



## Road Transport and Safety Agency



# 2017

# Annual Report





**Road Transport and Safety Agency**

# 2017 Annual Report






Road Transport & Safety Agency


Head office Premium House

P.O. Box 32167, Lusaka


Tel: +260-211-228797


Fax: +260-211-231601


 : askrtsa


 twitter@rtsa2006

 [www.rtsa.org.zm](http://www.rtsa.org.zm)

 [askrtsa@rtsa.org.zm](mailto:askrtsa@rtsa.org.zm)

 Toll Free 983

 0965 429499

 Hotline: 0955 983983  
+260 211 228798



# TABLE OF CONTENTS

List of Tables .....	
List of Figures .....	iii
Glossary .....	iv
Board Chairman's Statement.....	v
Director and Chief Executive Officer's Statement.....	vii
Board of Directors .....	ix
Senior Management.....	x
The Annual report.....	x
1 INTRODUCTION .....	1
1.1 Corporate Governance.....	1
1.1.1 Committee of Ministries on Road Management Initiatives.....	1
1.1.2 The RTSA Board .....	1
1.1.3 Audit and Risk Management Committee.....	2
1.1.4 Technical Committee .....	3
1.1.5 Finance and Administration Committee.....	3
1.1.6 Senior Management .....	3
1.2 Corporate Plan .....	3
1.2.1 Vision Statement .....	4
1.2.2 Mission Statement .....	4
1.2.3 Core Values.....	4
1.2.4 Strategic Objectives.....	5
2 ROAD SAFETY .....	5
2.1 DECADE OF ACTION FOR ROAD SAFETY .....	6
2.2 ROAD SAFETY MANAGEMENT .....	6
2.2.1 Implement, Monitor and Evaluate Performance of the MoU on Road Safety .....	6
2.2.2 Implementation of Guidelines for Safe Use of Public Roads, Speedways and Racecourses by Motor Clubs.....	7
2.2.3 Accident Information System (AIS) .....	7
2.2.4 Road Safety Policy, Strategy and Action Plan .....	7
2.2.5 Fleet Safety Management Guide for Public Service Vehicle Operators.....	8
2.2.6 Construction of a Road Safety Park in Lusaka .....	8
2.2.7 Enhancement of call centre .....	9
2.2.8 Training of the Call Centre and Front line officers.....	9
2.2.9 Stakeholder Collaboration and Engagement .....	10
2.2.10 Media Campaigns.....	11
2.2.11 Television.....	11
2.2.12 Radio.....	12
2.2.13 Print Media .....	12
2.3 SAFER ROADS AND MOBILITY .....	12
2.3.1 Road Safety Audits (RSAs) .....	12

2.3.2	Road Safety Inspections (RSIs) .....	14
2.3.3	Mongu – Kalabo Road. ....	15
2.4	SAFER VEHICLES .....	16
2.4.1	Publicity on Safer vehicles .....	17
2.4.2	Number of Road Traffic Offences Recorded.....	18
2.4.3	Fast Track Court in Lusaka .....	19
2.4.4	Revenue Collected .....	19
2.4.5	Tow Truck Operations.....	19
2.4.6	Special Operations .....	20
2.5	SAFER ROAD USERS .....	22
2.5.1	Road Safety Clubs .....	23
2.5.2	Monitoring and Evaluation Workshop.....	23
2.5.3	Road Safety School Park.....	23
2.5.4	Sensitization at Intercity Bus Terminus .....	24
2.5.5	Road Safety Awareness .....	24
2.5.6	Bilateral and other meetings attended by the Legal Department. ....	29
2.5.7	Follow-ups on Resolutions from Zambia-South Africa Bilateral Meeting.....	31
2.5.8	SADC Motor Vehicle Accident Fund Workshop .....	32
2.5.9	ESTABLISHMENT OF THE ROAD SERVICE APPEALS TRIBUNAL.....	33
2.5.10	Workshop on Draft Rules for the Road Service Appeals Tribunal .....	33
2.5.11	Road Traffic Prosecution Court Cases .....	33
2.5.12	The Highway Code.....	34
2.5.13	Workshop to review SI 76 (night ban); the Amendment Bill and the Highway Code .....	34
2.5.14	Review of SI 76.....	35
2.6	ROAD TRAFFIC TRAFFIC CRASHES .....	35
3	Road Transport.....	42
3.1	Registrations and Licensing Activites .....	42
3.1.1	Practical driving test.....	42
3.1.2	Examination for test certificate.....	42
3.1.3	Examination for Certificate of Fitness (COF).....	43
3.1.4	Motor vehicle physical inspection .....	43
3.1.5	Mobile Licensing and Examination .....	44
3.1.6	Mechanized Testing Equipment.....	44
3.1.7	Driver/Instructor Syllabi .....	45
3.1.8	Registration.....	45
3.1.9	Imports.....	48
3.1.10	First registration .....	49
3.1.11	De-registration.....	51
3.1.12	Conversions .....	51
3.1.13	Change of ownership.....	52
3.1.14	Addition and amendment of title holder .....	52
3.1.15	Personalised (Vanity) registration .....	53

3.1.16	Re-allocation of registration marks and numbers.....	53
3.1.17	Re-registration of motor vehicles and trailers.....	54
3.1.18	Cumulative motor vehicle and trailer population.....	55
3.1.19	Licensing .....	55
3.1.20	Road Tax.....	56
3.1.21	Road Service Licences.....	57
3.1.22	Issuance of Driving Licenses .....	57
3.1.23	Cross Border Permits.....	57
3.1.24	Issuance of Motor Dealers' Vehicle Licences .....	58
3.2	OTHER ACTIVITIES CONDUCTED IN 2017.....	58
3.2.1	Station inspections .....	58
3.2.2	Public sittings .....	59
3.2.3	Bilateral and Multilateral Meetings .....	59
3.3	Review of revenue performance.....	59
3.3.1	COLLECTIONS UNDER THE ROAD TRAFFIC ACT NO.11 OF 2002.....	60
3.3.2	ADMINISTRATION OF OUTSOURCED REVENUE COLLECTIONS FROM STRATEGIC PARTNERS .....	63
3.3.3	COLLECTIONS UNDER THE TOLLS ACT OF 2011 .....	64
3.3.4	Toll fees from locally registered vehicles .....	64
3.3.5	Toll fees from foreign registered vehicles .....	65
3.3.6	CARBON EMISSION SURTAX (CES) .....	66
3.4	REVENUE MONITORING UNIT .....	67
3.5	REVENUE REFORMS .....	68
3.6	LEGAL DEPARTMENT ACTIVITIES DURING THE YEAR UNDER REVIEW .....	69
3.6.1	Civil and Criminal Court Cases.....	69
3.6.2	Board Meetings.....	70
3.6.3	Bilateral and other meetings attended by the Legal Department .....	72
3.6.4	Other Activities Undertaken by Legal Department .....	75
3.7	Information and Communications Technology .....	81
3.7.1	Systems Infrastructure and Security.....	81
3.7.2	SYSTEMS INFRASTRUCTURE AND SECURITY (SIS) 2015 ACTIVITIES .....	82
3.7.3	BUSINESS INFORMATION SYSTEMS (BIS).....	85
3.7.4	NETWORKS AND TELECOMUNICATIONS.....	87
3.8	PROCUREMENT ACTIVITIES DURING THE YEAR UNDER REVIEW .....	90
3.8.1	Tenders .....	90
3.8.2	CARRIED OVER PROCUREMENTS.....	91
3.9	Internal Audits.....	91
3.9.1	Quality Control; .....	92
3.9.2	Main Activities undertaken during the year.....	92
4.0	HUMAN RESOURCE AND ADMINISTRATION.....	67
4.1	STAFFING .....	67
4.2	NATIONAL EVENTS.....	68
4.3	UNION MATTERS.....	68

4.4	TRAINING AND DEVELOPMENT .....	69
4.5	PERFORMANCE EVALUATIONS .....	69
4.6	TRANSPORT SECTION .....	4.6
4.7	SECURITY SERVICES.....	70
4.8	CONSTRUCTION WORKS.....	70
4.9	LAND ACQUISITION .....	71
4.10	INSTALLATION OF NEW EQUIPMENT .....	71
	APPENDICES .....	73
	<b>Financial Statements.....</b>	<b>79</b>

## List of Tables

Table 1: Shows annual statistics for practical tests.....	21
Table 2: Shows annual statistics for motor vehicle test certificates in 2016 .....	21
Table 3: Shows annual statistics for motor vehicle certificate of fitness tests in 2016.....	22
Table 4: Shows annual statistics for motor vehicle physical inspections in 2016.....	22
Table 5: Shows the top ten highest recorded traffic offences in the years 2016, 2015 and 2014.....	23
Table 6: Shows number of offences per Province in 2016 and 2015 .....	23
Table 7: Compares the amount of revenue collected from traffic offences in 2016 and 2015 .....	24
Table 8: Shows the tow trucks operations in 2016 .....	25
Table 9: Shows the types and number of materials donated to Luapula Province Library.....	33
Table 10: Shows number of road traffic crashes by Province from 2006 to 2016 .....	36
Table 11: Shows road traffic crashes and fatalities per 10,000 vehicles and 100,000 population .....	37
Table 12: Compares mobile driver licencing in 2016 and 2015.....	41
Table 13: Compares mobile motor vehicle licencing in 2016 and 2015.....	41
Table 14: Shows number of motor vehicles and registrations in 2016.....	41
Table 16: Compare motor vehicle registrations by Province 2016 .....	43
Table 17: Show number of imports per port of entry for the year 2016.....	43
Table 18: Shows number of motor vehicles and trailers registered in 2016 per quarter .....	44
Table 19: Shows motor vehicle and trailers registrations in 2016 per Province.....	45

## List of Figures

Figure 1: Shows type and number of materials donated during the Chova cycling competition .....	29
Figure 2: Shows materials that were distributed during Public service day commemoration.....	34
Figure 3: Progression of road traffic crashes from 2006 to 2016 .....	37
Figure 4: Shows number of fatalities from 2006 to 2016 .....	38
Figure 5: Compares urban and rural fatalities in 2016.....	39
Figure 6: Shows classification of fatalities by road user .....	39
Figure 7: A road traffic crash due to excessive speeding on Kabwe – Kapiri Mposhi road.....	40
Figure 9: Compares number of registration transactions in 2016.....	42
Figure 10: Compares first registrations in 2016 by Province.....	46

## Glossary

BRTA	Bilateral Road Transport Agreement
CBP	Cross Border Permit
CDC	Curriculum Development Centre
DPP	Director of Public Prosecutions
E-ZamTIS	Electronic Zambia Transport Information System
GRSP	Global Road Safety Partnership
IDP	International Driving Permit
MDVL	Motor Dealer Vehicle Licence
MLGH	Ministry of Local Government and Housing
MoU	Memorandum of Understanding
NRFA	National Road Fund Agency
PSV	Public Service Vehicle
RDA	Road Development Agency
RISDP	Regional Infrastructure Strategic Development Plan
RMI	Road Management Initiative
RSA	Road Safety Audit
RSI	Road Safety Inspection
RSL	Road Service Licence
RTI	Road Traffic Inspector
RTSA	Road Transport and Safety Agency
SCOM	System Centre Operations Manager
SI	Statutory Instrument
ZamTIS	Zambia Transport Information System
ZITF	Zambia International Trade Fair





## Board Chairman's Statement



December 31st 2017 marked the end of the 3-year term of the Road Transport and Safety Agency (RTSA) Board which was appointed into office in November 2014. On behalf of all the colleagues with whom I served on the RTSA Board I would like to express our sincere gratitude to the Government of the Republic of Zambia and in particular to the Minister of Transport and Communications Hon. Brian Mushimba, MP in according us opportunity to serve the people of Zambia in matters of Road Safety. I therefore feel greatly honoured to have this privilege of presenting the 2017 RTSA Annual Report and audited financial statements for the year ending 31st December 2017. The year 2017 was significant for RTSA as we began to see a yielding of positive Road Safety results arising from the significant work the Agency had been undertaking in the prior years. In 2017 the fatalities arising from road crashes reduced by 10% when compared to the 2016 situation.

The year under review was a period of consolidating the Agency's new Strategic Corporate plan covering period 2016 to 2018 which the RTSA Board had reviewed and approved in 2016 under the following re-aligned vision: "To be a world class regulator of a road transport system that ensures safety for all road users". The Board further reviewed the revised version of the Highway Code which is a foundational document of Road Safety in Zambia.

The Agency is greatly indebted to the Government of Zambia for the tremendous support it continued to receive in the year 2016. The Government through the Ministry of Finance continued to fund various Road Safety improvement interventions which were undertaken by RTSA. These interventions are yielding positive results and in the shorter term we have seen the 10% reduction in road fatalities which was registered in 2016. The crowning moment of Government's High level commitment to Road Safety came when the Republican President, H.E. Mr. Edgar Chagwa Lungu on 1st July 2017 visited the RTSA Stand at the International Trade Fair in Ndola for the purpose of renewing his Driver's Licence using the E-Zamtis. This gesture by the Republican President was a positive statement that every vehicle driver on the Zambian roads need to ensure that they have a valid Driver's Licence before venturing on the road.

It is a matter of great concern that in the year 2017 out of the 1,989 fatalities arising from road crashes 980 of these (49%) involved pedestrians. Another worrisome statistic is that 55% of the road crash fatalities happened in the rural areas. It is without doubt that protection of pedestrians and safe driving in rural areas has to be a focus area as RTSA continues to strive in its efforts of achieving increased safety assurance for all road users. Driver errors continue to be the single biggest contributor to road crashes on the Zambian roads with a contribution rate of 86.2%. Within the Driver Error bracket over-speeding remains a major problem and RTSA's



Driver education initiatives continued to be focused on this scourge.

After a two year period of construction, the official launch of the first National Road Safety School Park in Chongwe, Lusaka Province took place in October 2017. This initiative which was supported by the World Bank marked an important milestone in RTSA's efforts of inculcating the right road usage behaviour and attitudes in the children. It has to be said that if we can get it right with our children in appreciating the fundamentals of good and safe usage of roads then we can say there is a bright future for our country. The next generation of vehicle drivers should be one which fully believes in Zero Vision i.e. it is possible to reduce road crash fatalities to zero if we all work together. We should not be content with any other position and all of RTSA's strategies will be directed towards Zero Vision.

The Agency continues to embrace the idea that road safety is a shared responsibility involving relevant Government ministries, local authorities, road developers, Non-Governmental Organizations and private sector entities. In the spirit of continued collaboration with all relevant stakeholders, the Agency on 19th October 2017 held the 3rd National Road Safety Indaba under the theme, "Towards 50% reduction of Accidents and Fatalities by 2020, for a better Zambia". This theme is fully aligned to the United Nations Decade of Action and the Sustainable Development Goals which aspire to protect and prevent loss of human lives through the provision of sustainable and safer transport systems. All the delegates to the conference were fully agreed that 50% reduction is the minimum we have to achieve in the shorter term.

The improved Road Safety performance in 2017 were to a large extent due to Statutory Instrument No. 76 of 2016: The Road Traffic (Public Service Vehicles Restriction on Night Driving) Regulations which was issued on 28th October 2016 by Hon. Brian Mushimba. This SI restricted the movement of public service vehicles and vehicles in-transit between 21.00 hours and 05.00 hours. The issuance of this SI was against the background that public service vehicles, which include passenger and heavy goods vehicles, account for 52% of the total road traffic accidents that occur in the night.

On behalf of the Board and indeed on my own behalf I wish to extend my appreciation to the RTSA Chief Executive Officer, all the staff and the management team for the hard work and unwavering dedication to duty. I further wish to express profound appreciation to the Minister and all directors at the Ministry of Transport and Communications for the immense support received throughout 2017. As I conclude, I am delighted to note that the Agency recorded significant progress in 2017 but much more work remains to be done as we can not relax until we achieve the ultimate goal of bringing fatalities arising from road crashes to zero.

**Eng. Webster Nonde**

Board Chairman

## Director and Chief Executive Officer's Statement



The Road sector report is an annual publication of the Road Transport and Safety Agency (RTSA) which focuses on sectoral achievements as well as challenges experienced by the Agency. The report will highlight future prospects and opportunities for the Road Transport and Safety Agency and further focus on the successes and challenges experienced by Agency in 2017.

In the year 2017, the RTSA conducted its activities focusing on areas of road safety and road transport management. These activities were in line with the United Nations Decade of Action on Road Safety whose aspirations are to stabilise and reduce road traffic accidents and fatalities by 50 per cent by the year 2020. The Agency has continued implementing and actualising the new Corporate Plan for the period 2016 to 2018 in line with Government Policy. The Corporate Plan ensures that the Agency enhances road transport efficiency as well as adopts road safety strategies that will result in the reduction of fatalities and injuries.

The activities of the RTSA under its Corporate Plan are anchored on the following five focus areas:

- (i) improving road safety;
- (ii) rebranding the Agency and developing infrastructure;
- (iii) enhancing service delivery;
- (iv) enhancing revenue collection; and
- (v) enhancing stakeholder management and communication.

During the year under review, the Agency issued and implemented thirteen (13) Statutory Instruments (SIs) whose was improving in road safety. The impact of these SI was noticed by the significant reduction in the number of road traffic crashes and fatalities. In 2017 the road traffic crashes reduced by 7% from 32,350 in 2016 to 31,163 in 2017 and fatalities reduced by 10% from 2,206 in 2016 to 1,989 in 2017 with a decreasing trend. The Sis are supplementing increased road safety awareness and joint enforcement activities between RTSA and Zambia Police. Despite all these efforts on road safety interventions, poor road user behaviour still remains the leading contributing factor to road traffic crashes, fatalities and injuries.

In 2017, the RTSA ensured that standards and procedures governing the issuance of driving licences to private and Public Service Vehicle (PSV) drivers were reviewed. The Legislation and

institutional framework governing driver and motor vehicle examination were reviewed.

During the year under review, the number of licencing transactions increased by 1.2% from the previous year. The licencing transactions included; road tax, road service licence, driving licences and provisional drivers' licences. The increase in the number of licencing transactions has been attributed to, among other factors, the increase in the cumulative vehicle population.

The number of motor vehicles and trailers registered during the year under review increased by 25 % from the previous year, bringing the cumulative vehicle population to 737.671.

The RTSA has continued to be the lead Agency in the collection of non-tax revenues. During the period under review, the Agency collected a total of K819 million compared to K782.6 million in 2016 representing an increase of 5 % with an absolute value of K36.4 million.

The general outlook for 2017, is to realise the full implementation of the electronic Zambia Transport Information System (e- ZamTIS) and Accident Information System (AIS).

I wish to express my profound gratitude and appreciation to the Government of the Republic of Zambia, particularly the Ministry of Transport and Communications the Board, Management and staff as well as other stakeholders for the unwavering support and guidance during the year under review.

# 1 INTRODUCTION

The Road Transport and Safety Agency (RTSA) was established by the Road Traffic Act No. 11 of 2002 as a body corporate with perpetual succession and a common seal. The Agency is mandated by the Road Traffic Act No. 11 of 2002 to implement and coordinate road safety programmes that are aimed at reducing the likelihood and impact of road crashes. The Agency is also mandated to undertake activities relating to road transport and traffic management. Further, the RTSA has become a substantial contributor of Government revenue to the Road Fund being the highest non-tax revenue collector in the country.

## 1.1 Corporate Governance

The Agency's corporate governance structures are premised on transparency, responsibility, accountability and integrity. The roles of Government, the Board, Management and staff are well defined to avoid any possible conflict of interests.

### 1.1.1 Committee of Ministries on Road Management Initiatives

The Agency reports to the Committee of Ministers on Road Management Initiatives (RMI) which comprises of the Ministers responsible for:

- i. Transport and Communications;
- ii. Finance;
- iii. Justice;
- iv. Local Government;
- v. Housing and Infrastructure;
- vi. Mines, Energy and Water Development;
- vii. Agriculture; and
- viii. Tourism and Arts.

These Ministers are assisted by Permanent Secretaries in their respective ministries.

