmes	Pages in the annual performance report
Programme 1 – Regulatory Services	36 – 40

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:
 - Programme 1 - Regulatory services

Achievement of planned targets

15. Refer to the annual performance report on pages 22 to 68 for information on the achievement of planned targets for the year and management's explanations provided for the under achievement of the targets.

Report on the audit of compliance with legislation

Introduction and scope

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

Other information

18. The accounting authority is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programme presented in the annual performance report that have been specifically reported in this auditor's report.
19. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
20. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
21. If based on the work I have performed, I conclude that there is a material misstatement in this other information, I am required to report that fact. I have nothing to report in this regard.

Internal control deficiencies

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

Auditor-General

Pretoria

29 July 2022



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

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

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors, which constitutes the accounting authority.

- conclude on the appropriateness of the accounting authority’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Cross-Border Road Transport Agency to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication with those charged with governance

3. I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Statement of Financial Position as at 31 March 2022

	NOTE(S)	2022 R	2021 RESTATED* R
ASSETS			
CURRENT ASSETS			
Receivables from exchange transactions	3	2 820 858	3 354 184
Receivables from non-exchange transactions	4	11 332 863	9 002 162
Cash and cash equivalents	5	169 487 465	144 559 767
		183 641 186	156 916 113
NON-CURRENT ASSETS			
Property, plant and equipment	6	10 385 960	10 333 888
Intangible assets	7	16 900 239	11 378 764
		27 286 199	21 712 652
Total assets		210 927 385	178 628 765
LIABILITIES			
CURRENT LIABILITIES			
Payables from exchange transactions	8	17 251 709	11 356 088
Payables from non-exchange transactions	9	9 535 774	9 075 104
Employee benefit obligation	12	255 000	359 000
Provisions	10	1 145 383	7 051 637
		28 187 866	27 841 829
NON-CURRENT LIABILITIES			
Operating lease liability	11	2 958 908	1 704 327
Employee benefit obligation	12	2 323 000	3 760 000
		5 281 908	5 464 327
Total Liabilities		33 469 774	33 306 156
Net Assets		177 457 611	145 322 609
Accumulated surplus		177 457 611	145 322 609
Total Net Assets		177 457 611	145 322 609

Statement of Financial Performance

	NOTE(S)	2022 R	2021 RESTATED* R
REVENUE FROM NON-EXCHANGE TRANSACTIONS - PERMITS AND FINES			
Grants	13	257 545 542	207 653 245
Other income	14	419 298	38 500 000
General expenses	15	1 987 930	104 846
General expenses	21	(72 896 074)	(43 390 768)
Employee costs	18	(136 257 420)	(131 541 554)
Depreciation and amortisation	17	(4 014 860)	(3 738 574)
Assets written off or impaired	24	(23 834)	(361 378)
Operating lease rental	24 & 23	(15 669 351)	(15 423 101)
Provision for impairment of receivables	20	(4 354 573)	(6 748 692)
Operating surplus	24	26 736 658	45 054 024
Interest received	16	5 868 344	4 289 244
Finance costs	19	(470 000)	(449 000)
Surplus for the year		32 135 002	48 894 268

Statement of Changes in Net Assets

	ACCUMULATED SURPLUS(DEFICIT) R	TOTAL NET ASSETS R
Opening balance as previously reported	95 087 728	95 087 728
Adjustments		
Prior period errors - Note 37	1 340 613	1 340 613
Balance at 01 April 2020 as restated*	96 428 341	96 428 341
Changes in net assets		
Surplus for the year	48 529 851	48 529 851
Prior year errors (Note 37)	364 417	364 417
Total changes	48 894 268	48 894 268
Restated* Balance at 01 April 2021	145 322 609	145 322 609
Changes in net assets		
Surplus for the year	32 135 002	32 135 002
Total changes	32 135 002	32 135 002
Balance at 31 March 2022	177 457 611	177 457 611

Cash Flow Statement

	NOTE(S)	2022 R	2021 RESTATED* R
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Sale of goods and services		258 242 654	204 480 894
Grants		419 298	38 500 000
		258 661 952	242 980 894
PAYMENTS			
Employee costs		(143 704 674)	(131 735 414)
Suppliers		(85 779 128)	(64 080 141)
		(229 483 802)	(195 815 555)
Net cash flows from operating activities	22	29 178 150	47 165 339
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(3 608 996)	(4 663 905)
Proceeds from sale of property, plant and equipment	6	97 240	-
Purchase of other intangible assets	7	(6 003 243)	(2 034 620)
Interest Income		5 264 547	4 289 244
Net cash flows from investing activities		(4 250 452)	(2 409 281)
Net increase/(decrease) in cash and cash equivalents		24 927 698	44 756 058
Cash and cash equivalents at the beginning of the year		144 559 767	99 803 709
Cash and cash equivalents at the end of the year	8	169 487 465	144 559 767

Statement of Comparison of Budget and Actual Amounts

BUDGET ON ACCRUAL BASIS	APPROVED BUDGET R	ADJUSTMENTS R	FINAL BUDGET R	ACTUAL AMOUNTS ON COMPARABLE BASIS R	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL R	REFERENCE
STATEMENT OF FINANCIAL PERFORMANCE						
REVENUE						
PERMIT REVENUE AND INTEREST						
Permit revenue	218 447 098	-	218 447 098	213 507 613	(4 939 485)	(a)
Other income	726 202	-	726 202	1 890 690	1 164 488	(b)
Interest received - investment	4 410 898	-	4 410 898	5 868 344	1 457 446	(c)
Gains on disposal of assets	-	-	-	97 240	97 240	
Total permit revenue and interest	223 584 198	-	223 584 198	221 363 887	(2 220 311)	
Grants and penalties						
Government grants and subsidies	-	-	-	419 298	419 298	
Fines	35 735 390	-	35 735 390	44 037 929	8 302 539	(d)
Total revenue from non-exchange transactions	35 735 390		35 735 390	44 457 227	8 721 837	
Total revenue	259 319 588	-	259 319 588	265 821 114	6 501 526	
EXPENDITURE						
Employee costs	(146 537 476)	-	(146 537 476)	(136 257 420)	10 280 056	(e)
Operating costs	(69 095 714)	-	(69 095 714)	(51 294 448)	17 801 266	(f)
Depreciation and amortisation	(7 037 424)		(7 037 424)	(4 014 860)	3 022 564	(g)
Finance costs and interest expense	-	-	-	(470 000)	(470 000)	
Administration fee - RTMC	(35 735 390)	-	(35 735 390)	(41 625 550)	(5 890 160)	(h)
Loss on disposal of assets	-	-	-	(23 834)	(23 834)	
Total expenditure	(258 406 004)	-	(258 406 004)	(233 686 112)	24 719 892	
Surplus before taxation	913 584	-	913 584	32 135 002	31 221 418	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	913 584	-	913 584	32 135 002	31 221 418	

Statement of Comparison of Budget and Actual Amounts (cont.)

Explanation of variances

(a) Permit revenue

Permit revenue was less than budget during the year due to decrease in number of permits issued than initially anticipated as a result of the continued impact of Covid-19 .

(b) Other income

Other income was more than budget for the year. This was due to actuarial gain realised upon actuarial valuation of post-employment medical aid benefit.

(c) Interest received on investments

Interest income was more than budgeted, which was due to more surplus cash reserves being invested in call and fixed deposits during the financial year.

(d) Fines

Fines income was more than budget at year-end. This was mainly due to more Road Transport Inspectorate operations conducted during the year than anticipated.

(e) Employee costs

Employee costs were less than budget due to vacant positions, with most positions not filled due to cost containment measures implemented to mitigate against the loss of revenue occasioned by Covid-19 and the pending finalisation of the organisational redesign process.

