CROSS•BORDER
ROAD TRANSPORT AGENCY

Annual Report

2020-21

Regulation

Facilitation

Law Enforcement

Advisory

CROSS·BORDER
ROAD TRANSPORT AGENCY

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Part A: General Information

1. General Information

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COMPANY/ BOARD SECRETARY	Nomakhosi Matlala

2. ACRONYMS

AGSA	Auditor-General South Africa
APP	Annual Performance Plan
ASCBOR	Annual State of Cross Border Operations Report
C-BRTA	Cross-Border Road Transport Agency
C-BRTS	Cross-Border Road Transport System
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
ICBMS	Integrated Cross Border Management System
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 the Management of Multimodal Freight
PCOT	Portfolio Committee on Transport
PFMA	Public Finance Management Act
RFA	Road Freight Association
REC	Regional Economic Communities
REMCO	Remuneration Committee
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
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

As the newly appointed Board of the C-BRTA, we are deeply humbled to be granted the opportunity to steer the Agency towards executing its mandate of facilitating unimpeded flow goods and people across the region.

It is my pleasure to present this Annual Report, which provide detail information on the work of the Agency during the 2020/2021 financial year.

The COVID-19 pandemic has had a negative impact on cross-border movements especially on the passenger transport and tourism industries. As a result, the Agency has seen a decrease in the number of permits issued resulting in a decline in permit revenue level, which is the primary source of funding the operations of the Agency. Furthermore, the movement of freight road transport was negatively affected by the various measures that were implemented by countries in the region to mitigate against the spread of the virus.

The Agency, however continued under very difficult circumstances to pursue its mandate of improving the unimpeded flow by road of freight and passengers in the region, liberalising market access progressively in respect of cross-border freight road transport, reducing operational constraints for the cross-border road transport industry as a whole and enhancing and strengthening the capacity of the public sector in support of its strategic planning, enabling and monitoring functions, amongst others. Central to this mandate is the need to improve seamless cross-border road freight and passenger transport between South Africa and regional member states with a view to improve trade, other economic performance factors and enhance regional integration.

High level overview

Pursuant of its strategic goals of effective cross-border market access regulation of cross-border road transport, harmonisation of the regulatory environment with neighbouring countries, reducing operational constraints and NTBs, and facilitating the unimpeded flow of cross-border road transport and trade flow by road, the C-BRTA implemented and achieved some of its key interventions outlined in its plans.

The C-BRTA continued to promote the harmonisation of transport policies and standards in the region, regional integration and the integration of the African continent through the Linking Africa Plan (LAP); which is a transport and trade plan developed as a tangible means to mobilise relevant stakeholders towards implementing sector-specific interventions outlined in the plan towards addressing challenges affecting the cross-border transport system and trade, improving regional and intra-Africa trade, economic growth and development, and regional integration. To this end, the C-BRTA conducted extensive virtual engagements with various stakeholders on the Linking Africa Plan (LAP) and sector specific implementation plans; at the domestic, regional and continental levels and further developed a Strategic LAP report, which provides at a strategic level, the role of LAP towards supporting the implementation of regional and continental protocols, agreements and programmes such as the TFTA, AfCFTA and the Tripartite Transport and Transit Facilitation Programme (TTTFP). The Agency continued with the implementation of the LAP Annual Work Plan, which also support the work of the Cross-Border Road Transport Regulators Forum (CBRT-RF), which is a body of road transport regulators from all SADC member states established to champion harmonisation, resolution of challenges affecting cross-border road transport and trade flow in the region.

The Agency continued to work towards the development of the Operator Compliance Accreditation System (OCAS); which is an intelligent risk-based profiling system to be used to implement quality regulation as contemplated in various policies and strategies of the government and regional programmes. OCAS supports the objectives of the National Development Plan Vision 2030, White Paper on National Transport Policy, Public Transport Strategy, National Freight Logistic Strategy and the Road Freight Strategy; and is aligned to the objectives of the SADC Protocol on Transport, Communications and Meteorology, the TFTA, AfCFTA and TTTFP with respect to the need for harmonisation and a transport system able to enhance intra-regional and intra-Africa trade, regional integration and regional competitiveness.

Through this system, the Agency will implement an accreditation framework, which separates compliant from non-compliant operators with a view of prioritising the facilitation of seamless movement of complaint operators, facilitate trade and effectively reduce operational constraints affecting cross-border operations.

Amongst the significant milestones achieved in the financial year were the development of an electronic OCAS registration platform aligned to quality regulation requirements, piloting of the registration platform and refinement of the platform.

Furthermore, the Agency is engaging with the South African Revenue Services (SARS) on the possibility of a joint pilot of the Authorised Economic Operator (AEO)-OCAS Programmes.

The C-BRTA is investing in technologies that will improve regulatory efficiency and accessibility of its services for the cross-border road transport operators and thereby deliver an increased value to the operators without increasing the costs of doing business. To this end, the C-BRTA is continuing with the development of an integrated Cross-Border Management System (iCBMS), which will amongst others enable decentralization of permit issuance, shortened turn-around times for permit issuance, enhanced monitoring of compliance, expanding the service accessibility footprint and integration with other regulatory systems within the broader transport value chain (e.g. National Traffic Information System (eNaTiS), South African Revenue Service (SARS) Tax Clearance System, Companies and Intellectual Property Commission (CIPC), immigration systems, etc). The C-BRTA has also proposed various legislative reforms through subordinate legislation in order to achieve the desired outcomes of the iCBMS.

The C-BRTA sustained efforts towards harmonisation of the regulatory environment with fellow SADC countries with respect to cross-border charges with a view of harmonising the operating environment for all operators and promoting fair competition. Member states in the SADC region except South Africa have implemented cross-border charges in line with the provisions of SADC Protocol and other road transport agreements. In the financial year under review, the C-BRTA developed a pricing model for implementation of cross-border charges for further engagement with the Department of Transport and the National Treasury.

The Agency is developing a Cross-Border Road Transport and Trade Facilitation Information Platform which will be used to provide data and information that can be used by the public and private sector stakeholders towards addressing operational constraints and NTBs affecting cross-border road transport, improving cross-border road transport system performance and trade flow, planning and coordination of programmes on cross-border road transport operations and trade facilitation, undertaking cross-border road transportation of both freight and passengers in the region, enhancing and facilitating cross-border road transport operations in corridors in the region and beyond amongst others. The target for the year was not achieved and is carried over into the next financial year. Once established, the information platform will be a centre of data, information and intelligence for regulatory authorities, transport operators and many more stakeholders regarding cross-border road transport requirements, operations and facilitation of trade in the region.

The Annual State of Cross Border Operations Report was compiled, covering challenges and bottlenecks affecting cross-border operations and trade, the information and trends on the trade and transport value chains and interventions recommended to improve efficiency in the SADC region. The report also covers the state of regional integration and progress made toward integrating transport in the region, progress on implementation of continental and regional programmes with a bearing on cross-border road transport and trade as well as recommendations on reforms and action plans which may be useful in addressing the identified challenges and bottlenecks.

The development of a country profile for Angola marked a significant milestone as the Agency has now developed country profiles for all SADC countries. The country profiles provide information on critical factors that have an impact on cross-border road transportation such as the state of cross-border trade and transport industry in the country profiled, traffic volumes and the noteworthy features of the cross-border regulatory environment. This information is necessary to empower and enable South African Cross-Border Operators to comply with regulatory requirements applicable in various Member States and also provide relevant and up-to-date information to the general domestic industry with regard to economic opportunities and developments that may affect cross-border road transport operations. These reports are also

3. Foreword by the Chairperson (cont.)

used to empower Small-Micro-Medium-Enterprises (SMMEs) entering the relevant cross-border market.

For the year under review, the Agency conducted an Economic Impact Assessment for the Trans-Kalahari Corridor segment in South Africa, based on data obtained on a model for measuring transit times at the border posts and in corridors piloted in the previous financial years. Using the model, the Agency was able to quantify transit times and identify bottlenecks to seamless flow of cross-border transport movements which enabled estimation of the economic impact of long transit times and delays.

The report was completed and outlines the bottlenecks affecting cross-border road transport, the impact of long transit times and delays on logistics costs and the economy. The report will be used for engagements with key stakeholders in the cross-border value chain with a view to demonstrate the negative effects of the delays and lobbying for implementation of certain interventions which will reduce the delays and improve cross-border movements.

The research report on trade volumes was also compiled providing a high-level analysis of trade volumes, nature of commodities and values of goods traded through road transport and passing through commercial border posts between South Africa and neighbouring countries. The report also provides up to date information about trade between South Africa and fellow Southern African Development Community (SADC) member states. By demonstrating the significance of road transport in as far as trade facilitation is concerned, the report will be used to lobby stakeholders for the prioritization of investment in key corridors and for sustained implementation of interventions which would improve trade between the South Africa and the rest of SADC member states, which would also contribute towards economic growth and development.

To improve road safety, driver safety and security of vehicles and cargo in cross-border environment, the Agency developed and is implementing a Cross Border Road Safety Strategy. The strategy is aligned to further support the realisation of objectives of the Decade of Action on Road Safety and the National Road Safety Strategy. The strategy is implemented in a collaborative approach with relevant law enforcement agencies in the country as well as in joint law enforcement operation with other SADC Member States.

Strategic Relationships

Due to COVID-19 pandemic, the C-BRTA has been engaging cross-border stakeholders through various virtual platforms to assist operators and enable them to transit the various corridors and to alleviate the impact of COVID-19 in their cross-border operations.

Operator forums (e.g. Freight, Taxi, Bus and Tourist Operators Forums) which provide a platform to engage on matters affecting the industry and cross border operations were conducted using virtual platforms. Furthermore, the Agency has also prioritised engagements with its stakeholders (domestic and regional) including the National Consultative Forum, Joint Route Management Group meetings and Joint Committees. The aim of these engagements was to deal with constraints that impede the free flow of passengers and goods between our borders and the rest of the region.

As the chairperson and the secretariat of the Cross-Border Road Transport, the Agency convened the meetings of the Forum to consider and engage on various solutions in support of harmonization of practices within the region.

Overall, the Agency sustained its efforts towards the resolution of cross-border operational constraints and strengthening strategic relationships with various key cross-border stakeholders in the country and with counterparts in neighbouring countries.

Challenges faced by the Board

The cross-border road transport operators experience various operational challenges emanating from the impact of the COVID-19 pandemic as it pertains to the interruption of cross-border operations. Due to the COVID-19 pandemic, all cross-border operations were affected as different countries implemented interventions sought to reduce the spread of the

COVID-19 virus. This resulted in land border post closures and unclear regulatory requirements in some countries. While freight operators were affected, they continued to operate. However, passenger operations were significantly affected as all operations were stopped due to countries implementing lockdowns. Furthermore, the Agency, in compliance with various COVID-19 regulations and health protocols, had to limit the number of staff members reporting to the office as well as the interface between staff and operators, thereby impacting negatively on its service delivery model. The C-BRTA implemented cost containment measures, supplemented by the special government grant of R38 million, to mitigate against the impact of COVID-19 on its operations.

The C-BRTA had four vacancies in the Board during the reporting period. These vacancies negatively affect the composition of the Regulatory Committee, which is a quasi-judicial structure established in terms of the Cross-Border Road Transport Act to adjudicate on permit applications. This matter has been accordingly escalated to the Minister and the Department of Transport and is being attended to.

Strategic focus over the medium to long-term period

Looking forward, the Agency will continue to executive its mandate as outlined in its enabling Act and other national and regional instruments. To that effect, the Board approved its Annual Performance Plan for 2021-22 financial year and will pursue the objectives set out in the 2020-2025 Strategic Plan, which is aligned to the priorities of the sixth administration. Through the five-year Strategic Plan, the Agency sought to-

- Enhance its regulatory regime by implementing quality regulation in line with the regional policies;
- Enhance and harmonize regulation to facilitate market access;
- Increase participation of the historical disadvantaged individuals in the cross-border industry;
- Create a fair operating environment for cross-border transport operators; and
- Ensure a safe and reliable cross border road transport.

Acknowledgements

The Board sincerely thanks the Minister of Transport, Mr Fikile Mbalula and the Deputy Minister of Transport, Ms Dikeledi Magadzi for their guidance, direction and unwavering support, the entire leadership of the Department of Transport and the Portfolio Committee on Transport under the leadership of its chairperson, Mr Mosebenzi Zwane.

Appreciation also goes to all former members of the Board, the Acting Chief Executive Officer, Mr Lwazi Mboyi, the Senior Management team of the Agency as well as the entire staff of the C-BRTA for their commitment to serve the cross-border road transport industry under very difficult and challenging circumstances.

Conclusion

As the new Board, we are confident that the Agency will continue to deliver on its mandate in support of broader government objectives of improving regional integration and trade.

Ms L Molebatsi
Acting Chairperson of Board
Date:

4. Chief Executive Officer's Overview

Introduction

I hereby present the Cross-Border Road Transport Agency (C-BRTA) Annual Report for the year ended 31 March 2021 to the Parliament of the Republic of South Africa through the Minister of Transport, Mr Fikile April Mbalula, highlighting the Agency's performance during this period. This report is an honest reflection of the C-BRTA's efforts in facilitating the seamless movement of people and goods in the Southern African Development Community (SADC) for the period under review.

On organisational performance, the Agency achieved 66,67% on pre-determined objectives. I wish to highlight the following achievements against the 2020/21 pre-determined objectives:

- The Agency issued a total number of 62 464 permits during the period under review, representing a decrease by 31 591 permits or 33,6% compared to the previous financial year.
- The Operator Compliance Accreditation System (OCAS) registration platform was reviewed, enabling the C-BRTA to pursue the quality regulation of cross-border operations.
- The newly acquired Smart Law Enforcement vehicle was piloted at two (2) border posts to enhance law enforcement operations and promote compliance to road regulations, thereby reducing high carnage on the roads.
- The C-BRTA's Road Safety Strategy guided by the National Road Safety Strategy was finalised for implementation.
- As part of implementing harmonised cross-border road transport policies, 70% of the SADC Protocol and other agreements on cross-border matters was implemented against the initially set target of 20%.
- A baseline of the participating target groups in the freight and tourism cross-border road transport industry was established to drive the transformation agenda.
- The Cross-Border Road Transport Charges Pricing Model developed and submitted to the Department of Transport and the National Treasury for approval of cross-border charges to level the playing field for South African cross-border operators as they conduct their businesses in the region to achieve competitiveness.
- The C-BRTA Integrated Communication Strategy was developed, and implementation has commenced to improve the impact of C-BRTA in the industry.
- To ensure resilience under the COVID-19 uncertain operating environment, the Agency developed and monitored the implementation of the set COVID-19 response plan during the financial year to ensure business continuity and servicing of the cross-border clientele.

The C-BRTA, through its core mandate pillars of Advisory, Facilitation, Regulation and Law Enforcement intends to intensify the implementation of the Linking Africa Plan (LAP) and its strategic interventions to fast-track regional, social, and economic integration. As the Chairperson and Secretariat of the Cross-Border Road Transport Regulators Forum (C-BRTRF) for the second consecutive year, the Agency led the implementation of the Forum's Annual Workplan, which focused on driving the harmonisation agenda.

Furthermore, the Agency conducted several research studies, amongst which the Economic Impact Assessment Report for the Trans Kalahari Corridor as well as the Country Profile Report for Angola were produced. These research reports disseminated by the Agency add value to the cross-border operators conducting business between South Africa and countries of the SADC region and reinforce the Agency's position as a knowledge hub on cross-border road transport related matters.

Challenges experienced and how they will be resolved

The financial year under review was a challenging period globally and for the cross-border operations in the SADC region. The emergence and explosion of the COVID-19 pandemic disrupted the conventional value chains, leading to stringent measures being imposed by the different countries in an attempt to reduce the spread of the virus. Some of these measures like the closure of commercial land border posts, restricted the movement of people between countries, which adversely affected the cross-border taxi operators. However, the Department of Transport made an amount of R1, 135 million available to assist operators which includes the cross-border taxi operators to mitigate the effect of the pandemic.

In response to the COVID-19, Member States in the SADC region implemented different or unharmonized regulations on cross-border road transport and movement of essential goods. These affected cross-border road transport movements of persons and goods during the time of lockdowns. This led to the Agency facilitating extensive stakeholder engagements for the resolution of challenges in the operating environment for its operators and traders.

While the study on the impact of COVID-19 on cross-border operations has not yet been established, the Agency is mindful that the lockdown restrictions had a dire effect on the cross-border operations and the persistent effects of the pandemic would bring worse outcomes to many of our cross-border operators. To that effect, the Agency continues to seek partnerships with players in financial services to support the government efforts to sustain cross-border operations.

The Agency implemented cost containment measures and exercises prudent financial management to keep staff employed and operations running during this difficult time, whilst ensuring that the high level of service is not compromised.

In responding to the Lockdown Regulations as published by the Government, the Agency activated its Business Continuity Plan to ensure continuous service delivery, particularly, issuing of cross-border permits. A COVID-19 Task Team was set up to ensure effective decision-making in compliance with various COVID-19 health protocols and regulations as well as effective communication to internal and external stakeholders.

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 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 it executes its legislative mandate. In the year under review, the Agency increased permit tariffs by 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, considering operating under an uncertain environment.

For the year under review, the Agency recorded R187 million in permit revenue, which was 10% below the permit revenue of R208 million recorded for the previous financial year. The C-BRTA received a special government grant of R38,5 million from the Department of Transport as part of the special relief in response to the impact of COVID-19 on the Agency's revenue.

Spending Trends of the Public Entity

The Agency's expenditure as at end-March 2021 was R198 million consisting mainly of employee costs of R132 million and other general operating costs. Employee costs were R132 million. Employee costs were less than budget due to various vacant positions, with most positions not being filled due to cost containment measures to mitigate against the loss of revenue due to the pandemic. The surplus for the financial year ended 31 March 2021 was R49 million, which was mainly due to the receipt of the COVID-19 relief grant of R38,5 million from the Department of Transport as well as slightly reduced operations, cost containment measures as savings on some projects which were not yet implemented as at year end.

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

The recorded surplus will go a long way in funding 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 placed on precautionary suspension and undergoing a disciplinary process. Furthermore, three (3) positions at an Executive Committee level remained vacant in the year under review and senior officials were appointed to fulfil the roles in acting capacities. Human capital remains central to the Agency's service delivery model and efforts were made to prioritise the filling of the two (2) executive vacant positions. The process of filling these vacant positions is currently underway.

The Agency has also started a process to review the organisational design with a view to develop a structure fit for purpose and aligned with the latest strategic direction of the entity. As a result of this process, only critical positions are filled as and when they become vacant.

Discontinued Activities

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

New or Proposed key activities

In these COVID-19 unprecedented times, the primary objectives of the C-BRTA are to ensure the wellbeing and safety of our employees and to support our cross-border operators and communities where we do business. We take pride in being a sustainable Transport Agency delivering on the legislative mandate whilst adding value to the cross-border clientele.

We take note of the developments in the region and the impact they will make, such as the Kazungula Bridge which was officially opened on 10 May 2021, connecting Botswana and Zambia. The 923-metre-long bridge located at the quadra-point, converging four countries, Botswana, Zambia, Zimbabwe, and Namibia will make cross-border operations, regional trade, and travel much easier and efficient in the SADC region. It is anticipated that the Kazungula bridge will alleviate congestion at the Beitbridge border post and create options which should bring efficiencies and corridor competitiveness. With the one-stop border facilities the Kazungula bridge will improve border management operations, save time, increase the number of cargo trucks crossing the border, thus boost economic growth in the SADC region and further north into Africa and promoting the objectives of the AfCFTA and the African Union (AU) Agenda 2063.

On the home soil, the Port of Durban is being modernised and positioned as a globally competitive hub to enhance the total logistics of doing business in South Africa. The port is currently moving 60% of trade to and from South Africa. The Durban Port aims to handle larger ships and cargo traffic and enable the Durban port to be a hub port for neighbouring countries and promote cross-border operations through efficient trade.

The Agency will continue to engage the African Renaissance Fund and Member States for the implementation of a harmonised permit issuing system and to position the Integrated Cross-Border Management System (iCBMS) 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 critical for enhancing seamless cross-border road transport movements towards a prosperous Africa, based on inclusive growth and sustainable development.

African countries opened their markets on 1 January 2021 under the African Continental Free Trade Area (AfCFTA) agreement, despite the pandemic and other teething challenges. This happened at a historic time when his Excellency, President Cyril Ramaphosa was the outgoing Chairperson of the African Union. The new market, created under the AfCFTA agreement is estimated to be as large as 1.3 billion people across Africa, with a combined gross domestic product (GDP) of $3.4 trillion. The World Bank estimates that the free trade area could lift tens of millions out of poverty by 2035. It is expected that the AfCFTA will boost intra-African trade, promote industrialisation, create jobs, and improve the competitiveness of African industries globally.

The C-BRTA as a facilitator of cross-border trade, will be active in this space as countries work on the remaining issues such as the Rules of Origin and tariffs which are key aspects in international trade. The AfCFTA comes with opportunities for new markets for cross-border operators and for the development of small and medium enterprises as well as inclusion of women and the youth in the mainstream economies.

The C-BRTA's active participation in the Tripartite Transport and Transit Facilitation Program (TTTFP) and AfCFTA will promote transport as an enabler to trade and socio-economic development. The C-BRTA, like most organisations will focus on gearing up for the 1 July 2021 compliance with the Protection of Personal Information Act (POPIA) to meet the requirements set by the Information Regulator of South Africa.

Request for roll-over funds

The Agency received a special COVID-19 relief grant of R38,5 million for the financial year ended 31 March 2021. The grant was received in trenches during the financial year. As at the end of the financial year, some of the funding was not yet utilized as some of the projects were delayed owing to the impact of COVID-19 pandemic. As a result, the Agency recorded as surplus of R49 million for the year and will be submitting a request for the retention of the surplus fund to the National Treasury to enable the execution of the projects as well as alleviating the impact of COVID-19 on the operations of the Agency.

Supply Chain Management and Unsolicited bids

The Agency has in place a 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 is reviewed as and when it is necessary to align with the relevant practices and instruction notes as issued by the National Treasury from time to time.

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 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.

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

The Agency achieved a clean audit for the fifth consecutive year and there were no significant matters raised by the Auditor-General in the previous year. 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

There are currently no financial challenges facing the C-BRTA in the short to medium-term. The implementation of the tariff fee adjustment, as approved by the C-BRTA Board will make a notable contribution towards sustainability of the Agency. The digitisation of the Agency and implementation of the iCBMS will assist in improving operational efficiencies which will also save costs and time for the cross-border operators.

Furthermore, the Agency is pursing various revenue streams to diversify its revenue and ensure its long-term financial sustainability. To that effect, the pricing model for the levying of cross border charges on foreign vehicles was developed during the year under review for further engagement with National Treasury and Department of Transport.

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

Events after the reporting date

At the end of June 2021, the Minister of Transport appointed a new Board of the C-BRTA to oversee the activities of the Agency and to advise the Minister on any aspect relating to cross-border road transport industry.

The vacant position of the Executive: Regulatory Services was also subsequently filled effective from the 1st July 2021.

During the month of July 2021, South Africa experienced sporadic protests and looting of shops and businesses, especially in Kwa-Zulu Natal and Gauteng provinces. This has resulted in some trucks for road transport operators being burned on some major highways, leading to disruptions in cross-border road transport operations. Government has implemented measures to bring the situation to normalcy which enabled the resumption of cross border road transport operations in the affected areas.

Acknowledgements

We welcome the new Board of the C-BRTA and reaffirm our commitment to support the Board in the execution of its oversight responsibilities.

We extend a word of gratitude to the Minister of Transport, Mr Fikile Mbalula for his leadership as well as the Deputy Minister of Transport, Ms Dikeledi Magadzi and the Director-General of Transport, Mr Alec Moemi for guidance and ongoing support.

