



**CROSS-BORDER**  
ROAD TRANSPORT AGENCY

# Annual Report 2023/24





**25<sup>TH</sup>**  
**ANNIVERSARY**  
**SHIFTING BOUNDRIES**  
**TO IMPROVE TRADE**  
**1998 - 2023**



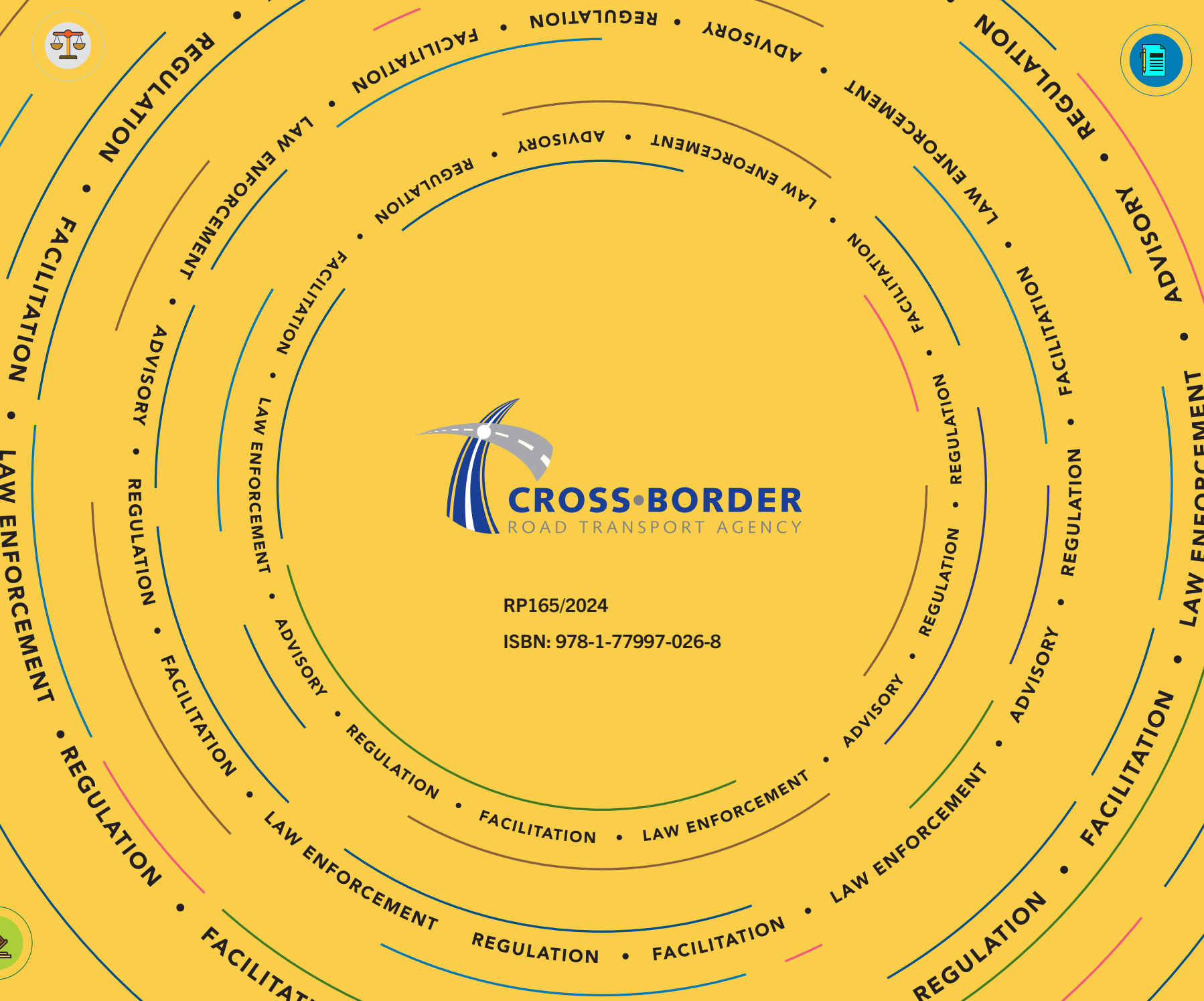




**CROSS-BORDER**  
ROAD TRANSPORT AGENCY

RP165/2024

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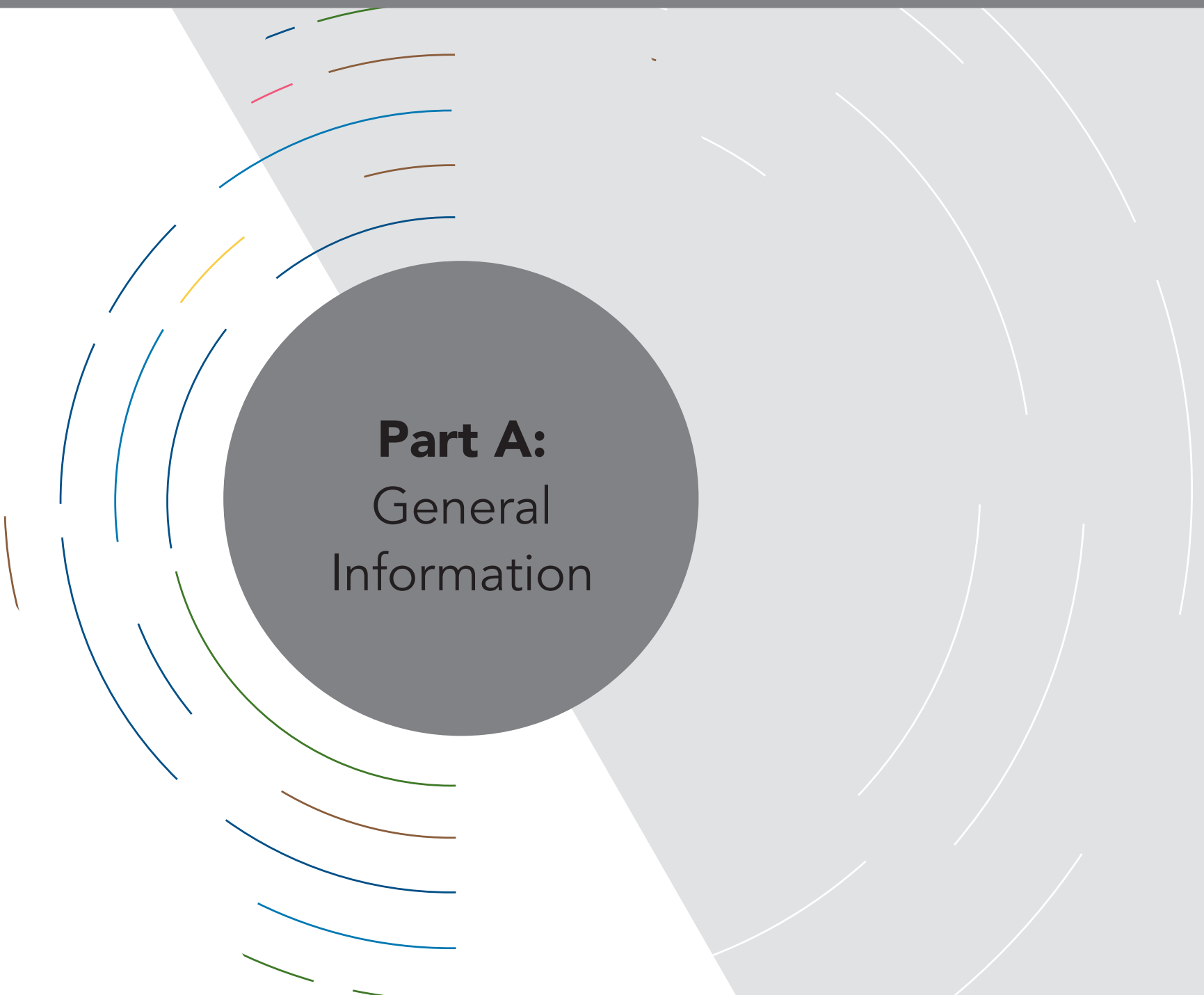
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## **Part A:** General Information





REPUBLIC OF SOUTH AFRICA

SAHRA  
RTA  
SANDAL  
NDP

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RTA  
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ROAD TRANSPORT AGENCY

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1



## 1. Public Entity's General Information



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



## 2. List of Abbreviations/Acronyms

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

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



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## 5. Foreword by the Chairperson

### INTRODUCTION

The Cross-Border Road Transport Agency (C-BRTA) Board comprises of highly skilled and dedicated individuals committed to effectively guiding the Agency. This commitment is evident in the remarkable C-BRTA Annual Report for the financial year 2023/24, which I am pleased to have contributed to and present. The Board fulfilled its fiduciary responsibilities in accordance with its Charter, Code of Conduct, the Cross-Border Road Transport Act, Public Finance Management Act and other relevant legislation. The Board offered guidance, formulated strategies and oversaw the Agency's management, collectively steering its operations.

### HIGH LEVEL OVERVIEW OF THE PUBLIC ENTITY'S STRATEGY AND THE PERFORMANCE OF THE PUBLIC ENTITY IN ITS RESPECTIVE SECTOR

As the Chairperson of the C-BRTA Board, I am delighted to present my second annual report which coincided with the Agency's 25<sup>TH</sup> Anniversary in the transport sector.

As the C-BRTA, we have been serving the cross-border industry within the Southern African Development Community (SADC), Eastern African Community (EAC) and Common Market for Eastern and Southern Africa (COMESA) regions since the establishment of the Agency in 1998. This milestone reflects the hard work, dedication and perseverance of our predecessors, management and employees.

The Agency continued to implement its 2020-2025 Strategy through the Annual Performance Plan (APP) which is aligned to the Agency's strategic goals. The Board is satisfied with the Agency's accomplishment of 80.95% of the APP targets. Despite facing impediments during the year, the Management's exceptional performance and dedication in this unique environment is commendable. It is a source of pride to announce that the C-BRTA has maintained governance excellence with its 9<sup>th</sup> consecutive clean audit outcome.

The Agency implements its mandate through the execution of the four core functions which are; Regulation, Facilitation, Advisory and Law Enforcement functions with the transition of the Road Transport Inspectorate (RTI) being a component of the latter, which was outsourced. Under the leadership of the former Minister of Transport Ms. Sindisiwe Lydia Chikunga, the RTI has successfully returned to the Agency, effective from 01 April 2023 and employees have been fully integrated back into the Agency, following the termination of the principal/agent agreement between C-BRTA and Road Traffic Management Corporation (RTMC).

The migration prompted a reassessment of managing key initiatives such as strategically deploying the RTI to ensure continuous compliance improvement by operators and discouraging illegal operations along corridors. The challenges during the transition were successfully addressed through effective collaboration and cooperation among all stakeholders who have an interest in an efficient cross-border road transport operations.

We are delighted that the Board managed to fulfil its duties during the financial year in question following the former Minister's intervention to fill the vacancies in June 2023. To this effect, the Minister appointed two directors, Mr. Leroy Nsibandé and Ms. Bukeya Mahluthshana to provide technical expertise in cross-border road transport, as mandated by Section 5 of the C-BRT Act. This ensured the proper constitution of the Board. The new directors have enthusiastically and dedicatedly commenced their roles.





## STRATEGIC RELATIONSHIPS

During the reporting period, the Agency conducted extensive stakeholder engagements targeting stakeholders across the continent and globally. These initiatives focused on benchmarking with similar authorities worldwide. Additionally, we collaborated with authorities on the continent to promote harmonisation in the region. The Agency also engaged with various countries in the region to explore the expansion of the C-BRTA's CrossEasy Permit Application system, which is crucial for advancing regional harmonisation of permit systems. We are committed to continuing with these engagements until this objective is achieved.

## CHALLENGES FACED BY THE BOARD

The Board is currently facing the challenge of filling the vacant position of Deputy Chairperson, following the resignation of Ms. Lerato Molebatsi in July 2023. Ms. Molebatsi served the Agency with integrity and dedication, first as the acting Board Chairperson from June 2021 to February 2023 and then as the Deputy Chairperson until her resignation. The issue has been escalated to the Minister and Department of Transport. We are optimistic that they will address this matter promptly.

## THE STRATEGIC FOCUS OVER THE MEDIUM TO LONG TERM PERIOD

Looking ahead, the C-BRTA will continue to execute its mandate as outlined in its enabling Act. The approved Annual Performance Plan for the 2024/25 financial year will enable the Agency to pursue the objectives set out in the 2020-2025 Strategic Plan which is currently in its final year of implementation. The Board will formulate a new 5-year Strategic Plan to guide the Agency forward and align it with the government's priorities and the remaining period of realising the National Development Plan (NDP) 2030 goals.

The mid-term review confirmed the critical role of the C-BRTA, as a regulator in the cross-border road transport sector. This necessitates a well thought-out and improved approaches to service delivery in the Agency's four core functions for public value and impact.

In light of this, the C-BRTA is actively fulfilling its mandate as outlined in its enabling Act and other domestic and regional legal prescripts and frameworks, such as the National Land Transport Act, National Road Traffic Act,





## 5. Foreword by the Chairperson (cont.)

Tourism Act, SADC Protocol on Transport, Communications and Meteorology and bilateral agreements with selected SADC member states.

In the final year of implementing the 2020 -2025 Strategy, the Agency is envisaged to have undertaken the following activities, among others:

- Enhanced regulatory regime by implementing quality regulation;
- Improved compliance with cross-border road transport regulations through smart law enforcement;
- Promoted safe and reliable cross border road transport;
- Harmonised economic regulations;
- Increased participation by historically disadvantaged individuals;
- Created a fair operating environment for cross border road transport operators; and
- Facilitated a functional and reliable cross border road transport trade environment;

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

- IT Digital Strategy;
- Road Safety Strategy;
- Research and Advisory Strategy;
- Transformation and Environmental Social Governance Strategies;
- Introduce the CrossEasy system to other countries;
- Launch the Operator Compliance Accreditation System; and
- Improve governance and strengthen control environment;

As an Agency, we fulfil our advisory function by conducting research in accordance with the Research and Advisory Strategy. We continue to provide advice to the Minister of Transport and the SADC Region on cross-border road transport and trade facilitation matters. This will help South Africa, the region and Africa to make informed decisions and enhance efficiencies in the cross-border road transport industry.

The Agency will continue to implement initiatives of the Tripartite Transport and Transit Facilitation Programme (TTTFP) through the Cross Border Road Regulators Forum (CBRT-RF), which was established by the Southern African Development Community (SADC) Minister of Transport to drive harmonisation agenda in the region. The Agency aligns its plans with the CBRT-RF Plan to drive harmonisation of policies and regulations in the region. South Africa serves as the Secretariat of the Forum and is represented by the C-BRTA.

### ACKNOWLEDGEMENTS /APPRECIATION

The Board collectively expresses gratitude to former the Minister of Transport, Ms. Sindisiwe Lydia Chikunga and the former Deputy Minister of Transport, Mr. Lisa Nkosingathi Mangcu for their guidance, leadership and unwavering support. The direction and policy support from the Department of Transport and the Portfolio Committee on Transport are also appreciated.

Furthermore, we would like to extend a word of gratitude to all former Board members, the Audit and Risk Committee for their independent advice, the Chief Executive Officer, Mr. Lwazi Mboyi, his Executive and Management teams as

well as employees for working hard and being instrumental in achieving significant milestones. The Agency values all stakeholders and their commitment to partner with the C-BRTA to tackle the challenges which affect the cross-border road transport industry.

### CONCLUSION


The Agency will continue to execute its mandate for future generations and serve as the regulator for passenger and freight cross-border land transport and facilitate connections across the African Continent. The Board has thoroughly reviewed this Annual Report to ensure that it accurately represents all material matters.

We extend a warm welcome to the new Minister of Transport, Ms. Barbara Creecy and the new Deputy Minister, Mr. Mkhuleko Hlengwa. We are dedicated to working closely with them to drive advancements in the SADC region and throughout the African continent.

  
**Adv. Sonwabile Mancotywa**  
Chairperson of the Board  
Date: 30 August 2024







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## 6. Chief Executive Officer's Overview

### INTRODUCTION

It is a privilege to join the Minister of Transport, Ms Barbara Creecy, and the Board in presenting the Cross-Border Road Transport Agency (C-BRTA) Annual Report for the year ended 31 March 2024 to the Parliament of the Republic of South Africa. The purpose of this report is to highlight the Agency's performance during this period. It gives a fair representation of the C-BRTA's efforts towards facilitating the seamless movement of people and goods in the Southern African Development Community region (SADC).

### ORGANISATIONAL PERFORMANCE

The C-BRTA achieved 81% for the 2023/24 Annual Performance Plan (APP). This achievement represents seventeen out of the twenty-one APP targets that were planned for the financial year. This achievement has been verified by the Internal Audit function and the Auditor-General of South Africa (AGSA).



The Agency achieved a clean audit outcome in the 2023/24 financial year audit by the AGSA. This is a welcomed outcome as the Agency boasts such an achievement for nine (9) consecutive years which is a great milestone in the Agency's 25 years of existence. During the period under review, the Agency continued to ensure management of the internal control environment, which included ensuring 100% processing of all Parliamentary Questions received from the Shareholder, implemented its Integrity Management Plan, and paid all valid invoices within 30 days as required.

It is also worth mentioning that during the period under review, the C-BRTA celebrated its silver anniversary birthday – a significant milestone in the history of facilitating the movement of goods and people in the SADC region.

Stakeholder engagements continued to form an integral part of the Agency's regulatory efforts to improve stakeholder relations and provide service excellence. These engagements are vital in shaping how stakeholders and the general public perceive the C-BRTA, as well as driving regional integration through cross-border operations.

The C-BRTA is rolling out a five-year Stakeholder Management Strategy, which was approved by the Board in the last financial year. The objective of this strategy is to ensure that the expectations of the stakeholders are met and to secure social licences for various projects that are being implemented by the



Agency. One of the key components of the strategy is the management of stakeholder forums. These forums keep operators informed about the Agency's plans and strategies. Additionally, they include various government departments involved in cross-border road transport. This inclusion allows these departments to assist operators in addressing challenges and help overcome constraints with the ultimate goal of facilitating seamless transportation of passengers and goods across South African borders.

Additionally, as part of implementing the Stakeholder Management Strategy, the C-BRTA undertook a strategic initiative to identify new potential partners. This effort was aimed at supporting the execution of key organisational priorities. As a result of this approach, the Agency successfully established new structured relationships during the review period. These partnerships were formalised through the signing of Memoranda of Understanding (MoUs) with the following three entities, Limpopo Economic Development Agency (LEDA), the Musina-Makhado Special Economic Zone (MMSEZ) and the Border Management Authority (BMA). These newly formed partnerships demonstrate the C-BRTA's commitment to expanding its network of stakeholders and leveraging collaborative opportunities to enhance its effectiveness in the cross-border road transport sector.





As an entity of the Department of Transport (DoT), the C-BRTA plays a crucial role in supporting the Shareholder's initiatives and engagements that impact the cross-border road transport sector. In fulfilling this mandate, the C-BRTA actively participated in several high-level engagements during the reporting period, the Fourth Ordinary Session of the African Union Specialised Technical Committee on Transport, Transcontinental and Interregional Infrastructure, and Energy; the Twelfth Session of the South Africa-Democratic Republic of Congo Bi-annual Commission and the Fourth Joint Ministerial Commission with Ethiopia. These engagements demonstrate the Agency's commitment to regional cooperation, policy alignment, and the advancement of cross-border transport initiatives across Africa. By participating in these forums, the C-BRTA ensures that South Africa's interests in the cross-border road transport industry are well-represented at continental and regional levels.

Further, through our intense stakeholder management, the Agency was able to sign two CrossEasy Pilot Agreements with its counterparts in the Kingdom of Lesotho as well as the Republic of Angola with a view to harmonise regional cross-border management systems. This will improve cross-border road transport regulation in the region, which is critical for seamless cross-border road transport movements as per the objectives of the AfCFTA.





## 6. Chief Executive Officer's Overview (cont.)

### CHALLENGES EXPERIENCED AND HOW THEY WILL BE RESOLVED

During the review period, the regulation of passenger cross-border operations between South Africa and the Kingdom of Lesotho remained a challenge and an area of focus through various engagements for the National Ministerial Task Team. In order to resolve this long-standing impasse, the Lesotho Minister of Transport and the South African Minister of Transport need to sign an agreement to normalise passenger cross-border road transport operations between the two Member States.

To that effect, an Agreement was drafted and agreed upon by the officials from both countries. During the period under review, the draft Agreement was submitted to the State Law Advisors for legal vetting, after which it would be submitted to the Department of International Relations and Cooperation.

Additionally, before the emergence of Covid-19 in 2020 there was normality in terms of scholar transportation, wherein Lesotho vehicles could transport learners directly to schools in South Africa. Post the pandemic, South African transporters in the Free State stopped Lesotho vehicles from transporting learners to schools in South Africa. This meant students have to disembark at the mouth of the border on the Lesotho side, walk across the border post and embark South African vehicles to drop them at the various schools. This has caused consternation for passengers and the government of Lesotho.

Despite several consultations the South African transporters in the Free State have refused to go back to the normal operations pre-Covid 19. Engagements are ongoing in efforts towards resolving the scholar transport challenge between the two countries.

### 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. Permit revenue as at March 2024, which consist of permit fees, permit application fees and compliance fees, was R288,780 million (R243,872 million prior- YTD) and R32,028 million above the budgeted YTD. The increase was due to cross-border operations being fully operational in the period under review compared to the same period prior-year to date.

### SPENDING TRENDS OF THE PUBLIC ENTITY

The Agency's expenditure as at end-March 2024 was R348,218 million. The main revenue stream of the C-BRTA remains the cross-border permit fees levied to commercial cross-border operators.

The surplus for the financial year ended 31 March 2024 was R37,033 million, which was mainly due to cost containment measures that remained in place as well as some projects that are implemented internally, which were previously outsourced.

### CAPACITY CONSTRAINTS AND CHALLENGES

The Agency continued to implement the Board-approved Organisational Structure through its Workforce Plan. The Plan is reviewed annually to ensure that critical funded positions are prioritised to enhance service delivery.

During the period under review, the Agency also welcomed back the Road Transport Inspectorate employees who had been transferred to the Road Traffic Management Corporation in 2017, during the time when the Agency had been declared technically insolvent. This necessitated a review of the Law Enforcement organogram, which was later integrated into the broader Organisational Structure.







## DISCONTINUED ACTIVITIES

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

## NEW OR PROPOSED KEY ACTIVITIES

The C-BRTA is in its early days of implementing the Board-approved Environmental, Social and Governance (ESG) Strategy. to align to the United Nations (UN) Sustainable Development Goals (SDG's). The Agency's detailed ESG Strategy will pave a way for implementing, monitoring and reporting on the goals and objectives of the strategic commitments.

Another critical activity for the Agency is business development. This is an area that will assist the Agency to unlock the supplementary revenue streams to ensure financial sustainability in the long term.

Furthermore, the Agency procured consultant services to assist with the development of the C-BRTA's Transformation Strategy. In the coming year, the strategy will be finalised and the implementation is planned to commence without any delays. This is to ensure that the Agency is compliant with the prescripts of the B-BBEE Act. It is also important for the Agency to promote transformation within the cross-border road transport space by increasing participation of designated groups in the cross-border road transport industry. In that regard, the development of the Incubation Programme to attract and support new entrants in the cross-border road transport space will be of priority as we support the country's Transformation Agenda.

## REQUEST FOR ROLL-OVER FUNDS

During the 2023/24 financial year, the Agency recorded a surplus of R 37,033 million. The Agency will apply to the National Treasury to retain the funds. The National Treasury approved the request from the Agency to retain the surplus for the 2022/23 financial year.



## 6. Chief Executive Officer's Overview (cont.)

### SUPPLY CHAIN MANAGEMENT AND UNSOLICITED BIDS

The Agency has a Supply Chain Management Unit which is responsible for the procurement of goods and services in a fair, equitable, transparent, cost-effective and competitive manner. With the internal control measures put in place, the Agency is geared to comply with the National Treasury's instruction notes and regulations on supply chain management as issued from time to time. Additionally, Management has put in place sound supply chain management processes and measures aligned to the relevant laws and prescripts. The effectiveness of these measures have ensured that the C-BRTA does not have any unsolicited bid proposals for the period under review.

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

The C-BRTA achieved a clean audit for the ninth (9th) consecutive 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 on a quarterly basis.

### OUTLOOK/PLANS FOR THE FUTURE TO ADDRESS FINANCIAL CHALLENGES

Looking ahead, our focus will continue to be on active project delivery to produce tangible value and business opportunities for the cross-border road transport sector among other things. The Agency is comfortably sitting at

a better financial position as compared to five (5) years ago, however, we will continue focusing on developing more sustainable sources of revenue to ensure our financial sustainability. Business development efforts will be enhanced to support focused business growth and improved revenue streams. These will include activities that are meant to assist us build towards a sustainable future, for instance, activating our consulting services and selling some of our research outputs.

Further we will intensify engagements with other member states to sell our permit management system with ultimate goals of supplementing our revenue streams and harmonising cross-border permit management systems.

### EVENTS AFTER THE REPORTING DATE

There are no events that took place after the reporting period that are covered in this report.

### ACKNOWLEDGEMENTS

We extend our warm welcome to our Minister of Transport, Ms. Barbara Creecy and the Deputy Minister, Mr Mkhuleko Hlengwa.

We thank the former Minister of Transport, Ms. Sindisiwe Chikunga for the oversight and her leadership support of the C-BRTA. We thank the Director-General of Transport, Advocate James Mlawu, Director-General of Transport for the ongoing support and guidance.

Words of appreciation also go to the C-BRTA Board of Directors under the leadership of its Chairperson,

Advocate Sonwabile Mancotywa, for its guidance and leadership in ensuring that the Agency continued to deliver on its legislative mandate.

On behalf of the C-BRTA, I would like to express my gratitude to all our Stakeholders, all our Sister Road Entities with their unwavering support as we deliver our mandate.

We recognise the sterling oversight exercised over the Agency by the South African Parliament, through the Portfolio Committee on Transport.

To the C-BRTA management and staff, I can count on your dedication to take the Agency to greater heights. The delivery of the C-BRTA mandate, including, being the custodians of the Agency's reputation and providing services to the cross-border clientele remains a priority of our existence. You continue to do well despite the challenges we experience as we diligently do our work.

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**

Date: 30 August 2024



## 7. Statement of Responsibility and Confirmation of Accuracy for the Annual Report

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

- All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by the Auditor General of South Africa (AGSA)
- The annual report is complete, accurate and is free from any omissions.
- The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.
- The Annual Financial Statements (Part F) have been prepared in accordance with the Standards of General Recognised Accounting Practice (GRAP).
- The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgements made in this information.
- The Accounting Authority is responsible for establishing and implementing a system of internal control has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.
- The external auditors are engaged to express an independent opinion on the annual financial statements.
- In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2024.

Yours faithfully



**Adv. Sonwabile Mancotywa**  
**Chairperson of the Board**  
Date: 30 August 2024



**Mr. Lwazi Mboyi**  
**Chief Executive Officer**  
Date: 30 August 2024



## 8. Strategic Overview

Figure 1: Strategic Overview





Table 1: Values Defined

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



## 9. Legislative and other Mandates

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

### 9.1. CONSTITUTIONAL MANDATE

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

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

### 9.2. LEGISLATIVE MANDATE

#### 9.2.1. CROSS-BORDER ROAD TRANSPORT ACT (CBRTA), 4 OF 1998

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

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

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

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

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

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

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

#### 9.2.4. 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.



REPUBLIC OF SOUTH AFRICA





### 9.3. OTHER POLICY MANDATES

Table 2: Other Policy Mandates

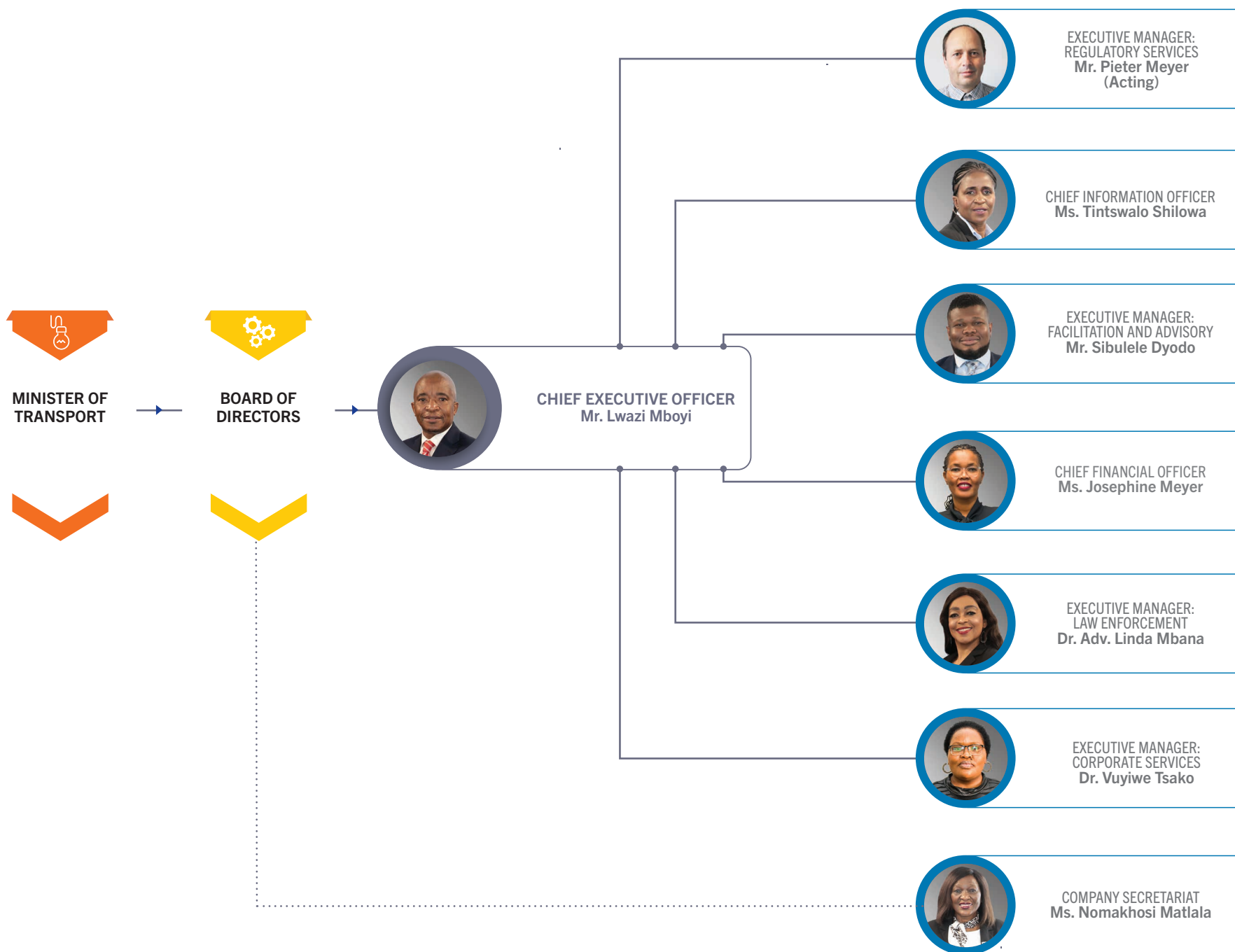
POLICY MANDATES	KEY ALIGNMENTS
<b>The Seven Apex Priorities translated to Medium Term Strategic Framework for 2019-2024</b>	<ul style="list-style-type: none"> <li>• <b>Priority 1:</b> A Capable, Ethical and Developmental State</li> <li>• <b>Priority 2:</b> Economic Transformation and Job Creation</li> <li>• <b>Priority 3:</b> Education, Skills and Health</li> <li>• <b>Priority 4:</b> Consolidating the social wage through reliable and quality basic services</li> <li>• <b>Priority 5:</b> Spatial Integration, Human Settlements and Local Government</li> <li>• <b>Priority 6:</b> Social Cohesion and Safe Communities</li> <li>• <b>Priority 7:</b> A better Africa and World</li> </ul> <p>These priorities are coupled with DoT's eight strategic thrusts as follows:</p> <ul style="list-style-type: none"> <li>• Safety (and Security) as an enabler of service delivery;</li> <li>• Public transport that enables social emancipation and an economy that works;</li> <li>• Infrastructure build that stimulates economic growth and job creation;</li> <li>• Building a maritime nation, elevating the oceans economy</li> <li>• Accelerating transformation towards greater economic participation.</li> <li>• Innovation that advances efficiencies and supports a continuous improvement model.</li> <li>• Environmental protection-recovering and maintaining a healthy natural environment.</li> <li>• Governance - Greater Efficiency, Effectiveness and Accountability</li> </ul>
<b>SADC Protocol on Transport, Communications and Meteorology</b>	<ul style="list-style-type: none"> <li>• Develop harmonised road transport policy providing for equal treatment, non-discrimination and reciprocity.</li> <li>• Liberalise market access for road freight operators.</li> </ul>
<b>Bilateral Agreements between South Africa and Malawi, Mozambique, Zambia and Zimbabwe</b>	<ul style="list-style-type: none"> <li>• Promote and facilitate cross border road freight and passenger.</li> <li>• Simplify existing administrative requirements: Harmonisation of practices</li> <li>• Ensure compliance to regulations.</li> </ul>
<b>1996 White Paper on Transport</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The Paper also sets out the transport vision of the Republic to provide safe, reliable, effective, efficient, and fully integrated transport operations and infrastructure which will best meet the needs of freight and passenger customers among others.</li> </ul>



<b>SACU MoU</b>	<ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Trans Kalahari Corridor (TKC) MoU</b>	<ul style="list-style-type: none"> <li>• Provides for promotion of effective and integrated management of the TKC.</li> <li>• The TKC was established with a view to improve regional trade and economic development through efficient transport.</li> <li>• 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.</li> </ul>
<b>International convention on the harmonisation of frontier controls of goods, of 1982</b>	<ul style="list-style-type: none"> <li>• Designed to enhance the harmonisation and facilitation of efficient road transport movements.</li> </ul>
<b>Convention On Road Traffic, Of 1968</b>	<ul style="list-style-type: none"> <li>• Provides for facilitation of road traffic and increasing road safety through the adoption of uniform road traffic rules.</li> </ul>
<b>National Development Plan (Chapters 7, 13 and 14)</b>	<ul style="list-style-type: none"> <li>• Chapter 7 provides for the positioning of South Africa in the world and provides for the objective of increasing trade with the regional neighbours.</li> <li>• Chapter 13 provide for building a capable state with clear governance structures and stable leadership as well as staff with authority, experience and competency.</li> <li>• Chapter 14 provides for a corrupt free society with adherence to a high standard of ethics.</li> </ul>



## 10. Organisational Structure





## 11. Board Members



**ADV. SONWABILE MANCOTYWA**  
CHAIRPERSON OF THE BOARD

**Formal Qualifications**

- Management Advanced Programme
- Post graduate qualification in Management Practice
- Bachelor of Laws- (LLB)
- B.Juris



**MS. LERATO MOLEBATSI**  
DEPUTY CHAIRPERSON OF THE BOARD  
(RESIGNED IN JULY 2023)

**Formal Qualifications**

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



**MR. KEVIN VAN DER MERWE**  
BOARD MEMBER

**Formal Qualifications**

- Diploma in Traffic Science
- Occupation Directed Education Training and Development Practitioner.
- Traffic Officer Diploma
- Examiner of Vehicles
- Examiner of Driving Licenses
- SANAS Certificate



**ADV. ADILA CHOWAN CA(SA) CD(SA)**  
BOARD MEMBER

**Formal Qualifications**

- Chartered Accountant
- Bachelor of Accountancy
- Bachelor of Laws (LLB)
- Post Graduate Diploma in Accounting
- Admitted Advocate of the High Court.
- Certified Director in Corporate Governance





**DR. LESLEY T. LUTHULI**  
BOARD MEMBER

**Formal Qualifications**

- Advanced Diploma in Management (ADM) Milpark Business School
- Commercial and Contract Law Certificate (UCT)
- Nyukela Public Service SMS Pre-Entry Programme Certificate
- Master of Business Administration (MBA) Milpark Business School
- PhD from the Faculty of Economic and Management Sciences with main field of study in Business Administration (NWU)



**MS. LEBOGANG LETSOALO**  
BOARD MEMBER

**Formal Qualifications**

- Masters in business administration
- B-Tech Logistics
- Diploma in Purchasing



**MR. MONWABISI KOLANISI**  
BOARD MEMBER

**Formal Qualifications**

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



**MS. LOYISO KULA CD(SA)**  
BOARD MEMBER

**Formal Qualifications**

- Master of Science in Risk Management
- Masters in business administration
- Bachelor of Commerce
- Certified Director in Corporate Governance



## 11. Board Members (cont.)



**MS. ZUKISA RAMASIA**  
BOARD MEMBER

**Formal Qualifications**

- Post Grad Diploma in Management
- Leadership Development
- Diploma in Airline Management
- Human Resource Development (Hons)
- Bachelor of Arts
- Senior Secondary Teachers Diploma



**MR LEROY NSIBANDE CD(SA)**

BOARD MEMBER

**Formal Qualifications**

- Master of Philosophy with specialisation in Entrepreneurship
- National Diploma in Cost and Management Accounting
- Diploma in Management Studies
- Certificate in Corporate Governance



**MS. BUKEKA MAHLUTSHANA CD(SA)**  
BOARD MEMBER

**Formal Qualifications**

- Master of Philosophy in Development Finance
- Honours Bachelor of Commerce in Business Management and Financial Management
- Extracurricular Advanced Diploma Municipal Governance
- Bachelor of Commerce



**PROF ISAAC SHAI**  
BOARD MEMBER  
(RESIGNED IN MAY 2023)

**Formal Qualifications**

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





**MR. CHRISTOPHER HLABISA**  
DEPARTMENT OF TRANSPORT  
REPRESENTATIVE

**Formal Qualifications**

- 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.