(f) Operating costs

Operating costs were less than budget at year-end. This was due to cost containment measures implemented during the financial year in order to mitigate against the loss of revenue occasioned by Covid-19 .

(g) Depreciation and amortisation

Depreciation and amortisation was less than estimated for the financial year. This was mainly due to less amortisation of software development cost due to delays in the implementation of the iCBMS system.

(h) Administration fee - RTMC

Administration fee was more than budgeted for the year. This was mainly due to more Road Transport Inspectorate operations conducted than anticipated.

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

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

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

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. The amounts were rounded off to the nearest rands.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the Agency will continue to operate as a going concern for at least the next 12 months. Management is not aware of material uncertainties related to events or conditions that may cast significant doubt upon the organisation's ability to continue as a going concern. Assessment was conducted on the impact of Covid-19 on the going concern and based on the assessment conducted, management is satisfied that the Agency has or has access to adequate resources to continue in operational existence for the foreseeable future.

1.3 Materiality

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

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

The Agency has developed and adopted a formal framework for determining materiality. In determining materiality, the Agency consider both quantitative and qualitative materiality. The Agency is primarily self funded and its expenditure is based on the revenue it is able to generate for a particular financial year. As a result the quantitative materiality is based on percentage of revenue budgeted for the year. In determining qualitative materiality, the agency considers such factors as the following:

- public interest;
- level of compliance with legislative requirements;
- unusual transactions;
- reputational risk;
- impact of decisions on the Agency and its mandate; and
- fraud and dishonesty.

1.4 Significant judgements and sources of estimation uncertainty

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

Trade receivables and other receivables

The Agency assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the Agency makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and

Accounting Policies (cont.)

industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the entity for similar financial instruments.

Impairment testing

The Agency reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets.

Provisions

A provision is recognised when the Agency has a legal or constructive obligation arising from a past event that will probably be settled, and a reliable estimate of the amount can be made. Long-term provisions are determined by discounting the expected future cash flows to their present value. The increase in discounted long-term provisions as a result of the passage of time is recognised as a finance expense in the statement of financial performance. Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 10 - Provisions.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate

discount rate, the Agency considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the terms of the related pension liability.

Other key assumptions for pension obligations are based on current market conditions.

Effective interest rate

The Agency used the prime interest rate to discount future cash flows. The rate is influenced by the prevailing current prime rates as well as the yield of the government bonds during the year.

Allowance for doubtful debts

On receivables, an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Accounting by principals and agent

The Agency makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgements are made based on the binding legal agreement with other parties that may be subject to a principal and agent relationship.

Additional information is disclosed in Note 35.

Impairment of statutory receivables

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

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

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

Accounting for adjustments to revenue

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

- (a) If information becomes known to the Agency, and the Agency could reasonably have been expected to know of the information and/or the information used was incorrect, the adjustment to revenue is likely to be a correction of an error.
- (b) If information becomes known to the Agency, but the Agency could not reasonably have been expected to know of this information when the revenue was charged, the adjustment to revenue is likely to be a change in an accounting estimate.

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

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

- (a) has not followed a proper due process to promulgate the tariff, basis, percentage or formula to charge the revenue; and/or
- (b) incorrectly applied the tariff, basis, percentage or formula in charging revenue.

Errors discovered within the reporting period which relate to that period are corrected before the annual financial statements are authorised for issue. The principles in GRAP 3 are applied to account for the adjustment to revenue already recognised as a result of the correction of a prior period error. However, where the impact of the adjustment is not material, no adjustment is made to revenue.

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, 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 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.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

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

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

Accounting Policies (cont.)

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

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.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	5 - 12 years
Motor vehicles	Straight line	4 - 7 years
Office equipment	Straight line	5 - 12 years
Computer equipment	Straight line	3 - 9 years
Leasehold improvements	Straight line	Lease period
Signage	Straight line	10 - 15 years

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

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the Agency. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The Agency assesses at each reporting date whether there is any indication that the Agency expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the Agency revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

1.6 Intangible assets

An asset is identifiable if it either:

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

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

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.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

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

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

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

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

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

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

Item	Depreciation method	Average useful life
Computer software	Straight line	1 - 12 years

Intangible assets are derecognised:

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

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7 Financial instruments

Definitions

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

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

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

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount

Accounting Policies (cont.)

of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

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.

A financial asset is:

- cash;
- a residual interest of another entity; or
- a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- the entity designates at fair value at initial recognition; or
- are held for trading.

Classification

The Agency has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivable from exchange transactions	Financial asset measured at amortised cost
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Employee related receivables	Financial asset measured at fair value
Cash and cash equivalents	Financial asset measured at amortised cost

The Agency has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Operating lease liability	Financial liability measured at amortised cost
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost
Retirement benefit obligation	Financial liability measured at amortised cost

Initial recognition

The Agency recognises a financial asset or a financial liability in its statement of financial position when the Agency becomes a party to the contractual provisions of the instrument.

The Agency recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The Agency measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The Agency measures a financial asset and financial liability initially at its fair value.

Subsequent measurement of financial assets and financial liabilities

The Agency 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.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Agency establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, an Agency calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Reclassification

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

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

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

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

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

Impairment and uncollectible financial assets

The Agency 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 a financial asset 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 with 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.

Accounting Policies (cont.)

Financial assets measured at cost:

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

Derecognition

Financial assets

The Agency derecognises financial assets using trade date accounting.

The Agency derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the Agency transfers to another party substantially all the risks and rewards of ownership of the financial asset; or
- the Agency, 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 Agency:
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

If, because 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 Agency recognise the new financial asset, financial liability or servicing liability at fair value.

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

Financial liabilities

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

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

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred, or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another Agency by way of a non-exchange transaction is 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.

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

Losses and gains 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 only offset, and the net amount presented in the statement of financial position when the Agency 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.

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

Receivables from non-exchange transactions

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in Surplus or deficit when there is objective

evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 12 months overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced using an allowance account, and the amount of the deficit is recognised in Surplus or deficit within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in surplus or deficit.

Payables from exchange transactions

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

Cash and cash equivalents

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

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

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

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

1.8 Statutory receivables Identification

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

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

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The Agency recognises statutory receivables as follows:

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

Initial measurement

The Agency initially measures statutory receivables at their transaction amount.

Accounting Policies (cont.)

Subsequent measurement

The Agency measures statutory receivables after initial recognition using the cost method.

Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

Impairment losses

The Agency assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the Agency considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

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

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

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

Any previously recognised impairment loss is adjusted either directly or by adjusting the allowance account. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable(s) would have been had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

Derecognition

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

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

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

1.9 Income tax

Current tax assets and liabilities

The Agency is exempted from income tax obligations in line with section 10 (1)(a) of the Income Tax, 1962 (Act number 58 of 1962).

1.10 Leases

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

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

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.

1.11 Impairment of non-cash-generating assets

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

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

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

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

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense. Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

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

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

- the period of time over which an asset is expected to be used by the Agency; or

- the number of production or similar units expected to be obtained from the asset by the Agency.

Designation

At initial recognition, the Agency designates an asset as non-cash-generating, or an asset or cash-generating unit as cash-generating. The designation is made on the basis of an Agency's objective of using the asset.

The Agency designates an asset or a cash-generating unit as cash-generating when:

- its objective is to use the asset or a cash-generating unit in a manner that generates a commercial return;
- the asset or cash-generating unit will generate positive cash flows, from continuing use and its ultimate disposal, that are expected to be significantly higher than the cost of the asset.

The Agency designates an asset as non-cash-generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An asset used with the objective of generating a commercial return and service delivery, is designated either as a cash-generating asset or non-cash-generating asset based on whether the entity expects to use that asset to generate a commercial return. When it is not clear whether the objective is to use the asset to generate a commercial return, the entity designates the asset as a non-cash-generating asset and applies this accounting policy, rather than the accounting policy on Impairment of Non-cash-generating assets.