Words of appreciation also go to the former Board of Directors under the leadership of its Chairperson, Mr Mos Ramathe, for its guidance and leadership in ensuring that the Agency delivered on its legislative mandate during their tenure.

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 the entire Committee.

We sincerely thank the management and staff of the C-BRTA, especially our essential frontline workers, who have shown high levels of commitment and resilience through these difficult times. The delivery of the mandate, including the provision of services to the cross-border clientele would not have been possible without the unwavering positive outlook and commitment that has been demonstrated by staff.

The ability of the C-BRTA to execute its mandate in the period under review despite the challenging operating environment inspires confidence in the shared objective for the socio-economic development of the SADC region through efficient, harmonised, and effective international road transport regulation.

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.

Mr Lwazi Mboyi
Chief Executive Officer (Acting)
Date:

5. Statement Of Responsibility And Confirmation Of The Accuracy Of The Annual Report

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

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor General 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 the 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 the financial statements. The Accounting Authority is also responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the entity for the Financial Year Ended 31 March 2021.

Yours faithfully

Ms L Molebatsi
Chairperson of the Board (Acting)
Date:

Mr Lwazi Mboyi
Chief Executive Officer (Acting)
Date:

1. Strategic Overview

1.1 Vision, Mission and Values

Figure 1:

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

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 values below:

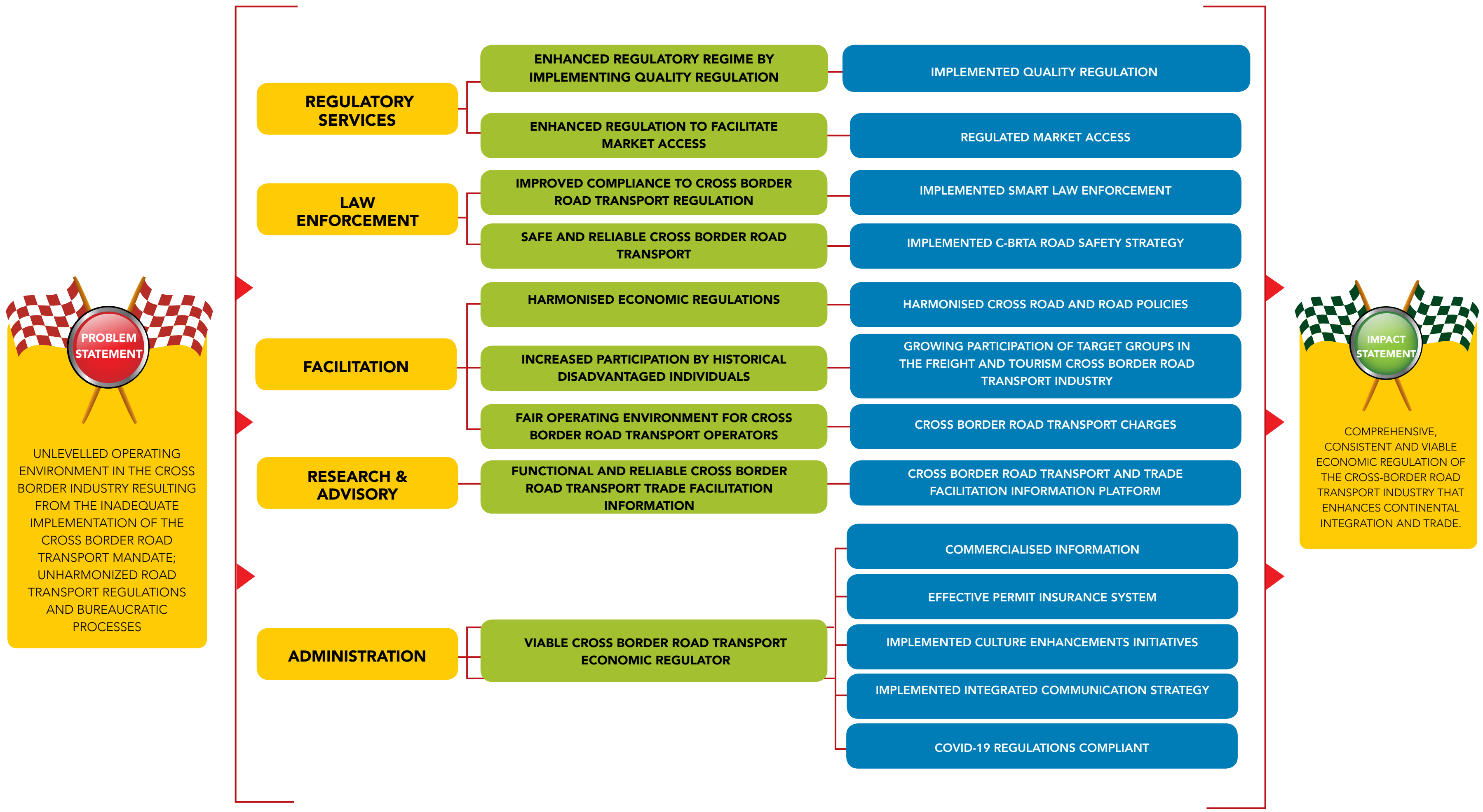
ACCOUNTABILITY	We are transparent, answerable and responsible
INTEGRITY	We are professional, honest, fair and do not tolerate crime, fraud and corruption
RELIABILITY	We are dependable, trustworthy and value our customers
EFFICIENCY	We are innovative and passionate about performance
EFFECTIVENESS	We achieve 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.

1.2. Theory of Change

As a leading cross border road transport economic regulator with a mission to drive the integration of the continent, the Agency pursues outcomes and programmes that seeks to position the cross-border road transport as a tool to facilitate trade and enhance regional and continental integration.

Below is the Theory of Change illustrating the results chain towards achieving the desired impact.

Figure 2: Theory of change



2. Legislative And Other Mandates

In the execution of its mandate, the C-BRTA complies with the Constitution of the Republic of South Africa as the supreme law and other pieces of legislation as articulated below:

2.1. Legislative Mandate

2.1.1 Public Finance Management Act

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

2.1.2 Cross-Border Road Transport Act

The Agency is established in terms of the Cross-Border Road Transport Act, 4 of 1998, as amended and provides for the following key responsibilities:

- 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 and to 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
- To 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.

2.1.3 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.

2.1.4 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 as well as the traffic regulations that govern licensing of motor vehicles, operation of motor vehicles, vehicle road worthiness, driver licensing and fitness

2.1.5 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 issue cross border permits to cross border tourist operators and has the mandate to conduct law enforcement regarding compliance to road traffic regulations in the tourism sector.

2.2. Other Policy Mandates

Table 1: Other Policy Mandates

POLICY MANDATE	KEY ALIGNMENT
SADC Protocol on Transport, Communications and Meteorology	• Develop harmonised road transport policy providing for equal treatment, non-discrimination and reciprocity. • Liberalise market access for road freight operators.
Bilateral Agreements between South Africa and Malawi, Mozambique, Zambia and Zimbabwe	• Promote and facilitate cross-border road freight and passenger. • Simplify existing administrative requirements: Harmonisation of practices • Ensure compliance to regulations.
1996 White Paper on Transport	• 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 integratedtransport operations and infrastructure which will best meet the needs of freight and passenger customers among others.
SACU MoU	• Provides for facilitation and 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 operations with a view to improving the sector.
Trans Kalahari Corridor (TKC) MoU	• 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 reduction of constraints and bottlenecks whilst at the same time reducing externalities, improving market access and improving productivity.
International convention on the harmonisation of frontier controls of goods, of 1982	• Designed to enhance the harmonisation and facilitation of efficient roadtransport movements.
Convention on road traffic, of 1968	• Provides for faciliation of road traffic and increasing road safety through the adopation of uniform road traffic rules.
National Development Plan (Chapters 7, 13 and 14)	• Chapter 7 provides for the positioning of South Africa in the world and provides for the objective of increasing trade with the regional neighbours. • Chapter 13 provide for building a capable state with clear governance structures and stable leadership as well as staff with authority, experience and competency. • Chapter 14 provides for a corrupt free society with adherence to a high standard of ethics.

3. Organisational Structure

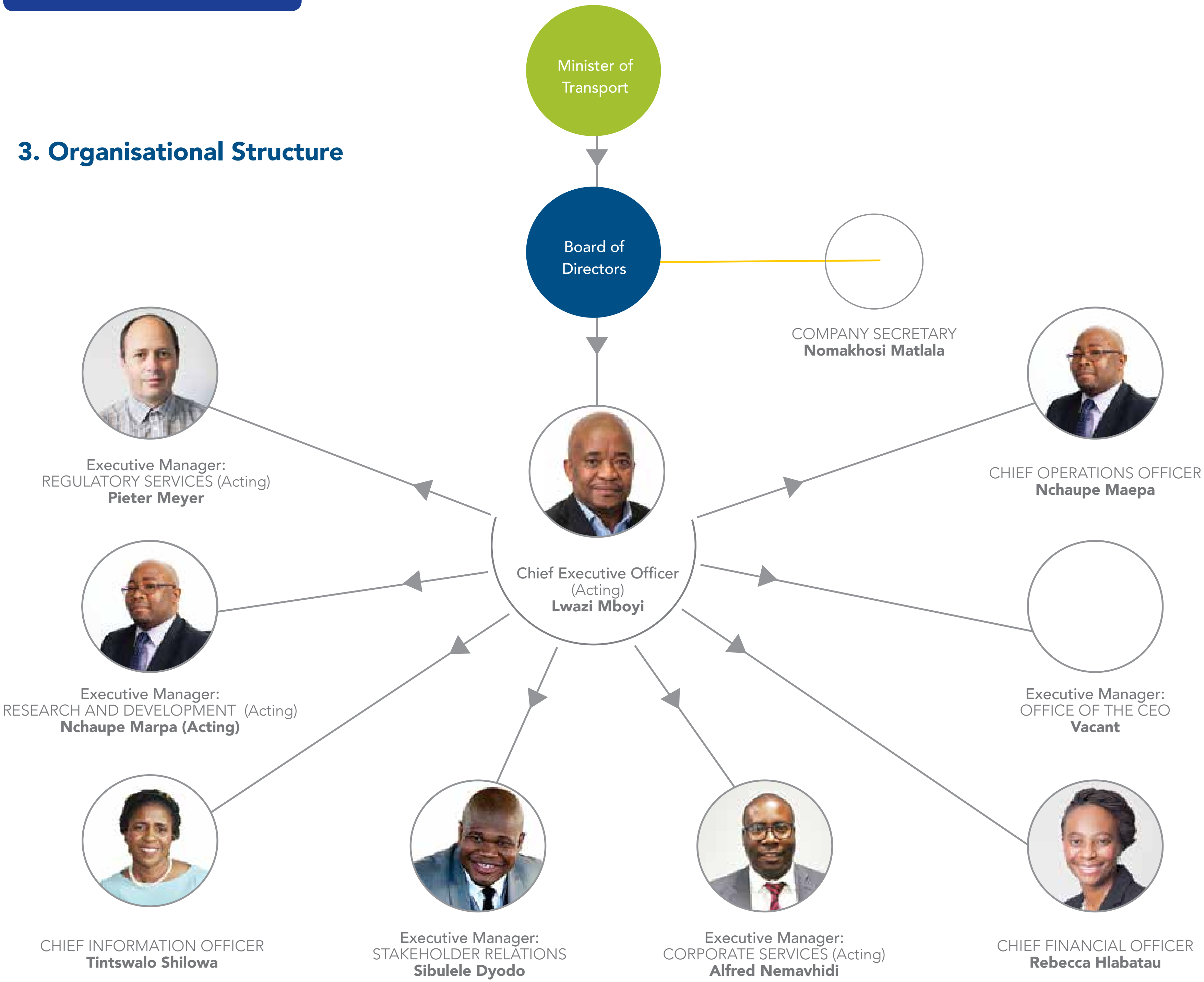


Figure 3: Organisational Structure

Mr Mosoeunyane Ramathe

Chairperson of the Board

Formal Qualifications

- B Com, Wits
- B Com Acc, Wits
- Chartered Accountant (SA)
- Diploma in Project Management (RAU)

Prof Jan Havenga

Deputy Chairperson of the Board

Formal Qualifications

- Doctorate of Philosophy in Logistics Management, University of Stellenbosch
- MBL (UNISA)
- BA Hons, (UOFS)

Ms Ignatia Sekonyela

Board member

Formal Qualifications

- Advanced Labour Law, UNISA
- Senior Management Development Programme, UP Business School
- Diploma HR, Damelin
- B A Honneurs Sielkunde, RAU
- B Cur Degree: Medunsa

Ms Keitumetse Mahlangu

Board member

Formal Qualifications

- B.PROC, University of Zululand
- LLB, University of Natal
- MAP, Wits Business School
- Certificate in Fraud Examination , UP
- Legislative Dtafting, Institute of Adavanced Legal Studies, Univ. of London

Mr Dennis Baloyi

Board member

Formal Qualifications

- M Sc (Town and Transport Planning)
- M Phil (Urban Studies)
- BA (Development Studies)

Mr Lucky Thekisho

Board member

Formal Qualifications

- BLC, LLB, LLM (Labour Law) (UP)
- Advanced Labour Law (CE@UP)
- Legislative Drafting (CE@UP)
- Environmental Law and Compliance (UJ)

Mr Msondezi Futshane

Department of Transport Representative

Formal Qualifications

- B Tech in Transportation Engineering (TUT)
- Transportation Management Diploma (RAU)
- Diploma in Advanced Project Management, Executive Education
- S4 in Civil Engineering (ND), Eastern Cape Technikon

Mr Lwazi Mboi

Chief Executive Officer (Acting)

Formal Qualifications

- B. Admin (Public Finance)
- Honours Industrial Psychology (University of KZN)
- Senior Executive Program (Wits & Harvard Business Schools)
- Africa Directors Program (USB and INSEAD)
- MPHIL Development Finance (Dissertation Outstanding)

Part B:
Performance Information

4. Programme Performance Information

4.1. Auditor-General's Report: Predetermined Objectives

The AGSA performs the necessary audit procedures on 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 XX of the Auditors Report that is published as Part E: Financial Information

4.2. Situational Analysis

4.2.1. Service delivery environment

Cross-border road transport continued to play a critical role in the transport industry with an estimate of over 80% of goods traded between countries in the region. It connects economic hubs in the region, linking landlocked countries to international markets and enhancing trade and economic growth.

The Agency continued to execute its mandate as enshrined in its enabling Act and other various domestic legislation (which include National Land Transport Act, National Road Traffic Act and Tourism Act), key domestic policies, strategies and programmes (White Paper on National Transport Policy, Roads Transport Policy, Road Freight Strategy, National Freight Logistics Strategy and National Road Safety Strategy), and regional instruments (which include, SADC Protocol on Transport, Communications and Meteorology, bilateral agreements on road transport concluded with Malawi, Mozambique, Zambia and Zimbabwe, Trans-Kalahari Corridor and Southern African Customs Union Memoranda of Understanding). The essence of the mandate as enshrined in the instruments, is to reduce operational constraints and Non-Tariff Barriers, advance harmonisation, facilitate seamless cross-border operations and trade flow by road, and regional integration. This is further aligned to the objectives of the Tripartite Free Trade Area and the African Continental Free Trade Area, both of which South Africa is a signatory.

The work of the Agency is affected and influenced by several domestic and regional instruments and is susceptible to changes and developments in both domestic and regional environments. These factors affect the ability of the Agency to execute its mandate and render service delivery at any given point, and at the same time, are also critical inputs to the decision-making processes on interventions and programmes which must be pursued by the Agency. The cross-border environment is affected by the following factors which continued to hamper efficient cross-border road transport operations and trade flow:

- Fragmentation of the regulatory environment owing to unharmonized road transport legislations and regulations between countries;
- Unharmonized 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;
- Unharmonized border operating times and long transit times and delays along corridors; and
- High logistics costs.

The COVID-19 pandemic also added more challenges to cross-border operations as countries in the region implemented various unharmonized regulations on cross-border road transport and movement of essential goods as part of reducing risks associated with spreading the virus. These adversely impacts on cross-border road transport movements of persons and goods during the time of lockdowns.

In view of the said challenges, the Agency went on an extensive stakeholder engagements drive, with a view to facilitate resolutions to the challenges and ensure improvements to the operating environment for cross-border operators and traders.

Amidst a volatile external environment, the Agency achieved 67% of its targets set for the year, representing a 26% decline in performance level as compared to the previous year (2019 /20) Mitigation plans have been devised and will be implemented and monitored to improve organisational performance during 2021/ 22 financial year.

The year under review, was characterised by a volatile external environment which was beyond the Agency's control. To comply with COVID-19 health protocols, restrictions were imposed on permit issuance, notably deployment of skeleton staff and limited number of people were allowed to enter the permit issuing office, and this affected service delivery with regard to permit applications. The number of cross-border road transport permits issued for all categories of vehicles (goods, taxi, bus and tourist) declined by 33,6% year-on-year. Overall, 62 464 permits were issued, which was 31 591 less than the previous year. With more restrictions placed on the movements of passengers, there was drastic decline on the applications for passenger permits with taxi permits declining by 78.9% and tourist and bus permits decreased by 98.4% and 65,7% respectively. The following are some of the key achievement registered during the year under review:

Deployment of the smart law enforcement vehicle at key border posts (Beitbridge and Lebombo border posts) with a view to enhance efficiency and effectiveness of law enforcement with respect to cross-border road transport. The smart law enforcement is fitted with an Automatic Number Plate Recognition System and interfaces to various data bases (e.g. CBRTS, ENATIS). 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;

- Development of the Linking Africa Strategic report which is to be used for strategic engagements and lobbying of key stakeholders in the country, region and continent to implement Linking Africa Plan (LAP) programmes which are geared towards addressing challenges affecting cross-border road transport and trade, enhancing cross-border road transport system performance and trade facilitation;

- Developed and piloted the Operator Compliance Accreditation System (OCAS) Registration platform, which was used to register operators in line with set quality regulations. The pilot was aimed at assessing the performance of the platform with a view to refine it and enhance its architecture. The pilot was successfully conducted with support and participation from cross-border operators;

- The cross-border charges pricing model was developed as part of the efforts to harmonise the regulatory environment and creating a fair and equal operating environment for South African cross-border road transport operators;

- Completed 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 Profile report for Angola, amongst others; and

- Participated in various platforms and structures, lobbying stakeholders for resolution of constraints affecting cross-border operations, providing solutions to improve cross-border operations and trade and shared relevant information with stakeholders.

The Agency encountered the following challenges in the financial year:

- Decline in revenue due to the impact of COVID-19 on cross-border road transport operations. The reduction in the number of cross-border permits issued placed pressure on the Agency's finances. To curb reliance on one primary source of revenue, alternative revenue streams are currently being explored to safeguard financial sustainability of the Agency in the long-term. The Agency also received a government grant of R38 million earmarked to support efforts against the impact of COVID-19 on its operations.

- Limited capacity deployment at the office to render services to operators. The Agency also had to align its operations to different levels of the lockdown which were imposed by Government in line with the Risk Adjusted Strategy for containing the spread of the COVID-19 virus. This meant that the Agency had to operate with skeletal staff at the office, with the majority working remotely;

- Restrictions on travel to other countries. The officials were not able to travel to attend to challenges which affected operations due to COVID-19; and

- Stakeholder unavailability owing to COVID-19, which delayed resolutions of some challenges facing operators.

4.2.2. Organisational environment

In view of the challenges, the Agency had to sustain lobbying of stakeholders through virtual platforms, bolster collaborative efforts and relationships with other government stakeholders in the country, stakeholders operating in regional corridors, border posts and the region to effectively mitigate the impact of COVID-19 on cross-border operations and address other related challenges.

With respect to the internal organizational environment, the Agency implemented various interventions to ensure compliance with the COVID-19 heath protocols and regulations imposed by Government. These resulted in amongst others, the rotation of staff reporting physically at the office, adjustment of budgets to cater for COVID-19 PPE and application of virtual platforms to execute the mandate. Subsequent to the easing of the lockdown levels based on the Risk Adjusted Strategy, the Agency resolved to operate at full capacity for the permit issuance function to enable effective processing of all permit applications received. With regard to stakeholder engagements, virtual platforms remain the primary platforms for engagements and physical contact sessions and travel are restricted.

The Agency is pursuing collaborative efforts with other Government departments and entities in the cross-border value chain. In this regard, the Agency is engaging with the South African Revenue Services (SARS) on the joint piloting of OCAS and the Authorised Economic Operator programme, which is a risk-based programme aimed at incentivising accredited traders (importers, exporters, intermediary agents), with a view to facilitate trade. The Agency is also engaging with SARS, SANRAL and Border Management Authority on possible implementation of a Cross-Border Vehicle Reservation System at border posts to address congestion and delays. The reservation system is a web-based virtual platform which will enable operators to pick a slot for the arrival of their vehicles at border posts, resulting in better resource planning which will improve efficiency at the borders. The Agency is also supporting efforts by SARS towards the establishment of a Single Government Authorised Economic Operator programme which is aimed at facilitating trade and addressing cross-border challenges. Meanwhile, the Agency shall continue to engage both domestic and regional counterparts on matters of mutual interest through structures such as Joint Committees and Joint Route Management Committees.

COVID-19 resulted in restrictions being imposed on cross-border road transport operations owing to closures of border posts and restricted movement of freight operations at some border posts. To mitigate the risk of spreading the virus, countries implemented various measures with very limited coordination, including implementation of different regulations as it pertains to COVID-19 driver test certificates, validity periods of certificates. Lack of coordination at a regional level resulted in in unharmonized border operating times and closures, as well as unharmonized implementation of practices and regulations. While freight operators were allowed to continue with operations, passenger operations were completely shut on certain routes except for repatriation of citizens and foreign nationals. This negatively affected permits which were issued per destination country, especially for passenger operations as demand plummeted.

The combination of uncoordinated border closures, operating times and unharmonized regulations on driver COVID-19 tests resulted in unparalleled congestion, delays, long transit times and cost of doing business for operators and traders, and passenger discomfort. This also resulted in serious disruption to supply chains as cross-border trade flow was negatively affected.

All these challenges negatively impacted cross-border operations, efficiency of the cross-border transport system, sustainability of cross-border operations and trade flow between the country and the countries in the region. To operators, they result in long fleet turnaround times, low productivity and threaten business sustainability. This also resulted in higher risk exposure to vehicle vandalism, driver mugging and cargo theft as vehicles spent long times parked in unsecure environments at border posts. Some of operators might have been seriously affected and eventually may have had to completely shut down operations.

Collective efforts of all border stakeholders contributed to the improvement in coordination and facilitation of cross-border operations through Standard Operating Procedures which were developed and coordinated by the SADC Secretariat, alignment of regulations on COVID-19 Driver tests and border operating times, which improved freight operations.

4.2.3. Key policy developments and legislative changes

The Agency annually reviews its permit tariff regulations. Furthermore, the Agency also undertook a review of its legislation and a legislative review proposal and various regulations that seek to streamline administrative processes and enhance mandate execution were developed for further processing through engagement with the Department of Transport.

4.3. Progress Towards Achievement of Institutional Impacts and Outcomes

The Agency has recorded a performance level of 66.67% for the financial year under review, resulting in a 19.04% decline as compared to the previous financial year. The targets relating to the approval of cross border training curriculum and the establishment of the transport and trade information platform were negatively impacted by the inability to procure the service of the service providers on time while the target for the operationalization of the Integrated to Cross-Border Management System was due to contractual challenges with the service provider. The implementation of some training initiatives included in the culture enhancement plan could also not be rolled-out due to COVID-19 restrictions.