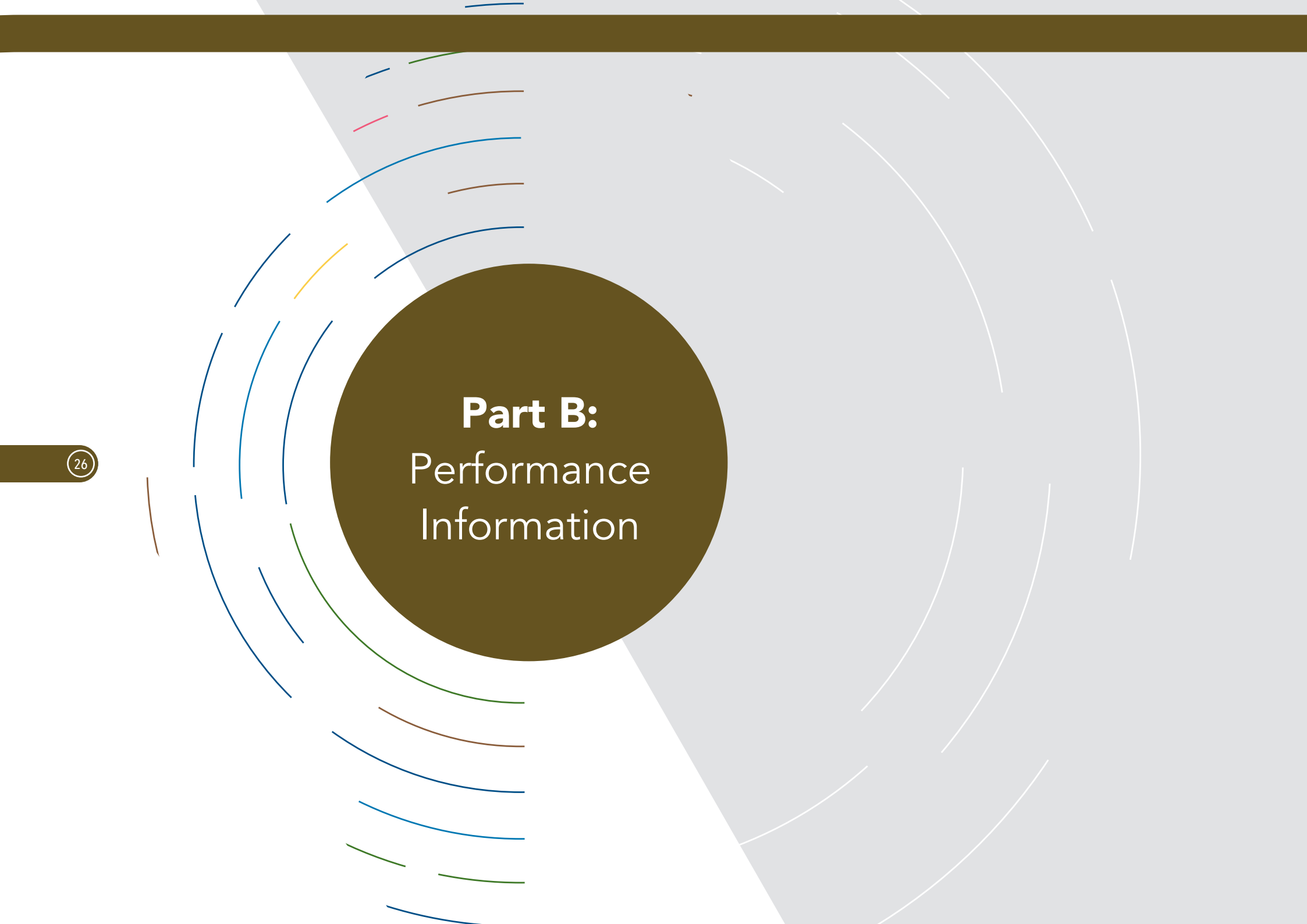


**MR. LWAZI MBOYI**  
CHIEF EXECUTIVE OFFICER

**Formal Qualifications**

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



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## **Part B:** Performance Information







## 1. Auditor's Report: Predetermined Objectives

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

Refer to page 144 of the Report of the Auditors Report, published as Part F: Financial Information.

## 2. Overview of Performance

### 2.1. SERVICE DELIVERY ENVIRONMENT

The condition of road infrastructure has a direct bearing on the ease of movement of goods and people across the SADC and therefore impacts on regional growth and development. The infrastructure challenges outlined above are partly to blame for the low level of intra-Africa trade that stands at around 14.4% of total African exports (Okwatch, 2023).

Although COVID-19 is something of the past, the SADC region has witnessed a slowdown in economic growth in 2022 as its largest economy, South Africa, confronted multiple challenges, including civil unrest, an electricity crisis, and natural disasters. The slowdown in South Africa

has been mirrored in other MS, including Zimbabwe, Zambia, and Malawi. According to the Southern Africa Economic Outlook 2023 (African Development Bank, 2023) growth in the region was expected to slow down in 2023 to 1.6%, followed by a projected improvement of around 2.7% in 2024. The region's external debt burden that stood at 48% in 2022 was also expected to remain high across the region.

In January 2024, the International Monetary Fund downgraded its economic growth forecast for South Africa to a mere 1%, warning that logistical challenges that constrain economic activity in the country that will hinder growth in the entire region (Thukwana, A. 2024). South Africa's current economic trajectory is unsustainable. Low economic growth and rising unemployment will spill-over to the region. Given SADC countries reliance on the primary sector (agriculture and mining), most MS import value-added goods from South Africa. A decline in trade between South Africa and MS will constrain the growth of the cross-border road transport industry and may influence the demand for cross-border road transport permits.

#### 2.1.1 POINTS OF ENTRY

There are fifty-three (53) land border posts between South Africa and neighbouring countries of which nineteen (19) are designated as commercial border posts. The six busiest borders in terms of commercial traffic flows are:

- Beitbridge border between South Africa and Zimbabwe;

- Lebombo border between South Africa and Mozambique;
- Maseru Bridge border between South Africa and Lesotho;
- Ficksburg border between South Africa and Lesotho;
- Kopfontein border between South Africa and Botswana; and
- Oshoek border between South Africa and eSwatini.

Over the years border posts emerged as one of the biggest impediments to intra-Africa trade and travel. Many borders in the region are inefficient and characterised by lengthy queues and obstructions that materialise in significant time delays for commercial road transport operators.

#### 2.1.2 STATE OF INFRASTRUCTURE OF ROAD TRANSPORT CORRIDORS

Apart from inefficiencies experienced at inland border posts, the seamless movement of cross-border traffic is undermined by several hard and soft infrastructure challenges, including:

- Missing links that result in poor network connectivity and accessibility to regional economic hubs;
- Poorly maintained road sections along regional road transport corridors;
- Disjointed regulatory frameworks characterised by variability in regulatory requirements between MS;
- Weak institutions tasked with the responsibility of regulating cross-border road transport movements and the implementation of regional trade and transport reforms;





- Insufficient funds for infrastructure maintenance and construction;
- Limited private sector participation in the transport sector;
- Market access restrictions, which inhibit the free movement of cross-border traffic in the SADC;
- Discrepancy in the level of Road User Charges (RUC) imposed on cross-border road transport operators; and
- Existence of several official and unofficial roadblocks and inspection points along regional road transport corridors that increase the occurrence of corrupt practices.

Roads affect all aspects of development in the SADC. Businesses depend on efficient roads for transporting their goods, industry relies on roads for delivery of equipment, and people require roads to travel between various locations. Consequently, it comes as no surprise that the road transport sector accounts for most surface movements in the SADC. Eighteen major transport corridors traverse the region, facilitating the movement of goods and people between member states.

Since regional road transport corridors transcend national boundaries, cross-border traffic must move through inland

border posts on the way to its destination.

Infrastructure inefficiencies culminate in poor corridor performance, made apparent by congestion, delays, long journey and trip turnaround times, reduced safety and high logistics costs. While these constraints impact negatively on cross-border trade and traffic flows, it also undermines regional growth and development, highlighting the need for decisive government intervention.

In response to infrastructure inefficiencies, several strategic projects / programmes have been approved for implementation at regional level by relevant structures to eliminate infrastructure inefficiencies and to create transport infrastructure that supports intra-Africa trade and travel. Unfortunately, reality on the ground reveals that many strategic regional projects / programmes have not yet moved beyond the project preparation stages. This is due to many reasons, including inadequate public-sector resources (financial and technical) and poor political will. The status quo underpins the importance of government exploring innovative funding solutions, including Public-Private Partnerships (PPPs) to expedite the timeous delivery of regional infrastructure projects.

## 2.2 IMPROVED IT AS AN ENABLER OF OPERATIONS

Information and Communications Technology (ICT) is a key enabler for C-BRTA staff to manage work more efficiently and improve productivity. The Agency continued to implement the Digital IT Strategy to build a solid IT foundation through creating synergies amongst the diverse needs of the organisation. This has afforded the Agency to respond to the environmental changes as well as stakeholder and operator needs. External customers prefer digital services in their interactions with the businesses, and digital services can also empower those customers & broaden their engagement with public sector organisations.

During the year under review, the Agency continued to implement Digital IT Strategy. This was managed and led by the business, enabling, and facilitating the organisation to achieve its goals and objectives.

### 2.2.1 CLOUD COMPUTING

Cloud services have revolutionised the Agency's IT infrastructure to scale resources, reduce cost and improve flexibility which enables remote work especially with the Work From-Home Policy the agency has aligned itself with. Further to that, the Agency adopted a Cloud Computing Framework which stipulates the deployment roadmap of all the agency's services to be migrated to the Cloud environment.



Some of these applications have already been migrated to ensure realisation of the Cloud benefits such as our bespoke CrossEasy Permit Issuing and Management System and the Sage 300 People Employee Service (ESS) Portal inclusive of the Leave, Payroll, Recruitment and Claim systems.

### 2.2.2. DATA AGILITY

The Agency is now able to collect, analyse and derive/provide insights on data collected over the years through the Business Intelligence Solution and Data Sharing platform implemented. The sharing of information between stakeholder entities and other organisations has become easier, transparent and safe.

### 2.2.3. DIGITAL BY DESIGN

The Agency continued to implement the CrossEasy system which is the backbone of the C-BRTA permit management regime and a business-critical system that is used for the management and issuance of cross border permits. During the year under review, the Agency considered the possibility of piloting the CrossEasy system

in other SADC region countries, to promote harmonisation within the neighbouring countries. The Kingdom of Lesotho and Angola have already signed Memorandum of Understanding (MoU's) with the Agency to kick start the CrossEasy pilot projects.

Upon the return of the Agency's Road Traffic Inspectorate (RTI) Unit, the Agency successfully revitalised the Enforcer System and migrated the C-BRTA data captured on NTCMS over to C-BRTA's own Enforcer System.

### 2.2.4. BUILDING SCALABLE, CUSTOMER PLATFORMS AND TOOLS

Modern IT Tools of Trade continue to be procured and allocated to C-BRTA employees to enhance productivity, improve collaboration and effectively manage data and information security. The Agency successfully ran the Queue Management system which enables the flow of customers within the walk-in centre and a better customer experience at the centre in general. Customers are now able to provide feedback on the service rendered to them, which will help the organisation to improve going forward.

### 2.2.5. CYBERSECURITY

During the year under review, an IT Cybersecurity Strategy and five-year implementation plan were developed, and implementation was started after approval. The Agency had successfully conducted the IT security environment vulnerability assessment whereby out of the 143 vulnerabilities that were identified, 141 (98.6%) were resolved or managed in the cybersecurity risk register. Further to that, a risk assessment on potential threats to the Agency's IT assets and information was conducted and the identified risks were recorded and categorised in the cybersecurity risk register. The register is monitored monthly by the IT Security and Risk Committee and quarterly by the IT Steering Committee.

### 2.2.6. IMPLEMENTED 4IR AND DIGITAL TECHNOLOGIES

During the year under review, a Microsoft Copilot was rolled out. Microsoft Copilot is an AI-driven search assistant designed to enhance web search experiences by providing context-aware recommendations, predictive suggestions, and personalised insights. The Agency also implemented Azure cloud services for the hosting of C-BRTA business system. In addition, the Production/Live, Quality Assurance and User Acceptance Testing CrossEasy environments were successfully migrated to the Azure cloud environment.





## 2.3. KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES

There were no critical changes in the policies to affect business operations during the year under review.

**Table 3: Progress towards achievement of institutional Impacts and Outcomes**

PROGRAMME	OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	PROGRESS TOWARDS ACHIEVEMENT OF OUTCOME AND IMPACT
<b>Regulatory Services</b>	1.1 Enhanced regulatory regime by implementing quality regulation	Implemented quality regulations through implementation of Quality Regulations Framework	Implemented approved annual Route Analysis Plans	<p>In its quest to be a leading transport regulator as clearly stated in its Vision, the Agency remains committed to implementing quality regulation. Quality regulation entails the formulation and implementation of specific requirements and procedures which would culminate in quality cross border road transport operations that will enhance safety standards and compliance to road traffic, transport legislation and permit conditions. It provides structured framework and standards that must be adhered to in the process of issuing permits and also ensuring compliance once permits have been issued.</p> <p>To date the Agency has been collaborating with SARS in the implementation of the Operator Compliance Accreditation System (OCAS) programme and the Authorised Economic Operator (AEO) program by SARS. The aim of the joint pilot is to mutually recognise each other's clients and provide benefits which include "prioritised" processing of accredited operators. Participating operators the C-BRTA have to register their operations, vehicles, drivers and RCPs and they go through a process of risk profiling to ensure that they are compliant in terms of their law enforcement track record and the returning of mandatory document.</p> <p>Quality regulation in terms of Tripartite Transport and Transit Facilitation Programme (TTTFP) calls for liberalisation of cross border transport and that cross border transport must be based on quality principles, however in the passenger space such liberalisation is not possible hence we rely on tools such as Market Access Regulation (MAR) to regulate competition. The Agency is currently in discussion with other member states so the implementation can be done jointly so that it does not prejudice South African operators.</p> <p>In the most recent years, a route analysis for Zimbabwe was developed and approved by the Regulatory Committee for implementation. It serves as a guide for the Regulatory Committee for issues to consider when adjudicating on permit applications for passengers to Zimbabwe. All these initiatives will ensure that the regulatory regime is enhanced/improved to not focus only on quantitative type of regulation, but also focus on qualitative type of regulating the cross border road transport industry.</p>



PROGRAMME	OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	PROGRESS TOWARDS ACHIEVEMENT OF OUTCOME AND IMPACT
<b>Law Enforcement</b>	2.1 Improved compliance to cross border road transport regulation	Effective smart law enforcement	Set-up smart law enforcement war room	The Agency is utilising a smart law enforcement with a view to enhance law enforcement operations and promote compliance to the C-BRT Act and various other road regulations. A business case on smart law enforcement was compiled to determine options that may be considered. The Agency started with deployment of a smart law enforcement vehicle which is installed with an Automatic Number Plate Recognition System and interfaces with the Cross-Border Management System, eNaTIS and other law enforcement system to various borders posts in line with the implementation plan that was developed and approved at the beginning of the Financial Year.
	2.2 Improved compliance to cross border road transport regulation	Number of inspections conducted	220 039 inspections conducted	<p>The mandate of the C-BRTA is to ensure compliance with the road transport legislation and therefore one of the key initiatives is the deployment of the law enforcement inspectors to ensure that this mandate is upheld.</p> <p>The inspections conducted contributes directly to the achievement of improving compliance. For increased efficiency and effectiveness, the Law enforcement function was fully reinstated within the Agency during the year under review. This enabled identification, response to traffic infringements and better collection of law enforcement data. The initiative is gradually enhancing compliance as it contributes to the efficient deployment and increased monitoring and inspections. The Agency is confident that the outcome will be achieved.</p>
	2.3 Safe and reliable cross border road transport	Effective road safety strategy	Implemented C-BRTA Road Safety Strategy initiatives	The Agency increased its efforts through developing a strategy that specifically gives focus to cross border issues whilst linked to the National Road Safety Strategy (NRSS). Various road safety programmes were implemented, including Road Safety Awareness, Education and Training, Joint Law Enforcement operations and Driver Fatigue Management Programme. Through the strategy the Agency is better positioned to measure the impact. To date, implementation of the strategy has proven to be a success and gives confidence that this outcome will be achieved.



PROGRAMME	OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	PROGRESS TOWARDS ACHIEVEMENT OF OUTCOME AND IMPACT
Facilitation	3.1. Harmonised economic regulations	Percentage implementation of harmonised cross border road transport policies	Implemented 100% C-BRTA plan linked to the CBRT-RF action plan.	<p>The main purpose of this outcome is to increase C-BRTA's level of compliance as a country to the applicable SADC policies.</p> <p>The outcome is driven through implementation of some initiatives of the Tripartite Transport &amp; Transit Facilitation Programme (TTTFP). This is enabled through activities of the Cross Border Road Regulators Forum (CBRT-RF) that was formed by the Ministry of Transport which drives the harmonisation agenda where every member state is represented.</p> <p>The Agency developed and implemented a plan aligned to the CBRT-RF plan, that target activities that are relevant and can reliably be measured and are within its control.</p>
	3.2. Increased participation by historically disadvantaged individuals	Percentage increase in participation by previously disadvantaged individuals	Implemented 100% of the Industry Development Annual Plan.	<p>This output contributes towards industry development and transformation of the cross border road transport industry. It further contributes to increased participation of target groups in the cross border road transport value chain. To date, the participation of the historically disadvantaged individuals has been increased by 8%.</p> <p>The Agency implemented industry development initiatives as per the approved Industry Development Strategy.</p>
	3.3. Fair operating environment for cross border road transport operators	Implemented strategies to neutralise restrictive measures	90% resolution of constraints	<p>The Agency had identified resolution of constraints as a good mechanism to create a fair operating environment for cross border road transport operators. South African operators continue to face challenging conditions in other countries when conducting trade and transportation business. It is envisaged that this outcome will alleviate the level of challenges.</p> <p>C-BRTA successfully resolved constraints within 6 months of reporting at a much higher level than anticipated.</p>



PROGRAMME	OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	PROGRESS TOWARDS ACHIEVEMENT OF OUTCOME AND IMPACT
<b>Research &amp; Advisory</b>	4.1. Functional and reliable cross border road transport trade facilitation	Effective advisory and advocacy services	Implemented Research and Advisory Strategy	<p>The Agency identified this outcome as a means of value add to cross border stakeholders. This is with the understanding that access to information is an enabler to doing business.</p> <p>Therefore, for purposes of creating a functional and reliable cross border road transport trade facilitation, the Agency developed a Strategy that covers organisational research and advisory function as well as the needs of the industry.</p> <p>It is also envisaged that some of the information compiled through research would be used to generate revenue for the Agency.</p> <p>The approved Strategy will be implemented from 2024/25 Financial Year.</p>
<b>Administration</b>	5.1. Viable cross border road transport economic regulator	<ul style="list-style-type: none"> <li>• High performance culture</li> <li>• Effective communication strategy</li> <li>• Effective permit issuance</li> <li>• Financial sustainability</li> </ul>	<ul style="list-style-type: none"> <li>• Implemented 100% of the annual implementation plan linked to HR Strategy</li> <li>• 100% implementation of the annual implementation plan linked to Integrated Communication Strategy</li> <li>• Implemented 100% of the annual implementation plan linked to Digital IT Strategy</li> <li>• 35% increased investments in capital assets</li> </ul>	<p>The state of the Agency's viability is assessed through various indicators. To date, there has been commendable progress with respect to outputs that were identified to enhance the viability and sustainability of the organisation. There is good progress reported for 2023/24 that gives confidence that this outcome will be achieved.</p> <p>Some of the highlights in this regard includes the successful implementation of CrossEasy for permit issuance. The Agency further implemented HR, Integrated Communication and Digital IT approved Strategies.</p> <p>Although capital assets could not be increased by 35% due to compliance requirements between DoT and National Treasury being outstanding, the Agency registered a remarkable increase in other assets.</p>



PROGRAMME	OUTCOME	OUTCOME INDICATOR	FIVE YEAR TARGET	PROGRESS TOWARDS ACHIEVEMENT OF OUTCOME AND IMPACT
Administration	5.2 Improved governance and strengthen control environment	Effective governance and control environment	<ul style="list-style-type: none"> <li>• 100% responses to Parliamentary questions</li> <li>• 100% resolution of reported incidents of corruption</li> <li>• Implemented 100% of the approved SEC Annual Workplan</li> <li>• 100% implementation of action plans to address audit findings</li> <li>• Unqualified audit outcomes with no significant findings</li> <li>• 100% compliant to valid invoices</li> <li>• 100% reduction of cases of fruitless and wasteful expenditure</li> <li>• 100% reduction of cases of irregular expenditure</li> </ul>	<p>This is one area where the Agency boasts success in terms of progress made to date. Most of the outputs were achieved in 2021/22, 2022/23 and again in 2023/24. The only output that was not achieved in the three Financial Years is the implementation of action plans to address audit findings. The non-achievement is caused by findings that are outside the Agency's control, however, The Agency continue to engage DoT regarding such findings.</p> <p>Further to that, C-BRTA boasts with achieving a clean audit for nine (9) consecutive years from 2015/16.</p>
	5.3 Improved transport sector skills capacity	Number of Internship programmes implemented	50 interns recruited in the different functions of the Agency	The Agency identified recruitment of interns as a drive to improve transport sector skills gap, with a special focus on the cross border road transport industry. Interns were recruited and placed in different divisions across the Agency, and this gives confidence that this outcome will be achieved.



### 3. Institutional Programme Performance Information

This section provides an overview of the Agency's overall performance against the targets and the outputs set out in the 2023/24 Annual Performance Plan (APP). The Annual Performance Plan had twenty-one (21) outputs linked to ten (10) strategic outcomes. The achievement of output targets is a positive contribution to the identified strategic outcomes in the 2020-2025 Strategic Plan (SP).

For successful implementation of the 2020-2025 Strategic Plan and related annual performance plans, the Agency had structured itself into five programmes which are mainly aligned to its core mandate as captured in its enabling act.

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



Overall, the Agency achieved 80.95% of the annual targets, representing seventeen (17) targets out of twenty-one (21) targets that were planned for the financial year under review.



Figure 2: Illustration of Annual Performance

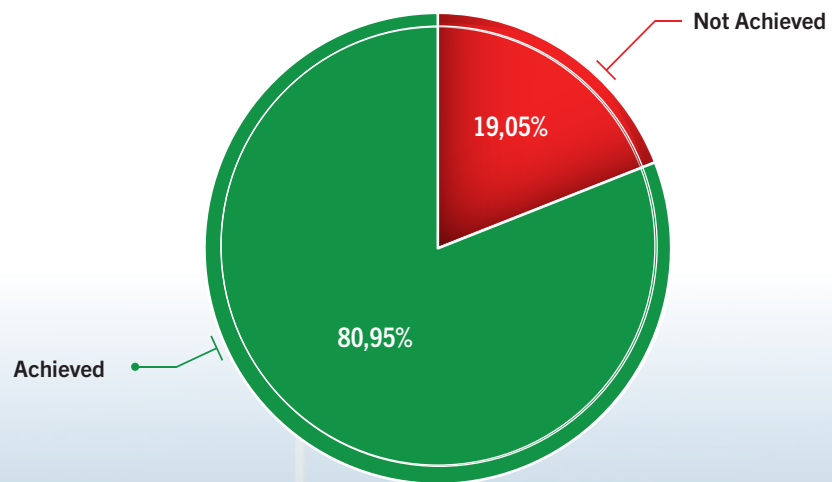
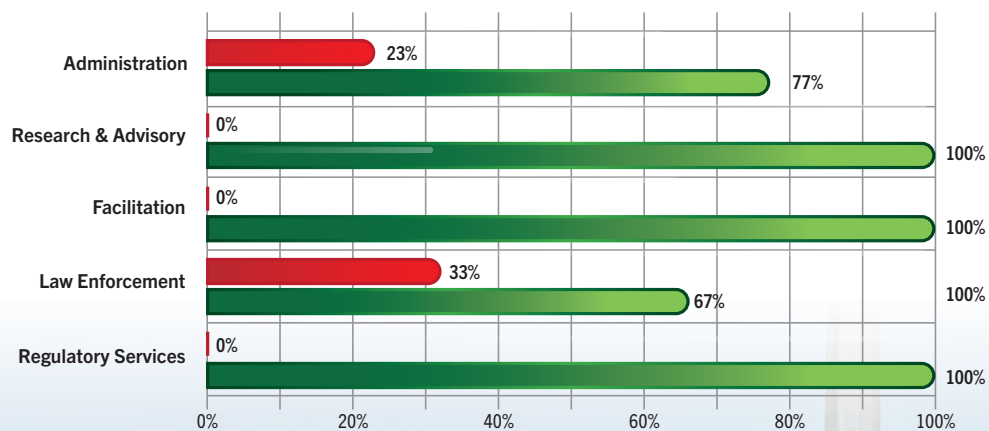


Figure 3: Annual Performance per programme





The Agency is continuing to put measures in place to ensure recovery of unachieved targets.

**Table 4: Unachieved targets**

OUTCOME	OUTPUT	OUTPUT INDICATOR	ANNUAL TARGET	ACTUAL PERFORMANCE	REASON FOR NON-ACHIEVEMENT	COMMENT ON DEVIATION
<b>Improved Compliance to cross border road transport regulation</b>	Inspections conducted	2.2. Number of inspections conducted	<b>209 561 inspections conducted</b>	A total of 162 496 inspections were conducted during the period in which the revised APP was effective	A total of 101 740 inspections were conducted during first half of the financial year and could therefore not be accounted for as part of the annual performance.	This occurred as a result of the initially approved APP i.e. approved in March 2023 not including an output indicator target on the number of inspections conducted.
<b>Viable cross border road transport regulator</b>	Implemented Digital IT Strategy implementation plan	5.3. Percentage implementation Digital IT Strategy implementation plan	<b>Implemented 100% of the annual implementation plan linked to the Digital IT Strategy</b>	Implemented 35,03% of the Q4 (40%) target and 95,03% of the annual implementation plan target linked to the Digital IT Strategy.	Target was missed by 4.97% due to delays in securing funding from DIRCO to conduct CrossEasy pilot for Angola and Lesotho. This resulted in 95,03% achievement against annual target.	The Agency is in the process of identifying other means of funding including but not limited making an application to National Treasury to consider use of surplus funds.
	Acquired land and buildings	5.4. Percentage increase in Capital Assets	<b>25% increase in Capital Assets</b>	The Agency is in the process of appointing a space planner and a Task Team has been established internally to handle this process	The non achievement was due to delays in the appointment of space planner to finalise the space requirements and specifications. This is as a result of compliance requirements between DoT and National Treasury remaining outstanding.	Awaiting feedback from DoT on further process and documents for the Minister's approval.
	Resolved audit findings	5.8. Percentage implementation of action plans to address audit findings	<b>100% implementation of action plans to address audit findings</b>	75% (3 out of 4) audit findings were addressed	Outstanding audit finding is beyond Agency's control as it depends on the DOT to resolve.	As at 31 March, the Agency was in the process of addressing outstanding findings.





# Regulatory Services





### 3.1 PROGRAMME 1 REGULATORY SERVICES

The Regulatory Services Programme is responsible for regulating access to the cross border road transport market, in the form of freight and passengers, through a permit administration process. It advances the execution of the regulatory mandate by regulating access to the cross border road transport markets on the continent. This function further includes the development of regulatory policies and strategies.

The programme has the following outcomes:

- Enhanced regulatory regime by implementing quality regulations.

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

##### Output 1.1 : Route Analysis Plan for Zimbabwe

Route analysis Plan is an enabler of implementation of quality regulations, which is a build up towards the achievement of the outcome, enhanced regulatory regime. Quality regulation entails the formulation and implementation of specific requirements and procedures which would culminate in quality transport operations, and as an outcome enhance safety standards and compliance to road traffic and transport legislation and permit conditions.

The objective of developing route analysis plan is to enhance the efficiency and safety of cross border road transport operations through analysing service

requirements and evaluating new and existing routes. The route plan encompasses cross border routes connecting all locations within the Republic of South Africa as departure points to various destinations in Zimbabwe, primarily focusing on taxi passenger routes. The plan serves as a reference and guideline for the Regulatory Committee in deciding and allocation of cross border permits in a manner that will ensure quality and safety of operations. The primary emphasis is placed on taxi passenger routes. During the year under review, the Agency developed a Route Analysis Plan in line with the set annual target. The audit conducted focused on the usability of the routes and safety of cross border passenger routes to Zimbabwe. Audits were conducted during the first and second quarter of the year, followed by drafting of route analysis plan which was approved in the last quarter of the year.

The following table 5 is a summary of programme performance for the quarter under review.

**Table 5: Actual performance against annual planned target**

PROGRAMME 1 : REGULATORY SERVICES									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFOR- MANCE 2021/2022	AUDITED ACTUAL PERFOR- MANCE 2022/2023	PLANNED AN- NUAL TARGET 2023/2024	ACTUAL ACHIEVE- MENT 2023/2024	DEVIATION FROM PLANNED TAR- GET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICA- TORS/ ANNUAL TARGET
1.1	Enhanced regulatory regime by implementing quality regulation	Route Analysis Plan for Zimbabwe	Developed and implemented annual route analysis plan	New Indicator	New Indicator	Approved Annual Route Analysis Plan for Zimbabwe	<b>Target achieved</b>  The route analysis plan was approved by the Regulatory Committee.	Not applicable, target achieved	Not applicable, target achieved



### 3.1.2. LINKING PERFORMANCE WITH BUDGETS

Table 6: Performance against Budget

PROGRAMME/ACTIVITY/OBJECTIVE	2022/2023			2023/2024		
	BUDGE	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Regulatory Services	38,489	42,829	-4,340	26,778	28,194	-1,416
<b>Total</b>	<b>38,489</b>	<b>42,829</b>	<b>-4,340</b>	<b>26,778</b>	<b>28,194</b>	<b>-1,416</b>

### 3.1.3. STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

The Agency achieved 100% of set targets under this programme and therefore no strategies required.