### 1.1.2 The RTSA Board

The RTSA Board is appointed by the Minister of Transport and Communications under Section 5 of the Road Traffic Act No. 11 of 2002. The Board reports to the Committee of Ministers on RMI whose Chairperson is the Minister of Transport and Communications. The Board, in line with Section 5 of the Road Traffic Act No. 11 of 2002, consists of;

- i. A representative of the Pensions and Insurance Authority (PIA);
- ii. A representative of the Passengers, Pedestrians and Cyclists Association;
- iii. A representative of persons with disabilities recommended by the Ministry responsible for community development and social welfare;
- iv. A representative of the Chartered Institute of Logistics and Transport;
- v. A representative of the Passengers Transport Association;
- vi. A representative of the Truckers Association;
- vii. A representative of the Health Professionals Council of Zambia;
- viii. A representative of the Attorney-General;

## Board of Directors



**Eng. Webster Nonde**  
Chairperson



**Ms. Mandeep de Brito**  
Vice Chairperson



**Eng. Micheck Lungu**  
Director



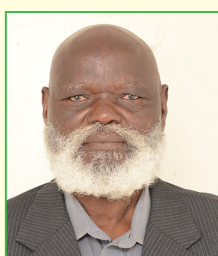
**Col. Speedwell Mulusa**  
Director



**Mr. Kampamba Mutale**  
Director



**Mr. Martin Libinga**  
Director



**Mr. Lawrence Kaoma**  
Director



**Dr. Mary M. Zulu**  
Director



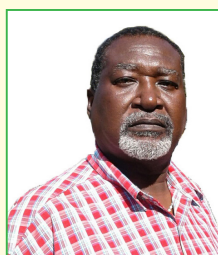
**Mr. Likando Kalaluka S.C**  
Director



**Eng. Wallece Mumba**  
Director



**Henry Nkhoma**  
Director



**Amisi Daudi**  
Director



**Eng. Elias Mwape**  
Director



**Mr. Zindaba Soko**  
Board Secretary

## Senior Management



**Mr. Zindaba Soko**

Director and Chief Executive Officer



**Mr. Gladwell Banda**

Deputy Director-Road Safety



**Mr. Rodgers Nkandu**

Deputy Director - Road Transport



**Mr. Progress Saiwana**

Head Finance



**Mr. Sandra Seleweka**

Head Internal Audit & Risk  
Assurance



**Mrs. Demetria Mudenda**

Legal Counsel



**Mr. Emmanuel Longwe**

Acting Head Human Resource  
and Administration



**Mr. George Mutale**

Head Information and  
Communications Technologies



**Mr. Chunky Kanchele**

Head Statistics and Research



**Mr. Lawrence Sambwa**

Procurement Specialist



**Mr. Frederick Mubanga**

Head Public Relations



- ix. A representative of the Ministry responsible for Transport and Communications;
- x. A representative of the Ministry responsible for Home Affairs;
- xi. Director of the Road Development Agency;
- xii. Director of the National Road Fund Agency;
- xiii. One other person.

The Director and Chief Executive Officer (CEO) of the Agency is the Secretary to the Board.

The Board is responsible for providing strategic direction to the Agency and ensuring that it is managed in an effective and efficient manner. The Board oversees the implementation of Government policies and regulations on road transport, traffic management and road safety. It sets the strategic direction of the Agency, approves and reviews annual work plans and ensures systems of internal controls are in place. In order to provide the required control of the Agency, the Board operates through Committees whilst retaining its full responsibility as a Board. The Committees include: Audit and Risk, Technical, and Finance and Administration.

### **1.1.3 Audit and Risk Management Committee**

The Audit and Risk Management Committee is chaired by a non-executive Director and consists of five other non-executive Directors. The composition of the Committee conforms to the requirement of the Public Finance Act of 2004. The Committee is responsible for reviewing the system of internal controls and procedures and ensuring that they are adequate. The Committee further ensures that a system of identifying and evaluating critical risk is in place and is frequently reviewed.

### **1.1.4 Technical Committee**

The Technical Committee is chaired by a non-executive Director and consists of five other non-executive Directors. The Committee provides direction to the Agency on matters of road safety and coordination of safety programmes with stakeholders. The Committee also oversees the implementation of regulations relating to registration, examination and licencing of motor vehicles, trailers and drivers. It recommends to the Board for approval of short, medium and long term road transport and safety strategies. It also reviews proposed amendments to legislation before consideration of the Board.

### **1.1.5 Finance and Administration Committee**

The Finance and Administration Committee is chaired by a non-executive Director and consists of four other non-executive Directors. The Committee oversees financial reporting, administration and procurement matters of the Agency and recommends improvements. The Committee also oversees processes of employee resourcing, remuneration, development and separations.

### **1.1.6 Senior Management**

The Board, with the approval of the Minister of Transport and Communications, appoints the Director, who is the Chief Executive Officer of the Agency. The Board also appoints Deputy Directors responsible for road safety and road transport. The Director is assisted by other senior management staff who include the Head Finance, Head Internal Audit and Risk Assurance, Head Information Communications and Technology, Legal Counsel, Head Statistics and Research, Head Human Resource and Administration, Head Public Relations and Procurement Specialist.



The offices of the Deputy Directors are assisted by Principals responsible for road safety engineering, road safety education and publicity and road traffic inspection. Others are Principals responsible for motor vehicle and driver registration, licencing and examinations.

## **1.2 Corporate Plan**

The Corporate Plan sets the Agency's strategic direction, priorities and enables the Agency to focus its energies and resources towards achieving set goals. The corporate plan consists of decisions, responsibilities, deadlines and key performance indicators that are aimed at shaping and guiding the Agency's day to day decisions with a focus on the future. The current Corporate Plan runs from 2016 – 2018 and centres on the following key areas:

### **1.2.1 Vision Statement**

To be a world class regulator of a road transport system that ensures safety for all road users

### **1.2.2 Mission Statement**

To manage the road transport system, protect and save lives, reduce number of crashes and fatalities among all road users countrywide.

### **1.2.3 Core Values**

The RTSA shall conduct its business with the following values:

- i. Excellence service;
- ii. Integrity;
- iii. Confidentiality;
- iv. Fairness;
- v. Transparency;
- vi. Accountability; and
- vii. Efficiency.

The five focus areas for the period 2016 – 2018 are:

- i. To improve road safety;
- ii. To rebrand the Agency and develop infrastructure;
- iii. To enhance service delivery;
- iv. To enhance revenue collection; and
- v. To enhance stakeholder management and communication.

### **1.2.4 Strategic Objectives**

The following are the strategic objectives for the period 2016 – 2018:

- i. Improve road safety;
- ii. Enhance road transport registration, examination and licencing;

- iii. Undertake capacity building and enhance productivity of the work force;
- iv. Develop and improve infrastructure; and
- v. Efficient Management of revenue collection.

## 2 ROAD SAFETY

### 2.1 DECADE OF ACTION FOR ROAD SAFETY

The primary objective of road safety is to protect the lives of all road users and their property through the appropriate screening of drivers and vehicles going on public roads, the introduction of road safety engineering measures, road safety education, publicity and enforcement of road traffic regulations.

The United Nations proclaimed 2011 – 2020 as the Decade of Action for Road Safety. The guiding principles underlying the Global Plan for the Decade of Action are those included in the 'Safe System' approach. This approach aims to develop a road transport system that is better able to accommodate human error and take into consideration the vulnerability of the human body.

The five pillars for the Global Plan for the Decade of Action are as follows:

Pillar 1: Road Safety Management

Pillar 2: Safer Roads and Mobility

Pillar 3: Safer Vehicles

Pillar 4: Safer Road Users

Pillar 5: Post - Crash Care

### 2.2 ROAD SAFETY MANAGEMENT

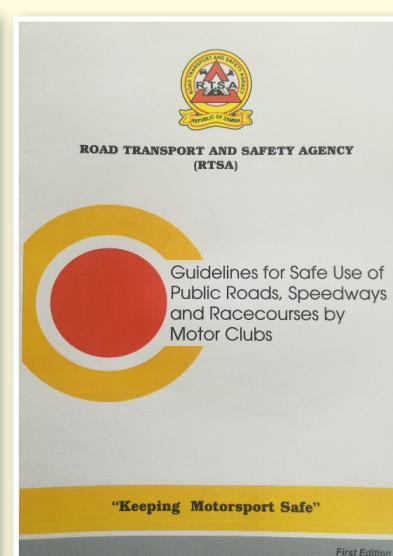
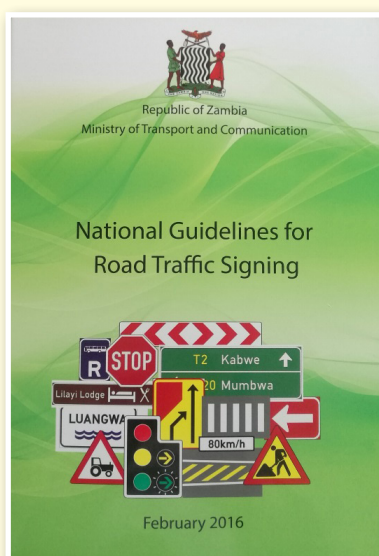
Pillar 1 of the United Nations Decade of Action for Road Safety 2011 -2020 focuses on the institutional framework needed to implement road safety activities, thereby setting the oversight of all other pillars. It provides an opportunity to intensify or to develop activities towards building institutional capacity as well as focusing on targets such as capacity building at local government level, developing local research and road safety monitoring.

The limits to improved road safety performance are shaped by a road safety management system which determines the results being sought and produces the interventions to achieve them.

During the year under review, the Road Transport and Safety Agency (RTSA) carried out the following road safety management activities.

#### 2.2.1 Implement, Monitor and Evaluate Performance of the MoU on Road Safety

During the year under review the Agency in collaboration with the Ministry of Transport and Communications held only one quarterly review meeting (in the first quarter) for the implementation, monitoring and evaluation of the MoU on Road Safety. The other quarterly meetings could not be undertaken due to lack of funding.



### **2.2.2 Implementation of Guidelines for Safe Use of Public Roads, Speedways and Racecourses by Motor Clubs**

During the year under review the Agency printed 500 copies of the approved guidelines for the safe use of public roads, speedways and race courses by motor clubs. The guidelines will be handed over to the Zambia Motor Sport Association in the first quarter of 2018.

### **2.2.3 Accident Information System (AIS)**

During the year under review the Road Transport and Safety Agency (RTSA) handed over 85 desktop computer processing units, 93 desktop monitors, 30 handheld mobile devices, 28 internet routers and 56 data sim-cards.

Despite the system having bugs (that had been discovered during the training of administrators and users), it had been proposed that this notwithstanding, the system be rolled out to 28 Police Stations in Lusaka on a pilot basis after which an expert will be hired to fix the bugs.

During the year under review the roll out that had been planned to be completed by the end of the second quarter, had not been done as the Zambia Police Command delayed in giving a go-ahead which has now been given.

### **2.2.4 Road Safety Policy, Strategy and Action Plan**

The consulting services to develop a Road Safety Policy, Strategy and Action Plan was supported by the Road Transport Sector Capacity Building Programme funded by the European Development Fund (EDF).

During the year under review the RTSA with guidance from the Ministry of Transport and Communications (MTC) held a stakeholders' workshop to validate the Draft Policy. Further, Cabinet advised the Agency through the MTC to align the Draft Policy to the Government of the Republic of Zambia format which will be conducted in the first quarter of 2018.

### **2.2.5 Fleet Safety Management Guide for Public Service Vehicle Operators**

During the year under review the Agency completed the drafting of a Fleet Safety Management Guide for Public Service Vehicle Operators. The Agency further introduced the guide and conducted an initial fleet safety risk assessment on 11 bus operators in Lusaka and 20 bus operators on the Copperbelt as a pilot, to determine their institutional risk status and recommend measures for action.



*RTSA, MTC & GRSP conducting performance Fleet Risk Audits in Ndola*

for the exercise.

### 2.2.6 Construction of a Road Safety Park in Lusaka

During the year under review the construction of a Road Safety School Park in Lusaka had been completed and was la



*Mary Queen pupils during official opening of Road Safety School Park in Silverest*

### 2.2.7 Enhancement of call centre

The RTSA Call Centre is part of the RTSA critical systems especially in supporting road safety and enforcement activities. The Agency through the Call Centre continued to utilize its Facebook Account and the WhatsApp line to interact with the public. Information shared ranges from requests to simple commentaries on Agency services and road safety. The Facebook account posted Press Statements, Public Notices and the activities the Agency undertook.

### 2.2.8 Training of the Call Centre and Front line officers

During the period under review, the PR Unit organized a Customer Relations Training for the call centre and frontline staff. The objective of this training was to assist trainees have a better understanding of customer service, develop in the staff professional skills in customer service, good communication skills among the staff, skills in Telephone Customer Service and in dealing with unsatisfied or difficult clients.

The RTSA Call Centre received over 50,000 calls from members of the public. The calls were on accident reports, complaints on RTSA services and bus operators, information request and suggestions. The Agency through the Call Centre continued to utilize its Facebook Account and the WhatsApp line to interact with the public. Information shared ranges from requests to simple commentaries on Agency services and road safety. Stakeholder Collaboration and Engagement.

During the year 2017, the Public Relations Unit participated in several activities that were organized as means of identifying and strengthening road safety partnerships with organisations and companies that have similar interests with the Agency such as the:

1. 3<sup>rd</sup> National Road Safety Conference;
2. Inter-Company Relay; and
3. Zambia Agricultural and Commercial Show (ZACS);





4. Zambia International Trade Fair (ZITF)

Fig 5: *H.E President Edgar Lungu*



### **2.2.9 Media Campaigns**

The Agency utilised all form of media to ensure road safety messages is disseminated to all road users.

### **2.2.10 Television**

During the period under review, the Agency continued to utilise the media platform through TV programs on ZNBC TV1 and TV2 to raise awareness on road safety matters.

The Unit continued with the production of the 13 series documentary which is aired on ZNBC every Thursday at 20:10hrs.

### **2.2.11 Radio**

The Agency started the production of road safety programs to be done in all the ten provinces. The radio programs will be spearhead by Provincial Managers

The Agency facilitated for the Agency staff to feature on Millennium Radio, Hone FM and ZNBC Radio 2 Station to talk about RTSA's services and road safety issues.

### **2.2.12 Print Media**

The Agency continued to utilise the print media to promote road safety and publicise RTSA functions to the general public. During the period under review, the Agency placed various press releases, public notices and adverts on RTSA services and road safety issues.

## **2.3 SAFER ROADS AND MOBILITY**

Pillar 2 of the United Nations Decade of Action for Road Safety 2011 -2020 highlights the need to improve the safety of road networks for the benefit of all road users, especially the most vulnerable: pedestrians, bicyclists and motorcyclists. Activities include improving the safety-conscious planning, design, construction and operation of roads; making sure that roads are regularly assessed for safety; and encouraging relevant authorities to consider all forms of transport and types of safe infrastructure when they respond to the mobility needs of road users.

In order to contribute to the attainment of safer roads and mobility, the Road Transport and Safety Agency (RTSA), through the Safety Department, carries out Road Safety Audits (RSAs) and Road Safety Inspections (RSIs).

### **2.3.1 Road Safety Audits (RSAs)**

A Road Safety Audit (RSA) is a formal procedure for independent assessment of the accident potential and likely safety performance of a specific design for a road or traffic scheme – whether new construction or an alteration to an existing road. The principle behind it is that 'prevention is better than cure'. Road user error is the major cause of road accidents, but defects in the road environment (poor alignment, inadequate signing, dangerous obstacles, etc.) are a contributory factor in many cases. Remedying these defects at the design stage is an economic and effective way of reducing road accidents and preventing injury.

Road safety audits assess how the road will work when it becomes open to use by traffic, focusing on the safety of road users - including pedestrians, cyclists, and motorists. A Road Safety Audit Report identifies any road safety deficiencies in the design stage and recommends ways in which these can be overcome.

During the year under review the Road Transport and Safety Agency through the Road Safety Engineering Committee made road safety comments on the Draft Design Review Road Safety Audit Report for the T2 Road between Chinsali and Nakonde. The Agency agreed with most of the recommendations by the consultant and provided the following further recommendations:

- i. Provision of "Gate Ways" in all towns and major villages along the road corridor;

- ii. Use of flared ends or impact attenuators as end treatment for guardrails as opposed to bull nose, turned down or fish tail ends and ensuring the guardrails begin before the length of need;
- iii. Major junctions, in addition to dedicated right turning lanes to have deceleration and acceleration lanes;
- iv. The exclusive use of RM2 No Crossing Lines replacing the RM1 No Overtaking Line;
- v. The maximum posted speed limit on the corridor should be 100km/hr. as opposed to the proposed 120km/hr.;
- vi. Truck parking facilities should be offset from the carriageway with appropriate facilities so that they serve as rest areas;
- vii. Guardrails to be considered for all embankments 1.5m high where the slopes gets steeper (1:3);
- viii. Pedestrian railings to be provided to segregate pedestrians and cyclists from motorised traffic in Nakonde; and
- ix. All road traffic signing to be in line with the National Guidelines for Road Traffic Signing or the SADC Road Traffic Signs Manual (SADC – RTSM)

Recommendations for safety improvements were forwarded to the Road Development Agency (RDA) for onward submission to the design consultant.

The Agency further made comments on the following reports submitted by the Zambia Environmental Management Agency (ZEMA):

- i. Environmental Project Brief for the Proposed Periodic Maintenance of the 151.8km of the Solwezi to Mwinilunga Road from R185 Junction to Mwinilunga Airstrip in North – Western Province by the Road Development Agency;
- ii. Environmental Impact Statement for the Proposed upgrading of 47.1km of the Mansa – Matanda Road by the Road Development Agency;
- iii. Environmental Impact Statement and Resettlement Action Plan for the proposed Copperbelt International Airport by Zambia Airports Corporation Limited;
- iv. Environmental Project Brief for the proposed Tank Replacement at Amin Chiwempala Service Station in Chingola District, Copperbelt Province by Puma Energy Zambia PLC;
- v. Environmental Impact Statement for the Proposed Construction of a Mineral Processing Plant in Kalulushi District of the Copperbelt Province by Mineral Junxion and Transport;
- vi. Environmental Project Brief for the Proposed Construction of a Filling Station along Independence Avenue in Solwezi District;
- vii. Environmental Project Brief for the Proposed Construction And Operation of a Lodge, Office Accommodation and Shops on 57 Enos Chomba Road in Kitwe District by Nkana Inn;
- viii. Environmental Project Brief for the Proposed Crusher Plant and Camp Site in Solwezi in North-Western Province by the Road Development Agency;
- ix. Environmental Project Brief (EPB) for the Proposed Construction of a Service Station on Chembe – Mansa Road at Chembe by Namiah Business Legacy Ltd;
- x. Environmental Project Brief for the Proposed Stone Crushing and Block Making Project by Cemre Limited at Nakadoli Market in Chimwemwe Area in Kitwe District.
- xi. Environmental Project Brief for the proposed construction of a Filling Station along Kabwe Road in Masaiti District by Hamdi Investment & Trading Company Limited;
- xii. Environmental and Social Impact Statement for the reconstruction of Luanshya – Fisenge - Masangano Road and upgrading to bituminous standard of the Lamba Lima and Kafubu Farming Block roads in Luanshya and Masaiti Districts;
- xiii. Environmental Project Brief for proposed above ground tanks at Hauloads (z) Africa by Samfuel Limited in Chingola;
- xiv. Environmental Project Brief for proposed installation and operation of a 45m<sup>3</sup> diesel storage tank at AVIC Construction camp site, Plot No. 6224, on Kabundi road, Chingola by Total Zambia; and
- xv. Environmental Impact Statement for the proposed construction of a mineral processing plant (mini-concentrator) and tailings storage facility in Kalulushi District by Zhongbao Copper Company Limited.



### 2.3.2 Road Safety Inspections (RSIs)

A Road Safety Inspection (RSI) is a formal safety performance examination of an existing road. It qualitatively estimates and reports on potential road safety issues and identifies opportunities for improvement in safety for all road users.

During the year under review the Agency through the Road Safety Engineering Committee conducted Road Safety Inspections for the Rehabilitation of the portion of the T4 Road between Luangwa Bridge and Mwami Border and the Mongu to Kalabo Road.



The major issues arising from the inspections were as follows:

- i. Inappropriate setting of posted speed limits and speed zoning in some sections of the road;
- ii. Inadequate provision of passive safety installations along the corridor;
- iii. Inappropriate markings on some bends, that allow overtaking without sight distances;
- iv. Inappropriate treatment of guardrails (all guard rails have turned down ends);
- v. Inadequate curve and bridge delineation; and
- vi. Lack of pedestrian and bicyclist facilities at Nyimba, Petauke, Sinda, Katete and major villages along the corridor.

### 2.3.3 Mongu – Kalabo Road.

- i. Special measures for children, older people, sick people, physically handicapped have not been consistently provided. The sidewalks at the bridges have been raised and blocked by guardrails forcing pedestrians to use the roadway;
- ii. Maintenance service vehicles cannot be parked safely because the shoulders are not adequate;
- iii. As was highlighted in the Road Safety Audit Report for the Preliminary Design, shoulders at 800mm wide are too narrow to accommodate pedestrians and cyclists;
- iv. The section from Tapo to Kalabo at KM 40+300 has severe pot holes and edge breaks and has no road traffic signing;
- v. There is a potential for greenery to lead to road safety problems if the vegetation grows by covering road signs and reducing sight distances;
- vi. Most sharp curves between Mongu and Tapo have WM3 dividing line permitting overtaking which poses safety hazard;
- vii. Grass planted for slope protection has not grown as envisaged or has been compromised (such as at km 21) by feeding animal trails which may lead to erosion of embankment;
- viii. Fish tail end treatment of guardrails may pose a safety hazard of spearing of errant motor vehicles;

- ix. At the bridges, it was observed that the guard rails are not attached to the bridge parapets. At these point the sidewalks are obstructed causing pedestrians to use the roadway before they can rejoin the sidewalk;
- x. As was highlighted in the Road Safety Audit Report for the Preliminary Design, animal crossing points have not been addressed adequately, while fencing has not been done. This has led to animals crossing anywhere and feeding on grass meant to protect the slopes of the embankment; and
- xi. There is a prevalent movement of animals at night along the road creating traffic conflicts.