In line with the desired impact of "comprehensive, consistent and viable economic regulation of the cross-border road transport industry that enhances continental integration and trade", the Agency identified the following outputs, output indicators and related annual targets for the year under review: -

Table 2: Progress towards achieving institutional Impacts and Outcomes

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

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.

Desired Impact: "comprehensive, consistent and viable economic regulation of the cross-border road transport industry that enhances continental integration and trade"

OUTCOMES	FIVE-YEAR TARGETS	PROGRESS MADE TOWARDS ACHIEVEMENT OF OUTCOMES
Enhanced regulatory regime by implementing quality regulation	Implemented Operator Compliance Accreditation System (OCAS)	The Agency continued to work on the development of OCAS by refining and piloting the OCAS registration module that was developed in the previous year. Additional OCAS modules that will enable full implementation of OCAS will be developed in the coming years.
Improved compliance to cross border road transport regulation	Implemented smart law enforcement	The Agency acquired a smart law enforcement tool in the form of a smart law enforcement vehicle. The vehicle is fitted with a Number Plate Recognition System (APNR) which is used to collect intelligence through road patrols and participation in joint law enforcement operations, and it enables cross referencing of vehicle registration with various data bases (CBRTS, ENATIS & SAPS circulations). The vehicle was piloted and deployed on the N1 next to the Musina Traffic Control Centre assessing traffic going to the Beitbridge border post and at multiple points along the Lebombo Border Post.
Safe and reliable cross border road transport	Implemented cross border road safety strategy	In order to achieve safe and reliable cross border road transport, the Agency developed a Cross-Border Road Safety Strategy. The strategy will serve as a roadmap to achieving safe and reliable cross-border road transport operations. Development of the strategy was done in consultation with various stakeholders.
Harmonized economic regulations	90% compliance to cross border road transport policies	The Agency achieved 70% implementation of the C-BRTF workplan that contained amongst other activities relating to institutional arrangements and coordination of Route Management Groups, Road Transport Law Enforcement, Road Transport and Trade facilitation and Passenger Regulation. The target for the year under review was to implement 20% of the SADC protocol and related agreements.
Increased participation by historically disadvantaged individuals	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%	The Agency took the first critical step that will enable professional measurement of progress made towards transformation of the cross-border road transport industry. This entailed development of a baseline that will be used as a point of reference when determining the milestones and achievements made in increasing the participation of previously disadvantaged individuals.

OUTCOMES	FIVE-YEAR TARGETS	PROGRESS MADE TOWARDS ACHIEVEMENT OF OUTCOMES
Fair operating environment for cross border road transport operators;	Implemented cross border road transport charges	In order to introduce the levying of cross border charges, there was a need for the Agency to establish a model that would be used for determining the cross-border charges that would be levied on foreign commercial cross-border transport operators. To that effect, the Agency developed a cross-border pricing model.
Functional and reliable cross border road transport trade facilitation information	Functional cross border road transport trade facilitation information platform	The Agency continued to conduct research on several cross-border matters and produced research reports with recommendation for implementation by relevant role-players. Amongst these reports are the Comparative Assessment of Cross Border Trade Volumes and Values, Annual State of Cross-Border Operations, Economic Impact Assessment Report for the Trans Kalahari Corridor and various Country Profiles.
Functional and reliable cross border road transport trade facilitation information	Functional cross border road transport trade facilitation information platform	Although the target of establishing a platform that would serve as a repository for various research documents was not achieved in the year under review, the platform will kick off with a wealth of information that will be uploaded once it is established.
Viable cross border road transport economic regulator	Implemented new revenue streams	The Agency drafted the Cross-Border Training Curriculum for cross-border law enforcement inspectorate as part of its efforts towards the establishment of a Cross-Border Training Academy. The draft curriculum on the training of law enforcement inspectorate will be enhanced for accreditation by the relevant training authorities.
	Functional iCBMS	The Agency continued with the development of the Integrated Cross-Border Management System. Although the development of the system could not be finalized in the financial year ended March 2021, a remarkable progress has been made with respect to its development and the system is expected to be operational in the 2021-22 financial year.
	Implemented organisational practice and culture strategy	An implementation plan was developed and approved to guide the implementation of various culture enhancement initiatives. Various initiatives were implemented in line with the plan. Initiatives that fell short of implementation in the financial year ended March 2021 were carried through to the next financial year.
	Implemented 100% of communication strategy	An integrated communication strategy was developed to serve as a roadmap to enhance the C-BRTA brand and visibility.

4.4. Institutional Programme Performance Information

This section covers an overview of the Agency's overall performance against the 2020/21 Annual Performance Plan (APP). The APP clearly articulated the entity's intended outputs that would enable it to achieve annual targets as a build-up to the achievement of targeted outcomes over five years as well as achieve the desired impact in the approved 2021-2025 Strategic Plan (SP). The report is the first annual report against the approved 2021-2025 Strategic Plan for the current administrative cycle and gives a reflection of the work that the Agency accomplished in 2020/21, successes and challenges encountered.

The Agency had structured its SP and APP delivery of outcomes through five programmes that relate to its mandate and in consideration of the six (6) Apex priorities and various other policies that impact on cross border operations. Performance is therefore reported in line with the following programmes: -

- **Programme 1**: Regulatory Services - is accountable for the regulatory function of the Agency;
- **Programme 2**: Law Enforcement - plays a role of ensuring compliance with the C-BRT Act and other road law enforcement legislation;
- **Programme 3:** Facilitation - plays the Agency's role of ensuring that strategic partnerships are developed and maintained to aid regional integration;
- **Programme 4**: Research and Advisory - aids the entity in making strategic decisions that are evidence based and further assists the advisory function to the Ministry of Transport and other relevant stakeholders
- **Programme 5:** Administration - acts as a support function to the Agency in achieving its desired impact.

The Agency pursued achievement of its target amid the economic turbulence and other related challenges that were imposed by global Corona Virus pandemic. Overall, 66.67% of the annual targets were achieved, representing eight (8) targets achieved out of twelve (12) targets that were planned for the year.

Figures 4 & 5 provide a snapshot of the annual performance per Programme.

Figure 4: C-BRTAs Annual Organisational Performance

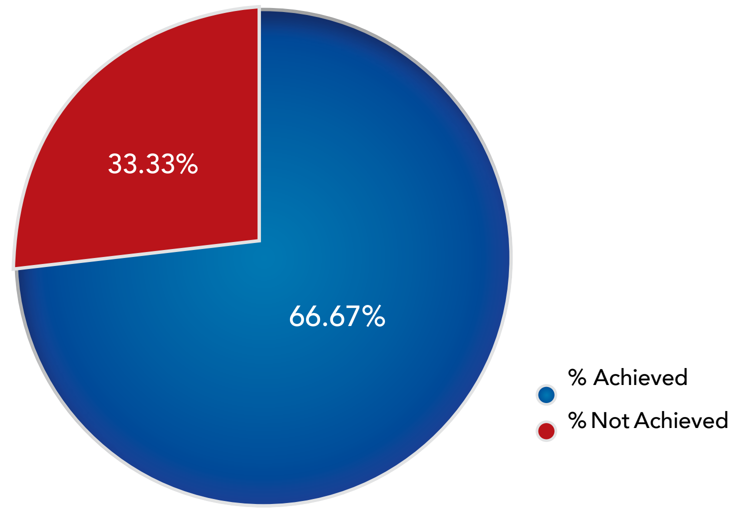
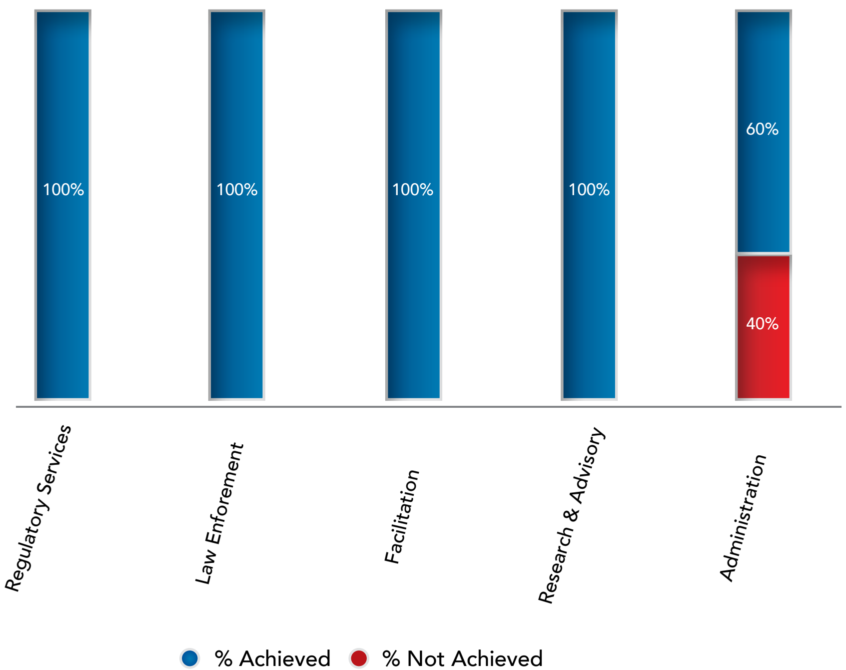


Figure 5: Actual Performance Per Programme



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

Table 3: Summary of Actual Performance Information

PROGRAMME	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT
REGULATORY SERVICES	Developed and implemented Operator Compliance Accreditation System (OCAS)	Refined OCAS registration module	Target achieved OCAS registration module refined.
LAW ENFORCEMENT	Efficient smart law enforcement	Piloted smart law enforcement vehicle	Target achieved Smart Law Enforcement vehicle piloted at two (2) border posts.
	Developed and implemented C-BRTA road safety strategy	Approved C-BRTA road safety strategy	Target achieved C-BRTA's Road Safety Strategy approved by EXCO.
FACILITATION	Percentage implementation of harmonised cross border road transport policies	Implemented 20% of the SADC Protocol and other agreements on cross border related matters	Target achieved Implemented 70% of the SADC Protocol and other agreements on cross border matters.
	Number of participating target groups in the freight and tourism cross border road transport industry	Established baseline of participating target groups in the freight and tourism cross border road transport industry	Target achieved Baseline of the participating target groups in the freight and tourism cross border road transport industry established.
	Developed and implemented cross border road transport charges model	Developed cross border road transport charges pricing model	Target achieved Cross-Border Road Transport Charges Pricing Model developed and submitted to the DoT and the National Treasury.
RESEARCH & ADVISORY	4.1 Developed and implemented cross border road transport and trade facilitation information platform	Established information platform	Target not achieved Delays in the procurement processes experienced early in the financial year resulted in the target not being achieved as planned. The process for the evaluation of the bids was finalized as at the end of the financial year.

PROGRAMME	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL ACHIEVEMENT
ADMINISTRATION	5.1 Implemented strategy on commercialised information	Approved Curriculum	Target not achieved Delays in the appointment of the service provider, and consequently the curriculum could not be approved by the QCTO Technical Committee. As at the end of the financial year, the process for the appointment of the service provider was still underway. Furthermore. curriculum for the Cross-Border Road Transport Inspectors was drafted, as the first phase of the curriculum.
	5.2 Implemented cross border management system	Operational iCBMS (Online and front office permits issued via new iCBMS) and integrated platform implemented	Target not achieved The termination of the contract between C-BRTA and the main contractor was the main contributing factor to the non-achievement of this target. As at the end of the financial year, resources were appointed through an 'Request For Quotation' process to finalize phase one of the development of the system for go-live in the new financial year.
	5.3 Implemented culture enhancements initiatives	Implemented prioritised culture initiatives	Target not achieved The training plan was negatively impact by Covid-19 restrictions. The learning and development interventions are prioritized for the new financial year. The Agency implemented culture enhancement initiatives as per the approved plan except for some training interventions.
	5.4 Developed and implemented Integrated Communication Strategy	Implemented approved Integrated Communication Strategy	Target achieved Implemented the approved Integrated Communication strategy
	5.5 Implemented COVID 19 response plan initiatives	Monitored implementation of COVID 19 response plan	Target achieved Monitored the implementation of the COVID 19 response plan during the financial year.

Reporting on the Institutional Response to the COVID -19 Pandemic

Table 4: Progress on the Institutional Response to the COVID-19 Pandemic

PROGRAMME/SUB-PROGRAMME	INTERVENTION	GEOGRAPHIC LOCATION (WHERE POSSIBLE)	NO. OF BENEFICIARIES	DISAGGREGATION OF BENEFICIARIES	TOTAL BUDGET ALLOCATION PER INTERVENTION	BUDGET SPENT PER INTERVENTION	CONTRIBUTION TO THE OUTPUTS IN THE APP (WHERE APPLICABLE)	IMMEDIATE OUTCOMES
ADMINISTRATION	COVID-19 Response Plan	Gauteng	All employees and cross border operators who visit the office for permit applications.	No disaggregation of beneficiaries was done, all the beneficiaries benefitted equally	R2,395,170	R714 730	Viable economic regulator	The implementation of the plan mitigated the risk of contraction by employees and operators with 17 employees infected out of a total of 156 employees.


RMAL

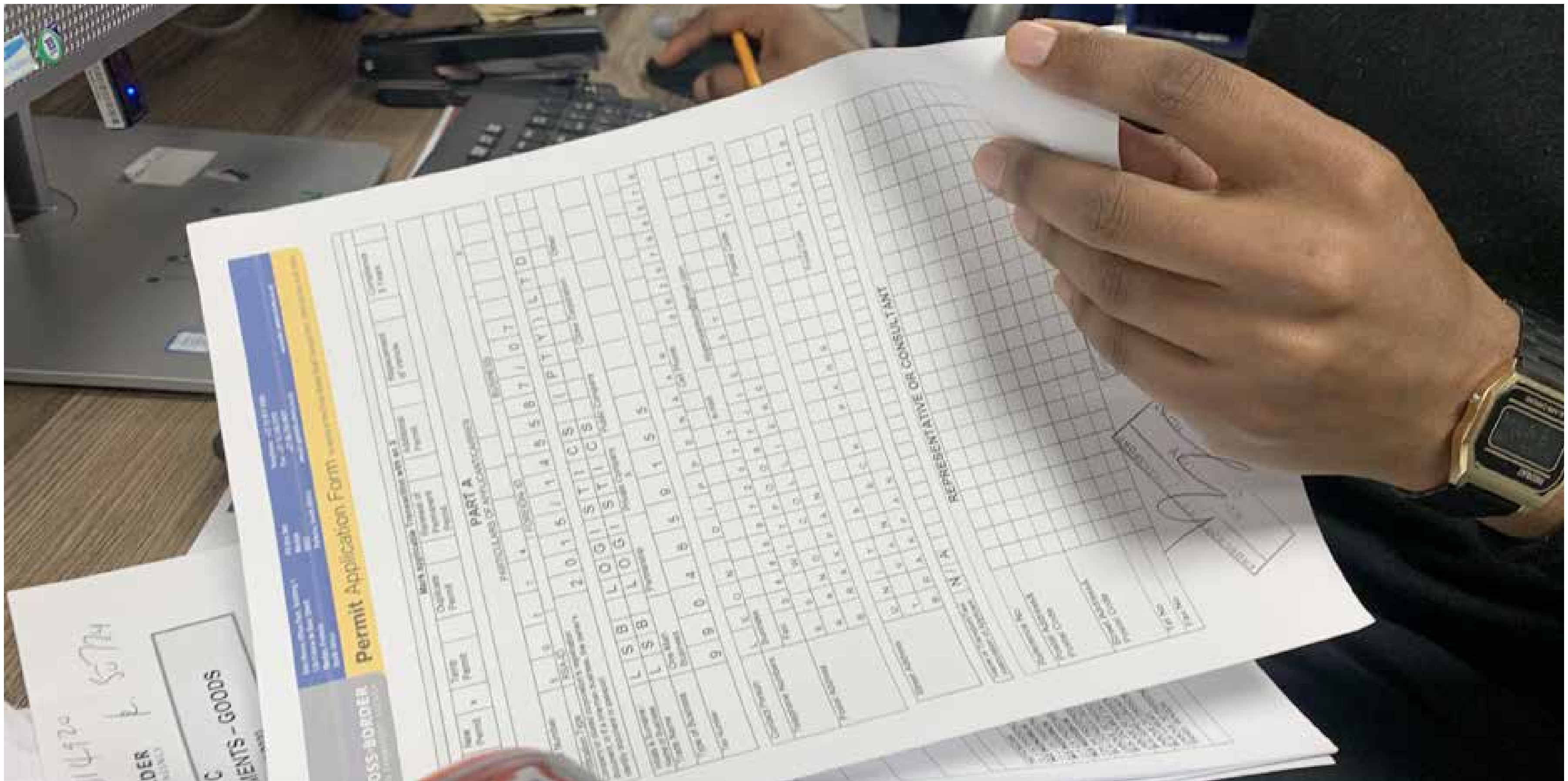
4.4.1. PROGRAMME 1: REGULATORY SERVICES

4.4.1.1. Introduction

The programme carries a legislative task of regulating access to the commercial cross-border road transport through the administration of a licensing regime. Regulatory Services is also assigned to assist the Agency in responding to relevant strategic imperatives and policy initiatives.

This programme has the following outcomes:

- Enhanced regulatory regime by implementing quality regulations; and
- Enhanced regulation to facilitate market access



4.4.1.2. Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

The table below highlight programme performance against the APP targets for the financial year.

Table 5: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements before re-tabling

OUTCOMES: ENHANCED REGULATORY REGIME BY IMPLEMENTING QUALITY REGULATIONS; ENHANCED REGULATION TO FACILITATE MARKET ACCESS									
KPI NO.	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL ACHIEVEMENT 2018/19**	**AUDITED ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEMENT 2020/21**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**	**REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS / ANNUAL TARGETS**
1.1.	Implemented quality regulation	Developed and Implemented Operator Compliance Accreditation Scheme (OCAS)	Target Achieved OCAS Implementation Manuals were approved by the Executive Committee.	Target achieved The OCAS Manual Registration Platform was developed and approved by the Executive Committee	Refined OCAS registration module	Target Achieved The OCAS registration module was refined successfully	N/A target achieved	N/A target achieved	N/A no revision was done
1.2	Regulated Market Access	Implemented Market Access Regulation (MAR) tool	Target achieved Post implementation assessment conducted.	Target Achieved Development 4 quarterly MAR implementation reports	Updated MAR parameters	Target not achieved No work could be completed due to Lockdown restrictions	The update of the parameter of average speed was also not done due to the closure of land borders for passenger transport.	This target can only be implemented if borders are open for movement of passengers. Closing of borders implies no Market Access Report to table for decision-making.	The work associated with this indicator could not be performed due to closure of land Borders due to COVID-19

Table 6: Report on re-tabled Annual Performance Plan

OUTCOMES: ENHANCED REGULATORY REGIME BY IMPLEMENTING QUALITY REGULATIONS; ENHANCED REGULATION TO FACILITATE MARKET ACCESS								
KPI NO.	**OUTPUT**	**OUTPUT INDICATOR**	**AUDITED ACTUAL ACHIEVEMENT 2018/19**	**AUDITED ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEMENT 2020/21**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**
1.1.	Implemented quality regulation	Developed and Implemented Operator Compliance Accreditation Scheme (OCAS)	Target Achieved OCAS Implementation Manuals were approved by the Executive Committee.	Target achieved The OCAS Manual Registration Platform was developed and approved by the Executive Committee	Refined OCAS registration module	Target Achieved The OCAS registration module was refined successfully	N/A target achieved	N/A target achieved

Narrative Progress on Achievement of Output

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

The purpose of this output is to enable the Agency to achieve the planned outcome of enhancing its regulatory regime towards the implementation of quality regulation. For the year under review, the Agency continued with the development of the Operator Compliance Accreditation System (OCAS or the system) which commenced in the previous years. OCAS is an intelligent risk-based regulatory system comprising various modules and standards for certifying and licencing cross-border road transport operators in line with quality regulation. It is designed to enable the Agency to implement quality regulation, improve compliance with road transport legislation, enhance quality of transport operations, regulatory efficiency and harmonisation of the regulatory framework in the SADC region.

The system is underpinned by introduction of a market access criteria, operator registration, registration of responsible competent persons, operator auditing, operator profiling and certification for authorization of all cross-border road transport operations.

During the year under review, the registration platform of the scheme was piloted through the participation of identified sector players. The report on the actual pilot was presented to and approved by the Executive Committee. Furthermore, the OCAS registration module was refined based on the outcomes of the pilot and the report on the refinement of the module was also presented to the Executive Committee.

4.4.1.3. Other Programme Priorities

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

Licensing Services

The Agency issued a total number of 62 464 permits during the period under review, representing a decrease of 31 591 permits or 33,6% compared to the previous financial year.

A summary on the permit stats are displayed in the graphical presentation below:

Figure 6: Permit Stats per category

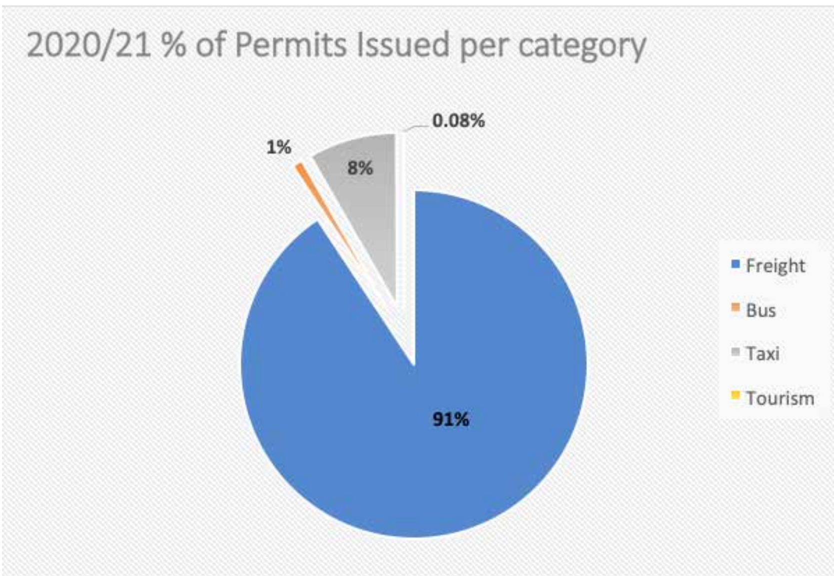
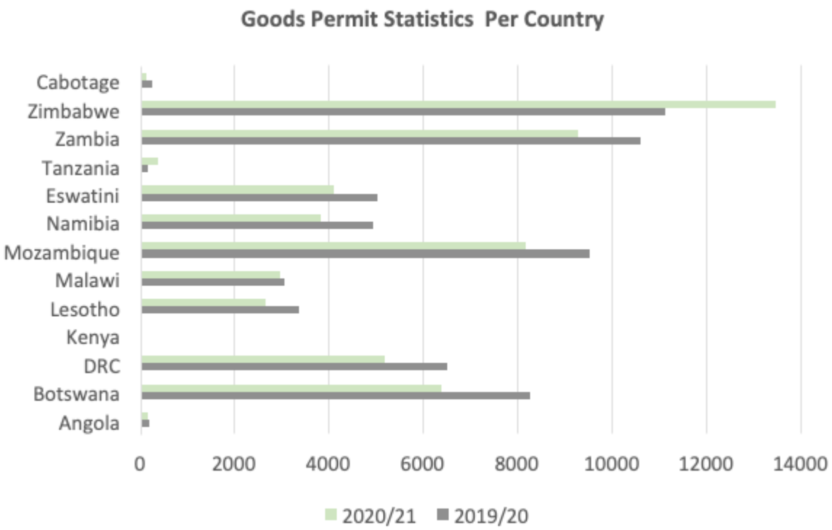


Figure 7: Freight Permits per Country



Goods permits

Permits issued for goods operations decreased by 10% during the year under review, down from 62 930 to 56 637. Hereto follows a statistical overview of the goods permits issued per country.