## 3.2. 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.

### 3.2.1. LICENSING SERVICES

The Agency issued a total number of 93 449 permits during the period under review, which translates into an increase of 9 409 permits or 11.2% year-on-year.





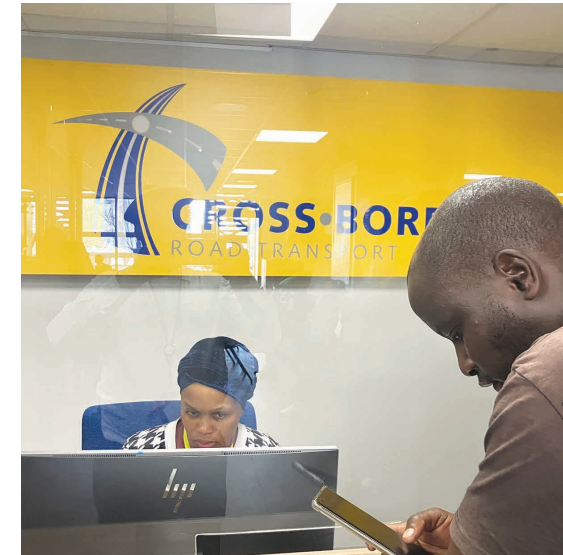
### 3.2.2. GOODS PERMITS

Permits issued for goods operations increased by 3.9% during the year under review, up from 60 893 to 63 302. Hereto follows a statistical overview of the goods permits issued per country.

**Table 7: Goods Permits Stats**

GOODS PERMITS STATISTICS			
COUNTRY	2022/23	2023/24	% MOVE- MENT
Angola	661	733	11%
Botswana	6715	5719	-15%
Burundi	1	9	800%
Democratic Republic of Congo	8273	6541	-21%
Eswatini	4522	4806	6%
Kenya	61	72	18%
Lesotho	2548	2689	6%
Malawi	2117	2878	36%
Mozambique	12559	14052	12%
Namibia	3713	3308	-11%

Rwanda	18	11	-39%
South Sudan	3	1	-67%
Tanzania	812	865	7%
Uganda	27	29	7%
Zambia	8185	9055	11%
Zimbabwe	10678	12523	17%
Cabotage	0	11	0%
<b>TOTAL</b>	<b>60 893</b>	<b>63 302</b>	<b>4%</b>



**Figure 5: Good Permit Statistics**





### 3.2.3. TAXI PASSENGER PERMIT STATISTICS

Permits issued for taxi operations increased by 30% during the year under review, up from 19 882 to 25 859. Hereto follows a statistical overview of the taxi permits issued per country.

**Table 8: Taxi Passenger Permit Statistics**

TAXI PASSENGER PERMIT STATISTICS			
COUNTRY	2022/23	2023/24	% MOVEMENT
Botswana	284	588	107%
Democratic Republic of Congo	1	0	-100%
Eswatini	574	982	71%
Lesotho	634	989	56%
Malawi	134	40	-70%
Mozambique	9249	9968	8%
Namibia	102	143	40%
Tanzania	4	0	-100%
Zambia	39	51	31%
Zimbabwe	8862	13098	48%
<b>Total</b>	<b>19 883</b>	<b>25 859</b>	<b>30%</b>

**Figure 5: Taxi Permit Statistics**





### 3.2.4. BUS PASSENGERS PERMIT STATISTICS

Permits issued for bus operations increased by 51% during the year under review, up from 1 099 to 1 660. Hereto follows a statistical overview of the bus permits issued per country

**Table 9: Bus Permit Statistics**

BUS PASSENGERS PERMIT STATISTICS			
COUNTRY	2022/23	2023/24	% MOVE- MENT
Botswana	36	102	183%
Democratic Republic of Congo	2	0	-100%
Eswatini	20	31	55%
Lesotho	34	62	82%
Malawi	201	277	38%
Mozambique	85	183	115%
Namibia	16	32	100%
Tanzania	0	14	0%
Zambia	66	17	-74%
Zimbabwe	639	942	47%
<b>Total</b>	<b>1 099</b>	<b>1660</b>	<b>51%</b>

**Figure 6: Bus Passenger Permit Statistics**



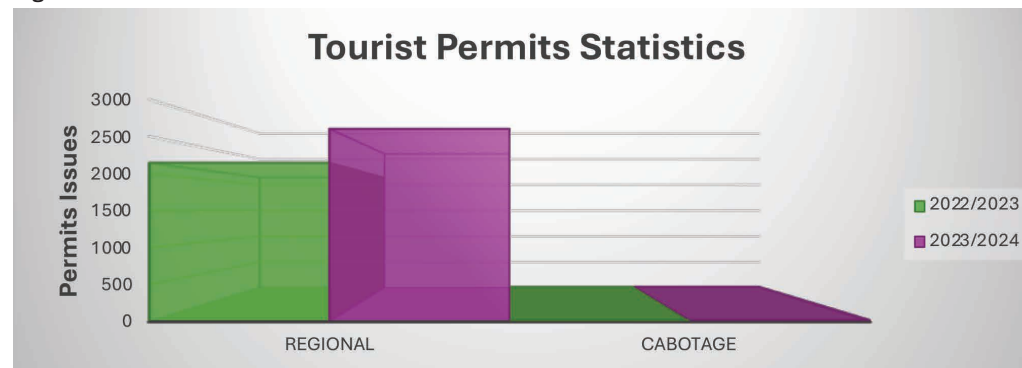
### 3.2.5. TOURIST PERMITS STATISTICS

Permits issued to tourist operations increased by 21.4% during the year under review, up from 2 165 to 2 628. Hereto follows a statistical overview of the tourist permits issued for the region.

**Table 10: Tourist Permit Statistics**

TOURIST PASSENGERS PERMIT STATISTICS			
COUNTRY	2022/23	2023/24	% MOVE- MENT
Regional	2145	2604	21,40%
Cabotage	20	24	20,00%
<b>Total</b>	<b>2165</b>	<b>2628</b>	

**Figure 7: Tourist Statistics**









### 3.2 PROGRAMME 2 LAW ENFORCEMENT

Law Enforcement function ensures that there is compliance with cross border road transport act, permit requirements, road transport and traffic legislations and maintaining records of operators. This function amongst others is mandated with the responsibility of ensuring that the transporters of commuters and freight are in possession of valid cross border permits, and monitors drivers' compliance with the law and road safety regulations by carrying out vehicle inspections along the border-corridors.

The function further ensures that it collects data and generates intelligence for law enforcement purposes; profile operators based on operational conduct that is used for evidence-based decision making and developing law enforcement standards benchmarks.

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

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

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

##### Output 2.1: Implemented smart law enforcement vehicle

For the year under review, the Agency deployed a smart law enforcement vehicle with a view to enhance law enforcement operations and promote compliance to the

C-BRT Act and various other road regulations. The smart law enforcement vehicle is installed with an Automatic Number Plate Recognition System that interfaces with the Cross-Border Management System, eNaTIS and other law enforcement systems.

The Agency has achieved its annual target for 2023/24FY. Activities conducted through the smart vehicle includes but not limited to the deployment of vehicle at strategic location such as commercial border posts, corridors leading to border posts and weighbridges. Some of the border posts where the smart car was deployed are N1 Beitbridge border post, Grobler's bridge, N8 Free State Border, Maseru, Golela, N4 Lebombo, N1 Bloemfontein etc. The smart car was strategically deployed at different locations during quarter one (1) to three (3) and all data gathered was retrieved and analysed for compilation of an impact assessment report that highlighted intelligence on cross border traffic flow and patterns. A regional joint law enforcement operation in partnership with Zimbabwe was also conducted.

##### Output 2.2: Inspections Conducted

The Agency conducts inspections along corridors and at the border posts as an additional measure to improve compliance to cross border road transport regulation, which is part of the C-BRTA mandate. The inspections conducted contribute to the envisaged improved rate of compliance.

During the period under review, the Agency conducted a total of 162 496 inspections and therefore did not achieve

its target of 209 561 inspections targeted for the period.

The table below reflects the breakdown per region.

**Table 11: Inspections Conducted Per Region**

REGIONS	TARGET (2023/24)	ACTUAL PERFOR- MANCE (2023/24)	VARIANCE
Free State	21 320	18 176	(3 144)
KwaZulu- Natal	11 363	6 569	(4 794)
Upington / Cape	12 316	8 303	(4 013)
Gauteng	43 775	35 453	(8 322)
Limpopo (Musina)	52 391	41 631	(10 760)
Limpopo (Mokopane)	25 654	19 699	(5 955)
Mpumalanga	25 279	18 416	(6 863)
North West	17 463	14 249	(3 214)
<b>Total</b>	<b>209 561</b>	<b>162 496</b>	<b>(47 065)</b>



### Output 2.3: Reviewed C-BRTAs Road Safety Strategy

To implement the outcome on safe and reliable cross border road transport, the Agency reviewed C-BRTA's Road Safety Strategy resulting in an achievement of target for 2023/24FY. The strategy is linked to the National Road Safety Strategy. Consultations with various stakeholders

were conducted during the drafting process to ensure alignment with the National Road Safety Strategy. Stakeholders that were consulted are the Western Cape Department of Transport, City of Cape Town Metropolitan Municipality, Kwa-Zulu Natal Department of Transport,

various District and Local Municipalities as well as Gauteng Department of Transport.

It is envisaged that the strategy will contribute immensely to the safety of both operators and other road users.

The following table 12 is a summary of programme performance for the quarter under review.

**Table 12: Actual performance against annual planned target(as initially tabled in March)**

PROGRAMME: LAW ENFORCEMENT									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
2.1	Improved Compliance to cross border road transport regulation	Implemented Smart Law enforcement vehicle	Implemented smart law enforcement tools	<b>Target achieved</b> Smart law enforcement tools were implemented across a total of eleven (11) borders and other strategic locations throughout the financial year. Furthermore, an impact assessment was conducted to assess the effectiveness of the tool.	<b>Target achieved</b> Impact assessment was conducted in the last quarter of the year after conducting various activities using the smart law vehicle. The report was approved by EXCO	Implemented smart law vehicle at border posts as per implementation plan	<b>Target achieved</b> The Agency implemented smart law vehicle at border posts as per implementation plan.	Not applicable, target achieved	Not applicable, target achieved



PROGRAMME: LAW ENFORCEMENT									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
2.2	Safe and reliable cross border road transport	Reviewed C-BRTAs Road Safety Strategy	Developed and implemented C-BRTA Road Safety Strategy	<b>Target achieved</b>  Various road safety programmes were implemented during the financial year namely: i) Road safety awareness, training & education focusing on freight transport operators; ii) Joint Law Enforcement operations with various stakeholders in KZN, North-West, N17 Groblersbridge, Oshoek, Beitbridge and Lebombo; iii) Implementation of Driver Fatigue Management Programme and Seminar (iv) Conducted regional seminar	<b>Target achieved</b>  The agency successfully implemented the strategy in line with all targets that were set for each quarter of the financial year. All quarterly progress reports were submitted and approved by EXCO	Reviewed C-BRTA Road Safety Strategy	<b>Target achieved</b>  The reviewed Road Safety Strategy was approved by Board	Not applicable, target achieved	Not applicable, target achieved



Table 13: Post re-tabling in October 2023

PROGRAMME: LAW ENFORCEMENT									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
2.1	Improved Compliance to cross border road transport regulation	Implemented Smart Law enforcement vehicle	Implemented smart law enforcement tools	<b>Target achieved</b> Smart law enforcement tools were implemented across a total of eleven (11) borders and other strategic locations throughout the financial year. Furthermore, an impact assessment was conducted to assess the effectiveness of the smart law enforcement vehicle.	<b>Target achieved</b> Impact assessment was conducted in the last quarter of the year after conducting various activities using the smart law vehicle. The report was approved by EXCO	Implemented smart law vehicle at border posts as per implementation plan	<b>Target achieved</b> The Agency implemented smart law vehicle at border posts as per implementation plan.	Not applicable, target achieved	Not applicable, target achieved



## PROGRAMME: LAW ENFORCEMENT

NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
2.2	Improved Compliance to cross border road transport regulation	Inspections conducted	Number of inspections conducted	New target	New target	209 561 inspections conducted	<b>Target not achieved</b>  A total of 162 496 inspections were conducted during the period in which the revised APP was effective	A total of 101 740 inspections were conducted during first half of the financial year and could therefore not be accounted for as part of the annual performance.	This occurred as a result of the initially approved APP i.e. approved in March 2023 not including an output indicator target on the number of inspections conducted.



PROGRAMME: LAW ENFORCEMENT									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
2.3	Safe and reliable cross border road transport	Reviewed C-BRTAs Road Safety Strategy	Developed and implemented C-BRTA Road Safety Strategy	<b>Target achieved</b>  Various road safety programmes were implemented during the financial year namely: <ul style="list-style-type: none"> <li>i) Road safety awareness, training &amp; education focusing on freight transport operators;</li> <li>ii) Joint Law Enforcement operations with various stakeholders in KZN, North-West, N17 Groblersbridge, Oshoek, Beitbridge and Lebombo;</li> <li>iii) Implementation of Driver Fatigue Management Programme and Seminar</li> <li>(iv) Conducted regional seminar</li> </ul>	<b>Target achieved</b>  The agency successfully implemented the strategy in line with all targets that were set for each quarter of the financial year. All quarterly progress reports were submitted and approved by EXCO	Reviewed C-BRTA Road Safety Strategy	<b>Target was achieved</b>  The reviewed Road Safety Strategy was approved by Board	Not applicable, target achieved	Not applicable, target achieved



### 3.2.2. LINKING PERFORMANCE WITH BUDGETS

Table 14: Performance against Budget

PROGRAMME/ACTIVITY/OBJECTIVE	2022/2023			2023/2024		
	BUDGE	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Law Enforcement	99,516	123,363	-23,847	37,308	92,631	-55,323
<b>Total</b>	<b>99,516</b>	<b>123,363</b>	<b>-23,847</b>	<b>37,308</b>	<b>92,631</b>	<b>-55,323</b>

#### Strategy to overcome areas of under performance

The Agency achieved 67% of set targets under this programme.

#### Other priorities

In line with its mandate, the Agency conducts additional activities that ensure completeness of its Law Enforcement mandate. These activities are priorities and are captured in an approved operational plan.

The Law Enforcement Unit comprises of Road Traffic Inspectorate (RTI) and the Profiling Unit. Worthy to note are some few highlights that were achieved during the year under review are summarised below as follows:-

### 3.2.3. ROAD TRANSPORT INSPECTORATE

The Road Transport Inspectorate (RTI) returned from RTMC on the 01 April 2024 and upon returning there were no resources to kick start the Law Enforcement operations. The first quarter was focused on logistical arrangements and procuring resources such as vehicles, firearms, uniform etc. During the first the Agency made provision of refresher training to all inspectors to prepare them for operations while the processes of procurement of resources was underway.

#### Highlights of Achievements since Launching of RTI

Since RTI returned to C-BRTA, the Law Enforcement has:

- Developed the RTI model which was presented and approved by relevant structures within C-BRTA.
- Developed the following policies; Uniform policy, Firearm policy, Code of Conduct.

- RTI managed to procure and brand the Law Enforcement vehicles.
- RTI procured uniform for inspectors and operations were started during the month of May 2023.
- Law Enforcement concluded the agreement for national courier services.
- On the 19 April 2024 the Agency was registered as an official institution in terms of the Firearms Control Act. The Agency is in the process of procuring firearms for Inspectors.

#### Major Ministerial events co-ordinated by Law Enforcement

The Joint Law Enforcement Operations were conducted during Ministerial events and supported by Management and the Board.

- 28 September 2023 – 04 August 2023 – Cross-Alive Joint Law Enforcement Operation in Musina.





- 30 August 2023 – 01 September 2023 – C-BRTA Women in Joint Law Enforcement in Oshoek Mpumalanga
- 09 August 2023 - C-BRTA Women's Gala Event 09 September 2023
- 23 October 2023 – RTI Launch, the launch was also used to:
  - Unveil the Law Enforcement badge,
  - Unveil the Law Enforcement vehicles, and
  - Showcase the Law Enforcement Official Uniform
- **Joint Law Enforcement Operations.**

The Agency participated in four joint law enforcement operations held in Gauteng (Pretoria and Johannesburg inner city). Through these operations, the Agency gathers intelligence that assists road traffic inspectors. Such as the following:

- A number of buses were found operating in Fleet Africa, Powerhouse, Kerk and Nugget were operating

without valid cross border permits and loading contrary to permit conditions.

- There is a lot of illegal passenger loading zones in Johannesburg area.
- A number of cross border taxi operators with permits were found operating contrary to permit conditions in Johannesburg.
- Brakpan and Mogale city taxi association are operating illegally in Hillbrow and surrounding areas.
- Buses that depart from Fleet Africa and Powerhouse continue to present a tendency of overloading,
- Buses in possession of organised group permits choose to load in bus terminals instead of loading in their designated furnished zones.

#### - **Number of Section 56 fines issued.**

The number of section 56 fines issued target for the financial year was 39 350. Actual fines issued is 42 882, thereby exceeding the target by 3 532. The table below reflects the breakdown per region.

**Table 15: Number of Section 56 fines issued**

SECTION 56 FINES RECORDED - 2023/2024 - RTI		
REGIONS	NUMBER OF NOTICES	NO OF PAID NOTICES
Cape	820	415
Free State	1 607	1 067
Gauteng	9 599	8 950
KwaZulu-Natal	889	668
Limpopo	22 988	20 413
Mpumalanga	5 438	4 118
North West	1 541	1 371
<b>Total</b>	<b>42 882</b>	<b>37 002</b>





### 3.2.4. PROFILING UNIT

The Agency, through the Road Safety Program achieved the following milestones during the year under review.

- Revised an organisational road safety strategy in-line with the National Road Safety Strategy,
- Collaborated with RAF to develop the Driver Fatigue road safety tool. The tool was officially launched during the October Transport Month involving the Limpopo MEC for Transport and Safety department at the Grobler's Bridge border in Limpopo province.
- Hosted neighbouring states during festive season operations with aimed of promoting safer dangerous goods practices.
- Embarked on conducting weighbridge audits to establish whether they are equipped with decanting facilities in case of overloaded dangerous vehicles. Thus far the audits covered the N1 North pretoria to Musina, N2 Durban to Ballito, N3 Pretoria to Durban, Bakwena N4 Platinum Pretoria to Zeerust, N4 Maputo



corridor Pretoria to Lebombo. Thus far the findings point to the fact that none of these weighbridge infrastructures are equipped with the said facilities.

- Collaborated with the Limpopo DoT for launch of the 2022 OTM which was used to introduce the current MEC Radzilani, a fleet of their new vehicles, the CrossEasy.
- Hosted the Minister of Transport twice in 2023 for the promotion of the Cross Alive road safety program in Musina involving the participation of Zimbabwe and Zambia. The objective was to highlight challenges faced by operators, risks associated with transportation of dangerous goods, the state of the border infrastructure,
- Successfully hosted the Minister for the woman's month gala dinner honouring women in law enforcement. The event was hosted in Oshoek border post Mpumalanga involving the participation of Eswatini.



- The Agency in collaboration with SANRAL continues to spearhead the regional programs which include localisation of RIMS in neighbouring members.

#### Developed compliance profiles of applicants (check lists)

During the year under review, the Agency compiled reports on compliance profiles of permit applicants on a quarterly basis and submitted to the sub-regulatory committee for decision making. These reports cover information on all permit applicants who were profiled in terms of compliance with the submission of mandatory documents (expired permits, completed consignment notes and passenger lists, and general compliance with the CBRT Act and other related traffic laws). Based on the profile status, the Regulatory sub-committee recommend or do not recommend the applications to the Regulatory committee.





# Facilitation



### 3.3 PROGRAMME 3 FACILITATION

Facilitation function collaborates and forms relations with both primary and secondary stakeholders within the industry with the view to attain the desired state of free-flowing transport of goods and passengers along the corridors. It further facilitates regional integration through a structured campaign that seeks to influence the African agenda for change.

This function is further responsible for the establishing and maintaining of structures, conduct consultations with the aim of resolving conflicts by engaging with stakeholders including the SADC counterparts who have an interest in the cross border road transport value chain.

The facilitation mandate further requires that the Agency enhances the development of the industry through direct participation in industry related initiatives and the implementation of initiatives aimed at enhancing industry development.

**This programme is set to achieve the following outcomes:**

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

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

##### **Output 3.1: Implemented CBRTA action plan linked to CBRT-RF plan**

This output is implemented to contribute to the uniformity and continuity in the application of regulations as it intended to address unharmonised road transport regulations as mandated. It serves to address one of the main challenges in cross border transportation whereby different member states are found to be implementing regulations inconsistently. It is envisaged that successful implementation of this output will result in the achievement of outcome on harmonised economic regulations.

For the year under review, the Agency achieved 100% in line with its annual plan whereby a total of four (4) activities of the workplan/action planned. Main key performance areas were setting regulation standards for cross border transport operating environment and facilitating SADC Stakeholders for CrossEasy Expansion Plan. The following was achieved, a SADC position paper on Dimensions of Trailers for Passenger Transport Vehicles and Small Freight Vehicles, the SADC Harmonised Permit Issuing Guidelines- draft handbook were finalised.

##### **Output 3.2: Implemented Industry Development Annual Plan**

This output is intended to contribute towards the transformation of the cross border road transport industry thereby increasing the number of participants in the cross border transportation as business operators. Focus was mainly on increasing participation of women, youth and

people with disabilities. It is envisaged that activities conducted will ensure achievement of the outcome on increased participation by historically disadvantaged individuals.

For the year under review, the Agency achieved 100% of its implementation plan that linked to the Agency's Industry Development Strategy. The strategy ensures that the C-BRTA's offerings are aligned to industry needs and that the Agency can improve its value proposition through consultations with freight and passenger operators. The Agency continued to make efforts to create a conducive operating environment by addressing issues pertaining to market access, skills development, border towns initiatives and truck stops.

It is envisaged that collective implementation of these interventions will ensure increased participation of target groups in the cross border road industry. The Agency is expected to increase participation of target groups by 5% over 5 years ending 2025, to date, the Agency has registered 8% increase in the participation of target groups.

##### **Output 3.3: Resolved and/or escalated constraints**

The Agency remains committed to responding to its mandate in terms of addressing constraints to enable operators to conduct business. In line with this, the Agency identified the outcome on fair operating environment for cross border road transport operators. Realisation of this outcome would imply that member states are consistent and fair in the application of regulations across SADC.



For the year under review, the Agency targeted to resolve  $\geq 50\%$  constraints within prescribed timelines. The Agency has successfully implemented the target achieved as 88.57% was obtained. This percentage represents a total of 44 constraints for both domestic and international that were recorded for the financial year up to and including March 2024. Out of the Forty-four (44) registered, forty (40) were resolved and four (4) were escalated and/or remaining open as they still in progress.

The following table 16 is a summary of programme performance for the quarter under review.

**Table 16: Actual performance against annual planned target**

PROGRAMME 3 : FACILITATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
3.1	Harmonised economic Regulations	Implemented CBRT-RF Action Plan initiatives	Percentage implementation of C-BRTA plan linked to the CBRT-RF Action Plan	<b>Target overachieved</b>  Implemented 42.86% (a total of 9 out 21 activities planned for the year) of the CBRTA linked activities of the SADC Protocol and other agreements.	<b>Target over-achieved</b>  A total of 10 out of 14 targets that were planned for the financial year were conducted resulting in a percentage 71.43% (10/14 x 100)	Implemented 100% C-BRTA plan linked to the CBRT-RF Action Plan	<b>Target achieved.</b>  100% of the planned initiatives as per implementation was achieved	Not applicable, target achieved	No revisions were made after tabling in March.



PROGRAMME 3 : FACILITATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
3.2	Increased participation by historically disadvantaged individuals	Implemented Industry Development Annual Plan	Percentage implementation of the industry development plan	<b>Target Not achieved</b>  New entrants in the cross border market increased by a total of 0.82% (2.73/334,73*100%). Although the target has been overachieved for the other target groups i.e. women and youth, the overall target remains unachieved	<b>Target achieved</b>  7% (23.33/332*100) increase in the number of participating women, youth and persons with disabilities in the freight cross border road transport industry was achieved.	Implemented 100% of the industry development annual plan	<b>Target achieved</b>  The Agency achieved 100% of its implementation plan that linked to the Agency's Industry Development Strategy.	Not applicable, target achieved	No revisions were made after tabling in March.
3.3	Fair operating Environment for cross border road transport operators	Resolved reported constraints	Percentage resolution of constraints reported within 6 months	<b>Target achieved</b>  The cross border charges implementation strategy was developed and approved by Board during the last quarter of the financial year.	<b>Target not achieved</b>  The Agency submitted the collection infrastructure plan to DoT for approval before implementation commences	≥50% of constraints resolved/ escalated within 6 months of reporting	<b>Target achieved</b>  Out of the Forty-four (44) registered, forty(40) were resolved and four (4) were escalated and/or remaining open as they still in progress.	Not applicable, target achieved	No revisions were made after tabling in March.



### 3.3.2. LINKING PERFORMANCE WITH BUDGETS

Table 17: Performance against Budget

PROGRAMME/ACTIVITY/OBJECTIVE	2022/2023			2023/2024		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Facilitation	27,774	27,097	677	23,598	21,771	1,828
<b>Total</b>	<b>27,774</b>	<b>27,097</b>	<b>677</b>	<b>23,598</b>	<b>21,771</b>	<b>1,828</b>

#### Strategy to overcome areas of under performance

The Agency achieved 100% of set targets under this programme.









### 3.4 PROGRAMME 4 RESEARCH AND ADVISORY

The Research and Development Programme conducts in-depth research in relevant areas with the aim of providing scientifically driven solutions to the Agency and information to key industry stakeholders. 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 programme also provides strategic support by driving major initiatives and strategic projects in the Agency to enable the organisation to achieve its objectives and goals as well as project management support. Research and Development has two sub-programmes, namely:

- **Research Services** which is responsible for conducting in-depth research in relevant areas with the aim of providing scientifically driven solutions to the Agency and information to key industry stakeholders.
- **Advisory Services** which is responsible for advising Minister of the cross border road transport trends and development in the SADC region

This programme has the following outcome:

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

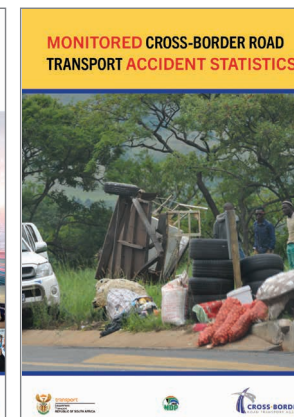
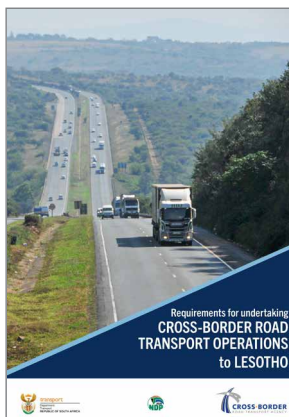
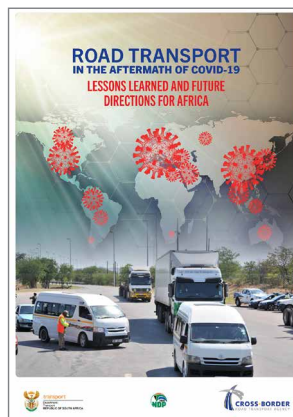
#### 3.4.1. OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENT

##### Output Indicator 4.1: Developed and implemented Research and Advisory Strategy

Through its Research and Advisory function, the C-BRTA seeks to reduce mobility constraints experienced by corridor roleplayers by addressing challenges and bottlenecks in the cross border road transport environment and improving the performance of the cross border road transport sector.

It is against the need for evidence-based decision-making and data driven advice that the C-BRTA Board identified the need to develop a Research and Advisory strategy to guide the research and advisory agenda for the Agency for the period 2025 - 2030.

The Agency has achieved its planned target upon successfully developing a R&A strategy. The strategy was drafted and taken through necessary processes prior to the approval by Board.



This output is intended to contribute to the achievement of the outcome on functional and reliable cross border road transport trade facilitation platform. This online platform houses research information on a wide range of topics, including cross border road transport challenges, developments unfolding across the continent to address infrastructure constraints and trade and transport flows passing through South African commercial border posts. The R&A strategy has been developed with users in mind and therefore rests strongly on the needs of C-BRTA stakeholders. It is believed that the availability of reliable information will assist transport operators to better plan their journeys, while also enabling public-sector decision-makers to make informed decisions.

Against this background, the implementation of the R&A strategy will go a far way towards strengthening the Agency's mandate to improve the unimpeded flow of freight and commuters across the SADC region.



The following table 18 is a summary of programme performance for the quarter under review.

**Table 18: Actual performance against annual planned target**

PROGRAMME 4 : RESEARCH AND ADVISORY									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
4.1	Functional and reliable cross border road transport trade facilitation information	Research and Advisory Strategy	Developed and implemented Research and Advisory Strategy	<b>Target achieved</b>  The Information Platform was developed and piloted.	<b>Target achieved</b>  Access to information platform was monitored through the User Access platform and all progress reports were noted by EXCO	Board approved Research and Advisory Strategy	<b>Target achieved</b>  Research and Advisory strategy was approved by the Board	Not applicable, target achieved	No revisions were made after tabling in March.



### 3.4.2. LINKING PERFORMANCE WITH BUDGETS

Table 19: Performance against Budget

PROGRAMME/ACTIVITY/OBJECTIVE	2022/2023			2023/2024		
	BUDGE	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Research and Advisory	8,039	6,908	1,130	30,724	7,695	23,029
<b>Total</b>	<b>8,039</b>	<b>6,908</b>	<b>1,130</b>	<b>30,724</b>	<b>7,695</b>	<b>23,029</b>

#### Strategy to overcome areas of under performance

The Agency achieved 100% of set targets under this programme.









### 3.5 PROGRAMME 5 ADMINISTRATION

This programme exists to ensure effective leadership and administrative support to the Agency on the delivery of its set objectives. It has four-line functions, i.e. Information and Communication Technology, Corporate Services, Office of the CEO as well as Finance and Supply Chain Management. 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, strategic communications, and facilities management to enable and enhance business delivery. This unit further monitors performance through risk assessment.
- **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 Executive Officer** provides planning, monitoring and evaluation as well as reporting services to the Agency. It also provides leadership on other functions such as fraud and corruption prevention and auditing.

The programme has the following outcomes:

1. Viable cross border road transport regulator and
2. Improved governance and strengthen control environment.

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

##### Output Indicator 5.1: Percentage implementation of HR Strategy initiatives

This output is set to contribute to Agency's outcome on viable cross border road transport regulator. The strategy comprises of measures to build staff and leadership capacity and ensuring high performance culture. Further to that, the strategy focuses on building a positive culture through good ethical values in the organisation. Employee health and wellness is also regarded as critical to the overall viability of the Agency to transform general health and wellness of C-BRTA, by bringing in the capacity from different categories of the society such as women, youth and people living with disabilities.

For the year under review, the Agency had targeted to achieve 100% of the annual plan that is linked to the HR strategy.



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### Output Indicator 5.2: Percentage implementation of the integrated communication strategy

This output is one of the interventions identified to assist the Agency to achieve its outcome of viable cross border economic regulator. It was envisaged that through the C-BRTA integrated communication strategy, the Agency will strive to enhance its image through improved internal staff and external citizen/stakeholder morale, be known for acquired public trust and integrity. The Agency's integrated communications strategy focuses on issues such as public opinion research, media monitoring, provision of internal communication platforms and structures, marketing and campaigns management, crisis communication, media engagement and ensuring presence on online communication platforms and guard against C-BRTA reputation. The strategy supports the mandate of the organisation and ensures visibility and profiling of C-BRTA in different platforms.

For the year under review, the Agency reviewed its integrated communications strategy and all activities that were planned for the year were successfully implemented resulting in 100% implementation.

### DIGITISED CROSS-BORDER ROAD TRANSPORT PERMIT APPLICATION SYSTEM



Cross-Easy, an accurate, convenient and secure way to apply and track your cross-border permits online.

Available 24/7/365

### Output Indicator 5.3: Percentage implementation of the digital IT Strategy

This output was identified as one of the interventions that will make C-BRTA a viable cross border road transport regulator. The C-BRTA strategy is a product focused strategy, with digital platforms being utilised as the interface with clients and stakeholders. The Digital IT Strategy aims to ensure digital platforms are developed to enable programmes to deliver upon their outcomes. An implementation plan was developed in line with the strategy to guide and monitor implementation of strategy. For the year under review, the target was to achieve 100% implementation of the plan. Focus for 2023/24 was mainly on Cloud First, Data Agility, Digital by Design, Building Scalable, Customer Platform and Tools as well as implementing a Cybersecurity programme. Although the set target of 100% was not achieved, the Agency successfully implemented 95.03%, which implies a shortfall of 4.97% since four (4) initiatives were still in progress at the end of March 2024.

The shortfall resulted from challenges relating to the contract between C-BRTA and the service provider who was appointed to implement and support & maintain CrossEasy, and therefore terminated effective 31st October 2023. This has had an impact on progress in certain areas of the IT Digital Strategy. There were also delays in finalising procurement processes resulting in IT not being able to appoint service providers on time.

## DO RIGHT ON OUR ROADS!

**Enforce the law upon YOURSELVES ●**



**DO NOT SPEED**

**OBEY THE RULES**

**DRIVE SAFELY**

The Cross-Border Road Transport Agency (C-BRTA) strives to ensure road safety through promoting a self-regulation culture among goods and passenger transportation across the Southern African Development Community (SADC) borders.