Recommendations of road safety countermeasures were submitted to the Road Development Agency (RDA) for appropriate action.

## 2.4 SAFER VEHICLES

Pillar No.3 focuses on ensuring that standards are reviewed for all motor vehicles as well as related safety equipment such as seat belts and helmets for motor cycles and bicycles – and law enforcement needs to strengthened to ensure compliance with international best practices, including regulations related to import of vehicles. Further, law enforcement in accordance with good practice as critical in enhancing safety to ensure adherence to basic safety standards including speed, seat belts, alcohol, helmets and fatigue management

An Overall total of 55,574 traffic offences were recorded in 2017. From the overall total, 40,825 offences were recorded from the daily stations operations during the year compared with 30,068 offences in 2016 and 41,095 offences in 2015. Comparing 2017 with 2016, an increase in the number of traffic offences of 25,506 was recorded.

The total revenue collected in in 2017 amounted to ZMW 10,546,740.00 of which ZMW 8,570,657.00 of the overall was collected from daily stations operations with ZMW 1,910,883 collected during special operations and ZMW 65,200 collected from Towing Charges, compared to ZMW 7,255,494.00 in 2016 and ZMW 10,653,787.00 in 2015. This indicates an increase of ZMW 3,291,246.00 comparing 2017 and 2016. It is important to note that the fines mentioned above are not receipted by the agency but the judiciary at the fast track courts and Zambia Police.

During the year 2017 the Lusaka fast track court dealt with 3,696 traffic offences compared with 2,987 traffic offences in 2016 and 5,864 traffic offences in 2015.

In 2017, the agency managed to tow away to safety a total number of 142 motor vehicles and 178 motor vehicles in 2016 and in 2015 towed 719. This represents a reduction of 36 comparing 2017 and 2016. The reduction is mostly attributed to the introduction of towing charges which compels motorists to remove their vehicles from the roads before they are towed by the Agency.

Table 1 below illustrates the first ten highest recorded Traffic offences during 2017 in comparison with 2016 and 2015. Refer to appendix -1 for complete traffic offences recorded.

### 2.4.1 Publicity on Safer vehicles

The PR Unit continued to undertake activities aimed at increasing awareness on the need for safer vehicles. During the period under review, the Unit organised media coverage



for Operation Compliance which was aimed at increasing compliance to road traffic rules and regulations. The operation was conducted countrywide and was launched in the copperbelt Province by the Minister of Transport and Communications, Hon. Brian Mushimba.

Table 21: Ten highest recorded Traffic Offences

NO.	TYPE OF OFFENCE	TYPE OF OFFENCE	TYPE OF OFFENCE
	Annual 2017	Annual 2016	Annual 2015
1	Exceeding Speed Limit	Expired Road Tax	Expired Road Tax
2	Expired Road Tax	Exceeding Speed Limit	Exceeding Speed Limit
3	Expired Test Certificate	Dangerous Driving	Unlicensed Driver
4	Plying for Hire and Reward	Expired Test Certificate	Dangerous Driving
5	Expired Uninsured MV	Unlicensed Driver	Expired Test Certificate
6	Dangerous Driving	Plying for Hire and Reward	Plying for Hire and Reward
7	Unlicensed Driver	Expired Uninsured MV	Expired certificate of fitness
8	Defective Tires	Obstruction of Roadway by M/V	Obstruction of Roadway by M/V
9	Expired COF	Expired COF	Expired Identity
10	Expired Identity	Defective Tires	Defective Tires

(DDS to provide statistics)

## 2.4.2 Number of Road Traffic Offences Recorded

A total number of 55, 574 road traffic offences were recorded in all regions and the highest was recorded in Lusaka Province with 15,195 while Northern Province recorded the lowest number of traffic offences with 848 during the period under review. This is compared to 30,068 and 41,095 traffic offences in 2016 and 2015 respectively. Refer to the table 2 below:

Table 22: Number of Offences

Zone	1 <sup>st</sup> Qtr	2 <sup>nd</sup> Qtr	3 <sup>rd</sup> Qtr	4 <sup>th</sup> Qtr	Annual 2017	Annual 2016
Lusaka	3,871	3,692	3,876	3,756	15,195	10,770
Copperbelt	1,149	1,471	1,268	1,589	5,477	3,932
Central	1,615	2,141	902	784	5,442	3,680
North Western	1,212	864	682	921	3,679	2,807
Eastern	1,274	1,091	520	413	3,298	1,849
Muchinga	645	738	710	332	2,425	1,576
Southern	457	537	375	378	1,747	1,553
Luapula	574	616	130	216	1,536	1,413
Western	325	305	302	246	1,178	1,339
Northern	244	210	154	240	848	1,149
<b>TOTAL</b>	<b>11,366</b>	<b>11,665</b>	<b>8,919</b>	<b>8,875</b>	<b>40,825</b>	<b>30,068</b>
D.D Operations		192			192	
Highway Patrols		2,783	812	8,354	11,949	
Ceremonies			31		31	
<b>OVERALL TOTAL</b>	<b>11,366</b>	<b>17,217</b>	<b>9,762</b>	<b>17,229</b>	<b>55,574</b>	<b>30,068</b>

## 2.4.3 Fast Track Court in Lusaka

The fast track court in Lusaka attended to a total number of 3,696 traffic offences, 3,148 secured convictions compared with 2,987 traffic offences dealt with in 2016, securing 2,581 convictions, In 2015 5,864 traffic offences were dealt with and 4,974 convictions were secured. Comparing 2017 and 2016 an increase of 709 offences was recorded.

## 2.4.4 Revenue Collected

During the period under review, the unit collected ZMW 10,546,740 and Lusaka station collected the highest revenue



and Luapula station collected the lowest as illustrated in the table below. The unit collected ZMW 7,255,494.00 and ZMW 10,653,787.00 in 2016 and 2015 respectively as illustrated in table 3 below and refer to Appendix -1 for Revenue collected.

*Table 23: Revenue Collected*

Name of Zone	1st Quarter	2nd Quarter	3rd Quarter	4th quarter	Annual 2017	Annual 2016
Lusaka	1,043,018	759,449	901,895	923,465	3,627,827	3,318,453
Muchinga	335,596	379,144	345,705	114,375	1,174,820	872,852
Central	335,290	247,950	89,350	102,105	774,695	508,951
Copperbelt	309,630	260,355	105,300	126,575	801,860	485,668
Southern	145,896	164,225	166,275	71,900	548,296	451,065
N/Western	192,750	128,100	92,775	96,075	509,700	376,350
Eastern	80,024	132,150	44,550	32,300	289,024	361,875
Luapula	108,890	91,950	35,000	69,575	305,415	348,450
Western	82,450	61,590	86,595	70,485	301,120	331,495
Northern	67,785	41,010	57,675	71,430	237,900	200,335
<b>Total</b>	<b>2,701,329</b>	<b>2,265,923</b>	<b>1,925,120</b>	<b>1,678,285</b>	<b>8,570,657</b>	<b>7,255,494</b>
Towing Charges	2,250	8,950	21,375	32,625	65,200	
D.D Operations		16,275			16,275	
Highway Patrols		562,907	71,790	1,227,662	1,862,359	
Ceremonies			1,650		1,650	
Night Ban Patrols		30,599			30,599	
<b>Grand Total</b>	<b>2,703,579</b>	<b>2,884,654</b>	<b>2,019,935</b>	<b>2,938,572</b>	<b>10,546,740</b>	<b>7,255,494</b>

#### 2.4.5 Tow Truck Operations

The tow truck operations were conducted around Lusaka, Kabwe and the main highways. In 2017, a total number of 142 motor vehicles were towed to safety. The fourth quarter had 43, third quarter 41, second quarter 42 and first quarter 16 Motor Vehicles towed to safety. The total Revenue generated was ZMW 65,200 and 2,731 KM is pending payment, representing approximately ZMW 130,060.

Table 4 below illustrates the number and type of motor vehicles that were moved by the tow trucks to safety during the period under review.



Table 24: Annual Tow Truck Operation

S/N	Status Of Motor Vehicle	Heavy Motor Vehicle				Total	Light Motor Vehicle				Total	Grand Total
	Vehicle	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>		1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>		
1	Abandoned	0	0	0	2	2	0	0	0	1	1	3
2	Broken Down	7	27	27	30	91	5	1	2	3	11	102
3	Ran Out Of Fuel		3	0		3		2	0	1	3	6
4	Road Traffic Accident	4	6	10	6	26		3	2	0	5	31
5	Any Other	0	0	0		0			0		0	0
		11	36	37	38	122	5	6	4	5	20	142

## 2.4.6 Special Operations

### 2.4.6.1 Ban on Night Driving

During the year under review, the Road Safety Directorate Implemented Statutory Instrument number 76 restricting Night Driving which was introduced in November 2016.

In the first quarter of 2017 11 PSV Passengers Buses and 11 PSV goods Vehicles charged and impounded.

A targeted operation involving RTSA and Zambia Police was carried in Eastern Province from June 12<sup>th</sup>, 2017 to June 17<sup>th</sup>, 2017 in order to curb night driving and enhance compliance of Public Service vehicles, a total number of 60 Public Service vehicles were impounded and charged for contravening SI No. 76.

### 2.4.6.2 Drink Driving Operations

The agency in conjunction with SABMiller and Zambia Police carried out three days joint Drink Driving operation on the Copperbelt.



A total number of 192 road traffic offences were recorded with 49 Motorist found Driving under the influence of alcohol. Of the 49 motorist 27 motorists were above the Limit and 22 were below the limit. A total Revenue of ZMW 16,275.00 was generated during the operation.

### 2.4.6.3 Intercity Bus Terminus Inspections.

Daily Inspections are carried out on all Public Service Buses exiting Intercity Bus Terminus from 05:00hours to 17:00hours. This is done in order to verify Driver competence, compliance and experience as well as ascertain road worthiness of



the bus, check validity of tokens and educate in order to increase awareness of Road Safety issues.

During the year 2017, 26,657 buses were inspected before exiting Intercity Bus Terminus.

*RTSA Director and CEO, Zindaba Soko (R) inspecting tyres of a bus for Shalom bus services be departure at intercity bus terminus*

#### 2.4.6.4 Highway Patrols.

In order to



Highway



operations around the country. The total number of offences recorded during the Joint Highway Patrol's was 11,980 offences and a total Revenue of ZMK 1,862,359.00 was generated.

**2.5 SAFER ROAD USERS**

Pillar No.4 highlights the need to focus on ensuring that standards and rules governing the provision of license to private, commercial and public transport drivers are reviewed. Legislation and institutional framework regarding driving schools, instructor training and testing, driver testing, driving license system, and passenger transport need to be reviewed and modernized. The primary aim of Road Safety Education and Publicity is to bring about the desired change in road user behaviour for the purpose of preserving their lives. Road safety Education and Publicity activities for the first quarter therefore, concentrated on equipping road users with information and skills on how to avoid risks on shared roads at various levels.

The following activities were planned for and undertaken by the Education and Publicity Unit during the quarter under review.

**2.5.1 Road Safety Clubs**



During the year under review, the Education & Publicity Unit Officers inspected a total number of 110 schools in order to monitor how the road safety clubs and traffic warden schemes were performing.

**2.5.2 Monitoring and Evaluation Workshop**

The Unit held a meeting with Ministry of General Education Provincial Focal Point Persons at Chita Lodge in Kafue from 16<sup>th</sup> to 21<sup>st</sup> January, 2017. It reviewed the road safety activities that were undertaken in schools from 2014 to 2016.

**2.5.3 Road Safety School Park**

The Agency with the support of the World Bank constructed the Road Safety School Park in Silverest, Chongwe. The School Park was launched on 12th October 2017. The initiative was aimed at creating a safe environment where children would be educated and sensitized on practical road safety issues. 10 schools visited the facility. These included Tree Tops, Lake Road, St. Columbus, Bread of Life, SOS Children's Village, Pemimu, Overhill, Mutema Chime, St. Michael,



and Chainda SDA Church Pathfinders and Adventurers. A total of 407 pupils were taught on road safety. Further, the District Commissioner's Office organized 17 drivers from different government departments in Chongwe and were trained in Defensive driving.

Drug Enforcement Commission also visited the facility to discuss possibility of conducting their lessons alongside road safety ours.

#### 2.5.4 Sensitization at Intercity Bus Terminus

The Agency continued to conduct road safety awareness to passengers and drivers at the Intercity Bus Terminus. The programme had been running since April, 2016. The following stakeholders were on record as taking part in the sensitization:

- i.      Zambian Road Safety Trust
- ii.     People's Will Zambia
- iii.    Crime Prevention Foundation of Zambia
- iv.     Human Rights and Amnesty
- v.      Monitors for Justice
- vi.     Viola Rose Recovery
- vii.    Passenger, Pedestrian and Cyclist Association (PAPECA)

#### 2.5.5 Road Safety Awareness

Annual events attract large patronage and as such, people travel from different places to be in attendance. It is for this reason that the Unit planned for activities to sensitize road users on road safety.

##### 2.5.5.1 Traditional Ceremonies

During the under review, the agency took part in the Nc'wala Ceremony in Eastern Province, Kuomboka Traditional Ceremony (Western Province) and the Kulamba Ceremony in Eastern Province. Sensitization activities were in form of road shows, information kiosks at main arenas and information snap checks at which various promotional materials targeting different road users were handed out.

The Unit did not attend all traditional ceremonies but supported the Bemba Royal Establishment of Kasama District during the installation of Senior Chief Mwamba of the Bemba people, and the Mutomolo Ceremony of the



Namwanga speaking people of Muchinga by providing them with road safety promotional materials.

### 2.5.5.2 UN Road Safety Week

The Agency, with the involvement of stakeholders, commemorated the Fourth UN Road Safety Week in Lusaka from 8-14 May, 2017 under the theme 'Save Lives, Slow Down.' The Week focused on speed as a key risk factor causing road traffic deaths and injuries and what could be done to address the situation. The Zambia Road Safety Trust, Monitors for Justice, Human Rights and Amnesty, Global Road Safety Partnership, Passengers, Pedestrians and Cyclists Association, Viola Rose Recovery, Crime Prevention Foundation, Bus and Taxis Association and Zambia Police collaborated with the Agency to commemorate the week. The following activities were carried out as part of the campaign during the week:

- i. Radio Programmes at Millennium Radio and Hone FM
- ii. Sensitizations at Bus Stations at Millennium and Kulima Tower Bus Stations
- iii. Information Kiosk at Levy Mall
- iv. Road Show at Cosmopolitan Mall
- v. Highway Speed management

### 2.5.5.3 Choova Cycling Contest



*RTSA team distributing promotion materials during Chova Cycling Competition*

The Unit took part in the Choova Cycling Contest in Eastern Province under the theme "Observing Road Safety through Sports, Tourism and Cultural Diversity". Road safety sensitization was conducted by holding two road shows and information kiosks. A radio programme and road safety adverts were aired on Breeze Fm Radio Station in Chipata. Promotional road safety materials were distributed to the public during the activities.

### 2.5.5.4 Exhibitions

The unit took part in major public exhibitions where it interacted with members of the public. The displays drew a lot of attention from road users seeking information on road safety as well as services offered by RTSA. The exhibitions served as platforms at which the public were sensitized on road safety for all road users. Members of the public were also able to air their views on their experience on the road. The events were staged as follows:

- i. Zambia International Trade Fair from 28<sup>th</sup> June, 2017 to 4<sup>th</sup> July, 2017
- ii. Zambia Agricultural and Commercial Show from 2<sup>nd</sup> to 7<sup>th</sup> august, 2017
- iii. Inter-company Relay on 25th June, 2017
- iv. RTSA Open Day in Lusaka on 3<sup>rd</sup> June, 2017





iii. Highway patrols in Landless Corner, Mazabuka and Chongwe.

In order to contribute to the attainment of safer roads and mobility, the PR Unit continued to advocate for the need for safer roads that put into consideration safety-conscious planning, design, construction and operation of roads and encouraging relevant authorities to consider all forms of transport and types of safe infrastructure when they respond to the mobility needs of road users.

The PR Unit also continued on the production of a series documentary which are airing on Zambia National Broadcasting Corporation (ZNBC 1). The documentaries also highlight the importance of safer roads.

### **2.5.6 Bilateral and other meetings attended by the Legal Department.**

During the year under review the Legal Unit participated in various activities and meetings.

#### **2.5.6.1 Motor Vehicle Accident Fund Meeting in Zimbabwe**

A SADC workshop on Motor Vehicle Accident Funds (MVAf) was held in Vic Falls Town Zimbabwe on 21-23<sup>rd</sup> March 2017. A total of nine (09) member states attended the workshop namely Botswana, Mozambique, Lesotho, Malawi, Namibia, South Africa, Swaziland, Zambia and Zimbabwe. The meeting was called in view of increasing road crashes that the SADC region had been recording thereby making road crashes a regional problem. The meeting focused on countries sharing experiences in the handling of road crashes (either through MVAf or 3<sup>rd</sup> Party Cover) with a view to establish a common regional response that would render support to victims of crashes, taking into account the prevalence of nationalities of other countries involved in road crashed outside the borders of their own countries. The following countries have set up functional MVAf Botswana, Lesotho, Namibia, South Africa, and Swaziland. The rest of the member states indicated intentions to move that way and were at different stages of consultations in their respective countries.

#### **2.5.6.2 Sensitisation campaigns relating to the new statutory instruments issued in the 4<sup>th</sup> Quarter of 2017**

During the period under review, the Legal Department in conjunction with the Education and Publicity Units carried out sensitizations campaigns on the new statutory instruments at Intercity and Kulima Tower bus stations. The aim of the sensitization campaigns was to raise public awareness on the thirteen (13) SIs that were recently issued. For ease of reference, see appendix 1:

The people that attended the two station visits appreciated the gesture to discuss the SIs with them. The Agency was however requested to consider engaging members prior to the laws being issued in order to get the views of the public.

At Intercity the stakeholders bemoaned the adverse effects of SI 76 of 2016 while the people at Kulima Tower expressed misgivings regarding the SI on seat belts. Among the adverse effects that were highlighted in relation to SI 76 was the increase in the cost of doing business for traders as well as the problem of promiscuity as a result of people spending nights at bus stations and in buses along the way. They appealed to the Agency to either revoke the SI or consider restricting its application to goods vehicles only.

For Kulima Tower, the stakeholders mostly bus drivers and operators, said the proposal to install seat belts on Hiace buses was not feasible because it would not only result in a reduction in the seating capacity of the buses but also would imply additional costs to the owners of the buses. The operators and drivers also bemoaned the new requirement for people to stop importing vehicles that did not have seat belts. They argued that importation of buses that were already fitted with seat belts was expensive and most of them would not be able to afford unless Government waived duty on such vehicles.

The Agency reported that it was considering working on a demonstration of how seat belts could be fitted on the Hiace buses.

It should be noted that the proposal to install seat belts on Hiace buses has triggered some considerable amount of debate countrywide and the Agency is consulting with the Ministry of Transport and Communications on how best to implement the law.

The Legal Department also participated in the stakeholder consultative meeting on the new SIs which was held at Government Complex on 13<sup>th</sup> March, 2017.

### **2.5.7 Follow-ups on Resolutions from Zambia-South Africa Bilateral Meeting**

Further to the bilateral meeting held between Zambia and South Africa in the 4<sup>th</sup> Quarter of 2016, the following activities have been undertaken:

- i. A letter was sent to the Ministry of Transport and Communications enclosing the SI on the contents of a first aid box for onward transmission to South Africa;
- ii. A letter was sent to Energy Regulation Board and Zambia Bureau of Standards to consider mutual recognition of the certification standards of fuel tankers from Zambia and South Africa;
- iii. A letter was sent to Ministry of Foreign Affairs for onward transmission to the Zambian embassy in South Africa to lodge a complaint on behalf of the Ingwe bus accident victims for non-compensation; and
- iv. A letter was sent to Zambia Bureau of Standards on the development of standards for helmets for cyclists.

### **2.5.8 SADC Motor Vehicle Accident Fund Workshop**

The Legal Counsel was part of the Zambian delegation invited to attend the SADC Motor Vehicle Accident Funds Workshop held in Swakopmund, Namibia on 11-14 September 2017. The meeting was attended by the following Countries: Botswana, Lesotho, Malawi, Mozambique, Namibia, South Africa, Swaziland, Zambia and Zimbabwe. The meeting is intended to have a harmonised system of dealing with road accident victims in the SADC region preferably with the setting up of MVAf in all SADC Countries. Status reports were received from the four (04) countries (namely Malawi, Mozambique, Zambia and Zimbabwe) that have not yet established MVAf. The Zambian position is as below:

a. Zambia-informed the meeting that it was reviewing the National Transport Policy and that it had embedded the MVAf into the Policy which had since been submitted to Cabinet for approval. Once Cabinet approval was granted engagements with the African development Bank would be accelerated on how the MVAf could be set up. Zambia further reported that following the implementation on the ban on night travel for PSV Vehicles, there had been significant reductions in the number of accidents recorded and the statistics were presented.