Identification

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

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

Irrespective of whether there is any indication of impairment, the entity also tests a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

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

Reversal of an impairment loss

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

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

1.12 Employee benefits

Employee benefits are all forms of consideration given by an employer in exchange for service rendered by employees. Termination benefits are employee benefits payable as a result of either:

- an employer's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

A constructive obligation is an obligation that derives from an employer's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the employer has indicated to other parties that it will accept certain responsibilities and as a result, the employer has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Short-term employee benefits

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

Short-term employee benefits include items such as:

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

- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

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

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

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 employer measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The employer recognises the expected cost of bonus, incentive and performance related payments when the employer has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which an employer provides post-employment benefits for one or more employees.

Post-employment benefits: Defined contribution plans

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

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

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

Where contributions to a defined contribution plan do not fall due wholly within twelve months after the end of the reporting period in which the employees render the related service, they are discounted. The rate used to discount reflects the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the obligation.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Accounting Policies (cont.)

Other post-retirement obligations

The employer provides post-retirement health care benefits to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The employer shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

1.13 Provisions and contingencies

Provisions are recognised when:

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

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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

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

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised. Provisions are not recognised for future operating surplus (deficit).

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

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

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

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

Accounting Policies (cont.)

1.14 Commitments

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

Disclosures are required in respect of unrecognised contractual commitments.

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

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Commitments are disclosed in note 26.

1.15 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the Agency, which represents an increase in net assets, other than increases relating to contributions from owners.

Where assets are transferred, conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arises when the Agency can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Agency either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another Agency without directly receiving approximately equal value in exchange.

Permit issue fees

Revenue is recognised on the issuing of permits and measured based on regulated tariffs in accordance with the Cross-Border Road Transport Agency Act (Act No. 4 of 1998). Permit fees are treated as revenue from non-exchange transactions in line with GRAP 23.

Application fees

Application fees are non-refundable and recognised on receipt of amounts.

Compliance fees

Compliance fees are payable annually by operators who are issued with a five year permit. Compliance fees are recognised annually at the anniversary of the permit so issued.

Fines

Fines are economic benefits received by entities / agencies as determined by a court or other law enforcement body because of the breach of laws or regulations. Revenue from penalty income is recognised when fines notices are issued. Assets arising from issued fines are measured at the best estimate of the inflow of resources to the Agency. Where fines imposed are subjected to a further judicial collection process, the Agency allocates the probability of fine amounts being written off or reduced by courts based on prior year trends as contemplated in IGRAP1. **Consequently, the Agency allocates the following to test the probability of penalty revenue in estimating the amount to be recognised:**

- Court reductions - when amount of fine is reduced by courts;
- Court withdrawals - where fines are withdrawn; and
- Struck off the roll - where matters are struck off the roll by the courts.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting Agency.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Accounting Policies (cont.)

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Agency satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the Agency.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.16 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.17 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Accounting by principals and agents Identification

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

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

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

Identifying whether an entity is a principal or an agent

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

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

Binding arrangement

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

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

Assessing which entity benefits from the transactions with third parties

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

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

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

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

Recognition

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

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

1.19 Comparative figures

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

1.20 Fruitless and wasteful expenditure

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

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.21 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 (PFMA); 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; or
- (d) is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

1.22 Research and development expenditure

Expenditure on research is recognised as an expense when it is incurred. An asset arising from development 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.

Accounting Policies (cont.)

1.23 Comparison of budget and actual amounts

The Agency 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 the Agency shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a accrual basis and presented by functional classification linked to performance outcome objectives. The approved budget covers the fiscal period from 2021/04/01 to 2022/03/31.

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.

1.24 Related parties

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

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

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

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

Transactions with related parties are disclosed in note 28.

1.25 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events can be identified:

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

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

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

Notes to the Annual Financial Statements

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

There were no standards and interpretations that were effective for the current financial year and relevant for business operations that the Agency has adopted.

2.2 Standards and Interpretations early adopted

The Agency has not adopted any standard of GRAP or interpretations in the current year that are not yet effective.

2.3 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards, which have been published and are mandatory but not yet effective:

GRAP 25 Employee benefits (Amendments)

Key changes made to GRAP 25 includes guidance in distinguishing termination benefits from other employee benefits, when they should be recognised and their measurement.

There was no effect on the annual financial statements for the year ended 31 March 2022.

GRAP 104 Financial Instruments (Amendments)

Key changes made to GRAP 104 includes guidance on offsetting financial assets and financial liabilities, changes in classification resulted in changes in disclosure, new disclosures on credit risk management practices, evaluation of credit losses on financial performance and position, and credit risk exposure, offsetting financial assets and financial liabilities.

There was no effect on the annual financial statements for the year ended 31 March 2022.

3. Receivables from exchange transactions

	2022 R	2021 R
Deposits and prepayments	2 820 858	3 211 890
Receivable from related party (Note 28)	-	142 294
	2 820 858	3 354 184

Deposits are amounts paid as surety to service providers as well as prepayments and deferred expenditure for services still to be received such as licence fees paid in advance. An analysis of these financial assets has been performed individually to assess any levels of impairment. The services from the service providers are ongoing. The Agency holds no collateral on the financial assets.

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2022, there were no trade and other receivables from exchange transactions past due but not impaired.

Trade and other receivables impaired

As of 31 March 2022, trade and other receivables of R 186 277 (2021: R -0) were impaired. No amount of the provision was raised as at the end of the financial year.

4. Receivables from non-exchange transactions

	2022 R	2021 R
Statutory receivables - Fines	668 130	1 048 202
Statutory receivables - Compliance fees	9 930 472	7 462 435
Other receivables	612 527	469 283
Staff debtors	121 734	22 242
	11 332 863	9 002 162

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

Gross fines receivable	20 363 994	18 305 734
Provision for doubtful debts	(19 695 864)	(17 257 532)
	668 130	1 048 202

Other non-financial asset receivables included in receivables from non-exchange transactions above are as follows:

Gross accounts receivables - Compliance Fees	25 693 854	21 849 875
Provision for doubtful debts	(15 763 382)	(14 387 440)
	9 930 472	7 462 435

Notes to the Annual Financial Statements (cont.)

Transaction(s) arising from statute

Fines

Section 18 (1) (b) of the Cross-Border Road Transport Act, 4 of 1998 (“the Act”), requires the Agency to finance its operating and capital costs from, among others, money collected from the imposition of fines in terms of the said Act. In implementing its law enforcement function, section 40 of the Act requires the national road transport inspectors to impose a fine to operators who contravene the provisions of the C-BRT Act. Consequently, statutory receivables arises when the entity issues a fine. Thus, statutory receivables consist of fines issued but not yet paid by the cross-border road transport operators.

Compliance fees

In terms of section 47 (6) of the C-BRT Act, all holders of permits which are valid for more than one year, must submit certain compliance documents to the Regulatory Committee annually. In addition, Regulation 5(6) of the C-BRT Act provides that where a permit is valid for more than one year, an annual compliance fee must be paid annually on or before the annual anniversary date of the first issue of the permit. Consequently, statutory receivables arise each year at an anniversary of the five year permit. Thus, statutory receivables consist of compliance fees due but not yet paid by operators who hold a five year permit.

Determination of transaction amount

Fines

In terms of section 43 of the C-BRT Act, the amount of fines imposed in respect of a case tried with regard to an offence contemplated in the Act is determined by a magistrate’s court within jurisdiction where the offence was committed. There is no standard fee for fines imposed. All fines are determined by magistrates based on the impact and circumstances of each jurisdiction.

Compliance fees

Section 51 of the C-BRT Act provides that the Minister of Transport, after consulting with the Board, may make regulations in relation to the fee structure for permits and other fees. Thus, the amount of compliance fee is determined through regulations published by the Minister of Transport in the Government Gazette.