It is therefore critical to enforce the law upon yourself. By doing so, you will automatically reduce:

- speed and other traffic violations
- road accidents, thus saving lives
- overloading, thus preventing road damage

**25**

SHIFTING BOUNDARIES TO IMPROVE TRADE

1998 - 2023


**25 Years of Quality Service:**

• Regulation

• Facilitation

• Law Enforcement

• Advisory





#### **Output Indicator 5.4: Percentage increase in Capital Assets**

This output is intended to boost the sustainability of the Agency as one of the identified interventions to make C-BRTA a viable cross border road transport regulator. The C-BRTA is a self-funding entity that relies primarily on revenue generated from permit issuing to fund its capital and operational expenditure. Over the years the entity has accumulated over R169.4 million that is invested in cash and short-term money markets. Given that the R169.4m was not optimally utilised, the Agency opted for this output so as to ensure that its financial resources are optimally utilised.

For the year under review, the target was to increase the Agency's capital assets by 25%. To achieve this, the Agency was supposed to have structured investment in appropriate infrastructure, which implied investment in land and buildings. The target was not achieved due to the compliance requirement with National Treasury regulations.

#### **Output Indicator 5.5: Percentage responses to Parliamentary questions received from DoT**

This output seeks to enhance the Agency's performance level in relation to the outcome on improved governance and strengthened control environment. It entails quick responses to questions that are received from parliament via DoT. This indicator required that the Agency puts in place a system that ensures efficiency so that the Agency complies with the timelines provided by DoT.

For the year under review, four (4) questions were received, and all were responded to within the prescribed

timeframe. This resulted in the achievement of 100% in line with the set target.

#### **Output Indicator 5.6: Resolved reported incidents of corruption**

Through its Integrity Management Services unit, the Agency continued to promote ethical practices This is enabled through implementation of its Anti-Corruption Strategy. The approved Integrity Management Policy requires that reported incidents be investigated and finalised within sixty working days. The output is geared to enhance the Agency's performance level in relation to the outcome on improved governance and strengthened control environment.

For the year under review, the Agency achieved 100% target of resolving incidents of corruption within the prescribed time. A total of six (6) Incidences were received and resolved during 2023/24 however, two (2) were closed due to unsubstantiated evidence and all incidences that were registered were investigated/resolved within the sixty working days in line with the policy. This resulted in 100% achievement of the set target.

#### **Output Indicator 5.7: Implemented SEC Annual Work Plan**

One of the interventions that are in place for ensuring improved governance and strengthened control environment is the implementation of the Social and Ethics Committee (SEC) workplan. The SEC was established in 2020/21 and has since been in operation. The SEC develops an annual workplan that's in line with the Ethics Management Strategy that guides the implementation and governance of ethics in the Agency. The implementation

of the SEC work plan enables the Agency to improve the ethics culture of the organisation.

The target for the year under review was 100% implementation of SEC workplan. Some of the highlights of achievements during 2023/24 included the following:

- Development of the Environmental, Social and Governance (ESG) Strategy to promote sustainable value creation for the Agency and its stakeholders. This Strategy aligns with the Agency's commitment to integrating sustainable practices into daily operations and contributing positively to society and the environment as per the King IV Report on Corporate Governance. This was followed with several ESG workshops that were conducted for SEC members and Management to enhance their understanding of ESG principles, particularly in the land transport industry.
- Development of Corporate Social Investment (CSI) Strategy, outlining the Agency's approach and to operating in a socially responsible manner.
- Development of the Ethics Management Strategy which incorporates the Code of Ethics in line with the King IV guidance on Codes of Ethics. This Strategy aims to enhance the Agency's ability to achieve its ethical objectives which are highly valued by the Agency.
- Successful implementation of the Fraud Management Plan for the 2023/24 financial year.
- The SEC also provided oversight on the successful implementation of the Anti-Corruption Strategy, which has four pillars, namely; Prevention, Detection, Investigation, and Resolution.
- The SEC also ensured that all Financial Disclosure



Forms were completed by C-BRTA employees and Non-Executive Directors to identify conflicts of interest.

#### **Output Indicator 5.8: Percentage implementation of action plans to address audit findings**

In line with the call to implement interventions to ensure achievement of the outcome on improved governance and strengthened control environment, the Agency is implementing a system of internal control to minimise audit findings and mitigate against the risk of recurrence of similar audit findings. The resolution of audit findings is monitored through a tracking register indicating progress on the implementation of additional controls to strengthen the control weakness identified during the audit.

For the year under review, the Agency implemented mitigating strategies to ensure that there are no repeat findings that will be raised and further to that no other significant findings are made against the Agency. However, the Agency did not achieve its target of 100% implementation that was set due to some factors beyond its control.

#### **Output Indicator 5.9: Regulatory Audit Outcome by Auditor-General of South Africa (AGSA)**

As part of the interventions to improve governance and strengthen control environment, the Agency continues to strive for clean audits. This is achieved through maintaining a sound system of internal control, risk management, supply chain management, financial and performance management as well as IT governance. The Agency has put in place internal control systems to ensure compliance with the C-BRT Act, Public Financial

Management Act, Treasury Regulations, and all prescripts included in its compliance universe.

The target for the year was to achieve an unqualified audit. This target was achieved and was the ninth consecutive clean audit to be achieved by the Agency.

#### **Output 5.10: Output Indicator 5.10 Percentage compliance to 30-day payment requirement**

Another mechanism intended to improve governance and strengthen the control environment. This output is intended to ensure that valid invoices are processed, and payment effected within the prescribed period of 30 days. The Agency established a system that assists in tracking and ensuring that all valid invoices are paid within the prescribed period.

The target for the year was to achieve 100% payment of valid invoices within 30 days. The target was achieved upon payment of invoices within 30 days during quarter one (1) to quarter four (4).

#### **Output Indicator 5.11 Percentage reduction of cases of fruitless and wasteful expenditure**

This output is intended to ensure implementation of sound system of internal controls that would not only reduce fruitless and wasteful expenditure but eventually eliminate it. It is geared to ensure that the Agency achieves the outcome of improved governance and strengthened control environment.

For the year under review, the Agency targeted a 100% reduction on cases of fruitless and wasteful expenditure.

#### **Output Indicator 5.12 Percentage reduction of cases of irregular expenditure**

This output is intended to ensure implementation of sound system of internal controls that would not only reduce irregular expenditure but eliminates it. It is geared to ensure that the Agency achieves the outcome of improved governance and strengthened control environment.

For the year under review, the Agency targeted a 100% reduction on irregular expenditure.

#### **Output 5.13: Number of interns recruited**

To contribute to the outcome on improved transport sector skills capacity, the Agency adopted internship as one of the approaches to improvement of sectors skills. Recruitment of interns is a drive by the Agency to improve the transport sector skills gap. The initiative is focused on the cross border road transport industry. The interns recruited are placed in the various divisions within the Agency based on their qualifications and mentored to ensure that they acquire relevant skills by the end of the internship programmes.

The Agency set a goal to hire twenty-one (21) interns and successfully placed 22 interns in various divisions across the Agency; exceeding the initial target by one (1). The additional recruit followed a motivation by RTI to increase the number of interns placed in the profiling unit. However, one intern has since resigned.

The following table 20 is a summary of programme performance for the quarter under review.



Table 20: Actual performance against annual planned target (as initially tabled in March)

PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.1	Viable cross border road transport regulator	Implemented approved HR Strategy implementation plan	Percentage implementation of HR strategy initiatives	<b>Target not achieved</b>  The initiative that the Agency was able to roll out is the C-BRTAs Values campaigns that mainly used internal communications platform on outlook.  With regard to the culture definition project, the service provider was appointed, and the project is underway	<b>Target achieved</b>  100% was achieved upon full implementation of HR Strategy initiatives that were identified for 2022/23	Implemented 100% of the annual implementation plan linked to the HR Strategy	<b>Target achieved</b>  All quarterly targets that were set for implementation of annual implementation plan linked to the HR Strategy were achieved as follows. Q1: 20% Implemented Q2: 30% Implemented Q3: 20% Implemented Q4: 30% implemented  100% achieved for 2023/24	Not applicable, target achieved	No revisions were made after tabling in March.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.2	Viable cross border road transport regulator	Implemented Integrated Communication Strategy implementation plan	Percentage implementation of the Integrated Communication Strategy	<b>Target was achieved</b>  All planned initiatives of the integrated communication strategy were implemented as planned.	<b>Target achieved</b>  76.47% was achieved as a result of implementing fourteen (14) out of seventeen (17) initiatives of the integrated communications strategy.	Implemented 100% of the annual implementation plan linked to the Integrated Communications Strategy	<b>Target achieved</b>  All quarterly targets that were set for implementing the annual implementation plan linked to the Integrated Communications Strategy were achieved as follows: Q1: Revised integrated communication strategy Q2: 40% Implemented Q3: 20% Implemented Q4: 40% implemented  100% achieved for 2023/24	Not applicable, target achieved	No revisions were made after tabling in March.



PROGRAMME 5 : ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.3	Viable cross border road transport regulator	Implemented Digital IT Strategy implementation plan	Percentage implementation of the Digital IT Strategy	<b>Target achieved</b> iCBMS was successfully launched during the financial year and integrated with three (3) other external systems i.e. Sage Evolution (for financial transactions), eNATIS (for vehicle verification services) and the Payment Gateway (for online permit payment services).	<b>Target achieved</b> DMPP Pilot was conducted as planned. The close-out report was submitted to EXCO for approved.	Implemented 100% of the annual implementation plan linked to the Digital IT Strategy	<b>Target not achieved</b> Some of the quarterly targets that were set for implementation of annual implementation plan linked to the Digital IT Strategy were not achieved: Q1: Developed the Digital IT Strategy Annual Implementation plan ; target achieved Q2: 30% target was not achieved, Q3: 30% target not achieved but recovered in Q4. Recovered outstanding target but still had a shortfall.  The Agency achieved 95.03% implementation of plan linked to digital IT strategy.	There was a shortfall of 4.97% due to delays by DIRCO to avail funds. The Agency is currently looking into the possibility of applying a condonation to use the Agency's capital assets.	No revisions were made after tabling in March.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.4	Viable cross border road transport regulator	Acquired land and buildings	Percentage increase in Capital Assets	New target	New target	25% increase in Capital Assets	<b>Target not achieved</b>  Board Approved the Business Case and Implementation Plan for Acquisition of land and buildings.  However, no land and buildings were acquired due to the need to meet National Treasury regulations prior to progressing with offers to purchase.	The Agency is currently looking into the possibility of applying a condonation to use the Agency's capital assets.	No revisions were made after tabling in March.
5.5	Improved governance and strengthened control environment	Addressed Parliamentary questions	Percentage responses to Parliamentary questions received from DoT	<b>Target achieved</b>  All Parliamentary questions received by the Agency were attended to timeously.	<b>Target achieved</b>  All Parliamentary questions received from DoT were responded to within the stipulated timelines. The final report was approved by EXCO.	100% responses to parliamentary questions	<b>Target Achieved</b>  All four (4) parliamentary questions that were received during the year were processed and resulted in 100% achievement.	Not applicable, target achieved	Not applicable, target achieved



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.6	Improved governance and strengthened control environment	Resolved reported incidents of corruption	Percentage resolution of reported incidents of corruption	<b>Target not achieved</b>  A total of twelve (12) incidents were reported during the year and only eleven (11) of them were resolved, resulting to a 91.67% resolution of incidents reported.	<b>Target achieved</b>  100% of reported incidents of corruption were resolved and report approved by EXCO.	100% resolution of reported incidents of corruption	<b>Target achieved</b>  100% resolution of incidents reported	Not applicable, target achieved	No revisions were made after tabling in March.
5.7		Implemented SEC Annual Work Plan	Percentage implementation of the SEC Annual Workplan	<b>Target achieved</b>  The Social and Ethics Committee was established, inducted and trained during the financial year. Ethics training was also provided to various internal structures. The activities of the committee were monitored.	<b>Target achieved</b>  100% of the Social and Ethics Committee plan was implemented and report approved by EXCO.	Implemented 100% of the approved SEC Annual Workplan	<b>Target achieved</b>  100% implementation of SEC workplan was achieved upon successful implementation of 26 activities that were in the 2023/24 SEC plan.	Not applicable, target achieved	No revisions were made after tabling in March.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2021/2022	AUDITED ACTUAL PERFORMANCE 2022/2023	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.8	Improved governance and strengthened control environment	Resolved audit findings	Percentage implementation of action plans to address audit findings	<b>Target not achieved</b>  The Agency has managed to resolve 94% (322/344*100) of the audit findings during the financial year.	<b>Target not achieved</b>  88.24% was achieved the target remains not achieved for the year.	100% implementation of action plans to address audit findings	<b>Target not achieved</b>  75% (3 out of 4) audit findings were addressed	Outstanding audit finding is beyond Agency's control as it depends on the DoT to resolve.	No revisions were made after tabling in March.
5.9		Unqualified audit outcomes	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	<b>Target achieved</b>  The Agency received a clean audit in its 2020/21 financial year.	<b>Target achieved</b>  The Agency was audited by AGSA that reported a clean audit outcome for the 2021/22 financial year.	Unqualified Audit Report with no significant findings	<b>Target achieved</b>  The Agency achieved a clean audit for 2022/23. Making it the ninth consecutive clean audit to be achieved by the Agency	Not applicable, target achieved	No revisions were made after tabling in March.
5.10		PFMA payment requirement compliant	Percentage compliance to 30-day payment requirement	<b>Target achieved</b>  All valid invoices received were paid with the prescribed timelines.	<b>Target achieved</b>  100% of valid invoices were paid within 30 days and management accounts approved by EXCO.	100% of valid invoices paid within 30 days	<b>Target achieved</b>  The Agency has paid valid invoices within 30 days as targeted for each quarter.	Not applicable, target achieved	No revisions were made after tabling in March.



Table 21: Post re-tabling in October 2023

PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.1	Viable cross border road transport regulator	Implemented approved HR Strategy implementation plan	Percentage implementation of HR strategy initiatives	<p><b>Target not achieved</b></p> <p>The initiative that the Agency was able to roll out is the C-BRTAs Values campaigns that mainly used internal communications platform on outlook.</p> <p>With regard to the culture definition project, the service provider was appointed, and the project is underway</p>	<p><b>Target achieved</b></p> <p>100% was achieved upon full implementation of HR Strategy initiatives that were identified for 2022/23</p>	Implemented 100% of the annual implementation plan linked to the HR Strategy	<p><b>Target achieved</b></p> <p>All quarterly targets that were set for implementation of annual implementation plan linked to the HR Strategy were achieved as follows.</p> <p>Q1: 20% Implemented Q2: 30% Implemented Q3: 20% Implemented Q4: 30% implemented</p> <p>100% achieved for 2023/24</p>	Not applicable, target achieved	No revisions were made after tabling in March.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.2	Viable cross border road transport regulator	Implemented Integrated Communication Strategy implementation plan	Percentage implementation of the Integrated Communication Strategy	<b>Target was achieved</b>  All planned initiatives of the integrated communication strategy were implemented as planned.	<b>Target achieved</b>  76.47% was achieved as a result of implementing fourteen (14) out of seventeen (17) initiatives of the integrated communications strategy.	Implemented 100% of the annual implementation plan linked to the Integrated Communications Strategy	<b>Target achieved</b>  All quarterly targets that were set for implementing the annual implementation plan linked to the Integrated Communications Strategy were achieved as follows. Q1: Revised integrated communication strategy Q2: 40% Implemented Q3: 20% Implemented Q4: 40% implemented  100% achieved for 2023/24	Not applicable, target achieved	No revisions were made after tabling in March.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.3	Viable cross border road transport regulator	Implemented Digital IT Strategy implementation plan	Percentage implementation of the Digital IT Strategy	<b>Target achieved</b> iCBMS was successfully launched during the financial year and integrated with three (3) other external systems i.e. Sage Evolution (for financial transactions), eNATIS (for vehicle verification services) and the Payment Gateway (for online permit payment services).	<b>Target achieved</b> DMPP Pilot was conducted as planned. The close-out report was submitted to EXCO for approved.	Implemented 100% of the annual implementation plan linked to the Digital IT Strategy	<b>Target not achieved</b>  Some of the quarterly targets that were set for implementation of annual implementation plan linked to the Digital IT Strategy were not achieved: Q1: Developed the Digital IT Strategy Annual Implementation plan ; target achieved Q2: 30% target was not achieved, Q3: 30% target not achieved but recovered in Q4. Recovered outstanding target but still had a shortfall.  The Agency achieved 95.03% implementation of plan linked to digital IT strategy.	There was a shortfall of 4.97% due to delays by DIRCO to avail funds. The Agency is currently looking into the possibility of applying a condonation to use the Agency's capital assets.	No revisions were made after tabling in March.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.4	Viable cross border road transport regulator	Acquired land and buildings	Percentage increase in Capital Assets	New target	New target	25% increase in Capital Assets	<b>Target not achieved</b>  Board Approved the Business Case and Implementation Plan for Acquisition of land and buildings. However, no land and buildings were acquired due to the need to meet National Treasury regulations prior to progressing with offers to purchase.	The Agency is currently looking into the possibility of applying a condonation to use the Agency's capital assets.	No revisions were made after tabling in March.
5.5	Improved governance and strengthened control environment	Addressed Parliamentary questions	Percentage responses to Parliamentary questions received from DoT	<b>Target achieved</b>  All Parliamentary questions received by the Agency were attended to timeously.	<b>Target achieved</b>  All Parliamentary questions received from DoT were responded to within the stipulated timelines. The final report was approved by EXCO.	100% responses to parliamentary questions	<b>Target Achieved</b>  All four (4) parliamentary questions that were received during the year were processed and resulted in 100% achievement.	Not applicable, target achieved	No revisions were made after tabling in March.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.6	Improved governance and strengthened control environment	Resolved reported incidents of corruption	Percentage resolution of reported incidents of corruption	<b>Target not achieved</b>  A total of twelve (12) incidents were reported during the year and only eleven (11) of them were resolved, resulting to a 91.67% resolution of incidents reported.	<b>Target achieved</b>  100% of reported incidents of corruption were resolved and report approved by EXCO.	100% resolution of reported incidents of corruption	<b>Target achieved</b>  100% resolution of incidents reported	Not applicable, target achieved	No revisions were made after tabling in March.
5.7		Implemented SEC Annual Work Plan	Percentage implementation of the SEC Annual Workplan	<b>Target achieved</b>  The Social and Ethics Committee was established, inducted and trained during the financial year. Ethics training was also provided to various internal structures. The activities of the committee were monitored.	<b>Target achieved</b>  100% of the Social and Ethics Committee plan was implemented and report approved by EXCO.	Implemented 100% of the approved SEC Annual Workplan	<b>Target achieved</b>  100% implementation of SEC workplan was achieved upon successful 26 activities that were in the 2023/24 SEC plan.	Not applicable, target achieved	No revisions were made after tabling in March.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.8	Improved governance and strengthened control environment	Resolved audit findings	Percentage implementation of action plans to address audit findings	<b>Target not achieved</b>  The Agency has managed to resolve 94% (322/344*100) of the audit findings during the financial year.	<b>Target not achieved</b>  88.24% was achieved the target remains not achieved for the year.	100% implementation of action plans to address audit findings	<b>Target not achieved</b>  75% (3 out of 4) audit findings were addressed	Outstanding audit finding is beyond Agency's control as it depends on the DoT to resolve.	No revisions were made after tabling in March.
5.9		Unqualified audit outcomes	Regulatory Audit Outcome by the Auditor-General of South Africa (AGSA)	<b>Target achieved</b>  The Agency received a clean audit in its 2020/21 financial year.	<b>Target achieved</b>  The Agency was audited by AGSA that reported a clean audit outcome for the 2021/22 financial year.	Unqualified Audit Report with no significant findings	<b>Target achieved</b>  The Agency achieved a clean audit for 2022/23. Making it the ninth consecutive clean audit to be achieved by the Agency	Not applicable, target achieved	No revisions were made after tabling in March.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.10	Improved governance And strengthened control environment	PFMA payment requirement compliant	Percentage compliance to 30-day payment requirement	<b>Target achieved</b>  All valid invoices received were paid with the prescribed timelines.	<b>Target achieved</b>  100% of valid invoices were paid within 30 days and management accounts approved by EXCO.	100% of valid invoices paid within 30 days	<b>Target achieved</b>  The Agency has paid valid invoices within 30days as targeted for each quarter.	Not applicable, target achieved	No revisions were made after tabling in March.
5.11		Reduced cases of fruitless and wasteful expenditure	Percentage reduction of fruitless and wasteful expenditure	New target	New target	100% reduction of cases of fruitless and wasteful expenditure	<b>Target achieved</b>  No fruitless expenditure has been reported	Not applicable, target achieved	The output was not included in the initial plan tabled in Parliament in March 2023. The gap was since identified and had to be addressed.



## PROGRAMME 5: ADMINISTRATION

NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.12	Improved governance And strengthened control environment	Reduced cases of irregular expenditure	Percentage reduction of cases of irregular expenditure	New target	New target	100% reduction of cases of irregular expenditure	<b>Target achieved</b>  No irregular expenditure has been reported for the period under review	Not applicable, target achieved	The output was not included in the initial plan tabled in Parliament in March 2023. The gap was since identified and had to be addressed.



PROGRAMME 5: ADMINISTRATION									
NO.	OUTCOME	OUTPUT	OUTPUT INDICATOR	AUDITED ACTUAL PERFORMANCE 2020/2021	AUDITED ACTUAL PERFORMANCE 2021/2022	PLANNED ANNUAL TARGET 2023/2024	ACTUAL ACHIEVEMENT 2023/2024	DEVIATION FROM PLANNED TARGET TO ACTUAL ACHIEVEMENT 2023/2024	REASONS FOR REVISIONS TO THE OUTPUT/ OUTPUT INDICATORS/ ANNUAL TARGET
5.13	Improved transport sector skills capacity	Interns recruited	Number of interns recruited	New target	New target	21 interns recruited	<b>Target achieved</b>  22 interns were recruited during the period but one resigned. The Agency had 21 interns at the time of reporting.	Target was exceeded by one(1) because RTI Profiling unit needed an additional person and motivated for it.	This target was added in October upon the review of the APP. This is because RTI unit returned to the Agency in April 2024. The DPME called for reviews when the Agency was planning to submit an addendum.



### 3.5.2. OTHER PRIORITIES – IT DIVISION

The following are additional outputs implemented by IT Services at an operational plan level. These activities are critical to Agency's viability.

#### 3.5.2.1. Implemented Refined Operator Compliance Accreditation System (OCAS)

For the year under review, the Agency aimed to develop and implement the Operator Compliance Accreditation System (OCAS) for full OCAS system integration with CrossEasy. The OCAS System was deployed into production and the initial pilot with SARS took place in March 2024. The subsequent piloting of OCAS, with the identified operators, is in execution mode in consultation with Regulatory and Facilitation & Advisory Divisions. All business requirements, including Governance documentation for the project was also completed and the refined OCAS was also signed off by business and implemented.

#### 3.5.2.2. Harmonised Cross Border Management Systems within the Region

The Agency engaged some member states, namely Lesotho and Angola, to initiate pilot projects for CrossEasy. The engagements were led by the Facilitation and Advisory unit. Progress with countries engaged was as follows:

- **Lesotho** – necessary engagements were held and the Agency initiated the pilot project which is currently underway. Some of the activities done include the finalisation of governance documentation.
- **Angola** – progress made during year under review includes official agreement to implement the CrossEasy pilot system after signing the contract

in January 2024. The pilot project has not yet commenced due to budgetary constraints which are being mitigated internally within the Agency.

This initiative had a budget challenge which retards desired progress as it causes delays and stifles decision-making. The Department of International Relations and Co-operation (DIRCO) still awaits the decision on the budget from the Ministry of Finance. As at the end of the year, the Agency was in the process of initiating internal discussions relating to the budget to pilot CrossEasy in Lesotho and Angola.

#### 3.5.2.3. Implemented 4IR or Digital Technologies

Azure cloud services was implemented for the hosting of C-BRTA business system and the Production/live, Quality Assurance and User Acceptance Testing CrossEasy environments were successfully migrated to the Azure cloud environment.

The Agency successfully rolled out Microsoft Copilot which is an AI-driven search assistant designed to enhance web search experiences by providing context-aware recommendations, predictive suggestions, and personalised insights. Further to that, the Agency identified collaborative opportunities (e.g. Sasol) in the area of Generative AI as it aims to pilot the use of AI in the business.

#### 3.5.2.4. Managed IT Systems and Information Availability (IT Disaster Recovery Services)

For the year under review, the Agency intended to replicate the production servers to the off-site disaster recovery (DR) site and conduct a test of the disaster

recovery plan. To this end, all production servers were successfully replicated (with no reported issues) and also the second Disaster Recovery test for the financial year was successfully conducted. All tested IT systems were successfully recovered during the DR test and were within the recovery time and recovery point objectives.

#### 3.5.2.5. Managed IT Systems Integrity (IT System Maintenance)

As part of its standard approaches to making the Agency a viable institution, focus during 2023/24FY was on conducting regular maintenance to ensure the integrity of the IT systems and information of the Agency. Some of the activities include continuous patching and updating of IT systems.

#### 3.5.2.6. Managed Cybersecurity and IT Security

The Agency successfully implemented 91% (10 of 11) initiatives of the IT Security Strategy Implementation Plan. The accomplishments for 2023/24FY includes awareness campaigns that were rolled out using the Mimecast Cyber Awareness solution and to implement Network Access Control (NAC). The NAC solution had been deployed to ground floor network switches; however, network timeouts were encountered, and the change had to be reverted.

The Agency will progress with implementation in 2024/25FY subject to appointment of service provider. In line with this initiative, the Agency will proceed to implement across all internal network ports in 2024/25. As the year came to a close, the Agency was working to resolve the issues experienced.

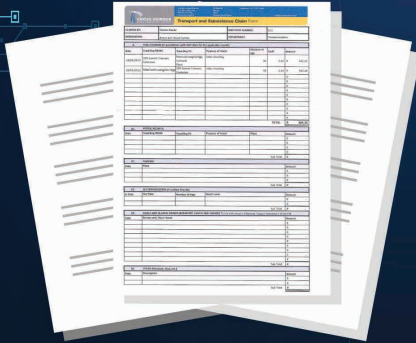


### 3.5.3. LINKING PERFORMANCE WITH BUDGETS

Table 22: Performance against Budgets


PROGRAMME/ACTIVITY/OBJECTIVE	2022/2023			2023/2024		
	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE	BUDGET	ACTUAL EXPENDITURE	(OVER)/UNDER EXPENDITURE
	R'000	R'000	R'000	R'000	R'000	R'000
Administration	159,438	148,129	11,309	155,807	141,437	14,370
<b>Total</b>	<b>159,438</b>	<b>148,129</b>	<b>11,309</b>	<b>155,807</b>	<b>141,437</b>	<b>14,370</b>

**Out with the OLD**



**manual**

**IN with the NEW**



**electronic**

*we are going digital....*

**25** 25 Years of Quality Service:  
 • Regulation • Facilitation  
 • Law Enforcement • Advisory

**CROSS-BORDER**

**CLAIMS PROCESS**  
at your finger tips.

- remote access
- secure and convenient
- easy to use
- records of claims

*we are going digital....*

**25** 25 Years of Quality Service:  
 • Regulation • Facilitation  
 • Law Enforcement • Advisory

**CROSS-BORDER**



## 4. REVENUE COLLECTION

Table 23: Revenue Collection

SOURCES OF REVENUE	2022/2023			2023/2024		
	ESTIMATE	ACTUAL AMOUNT COL- LECTED	(OVER)/UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COL- LECTED	(OVER)/UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
Permit Fees	256,751	288,780	32,028	231,280	243,872	12,592
Fines	65,000	78,838	13,838	37,307	75,196	37,889
Other Income	630	57	-573	758	855	97
Interest Received	11,000	17,697	6,697	5,175	11,385	6,210
<b>Total</b>	<b>333,382</b>	<b>385,372</b>	<b>51,990</b>	<b>274,520</b>	<b>331,308</b>	<b>56,788</b>



## 5. CAPITAL INVESTMENT

Table 24: Capital Investments

SOURCES OF REVENUE	2022/2023			2023/2024		
	ESTIMATE	ACTUAL AMOUNT COL- LECTED	(OVER)/UNDER COLLECTION	ESTIMATE	ACTUAL AMOUNT COL- LECTED	(OVER)/UNDER COLLECTION
	R'000	R'000	R'000	R'000	R'000	R'000
PPE	114,457	22,484	91,973	17,220	1,361	15,859
Intangible Assets	25,616	11,412	14,204	7,330	6,280	1,050
<b>Total</b>	<b>140,163</b>	<b>33,896</b>	<b>106,177</b>	<b>24,550</b>	<b>7,641</b>	<b>16,909</b>





## **Part C:** Governance







## 1. Introduction

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance.

Parliament, the Executive and the Accounting Authority of the public entity are responsible for corporate governance. the C-BRTA Board's establishment and authority are derived from the Cross-Border Road Transport Act. As the governing body, the Board represents and oversees the Agency's activities. The Board, functioning as the Accounting Authority, plays a pivotal role in providing strategic direction to the Agency. This involves setting goals and strategic objectives and monitoring the performance of the Agency to ensure alignment with these directives. By fulfilling these responsibilities, the Board ensures that the C-BRTA operates effectively and efficiently, meeting its mandated objectives and serving the interests of stakeholders in the cross-border road transport sector.

## 2. Portfolio Committees

During the year under review, the C-BRTA Board appeared before the Portfolio Committee on Transport on 10 October 2023 to present the 2022/23 Annual Report.



The Board of Directors played a crucial role in exercising oversight and providing strategic guidance to the Agency. Their efforts seem to have paid off, as there were no issues of concern raised during the presentation. The commendation from the Portfolio Committee on Transport reflects the sterling work and overall operation of the Agency.

## 3. Executive Authority

The shareholder representative is the Minister of Transport. The Board annually conclude a Performance Agreement (Shareholder Compact) documenting the mandated key performance measures and indicators to be attained by the Agency as agreed between the Board and the Executive Authority.

The C-BRTA Board ensured timely submission of Quarterly Performance Reports to the Executive Authority

in accordance with the timelines mandated by the Public Finance Management Act. This demonstrates the Board's commitment to accountability and transparency in its reporting processes.

Furthermore, the presentation of the Annual Report, which included the audited 2022/23 Annual Financial Statements, to the Executive Authority at the Annual General Meeting held on 27 September 2023 underscores the Board's dedication to fulfilling its reporting obligations. This meeting likely provided an opportunity for the Executive Authority to review and approve the Agency's performance and financial statements, ensuring alignment with legal requirements and organisational goals.



## 4. The Accounting Authority / Board

### 4.1 INTRODUCTION

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 role of the Board is as follows:

- To Provide strategic direction and ethical leadership;
- To monitor and evaluate the implementation of strategies and the management of performance;
- To ensure good corporate governance and ethics and ensuring that appropriate policies are in place;
- To ensure that the Agency complies with all relevant laws, regulations and government policy;
- To ensure that risks of the organisation are properly managed and mitigated;
- To define the levels of materiality;
- To assess the effectiveness of the internal control environment;
- To set the corporate governance systems;
- To ensure sound ICT governance and effective and efficient use of IT systems;
- To discharge legislative duties and exercise any power conferred to it by the C-BRT Act.
- To adopt the Combined Assurance Model to integrate and align assurance processes to maximise risk and governance oversight and control efficiencies.

### 4.1 BOARD CHARTER

The Board Charter serves as a guiding document that outlines the roles, responsibilities, and processes governing the operation of the Board. It is a vital tool for effective governance, ensuring clarity, alignment, and continuous improvement. In accordance with the recommendations of the King Code (which promotes corporate governance best practices), the Board Charter typically includes the following key components:

- The Board's role and responsibilities 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 outlines the roles, structures, and functions of the Board, along with essential procedures and establishment of various committees to focus on specific areas to assist the board in its functions.

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 within reasonable times to prepare for 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 evaluation of the Board was conducted during the 2022/2023 financial year and the next evaluation will be for the 2023/24 financial year.



## 4.2 COMPOSITION OF THE BOARD

The Board comprises twelve members in total. Ten of these members are Non-Executive Directors. These Non-Executive Directors are appointed by the Minister for a term of three years. The Minister further appoints a representative who does not have voting rights but sits on the Board. The Chief Executive Officer (CEO) is the sole executive member on the Board. As of now, there is a vacancy for the Deputy Chairperson's position on the Board. The matter is currently being addressed by the Shareholder.

The Minister filled the vacancies that existed beginning of the financial by appointing two members with expertise in cross-border road transport of passengers. The induction process for these members was conducted to ensure that they are well-acquainted with their roles, responsibilities, and the intricacies of the Agency's operations. Effective onboarding is crucial for successful integration into the Board and contribution to the C-BRTA's mission.