Some of the Salient matters discussed include:

1. The meeting reiterated that the setting up or establishment of MVAf was in line with the SADC Protocol on Transport, Meteorology and Communications which emphasizes regional integration;
2. The meeting further noted that MVAf were responsible not only for compensation of victims for bodily injury and death after an accident but also for the prevention of accidents through road safety education dissemination as well as the provision of rehabilitative facilities for accident victims to return to normal life after an accident; Some MVAf like Namibia had also started an initiative to train university students to take a lead in post-crash care;
3. The meeting implored countries to undertake massive campaigns against the use of mobile phones by motorists following the growing trend of motorists' texting on whatsapping while driving;

### **2.5.9 ESTABLISHMENT OF THE ROAD SERVICE APPEALS TRIBUNAL**

The Road Service Appeal Tribunal was constituted during the period under review following the appointment of the remaining two members. The Chairperson of the Tribunal was appointed in January, 2016. The members of the Tribunal were sworn into office on 6<sup>th</sup> April, 2017 and they had their first seating to hear the Appeal from Mazhandu on the same day in the afternoon. The matter was thereafter adjourned to 19<sup>th</sup> through to 21<sup>st</sup> April, 2017 for continued hearing. Rules for the Tribunal have also been prepared.

### **2.5.10 Workshop on Draft Rules for the Road Service Appeals Tribunal**

The Legal Department facilitated a workshop to develop draft rules for the Road Service Appeals Tribunal which have since been submitted to the Ministry of Transport and Communications for issuance.

### **2.5.11 Road Traffic Prosecution Court Cases**

The prosecutions office oversees the prosecution of road traffic offences before the Fast track Court and supervises investigation of cases undertaken by the Agency. This part of the report highlights offences that were handled in the Fast Track Court during the year under review.

The Fast Track Court recorded a total of 466 individual convictions. Arising from the said convictions a total of K545, 885.



00 was realized through the Fast Track Court. As regards the cases that were referred to Zambia Police for Admission of Guilty fines, a total of K356,010.00 was receipted through the admission of guilty procedure bringing the total amount of fines collected to K 901,895.00.

#### **2.5.11.1 Prevalent Offences**

In terms of cases that were handled in the Fast Track Court, expired road tax cases topped the list with 188 cases, followed by unlicensed driver 126 cases. Expired test Certificate was third with 115 cases followed by expired insurance at 95.

#### **2.5.11.2 Rolling out of the Fast Track Court to Other Areas**

The Legal Unit could not roll the Fast Track Court to other provinces as was originally intended due to the fact that the project of renovating court rooms has been adversely affected by the non-payment of advance payment to the contractors awarded contracts. As a result no contractor has mobilized and the contracts are going into the third year.

#### **2.5.12 The Highway Code**

The meeting considered the draft revised Highway Code and made the following observations:

- (i) The foreword should be made by the Minister of Transport and Communications as opposed to the President. This is because the Road Traffic Act vests the responsibility of issuing the Highway Code and any revisions thereto in the Minister of Transport and Communications.
- (ii) The Highway Code should not make reference to sections of the Road Traffic Act No. 11 of 2002. This is because doing so may have the implication of criminalizing the violation of the rules of the Highway Code which is contrary to the provisions of Section 231 (6) of the Act. section 231 (6) provides as follows:  
  
"A failure on the part of any person to observe any provisions of the Highway Code shall not of itself render that person liable to criminal proceedings of any kind, but any such failure may in any proceedings (whether civil or criminal and including proceedings for an offence under this Act) be relied upon by any party to the proceedings as tending to establish or negative any liability which is in question in those proceedings."
- (iii) A draft Cab Memo was prepared during the workshop which the Minister of Transport and Communications will use to table the Highway Code before Cabinet for consideration.

#### **2.5.13 Workshop to review SI 76 (night ban); the Amendment Bill and the Highway Code**

The Legal Department facilitated a workshop to review SI 76; the Road Traffic Amendment Bill and the Highway Code. The workshop which was held from 28th to 30th June, 2017 and from 6th to 7th July, 2017 at Nomads Court Lodge in Chudleigh was intended to review the law, prepare cabinet memorandum as well as check certain proposals for appropriateness bearing in mind the time it has taken to finalise review of the Road Traffic Act. The workshop was attended by officials from the Ministry of Justice, Ministry of Transport and Communications, Zambia Police and the Global Road Safety Partnership (GRSP).

#### **2.5.14 Review of SI 76**

A draft SI amending SI 76 was prepared, whose main objective is to make provision for freight transporters to apply exemptions from the application of SI 76. Applications for exemptions will be made to the Director and applicants will be required to show that they have complied with the requirements of the Fleet Safety Management Policy for them to qualify for the exemption.

### **2.6 ROAD TRAFFIC CRASHES**

This is a descriptive analysis of road traffic crashes for period 1<sup>st</sup> January 2017 to 31<sup>st</sup> December 2017.

The rising trend of motorization and improving socio-economic status of Zambians directly influences the aggravating road safety situation. In 2017, the country recorded a total of 30,163 Road traffic crashes which represents a 7% decline in the number of RTCs recorded in the year 2016. Of these accidents 53% occurred in Lusaka while 47% accounted

for the rest of provinces.

Table 25: Shows road traffic crashes categorised by fatal, serious, slight and damages.

DIVISION	FATAL	SERIOUS	SLIGHT	DAMAGE ONLY	TOTAL	%
LUSAKA	418	818	2598	12,143	15977	53%
C/BELT	173	516	843	3,342	4,874	16%
CENTRAL	196	322	380	1168	2066	7%
SOUTHERN	128	322	384	923	1757	6%
EASTERN	144	256	474	712	1586	5%
NORTHERN	85	141	141	228	595	2%
LUAPULA	70	207	185	248	710	2%
N/WESTERN	82	171	287	782	1322	4%
WESTERN	52	109	148	237	546	2%
MUCHINGA	88	155	185	302	730	2%

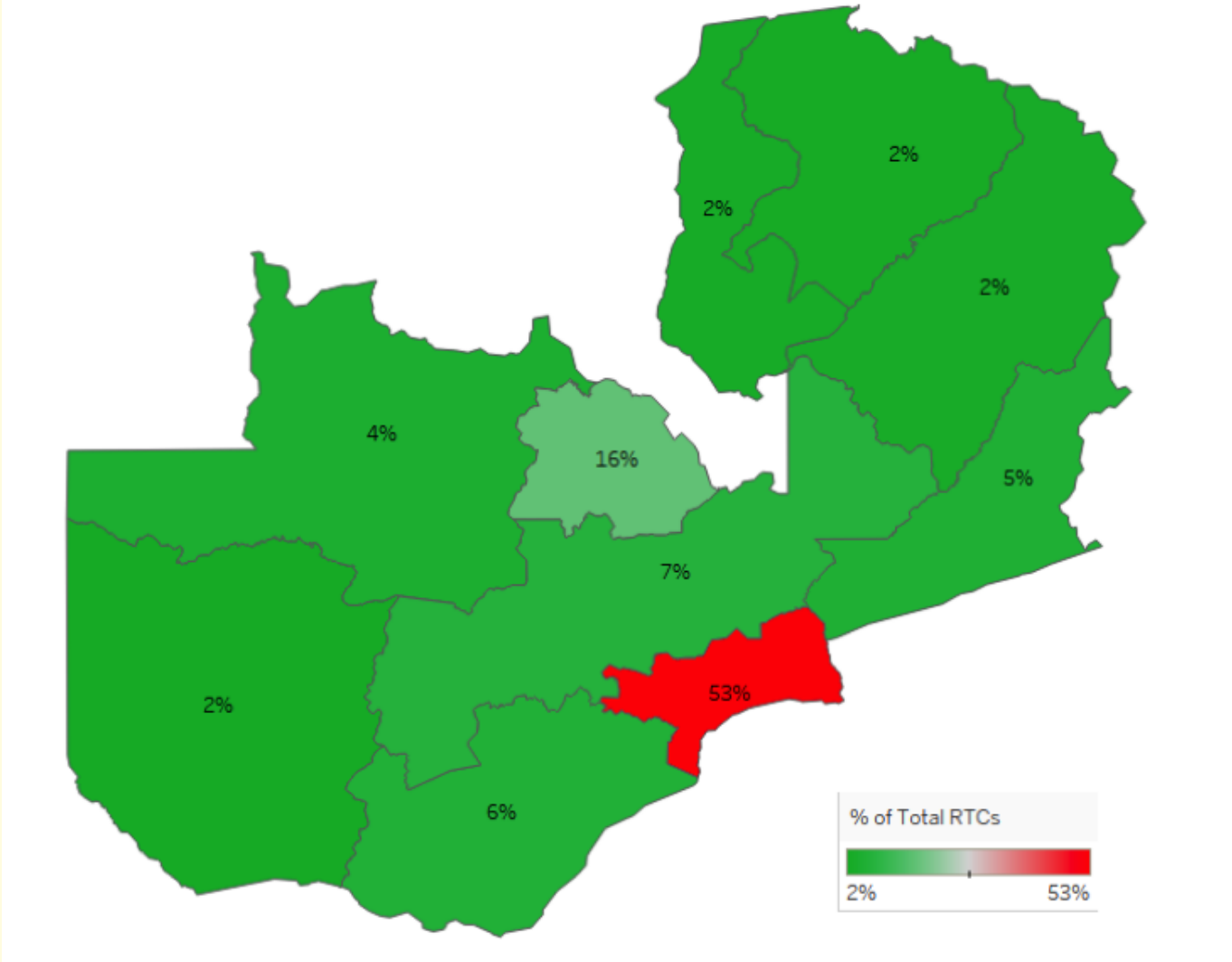
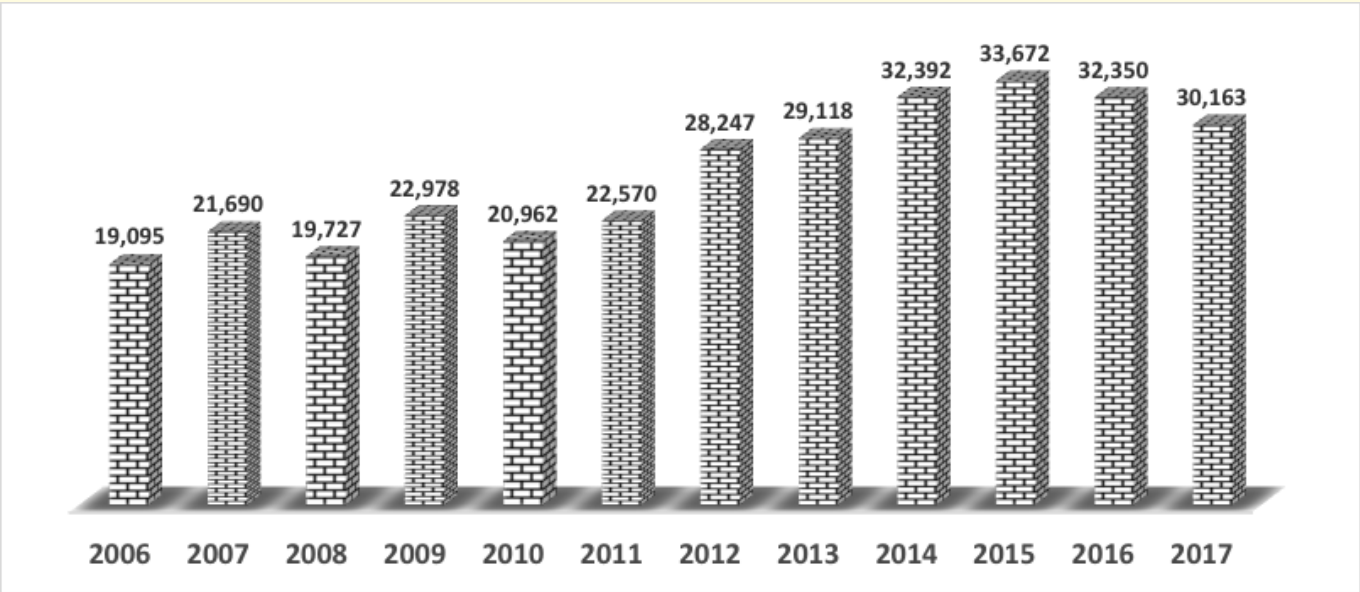


Figure 21: Percentage of Road Traffic Crashes by province

The number of RTC has been on the rise from 2010 and reached a peak in 2015. The years 2016 and 2017 have seen a



downward trend in the number of RTCs recorded in the country.

Figure 22: Number of RTCs recorded from 2010 - 2017

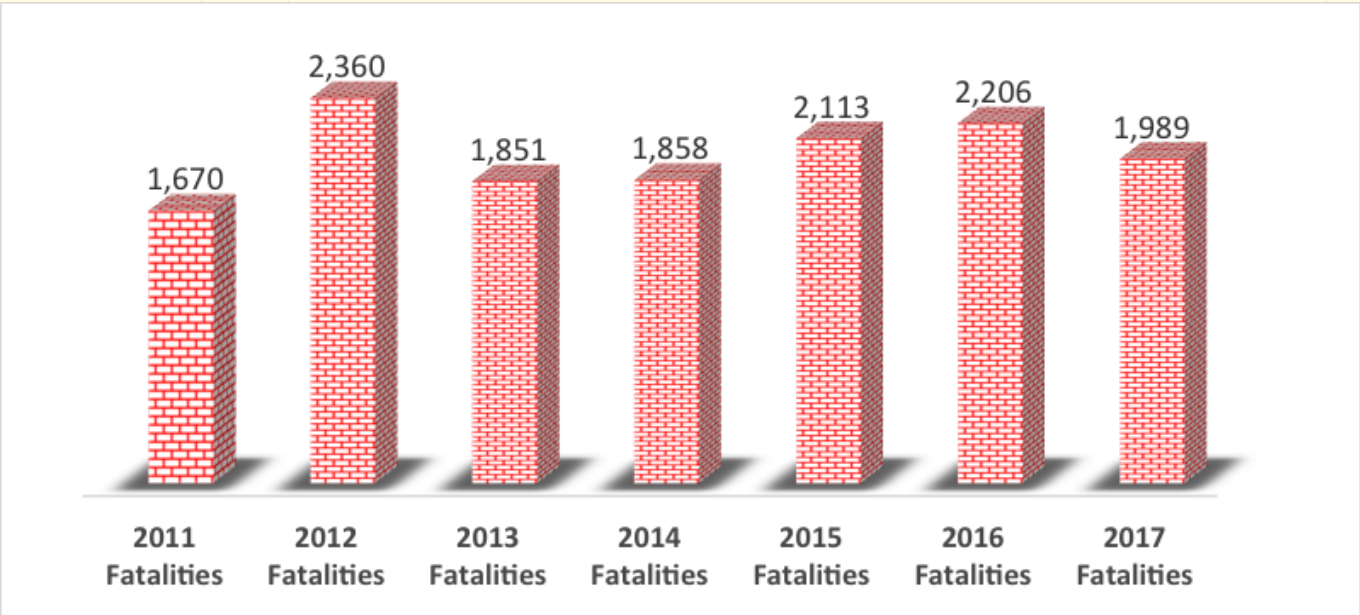
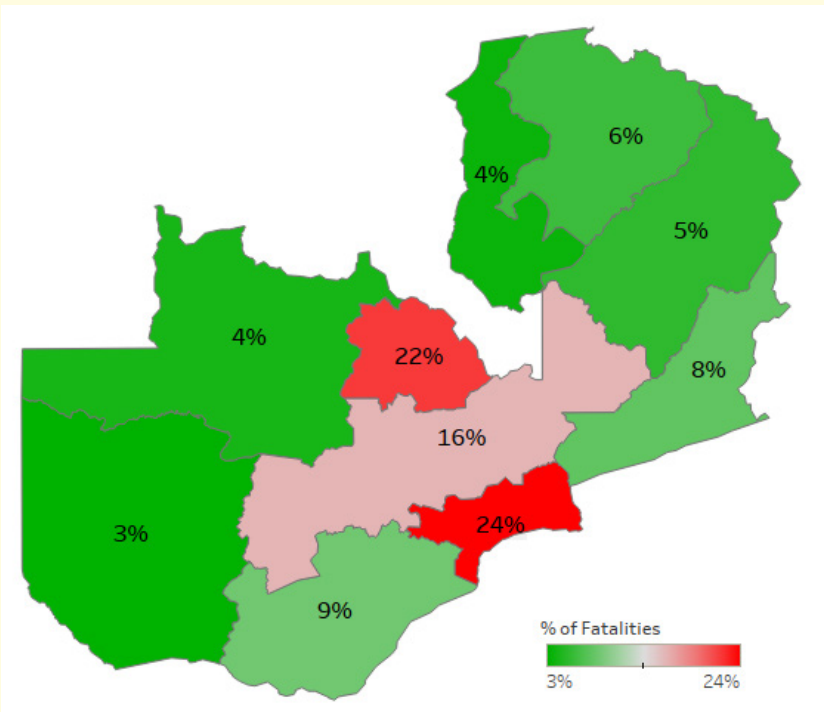


Figure 23: Number of fatalities recorded from 2011 - 2017



Fatalities by province in 2017 are displayed on the map

Road traffic crash results from a combination of factors related which include the following roads condition, weather, vehicles and road users, and the way the infrastructure is built. The data shows that around 85.8% of the RTCs in 2017 were caused by human error.

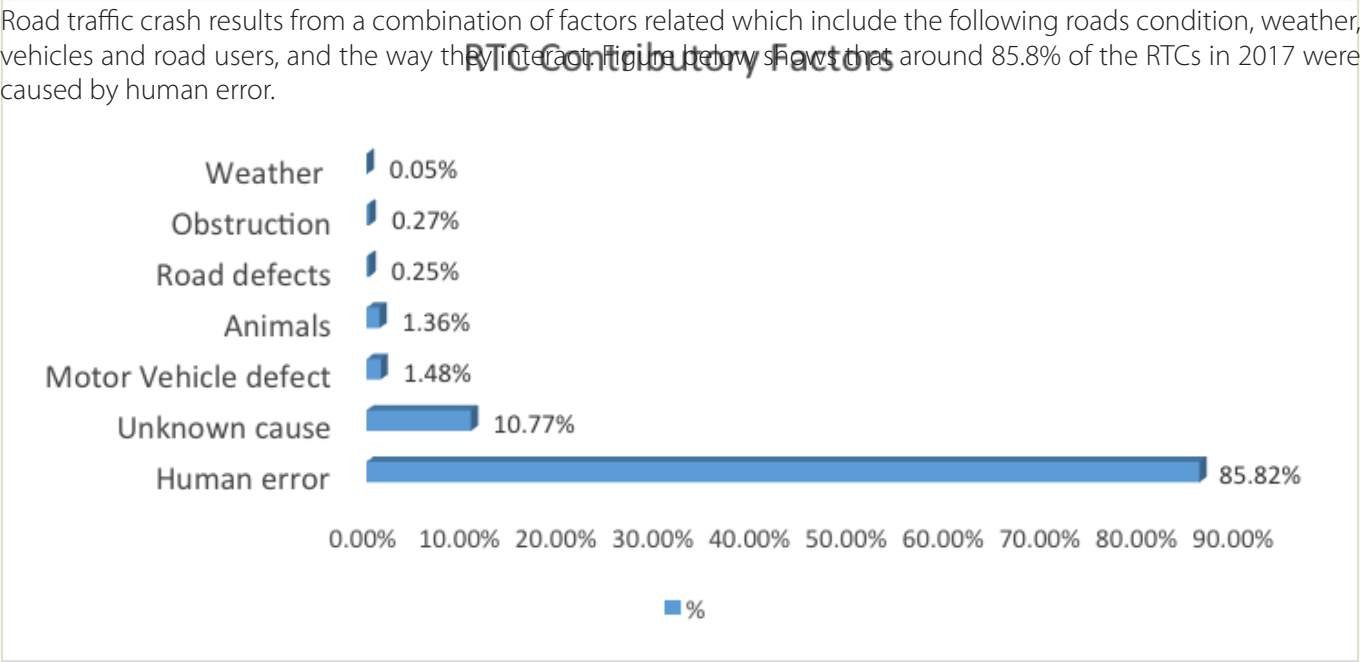
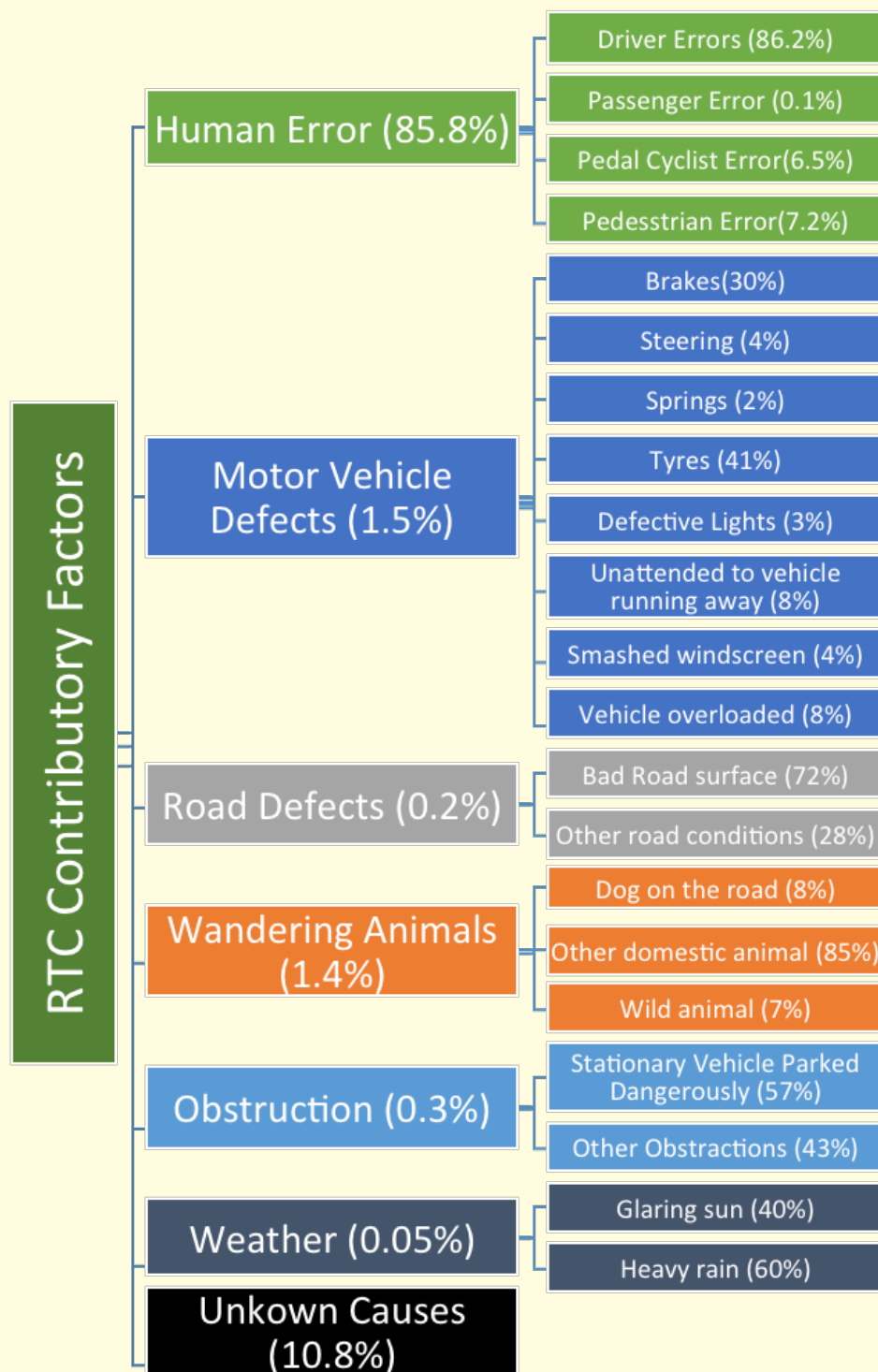


Figure 2-4: Road Traffic Crash Contributing factors in 2017



Most RTCs occurred on Fridays (16%) and Saturday (17%) and Sunday (14%). During the weekends many people are always traveling and many are also merry making and driving under the influence of alcohol. Most RTCs occurred at night between 18:00hrs to 20:00 hrs. This can be attributed to rush hour driving to beat SI 76 of 2016, restriction to



driving after 21:00 hours especially IT (in transit) vehicles and PSVs.