Interest or other charges levied/charged

Interest is not charged on outstanding fines.

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

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

- (a) All operators that have been placed under or applied for liquidation or sequestration;
- (b) Where the operators have ceased operating;
- (c) All accounts indicated as in-active accounts on the system;
- (d) Accounts handed over to debt collectors and/or power of attorney;
- (e) When a formal arrangement is made on arrears debt;
- (f) Where receivables are past due payment date and there are delays in payment; and
- (g) Where receivables have been outstanding for over twelve months.

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

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

Discount rate applied to the estimated future cash flows

The Agency applied a discount rate of 7.75% (2021: 7.75%) to the estimated future cash flows. This discount was determined with reference to the yield of the R2023 South African government bond as at the reporting date.

Statutory receivables past due but not impaired

Statutory receivables which are less than 12 months past due are not considered to be impaired. At 31 March 2022: 15 906 136, R- (2021: R9 073 480) were past due but not impaired.

	2022 R	2021 R
The ageing of amounts past due but not impaired is as follows:		
3 months past due	8 455 664	3 115 788
6 months past due	1 477 850	105 247
9 months past due	5 972 622	5 852 445

Factors the entity considered in assessing statutory receivables past due but not impaired

In assessing statutory receivables past due but not to be impaired, the Agency considered such factors as the legal processes that are followed in collecting fines and enforcing compliance with regulations. These legal processes are not often concluded within thirty days and thus it may be necessary to still expect payments in such circumstances.

Statutory receivables impaired

As of 31 March 2022, Statutory receivables of R3 814 274 (2021: R6 109 023) were impaired and provided for.

The overall provision balance was therefore increased from R31,644,971 to R35,459,246 for the year under review. The impaired debtors were outstanding for more than 12 months. These outstanding debtors consist mainly of the pending notices on infringements that have either not gone through the courts or which have gone through the courts but not yet paid by the operators. The creation and release of provision for impaired receivables have been included in operating expenses. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivables mentioned above. The Agency does not hold any collateral as security.

	2022 R	2021 R
Reconciliation of provision for impairment for statutory receivables		
Opening balance	31 644 971	25 535 948
Provision for impairment	3 814 274	6 109 023
	35 459 245	31 644 971

The creation and release of provision for impaired receivables have been included in operating expenses. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash. The maximum exposure to credit risk at the reporting date is the fair value of each class of loan mentioned above. The Agency does not hold any collateral as security.

5. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and investments in money market instruments. Cash and cash equivalents included in the cash flow statement comprise of the following amounts indicated in the statement of financial position:

	2022 R	2021 R
Cash on hand	11 077	3 004
Bank balances	1 811 228	11 376 537
Short-term deposits	167 665 160	133 180 226
	169 487 465	144 559 767

All cash and cash equivalents are available for use by the agency without any restrictions.

Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings.

Notes to the Annual Financial Statements (cont.)

6. Property, plant and equipment

	2022			2021		
	COST/VALUATION R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST/VALUATION R	ACCUMULATED DEPRECIATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Furniture and fixtures	3 754 829	(2 884 574)	870 255	3 851 516	(2 724 004)	1 127 512
Office equipment	2 699 294	(1 132 883)	1 566 411	4 231 131	(2 625 687)	1 605 444
Computer equipment	12 962 869	(7 732 425)	5 230 444	11 059 658	(6 880 800)	4 178 858
Leasehold improvements	3 645 265	(1 321 819)	2 323 446	3 594 447	(598 696)	2 995 751
Motor Vehicles	232 541	(231 608)	933	479 846	(478 290)	1 556
Signage	454 447	(59 976)	394 471	454 447	(29 680)	424 767
Total	23 749 245	(13 363 285)	10 385 960	23 671 045	(13 337 157)	10 333 888

Reconciliation of property, plant and equipment - 2022

	OPENING BALANCE R	ADDITIONS R	DEPRECIATION R	IMPAIRMENT LOSS R	TOTAL R
Furniture and fixtures	1 127 512	5 439	(258 674)	(4 022)	870 255
Office equipment	1 605 444	457 245	(490 801)	(5 477)	1 566 411
Computer equipment	4 178 858	3 095 493	(2 031 527)	(12 380)	5 230 444
Leasehold improvements	2 995 751	50 819	(723 124)	-	2 323 446
Motor Vehicles	1 556	-	(623)	-	933
Signage	424 767	-	(30 296)	-	394 471
	10 333 888	3 608 996	(3 535 045)	(21 879)	10 385 960

Reconciliation of property, plant and equipment - 2021

	OPENING BALANCE R	ADDITIONS R	DISPOSALS R	DEPRECIATION R	IMPAIRMENT LOSS R	TOTAL R
Furniture and fixtures	969 330	477 118	(8 446)	(294 136)	(16 354)	1 127 512
Office equipment	504 269	1 503 398	-	(394 450)	(7 773)	1 605 444
Computer equipment	4 496 979	1 878 917	(18 010)	(2 165 490)	(13 538)	4 178 858
Leasehold improvements	3 189 975	404 472	-	(598 696)	-	2 995 751
Motor Vehicles	3 611	-	-	(2 055)	-	1 556
Signage	112 180	400 000	(63 783)	(23 630)	-	424 767
	9 276 344	4 663 905	(90 239)	(3 478 457)	(37 665)	10 333 888

7. Intangible assets

	2022			2021		
	COST/VALUATION R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST/VALUATION R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Computer software, internally generated	16 709 577	(223 690)	16 485 887	10 942 772	-	10 942 772
Other computer software	1 509 000	(1 094 648)	414 352	2 143 098	(1 707 106)	435 992
Total	18 218 577	(1 318 338)	16 900 239	13 085 870	(1 707 106)	11 378 764

Reconciliation of intangible assets - 2022

	OPENING BALANCE R	ADDITIONS R	AMORTISATION R	IMPAIRMENT LOSS R	TOTAL R
Computer software, internally generated	10 942 772	5 766 805	(223 690)	-	16 485 887
Other computer software	435 992	236 438	(256 125)	(1 953)	414 352
	11 378 764	6 003 243	(479 815)	(1 953)	16 900 239

Reconciliation of intangible assets - 2021

	OPENING BALANCE R	ADDITIONS R	AMORTISATION R	IMPAIRMENT LOSS R	TOTAL R
Computer software, internally generated	9 112 694	1 830 078	-	-	10 942 772
Computer software	725 041	204 542	(260 117)	(233 474)	435 992
	9 837 735	2 034 620	(260 117)	(233 474)	11 378 764

Notes to the Annual Financial Statements (cont.)

8. Payables from exchange transactions

	2022 R	2021 R
Trade payables	4 396 678	1 036 227
Accrued leave pay	6 965 262	7 033 805
Accrued bonuses (13th Cheques)	948 754	984 580
Workman's compensation accrual	582 176	493 580
Other accrued expenses	4 358 839	1 807 896
	17 251 709	11 356 088

9. Payables from non-exchange transactions

	2022 R	2021 R
Permit and penalty fees refundable	9 535 774	9 075 104

Payables relate to payments received in advance from operators.

10. Provisions**Reconciliation of provisions - 2022**

	OPENING BALANCE	UTILISED DURING THE YEAR	TOTAL
Provision for staff performance bonuses	7 051 637	(5 906 254)	1 145 383

Reconciliation of provisions - 2021

	OPENING BALANCE	UTILISED DURING THE YEAR	TOTAL
Provision for staff performance bonuses	7 602 097	(550 460)	7 051 637

Provision for staff performance bonuses

Performance bonus is payable to qualifying employees as per the Agency's performance management policy. No staff performance bonus provision was provided for in the current and

prior year due to the lower percentage of achievement of performance target that required in terms of the performance management policy. Performance bonus was provided for in 2019/2020 financial year, which was paid in the current year under review. The balance not paid relates to the performance reviews that are still being processed by the relevant internal governance structures.