**Table 25: Composition of Board Members**

NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Adv. Sonwabile Mancotywa</b>	Board Chairperson	15 Febru- ary 2023	N/A	<ul style="list-style-type: none"> <li>Management Advanced Programme</li> <li>Post graduate qualifica- tion in Management Practice</li> <li>Bachelor of Laws- (LLB)</li> <li>B.Juris</li> </ul>	<ul style="list-style-type: none"> <li>Strategic analysis and insight</li> <li>Strategic planning and development</li> <li>Relationship build- ing and networking</li> <li>Negotiating and political acumen</li> <li>Presentation and communication</li> <li>Business and emo- tional intelligence</li> </ul>	<ul style="list-style-type: none"> <li>Ntinga Development Agency SOC Ltd</li> <li>Raymond Mhlaba Municipality</li> <li>Eastern Cape Tourism Board</li> </ul>	<ul style="list-style-type: none"> <li>Chairperson of the Regulatory Committee</li> </ul>	7 of 7



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Ms. Lerato Molebatsi</b>	Deputy Board Chairperson	28 June 2021	31 July 2023	<ul style="list-style-type: none"> <li>• Post Grad Rural Development &amp; Management</li> <li>• Bachelor of Art Degree in Psychology</li> <li>• Senior Executive Leadership Programme</li> <li>• Diploma in Senior Management Development Programme</li> </ul>	<ul style="list-style-type: none"> <li>• Strategy and planning</li> <li>• Financial Services</li> <li>• Mining</li> <li>• Public Sector experience</li> <li>• Non-Profit Organisation</li> <li>• Professional Service Industries</li> <li>• Corporate Social Investment</li> <li>• Stakeholder Relations</li> <li>• Governance</li> <li>• Policy Development</li> <li>• Black Economic Empowerment</li> <li>• Marketing and investor relations</li> <li>• Transformation management</li> <li>• Communications and public affairs.</li> </ul>	<ul style="list-style-type: none"> <li>• South African Reserve Bank</li> <li>• Spur Corporation</li> <li>• Financial Sector Conduct Authority (FSCA)</li> <li>• African Piping Projects</li> <li>• Petra Diamonds</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Regulatory Committee</li> <li>• Member of the Human Resource and Remuneration Committee</li> </ul>	2 of 7 (Re-signed)



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Prof. Isaac Shai</b>	Board Mem- ber	28 June 2021	29 May 2023	<ul style="list-style-type: none"> <li>• Doctor of Laws – (LLD)</li> <li>• Master of Laws –(LLM)</li> <li>• Bachelor of Law- (LLB)</li> <li>• Certificate in Legislative</li> <li>• Bachelor of Arts</li> <li>• Admitted Advocate</li> </ul>	<ul style="list-style-type: none"> <li>• Legal expertise</li> <li>• Strategic legal and policy advisory</li> <li>• Policy develop- ment and policy drafting Regulatory law advisory international law advisory</li> <li>• Legislative drafting</li> <li>• Contract drafting</li> <li>• Corporate Governance</li> </ul>	Director: Phoenix Africa Group	<ul style="list-style-type: none"> <li>• Member of the Regulatory Committee</li> </ul>	0 of 7 (Re- signed)
<b>Ms. Zukisa Ramasia</b>	Board Mem- ber	28 June 2021	N/A	<ul style="list-style-type: none"> <li>• Post Grad Diploma in Management</li> <li>• Leadership Development</li> <li>• Diploma in Airline Management</li> <li>• Human Resource Development (Hons)</li> <li>• Bachelor of Arts</li> <li>• Senior Secondary Teachers Diploma</li> </ul>	<ul style="list-style-type: none"> <li>• Aviation Expert</li> <li>• Strategy and plan- ning</li> <li>• Corporate Governance</li> <li>• Leadership in large complex organisa- tion</li> <li>• Stakeholder Management</li> <li>• Drive Transformation</li> <li>• Global Business Strategy and Execution</li> </ul>	<ul style="list-style-type: none"> <li>• SANParks</li> <li>• Chairperson: Tourism Committee</li> <li>• Conservation and Socio – Economic Transformation Committee member</li> <li>• GGT2030 Technical Advisory Committee Panel Member on Air Access</li> </ul>	<ul style="list-style-type: none"> <li>• Chairperson of the Human Resources and Remuneration Committee</li> <li>• Member of the Regulatory Committee</li> </ul>	4 of 7



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Adv. Adila Chowan CA(SA) CD(SA)</b>	Board Mem- ber	28 June 2021	N/A	<ul style="list-style-type: none"> <li>Chartered Accountant</li> <li>Bachelor of Accountancy</li> <li>Bachelor of Laws (LLB)</li> <li>Post Graduate Diploma in Accounting</li> <li>Admitted Advocate of the High Court.</li> <li>Certified Director in Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>Accounting</li> <li>Labour Law and Company Law</li> <li>Corporate Governance</li> <li>Corporate Strategy</li> </ul>	<ul style="list-style-type: none"> <li>Khula Sizwe</li> <li>Communi-care NPO</li> <li>NECSA</li> <li>PELCHEM</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Audit and Risk Committee</li> <li>Member of the Social and Ethics Committee</li> </ul>	5 of 7
<b>Ms. Lebogang Letsoalo</b>	Board Mem- ber	28 June 2021	N/A	<ul style="list-style-type: none"> <li>Masters in Business Administration</li> <li>B-Tech Logistics</li> <li>Diploma in Purchasing</li> </ul>	<ul style="list-style-type: none"> <li>Supply Chain</li> <li>Transport and Logistics</li> <li>Enterprise and Supplier Development</li> <li>Project Developmental</li> <li>Supply Chain Advisor and Advocacy</li> </ul>	<ul style="list-style-type: none"> <li>Sincpoint</li> <li>AWISCA</li> <li>Thola Trust</li> <li>Booyco Engineering</li> <li>Jet Demolition</li> <li>Inqolobane Investment Managers</li> <li>Hennry Trading</li> <li>Black Industrialists Group</li> <li>Transnet</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Regulatory Committee</li> <li>Member of the Social and Ethics Committee</li> </ul>	5 of 7



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Mr. Monwabisi Andile Kolanisi</b>	Board Member	28 June 2021	N/A	<ul style="list-style-type: none"> <li>• Masters in (Management of People, Technology, Innovation)</li> <li>• Management Development Programme</li> <li>• Leadership Development</li> <li>• Access Programme in Economic Science</li> <li>• Executive Course in Strategic Leadership</li> <li>• Applying the Labour Relations</li> <li>• Trade Union Educators Course</li> <li>• Facilitator/ Educator Course</li> </ul>	<ul style="list-style-type: none"> <li>• Labour Relations</li> <li>• Human Capital</li> <li>• Strategy development and implementation</li> <li>• Performance Management</li> </ul>	<ul style="list-style-type: none"> <li>• Khumbeni Supplies</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Social and Ethics Committee</li> <li>• Member of the Human Resources and Remuneration</li> </ul>	6 of 7



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Mr. Kevin van der Merwe</b>	Board Mem- ber	28 June 2021	N/A	<ul style="list-style-type: none"> <li>Diploma in Traffic Science</li> <li>Occupation Directed Education Training and Development Practitioner.</li> <li>Traffic Officer Diploma</li> <li>Examiner of Vehicles</li> <li>Examiner of Driving Licenses</li> <li>SANAS Certificate</li> </ul>	<ul style="list-style-type: none"> <li>Freight expert</li> <li>South African Association of Road Transport Consultants</li> <li>Road Traffic and Road Transport legislation</li> </ul>	<ul style="list-style-type: none"> <li>ATL Mobility CC</li> <li>Mpumalanga Transport Consultants (Pty) Ltd</li> <li>ATL Mobility Consulting (Pty) Ltd.</li> <li>Free State Consulting (Pty) Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Regulatory Committee</li> <li>Member of the Human Resources and Remuneration Committee</li> <li>Road Freight Logistics Task Team</li> </ul>	6 of 7
<b>Ms. Loyiso Kula CD(SA)</b>	Board Mem- ber	28 June 2021	N/A	<ul style="list-style-type: none"> <li>Master of Science in Risk Management</li> <li>Masters in Business Administration</li> <li>Bachelor of Commerce</li> <li>Certified Director in Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Strategy</li> <li>Corporate Governance</li> <li>Oversight and people management</li> <li>Project Management</li> <li>Corporate Governance</li> <li>Communications and Stakeholder Engagement Operations</li> </ul>	<ul style="list-style-type: none"> <li>ABSA Bank Group Employment Equity and Diversity Forum</li> <li>Obama Foundation Leaders: Africa</li> <li>Sani Sistas Trust</li> </ul>	<ul style="list-style-type: none"> <li>Chairperson of the Social and Ethics</li> <li>Member of the Human Resources and Remuneration Committee</li> </ul>	7 of 7



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Dr. Lesley T. Luthuli</b>	Board Mem- ber	28 June 2021	N/A	<ul style="list-style-type: none"> <li>Advanced Diploma in Management (ADM) Milpark Business School</li> <li>Commercial and Contract Law Certificate (UCT)</li> <li>Nyukela Public Service SMS Pre-Entry Programme Certificate</li> <li>Master of Business Administration (MBA) Milpark Business School</li> <li>PhD from the Faculty of Economic and Management Sciences with main field of study in Business Administration (NWU)</li> </ul>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Business Strategy and Execution</li> <li>Consultant in Business Development: Rail and Energy and Infrastructure</li> <li>Financial Management</li> <li>Economics</li> </ul>	<ul style="list-style-type: none"> <li>South African National Biodiversity Institute (SANBI)</li> <li>Research Development and Innovation</li> <li>C-BRTA Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Member of the Social and Ethics Committee</li> <li>Member of the Audit and Risk</li> </ul>	6 out of 7



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Mr Leroy Nsibande CD(SA)</b>	Board Mem- ber	23 June 2023	N/A	<ul style="list-style-type: none"> <li>• Master of Philosophy with specialisation in Entrepreneurship</li> <li>• National Diploma in Cost and Management Accounting</li> <li>• Diploma in Management Studies</li> <li>• Certificate in Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Transport Optimisation; Rail, Road, Ports, Aviation</li> <li>• Business Process Re-Engineering</li> <li>• Strategy Execution</li> <li>• Supply Chain Logistics Operations</li> <li>• Benchmarking Supply Chains and Logistics</li> <li>• Stakeholder Engagement</li> <li>• Public Sector Regulatory Compliance</li> <li>• Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Air Services Licensing Council</li> <li>• LPG Holdings (Pty) Ltd.</li> <li>• Gert Sibande Foundation NPC</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Regulatory Committee</li> <li>• Member of the Social and Ethics Committee</li> </ul>	4 of 7



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Ms. Bukeka Mahlutsha- na CD(SA)</b>	Board Mem- ber	23 June 2023	N/A	<ul style="list-style-type: none"> <li>• Master of Philosophy in Development Finance</li> <li>• Honours Bachelor of Commerce in Business Management and Financial Management</li> <li>• Extracurricular Advanced Diploma Municipal Governance</li> <li>• Bachelor of Commerce</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Management</li> <li>• Corporate Finance</li> <li>• B-BBEE Financing</li> <li>• Development Finance</li> <li>• Public Transport</li> <li>• Corporate Governance</li> <li>• Strategic Leadership</li> <li>• Public Sector</li> </ul>	<ul style="list-style-type: none"> <li>• Lepelle Northern Water Board, Member of Finance Committee</li> <li>• TETA – member of the Road Passenger Chamber Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Regulatory Committee</li> <li>• Member of the Human Resources and Remuneration Committee</li> </ul>	5 of 7



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Mr. Christopher Hlabisa</b>	Shareholder Representa- tive	29 July 2020	N/A	<ul style="list-style-type: none"> <li>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.</li> <li>Management Development Programme (MDP)</li> <li>Financial Management, Business Management,</li> <li>Human Resource Management, Organisational Behaviour, Business Strategy and Industrial Relations.</li> </ul>	<ul style="list-style-type: none"> <li>Policies, Strategic Management</li> <li>Social Development</li> <li>Performance Management</li> <li>Budgeting,</li> <li>Acts and Regulations</li> <li>Government Initiatives</li> <li>Strategic Objectives and procedures</li> </ul>	None	<ul style="list-style-type: none"> <li>Member of the Regulatory Committee</li> </ul>	3 of 7



NAME	DESIGNATION (IN TERMS OF THE PUBLIC ENTITY BOARD STRUCTURE)	DATE APPOINTED	DATE RESIGNED	QUALIFICATIONS	AREA OF EXPERTISE	BOARD DIRECTORSHIPS (LIST THE ENTITIES)	OTHER COMMIT- TEES OR TASK TEAMS (E.G: AUDIT COMMIT- TEE / MINISTERIAL TASK TEAM)	NO. OF MEET- INGS AT- TENDED
<b>Mr Lwazi Mboyi</b>	Chief Execu- tive Officer	01 April 2022	N/A	<ul style="list-style-type: none"> <li>• B. Admin (Public Finance)</li> <li>• B. Admin Honours in Industrial Psychology (University of KZN)</li> <li>• Senior Executive Program (Wits &amp; Harvard Business Schools)</li> <li>• Africa Directors Program (USB and INSEAD)</li> <li>• Executive Development Program (UCT Business School)</li> </ul>	<ul style="list-style-type: none"> <li>• Business Management and Strategy</li> <li>• Financial Management</li> <li>• Corporate Management</li> <li>• Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>• CommCo (Pty) Ltd</li> <li>• Ladolor (Pty) Ltd</li> <li>• Amber Bay (Durban)- serves on invitation</li> </ul>	<ul style="list-style-type: none"> <li>• Member of the Regulatory Committee</li> <li>• Member of the Social and Ethics Committee</li> </ul>	5 of 7



### 4.3. COMMITTEES

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

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

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

**Table 26: Board Committee**

COMMITTEE ROLE AND RESPONSIBILITY	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
<b>REGULATORY COMMITTEE</b>	<b>6</b>	<b>8</b>	1. Advocate Sonwabile Mancotywa - Chairperson 2. Mr. Kevin van der Merwe 3. Ms. Lebogang Letsoalo 4. Ms. Bukeka Mahlutshana CD(SA) 5. Mr. Leroy Nsibande CD(SA) 6. Ms. Zukisa Ramasia 7. Mr. Chris Hlabisa 8. Mr. Lwazi Mboyi 9. Ms. Lerato Molebatsi (Resigned) 10. Prof Issac Shai (Resigned)
<b>HUMAN RESOURCES AND REMUNERATIONS COMMITTEE</b>	<b>6</b>	<b>5</b>	1. Ms. Zukisa Ramasia – Chairperson 2. Ms. Lerato Molebatsi (Resigned) 3. Ms. Loyiso Kula CD(SA) 4. Mr. Andile Kolanisi 5. Ms. Bukeka Mahlutshana CD(SA) 6. Mr. Kevin van der Merwe



COMMITTEE ROLE AND RESPONSIBILITY	NO. OF MEETINGS HELD	NO. OF MEMBERS	NAME OF MEMBERS
<b>SOCIAL AND ETHICS COMMITTEE</b>	<b>4</b>	<b>5</b>	<ol style="list-style-type: none"> <li>Ms. Loyiso Kula CD(SA) – Chairperson</li> <li>Mr. Monwabisi Andile Kolanisi</li> <li>Dr Lesly Luthuli</li> <li>Ms. Lebogang Letsoalo</li> <li>Mr. Leroy Nsibande CD(SA)</li> <li>Adv. Adila Chowan CA(SA) CD(SA)</li> <li>Mr. Lwazi Mboyi</li> </ol>
<b>AUDIT AND RISK COMMITTEE</b>	<b>10</b>	<b>5</b>	<ol style="list-style-type: none"> <li>Ms Zuziwe Ntsalaze CA(SA) – Chairperson</li> <li>Mr Bryan Chaplog CA(SA)</li> <li>Ms Margaret Phiri CA(SA)</li> <li>Adv. Adila Chowan CA(SA) CD(SA)</li> <li>Dr Lesley T Luthuli</li> </ol>



#### 4.4. REMUNERATION OF BOARD MEMBERS

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

**Table 27: Board Members Remuneration**

NAME	REMUNERATION	OTHER ALLOWANCE	OTHER RE-IMBURSEMENTS	TOTAL
Adv. Sonwabile Mancotywa (Chairperson) (Appointed 15 February 2023)	227 688	-	73 951	301 639
Ms. Lerato Molebatsi (Deputy Chairperson) (Resigned 31 July 2023)	62 138	-	3 750	65 888
Prof. Isaac Shai (Resigned 31 July 2023)	62 138	-	-	62 138
Ms. Zukisa Ramasia (Appointed 28 June 2021)	186 414	-	7 362	193 776
Adv. Adila Chowan CA(SA) CD(SA) (Appointed 28 June 2021)	186 414	-	2 112	188 526
Mr. Monwabisi Andile Kolanisi (Appointed 28 June 2021)	186 414	-	322	186 736
Mr. Kevin Daniel van der Merwe (Appointed 28 June 2021)	186 414	-	-	186 414
Ms. Loyiso Kula CD(SA) (Appointed 28 June 2021)	186 414	-	2 115	188 529
Dr. Lesley Thulani Luthuli (Appointed 28 June 2021)	186 414	-	644	187 058
Ms. Lebogang Letsoalo	186 414	-	1 476	187 890
Ms. B Mahlutshana CD(SA) (Appointed 01 September 2023)	139 810		6 319	146 129
Mr. Leroy Nsibande CD(SA) (Appointed 01 September 2023)	139 810		6 311	146 121
<b>TOTAL</b>	<b>1 936 482</b>	<b>-</b>	<b>104 362</b>	<b>2 040 844</b>



## 5. Risk Management

The Board assumes the role of oversight over risk management and its implementation through the Audit and Risk committee which continues to report to the Board on the implementation of the risk management system within the Agency.

During the reporting period the Risk Management Policy and Framework were reviewed and approved by the Board. The Board and management of the Agency conducted risk assessments where new and emerging risks were identified and included in the Risk Management Plan of the Agency for the financial year. The Risk Management Plan continued to be monitored and reporting was compiled to provide an assessment of progress made.

The risk culture maturity assessment was conducted for the Agency, and it was assessed at an overall score of 3.9. A three year and annual risk management implementation plan were drafted for the financial year in line with the recommendations provided by the maturity assessment, the plans are being used to assist the Agency in enhancing the risk management culture and achieving the desired risk maturity level 5.

The Agency has approved a Risk appetite and Tolerance Framework as a tool to effectively inform and direct risk decision-making by management. The framework serves to support conscious and profitable risk-taking, enhances and enables performance and reduces critical failures.

## 6. Internal Control Unit

The Agency has an approved Internal Control Framework which serves to assist in implementing sound and effective internal control systems within its operations. The Framework is used to assist management in overseeing better control over the entity. The Framework is supported by an approved Internal Control Implementation Plan implemented during the financial year, quarterly reports were drafted and submitted to the Board through the Audit and Risk Committee to provide oversight on the progress made.



## 7. Audit and Risk Committee

The table below discloses relevant information on the audit and risk committee members

**Table 28: Audit and Risk Committee**

NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RE-SIGNED	NO. OF MEETINGS ATTENDED
<b>Ms. Zuziwe Ntsalaze CA(SA)</b>	<ul style="list-style-type: none"> <li>Chartered Accountant CA(SA)</li> <li>Masters in business administration (Cum laude)</li> <li>Postgraduate Diploma in Risk Management</li> </ul>	External – ARC Chairperson	N/A	17 February 2021	Re-appointed in October 2023	10 out of 10
<b>Mr. Bryan Chaplog CA(SA)</b>	<ul style="list-style-type: none"> <li>CA(SA) Chartered Accountant CA(SA)</li> <li>B Com Accounting Degree CTA/B Compt Honours</li> </ul>	External	N/A	01 March 2022	To-date	10 out of 10
<b>Ms. Margaret Phiri CA(SA)</b>	<ul style="list-style-type: none"> <li>Chartered Accountant CA(SA)</li> <li>B Com Accounting Degree CTA/B Compt Honours</li> </ul>	External	N/A	01 March 2022	To-date	9 out of 10
<b>Advocate Adila Chohan CA(SA) CD(SA)</b>	<ul style="list-style-type: none"> <li>Chartered Accountant</li> <li>Bachelor of Accountancy Bachelor of Laws (LLB)</li> <li>Post Graduate Diploma in Accounting</li> <li>Admitted Advocate of the High Court</li> <li>Certified Director</li> </ul>	External	Board representative	28 July 2021	To-date	9 out of 10



NAME	QUALIFICATIONS	INTERNAL OR EXTERNAL	IF INTERNAL, POSITION IN THE PUBLIC ENTITY	DATE APPOINTED	DATE RE-SIGNED	NO. OF MEETINGS ATTENDED
<b>Dr Lesley T. Luthuli</b>	<ul style="list-style-type: none"> <li>Advanced Diploma in Management (ADM) Milpark Business School</li> <li>Commercial and Contract Law Certificate (UCT)</li> <li>Nyukela Public Service SMS Pre-Entry Programme Certificate</li> <li>Master of Business Administration (MBA) Milpark Business School</li> <li>PhD from the Faculty of Economic and Management Sciences with main field of study in Business Administration (NWU)</li> </ul>	Internal	Board Representative	22 August 2023	To - date	5 out of 10



## 8. Compliance with Laws and Regulations

Refer to Part E: PFMA Compliance Report for detailed information.

## 9. Fraud and Corruption

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

- Public Service Commission hotline at 0800 701 701;
- Email [ethicsline@cbirta.co.za](mailto:ethicsline@cbirta.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.

All reports received are treated with confidentiality and can be made anonymously. Reported incidents are independently evaluated by officials from the Integrity Management Services (IMS) and where appropriate, investigated internally and/ or referred to appropriate party. All the reported incidents of fraud and corruption were investigated, and reports issued.

## 10. Minimising Conflict of Interest

Managing conflict of interest forms an integral part of the sound ethical practices at the C-BRTA and is done beginning of financial year through mandatory Annual Financial Declarations of Interest by all employees. This is over and above the requirement that employees disclose matters of conflict of interest, as and when they arise. The financial declarations also applies to all new recruits joining the C-BRTA during the financial year.

There is also a process of verification of information disclosed which is undertaken by integrity Management Services (IMS) to provide some level of assurance on the disclosures. Where a potential conflict is identified an enquiry is registered by IMS and the matter is investigated further.



A gift policy is in place, which introduced a no-gift principle with the receipt of gifts only limited to the exceptions which are provided in the policy.

## 11. Code of Conduct

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

When there is an allegation of misconduct against an employee of C-BRTA for breach of code of conduct, an investigation is conducted to collect relevant evidence to substantiate the allegations, and formal disciplinary processes are initiated, where necessary. Sixteen matters of breach of code of conduct were dealt with during the period under review and only one could not be finalised by the end of the reporting period.




## 12. Health Safety and Environmental Issues

The Agency has an Occupational Health and Safety (OHS) Committee which exist to oversee health and safety issues across the organisation and monitor compliance with all relevant legislation and policies. During the reporting period, the C-BRTA held quarterly OHS Committee meetings and continued to implement planned health and safety activities which are geared towards ensuring that it creates a conducive environment for all employees. The Agency further has an approved OHS Policy and Emergency Evacuation Procedure in place that guides employees on health and safety matters. For the period under review, C-BRTA managed to conduct Health and safety training where 15 Fire Marshalls, 9 First Aiders, 9 OHS Reps, 2 Emergency Evacuation coordinators were trained, and such training programmes incorporated hazard risk identification and assessment. Three incidents were reported which involves 1 vehicle accident and 2 workplace incidents (where an employee slipped and fell from the steps/ sidewalks). The vehicle accident matter was dealt with in terms of the C-BRTA OHS Policy and the applicable legislation (COIDA) and the employee was integrated back to work within a reasonable time. The Health and Safety unit continues in creating awareness on health and safety matters in the workplace.

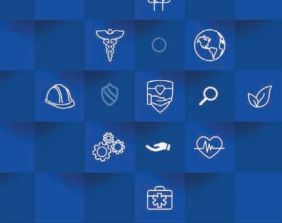
The C-BRTA noted its responsibility to participate in sustainable development not only as a duty to society but also as an opportunity to do well by doing good. It is in that spirit that the Agency embarked on a journey to develop a detailed Environmental, Social and Governance (ESG) Strategy. The Agency recognises that it is important to advance road transport facilitation in a manner that contributes to a thriving planet, society and business and do that in a manner that ensures the prioritisation of the United Nations (UN) Sustainable Development Goals (SDG's) that South Africa is signatory to.

The Agency's detailed ESG Strategy was approved in the 2023/24 financial year and pave way for implementing, monitoring and reporting on the goals and objectives of the strategic commitments.


The Agency is building up on the January 2022 implementation of its Cross-Easy online permit application system. The system has improved the environmental sustainability of the business whilst enhancing efficiencies and reducing the costs of doing businesses for cross-border operators through system capabilities for applying for cross-border permits online and creating flexibility.


**Internal Communiqué**

Practice effective housekeeping




**Health & Safety**  
**at work**




It is important to maintain a clean and organized workplace environment. Make housekeeping an ongoing project that everyone is involved in and keep these tips in mind:

- Prevent trips, slips and falls by keeping all floors clean and dry.
- Eliminate fire hazards by removing combustible materials and storing flammable materials away from sources of ignition.
- Keep the workplace clutter free.
- Store all materials and equipment properly.
- Regularly inspect equipment to make sure they are in good working order.


**25**  
SHIFTING BOUNDARIES TO IMPROVE TRADE

**25 Years of Quality Service:**

- Regulation
- Law Enforcement
- Facilitation
- Advisory





## 13. Company /Board Secretary

The Company Secretary plays a vital role in facilitating the effective operation of the Board and ensuring compliance with legal and regulatory requirements. The position further helps to maintain transparency, accountability, and integrity in the governance processes of the Cross-Border Road Transport Agency.

The Company Secretary also provides administrative support to the Board and its committees, including scheduling of meetings, preparing agendas, distributing meeting packs, and coordinating all the relevant activities..

## 14. Social Responsibility

The Agency is committed to investing in projects that bring positive social change in the geographical areas in which the Agency operates. The Agency operates within the communities that are not only impoverished but have unacceptable levels of illiteracy.

The policy identified socio-economic development initiatives that the Agency is committed to contributing towards upliftment of such communities. The C-BRTA understands the value of basic education and the role that a good foundation means in shaping young learners into talented individuals.

### 14.1. SUPPORTING DELANI PRIMARY SCHOOL

The Delani Primary School, a public school located at Thornwood, Pinetown, KwaZulu-Natal caters for more than 1300 school learners from grade R to grade 7. The school was led by the late principal, Mr. FE Mthembu. In July 2023, the Delani Primary School opened doors of its first ever school library since its establishment.

Understanding the vision of the late President Nelson Mandela of nurturing young minds for a better South Africa, during the period under review, the C-BRTA continued to promote quality education by supporting one of the primary schools in its Mandela Day initiative of July 2023. As part of the Agency's Corporate Social Investment (CSI) initiatives, the Agency donated school resources comprising of library books, computers and school pull-up banners at Delani Primary School.

### 14.2. SUPPORTING THANDA COMBINED SCHOOL

Through the Border Towns Initiative that aims to develop and improve communities impacted by the movement of cross border road transport across the transport corridors, the Agency supported the Thanda Combined School during the period under review. Thanda Combined School in Hectorspruit in the Nkomazi Local Municipality toward Lebombo Border Post. It is 32 kilometres from Lebombo border gate to Mozambique led by Principal, Dr Sibongile Msibi. The school hosts Grade R to Grade 9 with 727 learners. During the period under review, the C-BRTA donated desks to the school.





## 15. Audit and Risk Committee Report

We are pleased to present the ARC Report for the financial year ended 31 March 2024.

### 15.1. AUDIT AND RISK COMMITTEE RESPONSIBILITY

The Audit Committee reports that it has complied with its responsibilities arising from Section of the Public Finance Management Act and Treasury Regulation 3.1.13. The Audit Committee also reports that it has adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein, except that we have not reviewed changes in accounting policies and practices.

### 15.2. THE EFFECTIVENESS OF INTERNAL CONTROL

The Committee acknowledges management's efforts to strengthen the system of internal controls, including financial controls and risk management. Internal Audit provides the Committee and Management with assurance that the internal controls are designed appropriately and are operating effectively. Having reviewed the implementation and effectiveness of the Agency's system of internal financial controls and considering the reports and assessments made by Internal Audit, along with management's actions in remedying any control deficiencies, the Committee is satisfied that the internal financial controls are adequate, effective, and form a reliable basis for the compilation of the financial statements.

No findings came to the attention of the Committee to indicate any material breakdown in internal controls during the 2023/24 financial year. The Committee is also satisfied that the Agency materially complied with laws and regulations for the period under review.

### 15.3. IN-YEAR MANAGEMENT AND MONTHLY/QUARTERLY REPORT

The Committee is also largely satisfied with the content and quality of the quarterly reports presented by Executive Management for endorsement. The Committee acknowledges management's efforts in effecting ongoing improvements and commends management for the remarkable achievement of the Agency's performance. The Agency has submitted all quarterly reports to the Executive Authority as required by legislation.

### 15.4 EVALUATION OF FINANCIAL STATEMENTS

The Committee confirms that the Agency has established appropriate financial reporting procedures that are operating effectively. Among other matters, the Committee has:

- reviewed and discussed the audited financial statements with Executive Management for approval by the Accounting Authority.
- reviewed the Auditor-General South Africa's Audit Report, 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 which was also endorsed by the Accounting Authority.

The Board subsequently approved the Audited Annual Financial Statements on 31 July 2024.



## 15.5. AUDITOR'S REPORT

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

The Committee concurs and accepts the conclusions of the Auditor-General South Africa on the 2023/24 Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements be accepted and read together with the report of the Auditor-General South Africa.

Audit and Risk Committee considered the audited AFS on 31 July 2024 and were subsequently recommended and approved by the Board on 31 July 2024.

  
**MS Zuziwe Ntsalaze CA (SA)**

Chairperson: Audit and Risk Committee


Date: 30 August 2024

## 16. B-BBEE Compliance Performance Information

**Table 29: B-BBEE Checklist**

<b>Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:</b>		
<b>CRITERIA</b>	<b>RESPONSE YES / NO</b>	<b>DISCUSSION (INCLUDE A DISCUSSION ON YOUR RESPONSE AND INDICATE WHAT MEASURES HAVE BEEN TAKEN TO COMPLY)</b>
Determining qualification criteria for the issuing of licences, concessions or other authorisations in respect of economic activity in terms of any law?	Yes	Development of transformation strategy is in progress
Developing and implementing a preferential procurement policy?	Yes	Development of policy is also in progress as part of strategy development.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	Yes	Addressed through transformation strategy that is in progress.
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	Yes	Addressed through transformation strategy that is in progress.





## **Part D:** Human Resource Management







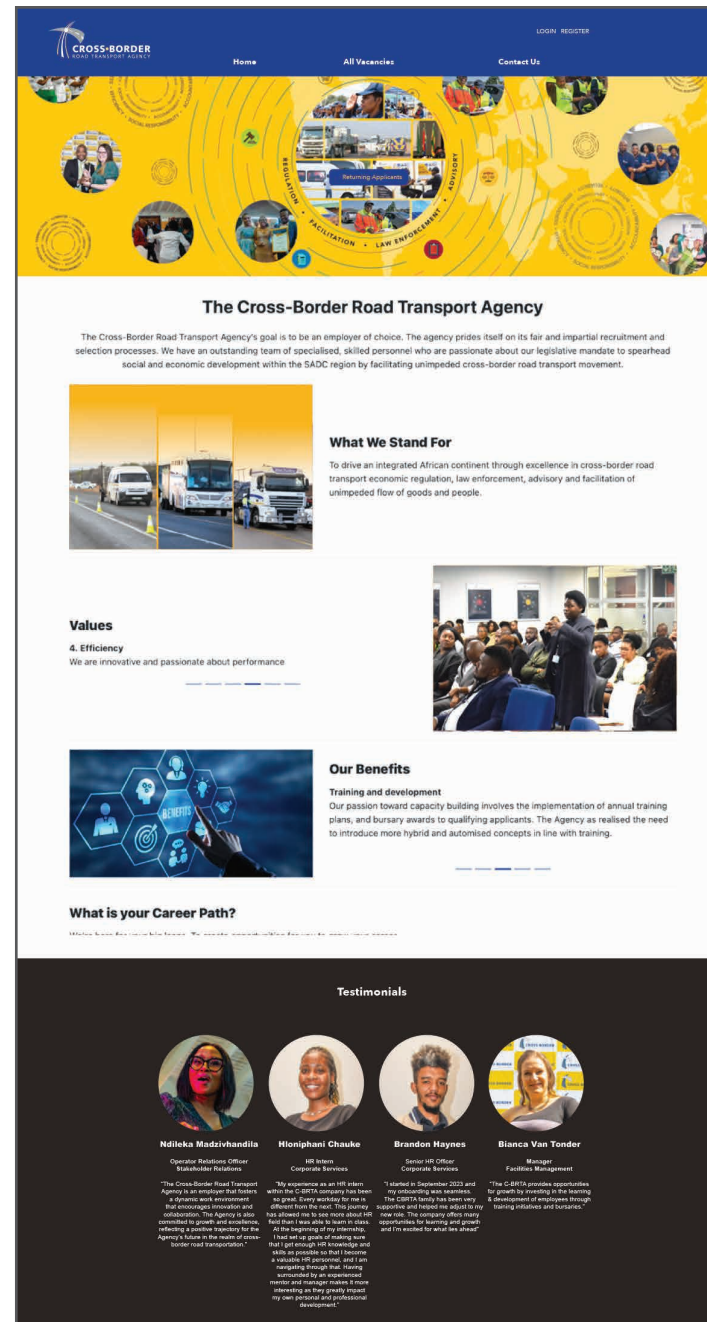
## 1. Introduction

### 1.1. OVERVIEW OF HR MATTERS

During the 2023/2024 financial year, the C-BRTA continued implementing its HR strategy, which began in the previous financial period. The aim was to ensure HR practices were aligned with organisational outcomes within the Agency. Strategic objectives included the continuation of Workforce Planning, Learning and Development, Performance Management, Remuneration and Rewards initiatives. Projects undertaken as part of this strategy included the realignment of the organisational structure incorporating the Road Transport Inspectorate into the Law Enforcement division. This exercise entailed reviewing their job profiles and regrading of those positions. Continuous efforts were made in enhancing the culture change initiatives in line with the defined culture as well as the implementation of ethics strategy developed during the year under review. Additionally, the recognition agreement between the Agency and the Union remains intact since the recognised union retained its majority subsequent to the return of RTI employees. This enabled a harmonised working environment in areas such as wage negotiations as well as employment relationship.

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

- Talent Acquisition Approaches:** Monitoring and developing targeted recruitment initiatives to attract individuals with the requisite skills and expertise needed to support C-BRTA's objectives. This may involve leveraging various recruitment channels, such as online job portals – with the use of the recruitment system, professional networks, and industry partnerships.
- Employer Branding through EVP and Culture initiatives:** Enhancing C-BRTA's reputation as an employer of choice by emphasizing its values, culture, and commitment to professional development and employee well-being. This involves crafting compelling employer branding messages, culture initiatives and showcasing employee testimonials and success stories on our recruitment website.