### 3 Road Transport

#### 3.1 Registrations and Licensing Activities

##### 3.1.1 Practical driving test

During the year under review, a total of 72,780 learner drivers were tested in different classes and categories across the country. From this figure 34,599 learner drivers passed the tests while 38,181 failed the test compared to the year 2016 in which 73,216 learner drivers were tested and 35,850 passed the tests while 37,366 failed the test.

During the year under review the pass rate stood at 52.5 % compared to 48.9% in 2016. The total number of learner drivers tested decreased from 73,216 in 2016 to 72,780 representing 0.5% reduction. The reduction can be attributed to the e-ZamTIS system down times experienced in 2017.

Table 11: The annual comparative national statistics for driver practical tests

Quarter	Total Number Tested	Total Number passed	Total Number Failed.
1 <sup>st</sup> Quarter 2017	19,266	8,875	10,391
2 <sup>nd</sup> Quarter 2017	13,867	6,570	7,297
3 <sup>rd</sup> Quarter 2017	17,033	8,469	8,564
4 <sup>th</sup> Quarter 2017	22,614	10,685	11,929
<b>Total 2017</b>	<b>72,780</b>	<b>34,599</b>	<b>38,181</b>
<b>Total 2016</b>	<b>73,216</b>	<b>35,850</b>	<b>37,366</b>

##### 3.1.2 Examination for test certificate

During the year under review, a total number of 259,082 motor vehicles and trailers were examined for road worthiness and assurance of test certificates. From the said figure, 249,412 motor vehicles and trailers passed the test while 9,670 failed the test compared to the year 2016 in which 246,613 motor vehicles and trailers were examined for road worthiness and issuance of test certificates and 236,420 passed the test while 10, 193 failed the test.

The year under review recorded an increased in the total number of motor vehicles and trailers examined for test certificate from 246,613 in 2016 to 259,082 in 2017. The rise is attributed to the increase in vehicle population.

Table 12: Shows the 2017/2016 annual comparative national statistics for test certificate

Quarter	Total number vehicles tested	Total number of vehicles passed	Total number of vehicles failed
1 <sup>st</sup> Quarter 2017	66,335	63,361	2,974
2 <sup>nd</sup> Quarter 2017	60,012	57,990	2,022
3 <sup>rd</sup> Quarter 2017	69,581	67,295	2,286

4 <sup>th</sup> Quarter 2017	63,154	60,766	2,388
<b>Total 2017</b>	<b>259,082</b>	<b>249,412</b>	<b>9,670</b>
<b>Total 2016</b>	<b>246,613</b>	<b>236,420</b>	<b>10,193</b>

### 3.1.3 Examination for Certificate of Fitness (COF)

During the year under review, a total of 39,667 motor vehicles and trailers were examined for certificate of fitness and from the said number 37,371 passed the test while 2,296 failed the test compared to 2016 in which a total 40,119 motor vehicles and trailers were examined and 36,539 passed the test while 3,580 failed the test. There was a reduction in the number of vehicles tested by 452. The reduction in the number of vehicles tested for COF was as a result of declining compliance towards public service licensing regulations, especially in non-urbanised regions or provinces where enforcement of RSL regulations has proved to be a challenge as many vehicle owners opt to pirate rather than have their vehicles licensed.

*Table 1-3: Shows the 2017/2016 annual comparative national statistics for Certificate of Fitness*

Quarter	Total number vehicles tested	Total number of vehicles passed	Total number of vehicles failed
1 <sup>st</sup> Quarter 2017	10,808	10,452	356
2 <sup>nd</sup> Quarter 2017	8,573	8,047	526
3 <sup>rd</sup> Quarter 2017	9,038	8,187	851
4 <sup>th</sup> Quarter 2017	11,248	10,685	563
<b>Total 2017</b>	<b>39,667</b>	<b>37,371</b>	<b>2,296</b>
<b>Total 2016</b>	<b>40,119</b>	<b>36,539</b>	<b>3,580</b>

### 3.1.4 Motor vehicle physical inspection

During the year under review, a total number of 40,685 motor vehicles were physically inspected for registration purposes compared to 38,466 in the year 2016. There was an increase of 2,219 (5.76%). The reason for the increase in number of vehicles tested for physical examinations was mainly due to the increase in the number of vehicles imported into the country.

*Table 14: Shows the comparative annual national statistics for physical inspections*

Quarter	Total physical inspections
1 <sup>st</sup> Quarter 2017	10,984
2 <sup>nd</sup> Quarter 2017	8,084
3 <sup>rd</sup> Quarter 2017	10,731
4 <sup>th</sup> Quarter 2017	10,886
<b>Total 2017</b>	<b>40,685</b>
<b>Total 2016</b>	<b>38,466</b>

3.1.5 Mobile Licensing and Examination

During the period under review, 69 mobile activities were conducted compared to 23 mobile activities conducted in 2016. A total of 4,474 learner drivers and 3,270 motor vehicles and trailers were tested in comparison to 1,461 drivers and 163 motor vehicles tested in 2016.

The reason for this increase in the number of mobile activities is due to the increase in funding towards mobile examination and licensing activities. Table 5 shows a comparative analysis of mobile activities in 2017 and 2016.

Table 15: Shows the 2017/2016 comparative annual statistics for mobile licensing driver activities

Year	Number of mobile activities	Total drivers tested	Total drivers passed	Total drivers failed
2017	69	4,474	3,395	1,079
2016	23	1,461	1,141	320

3.1.6 Mechanized Testing Equipment

The Agency has progressively been moving towards the greater use of mechanized testing equipment and during the period under review, the Agency continued to test some vehicles using mechanized testing equipment at Mimosa, Ndola, and Livingstone inspection centers with focus on vehicles just imported into the country. The total number of vehicles inspected using mechanized testing equipment was 3,188 where 2,314 passed the test and 874 failed the test. Table 1 gives details of the statistics for vehicles tested using mechanized testing equipment and table 2 details the analysis for the failure reasons.

Table 16 Showing number of vehicles tested using the mechanised testing equipment

S/N	Station	Total Number M/ Vehicle Tested	Number M/Vehicles Passed	Number M/Vehicles Failed
1	Mimosa	1957	1552	405
2	Kabwe	232	133	99
3	Ndola	591	379	212
4	Livingstone	408	250	158
	Total	3,188	2314	874

Table 17: Showing failure reasons using mechanised testing equipment

Type of Defect	No. M/Vehicles Failed	Percentage (%)
1 Defective Brakes	389	44.5%
2 Defective Shocks	287	32.8%
3 Defective Wheel Alignment	198	22.7%
Total	874	100

During the period under review, 389 vehicles tested using mechanised testing equipment failed the roadworthiness test because of defective braking systems, representing 44.5%, while 287 motor vehicles failed the test because of defective shocks, representing 32.8%; and 198 vehicles failed the test because of defective wheel alignment,

representing 22.7% failure rate. The mechanised testing of newly imported second hand vehicles has continued running smoothly at all the four mechanised testing centres.

### 3.1.7 Driver/Instructor Syllabi

In order to enhance driver training and teaching, during the period under review, the Agency in collaboration with TEVETA developed the syllabi for drivers and instructors. Further, induction workshops were held in Lusaka, Copper belt, Southern and Central provinces where 300 instructors were inducted in the implementation and delivery of the syllabi. The Agency will begin implementing the syllabi in training schools and testing centres in the 1<sup>st</sup> quarter of 2018.

### 3.1.8 Registration

The registration unit recorded a total of 102,867 transactions under registration of motor vehicles and trailers in comparison to 82,238 recorded in 2016. There was a significant increase by 20,629 (20.1%) transactions as recorded both on the electronic Zambia Transport Information System (e-ZamTIS) and the manual registers.

Table 18: shows total number of transactions recorded under registration of motor vehicles and trailers during the period under review.

S/n	Annual registration transactions						
	Type of transaction	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total annual	Percentage (%)
1	Imports	7,352	9,471	14,556	14,636	46,015	44.73
2	First registration	8,581	9,047	11,919	11,650	41,197	40.05
3	Change of ownership	4,470	3,141	2,206	3,979	13,796	13.41
4	Addition and amendment of title holder	547	77	370	499	1,493	1.45
5	Re-Allocation	11	55	7	28	101	0.10
6	De-registration	18	37	24	20	99	0.10
7	Vanity registration	31	11	3	24	69	0.07
8	Re-registration	19	9	9	12	49	0.05
9	Conversions	30	8	6	4	48	0.05
<b>Total 2017</b>		<b>21,059</b>	<b>21,856</b>	<b>29,100</b>	<b>30,852</b>	<b>102,867</b>	<b>100</b>
<b>Total 2016</b>		<b>20,026</b>	<b>19,982</b>	<b>20,610</b>	<b>21,620</b>	<b>82,238</b>	<b>100</b>

The highest number of transactions recorded was imports at 46,015 transactions (44.73%). First registration accounted for 41,197 transactions (40.05%) and Change of ownership at 13,796 (13.41%). The lowest number of transaction recorded was conversion registration at 48 (0.05%).

Given the above information, it can be concluded that most staff under the registration unit spent more time on first registration. Figure 1 shows a comparative number of transactions for the period under review.

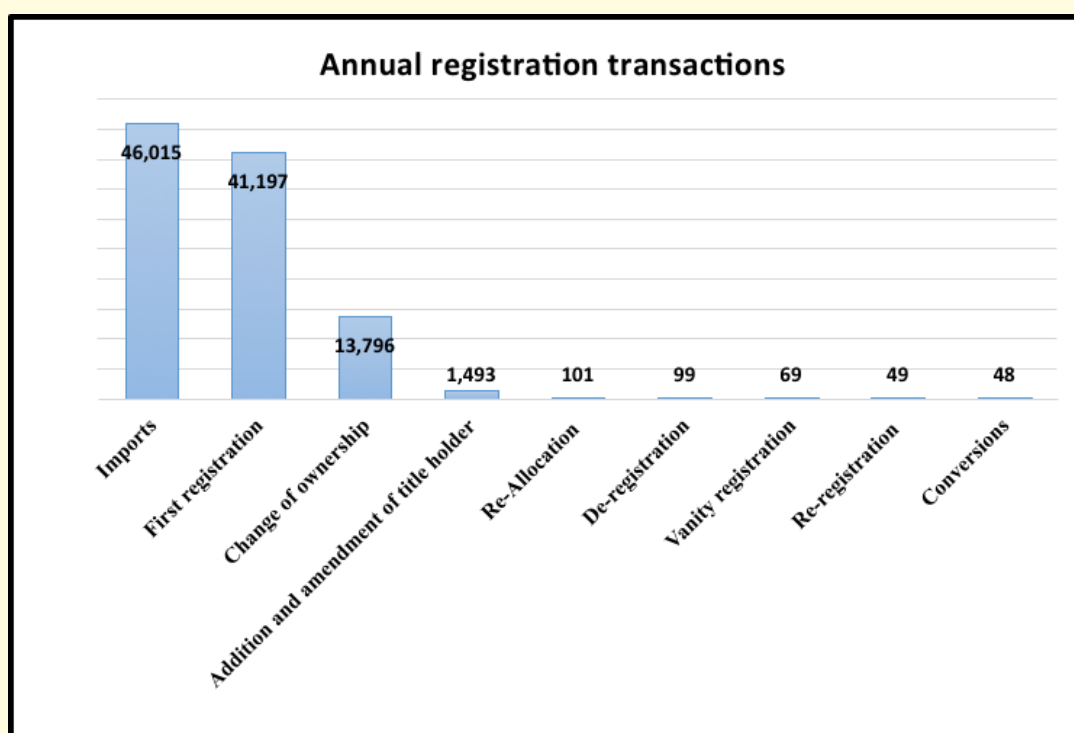


Figure 1-1: Showing comparative number of transactions under registration for period under review

Regarding performance by region as shown in table 8, Lusaka Province recorded the highest number of registration transactions, followed by Copper-belt Province while Luapula Province had the lowest number of transactions.

Table 19: Shows number of registration transactions for each province for period under review

S/N	Province	First registration	Change of ownership	Addition/ amend title holder	Conversion	Vanity	Re-registration	Re-allocation	De-registration
1	Lusaka	24,173	9,976	1125	24	65	34	97	61
2	Copperbelt	8,564	2,375	217	11	2	10	3	12
3	Muchinga	2,872	10	0	0	0	0	0	1
4	Southern	2,170	497	46	2	2	2	1	24
5	Eastern	915	134	18	1	0	0	0	1
6	Northern	685	88	0	4	0	0	0	0
7	Central	682	241	8	0	0	0	0	0
8	North Western	633	281	64	4	0	3	0	0
9	Western	281	94	13	2	0	0	0	0
10	Luapula	222	100	2	0	0	0	0	0
<b>Total 2017</b>		<b>41,197</b>	<b>13,796</b>	<b>1,493</b>	<b>48</b>	<b>69</b>	<b>49</b>	<b>101</b>	<b>99</b>



### 3.1.9 Imports

The Agency recorded 46,015 imports for the period under review as compared to 29,540 for 2016. This is according to the Zambia Revenue Authority (ZRA) records. RTSA has an arrangement with ZRA to handle motor vehicle import transactions on its behalf at border stations.

Table 110: Shows imports for various port of entries for period under review

S/N	Station	1st Quarter 2017	2nd Quarter 2017	3rd Quarter 2017	4th Quarter 2017	Total annual	Percentage (%)
1	Nakonde	3,933	5,378	8,242	8,748	26,301	57.16
2	Livingstone	772	1,354	1,446	1,432	5,004	10.87
3	Chirundu	740	687	1,896	1,494	4,817	10.47
4	Lusaka	959	999	1,250	1,100	4,308	9.36
5	Katima Mulilo	755	843	1,054	1,090	3,742	8.13
6	Mwami	94	71	328	436	929	2.02
7	Chanida	17	3	125	150	295	0.64
8	Ndola	49	32	84	57	222	0.48
9	Kazungula	4	47	64	76	191	0.42
10	Kitwe	22	36	16	16	90	0.20
11	Kapiri Mposhi	2	3	28	18	51	0.11
12	Victorial falls	1	11	13	2	27	0.06
13	Kariba	4	4	4	9	21	0.05
14	Chingola	0	3	6	8	17	0.04
<b>Total 2017</b>		<b>7,352</b>	<b>9,471</b>	<b>14,556</b>	<b>14,636</b>	<b>46,015</b>	<b>100</b>
<b>Total 2016</b>		<b>6,678</b>	<b>6,860</b>	<b>7,863</b>	<b>8,139</b>	<b>29,540</b>	

Nakonde recorded the highest number of motor vehicle and trailer imports with 26,301 while Chingola had the lowest with 17 because many vehicles are imported through the port of Dar-es-salaam, Tanzania.

The significant increase in imports in 2017 was as result of the stability of the exchange rate against major currencies. This implied that most vehicles were imported into the country and few were purchased locally from the already imported vehicles by motor dealers as it was economical to import vehicles at the time when the exchange rate was relatively stable.

### 3.1.10 First registration

A total of 41,197 motor vehicles and trailers were registered for the period under review as compared to 32,932 motor vehicles and trailers registered in 2016 on the electronic Zambian Transport Information System (e-ZamTIS). There was an increase by 8,265 (20.1%) in the number of motor vehicles and trailers registered due to the stability of the kwacha against major currencies. It was economically viable to import motor vehicles or trailers than buying them locally.

The Agency recorded the highest number of first registration transactions during the 3<sup>rd</sup> quarter of 2017 in which 11,919 motor vehicles and trailers were registered, followed by 4<sup>th</sup> Quarter with 11,650 motor vehicles and trailers. The least number of motor vehicles registered was recorded during 1<sup>st</sup> Quarter with 8,581 motor vehicles and trailers followed by 2<sup>nd</sup> Quarter with 9,047 respectively. Table 10 shows the number of vehicles and trailers registered by quarter during the period under review.

*Table 11: shows number of motor vehicles and trailers registered during the period under review*

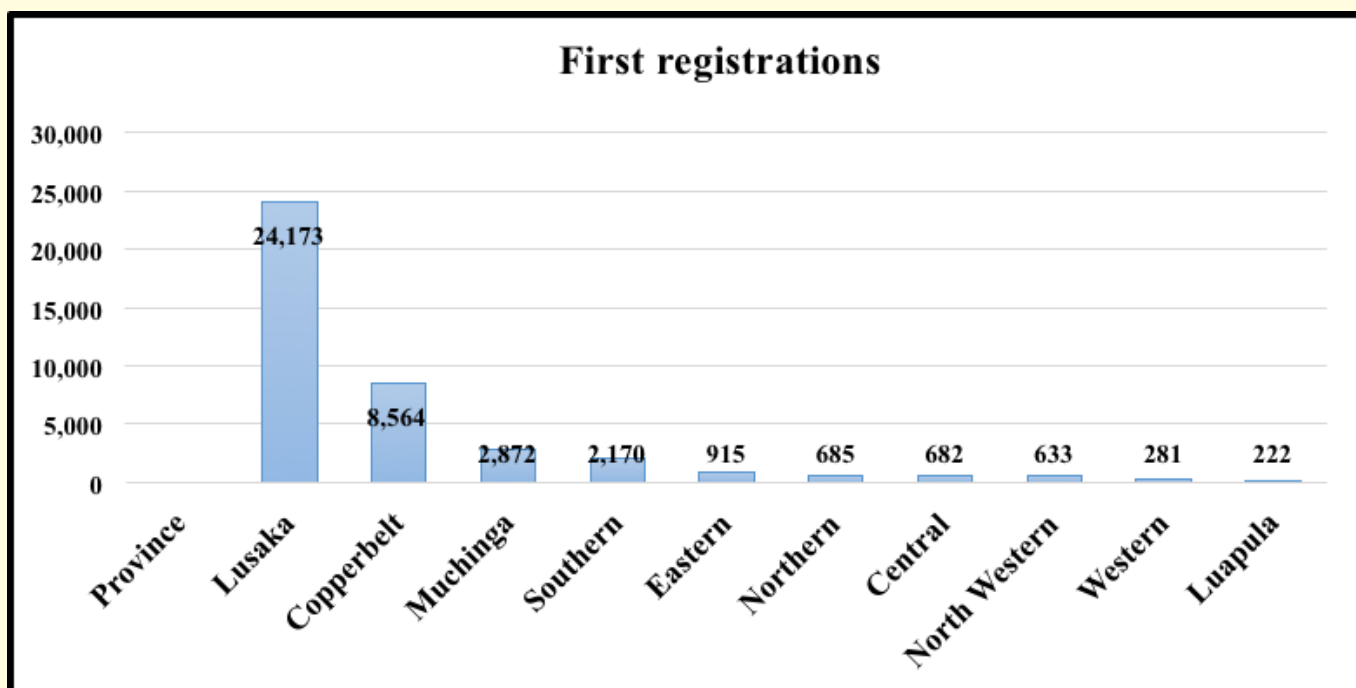
Registered motor vehicles and trailers			
S/n	Period	Frequency	Percentage (%)
1	1 <sup>st</sup> Quarter 2017	8,581	20.83
2	2 <sup>nd</sup> Quarter 2017	9,047	21.96
3	3 <sup>rd</sup> Quarter 2017	11,919	28.93
4	4 <sup>th</sup> Quarter 2017	11,650	28.28
<b>Total 2017</b>		<b>41,197</b>	<b>100.00</b>
<b>Total 2016</b>		<b>32,932</b>	<b>100%</b>

The difference in the number between imported and registered motor vehicles and trailers is mainly due to the longer periods that franchise holders and motor dealers keep the vehicles before they sale and have them registered. Registration is done only after a sale has been effected.