Table 7: Goods Permit Stats

COUNTRY	2019/20	2020/21	% MOVEMENT
Angola	186	142	(23.6)
Botswana	8 263	6 380	(22.8)
Democratic Republic of Congo	6 505	5 163	(20.6)
Kenya	04	09	125
Lesotho	3 371	2 640	(21.7)
Malawi	3 038	2 962	(2.5)
Mozambique	9 514	8 166	(14.1)
Namibia	4 920	3 815	(22.5)
Eswatini	5 018	4 113	(18)
Tanzania	151	362	139.7
Zambia	10 591	9 288	(12.3)
Zimbabwe	11 124	13 468	21.1
Cabotage	245	129	(47.3)
TOTAL	**62 930**	**56 637**	**(10)**

Taxi Passenger Permit Statistics

Permits issued for taxi operations decreased by 78.9% during the year under review, down from 26 469 to 5 160. Hereto follows a statistical overview of the taxi permits issued per country.

Figure 8: Taxi Permits per Country

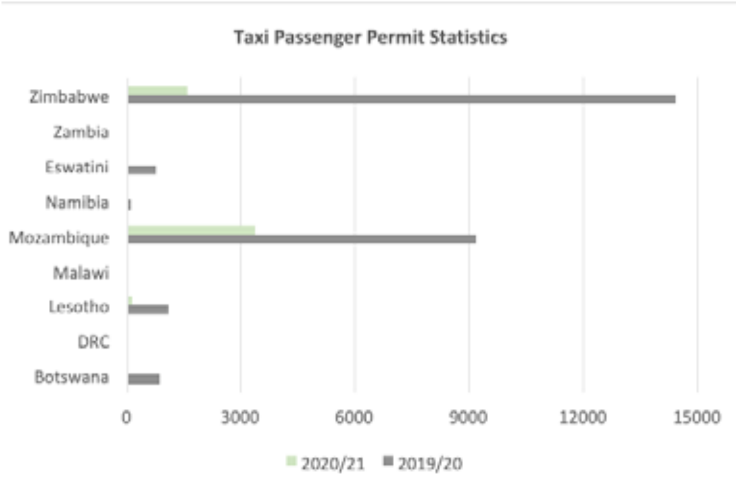


Table 8: Taxi Passenger Permit Stats

COUNTRY	2019/20	2020/21	% MOVEMENT
Botswana	853	16	(98.1)
Democratic Republic of Congo	04	01	(75)
Lesotho	1 098	146	(86.7)
Malawi	20	06	(70)
Mozambique	9 172	3 365	(63.3)
Namibia	102	06	(94.1)
Eswatini	771	22	(97.1)
Zambia	14	02	(85.7)
Zimbabwe	14 435	1 596	(88.9)
Total	**26 469**	**5 160**	**(78.9)**

Bus Passengers Permit Statistics

Permits issued for bus operations decreased by 65.7% during the year under review, down from 1 810 to 620. Hereto follows a statistical overview of the bus permits issued per country.

Figure 9: Bus Permits per Country

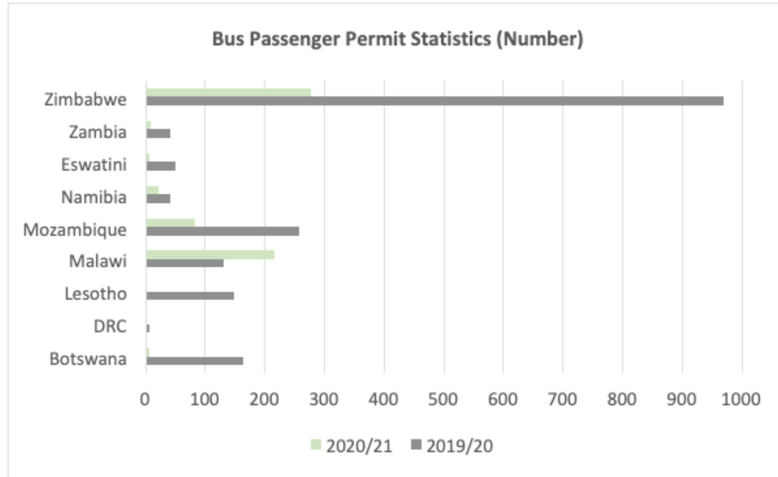


Table 9: Bus Passenger Permit Stats

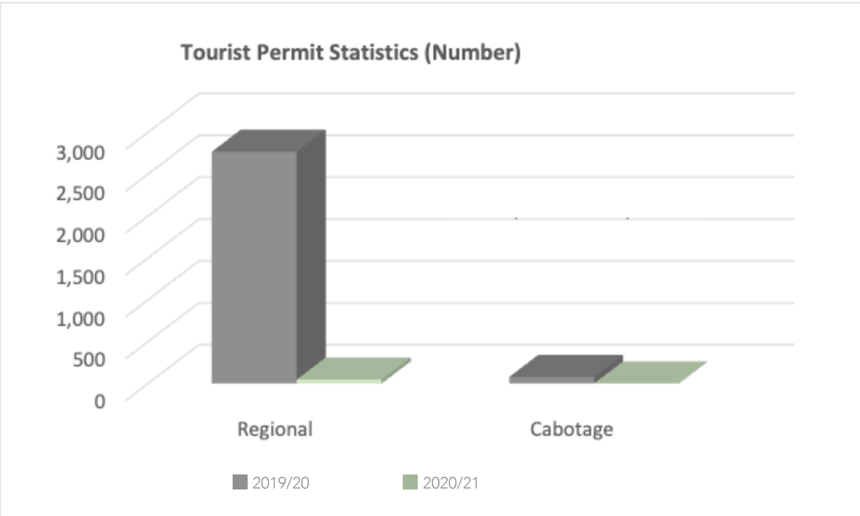
COUNTRY	2019/20	2020/21	% MOVEMENT
Botswana	164	07	(95.7)
Democratic Republic of Congo	6	0	(100)
Lesotho	149	02	(98.6)
Malawi	131	216	64.9
Mozambique	257	82	(68.1)
Namibia	41	21	(48.8)
Eswatini	50	07	(86)
Zambia	42	08	(80.9)
Zimbabwe	970	277	(71.4)
Total	**1 810**	**620**	**(65.7)**

Tourist Permits Statistics

Permits issued to tourist operations decreased by 98.4% during the year under review, down from 2 846 to 47. Hereto follows a statistical overview of the tourist permits issued for the region.

Figure 10: Tourism Permits issued per Country

Table 10: Tourist Permit Stats



COUNTRY	2019/20	2020/21	% MOVEMENT
Regional	2 768	47	(98.3)
Cabotage	78	0	(100)
Total	**2 846**	**47**	**(98.4)**

Policy and Regulation

The Agency participated in a workshop on the Single Government Authorised Economic Operator (SGAEO) Programme which also included information gathering relating to the risk and compliance approach as well as programmes utilised by organs of state in respect of cross-border trade. Subsequently, the Agency is working jointly with SARS to implement a joint pilot of AEO and OCAS on one of the key cross-border corridors.

4.4.1.4. Strategies to overcome areas of under achievement

The COVID-19 pandemic continues to make it difficult to assist cross-border operators as required due to the many limitations that it imposes, however mechanisms are in place, which include rotation of staff and implementation of various COVID-19 protocols for the operators.

4.4.1.5. Changes to planned target

There were changes to plan target sas reflected on table 5 indicator 1.2

4.4.1.6. Linking performance with budgets

Table 11: Programme 1 Expenditure vs. budget

PROGRAMME/ ACTIVITY/ OBJECTIVE	2020/2021			2019/2020		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPEDITURE	(OVER)/UNDER EXPENDITURE
Regulatory services	R'000	R'000	R'000	R'000	R'000	R'000
	25 473	23 080	2 394	25 080	20 272	4 808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4.4.2. PROGRAMME 2: LAW ENFORCEMENT

4.4.2.1. Introduction

The purpose of this programme is to ensure compliance by operators with all cross-border road transport legislation and to the SADC Protocol. The strategic intent of the function is enhancing the safety of freight and passengers in the Southern African Region through compliance with relevant laws and regulations.

Information related to this programme is collected through vehicle inspections, prosecutions, submission of passenger lists and consignment notes as well as other information gathering approaches. Timely, accurate and relevant information is required to support management and the Regulatory Committee in making strategic decisions related to the law enforcement mandate of the C-BRTA.

This programme is therefore responsible for the achievement of the following outcomes:

- Improved compliance to cross border road transport regulation through smart law enforcement; and
- Safe and reliable cross border road transport.

4.4.2.2. Outcome, Output Indicators, Planned Targets and Actual Achievement

Through collaboration with other law enforcement authorities, the Agency piloted the smart law enforcement vehicle at commercial ports of entries and also developed the Cross-Border Road Safety Strategy.

The table below highlight the programme performance for the year.

Table 12: Outcomes, Outputs, Output Indicators, Targets and Actual Achievement before re-tabling

OUTCOMES: IMPROVED COMPLIANCE TO CROSS BORDER ROAD TRANSPORT REGULATION THROUGH SMART LAW ENFORCEMENT; SAFE AND RELIABLE CROSS BORDER ROAD TRANSPORT									
KPI NO.	**OUTPUT**	**OUTPUT INDICATOR**	**ACTUAL ACHIEVEMENT 2018/19**	**ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEMENT 2020/21**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**	**REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS / ANNUAL TARGETS**
2.1.	Implemented smart Law enforcement	Efficient smart law enforcement	-	-	Procured smart law enforcement tools	Target achieved Feasibility of prioritised Smart Law Enforcement technology report was completed and noted by EXCO	The target that was due in quarter 1 was achieved as planned	N/A target achieved	The reason for the change in the target was related to the limited budget experienced as a result of decrease in revenue collected by the Agency due to the lockdown.
2.2	Implemented C-BRTA road safety strategy	Developed and implemented C-BRTA road safety strategy	-	-	Approved 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.	N/A, target achieved	N/A, target achieved	Not applicable, target not revised

Table 13: Report on re-tabled Annual Performance Plan

OUTCOMES: IMPROVED COMPLIANCE TO CROSS BORDER ROAD TRANSPORT REGULATION THROUGH SMART LAW ENFORCEMENT; SAFE AND RELIABLE CROSS BORDER ROAD TRANSPORT								
KPI NO.	**OUTPUT**	**OUTPUT INDICATOR**	**ACTUAL ACHIEVEMENT 2018/19**	**ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEMENT 2020/21**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**
2.1.	Implemented smart Law enforcement	Efficient smart law enforcement	-	-	Procured smart law enforcement vehicle	Target Achieved The Smart Law Enforcement vehicle was piloted in two border posts, Beitbridge and the Lebombo border posts. The Implementation Plan of the Smart Law Enforcement Vehicle for 2021/2022 financial year was developed and approved by the Executive Committee.	N/A, target achieved	N/A, target achieved
2.2	Implemented C-BRTA road safety strategy	Developed and implemented C-BRTA road safety strategy	-	-	Approved 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.	N/A, target achieved	N/A, target achieved

Narrative Progress on Achievement of Output

Output Indicator 2.1: Efficient smart law enforcement

In its quest to improve compliance to the cross-border road transport regulation, the Agency is implementing smart law enforcement tools. It is envisaged that the tools will enhance the efficiency and effectiveness of law enforcement with respect to cross-border road transport. For the year under review, the Agency procured a vehicle which was installed with an Automatic Number Plate Recognition System used to collect intelligence through road patrols and participation in joint law enforcement operations. The collected intelligence was utilised to direct Law enforcement deployments and such information was handed over to the law enforcers for purposes of investigation and prosecution where necessary.

This vehicle uses a Licence Plate Recognition System (LPRS) which interfaces to the Joint Information (JIS) to cross reference vehicle registration with various data bases (CBRTS, ENATIS & SAPS circulations). Captured with license plate recognition cameras fitted on the roof of the vehicle, registration numbers are sent to the JIS which interrogates various databases.

The vehicle was piloted at two commercial borders and was deployed on the N1 next to the Musina Traffic Control Centre assessing traffic going to the Beitbridge border post and at multiple points along the Lebombo Border Post. The outcomes of the pilot were reported and approved by the Executive Committee.

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

The Cross-Border Road Safety Strategy was developed and approved during the financial year under review. The strategy seeks to enhance safe and reliable cross border road transport. To enable smooth implementation of the strategy, a three-year implementation plan was drafted to guide the implementation of various road safety programmes. The strategy focusses mainly on improving road safety with respect to cross-border road transport.

4.4.2.3. Other Programme Priorities

Below is the summary of other priorities that are of operational importance in fulfilling the Agency's law enforcement mandate.

Section 39 report

The Section 39 Report is a quarterly legislative report prescribed in terms of section 39(2): (a), (b) and (c) as well as regulation 19 (whole) of the Cross-Border Road Transport Act 1998, (act 4 of 1998) as amended. The report deals with law enforcement performance covering the following variables: Inspections, prosecutions, revenue generated, revenue collected, amount cancelled, permits issued, returned, passenger lists returned per valid permits, per operator, consignment returned per valid permits, per operator.

The Agency compiled four quarterly reports, which were presented to the Regulatory Committee. The highlights of section 39 reports for the financial year 2020/21 are as follows: -

- A total of 54 006 permits expired during the period under review, of which 12 176 were returned as required by the Act, indicating a return rate of 23%. There is an overall decrease in the number of expired permits submitted by operators across all categories of transport, primarily due to COVID-19. Action plans are being put in place to improve the level of compliance on return of expired permits by operators.
- The submission of passenger lists was slow due the COVID-19 Pandemic as the movement of passengers was restricted. The submission of consignment notes by the freight operators was equally low as only 6 610 consignment notes were submitted out of a total of 151 997 valid truck permits. The Agency will be implementing various controls to improve the level of compliance by operators.
- A total of 215 125 cross border vehicles were inspected during the financial year, which was 37% less than the targeted inspections. Of the total inspections conducted, 7 190 notices were issued to vehicles operating without valid cross-border permits while 1 759 were issued to vehicles operating contrary to their permit conditions (e.g. failure to adhere to timetable as stipulated and operating when they were not supposed to operate on specific days).

- Route Verification and Profiling: The Agency continued conduct various intelligence gathering operations in various towns in Limpopo, Mpumalanga, Kwa-Zulu Natal, North West, Northern Cape and Gauteng as per the approved deployment plan to identify illegal cross-border operations in order to direct Law enforcement and to enable the Regulatory Committee to use as reference in adjudicating permits applications.
- Joint Law Enforcement Operations: The Agency participated in various Joint Law Enforcement Operations carried out in Limpopo, Mpumalanga, Kwa-Zulu Natal, North West, and Gauteng as per the approved joint law enforcement deployment plan 2020/2021 financial year.

4.4.2.4.Strategies to overcome areas of under performance

There were no areas of under-performance in this programme.

4.4.2.5. Changes to planned targets

There were changes to plan targets as reflected on table 12 indicator 2.14.5. Linking performance with budgets

4.4.2.6 Linking performance with budgets

Table 14: Programme 2 Expenditure vs. budget

	2020/2021			2019/2020		
PROGRAMME/ ACTIVITY/ OBJECTIVE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPEDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Law Enforcement	30 845	35 107	(4 262)	50 225	48 053	2 172

4.4.3. PROGRAMME 3: FACILITATION

4.4.3.1. Introduction

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.

There are three outcomes under this programme: -

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

4.4.3.2.Outcome, Output Indicators, Planned Targets and Actual Achievement (APP targets)

During the year under review, the Agency conducted stakeholder engagements with operators, government, corridor management authorities and international stakeholders to facilitate the unimpeded flow of freight and passenger transport.

The table below highlight the programme performance for the year under review.

Table 15: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements before re-tabling

OUTCOMES: HARMONISED ECONOMIC REGULATIONS; INCREASED PARTICIPATION BY HISTORICALLY DISADVANTAGED INDIVIDUALS; AND FAIR OPERATING ENVIRONMENT FOR CROSS BORDER ROAD TRANSPORT OPERATORS									
KPI NO.	**OUTPUT**	**OUTPUT INDICATOR**	**ACTUAL ACHIEVEMENT 2018/19**	**ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEMENT 2020/21**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**	**REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS / ANNUAL TARGETS**
3.1.	Harmonised cross border road transport policies	Implemented harmonised cross border road transport policies	-	-	Implemented 20% of the SADC Protocol and other agreements on cross border related matters	Target Achieved Implemented 70% of the SADC Protocol and other agreements on cross border related matters	The overachievement on this indicator was due to timeous input from the various members of the Regulators Forum especially during the last quarter of the financial year.	No additional resources were expended to achieve this target	Not applicable as there were changes made to this indicator
3.2	Growing participation of 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	-	-	1% increase in the number of participating women, youth and people with disabilities 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.	The survey tool is currently being piloted and should provide the required information by end of Quarter 2	The baseline could not be completed as the quarter ended whilst the pilot of survey tool was still in progress.	Executing this target required a lot of consultation, the limited cross border movements necessitated that the target be changed to allow more consultation to take place.

KPI NO.	OUTPUT	OUTPUT INDICATOR	ACTUAL ACHIEVEMENT 2018/19	ACTUAL ACHIEVEMENT 2019/20	PLANNED ANNUAL TARGET 2020/21	ACTUAL ACHIEVEMENT 2020/21	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21	REASONS FOR DEVIATIONS	REASONS FOR REVISIONS TO THE OUTPUTS/OUTPUT INDICATORS / ANNUAL TARGETS
3.3	Cross Border road transport charges	Developed and implemented cross border road transport charges model	-	-	Developed cross border road transport charges pricing model	Target Achieved The cross-border road transport charges pricing model was approved by EXCO and submitted to National Treasury and DoT.	Not applicable, target achieved	Not applicable, target achieved	Not applicable as there were changes made to this indicator

Table 16: Report on re-tabled Annual Performance Plan

OUTCOMES: HARMONISED ECONOMIC REGULATIONS; INCREASED PARTICIPATION BY HISTORICALLY DISADVANTAGED INDIVIDUALS; AND FAIR OPERATING ENVIRONMENT FOR CROSS BORDER ROAD TRANSPORT OPERATORS								
KPI. NO	**OUTPUT**	**OUTPUT INDICATOR**	**ACTUAL ACHIEVEMENT 2019/20**	**ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEMENT 2020/21**	**DEVIATIONS FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**
3.1	Harmonised cross border road transport policies	Implemented harmonised cross border road transport policies	-	-	Implemented 20% of the SADC Protocol and other agreements on cross border related matters	Target Achieved Implementation 70% of the SADC Protocol and other agreements on cross border related matters	The overachievement on this indicator was due to timeous input from the various members of the Regulators Forum especially during the last quarter of the financial year.	No additional resources were expended to achieve this target
3.2	Growing participation of 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	-	-	Established baseline of women, youth and people with disabilities participating in the freight and tourism cross border road transport industry	Target Achieved The baseline for the participating target groups was established during the quarter.	Not applicable, target achieved	Not applicable, target achieved
3.3	Cross Border road transport charges	Developed and implemented cross border road transport charges model	-	-	Developed cross border road transport charges pricing model	Target Achieved The cross-border road transport charges pricing model was approved by EXCO and submitted to National Treasury and DoT.	Not applicable, target achieved	Not applicable, target achieved

Narrative Progress on Achievement of Output

Output indicator 3.1: Percentage implementation of harmonised cross border road transport policies

This output was set to keep the Agency focused and to make significant progress with respect to complying to regional regulations and implementation of relevant policies. For the purpose of accelerating harmonisation of economic regulations, the region put various programmes for ease of facilitation as well as to boost regional integration. At the centre of successful implementation of this programme is harmonisation of policies.

For the year under review, the Agency targeted to achieve 20% implementation of the SADC Protocol and other agreements with 5% target per quarter on a non-accumulative basis. The Cross-Border Road Transport Regulators Forum (CBRT-RF) workplan that was used to track implementation of activities for the harmonisation of cross border road transport policies outlined a total of forty (40) activities that were to be implemented.

The Agency achieved 70% of the activities in the CBRT-RF approved Annual Workplan. This constitutes an achievement of twenty-eight (28) of out forty (40) activities of the workplan. Some of the core activities finalised and approved by the Forum towards harmonization of the cross-border policies included: -

- Terms of Reference for the Route Management Groups;
- Passenger Regulation Framework;
- Funding Strategy of the CBRT - RF;
- Cross-Border Training Requirements; and
- Monitoring & Evaluation Tool for the Implementation Plan of the Linking Africa Plan.

The CBRT-RF further developed a regional constraints directory which is managed and monitored by the Forum Secretariat.

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

The Agency remains committed to support government in transforming the transport sector. To that extend, the Agency seeks to grow the participation of previously disadvantaged individuals in the freight and tourism industries. Given that there was no baseline to inform fair comparison and levels of impact, the Agency planned to categorise the groups, mainly women, youth and people with disabilities for purpose of assessing the niche markets. It is envisaged that through this output, the Agency will enhance its value-add and compliance with the transport transformation charter in the short to medium term.

For the year under review, the Agency determined a baseline report on participating target groups in the freight and tour operations. The baseline report focused on the number of operators, permits issued per operator, the number of vehicles per operator, the size and women and youth ownership. The baseline report was approved by the Executive Committee.

Output Indicator 3.3: Developed and implemented cross border road transport charges model

The cross-border road transport model is intended to lay the ground for possible levying of "cross-border charges on foreign vehicles" to level the playing field for the South African cross border operators. The cross-border road transport charges pricing model was approved and submitted to the Department of Transport and the National Treasury. In the years prior to 2020/21, the Agency undertook a comprehensive study of the cross-border charges applicable in all countries in SADC and developed a business case on introduction of cross border charges. This output seeks to ensure that the Agency puts in place reciprocal measures to harmonize charges with those of other member states.

4.4.3.3. Other Programme Priorities

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

During the year that ended, the Agency continued to pursue the implementation of the annual programme for the resolution of the RSA/Lesotho cross-border passenger impasse. The Agency engaged Free State Department of Police, Roads and Transport, RSA/ Lesotho Route Committee Executives, International Cross Border Transport Organisation (ICBTO) and Madiboho Taxi Forum on outstanding verification of members of associations. The ICBTO and Madiboho Taxi Forum were also engaged on the Memorandum of Agreement (MoA) between the two parties.

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

For purposes of propelling achievement of various outputs that will ensure the Agency is able to deliver on its mandate and the desired impact, it is critical to forge relations with various stakeholders within the cross-border industry space. During the year under review, all the stakeholders were engaged as per the stakeholder management plan and targeted engagements in line with the operational plan.

- **Facilitated draft bilateral agreements with other SADC countries especially SACU countries.**

The main purpose of this output was to conclude bilateral agreements with member states to facilitate cross-border movements with various member states. To this effect, the Agency continued to implement the bilateral agreements with Angola, Botswana and Lesotho which were concluded in the previous financial years.

- **Percentage of operator constraints addressed within 6 months.**

The Agency remains committed to addressing operator constraints as part of contributing towards the creation of a fair operating environment for operators. In total, sixteen (16) constraints were reported for the financial year and all of them were successfully resolved, constituting 100% achievement.

- **Percentage implementation of signed MOUs with government stakeholders, entities, and municipalities**

The main purpose of this output was to facilitate the implementation of MOUs that the Agency enters into with its stakeholders. Signing of the MoUs is critical to the Agency's ability to perform its mandate. For the year under review, hundred percent (100%) implementation of the targeted signed MOUs with government stakeholders, entities and municipalities was achieved. A progress report on implementation was submitted and approved.