11. Operating lease asset (liability)

	2022 R	2021 R
Non-current liabilities	(2 958 908)	(1 704 327)

Operating lease liability consist of portion of the lease payment on the lease of buildings that will only be settled in future. As the operating lease expenses are recognised on accrual basis on a straight-line method over the lease payments, lease payments may be less than the accrued amount and any short-fall is recognised as operating lease liability as such shortfall are settled in future when lease payments are increased with escalation rate.

12. Employee benefit obligations**Defined benefit plan**

The Agency has in place a post-employment medical benefit plan to which 10 members (2021: 12 members) belong. It is made up of members of the Government Employee Medical Scheme as well as Medihelp. The most recent actuarial valuations of the post medical benefit obligation were carried out on 31 March 2022 by Ms. J. van der Spuy, a fellow of the Institute of Actuaries. The present value of the post-employment medical aid obligation, and the related current service costs, were measured using the projected unit credit method.

Post retirement medical aid plan

The plan and liability is with respect to members transferred to RTMC as well as existing continuing members who are no longer in the employ of the Agency who qualify for continuation health care costs. The employees received a fixed subsidy of up to R1,624 per month for unmarried members and up to R3, 248 for married members towards their medical aid subscriptions, regardless of number of children or the medical aid the member belongs to.

The subsidy amount will only increase when the government increases the capped amount.

Medical inflation is expected to exceed general inflation by 1% per annum in the long term. The liability as calculated by the actuaries is an estimate of the cost of these subsidies, based on assumptions regarding the future experience, and does not influence the actual cost of the subsidies. The actual cost will be determined by the actual experience in the future.

The amounts recognised in the statement of financial position are as follows:

	2022 R	2021 R
CARRYING VALUE		
Present value of the defined benefit obligation-wholly unfunded	(2 578 000)	(4 119 000)
Non-current liabilities	(2 323 000)	(3 760 000)
Current liabilities	(255 000)	(359 000)
	(2 578 000)	(4 119 000)

The valuation results show a liability in respect of accrued service equal to R2,578,000 (2021: R4,119,000). Total interest cost and current service costs for the period from 1 April 2021 to 31 March 2022 were R470,000 and R7,000 respectively. The liability is a long-term estimation of amounts due from the Agency towards its obligation (subsidy) to the affected members. There are no plan assets to meet the obligation. The contribution by the employer towards the 10 employees is limited to R3,052 per retired employee per month.

Changes in the present value of the defined benefit obligation are as follows:

Opening balance	(4 119 000)	(3 803 000)
Contributions by plan participants	250 000	233 965
Net expense recognised in the statement of financial performance	1 291 000	(549 965)
	(2 578 000)	(4 119 000)

Net expense recognised in the statement of financial performance

Current service cost	(7 000)	(22 000)
Interest cost	(470 000)	(449 000)
Actuarial gains / (losses)	1 768 000	(78 965)
	1 291 000	(549 965)

	2022 R	2021 R
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	Yield curve	Yield Curve
Medical cost trend rates	CPI + 1%	CPI + 1%

A nominal and real zero curve as at 31 March 2022 supplied by the JSE was used to determine a discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, the prevailing yield at the time of performing calculations is used.

The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period. South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. These increases are considered not to be sustainable and have assumed that medical aid contribution increases would outstrip general inflation by 1% per annum over the foreseeable future.

The Consumer price index (CPI) used is assumed to be the difference between nominal and yield curves.

Defined contribution plan

It is the policy of the Agency to provide retirement benefits to all its permanent employees. A defined contribution provident fund, and a pension fund, all of which are subject to the Pensions Fund Act, 1956 (Act No. 24 of 1956) exist for this purpose. The Agency is under no obligation to cover any unfunded benefits.

13. Revenue from non-exchange transactions - Permits and fines

	2022 R	2021 R
Permit issue fees	171 140 125	143 852 460
Permit application fees	28 810 505	35 078 169
Compliance fees	13 556 983	11 852 697
Fines	44 037 929	16 869 919
	257 545 542	207 653 245

Notes to the Annual Financial Statements (cont.)

14. Revenue from non-exchange transactions - Grants

	2022 R	2021 R
Unconditional special Covid-19 relief grant received	-	38 500 000
TETA SDL Grant	419 298	-
	419 298	38 500 000

15. Other Income

	2022 R	2021 R
Postage, administrative and general walk-in services to operators	122 690	71 378
Actuarial gains	1 768 000	-
Insurance refunds	-	33 468
Profit on sale of assets	97 240	-
	1 987 930	104 846

16. Interest received

	2022 R	2021 R
Bank	5 868 344	4 289 244

The Agency has cash investments yielding an average of 3,74% (2021: 3.75%) per annum.

17. Depreciation, amortisation and impairment loss

	2022 R	2021 R
Property, plant and equipment	3 535 044	3 478 457
Intangible assets	479 816	260 117
	4 014 860	3 738 574

18. Employee related costs

	2022 R	2021 R
Basic salaries	112 277 171	107 178 496
Medical aid - company contributions	3 871 868	3 618 016
Unemployment Insurance Fund	337 237	296 217
Workman's Compensation	582 176	429 824
Leave pay provision charge	417 294	2 124 961
Pension and provident fund contribution	14 391 742	13 637 399
Long-service incentive	520 383	295 861
13 th cheques	3 517 549	3 592 080
Car allowance	342 000	368 700
	136 257 420	131 541 554

19. Finance costs

	2022 R	2021 R
Interest charges	470 000	449 000

The interest cost represents the accrual of interest on the accrued liability, allowing for benefit payments, over the corresponding year. This arises because the post-employment medical aid scheme contributions are one year closer to payment. This item is accounted for in the Statement of financial performance in accordance with GRAP25: Employee Benefits.

20. Provision for impairment of receivables

	2022 R	2021 R
Impairment loss	4 354 573	6 748 692

Impairment loss amount is made up of notices issued and not yet paid as well as compliance fees not yet paid. The amount expensed is the increase in the financial year under review.

21. General expenses

	2022 R	2021 R
Advertising, publicity, marketing and branding	1 347 041	763 901
Audit fees (note 22)	3 361 290	2 981 961
Bank charges	1 795 498	729 668
Cleaning and office supplies	383 375	844 327
Service fee (Note 35)	41 625 550	18 819 350
Consulting and legal fees	3 462 976	3 662 652
Catering and employee wellbeing	161 538	39 066
Corporate gifts and donations	197 700	-
Insurance	260 046	357 811
Conferences and seminars	389 588	140 321
IT expenses	1 714 361	2 929 986
Motor vehicle expenses	29 916	6 466
Placement fees	359 376	181 494
Printing and stationery	1 451 368	843 906
Repairs and maintenance	646 398	167 827
Security	474 525	513 789
Staff welfare	91 216	123 710
Software license fees	6 085 730	3 594 676
Professional memberships and subscriptions	-	107 833
Training and development	1 953 561	856 216
Travel and accommodation expenses	4 429 448	971 615
Small tools	8 115	18 493
Electricity and water	880 000	973 862
Document storage expenses	314 114	401 701
Relocation expenses	-	720 802
Telephone, network and data expenses	539 235	1 623 709
Cellphone expenses	934 109	936 661
Actuarial losses	-	78 965
	72 896 074	43 390 768

22. Audit fees

	2022 R	2021 R
External audit	2 600 897	2 112 375
Internal audit	760 393	869 586
	3 361 290	2 981 961

23. Operating lease

Office Lease

The Agency has entered into a major operating lease agreement with Centurion Vision Development (Proprietary) Limited for a period of five years commencing on 01 June 2020 and terminating on 31 May 2025. Occupation was delayed by two months due to Covid-19 lockdown. The lease is in respect of the building known as Eco Point Office Park situated at Erf 3060 Highveld Ext 70 Township J.R Gauteng.