Table 11 shows a comparison on the number of motor vehicles and trailers registered per province in 2017.

*Table 112: Showing number of motor vehicles and trailers registered during the period under review per province*

S/n	Province	1st Quarter 2017	2nd Quarter 2017	3rd Quarter 2017	4th Quarter 2017	Total annual	Percentage (%)
1	Lusaka	5,246	5,825	6,451	6,651	24,173	58.68
2	Copperbelt	1,646	1,733	3,151	2,034	8,564	20.79
3	Muchinga	584	390	848	1,050	2,872	6.97
4	Southern	470	425	593	682	2,170	5.27
5	Eastern	171	191	270	283	915	2.22
6	Northern	111	71	119	384	685	1.66
7	Central	100	170	184	228	682	1.66
8	North Western	127	160	165	181	633	1.54
9	Western	72	44	88	77	281	0.68
10	Luapula	54	38	50	80	222	0.54
<b>Total 2017</b>		<b>8,581</b>	<b>9,047</b>	<b>11,919</b>	<b>11,650</b>	<b>41,197</b>	<b>100</b>



Total 2016	7,613	8,504	8,369	8,446	32,932	
------------	-------	-------	-------	-------	--------	--

In terms of regional performance, Lusaka province registered the highest number, 24,173 vehicles followed by Copper belt province with 8,564. Luapula Province was the lowest with 222 vehicles registered. Figure 2 shows the proportion of first registration that was undertaken per province for period under review.

Figure 12: Proportion of first registration that was undertaken per province in 2017

### 3.1.11 De-registration

During the period under review, 99 motor vehicles and trailers were deregistered in comparison to 194 in 2016. The highest number of motor vehicles and trailers de-registered was in the 2<sup>nd</sup> quarter followed by the 3<sup>rd</sup> quarter with 37 and 24 respectively. 4<sup>th</sup> quarter had 20 while 1<sup>st</sup> quarter had the least with 18.

Table 113: shows number of motor vehicles and trailers de-registered during the period under review

De- registered Motor Vehicles and Trailers			
S/N	Period	Frequency	Percentage (%)
1	1 <sup>st</sup> Quarter 2017	18	18.18
2	2 <sup>nd</sup> Quarter 2017	37	37.37
3	3 <sup>rd</sup> Quarter 2017	24	24.24
4	4 <sup>th</sup> Quarter 2017	20	20.20
<b>Total 2017</b>		<b>99</b>	<b>100</b>
<b>Total 2016</b>		<b>194</b>	<b>100</b>

### 3.1.12 Conversions

A total of 48 manual registration books for motor vehicles and trailers were converted to registration certificates on the ZamTIS during the period under review against 131 for 2016. First quarter had the highest number of transactions due to the public notice which was circulated with regards to the deadline for conversions.

Table 114: Shows number of Conversion transactions in 2017

Conversions			
S/n	Period	Frequency	Percentage (%)
1	1 <sup>st</sup> Quarter 2017	30	62.50
2	2 <sup>nd</sup> Quarter 2017	8	16.67
3	3 <sup>rd</sup> Quarter 2017	6	12.50
4	4 <sup>th</sup> Quarter 2017	4	8.33
<b>Total 2017</b>		<b>48</b>	<b>100</b>
<b>Total 2016</b>		<b>131</b>	<b>100</b>

### 3.1.13 Change of ownership

A total number of 13,796 change of ownership transactions were recorded during the year 2017 as compared to 18,329 recorded in 2016. The marginal decrease in change of ownership transactions by 4,533 is due to the fact that people preferred to buy vehicles and trailers from foreign market as it was economically viable as a result of the stability of the kwacha against major currencies.

Table 115: Shows number of change of ownership transactions during the year 2017

Change of Ownership			
S/n	Period	Frequency	Percentage
1	1 <sup>st</sup> Quarter 2017	4,470	32.40
2	2 <sup>nd</sup> Quarter 2017	3,141	22.77
3	3 <sup>rd</sup> Quarter 2017	2,206	15.99
4	4 <sup>th</sup> Quarter 2017	3,979	28.84
<b>Total 2017</b>		<b>13,796</b>	<b>100</b>
<b>Total 2016</b>		<b>18,329</b>	<b>100%</b>

### 3.1.14 Addition and amendment of title holder

A total of 1,493 transactions for additional and amendment of title of holder were recorded for the period under review as compared to 1,128 for 2016. An increase in transactions by 365 (24.45%) is due to many people using their vehicles as collateral for loan security as a result of favourable interest rates.

*Table 116: Number of addition and amendment of title holder in 2017*

Add title holder and amend or removal absolute owner			
S/n	Period	Frequency	Percentage (%)
1	1 <sup>st</sup> Quarter 2017	547	36.64
2	2 <sup>nd</sup> Quarter 2017	77	5.16
3	3 <sup>rd</sup> Quarter 2017	370	24.78
4	4 <sup>th</sup> Quarter 2017	499	33.42
<b>Total 2017</b>		<b>1,493</b>	<b>100</b>
<b>Total 2016</b>		<b>1,128</b>	<b>100</b>

### 3.1.15 Personalised (Vanity) registration

A total of 69 new personalised registration marks and number plates were registered during the year 2017 as compared to 72 for 2016. There was a slight decrease by 3 of these transactions which could be attributed to the fact that people may have had less disposable income as vanity registration is one of the marks that show the ego status of the owner of vehicles.

*Table 117: Shows number of vanity registrations in 2017*

Vanity registration			
S/n	Period	Frequency	Percentage (%)
1	1 <sup>st</sup> Quarter 2017	31	44.93
2	2 <sup>nd</sup> Quarter 2017	11	15.94
3	3 <sup>rd</sup> Quarter 2017	3	4.35
4	4 <sup>th</sup> Quarter 2017	24	34.78
<b>Total 2017</b>		<b>69</b>	<b>100</b>
<b>Total 2016</b>		<b>72</b>	<b>100</b>

### 3.1.16 Re-allocation of registration marks and numbers

Re-allocation (or retention) of registration marks and numbers is a process of registering marks and number plates of a motor vehicle or trailer reverting to one that was issued when such motor vehicle or trailer was first registered. This takes place when registration marks and number plates of a particular motor vehicle or trailer changes at any particular time during its life time through vanity registration or re-registration process.

Reasons for re-allocation could be owner of the subject motor vehicle or trailer wishes to change ownership of that vehicle but due to sentimental reasons wishes to use their preferred registration marks and number plates.



A total of 101 motor vehicles and trailers had their registration marks and number plates re-allocated during the year 2017 as compared to 32 in 2016. This implies that more vehicles which are under diplomatic immunities and personalised changed ownership after sale.

*Table 118: Shows number of re-allocation transactions of registration marks and numbers.*

Re-allocation			
S/n	Period	Frequency	Percentage (%)
1	1 <sup>st</sup> Quarter 2017	11	10.89
2	2 <sup>nd</sup> Quarter 2017	55	54.46
3	3 <sup>rd</sup> Quarter 2017	7	6.93
4	4 <sup>th</sup> Quarter 2017	28	27.72
<b>Total 2017</b>		<b>101</b>	<b>100</b>
<b>Total 2016</b>		<b>32</b>	<b>100</b>

### 3.1.17 Re-registration of motor vehicles and trailers

Re-registration of motor vehicles and trailers is provided for to allow owners of motor vehicles and trailers change their registration marks and number from an old one to a current series or, indeed, from a current series to an old registration mark and number. During the year 2017, 49 transactions were recorded as compared to 62 for 2016. The significant drop of re-registration transactions is due to enhanced controls in the administration of this function in line with the provisions of Section 8 (1) and (2) of the Road Traffic Act No.11 of 2002.

*Table 119: Number of re-registration transactions*

Re-registration			
S/n	Period	Frequency	Percentage (%)
1	1 <sup>st</sup> Quarter 2017	19	38.78
2	2 <sup>nd</sup> Quarter 2017	9	18.37
3	3 <sup>rd</sup> Quarter 2017	9	18.37
4	4 <sup>th</sup> Quarter 2017	12	24.49
<b>Total 2017</b>		<b>49</b>	<b>100</b>
<b>Total 2016</b>		<b>62</b>	<b>100</b>

### 3.1.18 Cumulative motor vehicle and trailer population

A total of 41,197 motor vehicles and trailers were registered during the period under review bringing the cumulative vehicle population to 737,671, excluding Government of the Republic of Zambia (GRZ) owned motor vehicles and trailers. Comparatively, in 2016, the cumulative motor vehicle and trailers population size stood at 696,474 after having registered 32,932 motor vehicles and trailers.

Table 120: Shows 2017 quarterly registered vehicles and trailers and cumulative motor vehicle and trailer population

Quarter	1 <sup>st</sup> Quarter 2017	2 <sup>nd</sup> Quarter 2017	3 <sup>rd</sup> Quarter 2017	4 <sup>th</sup> Quarter 2017
Registered Vehicles	8,581	9,047	11,919	11,650
Cumulative vehicle population	705,055	714,102	726,021	737,671

### 3.1.19 Licensing

During the period under review, a total of 942,038 licensing transactions were conducted compared to 1,976,871 transactions in 2016. The highest number of transactions carried out were road tax at 63 % followed by printed driving licences at 12%, while provisional drivers' licenses stood at 7%. Motor Dealers' Vehicle Licence (MDVL) transactions were the least with 21 (0.002%). The decrease in the number of licensing transactions can be attributed to among other factors, the numerous system challenges attributed to frequent e-ZamTIS shutdowns affecting the Driving License renewals and Printing of cards and also the drop in road tax transactions. Table 20 shows various licensing transactions conducted during the period under review.

Table 121: Number of licensing transactions conducted in 2017

Type of transactions	1 <sup>st</sup> Qtr. 2017	2 <sup>nd</sup> Qtr. 2017	3 <sup>rd</sup> Qtr. 2017	4 <sup>th</sup> Qtr. 2017	Annual Total	Percentage (%)
Road Tax	407,574	52,554	62,430	70866	593,424	62.994
Driving Licenses Printed	23,354	47,850	23,806	20600	115,610	12.272
Road Service Licenses	23,391	21,033	18,154	20283	82,861	8.796
Provisional Driving License	20,382	14,727	10,606	17365	63,080	6.696
Driving License Renewal	6,443	9,738	6,225	12431	34,837	3.698
Temporal Driving License	8,817	6,321	7,790	5053	27,981	2.970
PSV Driving License Renewal	5,266	4,747	3,168	3891	17,072	1.812
Cross Border Permits	1,312	1,317	1,355	1523	5,507	0.585
International Driving Permits	182	524	595	344	1,645	0.175
Motor Dealers' Vehicle License	2	2	9	8	21	0.002
<b>Total</b>	<b>496,723</b>	<b>158,813</b>	<b>134,138</b>	<b>152,364</b>	<b>942,038</b>	<b>100</b>

### 3.1.20 Road Tax

Cumulative aggregate road tax compliance attained during the year 2017 stood at 80.44%. Out of the total vehicle and trailer population size of 737,671, there were 593,424 motor vehicles and trailers which were licenced.

In relation to comparison on annual compliance, the years 2015 and 2016 were lower compared to 2017. Table 21 Shows road tax compliance during the year 2017 in comparison with 2016 and 2015.

Table 122: Shows road tax compliance rate from 2015 to 2017

2015			2016			2017		
Vehicle Population	Total Licensed	% of Vehicle Population	Vehicle Population	Total Licensed	% of Vehicle Population	Vehicle Population	Total Licensed	% of Vehicle Population
663,529	422,849	63	696,474	442,723	63	737,671	593,424	80

### 3.1.21 Road Service Licences

During the period under review, a total of 82,861 Road Service License (RSLs) were issued both for long and short term trading purposes compared to 85,671 and 86,069 that were issued during the year 2015 and 2016 respectively.

However, piracy is still a big challenge which needs to be approached from all angles such as political, regulatory, stakeholder engagements, participation and enforcement.

### 3.1.22 Issuance of Driving Licenses

The Agency printed a total of 95,010 driving licenses in the period under review compared to 117,252 driving licenses printed in 2016 and 79,647 in 2015. The backlog of driving licenses that was created in 2015 and 2016 of 90,000 before the launch of the e-ZamTIS was cleared by 3<sup>rd</sup> quarter, 2017.

Further, the card printing function which was previously centralized under the ZamTIS system was decentralized in 2017 under the newly implemented e-ZamTIS with on-demand printing services being offered to the public. The current driving license card is electronic in nature, enabling verification of information at a particular given point away from the RTSA offices.

### 3.1.23 Cross Border Permits

During the year under review, the Agency issued a total of 5,507 Cross Border Permits (CBPs) to transport operators doing business in countries that have signed Bilateral Road Transport Agreements (BRTAs) with Zambia and recognize and implement a single permit system. The highest number of CBPs were recorded during the 4<sup>th</sup> Quarter of 2017 with 1,523 permits issued followed by the 3<sup>rd</sup> Quarter with 1,355 CBPs. Table 22 shows the number of CBPs issued during the year 2017.

Table 123: Showing number of Cross Border Permits issued in 2017

S/n	Cross border road permits issued in the year 2017		
	Period	Frequency	Percentage (%)
1	1 <sup>st</sup> Quarter 2017	1,312	23.82
2	2 <sup>nd</sup> Quarter 2017	1,317	23.92
3	3 <sup>rd</sup> Quarter 2017	1,355	24.61
4	4 <sup>th</sup> Quarter 2017	1523	27.66
Total 2017		5,507	100
Total 2016		5,550	100

### 3.1.24 Issuance of Motor Dealers' Vehicle Licences

A Motor Dealer Vehicle Licence (MDVL), in accordance with Section 45 of the Road Traffic Act No. 11 of 2002, is issued to a dealer in or manufacturer of motor vehicles and trailers. The licence so issued authorizes the holder to use any motor vehicle or trailer under such licence for the purpose of being driven to motor dealers' place of business after delivery to motor dealer or being tested by motor dealer or being tested or used for the purpose of effecting a sale, or such other purposes as may be prescribed.

A total number of 21 MDVLs were issued during the period under review. There was a decrease of 109 in the number of MDVLs issued which translated into 83.85% decrease in 2017 compared to 2016. The above difference indicates that there were less dealers requiring the said licenses during the year under review compared to the previous year. This reduction can be attributed to non-renewal of dealer licenses by some dealers. Table 23 illustrates the quarterly number of MDVLs issued during the year 2017.

Table 124: Number of MDVLs issued during the year 2017

S/n	Motor Dealers Vehicle License		
	Period	Frequency	Percentage (%)
1	1 <sup>st</sup> Quarter 2017	2	9.52
2	2 <sup>nd</sup> Quarter 2017	2	9.52
3	3 <sup>rd</sup> Quarter 2017	9	42.86
4	4 <sup>th</sup> Quarter 2017	8	38.10
<b>Total 2017</b>		<b>21</b>	<b>100</b>
<b>Total 2016</b>		<b>130</b>	<b>100</b>

## 3.2 OTHER ACTIVITIES CONDUCTED IN 2017

### 3.2.1 Station inspections

Station inspections were conducted in Copper belt, North-western, Western and Northern provinces. The aim of the station inspections was to ascertain whether the stations are generally being managed properly; check if procedures relating to functions such as examination, registration, licensing, and enforcement are being adhered to; and to identify any deviations from such standard procedures at the time of inspection. This has helped in ensuring that activities, procedures and controls are standardized to ensure efficiency and effectiveness. A standard inspection checklist was used in conducting all station inspections and arising from the inspections, a consolidated implementation matrix was developed, which reflects the issues raised at various stations and what actions needs to be undertaken by the station supervisors.

### 3.2.2 Public sittings

Public Sittings were held in all provincial centres to award the Long Term Road Service Licences to transporters. The total number of approved operators /RSLs issued was 3,423 compared to 3,892 in 2016 and 3,133 in 2015. The main reason for the drop between 2016 and 2017 is the withdrawal of many operators especially in the passenger sector due to fierce competition from the pirate taxi and minibus operators. Legislative measures, which will be implemented in 2018, have been put in place to address the challenge of piracy.

### 3.2.3 Bilateral and Multilateral Meetings

The Agency held and participated in bilateral and multilateral meetings in order to evaluate bilateral agreements and performance of individual countries. Meetings were held with Namibia, Congo DRC, Tanzania, and Angola. Key highlights from the meetings were:

- Lack of access to the Tanzania market by our Zambian Operators due to Tanzania's restrictive transport policies; and
- Congo DRC still remains a challenge regarding their insecurity and high tolling fees.
- Operationalisation of the Walvis Bay – Ndola - Lubumbashi Corridor Agreement

## 3.3 Review of revenue performance

The main streams of revenue collected by the Agency continued to be fees collected under the Road Traffic Act No. 11 of 2002 and that of the Tolls Act of 2011. The Agency's overall revenue performance for 2017 was favourable as compared to the overall revenue performance for 2016.

The Road Transport and Safety Agency collected a total of K819.5 million in 2017 as compared to the Yellow Book Government target of K1, 198.5 million. This represented 68% collections of the targeted total revenue.

The total revenue collected of K819.5 million in 2017 represented a growth of 4.7% over the revenue collected in 2016 which was K782.3 million. Table 1 below shows actual revenue collected against target revenues.

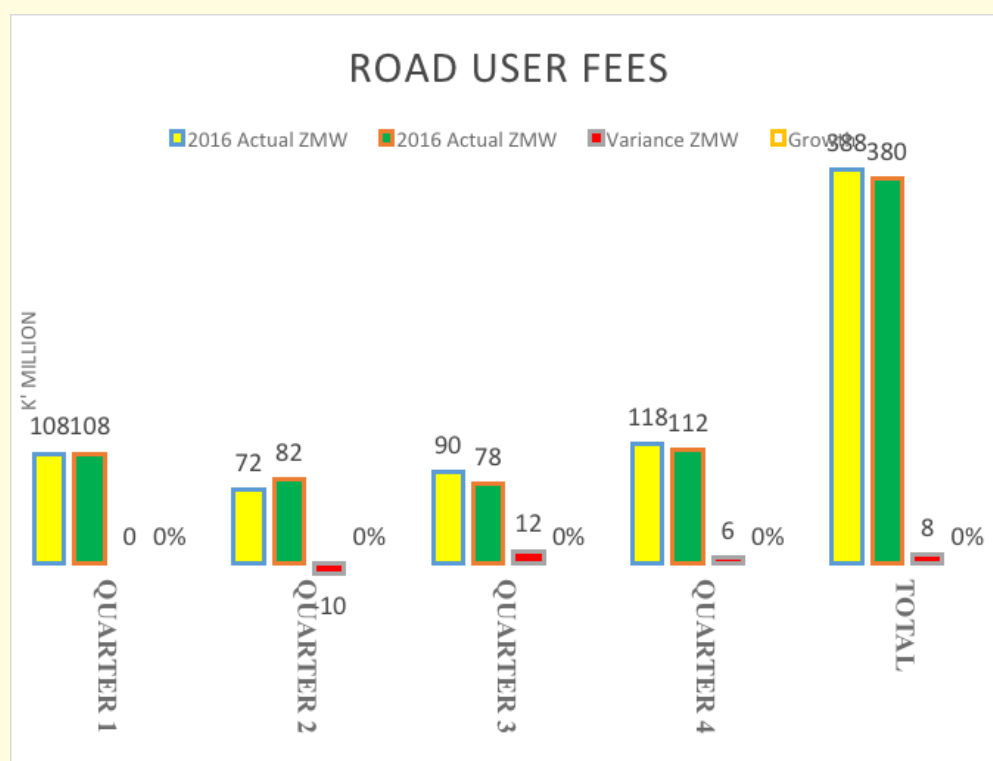
Table 1: Actual Revenue Collections against Target Revenue in 2017 and 2016.