Every year on 24 September, South Africa observes Heritage Day. The goal of the day is to recognize and celebrate South Africa's cultural diversity and wealth, as well as to encourage all citizens to feel proud that they live in a nation that values diversity.

The month of September, typically has a concentration of cultural activity. Particular characteristics of cultural variety are highlighted during this time of the year. There is often excitement in the workplace, as everyone gets ready to participate in Heritage Day events by dressing in their traditional attire.

Heritage Day events, are an important part of how the C-BRTA encourages inclusivity, and recognizes the diversity that adds strength to the workplace.

The C-BRTA will be celebrating **Heritage Day on Tuesday, 26 September 2023.**

*Look out for more details to follow...*



- **Diversity and Inclusion Initiatives:** Implementing programs and practices to foster diversity and inclusion within the workforce, recognising the value of different perspectives and backgrounds. This may include targeted outreach efforts to underrepresented groups and the establishment of inclusive hiring practices.
- **Learning and Development:** Investing in employee development programs to enhance the skills and capabilities of both existing staff and new recruits. This may involve offering specialised training workshops, mentorship programs, and opportunities for professional certifications and further education.
- **Competitive Compensation and Benefits:** Ensuring that C-BRTA remains competitive in its compensation and benefits offerings to attract top talent. This may involve conducting regular benchmarking exercises to stay abreast of industry standards and trends.
- **Organisational Structure review and renewal:** The review and renewal of the organogram present an opportunity for C-BRTA to optimise its overall organisational structure. This involves assessing the alignment of divisions and reporting lines to ensure clarity, efficiency, and effectiveness in operations. By strategically realigning the structure to accommodate the newly established Law Enforcement Division and other evolving needs will allow C-BRTA to enhance communication, decision-making processes, and overall agility. Additionally, streamlining the organisational structure can lead to better resource allocation, reduced duplication of efforts, and improved collaboration across teams, ultimately enhancing the organisation's ability to achieve its strategic outcomes.
- **Organisational Culture Enhancement:** Fostering a positive and inclusive organisational culture that aligns with C-BRTA's values and promotes employee engagement, collaboration, and innovation. This involves leadership commitment to nurturing a supportive work environment, where employees feel empowered to voice their ideas and concerns. Implementing initiatives such as regular communication channels, team-building activities, and recognition programs can strengthen bonds among team members and reinforce a sense of belonging. By prioritising organisational culture enhancement, C-BRTA can cultivate a motivated and cohesive workforce that is dedicated to achieving shared goals and driving sustainable growth.



**BBBEE and Transformation Initiatives: Integrating Broad-Based Black Economic Empowerment (BBBEE) and transformation efforts into C-BRTA's workforce planning strategy to promote diversity, inclusion, and socioeconomic empowerment.** This includes implementing targeted initiatives to enhance representation and advancement opportunities for historically disadvantaged individuals, particularly Black South Africans and designated groups. Key initiatives may encompass the establishment of learnerships, internships, and workplace integrated learning programs aimed at developing skills and providing hands-on experience to individuals from underrepresented communities. Additionally, special emphasis will be placed on creating inclusive policies and accommodations for persons with disabilities to ensure equal access to employment opportunities and career advancement within C-BRTA. By prioritising BBBEE and transformation initiatives, C-BRTA demonstrates its commitment to driving meaningful change and contributing to a more equitable, transformed and inclusive society.

## 1.2. EMPLOYEE WELLNESS PROGRAMMES

In the last financial year, HR formulated an Employee Health and Wellness strategy, guiding wellness programs. The strategy included HIV/AIDS management, Health and Productivity management, Occupational hygiene and safety management, and wellness management. Awareness programs were conducted through newsletters and workshops. Key sessions like the CBRTA Employee Wellness Day, financial wellness, spiritual wellness, and performance awards were organised. The Employee Health and Wellness program also integrated culture and ethics initiatives, with efforts to promote C-BRTA values and celebrate occasions like heritage, women's day, and valentine's day. The EHW/Ethics and culture unit, along with ambassadors, drove these programs across the institution, in alignment with the strategy.



**Wellness @ Work** YOUR health is an investment



### Dietician

#### On-site Dietetic Consultations

A team of Dietitians (Registered with the HPCSA) and a professional nurse will be available to privately consult those who need individualized dietary treatment for any of the following conditions:

- Overweight and obesity
- Underweight
- Hypoglycemia (low blood sugar levels)
- Diabetes
- Metabolic syndrome (including insulin resistance)
- Hypertension (high blood pressure)
- Anemia
- Colon disorders (including irritable bowel syndrome, constipation, diarrhea etc.)

### Hearing Screening

Occupational hearing loss continues to be an important topic in the safety and health community especially for employers who try to balance hearing loss safety with prevention costs.

The qualified and registered audiologist will conduct hearing screening tests. Periodic hearing screening at work provides an effective means of assessing workers' hearing acuity and identifying those who may have hearing problems.

### Eye Screening

A qualified optometrist will conduct eye/vision screenings. This determines the visual acuity, or ability to see details at near and far distances and to determine if there are any pre-existing or potential vision problems. Eye exams may also reveal the presence of many non-eye diseases. It is recommended that eye screening be conducted after every two years.

### Dental screening

A variety of dental services will be offered.







### 1.3. POLICY DEVELOPMENT

In its quest to remain compliant with changing legislations and working environment, existing policies affected were reviewed and where policies did not exist, new policies were developed. The following policies were reviewed during the financial year: Learning and Development, Workplace flexibility and Acting Allowance. Two policies were drafted and in the process of being considered by the relevant structures, namely: Prevention and Elimination of Harassment in the workplace and Managing Toxication in the workplace.

### 1.4. HIGHLIGHT ACHIEVEMENTS

- Successful conclusion of wage negotiations, ensuring equitable compensation and controlling disparities;
- Continuation of workforce plan implementation, aligning with organisational goals;
- Addition of RTI staff in adherence to policy, enhancing organisational capabilities;
- Implementation of a performance management framework aligned with awards and remuneration policy, promoting accountability, staff morale and recognition;
- Review and enhancement of policies like the Learning and Development policy, with the aim of improving the workforce skills; and
- Cultivation of an improved working culture, promoting collaboration and employee satisfaction, including successful implementation of employee surveys to gather valuable feedback from employees within the Agency.

### 1.5. CHALLENGES FACED BY THE AGENCY

C-BRTA faces several challenges, notably in its transformation efforts and implementation of the Employment Equity Targets, and the employment of Persons with Disabilities (PWDs) - particularly in senior management roles. Despite efforts to promote inclusivity, there are barriers in ensuring equitable representation at higher levels within the organisation. Additionally, limited funding poses a significant obstacle to capacitating the Agency adequately. This lack of financial resources affects the implementation of initiatives aimed at enhancing staff skills, as well as implementing transformation programs effectively. Moreover, with the addition of Law Enforcement Employees, there may be potential financial challenges aligned with capacitation of C-BRTA workforce.

### 1.6. FUTURE HR PLANS /GOALS

- The C-BRTA has developed a comprehensive three-year HR strategy, initiated in the 2022/23 financial year, which aligns closely with the Agency's goals in line with the C-BRTA Act and the Strategic Plan: 2020 – 2025. This strategy is aligned to the organisation's five key programs and current HR practices.
- A pivotal aspect of this strategy is the integration with the Agency's ICT digital strategy, leveraging technology to enhance HR processes. This includes the implementation of a digitised Recruitment System, ensuring a seamless and efficient sourcing, recruitment, and selection process.
- In line with talent attraction goals, EVP initiatives are being implemented to resonate with prospective employees, emphasising competitive benefits, career development opportunities, and a supportive work culture. The initiatives have been strategically crafted to align with the implementation of BBBEE Targets, which seek to enhance the transformation agenda within the Agency.
- The HR strategy also prioritises the proactive development of operational and leadership capabilities across the organisation, fostering a performance-driven culture aligned with business objectives. Additionally, efforts are underway to cultivate a diverse talent pool to address succession requirements for critical and scarce skills.
- Overall, the HR strategy serves as a roadmap for C-BRTA to realise its vision of being the leading cross border regulator, with clear strategic objectives and goals defined for each financial year, ensuring alignment with organisational priorities and fostering a culture of excellence and innovation.



## 2. Human Resource Oversight Statistics

### 2.1 PERSONNEL RELATED EXPENDITURE

Table 30: Personnel Cost by programme/ activity/ objective

PROGRAMME/ACTIVITY/OBJECTIVE	TOTAL EXPENDITURE FOR THE ENTITY (R'000)	PERSONNEL EXPENDITURE (R'000)	PERSONNEL EXP. AS A % OF TOTAL EXP.	NO. OF EMPLOYEES	AVERAGE PERSONNEL COST PER EMPLOYEE (R'000)
Administration	148,129	82,,318	55.57%	79	1,042
Regulatory Services	42,829	35,758	83.49%	34	1,052
Law Enforcement	123,363	83,525	67.71%	122	685
Facilitation	27,097	21,114	77.92%	18	1,173
Research and Development	6,908	6,839	98.99%	5	1,368
<b>TOTALS</b>	<b>348,326</b>	<b>229,555</b>	<b>65.90%</b>	<b>258</b>	<b>1,350</b>

Table 31: 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	20,961	9.13%	6	3,493
Senior Management	93,252	40.62%	12	7,771
Professional qualified	57,459	25.03%	44	1,306
Skilled	21,092	9.19%	133	159
Semi-skilled	34,386	14.98%	53	649
Unskilled	2,405	1.05%	10	241
<b>TOTAL</b>	<b>229,555</b>	<b>100%</b>	<b>258</b>	<b>890</b>



**Table 32: Performance Rewards**

PROGRAMME	PERFORMANCE REWARDS	PERSONNEL EXPENDITURE (R'000)	% OF PERFORMANCE REWARDS TO TOTAL PERSONNEL COST (R'000)
Top Management	554	20,961	2.64%
Senior Management	960	93,252	1.03%
Professional qualified	2,691	57,459	4.68%
Skilled	2,376	21,092	11.27%
Semi-skilled	251	34,386	0.73%
Unskilled	85	2,405	3.53%
<b>TOTAL</b>	<b>6,918</b>	<b>229,555</b>	<b>3.01%</b>

**NB.** Performance was not rewarded during the period under review, however there were employees whose performance reviews were concluded in the current financial year for the 2021/22 financial year.

**Table 33: Training costs**

PROGRAMME	PERSONNEL EXPENDITURE (R'000)	TRAINING EXPENDITURE (R'000)	TRAINING EXPENDITURE AS A % OF PERSONNEL COST.	NO. OF EMPLOYEES TRAINED	AVERAGE TRAINING COST PER EMPLOYEE
Administration	82,318	328	0.4%	50	250
Regulatory Services	35,758	39	0.11%	8	916
Law Enforcement	83,525	211	0.25%	74	395
Facilitation	21,114	61	0.29%	22	346
Research and Development	6,839	12	0.18%	5	569
<b>TOTAL</b>	<b>229,555</b>	<b>651</b>	<b>0.28%</b>	<b>159</b>	<b>4.09</b>



**Table 34: Employment and vacancies per programme**

PROGRAMME/ACTIVITY/OBJECTIVE	2022/2023 NO. OF EMPLOYEES	2023/2024 APPROVED POSTS	2023/2024 NO. OF EM- PLOYEES	2023/2024 VACANCIES	% OF VACANCIES
Administration	72	162	79	83	51%
Regulatory Services	35	70	34	36	51%
Law Enforcement	22	191	122	69	36%
Facilitation	17	40	18	22	55%
Research & Development	6	11	5	6	55%
<b>Total</b>	<b>152</b>	<b>474</b>	<b>258</b>	<b>216</b>	<b>46%</b>

**Table 35: Employment and vacancies per levels**

PROGRAMME/ACTIVITY/OBJECTIVE	2022/2023 NO. OF EMPLOYEES	2023/2024 APPROVED POSTS	2023/2024 NO. OF EM- PLOYEES	2023/2024 VACANCIES	% OF VACANCIES
Top Management	6	7	6	1	14%
Senior Management	11	21	12	9	43%
Professional qualified	36	162	45	117	73%
Skilled	52	192	137	55	31%
Semi-skilled	41	72	49	23	26%
Unskilled	6	20	9	11	50%
<b>TOTAL</b>	<b>152</b>	<b>474</b>	<b>258</b>	<b>216</b>	

*NB: percentage of vacancies is based on funded and unfunded positions.*

**Explanations:** The current moratorium is lifted only for specific positions; this is done in line with divisional priorities as and when the need arises. The addition of Law Enforcement employees to the Agency has affected the overall total number of approved posts for the current financial year as compared to the previous FY. The total vacancy rate is 46%, this include both funded and unfunded positions.



**Table 36: Employment Changes**

SALARY BAND	EMPLOYMENT AT BEGINNING OF PERIOD	APPOINTMENTS	*TERMINATIONS	EMPLOYMENT AT END OF THE PERIOD
Top Management	6	0	0	6
Senior Management	11	3	2	12
Professional qualified	36	14	5	45
Skilled	52	92	8	136
Semi-skilled	41	17	9	49
Unskilled	6	5	1	10
<b>Total</b>	<b>152</b>	<b>131</b>	<b>25</b>	<b>258</b>

Explanations: The table above provides a breakdown of various elements including staff appointments, employment at the beginning of the period, and terminations within the salary bands. The total number of terminations is twenty-five (25), which includes the RTI (Law Enforcement) employees who were transferred into the Agency at the beginning of the financial year which has impacting this figure. Turnover is particularly notable in the professionally qualified (5), skilled (8), and semi-skilled (9) salary bands.

**Table 36: Reasons for staff leaving**

REASON	NUMBER	% OF TOTAL NO. OF STAFF LEAVING
Death	1	4
Resignation	14	56
Dismissal	1	4
Retirement	1	4
Ill health	2	8
Expiry of contract	6	24
Other	0	0
<b>Total</b>	<b>25</b>	<b>100</b>

**Explanations:** The table above represents the terminations processed in the last financial year, totalling twenty-five. These terminations encompass various reasons including resignations, which comprise the highest percentage at 56%. The Agency has made attempts to fill these vacant positions in accordance with divisional priorities. It will continue to reprioritise appointments to meet divisional needs as they arise. Table 35: Misconduct and Disciplinary action



**Table 38: Labour Relations: Misconduct and Disciplinary action**

NATURE OF DISCIPLINARY ACTION	NUMBER
Verbal Warning	0
Written Warning	7
Final Written warning	1
Dismissal	1
<b>TOTAL</b>	<b>9</b>

### 2.1.1.1. EQUITY TARGET AND EMPLOYMENT EQUITY STATUS

**Explanations:** The tables below highlight some of the important aspects in terms of representation, the indication is that the Agency prioritises the implementation of numerical targets, and areas such as inclusion, diversity, and development are addressed. The Agency remains committed with its transformation efforts, Employment Equity Targets, and the inclusion of Persons with Disabilities (PWDs), Despite inclusivity promotion efforts, barriers persist in ensuring fair representation at higher levels in this category. The Agency will align itself with the BBBEE transformation efforts with the view of addressing some of the identified gaps within the workforce. These efforts range from capacity building, leadership coaching as well as coaching and mentorship.

**Table 39: Equity Target and Employment Equity Status - Male**

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	2	1	0	1	0	1	0	1
Senior Management	5	3	0	3	0	3	2	3
Professional qualified	22	31	1	0	0	0	1	0
Skilled	69	51	1	0	1	0	0	0
Semi-skilled	9	36	1	0	0	0	0	0
Unskilled	1	6	0	0	0	0	0	0
<b>Total</b>	<b>108</b>	<b>128</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>3</b>	<b>0</b>



**Table 40: Equity Target and Employment Equity Status - Female**

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET	CURRENT	TARGET
Top Management	3	1	1	0	0	1	0	1
Senior Management	4	3	0	3	1	3	0	0
Professional qualified	16	0	1	0	1	0	2	0
Skilled	60	0	0	0	1	0	1	0
Semi-skilled	38	0	3	0	0	0	2	0
Unskilled	9	0	0	0	0	0	0	0
<b>Total</b>	<b>130</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>1</b>

**Table 41: Equity Target Employment Equity Status-Disability**

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	CURRENT	TARGET	CURRENT	TARGET
Top Management	0	0	0	6
Senior Management	0	0	0	0
Professional qualified	0	3	0	3
Skilled	1	3	0	3
Semi-skilled	0	0	2	0
Unskilled	0	0	0	0
<b>Total</b>	<b>1</b>	<b>6</b>	<b>2</b>	<b>12</b>





## **Part E: PFMA Compliance Report**





  
SOUTH AFRICA  
QACHA'S NEK  
BORDER CONTROL

GUARD HOUSE  
QACHA'S NEK



## 1. Irregular, Fruitless and Wasteful Expenditure and Material Losses

### 1.1. IRREGULAR EXPENDITURE

#### a) Reconciliation of irregular expenditure

**Table 42: Reconciliation of irregular expenditure**

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Opening balance	81	420
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	40	81
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	(420)
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recoverable and written off	-	-
<b>Closing balance</b>	<b>121</b>	<b>81</b>

**Case 1:** Services were procured from the service provider for the amount of R30,000.00 without following the requirements of National Treasury Instruction Note 02 of 2021/22 which states that: at least three (3) written quotations must be obtained from three (3) different suppliers registered on CSD. In this case, only one (1) quotation was obtained and the service provider was appointed without reasons recorded and approved by the delegated official as per the National Treasury Instruction Note 03 of 2021/2022, which states that, if in a specific case, it is impractical to invite competitive bid, the AO/AA may procure the required goods and services by other means, provided that reasons for deviation are recorded and approved by the AO/AA.

**Case 2:** Services were procured from a service provider, through a normal procurement process, however at the end of the contract, services continued to be rendered for additional two (2) months without approval from delegated official in line with the C-BRTA's SCM policy and delegation of authority for the amount of R9,982.00. The National Treasury Instruction Note 02 of 2021/22 state that, organs of state may expand or vary a contract by more than 15% or R15 million, whichever is the lesser. However, prior approval must be obtained in line with the SCM policy and delegation of authority.

#### RECONCILING NOTES

**Table 43: Reconciling notes**

DESCRIPTION	2023/2024	2022/2023
	R'000	R'000
Irregular expenditure that was under assessment	-	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	39	81
<b>Total</b>	<b>39</b>	<b>81</b>



**b) Details of current and previous year irregular expenditure (under assessment, determination, and investigation)**

**Table 44: Irregular expenditure**

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	39	81
Irregular expenditure under investigation	-	-
<b>Total</b>	<b>39</b>	<b>81</b>

**Case 1:** Services were procured from the service provider for the amount of R30,000.00 without following the requirements of National Treasury Instruction Note 02 of 2021/22 which states that: at least three (3) written quotations must be obtained from three (3) different suppliers registered on CSD. In this case, only one (1) quotation was obtained and the service provider was appointed without reasons recorded and approved by the delegated official as per the National Treasury Instruction Note 03 of 2021/2022, which states that, if in a specific case, it is impractical to invite competitive bid, the AO/AA may procure the require goods and services by other means, provided that reasons for deviation are recorded and approved by the AO/AA.

**Case 2:** Services were procured from a service provider, through a normal procurement process, however at the end of the contract, services continued to be rendered for additional two (2) months without approval from delegated official in line with the C-BRTA's SCM policy and delegation of authority for the amount of R9,982.00. The National Treasury Instruction Note 02 of 2021/22 state that, organs of state may expand or vary a contract by more than 15% or R15 million, whichever is the lesser. However, prior approval must be obtained in line with the SCM policy and delegation of authority.

**c) Details of irregular expenditure condoned**

**Table 45: Condoned irregular expenditure**

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Irregular expenditure condoned	-	420
<b>Total</b>	<b>-</b>	<b>420</b>

The irregular expenditure incurred in 2023/2024 financial year was not condoned by National Treasury.

**d) Details of irregular expenditure removed - (not condoned)**

**Table 46: Not condoned irregular expenditure**

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Irregular expenditure NOT condoned and removed	-	420
<b>Total</b>	<b>-</b>	<b>420</b>

The application for removal of the irregular expenditure incurred during the 2023/2024 financial year is awaiting approval.



## e) Details of irregular expenditure recoverable

Table 47: Recoverable irregular expenditure

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Irregular expenditure recovered	-	-
<b>Total</b>	-	-

There were no irregular expenditure recovered during the year under review.

## f) Details of current and previous year irregular expenditure written off (irrecoverable)

Table 48: Current and previous year irregular expenditure written off (irrecoverable)

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Irregular expenditure written off	-	420
<b>Total</b>	-	420

There is no irregular expenditure incurred that is recoverable.

## ADDITIONAL DISCLOSURE RELATING TO INTER-INSTITUTIONAL ARRANGEMENTS

## g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is not responsible for the non-compliance)

Table 49: Disclosure relating to inter-institutional arrangements

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
There was no instance of non-compliance involving inter-institutional arrangements.	-	-
<b>Total</b>	-	-

There was no instance of non-compliance involving inter-institutional arrangements.

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)<sup>3</sup>

Table 50: Irregular expenditure relating to inter-institutional arrangements

	2023/2024 <sup>4</sup>	2022/2023
DESCRIPTION	R'000	R'000
There was no instance of non-compliance involving inter-institutional arrangements.	-	-
<b>Total</b>	-	-

<sup>3</sup> Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023

<sup>4</sup> Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

There was no instance of non-compliance involving inter-institutional arrangements.



i) **Details of disciplinary or criminal steps taken as a result of irregular expenditure**

**Table 51: Disciplinary or criminal steps as a result of irregular expenditure**

DISCIPLINARY STEPS TAKEN
<i>During the year the entity undertook disciplinary steps against employees who were suspected to be responsible of the irregular expenditure reported in the prior year. These disciplinary steps were concluded and appropriate sanctions imposed. No criminal proceedings were undertaken as there were no suspicions of any fraud or criminal activity.</i>

## 1.2. FRUITLESS AND WASTEFUL EXPENDITURE

a) **Reconciliation of fruitless and wasteful expenditure**

**Table 52: Reconciliation of fruitless and wasteful expenditure**

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Opening balance	-	-
Adjustment to opening balance	-	-
Opening balance as restated	-	-
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure recoverable	-	-
Less: Fruitless and wasteful expenditure not recoverable and written off	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>

*No fruitless and wasteful expenditure incurred.*

## RECONCILING NOTES

**Table 53: Reconciling notes**

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	-	-
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	-	-
Fruitless and wasteful expenditure for the current year	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

b) **Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)**

**Table 54: Fruitless and wasteful expenditure**

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

*No fruitless and wasteful expenditure incurred.*



## c) Details of fruitless and wasteful expenditure recoverable

Table 55: Recoverable fruitless expenditure

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Fruitless and wasteful expenditure recoverable	-	-
<b>Total</b>	-	-

No fruitless and wasteful expenditure incurred.

## d) Details of fruitless and wasteful expenditure not recoverable and written off

Table 56: Not recoverable fruitless expenditure

	2023/2024	2022/2023
DESCRIPTION	R'000	R'000
Fruitless and wasteful expenditure written off	-	-
<b>Total</b>	-	-

No fruitless and wasteful expenditure incurred.

## e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Table 57: Disciplinary or criminal steps as a result of fruitless and wasteful expenditure

DISCIPLINARY STEPS TAKEN
No fruitless and wasteful expenditure incurred.

1.3. ADDITIONAL DISCLOSURE RELATING TO MATERIAL LOSSES IN TERMS OF PFMA SECTION 55(2)(B)(I) &(III))<sup>7</sup>

## a) Details of material losses through criminal conduct

Table 58: Material losses through criminal conduct

	2023/2024	2022/2023
MATERIAL LOSSES THROUGH CRIMINAL CONDUCT	R'000	R'000
Theft	-	-
Other material losses	-	-
Less: Recoverable	-	-
Less: Not recoverable and written off	-	-
<b>Total</b>	-	-

There were no material losses incurred through criminal conduct.



## b) Details of other material losses

Table 59: Other material losses

	2023/2024	2022/2023
NATURE OF OTHER MATERIAL LOSSES	R'000	R'000
(Group major categories, but list material items)	-	-
<b>Total</b>	-	-

There were no material losses incurred through criminal conduct.

## c) Other material losses recoverable

Table 60: Recoverable material losses

	2023/2024	2022/2023
NATURE OF OTHER MATERIAL LOSSES	R'000	R'000
(Group major categories, but list material items)	-	-
<b>Total</b>	-	-

There were no material losses incurred through criminal conduct.

## d) Other material losses not recoverable and written off

Table 61: Not recoverable material losses

	2023/2024	2022/2023
NATURE OF LOSSES	R'000	R'000
(Group major categories, but list material items)	-	-
<b>Total</b>	-	-

There were no other material losses not recoverable and written off.

## 2. Late and/or Non-Payment of Suppliers

Table 62: Late/Non-payment of suppliers

	NUMBER OF INVOICES	CONSOLIDATED VALUE
DESCRIPTION	R'000	R'000
Valid invoices received	1 396	54 741
Invoices paid <b>within</b> 30 days or agreed period	1 396	54 741
Invoices paid <b>after</b> 30 days or agreed period	-	-
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-



### 3. SUPPLY CHAIN MANAGEMENT

#### 3.1. PROCUREMENT BY OTHER MEANS

Table 63: Procurement by other means

PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Supply and deliver of cash management service (smart box)	First Rand Bank	Single Source	DEV/2023/04/01	681
The rental of floorspace	Synergy Business Events	Sole Service Provider	DEV/2023/04/02	52
Procurement of newspaper advertisement	Highbury Media (Pty) Ltd	Single Source	DEV/2023/04/03	310
Procurement of advertisement in may addition of public sector leaders publication	Top Media and Communications	Single Source	DEV/2023/05/01	90
Disability connect career expo	Creative Space Media	Single Source	DEV/2023/05/02	46
Procurement of single clear temper evident labels	Guillemot Business Forms	Single Source	DEV/2023/05/04	96
Renewal of annual subscription	Sage South Africa	Single Source	DEV/2023/05/05	76
Procurement of conference ICT	Gartner Espana	Sole Service Provider	DEV/2023/06/07	112
Procurement of conference ICT	Gartner Espana	Sole Service Provider	DEV/2023/06/08	112
Placement of regulations in a national gazette	Goverment Printing Works	Sole Service Provider	DEV/2023/06/09	119
Procurement of compliance management online training	Get Educated (Pty) Ltd t/a Getsmarter	Single Source	DEV/2023/06/10	44
Renewal of policy passport software license fees	Compliance Institute SA	Sole Service Provider	DEV/2023/06/11	95



PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Rental of exhibition stand	DMG Events	Single Source	DEV/2023/07/01	51
Procurement of a service provider for job grading and evaluation	Emergency Growth (Pty)Ltd	Single Source	DEV/2023/07/02	81
Procurement of catering	Nkambi	Single Source	VAR/2023/07/03	61
Procurement of conference	Saapa and M	Sole Service Provider	DEV/2023/08/02	6
Procurement of examination for certified director course	Institute of Directors in Southern Africa	Sole Service Provider	DEV/2023/08/03	17
Procurement of flags for ministerial visits	Bold Brands Corporate Gifts Clothing and Promotional Items	Single Source	DEV/2023/08/04	17
Procurement of examination for certified director course	Institute of Directors in Southern Africa	Sole Service Provider	DEV/2023/08/05	95
Procurement of esarbica biennial conference	University of South Africa	Single Source	DEV/2023/08/06	11
The facilitation of a workshop for building workplace relationships	CCMA	Single Source	DEV/2023/09/01	56
Procurement of training	Institute of Directors in Southern Africa	Sole Service Provider	DEV/2023/09/02	189
Supply of corporate governance software	Chartered Governance Institute of Southern Africa	Sole Service Provider	DEV/2023/10/01	7
Procurement of examination for certified director course	Institute of Directors in Southern Africa	Sole Service Provider	DEV/2023/10/02	1
Procurement of corporate uniform	F G Uniforms	Single Source	DEV/2023/10/03	4



PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
The procurement of subscription to annual labour law update	Goldeberg de Villiers	Single Source	DEV/2023/10/04	18
Procurement of support and maintenance for CrossEasy system	First Technology (Pty) Ltd	Single Source	DEV/2023/11/01	731
Procurement of training for security management	Enterprise - University of Pretoria	Single Source	DEV/2023/11/02	13
Procurement of IFRS training	Talk Thesis	Single Source	DEV/2023/11/03	39
Procurement of examination for certified director course	Institute of Directors in Southern Africa	Sole Service Provider	DEV/2023/11/04	34
Procurement of advance data analysis training	Dupleix Institute	Single Source	DEV/2023/11/05	21
Procurement of corporate gifts	Khoja Group	Single Source	DEV/2023/12/01	25
Procurement of computer software	E-software	Single Source	DEV/2023/12/02	749
Renewal of corporate membership	Institute of Directors in Southern Africa	Sole Service Provider	DEV/2023/12/03	46
Procurement of Microsoft azure software	First Technology (Pty) Ltd	Single Source	DEV/2023/12/04	263
Procurement of CrossEasy digital licenses	Trueevolve Technologies	Single Source	DEV/2024/01/01	340
Procurement of support and maintenance for CrossEasy system	Adexcel CC	Single Source	DEV/2024/01/02	1 191
Renewal of annual membership	Chartered Institute of Purchasing and Supply	Sole Service Provider	DEV/2024/02/01	10
Renewal of CaseWare licence	Adapt IT	Sole Service Provider	DEV/2024/02/02	105



PROJECT DESCRIPTION	NAME OF SUPPLIER	TYPE OF PROCUREMENT BY OTHER MEANS	CONTRACT NUMBER	VALUE OF CONTRACT R'000
Procurement of examination for certified director course	Institute of Directors in Southern Africa	Sole Service Provider	DEV/2024/02/03	17
Procurement of training of board members	Institute of Directors in Southern Africa	Sole Service Provider	DEV/2024/02/04	17
Procurement of ethics training	The Ethics Institute of South Africa	Single Source	DEV/2024/03/01	80
Procurement of support and maintenance of easy intelligence support	Tlhabollo Consulting (Pty) Ltd	Sole Service Provider	DEV/2024/03/02	25
Procurement of board evaluation workshop	Institute of Directors in Southern Africa	Sole Service Provider	DEV/2024/03/03	203
Procurement of face value documents	Guillemot Business Forms	Single Source	DEV/2024/03/04	460
<b>Total</b>				<b>6 816</b>



### 3.2. CONTRACT VARIATIONS AND EXPANSIONS

Table 63: Contract variations and expansions

	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
PROJECT DESCRIPTION				R'000	R'000	R'000
The Appointment of a service provider for the installation of Alarm System and Maintenance	Fidelity ADT & Technical (Pty) Ltd	Variation	PO007081	127	-	7
Appointment of a service provider for Leasing of Multifunction printers (RT3-2022)	Konica Minolta	Variation	PO7359	1 484	-	578
Appointment of a service provider for Microsoft Software License	Microsoft Ireland OPS limited	Variation	PO006869	5 629	-	1 269
Appointment of a service provider for Lease of Office Space	Centurion Vision Development	Variation	CBRTA/HO/0057	73 474	-	4 116
Appointment of a service provider for the provision of 3G Data services (RT15-2021)	Telkom SA	Variation	PO007800	3 780	-	196
Appointment of a service provider for the supply, installation and maintenance of Telephony services-VOIP (RT15-2021)	Vodacom	Variation	PO007368	1 331	-	728



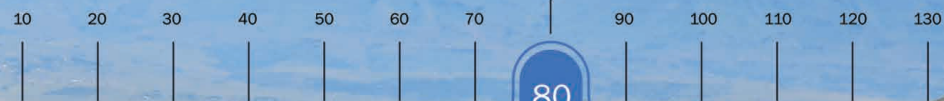
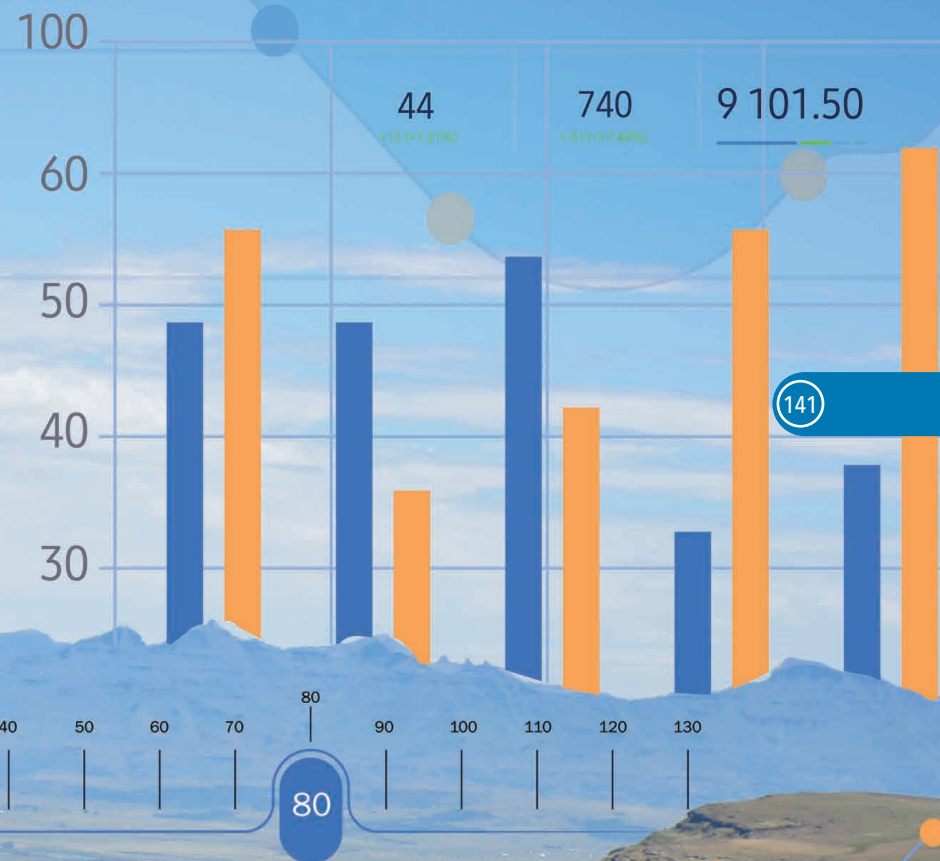
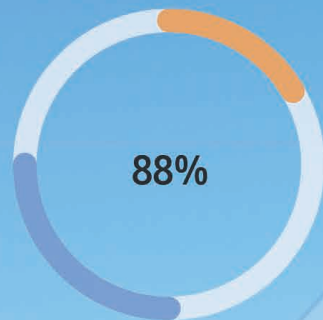
PROJECT DESCRIPTION	NAME OF SUPPLIER	CONTRACT MODIFICATION TYPE (EXPANSION OR VARIATION)	CONTRACT NUMBER	ORIGINAL CONTRACT VALUE	VALUE OF PREVIOUS CONTRACT EXPANSION/S OR VARIATION/S (IF APPLICABLE)	VALUE OF CURRENT CONTRACT EXPANSION OR VARIATION
				R'000	R'000	R'000
Appointment of a service provider to render payroll services	Phuthumani IT Solutions	Variation	PO007297	337	-	45
Appointment of a service provider for support and maintenance of Sage Evolution system	Montes Holdings	Variation	PO007704	613	-	82
Appointment of a service provider to render Physical Security services	Bidvest Protea Coin	Variation	PO008060	703	-	117
Appointment of a service provider for the supply, installation and maintenance of SD-WAN Connectivity services	Vodacom	Variation	PO008147	902	-	728
Appointment of a service provider to render Insurance services	Phaneros Capital	Variation	PO008055	347	-	747
Appointment of a service provide to render B-BBEE Verification services	Renaissance SA Rating	Variation	PO008014	151	-	6
<b>Total</b>				<b>81 638</b>	<b>-</b>	<b>6 765</b>





## **Part F:** Financial Information







## Index

The Accounting Authority's responsibilities and approval statement and other statements set out below, which comprise the annual financial statements, are presented to the parliament:

Accounting Authority's responsibilities and approval.....	143
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## Abbreviations

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



## Accounting Authority's responsibilities and Approval

The Accounting Authority is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and are 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 year and the results of its operations and cash flows for the year then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

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

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

The Accounting Authority 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 Accounting Authority 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 entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Authority is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements.