- **Adoption of SA position on the third-party insurance by government and private sector stakeholder**s

As part of Agency's drive to create a fair operating environment for cross border operators, the Agency participated in discussions that sought to level the playing field with regard to third-party insurance. The implementation of third-party insurance will result in South African cross-border operators competing on an equal footing with operators from other countries as foreign commercial vehicles will be expected to also pay for third-party insurance when they enter South Africa.

- **Percentage implementation of the Linking Africa Plan objectives**

The Linking Africa Plan (LAP) initiatives were pursued during the financial year and engagements were held with various key stakeholders on this initiative. Overall, the LAP Annual Workplan was implemented with an achievement of eighty percent (80%) of the planned initiatives. The LAP programmes are also included in the work of the CBRT-RF and monitored to ensure harmonization of policies and transport systems.

- **Review and Implement Industry Development strategy**

The Industry Development Strategy was approved during the financial year and some of the initiatives identified in the strategy were implemented. As part of pursuing the objectives of the strategy, border towns were engaged on the Schools' CSI Project in preparation for the implementation of the CSI projects in the next financial year. Furthermore, the Agency developed a campaign plan to attract new entrants into the cross-border industry. Empowerment sessions were also conducted with four information sharing sessions held in partnership with Tsogo Youth Programme for the youth of Limpopo, North West, KwaZulu Natal and Gauteng. The Agency further facilitated the TETA Women in Transport Mentorship sessions in partnership with AWISCA/Sincpoint.

- **Developed and implemented the International Relations Strategy**

The International Relations Strategy was developed, approved and implemented through engagements with various partners and stakeholders as per the international stakeholder engagement plan.

- **Percentage of international constraints/ complaints addressed within 6 months.**

The Agency continued to put its effort in resolving operator constraints. A tracking register of all the reported constraints is maintained and the resolution of such constraints monitored. For the year under review, various reported constraints were resolved and other referred to appropriate role players for resolution.

4.4.3.4. Strategies to overcome areas of under achievement

There were no areas of under achievement in this programme.

4.4.3.5. Changes to planned targets

There were changes to plan targets as reflected on table 15 indicator 3.2

4.4.4.6 Linking performance to budgets

Table 17: Programme 3 Expenditure vs. budget

	2020/2021			2019/2020		
PROGRAMME/ACTIVITY/ OBJECTIVE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPEDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Facilitation	14 035	14 687	(652)	16 270	14 461	1 809


SuperLinks

4.4.4. PROGRAMME 4: RESEARCH AND ADVISORY

4.4.4.1. Introduction

TheAgency 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.

The purpose of this programme is to achieve the following outcome:

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

4.4.4.2. Outcome, Output Indicators, Planned Targets and Actual Achievement

The Agency did not achieve the target relating to implementation of a cross -border transport and trade information platform due to challenges encountered with respect to procurement of the service provider to assist with the development of the information platform. The bids for the appointment of the service provider have since

been evaluated and the bid evaluation report is finalized for submission to the Bid Adjudication Committee at the end of financial year. The target has been carried over into the next financial year.

The table below highlight the programme performance for the year under review.

Table 18: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements

OUTCOME: FUNCTIONAL AND RELIABLE CROSS BORDER ROAD TRANSPORT TRADE FACILITATION INFORMATION								
KPI NO.	**OUTPUT**	**OUTPUT INDICATOR**	**ACTUAL ACHIEVEMENT 2018/19**	**ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEAMENT 2020/21**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**
4.1.	Cross border road transport and trade facilitation information platform	Developed and implemented cross border road transport and trade facilitation information platform	-	-	Established information 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.	Target not achieved due to delays in the procurement processes experienced early in the financial year.	The target has been moved to the next financial year

Narrative Progress on achievement of Output

Output Indicator 4.1: Cross-Border Road Transport and Trade Facilitation Information Platform

The Agency is developing a cross-border road transport and trade facilitation information platform, which will be used to disseminate information aimed at enhancing cross-border road transport movements and trade facilitation by road. The platform will enable 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, government departments and other institutions involved in trade facilitation, economic development and cross-border road transportation.

The target of establishing an information platform by the end of 2020/21 was not achieved as uploading of the research reports on the platform was not possible since the tool is yet to be developed. There is confidence that the platform will be established in the new financial year as at year end, the bid evaluation for the appointment of a service provider was conducted.

4.4.4.3. Other Programme Priorities

- **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 corridor bottlenecks and constraints affecting cross-border road transport and trade flow by road, analysis of trends and developments unfolding in the region paying attention to the North-South Corridor and Trans-Kalahari Corridor.

Focusing on the two corridors, the report looked at various issues including corridor performance, operator compliance and various factors affecting performance of the cross-border road transport system. The report also recommended interventions aimed at addressing bottlenecks, enhancing cross-border road transport system performance and regional trade flow by road. The report was subjected to peer review, professionally edited and approved by the Executive Committee before it was published on the C-BRTA website.

- **Development of Country Profile Report**

The aim of the country profile report is to provide a consolidated report for the dissemination of information on a specific country which is useful to key stakeholders in the cross-border environment, particularly cross-border road transport operators, regulatory authorities, and trading parties. It is envisaged that such information can be used to improve business opportunities, operational efficiency, productivity and sustainability. The target for the current financial year was to develop the country profile report for Angola.

The Country Profile report for Angola was peer reviewed, professionally edited, approved by the Executive Committee and also published on the C-BRTA website.

- **Cross-Border Flow Calculator**

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 and the TKC corridor segment in South Africa in 2019/20 financial year.

The main aim of the project in the 2020/21 financial year was to assess the economic impact of the delays experienced at border posts using data that was obtained from the pilot studies conducted in the previous years. The report on the economic impact of delays at cross border posts was finalized and presented to the Executive Committee for approval. The report was also presented at the virtual peer review workshop and was published on the C-BRTA website.

- **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 impedes seamless cross-border movements and recommend interventions to stakeholders for implementation. The target in the 2020/21 financial year was to assess movement of the CPIs to track the performance of the corridor.

In pursing this target, the key stakeholders for the provision of information were identified and surveys were conducted. As the year ended, data gathering was still in progress as required data was not yet obtained from some of the key stakeholders. The report will be finalised once the required data is obtained and analysed.

- **Assessment of Trade Volumes between South Africa and neighbouring countries**

This is research conducted to assess cross-border road transport trade volumes between South Africa and neighbouring countries. The Agency conducted a comparative assessment of trade volumes conveyed by road transport passing through respective border posts over a period of two years. The report was presented to the Cross-Border Road Transport Regulators Forum, subjected to a virtual peer review workshop, approved by the Executive Committee and published on the C-BRTA website.

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

The Agency developed the Linking Africa Plan as a contribution towards improving African economies through transformation of the cross-border transport system and creating an environment conducive to promote meaningful intra-Africa trade and industrialization. The plan provides various programmes to be implemented by various stakeholders across the different transport modes.

The target for 2020/21 was to develop a LAP Annual Work Plan to guide successful implementation of 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, enhancing road transport system efficiency and enhancing trade flow. The Agency achieved the target and further continued with the implementation of the various interventions as per the approved work plan. A progress report was submitted and approved by the Executive Committee.

Other Research Projects

The Agency conducts research to estimate the cost of doing cross-border for road transport business. This is done with a view to understand the true cost of doing business in various corridors connecting South Africa to the region. Research information is shared based on various research conducted and the strategic projects being pursued by the Agency.

During the year under review, the Agency published research papers and participated in various conferences, seminars, and workshops with a view to share information and enhance the visibility of the Agency. The Agency presented on the 'Addressing Border Challenges' at the Transport Forum, OCAS at the Single Government AEO Programme Launch Workshop, Trade Volumes, ASCBOR, Angola Country Profile at Stakeholder Forum and CBRT-RF including a 'Policy Framework for OCAS' at the Logistics Technologies Summit.

4.4.4.4. Strategies to overcome areas of under achievement

The major challenge faced by the programme in the year, was the delay in the procurement of a service provider to develop the cross-border road transport and trade facilitation information platform and delays in obtaining data for the CPI project from key stakeholders. Work is still in progress to achieve these targets.

4.4.4.5. Changes to planned targets

There were no changes made to planned targets on this programme during the financial year.

4.4.4.6. Linking performance to budgets

Table 19: Programme 4 Expenditure vs. budget

2020/2021				2019/2020		
PROGRAMME/ACTIVITY/ OBJECTIVE	**BUDGET**	**ACTUAL EXPENDITURE**	**(OVER)/UNDER EXPENDITURE**	**BUDGET**	**ACTUAL EXPEDITURE**	**(OVER)/UNDER EXPENDITURE**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Research & Advisory Services	31 189	10 802	20 387	24 108	23 066	1 042

4.4.5. PROGRAMME 5: ADMINISTRATION

4.4.5.1. Introduction

This programme exists to ensure effective leadership and administrative support to the C-BRTA on the delivery of its set objectives. It has four (4) line functions, i.e. Information and Communication Technology, Corporate Services, Finance and Supply Chain Management as well as Office of the Chief Operations Officer. Their specific roles are:

- 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 provides guidance to other functions and monitor performance through risk assessment; fraud and corruption prevention and performance information management

The output for this programme is to ensure that the Agency is a viable cross border road transport economic regulator.

4.4.5.2. Outcome, Output Indicators, Planned Targets and Actual Achievement

The programme achieved 40% of the targets that were set for the year with three (3) out of the five (5) targets not achieved. The table below highlight the programme performance for the year under review.

Table 20: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements before re-tabling

OUTCOME: VIABLE CROSS BORDER ROAD TRANSPORT ECONOMIC REGULATOR									
KPI NO.	**OUTPUT**	**OUTPUT INDICATOR**	**ACTUAL ACHIEVEMENT 2018/19**	**ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEMENT 2020/21**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**	**REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS / ANNUAL TARGETS**
5.1	Commercialised information	Implemented strategy on commercialised information	-	Piloted strategy on commercialised information	Registered C-BRTA as a service provider	Target not achieved The bid specifications for the appointment of the service provider were approved for advertisement.	Target not achieved due to delays in the appointment of the service provider, and consequently the curriculum could not be approved by the QCTO Technical Committee for approval.	The target has been postponed to the following financial year	The procurement processes delays that were as a result of the COVID-19 pandemic negatively affected this target from the first quarter.

Table 20: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements before re-tabling

OUTCOME: VIABLE CROSS BORDER ROAD TRANSPORT ECONOMIC REGULATOR									
KPI NO.	**OUTPUT**	**OUTPUT INDICATOR**	**ACTUAL ACHIEVEMENT 2018/19**	**ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEMENT 2020/21**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**	**REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS / ANNUAL TARGETS**
5.2	Effective permit issuance system	Implemented a new cross border management system	Implemented prioritised interventions as per approved EA Roadmap	Approved Enterprise Architecture, Roadmap & Business Case	Operational iCBMS (Online and front office permits issued via the new iCBMS) and integrated platform implemented	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.	Target not achieved due the termination of the contract between C-BRTA and the main contractor was the main contributing factor to the non-achievement of this target.	The Agency will go out on a new tender to finalise the work.	Not Applicable, no changes were made to this indicator

Table 20: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements before re-tabling

OUTCOME: VIABLE CROSS BORDER ROAD TRANSPORT ECONOMIC REGULATOR									
KPI NO.	**OUTPUT**	**OUTPUT INDICATOR**	**ACTUAL ACHIEVEMENT 2018/19**	**ACTUAL ACHIEVEMENT 2019/20**	**PLANNED ANNUAL TARGET 2020/21**	**ACTUAL ACHIEVEMENT 2020/21**	**DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21**	**REASONS FOR DEVIATIONS**	**REASONS FOR REVISIONS TO THE OUTPUTS/ OUTPUT INDICATORS / ANNUAL TARGETS**
5.3	Implemented culture enhancements initiatives	Implemented culture enhancements initiative	-	Revised organisational practice and culture	Implemented prioritised culture initiatives	Target not Achieved The Agency continued to roll out leaning and development programmes with a total of 100 staff trained from the year. Culture enchancement initiatives were implemented as per approved plan.	Two (2) of the nine (9) planned training interventions could not be rolled-out for some employees. The roll-out of some of the training plan initiatives was negative as the training service providers for these initiatives could not be secured and in some instances, employees could not be available to attend training.	The learning and develoment interventions are prioritzed for the new financial year	Not Applicable, no changes were made to this indicator
5.4	Implemented Integrated Communication Strategy	Developed and implemented Integrated Communication Strategy	-	-	Implemented approved Integrated Communication Strategy	Target Achieved Digital platform was used to implement initiatives planned for Q4 after approval of the Strategy	Not applicable, target achieved.	Not applicable target achieved	Not Applicable, no changes were made to this indicator

Table 20: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements before re-tabling

OUTCOME: FUNCTIONAL AND RELIABLE CROSS BORDER ROAD TRANSPORT TRADE FACILITATION INFORMATION								
KPI NO.	OUTPUT	OUTPUT INDICATOR	ACTUAL ACHIEVEMENT 2018/19	ACTUAL ACHIEVEMENT 2019/20	PLANNED ANNUAL TARGET 2020/21	ACTUAL ACHIEVEMENT 2020/21	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21	REASONS FOR DEVIATIONS
5.1.	Commercialised information	Implemented strategy on commercialised information	-	Piloted strategy on commercialised information	Approved Curriculum	Target not achieved The bid specifications for the appointment of the service provider were approved for advertisement.	Target not achieved due to delays in the appointment of the service provider, and consequently the curriculum could not be approved by the QCTO Technical Committee for approval.	The target has been postponed to the following financial year
5.2	Effective permit issuance system	Implemented cross border management system	Implemented prioritised interventions as per approved EA Roadmap	Approved Enterprise Architecture, Roadmap & Business Case	Operational iCBMS (Online and front office permits issued via new iCBMS)	Target not achieved 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.	Target not achieved due the termination of the contract between C-BRTA and the main contractor was the main contributing factor to the non-achievement of this target.	The Agency will go out on a new tender to finalise the work

Table 20: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements before re-tabling

KPI NO.	OUTPUT	OUTPUT INDICATOR	ACTUAL ACHIEVEMENT 2018/19	ACTUAL ACHIEVEMENT 2019/20	PLANNED ANNUAL TARGET 2020/21	ACTUAL ACHIEVEMENT 2020/21	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21	REASONS FOR DEVIATIONS
5.3	Implemented culture enhancements initiatives	Implemented culture enhancements initiative	-	Revised organisational practice and culture	Implemented prioritised culture initiatives	Target not Achieved The Agency continued to roll out learning and development programmes with a total of 100 staff trained from the year.	Two (2) of the nine (9) planned training interventions could not be rolled-out for some employees. The roll-out of some of the training plan initiatives was negatively impacted as the training service providers for these initiatives could not be secured and in some instances, employees could not be available to attend training.	The learning and development interventions are prioritized for the new financial year
5.4	Implemented Integrated Communication Strategy	Developed and implemented Integrated Communication Strategy	-	-	Implemented approved Integrated Communication Strategy	Target Achieved Digital platform was used to implement initiatives planned for Q4 after approval of the Strategy	Not applicable, target achieved.	Not applicable target achieved

Table 20: Outcomes, Outputs, Output Indicators, Targets and Actual Achievements before re-tabling

KPI NO.	OUTPUT	OUTPUT INDICATOR	ACTUAL ACHIEVEMENT 2018/19	ACTUAL ACHIEVEMENT 2019/20	PLANNED ANNUAL TARGET 2020/21	ACTUAL ACHIEVEMENT 2020/21	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT FOR 2020/21	REASONS FOR DEVIATIONS
5.5	COVID 19 Regulations Compliant	Implemented COVID 19 response plan initiatives	-	-	Monitored implementation of COVID 19 response plan	Target achieved Implementation 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.	Not applicable, target achieved.	Not applicable, target achieved.

Narrative Progress on Achievement of Output

Output Indicator 5.1: Implemented strategy on commercialised information

As part of its outputs for enhancing the viability of the Agency through attainment of financial sustainability, the Agency is pursuing commercialization of relevant information through the establishment of a cross-border training academy. The target for the current financial year was the approval of the training curriculum. This target was not achieved due to challenges related to the appointment of a service provider.

There was reasonable progress made as the draft curriculum for the Cross-Border Road Transport Inspectors was approved by the Executive Committee for further submission to the QCTO.

The target will be achieved in the new financial year as the bid specifications for the appointment of the service provider to assist the Agency with the development of the curriculum content were approved for advertisement and the process of evaluation and adjudication was scheduled to commence in the first quarter of the next financial year.

Output Indicator 5.2: Implemented cross border management system

This output indicator entailed integrating systems that would enhance the efficiency of the Agency's permit issuing processes. For the year under review, the target was to issue permits on the new iCBMS system both online and at the C-BRTA front-office. This target was not achieved due to the termination of the contract between C-BRTA and the main contractor. Following the termination, another service provider was appointed through an 'Request for Quotation' process to complete the outstanding work, with the aim to launch the new system. The Agency also engaged various countries (Namibia, Lesotho, Angola and Eswatini) on a pilot of the permit system with a view of harmonizing permit system and practices.

Output Indicator 5.3: Implemented culture enhancements initiatives

A positive and vibrant culture is regarded necessary for the viability of the Agency. Culture enhancement is an output identified to promote and make it possible to achieve the outcome. For 2020/21 financial year, the target was to implement culture enhancement initiatives according to the approved plan. The culture change initiatives were crafted to respond to the needs that were identified through the culture survey.

In line with the plan, various staff engagement sessions were conducted. Among these are strategy workshop that was facilitated for management teams to promote an inclusive culture, values workshops to inculcate the values of the Agency into daily operations as well as the learning and development programmes that were implemented. Employees were trained during the year, however, some training interventions identified through the skill audit could not be rolled out as the interventions needed could not be sourced from the service providers and were instances where some of the employees could not be available for training.

Output Indicator 5.4: Developed and implemented Integrated Communication Strategy

Another mechanism identified to enhance the viability of the Agency is the improvement of the C-BRTA brand to make it visible. For the 2020/21 financial year, the Agency set a target to develop a communication strategy that will guide all processes that are critical for branding and visibility. An integrated Communication Strategy was developed through consultations with internal stakeholders. The implementation plan of the strategy was also developed for implementation effective from the fourth quarter of the financial year.

Output Indicator 5.5: Implemented COVID-19 response plan initiatives

Viable institutions make health and safety a priority because there would be no viable institutions without employees and clientele. The Agency responded to the surge of the Covid19 pandemic that negatively affected normal operations and the wellbeing of employees and operators. The Agency complied with government regulations and made it a priority to save the lives of personnel and businesses.

During financial year 2020/21, a COVID-19 response plan was put in place and its implementation monitored to ensure that the Agency stays compliant and mitigate the risk of contraction of CÒVID-19 virus by employees and operators.

4.4.5.3. Other Programme Priorities

Integrity management

The Agency continued with the implementation of the fraud prevention plan with various interventions implemented during the year. Furthermore, the Ethics Committee was established with ethics ambassadors representing various divisions.

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 continued to direct critical IT decision making, monitoring of IT performance, and ensuring on-going alignment of the IT strategy with the business strategy. The was significant improvement in the overall governance of IT and to this end, no audit findings were recorded by the Auditor General(AGSA) for the financial year. IT policies, frameworks and procedures were reviewed and approved by the relevant structures. Furthermore, the Project Investment Committee, meant to oversee the implementation of enterprise-wide projects, was operationalised.

Managed IT Disaster Recovery Services

One of the planned activities was to replicate the production servers to the off-site Disaster Recovery (DR) site as well as perform DR testing. The servers were replicated successfully during the financial year and the IT division successfully conducted the two planned disaster recovery tests for the 2020/21 financial year.

IT improvement program

The Agency aims to develop the Operator Compliance Accreditation System (OCAS), which is a system that will be used to achieve the objectives of quality regulation. To date, the Operator Registration platform used to register cross-border Operators, was developed. Additionally, this Operator registration platform was refined by incorporating inputs from the user community.

Optimised Collaboration

The objective of this project was to implement the SharePoint and OneDrive tools to provide for data collaboration and modern information storage platform. SharePoint and OneDrive offer complementing solutions for collaboration and document storage which are available from anywhere and from any device, and they are the technologies that have been implemented to replace the traditional shared folders.

Bursary Scheme and Internship Programme

Twelve (12) employees who were offered bursaries in 2018/19 financial year continued with their studies and another group of five (5) employees who received financial assistance in 2019/20 financial year are also continuing with the studies.

The Agency also continued with internship program whereby nine (9) interns were attached to different divisions in the Agency. The internship duration had to be extended by twelve (12) months due to the impact of Covid-19 which disrupted their learning period. Furthermore, the Agency advertised for intake of seven (7) interns in various streams with the aim of appointing during April 2021 on a twelve (12) month programmes.

4.4.5.4.Strategies to overcome areas of under performance

The areas that have under-performed have been planned for recovery in the next financial year.

4.4.5.5. Changes to planned targets

Changes were made in the planned targets of this programme to take into account the COVID 19 implications.

4.4.5.6. Linking performance with budgets

Table 22: Programme 5 Expenditure vs. budget

	2020/2021			2019/2020		
PROGRAMME/ ACTIVITY/ OBJECTIVE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPEDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	115 125	114 245	880	129 097	121 223	7 874

Part C: Governance

1.Introduction

The Cross-Border Road Transport Agency is a statutory body established in terms of the Cross-Border Transport Act, Act No. 4 of 1998, as amended ("C-BRT Act"). As a Public entity, the C-BRTA is listed as a Schedule 3A of the Public Finance Management Act, Act No. 1 of 1999.

In terms of the C-BRT Act, the Minister of Transport has appointed the Board of Directors to govern and represent the Agency. The Board as the Accounting Authority provides strategic direction to the Agency and monitors achievement of mandate, goals and strategic objectives.

2.Portfolio Committees Meetings

During the year under review, the C-BRTA Board appeared (virtually) before the Select Committee on Transport Public Service and Administration on 17 March 2021 to present the 2019/20 Annual Report. There were no issues of concern raised. The Committee expressed satisfaction with the performance of the Agency.

3.The Executive Authority

The shareholder representative is the Minister of Transport. The Board conclude a Performance Agreement (Shareholder Compact) with the Executive Authority on an annual basis outlining key performance areas and indicators to be attained by the Agency. The Minister further approves the appointment of the Audit and Risk Committee members and confirms the appointment of internal auditors for the year.

The Annual Report of the previous financial year (2019/20), including audited annual financial statements, were submitted to the Minister and presented at the Annual General Meeting held on 09 November 2020 where the Director-General was in attendance as a proxy for the Minister.

4.Board of Directors

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 performance report of the Agency which has been audited by the Internal Auditors. Where there is non-achievement of targets, Management develops remedial actions to ensure that by the end of the following reporting quarter all prior quarter deliverables are met.

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.

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.

4.2 The role of the Board is as follows

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 monitors the Agency's financial and non-financial performance on a quarterly basis through the Audit and Risk Committee. At every quarterly meeting, the Board considers the Quarterly Performance Report of the Agency which has been audited by the Internal Auditors. Where there is non-achievement of targets, management develops remedial actions to ensure recovery of non-achieved quarterly targets.

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

4.3 Board Charter

The Board operates in accordance with the Board Charter, which it reviews on an annual basis. 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.

The evaluation of the Board, its committees and members' performance were conducted in 2018. In line with the recommendations of King IV that a Board evaluation is conducted every two years, it is envisaged that a Board evaluation will be conducted in 2021.

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 members. As of 31 March 2021, a total of four (4) vacancies existed on the Board. The CEO is the executive member of the Board. 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. The Minister appoints the non-executive members for a term of three (3) years, as well as a Chairperson and a Deputy Chairperson from the non-executive members for a term of office not exceeding three (3) years. Non-executive members are eligible for re-appointment but for not more than three (3) consecutive terms of office. The Minister, after consultation with the Board, appoints the Chief Executive Officer for a period of five (5) years. As per King IV recommendation and in line with the C-BRT Act, the positions of the Chairperson and the Chief Executive Officer do not vest in one person.