The significant leasing arrangements include the following:

- The lease escalates annually on 01 June of each year by 7.5%; and
- There are no renewal options and there are no restrictions imposed on the leases.

Photocopiers

The Agency leases printing and photocopier machines under non-cancellable operating leases for three years expiring 30 June 2022.

The significant leasing arrangements include:

- The rental amount fixed for the duration of the minimum lease period;
- Upon the termination of lease term, the lease may be renewed at the request of the Agency at a reduced rental amount (minimum of 80% of the rental) for a rental period to be agreed by the parties; and
- There are no restrictions imposed on the leases.

Motor Vehicle

The Agency has leased a motor vehicle for law enforcement purposes under a non-cancellable operating lease for three years expiring 26 January 2023.

The significant leasing arrangements include:

- There are no escalations on the lease; and
- There are no renewal options and there are no restrictions imposed on the leases.

	2022 R	2021 R
Future minimum lease payments due		
- within one year	15 164 036	15 576 798
- in second to fifth year inclusive	31 839 085	47 003 120
	47 003 121	62 579 918

Notes to the Annual Financial Statements (cont.)

24. Operating surplus

Operating surplus for the year is stated after accounting for the following:

	2022 R	2021 R
Operating lease charges		
Premises		
• Contractual amounts	14 694 962	14 308 764
Motor vehicles		
• Contractual amounts	423 329	312 459
Equipment		
• Contractual amounts	551 060	801 878
	15 669 351	15 423 101
Profit on sale of assets	97 240	-
Assets written off or impaired	(23 834)	(361 378)
Amortisation of intangible assets	479 816	260 117
Depreciation on property, plant and equipment	3 535 044	3 478 457
Employee costs	136 257 420	131 541 554

25. Cash (used in) / generated from operations

	2022 R	2021 R
Surplus	32 135 002	48 894 268
Adjustments for:		
Depreciation and amortisation	4 014 860	3 738 574
De-recognition of non-current assets	23 834	361 378
Profit on sale of non-current assets	(97 240)	-
Interest received	(5 868 344)	(4 289 244)
Debt impairment	4 354 573	6 748 692
Movements in operating lease liability	1 254 581	1 704 327
Movements in retirement benefit assets and liabilities	(1 541 000)	316 000
Changes in working capital:		
Receivables from exchange transactions	533 326	(874 818)
Increase in impairments	(4 354 573)	(6 748 692)
Receivables from non-exchange transactions	(1 726 898)	625 656
Payables from exchange transactions	5 895 616	(4 554 786)
Provisions	(5 906 255)	(545 520)
Payables (non-exchange transactions)	460 668	1 789 504
	29 178 150	47 165 339

26. Commitments

	2022 R	2021 R
Authorised capital expenditure		
Already contracted for but not provided for:		
• Property, plant and equipment	1 046 630	361 416
• Intangible assets	33 255 125	1 107 145
	34 301 755	1 468 561
Authorised operational expenditure		
Already contracted for but not provided for:		
• General expenses	36 796 636	8 827 521
• Internal audit fees	3 270 453	4 060 923
• Office lease	51 629 734	61 879 188
	91 696 823	74 767 632

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, and existing cash resources.

27. Contingencies

A member of the public is claiming R3.8 million in respect of injury and damages to his motor vehicle having been involved in an accident with one of the Agency's employees. The Agency is again defending itself and believes the chances of the lawsuit succeeding are remote.

A matter with a supplier appointed to supply promotional material which was delivered and paid for. The supplier is claiming non-payment due to a change in bank account details. The estimated cost of claims is R118, 184.05 plus legal costs. Pleadings have been settled and filed. The Agency is of the view that it has a good chance that the matter will be ruled in its favour.

An operator is claiming an amount of fine imposed by the Agency following the vehicle that impounded due to inadequate permits. The estimated cost of the claim is R93, 992.25.

28. Related parties

Board Members and Members of Key Management Members Refer to members' report note 29

	2022 R	2021 R
Related party balances		
Balances owing (to) by related parties		
Road Traffic Management Corporation	-	142 294
Department of Transport	-	(576 981)
Airports Company of South Africa	-	(196 978)
Government Printing Works	(17 150)	(15 637)
Department of Justice	(833 848)	-

Amount due to Government Printing Works in respect of publication services rendered to the Agency, payable in cash within 30 days from invoice date.

Amount due to Department of Justice in respect of the legal services rendered to the Agency, payable in cash within 30 days from invoice date.

	2022 R	2021 R
Related party transactions		
Expenses incurred with related parties		
Government Printing Works	17 150	96 846
Department of Justice	1 121 234	659 976
Road Traffic Management Corporation	41 625 550	18 819 350
Airports Company of South Africa	2 363 741	2 363 741

The Department of Justice provides legal services to the Agency while the Government Printing Works supplies sensitive stationery and gazetting. The two entities were established to provide services to government agencies and departments like the Cross-Border Road Transport Agency.

RTMC provides law enforcement function on behalf of the C-BRTA. Furthermore, certain contracts such as leasing of regional offices were honoured by the C-BRTA on behalf of the RTMC as part of the transition process.

Airports Company of South Africa seconded an official to take the role of Acting Chief Executive Officer from 01 November 2019. As a substantive employer, the company paid the official remuneration which is recoverable from C-BRTA.

Notes to the Annual Financial Statements (cont.)

29. Board members and Executive Remuneration**Board Remuneration**

	EMOLUMENTS R	TOTAL R
2022		
Mr M Ramathe (Chairperson) (Term ended 28 June 2021)	56 923	56 923
Prof JH Havenga (Deputy Chairperson) (Term ended 28 June 2021)	46 604	46 604
Mr RD Baloyi (Term ended 28 June 2021)	46 604	46 604
Mr LL Thekisho (Term ended 28 June 2021)	46 604	46 604
Ms KS Mahlangu (Term ended 28 June 2021)	46 604	46 604
Ms DI Sekonyela (Term ended 28 June 2021)	46 604	46 604
Mr. C Hlabisa*	-	-
New members of the Board		
Ms. Lerato Molebatsi (Acting Chairperson) (Appointed 29 June 2021)	170 767	170 767
Prof. Isaac Shai (Appointed 29 June 2021)	139 810	139 810
Ms. Zukisa Millicent Ramasia (Appointed 29 June 2021)	139 810	139 810
Adv. Adila Chowan (Appointed 29 June 2021)	139 810	139 810
Mr. Monwabisi Andile Kolanisi (Appointed 29 June 2021)	139 810	139 810
Mr. Kevin Daniel van der Merwe (Appointed 29 June 2021)	139 810	139 810
Ms. Loyiso Kula (Appointed 29 June 2021)	139 810	139 810
Dr. Lesley Thulani Luthuli (Appointed 29 June 2021)	139 810	139 810
Ms. Lebogang Letsoalo (Appointed 29 June 2021)	139 810	139 810
	1 579 190	1 579 190

	EMOLUMENTS R	TOTAL R
2021		
Mr. M Ramathe (Chairperson)	227 689	227 689
Prof. JH Havenga (Deputy Chairperson)	186 414	186 414
Mr. RD Baloyi	186 414	186 414
Mr. LL Thekisho	186 414	186 414
Ms. KS Mahlangu	186 414	186 414
Ms. DI Sekonyela	186 414	186 414
	1 159 759	1 159 759

*Although Mr. Hlabisa is a non-executive Board member and has attended meetings, he was not remunerated for the period as he was an employee of a National Government and thus not entitled to additional remuneration as per National Treasury directive.