However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficiencies.

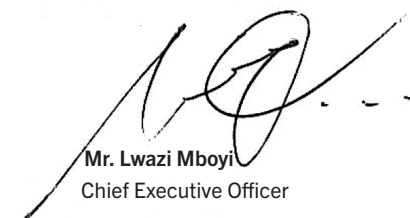
During the year the entity continued to increase its revenue collection. Furthermore, the C-BRTA and RTMC, through the Minister of Transport, have agreed to terminate the principal/agency agreement which has seen RTMC performing Road Transport Inspectorate (RTI) function on behalf of C-BRTA. This resulted in RTI returning back to C-BRTA effective from 01 April 2023. Although the C-BRTA has adequate financial resources to finance the capital assets of the RTI, the operational expenses of running RTI still requires stringent financial management. Consequently, the entity will continue to implement cost containment measures as appropriate to mitigate against the risk of higher expenditure so as to ensure short term sustainability of the entity. Furthermore, the Accounting Authority has noted management's intention to apply to National Treasury for the retention of surpluses in order to finance the capital expenditure in line with the entity's financial strategy. The Accounting Authority has reviewed cost containment measures proposed by management and is satisfied that they are adequate to mitigate against the loss of revenue that may occur in future. The Accounting Authority has also reviewed the Agency's cash flow forecast for the year to 31 March 2025 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 entity is a going concern. The external auditors are responsible for independently reviewing and reporting on the entity's annual financial statements. The annual financial statements were examined by the Auditor-General South Africa and their report is presented on pages 144 to 148.

The annual financial statements set out on page 149 to 189, which have been prepared on the going concern basis, were approved by the accounting authority on 31 July 2024 and were signed on its behalf by:



**Adv. Sonwabile Mancotywa**  
Chairperson of the Board



**Mr. Lwazi Mboyi**  
Chief Executive Officer



# 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 149 to 189, which comprise the statement of financial position as at 31 March 2024, 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 2024 and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

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

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

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

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

8. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page 146 forms part of our auditor's report.

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

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected material performance indicators presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
11. I selected the following material performance indicators related to Regulatory Services and Law Enforcement programmes presented in the annual performance report for the year ended 31 March 2024. I selected those indicators that measure the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.
  - Developed and implemented annual route analysis plan
  - Implemented smart law enforcement tools
  - Number of inspections conducted
  - Developed and implemented C-BRTA Road Safety Strategy
12. I evaluated the reported performance information for the selected material performance indicators against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.



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

### Other matters

16. I draw attention to the matters below.

### Achievement of planned targets

17. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or underachievement's and measures taken to improve performance.
18. The table that follows provides information on the achievement of planned targets and list the key indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 26 to 87.

### Law Enforcement

Targets achieved: 67%		
Budget spent: 118%		
Key indicator not achieved	Planned target	Reported achievement
Number of inspections conducted	209 561	162 496

### Material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Number of inspections conducted. Management subsequently corrected all the misstatements, and I did not include any material findings in this report.

### Report on compliance with legislation

20. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
21. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.
22. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
23. I did not identify any material non-compliance with the selected legislative requirements.

### Other information in the annual report

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



## Annexure to the auditor's report

25. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
26. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected material indicators in the scoped-in programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
27. The other information I obtained prior to the date of this auditor's report are the irregular, fruitless and wasteful expenditure and material losses note, human resource management, PFMA compliance report and governance note.
28. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

### Internal control deficiencies

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

*Auditor General.*

Pretoria

31 July 2024



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

The annexure includes the following:

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

### Auditor-general's responsibility for the audit

#### Professional judgement and professional scepticism

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

#### Financial statements

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the [consolidated and separate] financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern



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

### Communication with those charged with governance

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

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

### Compliance with legislation — selected legislative requirements

The selected legislative requirements are as follows:

LEGISLATION	SECTIONS OR REGULATIONS
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A.9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1; Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)



LEGISLATION	SECTIONS OR REGULATIONS
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction No. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction No. 5 of 202/21	Paragraph 2
National Treasury instruction No 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Instruction No. 1 of 2021/22	Paragraph 4.1
National Instruction No. 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction No. 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction No. 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM Instruction No. 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM Instruction No. 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice Note 11 of 2008/9	Paragraph 2.1; 3.1 (b)
Practice Note 5 of 2009/10	Paragraph 3.3
Practice Note 7 of 2009/10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)



## Statement of Financial Position as at 31 March 2024

	NOTE(S)	2024 R	2023 R
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Receivables from exchange transactions	3	7,931,633	3,596,733
Receivables from non-exchange transactions	4	10,861,246	18,159,088
Cash and cash equivalents	5	240,055,180	211,443,609
		<b>258,848,059</b>	<b>233,199,430</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	25,492,100	7,683,503
Intangible assets	7	28,590,323	20,325,061
		<b>54,082,423</b>	<b>28,008,564</b>
<b>Total Assets</b>		<b>312,930,482</b>	<b>261,207,994</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Finance lease obligation	35	469,567	-
Operating lease liability	10	2,047,803	837,078
Payables from exchange transactions	8	19,432,467	11,926,220
Payables from non-exchange transactions	36	14,331,321	9,761,202
Employee benefit obligation	11	241,000	227,000
Provisions	9	7,003,186	6,850,473
Short-term employee benefits	34	13,658,532	8,245,837
		<b>57,183,876</b>	<b>37,847,810</b>
<b>NON-CURRENT LIABILITIES</b>			
Finance lease obligation	35	660,383	-
Operating lease liability	10	367,569	2,368,383
Employee benefit obligation	11	1,807,000	1,819,000
		<b>2,834,952</b>	<b>4,187,383</b>
<b>Total Liabilities</b>		<b>60,018,828</b>	<b>42,035,193</b>
<b>Net Assets</b>		<b>252,911,654</b>	<b>219,172,801</b>
Accumulated surplus		252,911,654	219,172,801
<b>Total Net Assets</b>		<b>252,911,654</b>	<b>219,172,801</b>

## Statement of Financial Performance

	NOTE(S)	2024 R	2023 R
Revenue	12	367,617,403	321,201,948
Grants		-	56,243
Other income	14	57,046	799,651
General expenses	20	(74,232,198)	(115,630,287)
Employee costs	17	(229,554,791)	(147,690,594)
Depreciation and amortisation	16	(8,772,075)	(5,925,564)
Impairment		(121,098)	(169,873)
Operating lease rental	22&23	(17,761,417)	(15,646,057)
Provision for impairment of receivables	19	(17,558,220)	(6,404,265)
<b>Operating surplus</b>	23	<b>19,674,650</b>	<b>30,591,202</b>
Interest received	15	17,697,254	11,384,981
Finance costs	18	(339,205)	(261,000)
<b>Surplus for the year</b>		<b>37,032,699</b>	<b>41,715,183</b>



## Statement of Changes in Net Assets

	ACCUMULATED SURPLUS(DEFICIT) R	TOTAL NET AS- SETS R
<b>Balance at 01 April 2022</b>	<b>177,457,618</b>	<b>177,457,618</b>
Changes in net assets		
Surplus for the year	41,715,183	41,715,183
Total changes	41,715,183	41,715,183
<b>Balance at 01 April 2023</b>	<b>219,172,801</b>	<b>219,172,801</b>
Changes in net assets		
Surplus for the year	37,032,699	37,032,699
Loss from transfer of functions between entities under common control (Note 37)	(3,293,846)	(3,293,846)
Total changes	33,738,853	33,738,853
<b>Balance at 31 March 2024</b>	<b>252,911,654</b>	<b>252,911,654</b>

## Cash Flow Statement

	NOTE(S)	2024 R	2023 R
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
Sale of goods and services		371,188,119	313,899,898
Grants		-	56,243
		371,188,119	313,956,141
<b>PAYMENTS</b>			
Employee costs		(223,987,383)	(142,185,683)
Suppliers		(101,839,476)	(134,058,396)
		(325,826,859)	(276,244,079)
<b>Net cash flows from operating activities</b>	24	<b>45,361,260</b>	<b>37,712,062</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment	6	(22,484,221)	(1,360,641)
Purchase of other intangible assets	7	(11,411,994)	(6,279,859)
Interest Income		17,571,056	11,884,582
<b>Net cash flows from investing activities</b>		<b>(16,325,159)</b>	<b>4,244,082</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(424,530)	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>28,611,571</b>	<b>41,956,144</b>
Cash and cash equivalents at the beginning of the year		211,443,609	169,487,465
<b>Cash and cash equivalents at the end of the year</b>	5	<b>240,055,180</b>	<b>211,443,609</b>



## 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
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>						
<b>REVENUE</b>						
<b>PERMIT REVENUE AND INTEREST INCOME</b>						
Permit revenue	256,751,473	-	256,751,473	288,779,536	32,028,063	(a)
Other income	630,333	-	630,333	57,046	(573,287)	
Interest received - investment	11,000,000	-	11,000,000	17,697,254	6,697,254	(b)
<b>Total permit revenue and interest</b>	<b>268,381,806</b>	<b>-</b>	<b>268,381,806</b>	<b>306,533,836</b>	<b>38,152,030</b>	
<b>Grants and penalties</b>						
Fines	65,000,000	-	65,000,000	78,837,867	13,837,867	(c)
<b>Total revenue</b>	<b>333,381,806</b>	<b>-</b>	<b>333,381,806</b>	<b>385,371,703</b>	<b>51,989,897</b>	
<b>EXPENDITURE</b>						
Employee costs	(234,745,001)	-	(234,745,001)	(229,554,791)	5,190,210	(d)
Operating costs	(90,816,647)	-	(90,816,647)	(109,551,835)	(18,735,188)	(e)
Depreciation and amortisation	(7,693,973)	-	(7,693,973)	(8,772,075)	(1,078,102)	(f)
Finance costs	-	-	-	(339,205)	(339,205)	
<b>Total expenditure</b>	<b>(333,255,621)</b>	<b>-</b>	<b>(333,255,621)</b>	<b>(348,217,906)</b>	<b>(14,962,285)</b>	
<b>Operating surplus</b>	<b>126,185</b>	<b>-</b>	<b>126,185</b>	<b>37,153,797</b>	<b>37,027,612</b>	
Loss on disposal of assets and liabilities	-	-	-	(121,098)	(121,098)	
<b>Surplus before taxation</b>	<b>126,185</b>	<b>-</b>	<b>126,185</b>	<b>37,032,699</b>	<b>36,906,514</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	<b>126,185</b>	<b>-</b>	<b>126,185</b>	<b>37,032,699</b>	<b>36,906,514</b>	



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

### Explanation of variances

**(a) Permit revenue**

Permit revenue was more than budget during the period under review due to increase in the number of permits issued than initially anticipated.

**(b) 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.

**(c) Fines**

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

**(d) 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 increased costs of running the operations of the Road Transport Inspectorate. This cost containment measure is expected to continue with workforce plan that outlines only critical position to be filled.

**(e) 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 increase in costs.

**(f) Depreciation and amortisation**

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



## Significant Accounting Policies

### 1. Significant accounting policies

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

#### 1.1 Basis of preparations

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

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

These accounting policies are consistent with the previous period.

#### 1.2 Presentation currency

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

#### 1.3 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 the return of RTI on the financial sustainability and the going concern and based on the assessment conducted, management is satisfied that the Agency has or has access to adequate resources to continue in operational existence for the foreseeable future.

#### 1.4 Materiality

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

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

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

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

The entity does not retrospectively adjust the accounting of past items (or group of items) that were previously assessed as immaterial, unless an error occurred.

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

#### Accounting by the entity as acquirer

##### Initial recognition and measurement

As of the transfer date, the entity recognises the purchase consideration paid to the transferor and all the assets acquired and liabilities assumed in a transfer of functions. The assets acquired and liabilities assumed are measured at their carrying amounts.

The consideration paid by the entity can be in the form of cash, cash equivalents or other assets. If the consideration paid is in the form of other assets, the entity de-recognises such assets on the transfer date at their carrying amounts.



## Significant Accounting Policies (cont.)

The difference between the carrying amounts of the assets acquired, the liabilities assumed and the consideration paid to the transferor, is recognised in accumulated surplus or deficit.

### Subsequent measurement

The entity subsequently measures any assets acquired and any liabilities assumed in a transfer of functions in accordance with the applicable Standards of GRAP.

At the transfer date, the entity classifies or designates the assets acquired and liabilities assumed as necessary to apply other Standards of GRAP subsequently. The entity makes those classifications or designations on the basis of the terms of the binding arrangement, economic conditions, its operating or accounting policies and other relevant conditions that exist at the transfer date. An exception is that the entity classifies the following contracts on the basis of the contractual terms and other factors at the inception of the contract (or, if the terms of the contract have been modified in a manner that would change its classification, at the date of that modification, which might be the transfer date):

- classification of a lease contract as either an operating lease or a finance lease in accordance with the Standard of GRAP on Leases; and
- classification of a contract as an insurance contract in accordance with the International Financial Reporting Standard on Insurance Contracts.

### 1.6 Significant judgements and sources of estimation uncertainty

In preparing the interim financial statements, management is required to make estimates and assumptions that affect the amounts represented in the interim 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 interim financial statements. Significant judgements include:

#### Trade receivables and other receivables

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

The impairment for trade receivables, held to maturity investments and loans and receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

### Fair value estimation

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

### Impairment testing

The entity 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 entity 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 9 - Provisions.

### Post-retirement benefits

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



The entity determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the entity 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 entity uses the interest rate set as the yield of the R186 South African Government bond at reporting date to discount future cash flows. This interest rate is influenced by the prime interest rate set by the Reserve Bank from time to time.

### 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.

### Impairment of statutory receivables

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity 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 entity 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 an effective interest 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 entity, 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 entity, and the entity 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 entity, but the entity 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 entity, the entity 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.



## Significant Accounting Policies (cont.)

### 1.7 Property, plant and equipment

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.

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.

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

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

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

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

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

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

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. 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 entity assesses at each reporting date whether there is any indication that the entity 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 entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

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

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

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

### 1.8 Intangible assets

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.

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

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

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

Internally generated goodwill is not recognised as an intangible asset.

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

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

Intangible assets are derecognised:

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

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

## 1.9 Financial instruments

### Classification

The entity 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
Cash and cash equivalents	Financial asset measured at amortised cost

The entity 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
Payables from exchange transactions	Financial liability measured at amortised cost
Payables from non-exchange transactions	Financial liability measured at amortised cost

### Initial recognition

The entity 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 entity recognises financial assets using trade date accounting.

### Initial measurement of financial assets and financial liabilities

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

### Subsequent measurement of financial assets and financial liabilities

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

- Financial instruments at fair value.



## Significant Accounting Policies (cont.)

- Financial instruments at amortised cost.
- Financial instruments at cost.

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

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

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on 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 entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

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

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

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

### Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished —

i.e. when the obligation specified in the contract is discharged, cancelled, expires or 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.

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 entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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 amortised cost.

## 1.10 Statutory receivables

### Recognition

The entity recognises statutory receivables as follows:

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

### Initial measurement

The entity initially measures statutory receivables at their transaction amount.



## Significant Accounting Policies (cont.)

### Subsequent measurement

The entity 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 entity 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 entity considers, as a minimum, the following indicators:

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

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the entity 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 entity 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 entity 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 entity transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the entity, 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.

### 1.11 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).



### 1.12 Leases

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

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

#### Finance leases - lessee

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

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

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

Any contingent rents are expensed in the period in which they are incurred.

#### 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.

### 1.13 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 used 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 amount of an asset or a cash-generating unit is the higher its 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 entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

#### Designation

At initial recognition, the entity 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 entity's objective of using the asset.



## Significant Accounting Policies (cont.)

The entity 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; such that
- 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.

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 commercial return, the entity designates the asset as a non-cash-generating asset and applies the accounting policy on Impairment of Non-cash-generating assets, rather than this accounting policy.

### Identification

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

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

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

### Recognition and measurement

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss. An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued 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

cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the 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 entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

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

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.



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

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

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

### 1.14 Impairment of non-cash-generating assets

#### Designation

At initial recognition, the entity 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 entity's objective of using the asset.

The entity 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 entity 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 entity 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 entity 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 not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

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

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

#### Reversal of an impairment loss

The entity 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 entity 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



## Significant Accounting Policies (cont.)

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.

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.

### 1.15 Employee benefits

#### Short-term employee benefits

##### Recognition and measurement

##### All short-term employee benefits

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:

- (a) As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity 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.
- (b) As an expense, unless another Standard of GRAP requires or permits the inclusion of the benefits in the cost of an asset.

#### Short-term paid absences

The entity recognises the expected cost of short-term employee benefits in the form of paid absences as follows:

- (a) in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and
- (b) in the case of non-accumulating paid absences, when the absences occur.

The entity measures the expected cost of accumulating paid absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period.

#### Bonus, incentive and performance related payments

The entity recognises the expected cost of bonus, incentive and performance related payments when, and only when:

- (a) the entity has a present legal or constructive obligation to make such payments as a result of past events; and
- (b) a reliable estimate of the obligation can be made. A present obligation exists when, and only when, the entity has no realistic alternative but to make the payments.

#### Post-employment benefits: Defined contribution plans

##### Recognition and measurement

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

- (a) as a liability (accrued expense), after deducting any contribution already paid. If the contribution already paid exceeds the contribution due for service before the end of the reporting period, the entity 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
- (b) as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset. When contributions to a defined contribution plan are not expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service, they are discounted using the discount rate as specified.

#### Post-employment benefits: Defined benefit plans

##### Recognition and measurement

The entity determines the net defined benefit liability (asset) with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period.



**Accounting for the constructive obligation**

The entity accounts 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 entity's informal practices. Informal practices give rise to a constructive obligation where the entity has no realistic alternative but to pay employee benefits.

**Recognition and measurement: Present value of defined benefit obligations and current service cost****Actuarial valuation method**

The entity 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.

**Actuarial assumptions**

Actuarial assumptions are unbiased and mutually compatible.

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

**Actuarial assumptions: Mortality**

The entity determines its mortality assumptions by reference to its best estimate of the mortality of plan members both during and after employment.

**Actuarial assumptions: Discount rate**

The rate used to discount post-employment benefit obligations (both funded and unfunded) 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 post-employment benefit obligations.

**Actuarial assumptions: Salaries, benefits and medical costs**

The entity measures its defined benefit obligations on a basis that reflects:

- (a) the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the end of the reporting period;
- (b) any estimated future salary increases that affect the benefits payable;
- (c) the effect of any limit on the employer's share of the cost of the future benefits;

- (d) contributions from employees or third parties that reduce the ultimate cost to the entity of those benefits; and
- (e) 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:
  - (i) those changes were enacted before the end of the reporting period; or
  - (ii) historical data, 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.

**Past service cost and gains and losses on settlement**

When determining past service cost, or a gain or loss on settlement, the entity remeasures the net defined benefit liability (asset) using the current fair value of plan assets and current actuarial assumptions (including current market interest rates and other current market prices), reflecting:

- (a) the benefits offered under the plan and the plan assets before the plan amendment, curtailment or settlement; and
- (b) the benefits offered under the plan and the plan assets after the plan amendment, curtailment or settlement.

**Past service cost**

The entity recognises past service cost as an expense at the earlier of the following dates:

- (a) when the plan amendment or curtailment occurs; and
- (b) when the entity recognises related restructuring costs or termination benefits.

**Other long-term employee benefits****Recognition and measurement**

For other long-term employee benefits, the entity 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:

- (a) service cost;
- (b) net interest on the net defined benefit liability (asset); and
- (c) remeasurements of the net defined benefit liability (asset).



## Significant Accounting Policies (cont.)

### Termination benefits

#### Recognition

The entity recognises a liability and expense for termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of GRAP 19 and involves the payment of termination benefits.

#### Measurement

The entity measures termination benefits on initial recognition, and measures and recognise subsequent changes, in accordance with the nature of the employee benefit, provided that if the termination benefits are an enhancement to postemployment benefits, the entity applies the requirements for post-employment benefits. Otherwise:

- (a) If the termination benefits are expected to be settled wholly before twelve months after the end of the reporting period in which the termination benefit is recognised, the entity applies the requirements for short-term employee benefits.
- (b) If the termination benefits are not expected to be settled wholly before twelve months after the end of the reporting period, the entity applies the requirements for other long-term employee benefits.

### 1.16 Provisions and contingencies

Provisions are recognised when:

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

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

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain

that reimbursement will be received if the entity 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 deficits.

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.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 26.

### 1.17 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 25.



### 1.18 Revenue from non-exchange transactions

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

#### *Permit issue fees*

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

#### *Application fees*

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

#### *Compliance fees*

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

#### *Fines*

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

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

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

### Measurement

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

### 1.19 Investment income

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

### 1.20 Accounting by principals and agents

#### Recognition

The entity, 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.

### 1.21 Comparative figures

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

### 1.22 Irregular, fruitless and wasteful expenditure

Fruitless and wasteful expenditure, irregular expenditure and material losses through criminal conduct are disclosed in accordance with the requirements of the PFMA and the guidelines issued in terms of the PFMA when the entity identifies events that gave rise to the classification of these expenditures and the entity confirmed the classification as such.

Receivables for the recovery of these expenditure are only recognised when there is a reasonable expectation that the amounts will be recovered. These expenditure is reduced by the amounts recoverable, condoned by NT or written off as irrecoverable. Any uncertainties to these expenditures are also disclosed.



## Significant Accounting Policies (cont.)

There was no fruitless and wasteful expenditure reported for the year. Irregular expenditure is included in note 33. There were no expenditures identified relating to material losses through criminal conduct.

### 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

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

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

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

The approved budget covers the fiscal period from 01/04/2023 to 31/03/2024.

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.



# Notes to the Annual Financial Statements

## 2. New standards and interpretations

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

In the current year, there were no new standards and interpretations that the entity has adopted that are effective for the current financial year and that are relevant to its operations.

### 2.2 Standards and Interpretations early adopted

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

#### *GRAP106 Transfer of functions between entities under common control*

During the financial year under review, the Agency early adopted the application of GRAP 106 in relation to transfer of functions under common control. This followed the transfer of Road Transport Inspectorate function from RTMC to C-BRTA effective from 01 April 2023. This standard was adopted in order to ensure better presentations of the effect of the transfer on the C-BRTA. The effect in the current financial year is presented in note 37 below.

### 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 2024 or later periods:

#### *GRAP 104 Financial Instruments (Amendments)*

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

The effective date of application was determined to be 01 April 2025.

There was no effect on the annual financial statements for the year ended 31 March 2024.

## 3. Receivables from exchange transactions

	2024 R	2023 R
Deposits	7,931,633	3,596,733

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

### Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2024, there were no trade and other receivables from exchange transactions past due but not impaired.

### Trade and other receivables impaired

As of 31 March 2024, there were no trade and other receivables from exchange transactions that were impaired.



## Notes to the Annual Financial Statements (cont.)

**4. Receivables from non-exchange transactions**

	2024 R	2023 R
Statutory receivables - Fines	6,809,611	4,521,290
Statutory receivables - Compliance fees	3,403,611	13,322,256
Accrued interest and other receivables	428,762	265,827
Staff debtors	219,262	49,715
	<b>10,861,246</b>	<b>18,159,088</b>
<b>Statutory receivables - Fines</b>		
Gross fines receivable	35,281,100	26,851,807
Provision for doubtful debts	(28,471,489)	(22,330,517)
	<b>6,809,611</b>	<b>4,521,290</b>
<b>Statutory receivables - Compliance fees</b>		
Gross accounts receivables - Compliance Fees	34,353,853	32,855,250
Provision for doubtful debts	(30,950,242)	(19,532,994)
	<b>3,403,611</b>	<b>13,322,256</b>

**Transaction(s) arising from statute***Fines*

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

*Compliance fees*

In terms of section 47 (6) of the C-BRT Act, all holders of permits which are valid for more than one year, must submit certain compliance documents to the Regulatory Committee annually. In

addition, Regulation 5(6) of the C-BRT Act provides that where a permit is valid for more than one year, an annual compliance fee must be paid annually on or before the annual anniversary date of the first issue of the permit. Consequently, statutory receivables arise each year at an anniversary of the five year permit. Thus, statutory receivables consist of compliance fees due but not yet paid by operators who hold a five year permit.

**Determination of transaction amount***Fines*

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

*Compliance fees*

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

**Interest or other charges levied/charged**

Interest is not charged on outstanding fines.

**Discount rate applied to the estimated future cash flows**

The Agency applied a discount rate of 10.50% (2023: 7.75%) to the estimated future cash flows. This discount was determined with reference to the yield of the R186 (Prior year R2023) South African government bond as at the reporting date.



### Statutory receivables past due but not impaired

Statutory receivables which are not more than 12 months past due are not considered to be impaired. At 31 March 2024: R13 368 222, - (2023: 7,764,025) were past due but not impaired. The ageing of amounts past due but not impaired is as follows:

	2024 R	2023 R
The ageing of amounts past due but not impaired is as follows:		
3 months past due	10,702,182	4,756,520
6 months past due	280,855	1,813,740
9 months past due	2,385,155	1,193,765

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

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

### Statutory receivables impaired

As of 31 March 2024, Statutory receivables of 17,558,220 (2023: 6,404,265) were impaired and provided for.

The overall provision balance was therefore increased from R41,863,511 to R59,421,731 for the period under review. The impaired debtors were outstanding for more than 12 month. 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 the operating expenses. Amounts charged to 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.

	2024 R	2023 R
<b>Reconciliation of provision for impairment for statutory receivables</b>		
Opening balance	41,863,510	35,459,245
Provision for impairment	17,558,220	6,404,265
	<b>59,421,730</b>	<b>41,863,510</b>

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.

## 5. Cash and cash equivalents

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

	2024 R	2023 R
Cash on hand	15,000	15,000
Bank balances	33,854,405	21,412,811
Short-term deposits	206,185,775	190,015,798
	<b>240,055,180</b>	<b>211,443,609</b>

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

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

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



## Notes to the Annual Financial Statements (cont.)

## 6. Property, plant and equipment

	2024			2023		
	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	3,946,180	(3,308,484)	637,696	3,747,629	(3,115,333)	632,296
Office equipment	5,233,867	(2,697,718)	2,536,149	2,816,146	(1,663,917)	1,152,229
Computer equipment	19,962,662	(11,631,904)	8,330,758	12,905,886	(8,966,035)	3,939,851
Leasehold improvements	3,961,960	(2,803,857)	1,158,103	3,645,265	(2,050,872)	1,594,393
Motor Vehicles	13,732,888	(1,237,372)	12,495,516	232,541	(231,981)	560
Signage	454,447	(120,569)	333,878	454,447	(90,273)	364,174
<b>Total</b>	<b>47,292,004</b>	<b>(21,799,904)</b>	<b>25,492,100</b>	<b>23,801,914</b>	<b>(16,118,411)</b>	<b>7,683,503</b>

## Reconciliation of property, plant and equipment - 2024

	OPENING BAL- ANCE R	ADDITIONS R	TRANSFERS R	DEPRECIATION R	IMPAIRMENT LOSS R	TOTAL R
Furniture and fixtures	632,296	38,400	160,151	(193,151)	-	637,696
Office equipment	1,152,229	2,192,133	244,051	(1,038,416)	(13,845)	2,536,149
Computer equipment	3,939,851	6,585,010	518,255	(2,605,104)	(107,253)	8,330,758
Leasehold improvements	1,594,393	293,271	23,424	(752,985)	-	1,158,103
Motor Vehicles	560	13,375,407	124,938	(1,005,390)	-	12,495,516
Signage	364,174	-	-	(30,296)	-	333,878
	<b>7,683,503</b>	<b>22,484,221</b>	<b>1,070,819</b>	<b>(5,625,342)</b>	<b>(121,098)</b>	<b>25,492,100</b>

## Reconciliation of property, plant and equipment - 2023

	OPENING BAL- ANCE R	ADDITIONS R	DEPRECIATION R	IMPAIRMENT LOSS R	TOTAL R
Furniture and fixtures	870,255	17,048	(249,015)	(5,992)	632,296
Office equipment	1,566,411	122,152	(507,179)	(29,155)	1,152,229
Computer equipment	5,230,444	1,221,441	(2,377,307)	(134,727)	3,939,851
Leasehold improvements	2,323,446	-	(729,053)	-	1,594,393
Motor Vehicles	933	-	(373)	-	560
Signage	394,471	-	(30,297)	-	364,174
	<b>10,385,960</b>	<b>1,360,641</b>	<b>(3,893,224)</b>	<b>(169,874)</b>	<b>7,683,503</b>



## 7. Intangible assets

	2024			2023		
	COST/VALUATION R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R	COST/VALUATION R	ACCUMULATED AMORTISATION AND ACCUMULATED IMPAIRMENT R	CARRYING VALUE R
Computer software, internally generated	33,578,734	(5,036,947)	28,541,787	22,166,740	(1,991,754)	20,174,986
Other computer software	1,509,000	(1,460,464)	48,536	1,509,000	(1,358,925)	150,075
<b>Total</b>	<b>35,087,734</b>	<b>(6,497,411)</b>	<b>28,590,323</b>	<b>23,675,740</b>	<b>(3,350,679)</b>	<b>20,325,061</b>

### Reconciliation of intangible assets - 2024

	OPENING BALANCE R	ADDITIONS R	AMORTISATION R	TOTAL R
Computer software, internally generated	20,174,986	11,411,994	(3,045,193)	28,541,787
Other computer software	150,075	-	(101,539)	48,536
	<b>20,325,061</b>	<b>11,411,994</b>	<b>(3,146,732)</b>	<b>28,590,323</b>

### Reconciliation of intangible assets - 2023

	OPENING BALANCE R	ADDITIONS R	OTHER CHANGES, MOVEMENTS R	AMORTISATION R	TOTAL R
Computer software, internally generated	16,485,887	6,279,859	(822,697)	(1,768,063)	20,174,986
Computer software	414,352	-	-	(264,277)	150,075
	<b>16,900,239</b>	<b>6,279,859</b>	<b>(822,697)</b>	<b>(2,032,340)</b>	<b>20,325,061</b>



## Notes to the Annual Financial Statements (cont.)

**8. Payables from exchange transactions**

	2024 R	2023 R
Trade payables	14,232,683	6,037,986
Payroll creditors	20,721	2,922,983
Workman's compensation accrual	968,527	574,920
Other accrued expenses	4,210,536	2,390,331
	<b>19,432,467</b>	<b>11,926,220</b>

**9. Provisions****Reconciliation of provisions - 2024**

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	TOTAL
Provision for staff performance bonuses	6,850,473	7,003,186	(6,764,913)	(85,560)	7,003,186

**Reconciliation of provisions - 2022**

	OPENING BALANCE	ADDITIONS	UTILISED DURING THE YEAR	REVERSED DURING THE YEAR	TOTAL
Provision for staff performance bonuses	1,145,383	6,850,473	(401,274)	(744,109)	6,850,473

**Provision for staff performance bonuses**

Performance bonus is payable to qualifying employees as per the Agency's performance management policy. Staff performance bonus provision were provided for in the prior year and paid to the qualifying employee performance management policy.

**10. Operating lease asset (liability)**

	2024 R	2023 R
Non-current liabilities	367,569	2,368,383
Current liabilities	2,047,803	837,078
	<b>2,415,372</b>	<b>3,205,461</b>



## 11. Employee benefit obligations

### Defined benefit plan

#### Post retirement medical aid plan

The Agency has in place a post-employment medical benefit plan to which 8 members (2023: 8 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 2024 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.