Table 23: Programme 5 Expenditure vs. budget

The table below provides the details of the Board members.

NAME	DATE APPOINTED	TITLE	AREA OF EXPERTISE	CURRENT POSITION	FORMAL QUALIFICATIONS	OTHER DIRECTORSHIP	NO OF MEETINGS ATTENDED
Mr Mosoeunyane Ramathe	01 May 2016	Chairperson of the Board	Finance, Accounting and Corporate Governance	Chairperson of the Regulatory Committee	• B Com, Wits • B Com Acc, Wits • Chartered Accountant (SA) • Diploma in Project Management (RAU)	• Ramathe (Central) Inc. • Ramathe Inc. • Ramathe Ranti Joint Venture	10 out of 12
Prof Jan Havenga	01 May 2016	Deputy Chairperson of the Board	Freight industry expert and CrossBorder freight analyst	Regulatory Committee	• Doctor of Philosophy in Logistics • Management, University of Stellenbosch • MBL (UNISA) • BA Hons, (UOFS)	• Gain Group (Pty) Ltd. • Growth and Intelligence Network	10 out of 12
Ms Ignatia Sekonyela	01 May 2016	Board member	Human Resources	Human Resources and Remuneration Committee (Chairperson	• Advanced Labour Law, UNISA • Senior Management Development Programme, UP Business School • Diploma HR, Damelin • B A Honneurs Sielkunde, RAU • B Cur Degree: MEDUNSA	• Zizamele Cebekhulu College (POPCRU • Tucoprox Pty LTD	9 out of 12

NAME	DATE APPOINTED	TITLE	AREA OF EXPERTISE	CURRENT POSITION	FORMAL QUALIFICATIONS	OTHER DIRECTORSHIP	NO OF MEETINGS ATTENDED
Ms Keitumetse Mahlangu	01 May 2016	Board member	• Legal Services, Legislative Drafting • Corporate Governance Investigations	Audit and Risk Committee	• B.PROC, University of Zululand • LLB, University of Natal • MAP, Wits Business School • Certificate in Fraud Examination, UP • Legislative Drafting, Institute of Advanced Legal Studies, Univ. of London	• Seape -Mahlangu Attorneys • OHSC • Rental Housing Tribunal • Sedibeng Liquor Committee	11 out of 12
Mr Dennis Baloyi	01 May 201	Board member	• Transport • Planning, • Public • Transport Planning/ • Management, • Town Planning, • Economic Development and • Financial Literacy Training	• Human Resources • Remuneration Committee • Regulatory Committee	• M Sc (Town and Transport Planning) • M Phil (Urban Studies) • BA (Development Studies	• Nkukwana Development CC • African Leadership Academy (NGO, voluntary, no remuneration) • Ekukhuseleni-Tshireletso Homecare Hospice (Winterveldt)	10 out of 12
Mr Lucky Thekisho	01 May 2016	Board Member	• Legal and Compliance Labor Relations • Human Resources	• Human Resources and Remuneration Committee • Regulatory Committee	• BLC, LLB, LLM (Labour Law), • Advanced Labour Law, • Legislative Drafting, Environmental Law and Compliance,	• Lucky Thekisho Inc	12 out of 12

NAME	DATE APPOINTED	TITLE	AREA OF EXPERTISE	CURRENT POSITION	FORMAL QUALIFICATIONS	OTHER DIRECTORSHIP	NO OF MEETINGS ATTENDED
Mr Chris Hlabisa	29 July 2020	• Shareholder Representative (Department of Transport)	• Legislation, Policies, • Strategic Management, Social • Development, Performance • Budgeting, Acts, • Regulations, Government • Initiatives, Strategic • Objectives and procedures	Regulatory Committee	• Bachelor's Degree in Technology (Civil) Road and Rail, Traffic Engineering, Geometric Design, Pavement Technology and Design, Transport Technology, Construction Materials, Solid Waste, Transportation Planning, Urban Planning and Design. • Management Development Programme (MDP) • Financial Management, • Business Management, • Human Resource Management, • Organisational Behaviour, • Business Strategy and Industrial Relations.	None	5 out of 12
Mr Lwazi Mboyi	01 November 2019	Chief Executive Officer (Acting)	• Business Management and Strategy • Financial Management Corporate • Management Corporate Governance	Regulatory Committee	• B. Admin (Public Finance) • • Honours Industrial Psychology (University of KZN) • Senior Executive Program (Wits & Harvard Business Schools) Africa Directors Program (USB and INSEAD)	• CommCo (Pty) Ltd • Ladolor (Pty) Ltd • Amber Bay (Durban)- serves on invitation	10 out of 12

Table 24: Board Members from 28 June 2021

NAME	DATE APPOINTED	TITLE	AREA OF EXPERTISE	CURRENT POSITION	FORMAL QUALIFICATIONS	OTHER DIRECTORSHIP
Ms Lerato Molebatsi	28 June 2021	Acting Chairperson (Deputy Chairperson)	• Strategy and planning • Financial Services • Mining • Public Sector experience • Non-Profit Organisation • Professional Service Industries • Corporate Social Investment • Stakeholder Relations • Corporate Governance • Policy Development • Black Economic Empowerment • Marketing and investor relations • Transformation management • Communications and public affairs • Advisor to the Minister of Transport	• Acting Chairperson of the Regulatory Committee • Member of the Human Resources and Remuneration Committee	• Post Grad Rural Development & Management • Bachelor of Art Degree in Psychology • Senior Executive Leadership Programme • Diploma in Senior Management Development	• South African Reserve Bank • Spur Corp • Financial Sector Conduct Authority
Professor Isaac Shai	28 June 2021	Board Member	• 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	• Doctor of Laws – (LLD) • Master of Laws –(LLM) • Bachelor of Law- (LLB) • Certificate in Legislative • Bachelor of Arts • Admitted Advocate	

NAME	DATE APPOINTED	TITLE	AREA OF EXPERTISE	CURRENT POSITION	FORMAL QUALIFICATIONS	OTHER DIRECTORSHIP
Ms Zukisa M. Ramasia	28 June 2021	Board Member	• Civil and Commercial Aviation • Aero-Political Affairs • Human Resource Management • Global Operations Management • Stakeholder Management • Strategy and Business Planning • Transportation -Commercial aviation consulting of Passenger and Cargo	Chairperson of the HR and REMCO	• Commercial aviation - Passenger and Cargo Postgraduate Diploma in Management • Human Resource Management (Honours) • Bachelor of Arts Senior • Secondary Teachers Diploma	• Airlines Association of Southern Africa • International Airlines Transport Association • Aviation Coordination Services
Ms Adila Chowan	28 June 2021	Board Member	• Chartered Accountant • Advocate • Public Sector experience • Auditing • Supply Chain Management	Member of the Audit and Risk Committee	• Bachelor of Accountancy • Bachelor of Laws (LLB) • Post Graduate Diploma in Accounting • Part 1 SAICA • Part 2 Public Accountants' and Auditors' Board (PAAB) • Admitted Advocate of the High Court.	• South African Nuclear Energy Corporation • Council of Geoscience Councilor of University of Pretoria

NAME	DATE APPOINTED	TITLE	AREA OF EXPERTISE	CURRENT POSITION	FORMAL QUALIFICATIONS	OTHER DIRECTORSHIP
Ms. Lebogang Letsoalo	28 June 2021	Board Member	• Supply Chain Management (Advocacy) • Logistics (Freight) • BBBEE (Compliance and creating Black Industrialists) • Capacity development • Coaching and mentorship of entrepreneurs, women & youth in the Transport Sector in collaboration with UN Women , TETA , Academia and Industry bodies. • Entrepreneur Board Advisory Strategy development	Member of the Regulatory Committee	• Masters in Business Administration • B-Tech Logistics • Diploma in Purchasing	• Sincpoint • AWISCA • Thola Trust • Amatola Water Board • Sonae Arauco • Ibis Consulting • Booyco Engineering • Jet demolition
Mr Monwabisi Andile Kolanisi	28 June 2021	Board Member	• Labour Relations • Human Capital • Strategy development and implementation • Performance Management	Member of the Social and Ethics Committee	• Masters in (Management of People, Technology, Innovation) • Management Development Programme • Leadership Development • Access Programme in Economic Science • Executive Coarse in Strategic Leadership • Applying the Labour Relations • Trade Union Educators Course • Facilitator/ Educator Course	Khumbeni Supplies

NAME	DATE APPOINTED	TITLE	AREA OF EXPERTISE	CURRENT POSITION	FORMAL QUALIFICATIONS	OTHER DIRECTORSHIP
Mr Kevin D. Van Der Merwe	28 June 2021	Board Member	• Freight expert • South African Association of Road Transport – Consultants (SAARTC): • Road Freight Association (RFA)	Member of the Regulatory Committee	• Diploma in Traffic Science • National Certificate Occupationally directed at Education, Training and Development • Traffic Officer Diploma • Examiner of Vehicles • Examiner of Driving Licenses SANAS Certificat	• ATL Mobility • Mpumalanga Transport Consultants • Free State Consulting
Ms Loyiso Kula	28 June 2021	Board Member	• Business Strategy • Corporate Governance • Oversight and people management • Project Management • Digitalisation • Brand, Communications and Stakeholder Engagement	Chairperson of the Social and Ethics Committee	• Masters in Business Administration • Bachelor of Commerce • Candidate: Masters of Science in Risk Management	• Sani Sistas Trustee Trust
Dr Lesly T. Luthuli	28 June 2021	Board Member	• Corporate Governance • Business Strategy and Execution • Consultant in Business Development: Rail and Energy and Infrastructure • Financial Management • Copyright Law Audit and Forensics	Member of the Social and Ethics Committee	• 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 (UCT) • Andasoul	

NAME	DATE APPOINTED	TITLE	AREA OF EXPERTISE	CURRENT POSITION	FORMAL QUALIFICATIONS	OTHER DIRECTORSHIP
Mr Lwazi Mboyi	01 November 2019	Chief Executive Officer (Acting)	• Business • Management • and Strategy • Financial • Management Corporate • Management • Corporate • Governance	Regulatory Committee	• B. Admin (Public Finance) • • Honours Industrial Psychology (University of KZN) • Senior Executive Program (Wits & Harvard Business Schools) Africa Directors Program (USB and INSEAD)	• CommCo (Pty) Ltd • Ladolor (Pty) Ltd • Amber Bay (Durban)- serves on invitation

4.5 Board Committees

Board Committees constitute an important element of the governance process and enhances the efficiency of the Board. The Agency currently has the following Committees:

- Human Resources and Remuneration Committee
- Procurement Committee
- Regulatory Committee (also takes responsibility for Regulatory Hearings)
- Audit and Risk Committee

Table 25: Board Committees

NAMES OF COMMITTEE MEMBERS	NO. OF MEETINGS HELD	NO. OF MEMBERS	NUMBER OF MEETINGS ATTENDED BY MEMBERS
HUMAN RESOURCES AND REMUNERATION COMMITTEE			
The role of the Committee is primarily to assist the Board in the performance of its oversight functions relating to: i. the implementation and adherence to a sound human resources and remuneration philosophy, strategy and policy of the C-BRTA; ii. the maintenance of vigilant oversight of the management of the human resources function and remuneration practices; iii. 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; iv. 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; and v. generally managing all matters in relation to human resources and remuneration as may be determined by the Board from time to time.			
Ms I Sekonyela	6	3	6 out of 6
Mr L Thekisho			3 out of 6
Mr R Baloy			6 out of 6

NAMES OF COMMITTEE MEMBERS	NO. OF MEETINGS HELD	NO. OF MEMBERS	NUMBER OF MEETINGS ATTENDED BY MEMBERS
PROCUREMENT COMMITTEE			
i. All necessary bid documents have been submitted; ii. Disqualifications are justified, and that valid and accountable reasons/motivations were furnished for passing over of bids; Scoring has been fair, consistent and correctly calculated and applied; iv. Bidders' declarations of interest have been taken cognisance of; and v. Considers and rules on all recommendations/reports regarding the amendment, variation, extension, cancellation or transfer of contracts initially awarded through an open bid process.			
Prof Havenga **Mr R Baloyi** **Mr L Mboyi (Acting CEO)**	2	3	2 out of 2 2 out of 2 2 out of 2
REGULATORY COMMITTEE			
It provides the required administrative, secretarial, research and technical assistance to the Board in support of the execution of its advisory, regulatory, faciliatory and law-enforcement functions with respect to the following: i. Regulates market access through a permit administration process; ii. Grant permits subject to certain terms and conditions; iii. Withdraw or suspend permits; iv. The Committee may withdraw, suspend or amend permit conditions when permit holder was convicted of a road transport / traffic offence; v. Assist the Board in the execution of its functions; vi. The Committee may consider all traffic or transport-related contraventions; vii. Maintenance of database for cross-border road transport operators; viii. Ensure equitable market access through transformation mechanisms; and ix. Liaises with internal and external regulatory authorities through an application referral process.			
Mr M Ramathe **Prof Havenga** **Mr R Baloyi** **Mr L Thekisho** **Mr L Mboyi (Acting CEO)** **Mr C Hlabisa**	6	6	6 out of 6 6 out of 6 6 out of 6 6 out of 6 6 out of 6 6 out of 6

NAMES OF COMMITTEE MEMBERS	NO. OF MEETINGS HELD	NO. OF MEMBERS	NUMBER OF MEETINGS ATTENDED BY MEMBERS
Audit And Risk Committee			
The Audit and Risk Committee ensures that the C-BRTA carries out its responsibilities as they relate to: i. Financial, management and other reporting practices; ii. Strategic guidance and assistance with respect to accounting policies and procedures; iii. Internal controls and management of risks; iv. Monitoring of risk management policy and plan; v. Compliance with laws, regulations and ethics; vi. IT Governance; vii. Performance Information; viii. Responsibilities related to the Internal Audit function; ix. Financial reporting risks; x. Fraud and IT risks as they relate to financial reporting, xi. Sustainability Reporting and all related risks. xii. Combined assurance; and xiii. Risk governance			
Mr P Fourie **Mr A Wakaba** **Ms K Mahlangu**	9	3	9 out of 9 9 out of 9 8 out of 9

5. Risk Management

The Agency's Board takes overall responsibility and accountability for risk management. The Agency operated within the approved enterprise-wide risk management framework that provides leadership and guides risk management activities within the Agency.

The Board, through the Audit and Risk Committee, has ensured that management regularly conducted risk assessments to determine the efficiency of response strategies to manage key risks. The Audit and Risk Committee advised the Agency on risk management and independently monitored the effectiveness of the system of risk management.

The Agency has established a Risk Management Forum that advises management on the overall system of risk management, especially the mitigation of unacceptable levels of risk. Throughout the year, this Forum, together with Management, identified new and emerging risks and these were reported to the Board and managed. The Board relied on the strategic risk register to monitor the effectiveness of such strategies and received assurance that the identified strategic risks are appropriately mitigated.

The materialisation of the risk of the novel coronavirus outbreak, has assisted in the realisation of the value of risk management. The Agency has thus seen progress in its risk maturity and the management of risks which has translated into improved performance.

6. Internal Control Unit

Internal Control is integral to the establishment of a conducive control environment in the Agency. The primary focus of the internal control function during the year under review was to review progress made by management in addressing internal and external audit findings as well as implementation of controls to mitigate against the risk of recurrence of similar findings. The activities are in line with the internal control framework to provide the Board and management with reasonable assurance that C-BRTA has a sound system of internal control.

For the year under review, 90% of the external audit findings were resolved as at the end of the financial year, constituting eighteen (18) of the twenty (20) external audit findings. Eighty five percent (85%) of the internal audit findings were resolved as at the end of the financial year.

7. Internal Audit And Audit Committees

7.1 Internal Audit

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 controls within the Agency, as well as compliance with applicable legislation.

The internal audit function reports functionally to 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

7.3 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 all the 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 and Supply Chain Management
- Human Resources Performance Management System
- iCBMS Project Review
- Organisational Ethics
- Performance Information
- Strategic Planning

8. Compliance With Laws And Regulations

In these difficult economic times, organisations are under tremendous pressure to enhance operational performance. Consequently, the critical link between ethics, compliance and organisational success becomes even more significant. C-BRTA has sought to implement a compliance system that goes beyond mere legal compliance toward maintaining a strong, principled organisational culture.

Compliance with legal and regulatory requirements is integral to our operations. It is only in this manner that we can sustainably increase the Agency's enterprise value and safeguard our reputation.

In the last fiscal year, the Agency reviewed its processes and implemented improved internal controls to help in ensuring orderly and efficient conduct of business. Based on key laws that were effective as at 31 March 2021, there were no material areas of non-compliance.

8.1 Complying with and adapting to the regulatory and legislative environment.

The Board and Senior Management has endorsed the compliance function. 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 business via awareness creation, independent monitoring, reporting and the provision of practical solutions or recommendations.

8.2 Regulatory and Legislative Environment

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.

8.3 Compliance performance to date

In terms of the Agency's compliance risk profile, the following represents the top piece of legislation that demands attention in the regulatory universe:

- **Protection of Personal Information Act 2013**

The Protection of Personal Information Act imposes an obligation on companies to ensure that personal information is processed in accordance with the eight conditions of the Act. The Agency's business model is heavily reliant on electronic data with a move to more digitised products like the ICBMS. Management have since undertaken various assessments to establish the level of compliance and work is ongoing to improve the control environment to ensure compliance with the Act and regulations.

Ensuring adequate information security is an ongoing prerequisite for the C-BRTA.

Traditional approaches to compliance have largely been episodic and reactive. Whether a new requirement emerges (e.g. new laws) or the business itself changes, the result is often the same fire drill reaction – individuals scrambling to try to ascertain the impact and marshal enough resources to adapt the business before regulators can issue fines for non-compliance. And so, it goes until the next change emerges and the process is repeated.

Even smaller businesses can find themselves exposed to hundreds of different rules and obligations and thousands of potentially impactful changes per year requiring review. With systemic inefficiency in the overall process of compliance, it is easy to see how even the most committed and diligent organizations can quickly become overwhelmed, leaving most to worry about what tomorrow may bring.

Implementing a future-ready Regulatory and Corporate Compliance Management program is not a simple click-the-button effort. It is a maturity journey that organisations must take to turn compliance into an advantaged position to enable the business to exploit opportunities and to manage its compliance risks. At C-BRTA, we have taken steps towards that direction with our newly acquired EXCLAIM Integration Compliance Risk Management Software. The software provides a structured way of managing legislation compliance. Regular updates and changes to the Acts are automated ensuring a regulatory universe that remains current and effective.

9. Fraud And Corruption

The Agency has a zero-tolerance approach towards fraud, corruption and unethical conduct. Whistleblowing mechanisms are out in place and incidents can be reported using any of the following reporting channels:

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. Incidents are independently evaluated by officials from the Integrity Management Services and where appropriate investigated internally and/ or referred to appropriate party.

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 investigated further. Financial declarations were received for all officials for the 2020/21 period, save for two officials that are on suspension.

In July 2020, a new gift policy was approved by the Board which ushered a new gift regime for the Agency. Receipt of gifts is now limited to the exceptions provided in the policy and must be declared to the Ethics Officer. Since inception of the new policy, no gifts have been declared.

11. Code Of Conduct

The Agency has a code of conduct that promotes ethical and exemplary conduct by all officials. During 2020/21 financial year, an Ethics Office within Integrity Management Services (IMS) was established to strengthen the fight against the scourge of fraud, corruption and unethical conduct. IMS implemented 75% of the annual approved fraud implementation plan for the reporting period.

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. As a result of the pandemic, the Agency further established a COVID-19 Task Team to deal solely with daily matters related to health and safety of employees during the outbreak.

The Agency has made best efforts in reducing the number of infections as well as internal transmissions. This was mainly achieved with the implementation of the COVID-19 Response Plan that was developed with the aim of complying fully with government regulation and general COVID-19 guidelines. The COVID-19 Response Plan was reviewed and approved by the Executive Committee.

The Plan made provision for various means through which the Agency could minimise and possibly eliminate any chances of the spread of the virus. Mechanisms used included the approach of selecting some employees to work from home whilst others worked on a rotational schedule. Essential staff working on a rotational schedule did however have a negative impact and delayed issuing of permits. Further to that, 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.

13. Company 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. One of the roles is ensuring the Board is always aware of their legislative duties and responsibilities. This includes ensuring that the minutes of all Shareholders Meetings, Board Meetings and the meetings of any committees of the directors are properly recorded. Furthermore, liaise with the Minister's office regarding Board activities and provides 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. As part of pursuing the objectives of the strategy, border towns were engaged on the Schools' Corporate Social Investment (SCI) Project in preparation for the implementation of the CSI projects in the next financial year. Empowerment sessions were conducted with four information sharing sessions held in partnership with Tsogo Youth Programme for the youth of Limpopo, North West, KwaZulu Natal and Gauteng. The Agency further facilitated TETA Women in Transport Mentorship sessions in partnership with AWISCA/Sincpoint.

15. Audit And Risk Committee Report

The Audit and Risk Committee herewith presents its report for the financial year ended 31 March 2021, as required by section 51 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).

Membership And Attendance

The Committee comprised of two (2) independent members including the Chairperson and one Non-Executive Member of the Accounting Authority. In terms of the PFMA, the Committee must meet at least twice a year. During the financial year ended 31 March 2021, the Committee met on nine (9) occasions. The table below reflects the attendance of these meetings:

Table 26: Attendance of ARC meetings

NAME	07 MAY 2020	22 JULY 2020	23 JULY 2020	23 SEPT 2020	22 OCT 2020	28 OCT 2020	5 NOV 2020	21 JAN 2021	16 FEB 2020	TOTA; ATTENDANCE √ APOLOGIZES BELOW
Mr P S Fourie	√	√	√	√	√	√	√	√	√	9 out of 9
Mr A Wakaba	√	√	√	√	√	√	√	√	√	9 out of 9
Ms K Mahlangu	√	√	√	×	√	√	√	√	√	8 out of 9

The Committee held meetings with the Executive Management, Internal Audit 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.

Audit Committee Responsibility

The Committee has complied with its responsibilities arising from Section 51 (1)(a)(ii) of the PFMA and Treasury Regulation 27.1. 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.

The Effectiveness Of Internal Control

The Committee confirms that the system of internal control applied by the Agency over financial and risk management is effective, efficient and transparent. In line with the PFMA and King IV, Internal Audit provides the Committee and Management with assurance that the internal controls are appropriate and effective. This is achieved by risk management processes, as well as the identification of corrective actions and suggested enhancements to controls and processes. 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. 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 efficient and effective.

The Committee is also satisfied with the content and the quality of the quarterly reports tabled by Executive Management for endorsement by the Committee. 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.

Evaluation Of The 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.

Risk Management

The Committee has again concluded that the Agency is at a Level 3 Maturity rating which is defined as there being an indication that a common risk assessment/response framework is in place. This Framework is underpinned by legislation and a number of evolving best practice standards and guidelines including ISO 31000:2018(E) as issued by the International Organisation for Standardization (ISO). The Agency's wide view of risk is endorsed by Executive Management and there are adequate action plans implemented in response to high priority risks.

The Committee is satisfied with the effectiveness of the risk management processes as reported during this reporting period. The Committee is also satisfied with the content and the quality of the various COVID-19 related risk management reports (including the going concern assessment of the Agency's Landlord) prepared and issued by Executive Management in this reporting period.

Performance Management

According to the Annual Performance Report, the Agency reported an achievement of eight (8) (66,67%) of twelve (12) targets. The following targets were reported as not achieved in the reporting period:

- Implemented cross-border management system (iCBMS);
- Implemented culture enhancement initiatives;
- Implemented strategy on commercialized information; and
- Developed and implemented cross-border road transport and trade facilitation information platform.