Executive Management Remuneration

	ANNUAL REMUNERATION R	TRAVEL, CAR AND CELLPHONE ALLOWANCE R	ACTING ALLOWANCE, TERMINATION LEAVE AND OTHER EXPENSES R	TOTAL R
2022				
Chief Executive Officer (Suspended)	931 634	16 329	374 224	1 322 187
Acting Chief Executive Officer	-	-	1 435 945	1 435 945
Chief Financial Officer	2 137 406	49 464	-	2 186 870
Chief Operations Officer	2 686 554	25 464	8 661	2 720 679
Executive: Regulatory Services (Appointed 01 July 2021)	1 448 688	82 500	4 357	1 535 545
Executive: Stakeholder Relations	2 217 335	28 212	22 869	2 268 416
Chief Information Officer	2 500 735	27 300	-	2 528 035
Acting Executive: Regulatory Services	-	-	38 240	38 240
Acting Executive: Corporate Services	-	-	123 812	123 812
Acting Executive: Research and Development Contract ended 31 May 2021	-	-	151 290	151 290
	11 922 352	229 269	2 159 398	14 311 019

Remuneration of Executive Management

	ANNUAL REMUNERATION R	TRAVEL, CAR AND CELLPHONE ALLOWANCE R	PERFORMANCE BONUS AND VARIABLE PORTION R	ACTING ALLOWANCE, TERMINATION LEAVE AND OTHER EXPENSES R	TOTAL R
2021					
Chief Executive Officer (Suspended)	3 359 416	65 316	-	8 522	3 433 254
Acting Chief Executive Officer (appointed: 01 November 2019)	-	-	-	1 705 086	1 705 086
Chief Financial Officer (Appointed 01 June 2020)	1 654 010	115 920	-	-	1 769 930
Chief Operations Officer	2 591 833	25 464	-	1 994	2 619 291
Executive: Research & Development (Contract ended 30 April 2020)	131 740	2 469	53 500	171 933	359 642
Executive: Stakeholder Relations	2 152 752	28 212	-	3 894	2 184 858
Chief Information Officer	2 427 898	27 300	-	-	2 455 198
Acting Executive: Regulatory Services	-	-	-	147 080	147 080
Acting Executive: Corporate Services	-	-	-	142 860	142 860
Acting Executive: Research and Development	-	-	-	84 529	84 529
	12 317 649	264 681	53 500	2 265 898	14 901 728

Notes to the Annual Financial Statements (cont.)

Independent Non-Executive Audit and Risk Committee Members remuneration

	EMOLUMENTS R	TOTAL R
2022		
Mr. PS Fourie (Chairperson) (Term ended 28 February 2022)	395 465	395 465
Mr. AP Wakaba (Term ended 28 February 2022)	82 654	82 654
Ms. Z Ntsalaze (Appointed 01 February 2021)	249 520	249 520
Mr. BS Chaplog (Appointed 01 March 2022)	34 309	34 309
Ms. M Phiri (Appointed 01 March 2022)	34 309	34 309
	796 257	796 257

	EMOLUMENTS R	TOTAL R
2021		
Mr PS Fourie (Chairperson)	304 678	304 678
Mr. AP Wakaba	281 626	281 626
	586 304	586 304

Adv. Adila Chowan is a member of both the Audit and Risk Committee and the Board. Her remuneration was accounted for under Board remuneration.

30. Change in estimate

Property, plant and equipment

Property, plant and equipment are depreciated over the useful lives of assets. During the financial year, the Agency decided to continue using certain items of property, plant and equipment that have come to the end of their useful lives. Furthermore, the Agency decided to bring into use certain assets that were either fully depreciated or impaired. This was due to the financial constraints experienced by the Agency affecting its financial ability to replace items of property, plant and equipment at a scale initially envisaged.

	2022 R	2021 R
The effect of the change in the current year is as follows:		
Decrease in depreciation and amortisation	(525 125)	-
Decrease in accumulated depreciation	525 125	-

The effect in future periods could not be reasonably determined.

Penalty income

Penalty income

During the previous financial year, the Agency had made an estimate of the amount of the penalty notices issued which were likely to be reduced by the courts when the traffic fines are finalised by the courts in line with IGRAP1. However, the actual amount reduced by courts differed from the estimated amount. The effect of the change in the current year is as follows:

	2022 R	2022 R
Increase (decrease) in penalty income	220 534	3 918 697
(Increase) in receivables from non-exchange transactions	(220 534)	(3 918 697)

31. Risk management

Financial risk management

The Agency's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Agency's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Agency's financial performance. The Agency does not use derivative financial instruments to hedge risk exposures. Risk management is carried out by management under policies approved by the Accounting Authority.

Liquidity risk

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

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Agency only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. The Agency's debtors consist of operators who owe fees imposed with reference to legislation.

Capital risk management

The Agency's objectives when managing capital are to safeguard the Agency's ability to continue as a going concern in order to provide services to the South Africa public and benefits for other stakeholders. The capital structure is currently free of any long term debt except for the retirement benefit obligation relating to medical costs for some former and current employees. As a state-owned entity, the Agency has no desire to maintain a highly geared capital structure.

Interest rate risk

The Agency has some interest-bearing assets in the form of investments in the money market in the form of fixed term deposits. However, its income and operating cash flows are substantially independent of changes in market interest rates.

32. Going concern

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

The ability of the Agency to continue as a going concern is dependent on the ability of the Agency to meet these obligations as they are lodged. The going concern basis presumes the funds will be available to finance future operations and that the realisation of assets and liabilities and other contingent obligations will occur in the ordinary course of business.

Since the year 2020/2021 financial year the country and the world at large experienced a Covid-19 pandemic which has resulted in the President of the Republic declaring the national lockdown in response to the pandemic. The lockdown has resulted in the C-BRTA not being able to operate in full capacity during the previous and current financial year. As the lockdown continued, albeit at a reduced scale, the business of the C-BRTA, which is primarily funded from the permit fee tariffs charged to cross-border transport operators, had been adversely affected. However, the Agency has since seen improvement in revenue collections throughout the remainder of the financial year despite some restrictions still in place.

Although uncertainties still exist as to the extent of COVID infections and government response, it is not expected that the Government will implement hard lockdowns to close the economy and thus permit income is still expected to be generated at sustainable levels. The financial statements were prepared on the basis that Parliament, represented by the Department of Transport has neither the intention nor the need to liquidate nor curtail materially, the scale of the Agency's operations. Consequently, management is of the view that the entity has sufficient cash reserves to meet financial obligations as they become due and thus the annual financial statements were prepared on a going concern basis.

The year under review recorded a surplus of R32,135,002 (2021: R48,894,268).

Notes to the Annual Financial Statements (cont.)

33. Irregular expenditure

	2022 R	2021 R
Opening balance as previously reported	1 323 080	-
Opening balance as restated	1 323 080	-
Add: Irregular Expenditure - current	420 105	1 323 080
Less: Amount condoned	(1 323 080)	-
Closing balance	420 105	1 323 080

Details of incidents/cases identified/reported in the current year include those listed below:

	Disciplinary steps taken/ criminal proceedings		
Omission of local production and content from bidding documents	Investigations are currently being conducted to determine if there was any loss suffered and/or if any person is liable in law.	288 394	-
BBBEE points claimed not independently verified	Investigations are being conducted to determine if any loss suffered and/or if any person is liable in law.	104 973	-
No motivation for obtaining only two quotations	No motivation for obtaining only two quotations	26 738	-
Net surplus per approved budget		420 105	-

Cases under investigation**Omission of local content from bid documents**

Irregular expenditure of R288 394 incurred in the current year relates to the omission of condition in the bid terms of reference to require items of clothing and textiles to be 100% locally produced and to require bidders to complete SBD6 document to declare such local production and content. Investigations currently being conducted to determine if there were any losses suffered and/or if any person is liable.