	Actual 2017	Target 2017	Actual 2016	Target 2016	Vs. Target
	ZMW	ZMW	ZMW	ZMW	
Road User Fees	388,471,065	810,394,684	380,314,565	393,343,137	48%
Zam Toll	7,624,323	3,853,049	2,304,945	3,051,141	198%
US Toll	423,853,831	384,258,395	399,950,369	410,499,919	110%
<b>TOTAL</b>	<b>819,949,219</b>	<b>1,198,506,128</b>	<b>782,569,879</b>	<b>806,894,197</b>	<b>68%</b>

### 3.3.1 COLLECTIONS UNDER THE ROAD TRAFFIC ACT NO.11 OF 2002

Collections under the Road Traffic Act No.11 of 2002 comprised of fees from registration, licensing and examination. These type of fees were called as road user fees. The total revenue collected in 2017 was K388.5 million while in 2016 it was K380.3 million. This represented a growth of 2%. Table 2 below shows total revenue collected under the Road Traffic Act No.11 of 2002.

Table 2: Road User Fees collected in 2017 and 2016



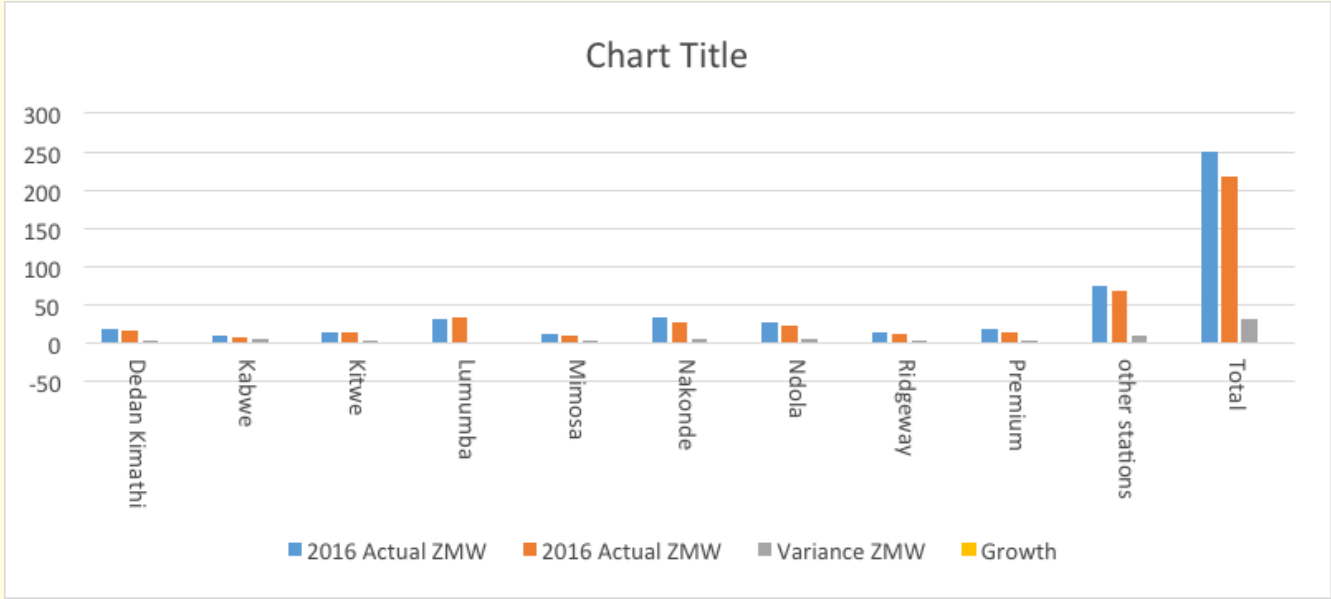
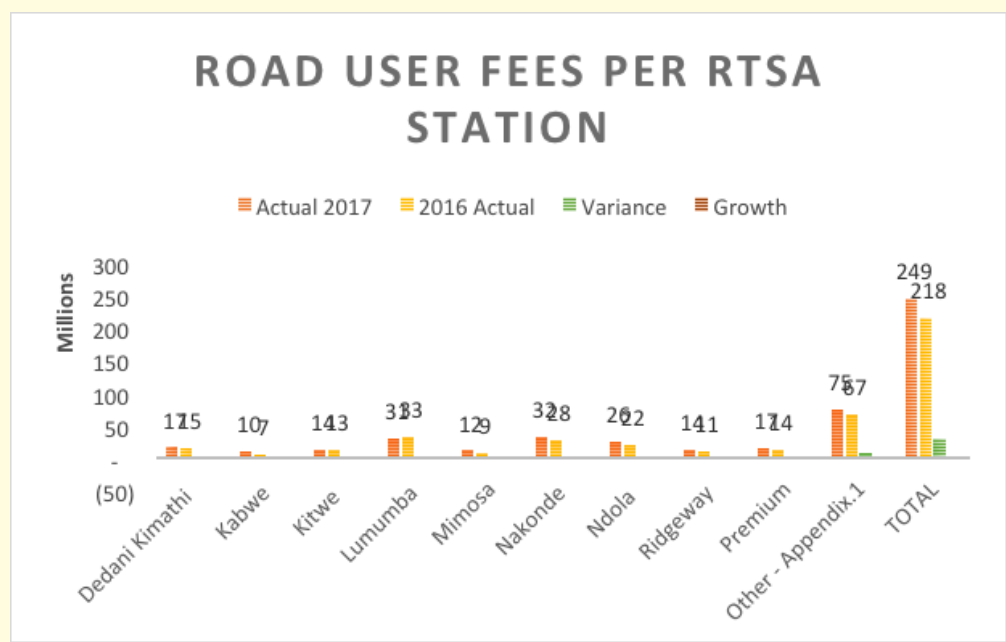
All RTSA stations collected revenue from road user fees to the sum of K284.8 million in the year under review while in 2016 the revenue collected was K217.8 million. This represented a growth rate of 14%.

The highest revenue collecting station for road user fees was Nakonde which recorded revenue collections of K32.4million, followed by Lumumba with K31.4 million and then Ndola with K25.6 million. This represented growth rates of 17% for Nakonde and Ndola while Lumumba recorded a decline in revenue collection of negative 4%. The increase at Nakonde was attributed towards the change in public preference to register and licence their vehicles at the point of entry due to increased levels of efficiency resulted from quick delivery of service. While the decline at Lumumba station was attributable towards the provision of alternative service delivery to other stations such as the transfer of handling corporate clients' services from Lumumba station to Premium House Station, issuance of driver licences e.t.c



On overall there was an increase in revenue collected by most of the other RTSA stations. This was mainly attributable to the delay in the rolling out of e-ZamTIS to our strategic partners leaving RTSA stations as the only source of service acquisition by the public in most regions. Details of the revenue collections under road user fees are shown in table 3 below.

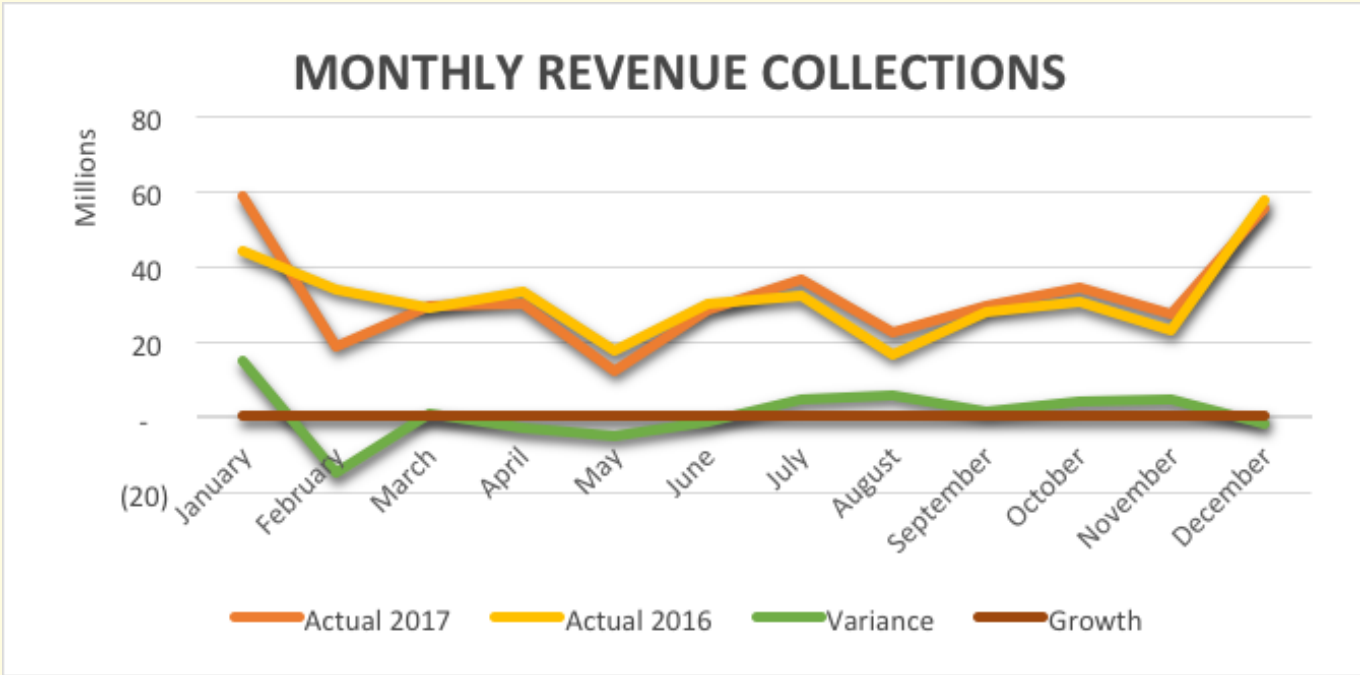
Table 3: Road User fees collections by RTSA stations in 2017 and 2016.



Despite the overall performance of revenue collected in 2017 to have been better than that recorded in 2016, there were specific months where revenue collections did not perform well.

The road user fees collected in February 2017 were affected by the downtime of eZamTIS that was experienced during this month. The months of April, May and June were negatively affected by the shutdown of ZamTIS which resulting in non-collection of revenue. While in the month of December 2017, revenue collections were highly affected by the challenges in service provision due to delays in processing transactions by the e.ZamTIS as well as staffing challenges in the revenue unit that was faced by the Agency. Table 4 below shows the monthly revenue collection in 2017 and 2016 under the Road Traffic Collections.

Table 4. Monthly revenue collections in 2017 and 2016



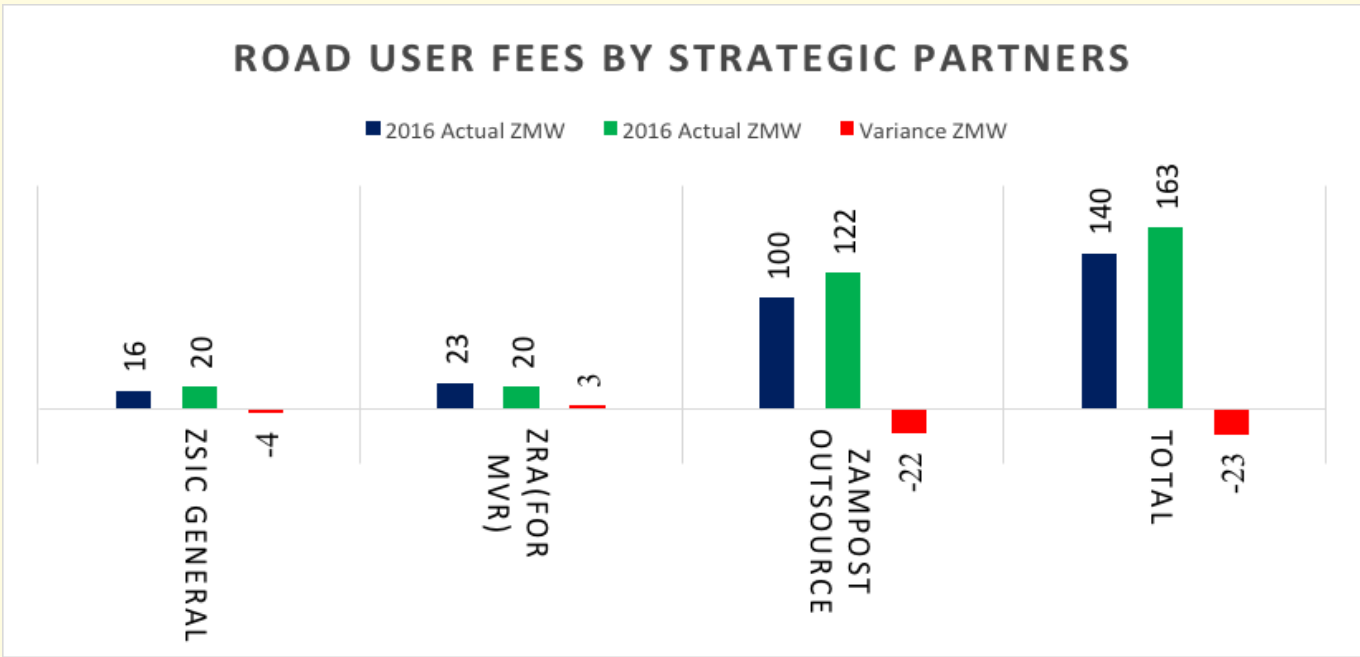
### 3.3.2 ADMINISTRATION OF OUTSOURCED REVENUE COLLECTIONS FROM STRATEGIC PARTNERS

In 2017, the Agency continued to collect revenues under road user fees through its strategic partners i.e. Zampost, ZSIC General and Zambia Revenue Authority (ZRA).

The strategic partners collected a total of K139.7 million as compared to K162.5 million in 2016. This resulted in a negative growth of 14%.

Revenue collected by Zampost and ZSIC in 2017 was K100.1 million and K16.1 million against K122.3 million and K20.3 million in 2016 respectively. The decline in revenue was mainly attributable towards the shut of ZamTIS and delays in the rolling out of e.ZamTIS to the strategic partners. However, the revenue collections under the motor vehicle fund (MVF) reflected an increase from K19.9 million to K23.4 million. This reflected a 17% increase which was attributable to an increase in the number of motor vehicles imported in for the year under review. Table 5 below shows details of the revenues collected by our strategic partners.

Table 5: Revenue collected under Road User fees by our Strategic Partners



3.3.3 COLLECTIONS UNDER THE TOLLS ACT OF 2011

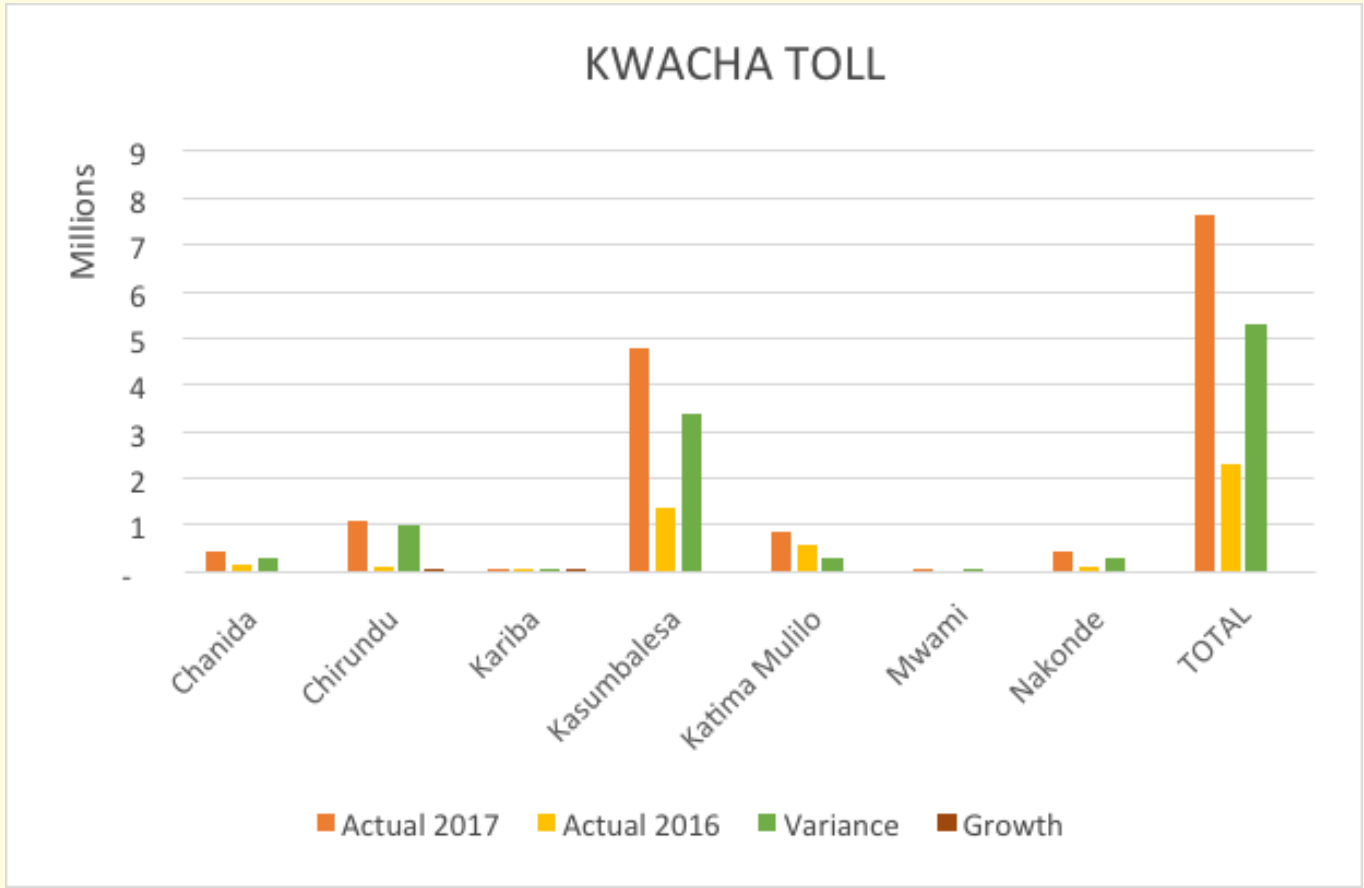
Toll fees are transit fees collected by the Agency on both foreign and locally registered vehicles using Zambian roads. These are collected on behalf of the National Road Fund Agency (NRFA) from stations situated at ports of entry and a few inland stations under the Tolls Act of 2011.

3.3.4 Toll fees from locally registered vehicles

The Road Transport and Safety Agency collects toll fees from locally registered vehicles on behalf of the NRFA. During the year under review, a total of K7.6 million was collected as revenue for tolls on locally registered vehicles. This represented a growth of 231% over the revenue collected in 2016 of K2.3 million. This was mainly attributable to revised fees of local tolls, which was effected on 1<sup>st</sup> January 2017.

Kasumbalesa recorded the highest revenue collection in 2017 of K4.8 million followed by Chirundu with K1.1 and then Katimulilo with K0.8 million and Katima mulilo with K0.3 million. This reflected an overall increase of 245% for Kasumbelesa, 1193% for Chirundu and 48% for Katima Mulilo, Table 6 below shows details of Kwacha Toll fees.

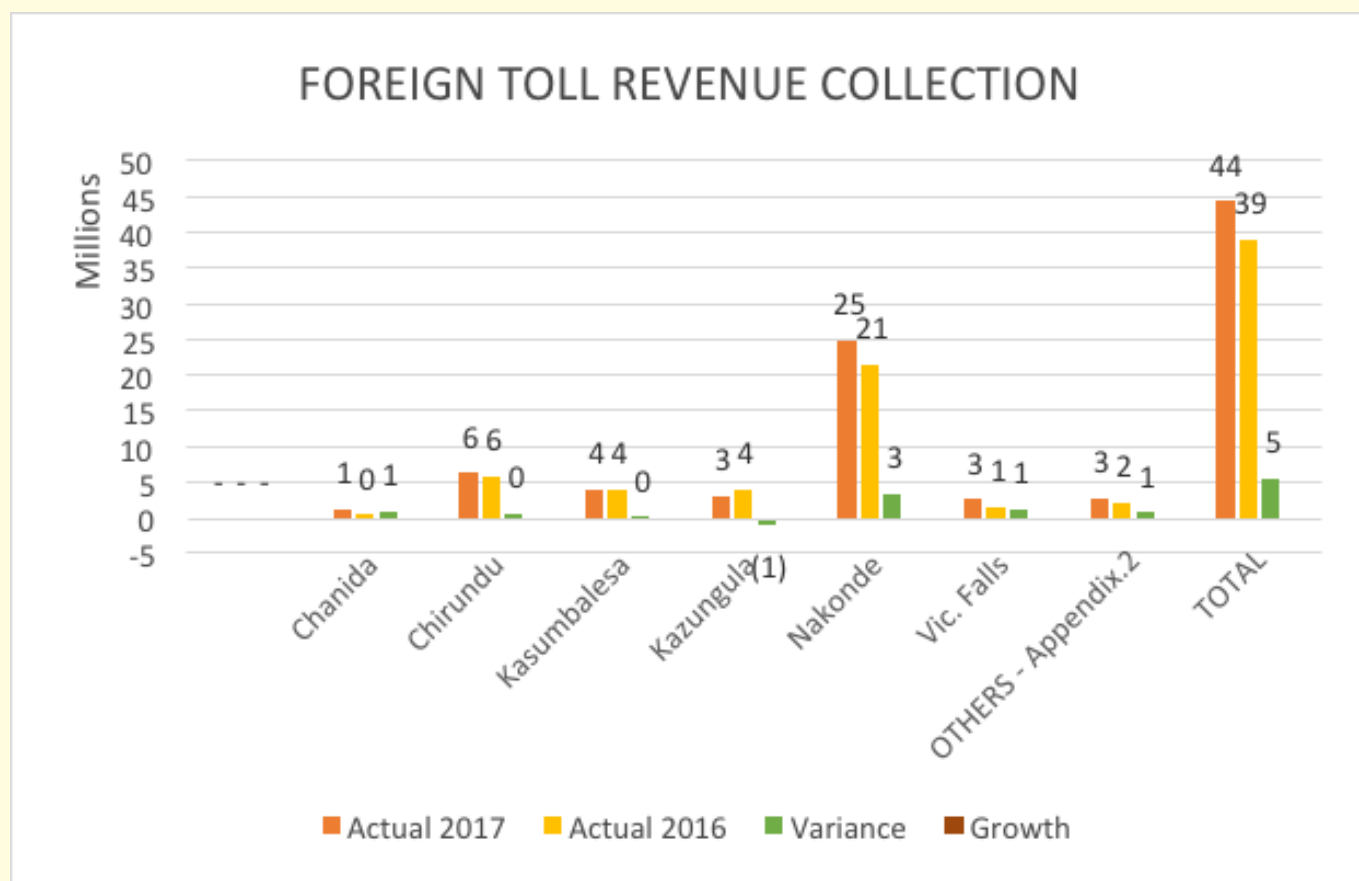
Table 6: Toll fee collected from locally registered Vehicles in 2017 and 2016.