The plan and liability is with respect to members transferred to RTMC as well as existing continuing members who are no longer in the employ of the Agency who qualify for continuation health care costs. The employees received a fixed subsidy of up to R1,810 per month for unmarried members and up to R3, 620 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:

	2024 R	2023 R
<b>CARRYING VALUE</b>		
Present value of the defined benefit obligation-wholly unfunded	(2,048,000)	(2,046,000)
Non-current liabilities	(1,807,000)	(1,819,000)
Current liabilities	(241,000)	(227,000)
	<b>(2,048,000)</b>	<b>(2,046,000)</b>

	2024 R	2023 R
<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
Opening balance	(2,046,000)	(2,578,000)
Interest Cost	(236,000)	(261,000)
Benefits paid	228,129	235,455
Actuarial (gains) losses	5,871	557,545
	<b>(2,048,000)</b>	<b>(2,046,000)</b>
<b>Net expense recognised in the statement of financial performance are as follows:</b>		
Net interest on the net defined benefit liability (asset)	(236,000)	(261,000)
Actuarial (gains) losses	5,871	557,545
	<b>(230,129)</b>	<b>296,545</b>
<b>Key assumptions used</b>		
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 05 February 2024 supplied by the JSE was used to determine a discount rates and CPI assumptions at each relevant time period. In the event that the valuation is performed prior to the effective valuation date, the prevailing yield at the time of performing calculations is used.

The Medical Aid Contribution Inflation rate was set with reference to the past relationship between the (yield curve based) Discount Rate for each relevant time period and the (yield curve based) Medical Aid Contribution Inflation for each relevant time period. South Africa has experienced high health care cost inflation in recent years. The annualised compound rates of increase for the last ten years show that registered medical aid schemes contribution inflation outstripped general CPI by almost 3% year on year. These increases are considered not to be sustainable and have assumed that medical aid contribution increases would outstrip general inflation by 1% per annum over the foreseeable future.

The Consumer price index (CPI) used is assumed to be the difference between nominal and yield curves.



## Notes to the Annual Financial Statements (cont.)

### Sensitivity analysis

#### Healthcare cost trends

Assumed healthcare cost trends rates have a significant effect on the amounts recognised in surplus or deficit. The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees. We have tested the effect of a 1% p.a. change in the medical aid inflation assumption effect is as follows:

	One percentage point increase	One percentage point decrease
<b>2024</b>		
Effect on interest cost	254,000	246,000
Effect on defined benefit obligation	2,079,000	2,018,000
<b>2023</b>	One percentage point increase	One percentage point decrease
Effect on interest cost	240,000	233,000
Effect on defined benefit obligation	2,077,000	2,015,000

#### Mortality rates

Deviations from the assumed level of mortality experience of the current members and the continuation members (pensioners) will have a large impact on the actual cost to C-BRTA. If the actual rates of mortality turn out higher than the rates assumed in the valuation basis, the cost to C-BRTA in the form of subsidies will reduce and vice versa.

The effect of 20% changes in mortality rates is as follows:

	20% increase	20% decrease
<b>2024</b>		
Effect on defined benefit obligation	1,904,000	2,227,000
<b>2023</b>	20% increase	20% decrease
Effect on interest cost	231,000	273,000

#### Defined contribution plans

The entity operates defined contribution retirement benefit plans for all its permanent employees, 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 assets of the plans are held separately from those of the entity in funds under the control of trustees. The Agency is under no obligation to cover any unfunded benefits. 245 employees were members of a provident fund operated by Alexander Forbes Pension Scheme while 11 employees were members of state-managed retirement benefit plan operated by the Government Employees Pension Fund. The entity is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the benefits. The only obligation of the entity with respect to the retirement benefit plan is to make the specified contributions.

The total expense recognised in profit or loss represents contributions payable to these plans by the the entity at rates specified in the rules of the plans. As at 31 March 2024, no outstanding contributions were due in respect of the current reporting period that had not been paid over to the plans.

The amount recognised as an expense for defined contribution plans is	28,207,769	16,229,969
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### 12. Revenue from non-exchange transactions - Permits and fines

	2024 R	2023 R
Permit issue fees	220,661,570	186,766,482
Permit application fees	50,008,339	42,176,880
Compliance fees	18,109,627	14,929,103
Fines	78,837,867	77,329,483
	<b>367,617,403</b>	<b>321,201,948</b>

### 13. Revenue from non-exchange transactions - Grants

	2024 R	2023 R
TETA SDL Grant	-	56,243

### 14. Other Income

	2024 R	2023 R
Postage, administrative and general walk-in services to operators	51,175	165,623
Actuarial gains	5,871	557,545
Insurance claims	-	76,483
	<b>57,046</b>	<b>799,651</b>



## 15. Interest received

	2024 R	2023 R
Bank	17,697,254	11,384,981

The Agency has cash investments yielding an average of 8.93% (2023: 6.31%) per annum.

## 16. Depreciation and amortisation

	2024 R	2023 R
Property, plant and equipment	5,625,342	3,893,224
Intangible assets	3,146,733	2,032,340
	<b>8,772,075</b>	<b>5,925,564</b>

## 17. Employee related costs

	2024 R	2023 R
Basic salaries	177,045,020	114,530,254
Performance bonus	6,917,626	6,850,473
Medical aid - company contributions	7,583,333	3,888,387
Unemployment Insurance Fund	571,709	330,381
Workman's Compensation	965,677	574,920
Leave pay provision charge	1,734,218	590,772
Pension and provident fund contribution	28,207,769	16,229,969
Long-service incentive	1,442,917	598,236
13 <sup>th</sup> cheques	4,085,637	3,469,202
Car allowance	1,000,885	628,000
	<b>229,554,791</b>	<b>147,690,594</b>

## 18. Finance costs

	2024 R	2023 R
Interest costs	236,000	261,000
Finance costs	103,205	-
	<b>339,205</b>	<b>261,000</b>

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 was accounted for in the Statement of financial performance in accordance with GRAP25: Employee Benefits.

Finance costs represents the accrual of interest on the finance lease liability when calculating the present value of lease payments over the lease term. This item was accounted for in the Statement of financial performance in accordance with GRAP13: Leases

## 19. Provision for impairment of receivables

	2024 R	2023 R
Impairment loss	17,558,220	6,404,265

Impairment loss amount is made up of notices issued and not yet paid as well as compliance fees not yet paid. The amount expensed is the increase in the financial year under review.



## Notes to the Annual Financial Statements (cont.)

**20. General expenses**

	2024 R	2023 R
Advertising	3,264,031	201,213
Audit fees (See note 21)	4,276,267	4,677,840
Bank charges	3,919,297	2,415,387
Cleaning and office supplies	805,276	663,202
Service fee (Note 28)	-	70,841,670
Legal fees	4,841,434	5,369,423
Consulting fees	2,430,251	5,075,959
Catering and employee wellness	1,479,562	1,105,719
Corporate gifts	104,084	126,339
Insurance	630,028	193,282
Conferences and seminars	1,214,342	758,604
IT expenses	2,567,217	696,849
Motor vehicle expenses	65,802	67,220
Placement fees	309,673	336,642
Printing and stationery	2,518,335	1,102,489
Repairs and maintenance	33,942	88,881
Security	1,283,698	705,720
Staff welfare	195,894	124,142
Software license fees	9,257,712	6,793,158
Training and development	2,525,631	1,591,567
Travel and accommodation	27,585,491	10,078,188
Small tools	13,689	4,222
Electricity and water	1,665,723	927,031
Uniforms	922,557	29,000
Document storage expenses	239,521	210,305
Relocation expense	7,728	-
Telephone, network and data expenses	798,566	531,194
Cellphone expenses	1,276,447	915,041
	<b>74,232,198</b>	<b>115,630,287</b>

**21. Audit fees**

	2024 R	2023 R
External audit	3,048,985	3,063,976
Internal audit	1,227,282	1,613,864
	<b>4,276,267</b>	<b>4,677,840</b>

**22. Operating lease****Office Lease****Head Office - Centurion**

The Agency has entered into a major operating lease agreement with Centurion Vision Development (Proprietary) Limited for a period of five years commencing on 01 June 2020 and terminating on 31 May 2025. Occupation was delayed by two months due to Covid-19 lockdown. The lease is in respect of the building known as Eco Point Office Park situated at Erf 3060 Highveld Ext 70 Township J.R Gauteng.

The significant leasing arrangements include the following:

- The lease escalates annually on 01 June of each year by 7.5%; and
- There are no renewal options and there are no restrictions imposed on the leases.

**Regional Office - Centurion**

Following the transfer of RTI from RTMC to C-BRTA, the Agency entered into an agreement with Centurion Vision Development (Proprietary) Limited for additional office space five years commencing on 01 June 2023 and terminating on 31 May 2025. Occupation was delayed and only took place effective 01 April 2024.

The significant leasing arrangements include the following:

- The lease escalates annually on 01 June of each year by 7.5%; and
- There are no renewal options and there are no restrictions imposed on the leases.

**Regional Office - Durban**

Following the transfer of RTI from RTMC to C-BRTA, the Agency took over the existing lease agreement with Prostem Trading for office space which was for a period of 32 months commencing on 01 October 2021 and terminating on 31 May 2024.



The significant leasing arrangements include the following:

- The lease escalates annually on 01 May of each year by 5.5%; and
- There are no renewal options and there are no restrictions imposed on the leases.

#### **Regional Office - Nelspruit**

Following the transfer of RTI from RTMC to C-BRTA, the Agency took over the existing lease agreement with Moroala Enterprises for office space which was for a period of 24 months commencing on 01 January 2022 and terminating on 31 December 2023.

The significant leasing arrangements include the following:

- There was no escalation on the lease; and
- There are no renewal options and there are no restrictions imposed on the leases.

Following the end of lease the Agency entered into a lease agreement with Maroala Enterprise for office space for a period of 24 months commencing on 01 April 2024 and terminating on 31 March 2026.

The significant leasing arrangements include the following:

- There is no escalation on the lease; and
- There are no renewal options and there are no restrictions imposed on the leases.

#### **Regional Office - Upington**

Following the transfer of RTI from RTMC to C-BRTA, the Agency took over the existing lease agreement with Taylor & Nagel for office space which was for a period of 34 months commencing on 01 November 2021 and terminating on 31 August 2024.

The significant leasing arrangements include the following:

- The lease escalates annually on 01 September of each year by 6%; and
- There are no renewal options and there are no restrictions imposed on the leases.

#### **Regional Office - Zeerust**

Following the transfer of RTI from RTMC to C-BRTA, the Agency took over the existing lease agreement with Bhyat Motors for office space which was for a period of 36 months commencing on 01 April 2022 and terminating on 31 March 2025.

The significant leasing arrangements include the following:

- The lease escalates annually on 01 September of each year by 7%; and
- There are no renewal options and there are no restrictions imposed on the leases.

#### **Regional Office - Ladybrand**

Following the transfer of RTI from RTMC to C-BRTA, the Agency took over the existing lease agreement with Proud Afrique for office space which was for a period of 36 months commencing on 01 May 2022 and terminating on 30 April 2025.

The significant leasing arrangements include the following:

- The lease escalates annually on 01 September of each year by 5%; and
- There are no renewal options and there are no restrictions imposed on the leases.

#### **Regional Office - Mokopane**

Following the transfer of RTI from RTMC to C-BRTA, the Agency took over the existing lease agreement with Rality Dynamix (Pty) Ltd for office space which was for a period of 23 months commencing on 01 July 2021 and terminating on 31 May 2023.

The significant leasing arrangements include the following:

- There was no escalation on the lease; and
- There are no renewal options and there are no restrictions imposed on the leases.

Following the end of lease the Agency entered into a lease agreement with Maroala Enterprise for office space for a period of 24 months commencing on 01 June 2023 and terminating on 31 May 2024.

The significant leasing arrangements include the following:

- There is no escalation on the lease; and
- There are no renewal options and there are no restrictions imposed on the leases.



## Notes to the Annual Financial Statements (cont.)

### Photocopiers

The Agency leases printing and photocopier machines under non-cancellable operating leases for three years which expired on 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.

Subsequent to the expiry of the above mentioned lease, the Agency entered into a new lease agreement in respect of printing and photocopier machines with Konica Minolta (Pty) Ltd under National Treasury Transversal agreement RT3-2022. The new lease is for a period of 36 months expiring on 31 October 2025.

The significant leasing arrangements under new lease 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 R0 rental amount for a rental period not exceeding Master Transverral Agreement period ending 31 March 2026, unless extended further or terminated on an earlier date in accordance with the provision of the Master Transversal Agreement; 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 30 June 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.

### Smartbox Devices

The Agency has entered into a lease with First National Bank in respect of smartbox devices for collection and storage of cash collected at the regional offices. The lease is for a period of 24 months commencing on 01 April 2023 and terminating on 31 March 2025.

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.

	2024 R	2023 R
<b>Future minimum lease payments due</b>		
- within one year	18,601,082	15,092,385
- in second to fifth year inclusive	3,509,341	3,184,963
	<b>22,110,423</b>	<b>18,277,348</b>

## 23. Operating surplus

Operating surplus for the year includes the following items:

	2024 R	2023 R
<b>Operating lease charges</b>		
Premises		
• Contractual amounts	16,619,067	14,694,962
Motor vehicles		
• Contractual amounts	36,789	467,912
Equipment		
• Contractual amounts	1,105,561	483,183
	<b>17,761,417</b>	<b>15,646,057</b>



## 24. Cash (used in) / generated from operations

	2024 R	2023 R
Surplus	37,032,699	41,715,183
<b>Adjustments for:</b>		
Depreciation and amortisation	8,772,075	5,925,564
Impairment	121,098	169,873
Interest received	(17,697,254)	(11,384,981)
Debt impairment	17,558,220	6,404,265
Movements in operating lease liabilities	(790,089)	246,553
Movements in retirement benefit liabilities	2,000	(532,000)
Adjustment of intangible assets	1,554,484	-
Transfer from RTMC	(3,293,846)	-
Transfer of Property, plant and equipment from RTMC	(1,070,819)	-
Adjustment of intangible assets	-	822,697
<b>Changes in working capital:</b>		
Receivables from exchange transactions	(4,334,900)	(775,875)
Increase in impairments	(17,558,220)	(6,404,265)
Receivables from non-exchange transactions	7,424,040	(7,325,836)
Payables from exchange transactions <sup>a</sup> and employee benefits	7,506,246	2,920,359
Provisions	152,713	5,705,090
Payables from non-exchange transactions	4,570,118	225,435
Short-term employee benefits	5,412,695	-
	<b>45,361,260</b>	<b>37,712,062</b>

## 25. Commitments

	2024 R	2023 R
<b>Authorised capital expenditure</b>		
<b>Already contracted for but not provided for:</b>		
• Property, plant and equipment	3,367,742	1,299,833
• Intangible assets	1,671,070	27,226,657
	<b>5,038,812</b>	<b>28,526,490</b>
<b>Total capital commitments</b>	<b>5,038,812</b>	<b>28,526,490</b>
Already contracted for but not provided for		
<b>Authorised operational expenditure</b>		
<b>Already contracted for but not provided for:</b>		
• General expenses	35,387,494	36,322,047
• Internal audit fees	6,744,271	1,010,619
• Office lease	24,793,778	33,990,398
	<b>66,925,543</b>	<b>71,323,064</b>
<b>Total operational commitments</b>	<b>66,925,543</b>	<b>71,323,064</b>
Already contracted for but not provided for		
<b>Total commitments</b>		
<b>Total commitments</b>		
Authorised capital expenditure	5,038,812	28,526,490
Authorised operational expenditure	66,925,543	71,323,064
	<b>71,964,355</b>	<b>99,849,554</b>



## Notes to the Annual Financial Statements (cont.)

### 26. Contingencies

A matter with a supplier appointed to supply promotional material which was delivered and paid for. The supplier is claiming non-payment due to a change in bank account details. The estimated cost of claims is R118, 184.05 plus legal costs. Pleadings have been settled and filed. The Agency is of the view that it has a good chance that the matter will be ruled in its favour.

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. An award was granted by the CCMA in favour of the employee in the amount of R654 155.75. The Agency is of the view that it has a good chance that the matter will be successfully reviewed in its favour.

An operator is claiming an amount of fine imposed by the Agency following the vehicle that impounded due to inadequate permits. The estimated cost of the claim is R93, 992.25. believes that it has good prospects of successfully defending the matter.

An ex employee has approached CCMA in relation to a fixed term contract that has terminated and not renewed by the Agency. The CCMA has awarded an employee a compensation amounting to R1 598 496. The Agency is reviewing the award at the Labour Court and believes that it has good prospects of successfully defending the matter.

Another ex employee has approached CCMA in relation to a fixed term contract that has terminated and not renewed by the Agency. The CCMA has awarded an employee a compensation amounting to R1 598 496. The Agency is reviewing the award at the Labour Court and believes that it has good prospects of successfully defending the matter.

An ex employee has approached CCMA in relation to a claim of unfair dismissal after employment contract has was terminated following the outcome of a disciplinary hearing. The CCMA has awarded an employee a compensation amounting to R961 720. The Agency is reviewing the award at the Labour Court and believes that it has good prospects of successfully defending the matter.

Another ex employee has approached CCMA in relation to a claim of unfair dismissal after employment contract has was terminated following the outcome of a disciplinary hearing. The CCMA has awarded an employee a compensation amounting to R937 364 being loss of arrear salary. The Agency is reviewing the award at the Labour Court and believes that it has good prospects of successfully defending the matter. A security deposit of R2 437 100 was made in favour of the ex employee should the outcome of the labour court be in his favour.

There is a claim by a service provider who claims outstanding amounts of R250 000 in respect of services rendered and not paid for. Matter was being processed through arbitration and the Agency believes that it has good prospects of successfully defending the matter.

There is a claim by a service provider who claims outstanding amounts of R200 000 in respect of services rendered and not paid for. Matter was being processed through arbitration and the Agency believes that it has good prospects of successfully defending the matter.

There is a claim by a service provider who claims outstanding amounts of R1 000 000 in respect of services rendered and not paid for. Matter was being processed through arbitration and the Agency believes that it has good prospects of successfully defending the matter.



## 28. Related parties

C-BRTA is a Schedule 3(A) public entity that is ultimately owned and controlled by the South African government. As a result of the constitutional independence of the three spheres of government in South Africa, only parties within the national sphere of government will be considered to be related parties.

Management is defined as being individuals with the authority and responsibility for planning, directing and controlling the activities of the entity. All individuals from the level of managers up to the members of the accounting authority are considered management. Information on the key management transaction is disclosed under note 29 below.

	2024 R	2023 R
<b>Related party balances</b>		
<b>Receivable/Payable accounts - Owing (to) by related parties</b>		
Government Printing Works	-	(47,665)
Department of Justice	(4,550)	(365,045)
RTMC	473,420	-

Amount due to Government Printing Works in respect of publication services rendered to the Agency, payable in cash within 30 days from invoice date.

Amount due to Department of Justice and Constitutional Development in respect of the legal services rendered to the Agency, payable in cash within 30 days from invoice date.

RTMC provided law enforcement function on behalf of the C-BRTA until 31 March 2023 as part of principal-agency relationship. However, the law enforcement function was transferred back to C-BRTA effective from 01 April 2023. As part of the transitional arrangements, the RTMC paid certain expenses in relation to the regional offices on behalf of the C-BRTA in terms of which CBRTA would reimburse RTMC for such expenses. In addition, RTMC collected certain fines on behalf of the C-BRTA. The balance at year end represents the net total due to RTMC.

	2024 R	2023 R
<b>Related party transactions</b>		
<b>Expenses incurred with related parties</b>		
Government Printing Works	117,020	166,703
Department of Justice and Constitutional Development	1,441,282	3,005,150
Road Traffic Management Corporation	-	70,841,670
Net surplus (loss) on transfer of functions with related parties		
Road Traffic Management Cosporation (refer to note 37)	(3,293,846)	-

The Department of Justice and Constitutional Development 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.

During the year Road Transport Inspectorate was transferred from RTMC to C-BRTA. This resulted in certain assets, liabilities and certain employees being transferred. (Refer to note 37)



## Notes to the Annual Financial Statements (cont.)

**28. Board members and Executive Remuneration****Board Remuneration**

	EMOLUMENTS R	RE-IMBURSIVE EXPENDITURE R	TOTAL R
<b>2024</b>			
Adv. Sonwabile Mancotywa (Chairperson)	227,688	73,951	301,639
Mr. Chris Hlabisa*	-	-	-
Ms. Lerato Molebatsi (Deputy Chairperson) (Resigned 31 July 2023)	62,138	3,750	65,888
Prof. Isaac Shai (Resigned 29 May 2023)	62,138	-	62,138
Ms. Zukisa Millicent Ramasia	186,414	7,362	193,776
Adv. Adila Chowan CA(SA), CD(SA)	186,414	2,112	188,526
Mr. Monwabisi Andile Kolanisi	186,414	322	186,736
Mr. Kevin Daniel van der Merwe	186,414	-	186,414
Ms. Loyiso Kula CD(SA)	186,414	2,115	188,529
Dr. Lesley Thulani Luthuli	186,414	644	187,058
Ms. Lebogang Mirriam Letsoalo	186,414	1,476	187,890
Ms. Bukeka Mahlutshana (Appointed 23 June 2023)	139,810	6,319	146,129
Mr. Leroy Nsibande (Appointed 23 June 2023)	139,810	6,311	146,121
	<b>1,936,482</b>	<b>104,362</b>	<b>2,040,844</b>
	EMOLUMENTS R	RE-IMBURSIVE EXPENDITURE R	TOTAL R
<b>2023</b>			
Adv. Sonwabile Mancotywa (Chairperson) (Appointed 15 February 2023)	37,948	1,179	39,127
Ms. Lerato Molebatsi (Appointed 28 June 2021)	224,249	50,456	274,705
Prof. Isaac Shai (Appointed 28 June 2021)	186,414	3,992	190,406
Ms. Zukisa Millicent Ramasia (Appointed 28 June 2021)	186,414	13,632	200,046
Adv. Adila Chowan (Appointed 28 June 2021)	186,414	-	186,414
Mr. Monwabisi Andile Kolanisi (Appointed 28 June 2021)	186,414	1,778	188,192
Mr. Kevin Daniel van der Merwe (Appointed 28 June 2021)	186,414	8,929	195,343
Ms. Loyiso Kula (Appointed 28 June 2021)	186,414	-	186,414
Dr. Lesley Thulani Luthuli (Appointed 28 June 2021)	186,414	9,182	195,596
Mr. Chris Hlabisa*	-	-	-
Ms. Lebogang Letsoalo (Appointed 28 June 2021)	186,414	-	186,414
	<b>1,753,509</b>	<b>89,148</b>	<b>1,842,657</b>

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



**Executive Management Remuneration**

	ANNUAL REMUNERATION R	TRAVEL, CAR AND CELL-PHONE ALLOWANCE R	PERFORMANCE BONUS VARIABLE PORTION R	ACTING ALLOWANCE, TERMINATION LEAVE AND OTHER EXPENSES R	TOTAL R
<b>2024</b>					
Chief Executive Officer	3,966,772	54,430	162,169	137,180	4,320,551
Chief Financial Officer (Resigned 17 August 2022)	2,611,566	188,700	-	90,037	2,890,303
Executive: Law Enforcement (Transferred from Regulatory services)	2,665,065	190,000	118,116	338,369	3,311,550
Executive: Corporate Services	2,677,683	188,700	133,055	75,185	3,074,623
Executive: Facilitation and advisory	2,854,625	9,404	118,116	187,547	3,169,692
Chief Information Officer	2,822,908	43,854	145,239	86,365	3,098,366
	<b>17,598,619</b>	<b>675,088</b>	<b>676,695</b>	<b>914,683</b>	<b>19,865,085</b>

**Remuneration of Executive Management**

	ANNUAL REMUNERATION R	TRAVEL, CAR AND CELL-PHONE ALLOWANCE R	PERFORMANCE BONUS VARIABLE PORTION R	ACTING ALLOWANCE, TERMINATION LEAVE AND OTHER EXPENSES R	TOTAL R
<b>2023</b>					
Chief Executive Officer	3,670,015	65,316	-	103,267	3,838,598
Chief Financial Officer (Resigned 17 August 2022)	1,030,715	19,862	-	-	1,050,577
Chief Operations Officer (Contract ended 31 July 2022)	1,107,963	8,488	-	35,861	1,152,312
Executive: Regulatory Services (Appointed 01 April 2022)	2,212,579	210,000	-	82,261	2,504,840
Executive: Corporate Services (Appointed 01 May 2022)	1,957,926	188,925	-	45,223	2,192,074
Executive: Facilitation and advisory	2,482,166	28,212	-	109,030	2,619,408
Chief Information Officer	2,698,103	27,300	170,802	80,385	2,976,590
Chief Financial Officer (Appointed 01 March 2023)	210,292	17,175	-	-	227,467
Acting Chief Financial Officer	-	-	-	421,458	421,458
	<b>15,369,759</b>	<b>565,278</b>	<b>170,802</b>	<b>877,485</b>	<b>16,983,324</b>



## Notes to the Annual Financial Statements (cont.)

### Independent Non-Executive Audit and Risk Committee Members remuneration

	EMOLUMENTS R	TOTAL R
<b>2024</b>		
Ms. Z Ntsalaze, CA(SA) (Chairperson)	257,552	257,552
Mr. B Chaplog, CA(SA)	187,529	187,529
Ms. N Phiri, CA(SA)	194,003	194,003
	<b>639,084</b>	<b>639,084</b>

	EMOLUMENTS R	TOTAL R
<b>2023</b>		
Ms. Z Ntsalaze, CA (SA), Chairperson	282,270	282,270
Mr. B Chaplog, CA (SA)	215,211	215,211
Ms. M Phiri, CA (SA)	198,057	198,057
Prof. P Fourie, CA (SA) (Terminated 28 February 2023)	185,392	185,392
	<b>880,930</b>	<b>880,930</b>

Adv. Adila Chowan and Dr. Lesley Luthuli are members of both the Audit and Risk Committee and the Board. Their remuneration was accounted for under Board remuneration..

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

Increase (decrease) in penalty income	-	-	2,047,292	2,982,005
(Increase)/decrease in receivables from non-exchange transactions	-	-	(2,047,292)	(2,982,005)

The effect in future periods could not be reasonably determined.

## 30. Risk management

### Financial risk management

The Agency's activities expose it to a variety of financial risks, including liquidity risk, credit risk, capital risks and interest rate risks.

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

Cash flow forecasts are prepared to ensure adequate liquidity is maintained for financial obligations.

At 31 March 2024, the the entity's only financial liabilities comprise trade and other payables which have a maximum maturity term of within 30 days.

### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and guarantee deposits. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Management evaluated credit risk relating to customers and counter parties on an ongoing basis. The entity's receivables from exchange transactions include deposits held on lease agreements as well as deposits held by third parties as guarantee for ongoing labour related disputes. The entity believes that no additional credit risk, beyond amounts provided for collection losses, is inherent in the receivables from exchange transactions.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2024 R	2023 R
Cash and cash equivalents	240,055,180	211,443,609
Receivables from exchange transactions	4,698,625	1,192,982



### Capital risk management

The Agency's objectives when managing capital are to safeguard the Agency's ability to continue as a going concern in order to provide services to the South Africa public and benefits for other stakeholders. The capital structure is currently free of any long term debt except for the retirement benefit obligation relating to medical costs for some former and current employees. As a state-owned entity, the Agency has no desire to maintain a highly geared capital structure.

### Interest rate risk

The Agency has some interest-bearing assets in the form of investments in the money market in the form of fixed term deposits. However, its income and operating cash flows are substantially independent of changes in market interest rates.

## 31. 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 period the entity continued to increase its revenue collection, which was a sign of recovery from the impact Covid-19 had on the organisation in the prior years. Furthermore, the C-BRTA and RTMC, through the Minister of Transport, have agreed to terminate the principal/agency agreement which has seen RTMC performing Road Transport Inspectorate (RTI) on behalf of C-BRTA. This has resulted in RTI returning back to C-BRTA effective from 01 April 2023. Although the C-BRTA has adequate financial resources to finance the capital assets of the RTI, the operational expenses of running RTI will require stringent financial management. Consequently, the entity will continue to implement cost containment measures as appropriate to mitigate against the risk of higher expenditure so as to ensure short term sustainability of the entity. Furthermore, management intends to apply to National Treasury for the retention of surpluses in order to finance the capital expenditure in line with its financial strategy. The Accounting Authority has reviewed cost containment measures proposed by management and is satisfied that they are adequate to

mitigate against the loss of revenue that may occur in future. The Accounting Authority has also reviewed the Agency's cash flow forecast for the year to 31 March 2025 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 year under review recorded a surplus of R37,032,699 (2023: R41,715,183).

## 33. Irregular expenditure

	2024 R	2023 R
Irregular Expenditure - current year	39,982	81,059

### Disciplinary steps taken/criminal proceedings

During the year the entity undertook disciplinary steps against employees who were suspected to be responsible of the irregular expenditure reported in the prior year. These disciplinary steps were concluded and appropriate sanctions imposed. No criminal proceedings were undertaken as there were no suspicions of any fraud or criminal activity.



### 33. Reconciliation between budget and statement of financial performance

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

	2024 R	2023 R
Net surplus per the statement of financial performance	37,032,699	41,715,183
<b>Adjusted for:</b>		
Assets written off and impairments	121,098	169,873
Finance charges and interest expense	339,205	261,000
Operating and general expenses	18,735,188	(7,500,635)
Depreciation and amortisation	1,078,102	(2,342,408)
Employee costs	(5,190,210)	(6,608,906)
Penalty income	(13,837,867)	(40,021,736)
Administration fee - RTMC	-	33,533,923
Under/over recovery of budgeted revenue	(32,028,063)	(12,591,522)
Other income over-collected	573,287	(97,739)
Interest received	(6,697,254)	(6,209,261)
<b>Net surplus per approved budget</b>	<b>126,185</b>	<b>307,772</b>

### 34. Short term employee benefits

	2024 R	2023 R
Accrued leave pay	12,557,039	7,556,034
Accrued bonuses (13 <sup>th</sup> Cheque)	1,101,493	689,803
	<b>13,658,532</b>	<b>8,245,837</b>

### 35. Finance lease obligation

	2024 R	2023 R
<b>Minimum lease payments due</b>		
- within one year	566,040	-
- in second to fifth year inclusive	707,550	-
	1,273,590	-
less: future finance charges	(143,639)	-
<b>Present value of minimum lease payments</b>	<b>1,129,951</b>	-
Non-current liabilities	660,383	-
Current liabilities	469,567	-
	<b>1,129,950</b>	-

It is entity policy to lease certain communication devices under finance leases.

The average lease term was 3 years and the average effective borrowing rate was 10.50%. Interest rates are 11.50% at the contract date. All leases have fixed repayments and no arrangements have been entered into for contingent rent.

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

### 36. Payables from non-exchange transactions

	2024 R	2023 R
Permits and penalty fees refundable	14,331,321	9,761,202

Payables relate to payments received in advance from operators.



### 37. Transfer of functions between entities under common control

#### Transfer of functions between entities under common control occurring during the current reporting period

The C-BRTA and RTMC, through the Minister of Transport, have agreed to terminate the principal/agency agreement which has seen RTMC performing Road Transport Inspectorate (RTI) on behalf of C-BRTA. This resulted in RTI function returning back to C-BRTA effective from 01 April 2023

The transfer was done in order to ensure effective functioning of the Road Transport Inspectorate function.

The transfer was finalised in May 2023.

#### Value of the assets acquired and liabilities assumed

##### Assets acquired

	2024 R	2023 R
Property, plant and equipment	1,070,819	-
Operating lease deposits	106,823	-
	<b>1,177,642</b>	-
<b>Liabilities assumed</b>		
Operating lease liability	84,371	-
Finance lease liability	66,268	-
Leave pay provisions	4,320,849	-
	<b>4,471,488</b>	-
<b>Difference between the carrying amounts of the assets acquired, the liabilities assumed and adjustments required to the basis of accounting</b>	<b>3,293,846</b>	-
<b>Difference between net assets and the consideration paid</b>	<b>3,293,846</b>	-

#### Transactions recognised separately from the transfer of functions

As at date of transfer, there was an amount of R844 723 due to certain transferred employees in respect of 13<sup>th</sup> cheque savings. This amount was not transferred to C-BRTA but settled by RTMC.

### 38. Events after the reporting date

On 27 June 2024 all members of the Board's term of office came to an end. The Department of Transport had embarked on the recruitment process in terms of which an advertisement was placed on print media on 31 March 2024 with the closing date of 15 April 2024. As the process could not be finalised in time, the Minister extended term of office of the members of the Board until new Board is appointed. However, Mr. Kevin van der Merwe declined the offer to extend his term of office due to other business commitments.

There are no financial implications for the financial year under review.

### 39. Unauthorised, Irregular and Fruitless and Wasteful Expenditure

\*Refer to reconciling notes in the annual report

### 40. Fruitless and wasteful expenditure

There were no fruitless and wasteful expenditure incurred during the year.













The logo is a circular emblem for the Cross-Border Road Transport Agency (CBRTA). At the center is a stylized graphic of a road with a white dashed line curving upwards, flanked by blue and grey swooshes. Below this graphic, the text "CROSS-BORDER" is written in a bold, blue, sans-serif font, with "ROAD TRANSPORT AGENCY" in a smaller, grey, sans-serif font underneath. Below the agency name, the website address "www.cbrta.co.za" is displayed in a black, sans-serif font. Surrounding the central text are four concentric rings of curved lines. Each ring contains the words "REGULATION", "LAW ENFORCEMENT", "FACILITATION", and "ADVISORY" in a black, sans-serif font, separated by small black dots. The rings are colored in a repeating pattern of blue, brown, green, and pink. The entire logo is set against a solid yellow background.









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