Internal Audit Function

The Committee is satisfied that the internal audit function is operating effectively and that it has appropriately addressed the related risks. The following internal audit projects were completed during the year under review:

- Quarterly Performance against Predetermined Objective reports Review;
- Information Technology – General Controls Review;
- Integrated Cross-Border Management System (iCBMS) Project Review;
- Financial Discipline Review;
- Supply Chain and Contract Management Review;
- Human Resources – Performance Management System Review;
- Annual Performance Plan 2021/22 Review;
- Disaster Recovery Testing Review (ad-hoc);
- Organisational Ethics Review; and
- Annual Financial Statement and Annual Performance Report Review.

Evaluation Of Financial Statements

The Committee has:

- Reviewed and discussed the audited financial statements with Executive Management and the Chief Executive Officer (Acting) 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.

External Auditor's Report

The external audit function is performed by the Auditor-General South Africa. 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. 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 adequately addressed.

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

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.

Mr Ps Fourie Ca(Sa)
Chairperson: Audit And Risk Committee
Date:

16. B-BBEE Compliance Performance Information

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

Table 27: B-BBEE Compliance Performance Information

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 is considering various policy options to enforce the requirement of the B-BEEE in issuance of permits and the permit management system is also being developed to cater for such requirements.
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. However, the criteria for entering such partnerships will be developed for future considerations of entering into partnerships with the 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 is considering development of regulations to incentivize B-BBBEE compliant cross border permit applicants. Furthermore, the Agency is implementing its Industry Development Strategy and for the year under review, conducted training and empowerment sessions for the youth of Limpopo, North West, KwaZulu Natal and Gauteng provinces. These empowerment sessions provide information on business opportunities within the cross -border industry. The Agency has also set itself a target of increasing participation of HDI's in the cross-border freight and tourism sectors.

Part D:
Human Resource

1. Introduction

The impact of the announcement of the country lockdown at the beginning of the 2020/21 financial year due to COVID-19 pandemic affected to a great extent the operation of Human Resources function since it champions the organisational transformation centred around human capital. This required the adoption of a hybrid approach to the workplace arrangement to enable human capital to performance and provide services to our client within the ambit of COVID-19 regulations. Despite the challenges, HR is working hard to strengthen a positive employee experience and remain focused in building the organisational culture that fosters people engagement.

HR priorities and the impact of these priorities

HR priorities for the year under review included amongst others, rolling out culture enhancement initiatives plan, execution of the training plan for the year and conceptualisation of the organisational redesign project. Further to that monitoring of the Agency's Internship Program and Bursary Scheme which serves to enhance competency level and capacity of our human capital. In execution of these focus areas, Human Resources takes into account the Agency's strategic drivers and external developments.

Workforce planning framework and key strategies to attract and recruit a skilled and capable workforce

The need to review the organisational structure in line with the new five years strategy restricted the filling of vacant positions. Positions which were deemed as critical and not going to be affected by the restructuring exercise were reprioritised. Appointments were made for critical positions such as Company Secretary and a few others. Recruitment process for the two executive positions, i.e Regulatory Services and Corporate Services was initiated and at an advance stage by the end of the financial year. Where critical positions could not be filled within a short period, acting appointments were made to ensure that the key objectives are not compromised.

Employee performance management framework

Although the performance management process is automated, it was negatively affected by the COVID-19 Lockdown due to systems connection remotely and to some, inability to work remotely.

Employee wellness programmes

The traditional employee wellness events could not be hosted during the reporting period due to COVID-19. The unit, however facilitated sessions for employees who needed counselling to cope with the impact of the COVID-19 infections both at the workplace and in their families.

Policy development

Several policies were reviewed during 2020/21 financial such as Disciplinary Policy and Procedure and Cell Phone Policy. A new policy called Workplace Flexibility was developed which is aimed at regulating working from home (Telecommuting) as well as flexible hours of work.

Highlight achievements

The unit pride itself for prioritising the development of the human capital of the Agency even under strain conditions posed by the pandemic where in a total of 100 employees went through training programs during the reporting period. Further to that Bursary Scheme application program was open to all employees who meet set criteria for further studies.

Challenges faced by the public entity

The challenge faced by the Agency during this reporting period has been the impact of the lockdown in the implementation of initiatives that requires physical meetings or events such as Wellness day and some training interventions. Restrictions in filling of positions has also been a challenge since the limited human capital were expected to stretch themselves to ensure that the organisational goals are met.

Future HR plans /goals

The future plan for the Agency is to build a high-performance culture which is inculcated in all its workforce. Additionally, HR plans to further develop and consolidate processes that are user friendly. That will continuously enhance efficiency, transparency and high-quality HR services. We will refine our HR Strategy to meet the need of everchanging and rapidly changing world of work. The Agency continue to strive to become a learning organisation that is counted amongst the best organisation to work for, i.e. employer of choice through a clearly defined employee value proposition (EVP). We will continue to monitor the COVID-19 developments and take necessary actions that address human capital needs of the Agency.

2. Human Resources Oversight Statistics

Table 28: Personnel Cost by Programme

PROGRAMME/ACTIVITY/ OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL PERSONNEL EXP. (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Programme 1: Regulatory Services	23,080	19,724	14.99%	37	533
Programme 2: Law Enforcement	35,107	17,272	13.13%	26	664
Programme 3: Facilitation	14,687	13,155	10.00%	14	940
Programme 4: Research & Advisory	10,802	5,314	4.04%	8	664
Programme 5: Administration	114,245	76,077	57.83%	90	845
TOTAL	**197,920**	**131,542**	**100%**	**175**	**752**

NB: The total no. of employees above includes Board members (6 members) independent committee members (2) Temps (1) and Interns (9)

Table 29: Personnel Cost by Salary Band: Personnel Cost by Salary Band

LEVEL	PERSONNEL EXPENDITURE (R'000)	% OF PERSONNEL EXP. TO TOTAL PERSONNEL COST (R'000)	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Top Management	14,902	12%	5	2,980
Senior Management	29,267	23%	19	1.540
Professional qualified	35, 016	27%	32	1.094
Skilled	31,369	24%	55	570
Semi-skilled	17,192	13%	40	430
Unskilled	1,106	1%	6	184
TOTAL	**128,852**	**100%**	**157**	**820**

NB: The total no. of employees above excludes Board members, independent committee members, Temps (additional to structure) and Interns

Table 30: Performance Rewards

PROGRAMME//ACTIVITY/OBJECTIVE	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management	(R'000)	(R'000)	(R'000)
Senior Management	(R'000)	(R'000)	(R'000)
Professional qualified	(R'000)	(R'000)	(R'000)
Skilled	(R'000)	(R'000)	(R'000)
Semi-skilled	(R'000)	(R'000)	(R'000)
Unskilled	(R'000)	(R'000)	(R'000)
TOTAL	**(R'000)**	**(R'000)**	**(R'000)**

NB. Performance process not finalised yet.

Table 31: Training Cost per Programme

PROGRAMME//ACTIVITY/ OBJECTIVE	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST.	NO. OF EMPLOYEES TRAINED	AVG TRAINING COST PER EMPLOYEE
Programme 1: Regulatory Services	19,724	77	0.06%	14	6
Programme 2: Law Enforcement	17,272	66	0.05%	17	4
Programme 3: Facilitation	13,155	105	0.08%	10	11
Programme 4: Research & Advisory	5,314	10	0.01%	6	2
Programme 5: Administration	76 077	405	0.31%	68	6
Total	**131 542**	**663**	**0.50%**	**115**	**1,1**

NB. Training and Development Costs as presented in the financial statements include the bursaries that were extended to the employees during the financial year.

Table 32: Employment and vacancies

PROGRAMME/ACTIVITY/ OBJECTIVE	2019/2020 NO. OF EMPLOYEES	2020/2021 APPROVED POSTS	2020/2021 NO. OF EMPLOYEES	2020/2021 VACANCIES	% OF VACANCIES
Top Management	5	10	5	5	50%
Senior Management	18	20	19	1	5%
Professional qualified	33	59	32	27	46%
Skilled	55	107	57	50	47%
Semi-skilled	37	46	38	8	17%
Unskilled	5	6	6	0	0%
TOTAL	**153**	**248**	**157**	**91**	**37%**

Explanations: The position of the Executive Managers: Regulatory Services and Corporate Services were advertised, and the selection process has commenced. The process will be finalized in the new financial year. The responsibilities of these positions are currently executed in acting capacities.

Employment changes

The table below provide information on changes in employment over the financial year.

Table 33: Employment Changes

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	5	1	1	5
Senior Management	18	2	1	19
Professional qualified	33	1	2	32
Skilled	55	2	0	57
Semi-skilled	37	2	1	38
Unskilled	5	1	0	6
TOTAL	**153**	**9**	**5**	**157**

Table 34: Reasons for staff leaving

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	0	0
Resignation	3	60%
Dismissal	0	0
Retirement	0	0
Ill health	0	0
Expiry of contract	2	40%
Other	0	0
TOTAL	**5**	**100%**

Explanations: Staff left due to better offers and employment opportunities and expiry of contracts.

Table 35: Labour Relations: Misconduct and disciplinary action

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	1
Final Written warning	0
Dismissal	0

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	3		0	1	0	1	0	1
Senior Management	9	1	0	0	0	0	1	0
Professional qualified	15	0	1	0	0	0	1	0
Skilled	18	2	0	1	1	0	0	0
Semi-skilled	9	0	1	0	0	0	0	0
Unskilled	2	0	0	0	0	0	0	0
TOTAL	**56**	**3**	**2**	**2**	**1**	**1**	**2**	**1**

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	1	0	1	0	1
Senior Management	7	1	0	0	2	0	0	0
Professional qualified	12	1	1	1	0	1	2	1
Skilled	34	0	2	0	1	0	1	0
Semi-skilled	23	0	2	0	0	0	3	0
Unskilled	4	0	0	0	0	0	0	0
TOTAL	**82**	**3**	**5**	**2**	**3**	**2**	**6**	**2**

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

LEVELS	STAFF LIVING WITH DISABILITIES			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	1
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	1	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**0**	**1**	**0**	**1**

Part E: Financial Information

Index

Abbreviations

C-BRTA	Cross - Border Road Transport Agency
CCMA	Commission for Concilliation Mediation and Arbitration
CPI	Consumer Price Index
DoT	Department of Transport
GRAP	Generally Recognised 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 (PFMA) (Act No. 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Accounting Authority to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

The Accounting Authority acknowledges that it is ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the Accounting Authority to meet these responsibilities, the board of members 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 entity 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 first quarter of the year 2020, 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 since April 2020. As the lockdown continued throughout the financial year, 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, has been affected. Consequently, the permit fee collection has declined. However, the Department of Transport has provided C-BRTA with a special grant to an amount of R38,5 million to mitigate against loss of revenue occasioned by this pandemic. Furthermore, the Accounting Authority has reviewed cost containment measures proposed by managament 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 2022 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 6.

The annual financial statements set out on pages 113 to 171, which have been prepared on the going concern basis, were approved by the Accounting Authority on 28 July 2021 for audit purposes and were signed on its behalf by:

Ms. L Molebatsi
Acting Chairperson
Pretoria

Mr L Mboyi
Chief Executive Officer
31 July 2021

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 113 to 171, which comprise the statement of financial position as at 31 March 2021, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as 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 2021, 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.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Restatement of corresponding figures

7. As disclosed in note 31 to the financial statements, the corresponding figures for 31 March 2020 were restated as a result of an error identified by the entity in the current year.

Responsibilities of the accounting authority for the financial statements

8. The board of directors, which constitutes 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.

9. 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

10. 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.

11. 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

12. 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 the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

13. 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.

14. 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 programme presented in the public entity's annual performance report for the year ended 31 March 2021:

Programmes	Pages in the annual performance report
Programme 2 – Regulatory Services	30 – 33

15. 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.

16. I did not identify any material findings on the usefulness and reliability of the reported performance information for this programme:

- Programme 1 – Regulatory Services

Report on the audit of compliance with legislation

Introduction and scope

17. 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.

18. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other information

19. 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 the selected programme presented in the annual performance report that have been specifically reported in this auditor's report.

20. 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.

21. 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 programme presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

22. 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

23. 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.

Other reports

24. I draw attention to the following engagements conducted by various parties which had, or could have, an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

25. The investigation by the accounting authority relating to the alleged conduct of the former chief executive officer was completed. Any recommendations emanating from this investigation will be actioned by the newly appointed board.

Pretoria

30 July 2021

Auditor-General

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 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

	NOTE(S)	2021 R	2020 R
Assets			
Current Assets			
Receivables from exchange transactions	7	3,354,184	2,479,366
Receivables from non-exchange transactions	8	7,297,132	8,287,205
Cash and cash equivalents	9	144,559,767	99,803,709
		155,211,083	**110,570,280**
Non-Current Assets			
Property, plant and equipment	3	10,333,888	9,276,344
Intangible assets	4	11,378,764	9,837,735
		21,712,652	**19,114,079**
Total assets		**176,923,735**	**129,684,359**
Liabilities			
Current liabilities			
Payables from exchange transactions	11	11,356,088	15,910,868
Payables from non-exchange transactions	12	9,075,104	7,280,662
Provisions	10	7,051,637	7,602,097
		27,482,829	**30,793,627**
Non-current liabilities			
Operating lease liability	5	1,704,327	-
Employee benefit obligation	6	4,119,000	3,803,000
		5,823,327	**3,803,000**
Total Liabilities		**33,306,156**	**34,596,627**
Net Assets		143,617,579	95,087,732
Accumulated surplus		143,617,579	95,087,732
Total Net Assets		**143,617,579**	**95,087,732**

Statement of Financial Performance

	NOTE(S)	2021 R	2020 R
Revenue from non-exchange transactions Permits and fines	13	203,995,932	256,495,254
Revenue from non-exchange transactions Government grants	14	38,500,000	-
Other income	15	104,846	447,729
General expenses	21	(43,390,768)	(78,177,261)
Employee costs	17	(131,541,554)	(131,926,271)
Depreciation and amortisation	18	(3,738,574)	(3,470,216)
Assets written off and impaired	24	(361,378)	(442,100)
Operating lease rental	24&23	(15,423,101)	(11,403,447)
Provision for impairment of receivables	20	(3,455,796)	(8,206,279)
Operating surplus	**24**	**44,689,607**	**23,317,409**
Interest received	16	4,289,244	6,017,080
Finance costs	19	(449,000)	(366,000)
Surplus for the year		**48,529,851**	**28,968,489**

Statement of Changes in Net Assets

	ACCUMULATED SURPLUS R	TOTAL NET ASSETS R
Opening balance as previously reported	**63,069,793**	**63,069,793**
Prior period errors (Note 31)	3,049,450	3,049,450
Balance at 01 April 2019 as restated*	**66,119,243**	**66,119,243**
Changes in net assets		
Surplus for the year	28,968,489	28,968,489
Total changes	28,968,489	28,968,489
Balance at 01 April 2020	**95,087,728**	**95,087,728**
Changes in net assets		
Surplus for the year	48,529,851	48,529,851
Total changes	48,529,851	48,529,851
Balance at 31 March 2021	**143,617,579**	**143,617,579**

Cash Flow Statement

	NOTE(S)	2021 R	2020 R
Cash flows from operating activities			
Receipts			
Sale of goods and services		204,480,894	253,774,701
Grants		38,500,000	-
		242,980,894	253,774,701
Payments			
Employee costs		(131,735,414)	(132,127,813)
Suppliers		(64,080,141)	(91,974,851)
		(195,815,555)	(224,102,664)
Net cash flows from operating activities	25	**47,165,339**	**29,672,037**
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(4,663,905)	(4,897,965)
Purchase of other intangible assets	4	(2,034,620)	(9,132,014)
Interest Income		4,289,244	6,017,080
Net cash flows from investing activities		**(2,409,281)**	**(8,012,899)**
Net increase/(decrease) in cash and cash equivalents		**44,756,058**	**21,659,138**
Cash and cash equivalents at the beginning of the year	8	99,803,709	78,144,571
Cash and cash equivalents at the end of the year	9	**144,559,767**	**99,803,709**

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	181,460.360	-	**181,460,360**	187,126,013	**5,665,013**	(a)
Other income	707,730	-	**707, 730**	104,846	**(602,884)**	(b)
Interest received - investment	3,999,738	-	**3,999,738**	4,289,244	**289,506**	(c)
Total permit revenue and interest	**186,167,828**	**-**	**186,167,828**	**191,520,103**	**5,352,272**	
Grants and penalties						
Government grants and subsidies	-	-	**-**	38 500,000	**38,500,000**	(d)
Fines	30,845,284	-	**30,845,284**	55,369,919	**24,524,635**	(e)
Total revenue from non-exchange transactions	**30,845,284**	**-**	**30,845,284**	**55,845,284**	**24,524,635**	
Total revenue	**217,013,112**	**-**	**217,013,112**	**246,890,022**	**29,876,910**	
Expenditure						
Employee costs	(135,130,294)	-	**(135,130,294)**	(131,541,554)	**3,588,740**	**(f)**
Operating cost	(45,293,454)	-	**(45,293,454)**	(43,450,315)	**1,843,139**	**(g)**
Depreciation and amortisation	(5,399,142)	-	**(5,399,142)**	(3,738,574)	**1,660,568**	**(h)**
Finance costs and interest expense	-	-	**-**	(449,000)	**(449,000)**	(i)
Administration fee RTMC	(30,845,284)	-	**(30,845,284)**	(18,819,350)	**12,025,934**	(j)
Total expenditure	**(216,668,174)**	**-**	**(216,668,174)**	**(197,998,793)**	**18,669,381**	
Operating surplus	**344,938**	**-**	**344,938**	**48,891,229**	**48,546,291**	
Assests written-off and impaired	-	-	**-**	(361,378)	**(361,378)**	(k)
Surplus before taxation	**344,938**	**-**	**344,938**	**48,529,851**	**48,184,913**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**344,938**	**-**	**344,938**	**48,529,851**	**48,184,913**	

Explanation of variances

Explanation of variances

(a) Permit revenue

Permit revenue was more than budget during the year due to slight increase in number of permits issued than initially anticipated, as well as compliance fees recognised as a result of the implementation of a policy to recognise compliance fees annually.

(b) Other income

Other income was less than budget for the year. This was due to non-recurring insurance claims and reduced walk-in services.

(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) Government grants and subsidies

During the year the Agency received a special government grant in the amount of R38,5 million from the DoT as part of the special relief grant in response to the impact of COVID-19 on the revenue of the Agency. This was not budgeted for.

(e) Fines

Fines income was less than budget at year-end. This was mainly due to the impact of the lockdown as the Road Transport Inspectorate has not been fully functional during the year due to COVID-19 restrictions, including closure of borders.

(f) 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.

(g) 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.

(h) 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 iCBMS system.

(i) Finance costs and interest expense

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 iCBMS system.

(j) Administration fee - RTMC

The Interest expense represents the accrual of interest on the accrued post-employment medical aid 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 was not budgeted for.

(k) Assets written of or impaired

During the physical assets verification some assets were found to be broken and not in useable conditions. These assets were impaired or written off. The cost of impariment or write off was not budgeted for as was not 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 122(3) of the Public Finance Management Act (PFMA) (Act No. 1 of

1999).

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

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 (ZAR), which is the functional currency of the Agency.

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, the 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.

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 for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the management 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 is calculated on a category basis, based on historical loss ratios, adjusted for national and 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 receivable balances in the category and scaled to the estimated loss emergence period.

The measurement of receivables is derived after consideration of the allowances for doubtful debts. Amounts receivable outstanding for more than 12 months are deemed to be impaired.

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 Agency 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 Agency 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 Policies (cont.)

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 37.

1.4 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.

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.

Accounting Policies (cont.)

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.

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

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note 4).

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.

Accounting Policies (cont.)

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. A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign

  exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- It is settled at a future date.

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 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.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions. Loans payable are financial liabilities, other than short-term payables on normal credit terms.

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.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- derivatives;
- contingent consideration of an acquirer in a transfer of functions between entities not under common control to which the
- Standard of GRAP on Transfer of Functions Between Entities Not Under Common Control (GRAP 106) applies
- combined instruments that are designated at fair value;
- instruments held for trading. A financial instrument is held for trading if:

it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or

on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;

- non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
- financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

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
Receivables 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

Accounting Policies (cont.)

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.

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.

Accounting Policies (cont.)

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.

Accounting Policies (cont.)

Initial measurement

The Agency initially measures statutory receivables at their transaction amount.

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 Inventories

The Agency keeps no material inventories. The items of stationery and computer consumables are expensed immediately once purchased.

1.12 Impairment of non-cash-generating assets

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

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

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

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

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

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

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

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

- the period of time over which an asset is expected to be used by the Agency; or
- the number of production or similar units expected to be obtained from the asset by the Agency.

Accounting Policies (cont.)

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.

1.12 Impairment of non-cash-generating assets

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 Agency 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.

1.13 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.

Accounting Policies (cont.)

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 employer (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.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the employer recognises actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Assets held by a long-term employee benefit fund are assets (other than non-transferable financial instruments issued by the reporting entity) that are held by an entity (a fund) that is legally separate from the reporting entity and exists solely to pay or fund employee benefits and are available to be used only to pay or fund employee benefits, are not available to the reporting entity's own creditors (even in liquidation), and cannot be returned to the reporting entity, unless either:

- the remaining assets of the fund are sufficient to meet all the related employee benefit obligations of the plan or the reporting entity; or
- the assets are returned to the reporting entity to reimburse it for employee benefits already paid.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognises past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

Accounting Policies (cont.)

The employer account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the employer's informal practices. Informal practices give rise to a constructive obligation where the employer has no realistic alternative but to pay employee benefits. An example of a constructive obligation is where a change in the employer's informal practices would cause unacceptable damage to its relationship with employees.

The amount recognised as a defined benefit liability 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;
- plus any liability that may arise as a result of a minimum funding requirement

  The amount determined as a defined benefit liability may be negative (an asset). The employer measures the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The employer determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The employer recognises the net total of the following amounts in surplus or deficit, 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 rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

The employer uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, an employer shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, an employer shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The employer recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the employer re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The employer offsets an asset relating to one plan against a liability relating to another plan when the employer has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

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.

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.

Accounting Policies (cont.)

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.

1.14 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.

1.14 Provisions and contingencies (continued)

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.

A constructive obligation to restructure arises only when an entity:

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

No obligation arises as a consequence of the sale or transfer of an operation until the Agency is committed to the sale or transfer, that is, there is a binding arrangement.

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.

1.15 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.

1.16 Revenue from exchange transactions

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

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

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

Measurement

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

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the Agency has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the Agency retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the Agency; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest, royalties and dividends

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

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

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables.

Accounting Policies (cont.)

1.17 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 arise 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 annual 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 regcognised:

- 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.

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 entity 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.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the Agency and the fair value of the assets can be measured reliably.

1.18 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.

1.19 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.

Accounting Policies (cont.)

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.

1.20 Comparative figures

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

1.21 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).

1.22 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).

1.23 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.

1.24 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 01/04/2020 to 31/03/2021.

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.

1.25 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.

Accounting Policies (cont.)

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.

1.26 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.

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

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

IGRAP 1 Applying the probability test on initial recognition revenue

This Interpretation provide guidance on how an entity applies the probability test on the initial recognition of revenue from exchange or non-exchange transactions.

The new amendments to the Interpretation will not impact on how the Agency applies IGRAP1 as the emendment merely provides additional clarity on the definitions and application of IGRAP1.

There is no effect on the annual financial statements for the year ended 31 March 2021.

IGRAP 20 Accounting for adjustments to revenue

This Intepretation clarifies the accounting for adjustments to an exchange and non-exchange revenue charged in terms of legislation or similar means, as a result of completion of a review, appeal or objection process. The adoption of the intepretation may result in the adjustment to revenue being treated as error as contemplated in GRAP 3, instead of being treated solely as change in estimates.