BBBEE Points allocated based on Central Supplier Database (CSD)

Irregular expenditure of R104 973 in the current year as a result of a supplier evaluated on BBBEE points obtained from the CSD. It is argued that while BBBEE points are obtainable from CSD, entities should still independently verify the BBBEE points, which was not done, resulting in the irregular expenditure.

No motivation for only obtaining two quotation

Irregular expenditure of R26 737.50 in the current year as a result of procurement where five service providers were invited to submit quotations but only two responded. Due to the urgency of procurement it was improbable to open the bidding. However, the motivation did not capture detailed reasons explaining the urgency.

Amount condoned**Prior year irregular expenditure**

Irregular expenditure of R1 323 080 was in relation to the procurement of legal services through quotation system. However, due to the complexity of the processes, the case took longer than initially envisaged and the cost of legal services exceeded the tender threshold of R500 000. The investigations have been conducted and the outcome of the investigations had recommended disciplinary steps against an employee who is no longer in the employ of the Agency. Condonation has since been requested and granted by National Treasury on 12 July 2022.

34. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

	2022 R	2021 R
Net surplus per the statement of financial performance	32 135 002	48 894 268
Adjusted for:		
Assets written off and impairments	23 834	127 904
Finance charges and interest expense	470 000	499 000
Operating and general expenses	(17 801 266)	(5 914 869)
Depreciation and amortisation	(3 022 564)	(1 427 094)
Employee costs	(10 280 056)	(3 588 740)
Penalty income	(8 302 539)	13 975 365
Administration fee - RTMC	5 890 160	(12 025 934)
Under/over recovery of budgeted revenue	4 939 485	(2 008 340)
Other income over-collected	(1 164 488)	602 884
Interest received	(1 457 446)	(289 506)
Grant received	(419 298)	(38 500 000)
Profit on disposal of non-current assets	(97 240)	-
Net surplus per approved budget	913 584	344 938

35. Accounting by principals and agents

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

Details of the arrangements are as follows:

At the beginning of the financial year ended 31 March 2018, RTMC was appointed to perform the law enforcement function (Road Transport Inspectorate (RTI)) on behalf of the Agency. This was also done in order to utilise existing and established resources (economy of scale) to run the RTI law enforcement function efficiently and effectively, pending the legislative review. Pursuant to this decision, a binding arrangement was entered into between the Agency and the RTMC in terms of which the latter will undertake the law enforcement function (Road Transport Inspectorate) on behalf of the former with the following significant terms agreed upon:

- The functions of the RTI as provided for in Section 39 of the C-BRT Act, 1998 are now performed by the RTMC

- All the employees of the RTI and their employment contracts were transferred to RTMC, resulting in RTMC being the new employer for the employees concerned.
- RTMC to operationalise the role and functions of the RTI as envisaged in the C-BRT Act, 1998 subject, inter-alia, to the following, at a minimum:
- The mandate of the C-BRTA as contained in the C-BRT Act, 1998, remains vested in the C-BRTA,
- The Chief Executive Officer of the C-BRTA remains vested with the powers as set forth in Section 37 (1)(a) of the C-BRT Act, 1998, and only personnel appointed as the national RTI by the Chief Executive Officer of the C-BRTA may exercise the powers and perform the functions of the RTI in terms of the C-BRT Act, 1998,
- The powers conferred upon the Board of the C-BRTA generally, and specifically in terms of Section 23 and 37 (2) of the C-BRT Act, 1998, remain vested in the Board of the C-BRTA, and the Board of the C-BRTA may from time to time issue directives to the RTMC in respect of the performance of the RTI function in order to ensure that the Board of the C-BRTA fulfils its mandate as required in terms of the C-BRT Act, 1998,
- The Agency pays the RTMC service fee not exceeding the amount of penalty income collected,

For the financial year under review, the C-BRTA did not incur any expenditure on behalf of the RTMC.

In terms of the agreement, the following transactions are undertaken by the RTMC with transport operators on behalf of the C-BRTA:

- Inspection and enforcement of road transport rules and regulations;
- Issue of fines and collection of penalty income

The Agency is the Principal in the arrangement and this assessment was based on the fact that the mandate and the responsibility for the function as contemplated in section 39 of the C-BRT Act remains with the Agency while the RTMC undertakes the function on its behalf.

Also significant is the fact that the Agency directs the RTMC how it should carry this function. Risks associated with the execution of the function remains with the Agency.

Notes to the Annual Financial Statements (cont.)

Resources (including assets and liabilities) of the entity under the custodianship of the agent

There are no assets and/or liabilities under custodianship of the RTMC that belong to the Agency.

Service fee

	2022 R	2021 R
Fee paid as compensation to the agent	41 625 550	18 819 350

Resource and/or cost implications for the entity if the principal-agent arrangement is terminated

Should the arrangement with RTMC be terminated, the C-BRTA will provide resources for the RTI function and fund the function from the penalty income so generated.

36. BBBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

37. Prior period errors

Operators who are in possession of five year permits are required to pay compliance fees annually at the anniversary of each five year permit. Due to limitations in the current IT system, it came to light during the financial year under review that there were certain five year permits that are reflected as “cancelled” on the system but are still active. These permits were not previously taken into account in accounting for the compliance fees. The C-BTRA then corrected this error retrospectively affecting accumulated surplus, receivables from non-exchange transactions and compliance fees as follows:

	2022 R	2021 R
STATEMENT OF FINANCIAL POSITION		
Increase in gross receivable from non-exchange transactions	-	3 657 313
Increase in provision for doubtful debts	-	(3 292 896)
Net increase in receivable from non exchange transactions	-	364 417
Increase in Opening Accumulated Surplus or Deficit	-	(1 340 610)
STATEMENT OF FINANCIAL PERFORMANCE		
Increase in compliance fees	-	(3 657 313)
Increase in provision for bad debt expense	-	3 292 896

38. Comparative figures

Comparative figures in respect of Employee benefit obligations have been reclassified.

The effects of the reclassification are as follows:

An amount of R359 000 , which represent current-portion of employee benefits obligation in prior year, was reclassified from non-current liabilities to current liabilities. This was done to better reflect amount expected to be settled in the next 12 month as current liabilities to ensure fairer presentation.

39. Events after the reporting date

Condonation of prior year irregular expenditure

Subsequent to year end National Treasury approved a request for condonation of irregular expenditure by the Agency on 12 July 2022.

Irregular expenditure which amounted to R1 323 080 was in relation to the procurement of legal services through quotation system in prior year. However, due to the complexity of the processes, the case took longer than initially envisaged and the cost of legal services exceeded the tender threshold of R500 000. The investigations have been conducted and the outcome of the investigation had recommended disciplinary steps against an employee who is no longer in the employ of the Agency.

Condonation by National Treasury has resulted in the reduction of the balance of irregular expenditure at year end by R1 323 080. (Refer to note 33)

Detailed Income Statement

	NOTE(S)	2022 R	2021 RESTATED* R
REVENUE			
Permits issue fees		171 140 125	143 852 460
Permits application fees		28 810 505	35 078 169
Compliance fees		13 556 983	11 852 697
Penalties and fines		44 037 929	16 869 919
Government grants and subsidies		419 298	38 500 000
Other income		1 890 690	104 846
Interest received	16	5 868 344	4 289 244
Gain on disposal of assets and liabilities		73 406	-
Total income		265 797 280	250 547 335
EXPENDITURE			
Employee related costs	18	(136 257 420)	(131 541 554)
Depreciation and amortisation	17	(4 014 860)	(3 738 574)
Finance costs and interest	19	(470 000)	(449 000)
Lease rentals on operating lease		(15 669 351)	(15 423 101)
Debt Impairment	20	(4 354 573)	(6 748 692)
Assets written off and impaired		-	(361 378)
General Expenses	21	(72 896 074)	(43 390 768)
Total expenditure		(233 662 278)	(201 653 067)
Surplus for the year		32 135 002	48 714 268





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