The intepretation impacts on the notices which have been issued by the Road Transport Inspectorate but reversed by the magistrate upon appeal or review process. The amount number of these notices is insignificant and thus no adjustment has been made.

Thus, there is no effect on the annual financial statements for the year ended 31 March 2021.

2.2 Standards and Interpretations early adopted

The Agency has not adopted any standard of GRAP or intepretations 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 and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2021 or later periods:

None

Notes to the Annual Financial Statements

3. Property, plant and equipment

	2021			2020		
	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	3,851,516	(2,724,004)	1,127,512	3,523,132	(2,553,802)	969,330
Office equipment	4,231,131	(2,625,687)	1,605,444	2,727,734	(2,223,465)	504,269
Computer equipment	11,059,658	(6,880,800)	4,178,858	11,898,694	(7,401,715)	4,496,979
Leasehold improvements	3,594,447	(598,696)	2,995,751	10,154,700	(6,964,725)	3,189,975
Motor Vehicles	479,846	(478,290)	1,556	479,846	(476,235)	3,611
Signage	454,447	(29,680)	424,767	153,933	(41,753)	112,180
Total	**23,671,045**	**(13,337,157)**	**10,333,888**	**28,938,039**	**(19,661,695)**	**9,276,344**

Reconciliation of property, plant and equipment - 2021

	OPENING BALANCE R	ADDITIONS R	WRITTEN OFF 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**

Reconciliation of property, plant and equipment - 2020

	OPENING BALANCE R	ADDITIONS R	WRITTEN OFF R	DEPRECIATION R	IMPAIRMENT LOSS R	TOTAL R
Furniture and fixtures	1,279,786	9,774	-	(310,128)	(10,102)	969,330
Office equipment	571,581	183,012	-	(193,436)	(56,888)	504,269
Computer equipment	5,527,724	1,515,204	(85,322)	(2,170,838)	(289,789)	4,496,979
Leasehold improvements	248,602	3,189,975	-	(248,602)	-	3,189,975
Motor Vehicles	10,833	-	-	(7,222)	-	3,611
Signage	120,509	-	-	(8,329)	-	112,180
	7,759,035	**4,897,965**	**(85,322)**	**(2,938,555)**	**(356,779)**	**9,276,344**

4. Intangible assets

	2021			2020		
	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	**13,085,870**	**(1,707,106)**	**11,378,764**	**14,952,617**	**(5,114,882)**	**9,837,735**

Reconciliation of intangible assets - 2021

	OPENING BALANCE R	ADDITIONS R	AMORTISATION R		TOTAL R
Computer software	9,837,735	2,034,620	(260,117)	(233,474)	11,378,764

Reconciliation of intangible assets - 2020

	OPENING BALANCE R	ADDITIONS R	AMORTISATION R	TOTAL R
Computer software	1,237,383	9,132,014	(531,662)	9,837,735

Notes to the Annual Financial Statements

5. Operating lease liability

	2021 R	2020 R
Non-current liabilities	-	(1,704,327)

Post retirement medical aid plan

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 straigh-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 setlled in future when lease payments are increased with escalation rate.

6. Employee benefit obligations

Defined benefit plan

The Agency has in place a post-employment medical benefit plan to which 12 members (2020: 13 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 2021 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 R1,525 per month for unmarried members and R3, 052 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:

Carrying value

	2021 R	2020 R
Carrying value		
Present value of the defined benefit obligation-wholly unfunded	(4,119,000)	(3,803,000)

The valuation results show a liability in respect of accrued service equal to R4,119,000 (2020: R3,803,000). Total interest cost and current service costs for the period from 1 April 2020 to 31 March 2021 were R449,000 and R22,000 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 12 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	(3,803,000)	(3,768,000
Contributions by plan participants	233,965	231,187
Net expense recognised in the statement of financial performance	(549,965)	(266,187)
	(4,119,000)	**(3,803,000)**

Net expense recognised in the statement of financial performance		
Current service cost	(22,000)	(24,000)
Interest cost	(449,000)	(366,000)
Actuarial (gains) losses	(78,965)	123,813
	(549,965)	**(266,187)**

	2021 R	2020 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 2021 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 our 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 entity 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.

7. Receivables from exchange transactions

	2021 R	2020 R
Deposits and prepayments	3,211,890	1,560,852
Receivable from related party (Note 28)	142,294	918,514
	3,354,184	**2,479,366**

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.

8. Receivables from non-exchange transactions

	2021 R	2020 R
Statutory receivables	1,048,202	3,753,924
Statutory receivables - Compliance fees	5,757,405	4,306,041
Other receivables	469,283	201,384
Staff debtors	22,242	25,856
	7,297,132	**8,287,205**

	2021 R	2020 R
Gross fines receivables	18,305,734	20,118,615
Provision for doubtful debt	(17,257,532)	**16,364,691**
	1,048,202	**3,753,924**

Notes to the Annual Financial Statements

8. Receivables from non-exchange transactions

	2021 R	2020 R
Statutory receivables - Compliance fees		
Gross fines receivables	13,957,414	10,582,764
Provision for doubtful debt	(8,200,009)	(6,276,723)
	5,757,405	**4,306,041**

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-BRTA 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 arises 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 Gazzette.

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.

8. Receivables from non-exchange transactions (continued)

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% (2020: 6.75%) 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 2021, R9,073,480 (2020: R11,570,588) were past due but not impaired.

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

	2021 R	2020 R
3 month past due	3,115,788	6,823,454
6 months past due	105,247	231,411
9 months past due	5,852,445	4,515,723
	9,073,480	**11,570,588**

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. These legal processes are not often concluded within thirty day and thus it may be necessary to still expect payments in such circumstances.

Statutory receivables impaired

As of 31 March 2021, Statutory receivables of R2,816,127 (2020: R8,206,279) were impaired and provided for.

The overall provision balance was therefore increased from R22,641,414 to R25,457,541 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.

Notes to the Annual Financial Statements

Reconciliation of provision for impairment for statutory receivables

	2021 R	2020 R
Opening balance	22,641,414	14,435,135
Provision for impairment	2,816,127	8,206,279
	25,457,541	**22,641,414**

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.

Prior period errors

The amount of statutory receivables in respect of compliance fees include adjustments made and accounted for as detailed in note 31 below.

9. Cash and cash equivalents

	2021 R	2020 R
Cash on hand	3,004	5,773
Bank balances	11,376,537	4,024,504
Short-term deposits	133,180,226	95,773,432
	144,559,767	**99,803,709**

10. Provisions

Reconciliation of provisions - 2021

	2021 R	2020 R	TOTAL
Provision for staff performance bonuses	7,602,097	(550,460)	7,051,637

Reconciliation of provisions - 2020

	OPENING BALANCE R	ADDITIONS R	UTILISED DURING THE YEAR R	REVERSED DURING THE YEAR R	TOTAL R
Provision for staff performance bonuses	7,838,639	7,051,637	(6,827,075)	(461,104)	7,602,097
Provisions refundable fines	40,600	-	-	(40,600)	-
	7,879,239	7,051,637	(6,827,075)	(501,704)	7,602,097

Provision for staff performance bonuses

There was no bonus provision during the financial year under review due to cost containment measures implemented by the Agency. The balance of provision is in relation to the prior year provision.

11. Payables from exchange transactions

	2021 R	2020 R
Trade payables	1,036,227	2,313,185
Accrued leave pay	7,033,805	5,403,831
Accrued bonuses (13th Cheques)	984,580	907,865
Workman's compensation accrual	493,580	513,960
Other accrued expenses	1,807,896	6,772,027
	11,356,088	**15,910,868**

12.Payables from non-exchange transactions

Permit and penalty fees refundable	9,075,104	7,280,662

Payables relate to payments received in advance from operators.

13. Revenue from non-exchange transactions - Permits and fines

Permit issue fees	143,852,460	159,682,838
Permit application fees	35,078,169	41,856,610
Compliance fees	8,195,384	6,541,260
Fines	16,869,919	48,414,546
	203,995,932	**256,495,254**

14. Revenue from non-exchange transactions - Government grant

Unconditional special grant received	38,500,000	-

Unconditional grant in the amount of R38.5 million was received during the financial year from Department of Transport as part of the adjustment budget to assist the Agency in the advent of COVID-19 pandemic.

Notes to the Annual Financial Statements

15. Other Income

Payables relate to payments received in advance from operators.

	2021 R	2020 R
Postage, administrative and general walk-in services to operators	71,378	175,713
Actuarial gains	-	123,813
Insurance refunds	33,468	148,203
	104,846	**447,729**

16 Interest received

Interest revenue

Bank	4,289,244	6,017,080

The Agency has cash investments yielding an average of 3,75% (2020: 7,1%) per annum.

17. Employee related costs

	2021 R	2020 R
Basic salaries	107,178,496	102,611,797
Performance bonus (note 10)	-	6,590,533
Medical aid - company contributions	3,618,016	3,556,656
Unemployment Insurance Fund	296,217	297,107
Workman's Compensation	429,824	140,838
Leave pay provision charge	2,124,961	1,341,239
Pension and provident fund contribution	13,637,399	13,001,884
Long-service incentive	295,861	490,012
13th cheques	3,592,080	3,556,457
Car allowance	368,700	339,748
	131,541,554	**131,926,271**

18. Depreciation, amortisation and impairment loss

Property, plant and equipment	3,478,457	2,938,555
Intangible assets	260,117	531,661
	3,738,574	**3,470,216**

19. Finance costs

Interest costs	449,000	366,000

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

	2021 R	2020 R
Impairment loss	3,455,796	8,206,279

21. General expenses

	2021 R	2020 R
Advertising, publicity, marketing and branding	763,901	935,342
Audit fees (note 22)	2,981,961	3,575,059
Bank charges	729,668	1,676,181
Cleaning and office supplies	844,327	598,631
Service fee (Note 36)	18,819,350	43,779,919
Consulting and legal fees	3,662,652	4,387,943
Catering and employee wellbeing	39,066	877,361
Corporate gifts and donations	-	464,746
Insurance	357,811	321,029
Conferences and seminars	140,321	829,691
IT expenses	2,929,986	2,371,273
Resource materials, magazines, books and periodicals	-	3,513
Motor vehicle expenses	6,466	8,825
Placement fees	181,494	64,429
Printing and stationery	843,906	2,178,239
Repairs and maintenance	167,827	363,948
Security	513,789	402,864
Staff welfare	123,710	291,228
Software license fees	3,594,676	2,639,167
Professional memberships and subscriptions	107,833	60,148
Training and development	856,216	1,820,429
Travel and accommodation expenses	971,615	6,567,220
Small tools	18,493	26,282
Electricity and water	973,862	1,336,838
Document storage expenses	401,701	376,340
Relocation expenses	720,802	78,384
Telephone, network and data expenses	1,623,709	912,024
Cellphone expenses	936,661	1,230,208
Actuarial losses	78,965	-
	43,390,768	**78,177,261**

22. Audit fees

	2021 R	2020 R
External audit	2,112,375	2,381,145
Internal audit	869,586	1,193,914
	2,981,961	**3,575,059**

23. Operating lease

Office Lease

The Agency entered into a major operating lease agreement with Erf 49 Menlyn (Proprietary) Limited for a period ranging from one to five years commencing 01 February 2010 and terminating on 31 January 2015. the lease was extended intul 31 May 2020. The lease were for buildings one, three, four and five at Glen Manor Office Park, 138 Frikkie de Beer Street, Menlyn, Pretoria.

With the expiry of the lease at 31 May 2020, 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 April 2020 and terminating on 31 March 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 leases shall escalate annually on 1 March of each year by 7.5%; and
- There are no renewal options and there are no restrictions imposed on the leases.

Notes to the Annual Financial Statements

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 motor vehicle for law enforcement purposes under non-cancellable operating leases 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.

	2021 R	2020 R
Future minimum lease payments due		
- within one year	15,576,798	10,978,606
- in second to fifth year inclusive	47,003,120	49,883,377
	62,579,918	**60,861,983**

24. Operating surplus

Operating surplus for the year is stated after accounting for the following:

	2021 R	2020 R
Operating lease charges		
Premises		
• Contractual amounts	14,308,764	10,721,959
Motor Vehicles		
• Contractual amounts	312,459	-
Equipment		
• Contractual amounts	801,878	681,488
	15,423,101	11,403,447
Assets written off and impaired	(442,100)	(259,184)
Amortisation of intangible assets	531,661	531,667
Depreciation on property, plant and equipment	2,938,555	2,867,954
Employee costs	131,926,271	131,926,271

25. Cash (used in) / generated from operations

	2021 R	2020 R
Surplus	48,529,851	28,968,489
Adjustments for:		
Depreciation and amortisation	3,738,574	3,470,216
De-recognition of non-current assets	361,378	442,100
Interest received	(4,289,244)	(6,017,080)
Debt impairment	3,455,796	8,206,279
Movements in operating lease liability	1,704,327	(804,134)
Movements in retirement benefit assets and liabilities	316,000	35,000
Changes in working capital:		
Receivables from exchange transactions	(874,818)	(522,844)
Increase in impairments	(3,455,796)	(8,206,279)
Other receivables from non-exchange transactions	990,073	(173,429)
Payables from exchange transactions	(4,554,786)	3,936,237
Provisions	(545,520)	(277,142)
Payables (non-exchange transactions)	1,789,504	614,624
	47,165,339	**29,672,037**

26. Commitments

Authorised capital expenditure

	2021 R	2020 R
Already contracted for but not provided for		
• Property, plant and equipment	361,416	1,157,074
• Intangible assets	1,107,145	19,040,024
	1,468,561	**20,197,098**
Total capital commitments		
Already contracted for but not provided for	1,468,561	20,197,098
Authorised operating expenditure		
Already contracted for but not provided for		
• General expenses	8,827,521	20,713,237
• Internal audit expenses	4,060,923	1,080,690
• Office lease	61,879,188	73,474,810
	74,767,632	**95,268,737**
Total operational commitments		
Already contracted for but not provided for	74,767,632	95,268,737

Notes to the Annual Financial Statements

27. Contingencies

An employee has filed a claim of defamation against the Agency and is claiming R800,000 (plus legal costs). The matter is being opposed and the Agency's lawyers are confident the matter will be dismissed.

In another matter 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 do 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.

A matter in respect of a review application by the Agency against the ruling of the CCMA in favour of a former employee who was dismissed for misconduct. A reliable estimate cannot be made of the estimated cost of the review outcome.

28. Related parties

Board Members and Members of Key Management Board members	Remuneration of executive management is disclosed under note 29.
Members of key management	Remuneration of executive management is disclosed under note 29.

Related party balances

Amounts included in Trade receivable (Trade Payable) regarding related parties

	2021 R	2020 R
Road Transport Management Corporation	142,294	918,614
Department of Transport	(576,981)	(409,302)
Airports Company of South Africa SOC	(196,978)	(1,247,677)
Government Printing Works	(15,637)	-

Services rendered by related parties

	2021 R	2020 R
Government Printing Works	96,846	678,418
Department of Justice	659,976	197,585
Road Traffic Management Corporation	18,819,350	43,779,919
Airport Company of South Africa SOC	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.

The Department of Transport seconded an official to take the role of Acting Chief Executive Officer for a period 15 July 2019 to 31 October 2019. As a substantive employer, the department paid the official remuneration which is recoverable from C-BRTA.

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.

29. Board and Executive Remuneration

Board Remuneration

	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
Mr C Hlabisa	-	-
	1,159,759	**1,159,759**

	EMOLUMENTS R	RE-IMBURSIVE EXPENDITURE R	TOTAL R
2020			
Mr M Ramathe (Chairperson)	227,689	20,358	248,047
Prof JH Havenga (Deputy Chairperson)	186,414	11,628	198,042
Mr RD Baloyi	186,414	5,639	192,053
Mr LL Thekisho	186,414	394	186,808
Ms KS Mahlangu	186,414	2,874	189,288
Ms DI Sekonyela	186,414	268	186,682
	1,159,759	**41,161**	**1,200,920**

Although Mr. Hlabisa is a non-executive Board member and has attended meetings, he was not remunerated for the period as he was a an employee of a National Government and thus not entitled to additional remuneration as per National Treasury directive.

Notes to the Annual Financial Statements

Executive Management Remuneration

	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	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 and Development (Contract ended 30 April 2020)	131,740	2,469	53,500	171,933	359,642
Executive: Stakeholder Relations	2,125,757	28,212	-	3,894	2,184,858
Chief Information	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**

29. Board and Executive Remuneration(cont)

	ANNUAL REMUNERATION R	TRAVEL, CAR AND CELLPHONE ALLOWANCE R	PERFORMANCE BONUS AND VARIABLE PORTION R	ACTING ALLOWANCES AND OTHER PAYMENTS R	TOTAL R
2020					
Chief Executive Officer	2,994,425	65,316	-	-	3,059,741
Acting Chief Executive Officer (appointed: 01 November 2019)	-	-	-	1,247,677	1,247,677
Executive: Regulatory Services (Deceased: 28 June 2019)	544,394	39,985	270,041	158,237	1,012,657
Chief Financial Officer (Resigned: 30 May 2019)	311,081	14,244	-	26,105	351,430
Chief Operating Officer	2,324,137	49,212	167,484	3,800	2,544,633
Executive: Corporate Services	1,880,217	20,050	-	112,309	2,012,576
Executive: Research and Development	2,093,388	29,628	110,873	24,281	2,258,170
Executive: Stakeholder Relations	1,917,141	28,212	138,155	96,745	2,180,253
Acting Chief Executive Officer (Appointed 15 July 2019;	-	-	-	409,302	409,302
Chief Information Officer	**2,162,174**	**27,300**	**155,813**	**3,580**	**2,348,867**
Acting Chief Financial Officer	**-**	**-**	**-**	**36,351**	**36,351**
Acting Executive: Regulatory Services	**-**	**-**	**-**	**89,390**	**89,390**
Acting Executive: Corporate Services	**-**	**-**	**-**	**23,211**	**23,211**
	14,226,957	**273,947**	**842,366**	**2,230,988**	**17,574,258**

Notes to the Annual Financial Statements

Service contracts

The Executive Managers are subject to written employment agreements. The employment agreements regulate the duties, remuneration, allowances, restraints, leave and notice periods of these executives. None of these service contracts exceed five years.

Independent Non-Executive Audit & Risk Committee Members remuneration

	EMOLUMENTS	TOTAL
2021		
Mr. PS Fourie (Chairperson)	304,678	304,678
Mr. AP Wakaba	281,626	281,626
	586,304	**586,304**

	EMOLUMENTS	RE-IMBURSIVE EXPENDITURE	TOTAL
2022			
Ms. P Msizi (Chairperson) - term ended 30 September 2019	124,148	325	124,473
Mr. PS Fourie (Chairperson)	199,316	750	200,066
Mr. AP Wakaba	176,606	-	176,606
	500,070	**1,075**	**501,145**

30. Change in estimate

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 zamount reduced by courts differed from the estimated amount. The effect of the change in the current year is as follows:

	2021 R	2020 R
Increase (decrease) in penalty income	(3,918,697)	670,169
(Increase) in receivables from non-exchange transactions	(3,918,697)	670,169

The effect in future periods could not be reasonably determined

31. Prior period errors

During the financial year the C-BRTA implemented the project to intensify enforcement of complaince by operators who were failing to pay annual compliance fees. As this was pursued the C-BRTA identified and corrected the following error retrospectively in line with GRAP3 - Accounting Policies, Changes in Accounting Estimates and Errors.

Operators who are issued with a 5 year permit are required by the C-BRT Act and regulations to apply for annual compliance certificates and pay annual compliance fees. Failure to apply for compliance certificate and pay compliance fees will result in the 5 year permit issued lapsing and operator concerned is required to return the 5 year permit. These compliance fees were accounted for when operators apply for compliance certificates. It came to light, however, that although the C-BRTA may not have a legally enforceable right to collect the compliance fees where operators' 5 year permit have lapsed, nevertheless GRAP 23 and IGRAP1 requires recognition of full amount on initial recognition and any non-compliance should be used to reduce revenue on initial recognition in line with IGRAP1. The C-BTRA then corrected this error retrospectively affecting accumulated surplus, receivables from non-exchange transactions and compliance fees as follows:

Statement of financial position

	2021 R	2020 R
Increase in gross receivable from non-exchange transactions	-	10,582,764
Increase in provision for doubful debts	(6,276,723)	-
Net increase in receivable from non exchange transactions	-	4,306,041
Increase in net assets	-	3,049,450
Statement of financial performance	-	10,582,764
Increase in compliance fees	-	3,728,600
Increase in provision for bad debt expense	-	(2,472,009)

32. 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.

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.

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.

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.

Notes to the Annual Financial Statements

33. 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.

During 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 April 2020. 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 R48,529,851 (2020: R28,968,488).

35. Irregular expenditure

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

	2021 R	2020 R
Opening balance as previously reported	-	123,170
Opening balance as restated	**-**	**123,170**
Add: Irregular Expenditure - current	1,323,080	-
Less: Amount written off - current	-	(123,170)
Closing balance	**1,323,080**	**-**
Incidents/cases identified in the current year include those listed below:		
Disciplinary steps taken/criminal proceedings		
Competitive bidding not invited (Investigations being conducted)	**1,323,080**	**-**

Cases under investigation

Irregular expendure 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 are being conducted to acertain if there in any person liable in law for the irregular expenditure.

36. Reconciliation between budget and statement of financial performance

Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:

	2021 R	2020 R
Net surplus per the statement of financial performance	48,529,851	28,968,489
Adjusted for:		
Assets written off and impairments	**127,904**	**442,100**
Finance charges and interest expense	499,000	366,000
Consulting and legal fees	(4,334,183)	(6,669,046)
Other operating and general expenses	2,441,044	(343,729)
Depreciation and amortisation	(1,427,094)	(197,266)
Employee costs	(3,588,740)	(12,775,193)
Penalty income	13,975,365	(8,818,546)
Administration fee - RTMC	(12,025,934)	4,183,919
Under/over recovery of budgeted revenue	(5,665,653)	(1,620,292)
Other income over-collected	602,884	227,586
Interest received	(289,506)	(293,950)
Grant received	(38,500,000)	-
Net surplus per approved budget	**344,938**	**3,470,072**

37. Accounting by principals and agents

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

Details of the arrangments 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,

Notes to the Annual Financial Statements

- 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 incure 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.

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.

Resource (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

	2021 R	2020 R
Fee paid as compensation to the agent	18,819,350	43,779,919

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.

38. 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.

	NOTES	2021 R	2020 R
Revenue			
Permits issue fees		143,852,460	159,682,838
Permits application fees		35,078,169	41,856,610
Compliance fees		8,195,384	6,541,260
Other income		104,846	447,729
Interest received	16	4,289,244	6,017,080
Total operating revenue		**191,520,103**	**214,545,517**
Transfer revenue			
Government grants and subsidies		38,500,000	-
Fines, Penalties and Forfeits		16,869,919	48,414,546
Total revenue from non-exchange transactions		**55,369,919**	**48,414,546**
Total revenue	13	**246,890,022**	**262,960,063**
Expenditure			
Transfer revenue	17	(131,541,554)	(131,926,271)
Depreciation and amortisation	18	(3,738,574)	(3,470,216)
Finance costs and interest	19	(449,000)	(366,000)
Lease rentals on operating lease		(15,423,101)	(11,403,447)
Debt Impairment	20	(3,455,796)	(8,206,279)
Assets writen off and impaired		(361,378)	(442,100)
General Expenses	21	(43,390,768)	(78,177,261)
Total expenditure		**(198,360,171)**	**(233,991,574)**
Surplus for the year		**48,529,851**	**28,968,489**