3.3.5 Toll fees from foreign registered vehicles

The Road Transport and Safety Agency collects revenue through toll fees from foreign registered vehicles on behalf of the National Road Fund Agency (NRFA). The foreign toll fees collected were in United States Dollars (USD). The total revenue collected during 2017 was US\$44.4 million while in 2016 it was US\$38.9 million. This represented a growth of 14% in US dollar revenue collections. This was attributable towards an increase in the number of foreign registered motor vehicles transiting the country between the two years. The appreciation of the local currency against the foreign currency during 2017 as compared to 2016 resulted in the reported growth of kwacha equivalent revenues collected to be only 6%. Table 6 below shows details of the foreign toll fees.

Table 6: Revenue Collected under foreign toll fees for 2017 and 2016.



Nakonde reported the highest revenue collections of foreign toll fees of US\$24.8 million in 2017 against US\$21.4 million in 2016. Chirundu was the second highest revenue collector with US\$6.2 in 2017 million against US\$5.7 million in 2016 and then Kasumbalesa with US\$3.9 million in 2017 against US\$3.8 million. This represented growth rates of 16%, 8% and 1% respectively.

Kazungula reported a significant fall in revenue collected under foreign toll fees of negative 25% which was mainly due to the non-operational of the pontoons. Only one Zambian pontoon had been consistent with ferrying while the Botswana pontoon had been non-operational from January, 2017 resulting in a reduced number of foreign vehicles transiting this point of entry.

### 3.3.6 CARBON EMISSION SURTAX (CES)

The Road Transport and Safety Agency also collected carbon emission surtax on behalf of the Zambia Revenue Authority (ZRA) from motor vehicles. The Agency collected a total of K27.4 million of Carbon Emission Surtax (CES) in 2017 compared to K9.0 million in 2016. This reflected a significant increase in revenue collected of 204%. The increase in the collections was mainly due to management's decision to electronically collect CES through e-ZamTIS. Details of revenue collection of CES are shown in Table 8 and detailed CES collections are shown in appendix. 3

Table 8: Revenue collections from Carbon Emission Surtax in 2017 and 2016

	Actual 2017	Actual 2016	Variance	Growth
	ZMW	ZMW	ZMW	
RTSA	14,157,288	6,198,718	7,958,570	128%
ZSIC General	2,101,077	915,988	1,185,089	129%
Zampost Outsource	11,162,670	1,915,586	9,247,084	483%
<b>TOTAL</b>	<b>27,421,035</b>	<b>9,030,292</b>	<b>18,390,743</b>	<b>204%</b>



Figure 8a and 8b indicates the proportion of total Carbon Emission Collections in 2016 and 2017

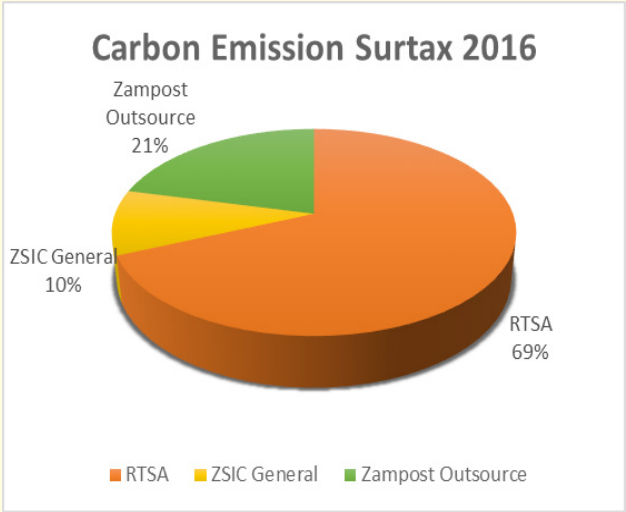


Figure 8a

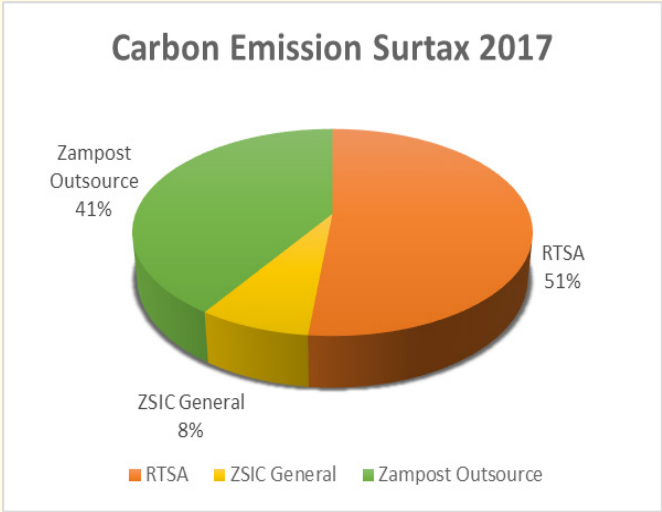


Figure 8b

3.4 REVENUE MONITORING UNIT

The Revenue Monitoring Unit managed to undertake the joint revenue reconciliation with the Ministry of Finance and the Ministry of Transport and Communications. This covered a period of nine months from 1<sup>st</sup> January to 30<sup>th</sup> September, 2017. It was observed that revenue collected under road user fees was under banked to the sum of K5.5 million resulting from mainly Zampost and RTSA Chipata station.

The Zampost Management had been engaged to resolve this matter and discussions were still underway, while further investigations were instigated to determine the actual revenue loss for RTSA Chipata Office.

The Revenue Monitoring Unit managed to monitor the five stations in Lusaka namely Mimosa, Lumumba, Dedan-Kimathi, Ridgeway and Premium. The focus was on revenue recording, document storage and filing.

The team reported that comparisons between End of day report and the reports sent by OTI still experiences differences resulting in variances between the two reports. Cashbooks are not being completed on a daily basis and in some cases not signed off on a consistent basis by the station managers’ e.g. Lumumba Station.

In all the five stations visited Individual registers for Accountable documents are not being regularly updated i.e. at Ridgeway, Dedan-Kimathi, Mimosa and Premium house station. And as for Lumumba the enhancement stickers were not recorded in the cashiers individual registers. Management has since directed all affected stations to update the registers regularly as per procee dure.

Filing of documents had become a challenge in all stations as there is no space. This had significantly contributed towards difficulties in the retrieving of documents when there is need for a verification. An activity was planned and approved to retrieve all used accountable documents but no funding was allocated.

The Revenue Unit had continued experiencing low level of staffing which was attributable towards the continuous use of revenue monitoring officers as relief officers in stations that would experience staffing challenges. This has contributed towards delayed monitoring of revenue collected and subsequently delayed reconciliations of revenue for Stations therefore affecting the effectiveness of the revenue monitoring function.

3.5 REVENUE REFORMS

The Agency has also continued to foster Government efforts in adopting a cashless revenue collecting system through the implementation of teller implants, dedicated counter and Electronic Point of Sale machines.

A review of some selected stations was undertaken to determine the best possible revenue reforms available to be undertaken. Most RTSA stations are ideal for the teller implant service, however due to the cost associated with teller implants i.e. software development by commercial banks, establishing operations, commissions charged to the

Ministry of Finance and providing operating space which is already a challenge faced with most RTSA offices this became an unlikely option. Commercial banks such as BANC, Barclays and First National Bank (FNB) have failed to implant these services.

While the dedicated counter is still a likely feasible option, most commercial banks proximity is not the case. Dedicated counters would only be suitable were the commercial banks are in the same location as with RTSA stations.

In the period under review, 24 out of 31 RTSA stations were installed with the Barclays point of Sale machines. The remaining stations were port of entry stations that had the Ecobank point of Sale machines which were limited to transporters on the Inter Africa platform and two inland stations namely Premium House and RTSA Kitwe that was allocated Zanaco. Zanaco had some technical challenges and was yet to implement the point of sale machines.

The Zanaco teller implant was implemented at Premium House during the period under review while Investrust a test run was undertaken. The test run raised concerns which were being resolved reviewed and subsequently resolved by the bank.

First National Bank (FNB) was scheduled to install teller implants at Mimosa and Dedan Kimathi. For over a year no significant headway had been achieved. The commercial bank had been silent and Management has since engaged the FNB on the way forward.

The Agency should enhance its efforts into developing internet and mobile banking services which will require web based payment solutions. This will shorten the service delivery time as the public will start the process away from the RTSA premises. This will also ensure cashless transactions at the RTSA premises and significantly reduce the crowds that are experienced by most of the RTSA offices due to increased time in service provision. Refer to Appendix 3 for other Stations' revenue collected under Road User Fees for 2017 and 2016

3.6 LEGAL DEPARTMENT ACTIVITIES DURING THE YEAR UNDER REVIEW

3.6.1 Civil and Criminal Court Cases

The table below is a summary of all the litigation cases involving the Agency for both civil and criminal matters handled during the year under review.

Court	2016	2017
Cases in the Supreme Court	3	3
Cases in the Court of Appeal	Nil	2
Cases in the High Court	10	6
Cases in the Industrial Relations Court	4	5
Cases in the Subordinate Court	2	Nil
Cases in the Local Court	Nil	1
Cases in the Road Service Tribunal	Nil	1
TOTAL	19	18

3.6.2 Board Meetings

During the year under review the Legal Counsel's office assisted the Director in undertaking board secretarial duties. The scheduled Board and Committee meetings were held as per the calendar of the board prepared at the beginning of the year. There were also some extraordinary meetings held when matters that were urgent arose during the period under review refer to appendix 4 for details.

### **3.6.3 Bilateral and other meetings**

During the year under review the Legal Unit participated in the following meetings-

The Legal Department participated in the following meetings:

#### **3.6.3.1 30<sup>th</sup> SADC Trade Negotiating Forum on Trade Services**

The SADC TNF Meeting was held on the following dates 20<sup>th</sup> March to 24<sup>th</sup> March 2017. The meeting considered among other matters an Annex on Transport which was to adopt the manner in which trade in services in transport is to be conducted in the region. The meeting considered that there was need to have a sector forum to narrow the gaps between the member states before the adoption of the Annex. The sector forum would allow for papers to be presented on why there is need to liberalize the road transport sector in the SADC region in view of the high transport costs that the region as compared to other markets. Thereafter member states could undertake further consultation with the private sector to inform the document before adoption.

The sector forum is scheduled for May 2017 at a date to be advised. There is also a Committee of Ministers of Trade Meeting scheduled for June 2017. In terms of the services that countries were negotiating on there were four (04) priority sectors that were agreed upon namely Telecommunication, Financial, Transport and Tourism. The Annex on Tourism was agreed upon and will be presented to the Committee of Ministers. The Annex on Telecommunication could not be finalised as South Africa insisted they wanted to insert a footnote on interconnection fees which member states were not agreeable to. The Annex was referred for legal scrubbing on the need to have a foot note. The Annex on Financial services was not finalised as South Africa still needed to consult with their Central Bank.

The negotiations also opened offers in two other sectors namely on Construction and Energy. As regards the energy services, a component of transport arises in relation to pipelines. Other Countries were generally agreeable to Zambia's offer. An Annex on substantial business operations was also considered. Member states requested more time to undertake consultation on this Annex.

#### **3.6.3.2 Mwami/Mchinji Joint Steering Committee (JSC) Meeting Held on 13<sup>th</sup> April, 2017 at the Bingu International Convention Centre in Lilongwe Malawi**

The Legal Department was part of a delegation from the Road Transport and Safety Agency that attended the Joint Technical Committee (JTC) and the Joint Steering Committee Meetings (JSC) on the establishment of the Mwami/Mchinji One Stop Border Post held at the Bingu International Convention Centre in Lilongwe Malawi from 10<sup>th</sup> to 13<sup>th</sup> April 2017.

The JTC met on 10<sup>th</sup> and 11<sup>th</sup> April, 2017 for deliberations while a joint team of the JTC and the JSC undertook a site visit to the Mwami/Mchinji border to inspect the pieces of land that were acquired on both sides for the establishment of the OSBP facilities on 12<sup>th</sup> April, 2017. The meeting for the JSC was held on 13<sup>th</sup> April, 2017.

The JSC meeting was co-chaired by the Principal Secretary of the Ministry of Industry, Trade and Tourism, Mr. Cliff Chiunda of Malawi and the Permanent Secretary of the Ministry of Commerce, Trade and Industry in Zambia Ms. Kayula Siame.

1. The JSC directed the JTC to develop a road map towards the implementation of the OSBP at Mwami/Mchinji with specific timelines;
2. Zambia was tasked to facilitate the engagement of Mozambique in tripartite OSBP programmes;
3. The JTC was directed to undertake a training needs assessment for all border agencies. The two countries agreed to explore the possibility of benefiting from the capacity building provided under the WTO Trade Facilitation Agreement;
4. The Zambian Government was urged to address the issue of encroachment on the land that is earmarked for the construction of the OSBP infrastructure;
5. The meeting agreed that the OSBP Bilateral Agreement would be signed by 15<sup>th</sup> May, 2017;

6. It was further agreed that Technical Committee meetings should be held on a monthly basis while the Steering Committee meetings should be held quarterly to evaluate progress;
7. The project coordinators were tasked to draft an application for extension of disbursement period at no cost on behalf of the JSC;
8. The JSC signed the Memorandum of Understanding on the joint procurement of consulting services for the design of the OSBP infrastructure; and
9. It was further noted that there would be need to undertake road safety sensitization on the corridor in both countries in order to ensure that the enhancement of corridor efficiency does not result in increased fatalities and injuries on the corridor.

### **3.6.3.3 Zambia/Tanzania Bilateral Road Transport Meeting and Route Inspection Tour between Held from 15<sup>th</sup> to 22<sup>nd</sup> May, 2017**

The Legal Department was part of a delegation from the Road Transport and Safety Agency that attended a Bilateral Road Transport Meeting between Zambia and Tanzania held in Morogoro Tanzania from 15<sup>th</sup> to 22<sup>nd</sup> May, 2017. The bilateral meeting was held on 15<sup>th</sup> and 16<sup>th</sup> May, 2017 and was followed by a route inspection tour from Morogoro, Tanzania to Mpika, Zambia undertaken from 17<sup>th</sup> to 22<sup>nd</sup> May, 2017 to enable the Joint Committee (JC) appreciate firsthand the challenges that the travelling public face on the route.

During the inspection tour, the Zambian delegation had an engagement with the Drivers and Operators from Tanzania on the subject of road safety. Mr. Chanda, the RTSA Provincial Manager for Muchinga Province prepared a power point presentation which he made to the drivers and operators. During the sensitization meeting, the drivers submitted that the major causes of traffic offences was due to the following factors:

- a) job insecurity (casualization)
- b) inadequate travel allowances per trip; and
- c) extended stays along the route due to various reasons.

It was agreed that there will be need to prescribe a minimum amount of money that drivers should be given before crossing the border.

### **3.6.3.4 Bilateral Engagement With The Cross Border Road Transport Agency (Cbrta) On Delays At Chirundu Border Post**

The Legal Department facilitated a meeting with the CBRTA, South Africa hosted by Zambia in Lusaka with a fact finding visit to Chirundu and Kariba Border Posts on 15-16 August 2017. The Agency received a request from CBRTA to hold the bilateral engagement following the many complaints that had been received from South African Transport Operators that new procedures were introduced at Chirundu Border post which resulted in delays and increased costs due to the idle time that trucks remained uncleared at Chirundu Border Post. This was in turn adversely affecting trade and transport costs. A two (02) day meeting was therefore held with participants from the Ministry of Transport and Communications, Ministry of Commerce and Trade, COMESA, Zambia Revenue Authority (ZRA) and Road Transport and Safety Agency (RTSA).

Some of the Salient matters discussed include:

The main complaint related to the delays at Scanning point which it was alleged sometimes took as long as 20 minutes per truck and involved the scanning of all truck including fuel tankers. The meeting further heard that there was the introduction of the electronic cash transactions as a mode of payment for clearances which was hampering the flow of traffic. This was aggravated by the fact that most banks did not have flexible working hours and were closed on weekends and public holidays. This meant that no Electronic Fund Transfers (EFT) transactions could be cleared.

The ZRA informed the meeting that there had been a change in the payment policy in Zambia as directed by the Central Bank of Zambia. The Bank of Zambia (BOZ) had directed that payments in the form of Cheques were to be made for payments of up to K25, 000.00 from the previous K100, 000.00. The ZRA was therefore only mandated by law



to accept Cheques of up to K25, 000.00. The ZRA indicated that Cheques were being accepted to a maximum of K25 000 only if these Cheques are bank guaranteed.

The ZRA further clarified that all such Cheques should be guaranteed. Where a Cheque was not guaranteed, then Bank certified Cheques were acceptable. This requirement was implemented because previously ZRA had problems of Cheques bouncing leading to audit queries. The reason that ZRA was only issuing a release notice after the money was confirmed was because operators would bring in a proof of payment and once cleared the money would be reversed. The meeting further heard that some major clients or businesses were accredited by ZRA. ZRA indicated that operators were encouraged to use the pre-clearance system, at least 5 days prior to arrival of the goods at any border.

The ZRA indicated that they had both fixed as well as mobile scanners. The reason for scanning is to assist with non-intrusive processing. Operators are now required to declare their goods before being scanned. ZRA further indicated that tankers were previously not scanned.

The Scanning Guidelines which were introduced and displayed in a public notice dated 5<sup>th</sup> May, 2017. It was requirement that no truck would be scanned without a valid registered bill of entry on the Asycuda World system and failure to adhere to the guideline would result in sanctions slapped on the respective parties in line with the provisions of the Customs and Excise Act CAP 322 of the Laws of Zambia. This measure was being enforced to ensure that only trucks with bills of entry were scanned.

It was therefore established that if trucks had a valid bill of entry or precleared, there would be no delay at the Chirundu Border Post.

### **3.6.4 Other Activities Undertaken by Legal Department**

#### **3.6.4.1 PREPARATION/REVIEW OF CONTRACTS AND AGREEMENTS**

The Legal Unit prepared and/or reviewed contracts/documents during the period under review refer to the Appendix for detailed contracts

#### **3.6.4.2 Preparation of Risk Committee Charter**

The Legal Department working with the Research Department developed a Charter for the Risk Committee. The Charter has since been circulated to the Committee members for comments before submission to the Board for approval.

#### **3.6.4.3 Review of the Road Transport and Safety Legal and Policy Framework**

During the year under review, the Road Transport and Safety Agency working in conjunction with the Zambia Law Development Commission (ZLDC) continued to work on a study commissioned to review the road transport and safety legal framework. The general objective of the study is to come up with proposed legal reform in the Transport and Safety Policy Framework.

The project focuses on the apparent conflict in various statutes namely the interpretation of the Road Traffic Act, Criminal Procedure Code and the Police Act in relation to the mandate of the RTSA under the Road Traffic Act in relation to traffic management and safety in the Country. The project will address among other things the two contentious matters that saw the Amendment Bill being objected to at Cabinet namely admission of guilty fines and mounting of traffic check points. It is intended that the Amendment Bill should incorporate all the amendments that the Agency is envisaging to undertake in 2017.

The ZLDC has so far undertaken in-country stakeholder provincial consultations (in Central, Copperbelt Province, Eastern, Lusaka and Southern) and prepared a preliminary draft report which has been presented to the RTSA. The findings from the study so far show that:

- i. an existence of gaps and conflicts in the pieces of legislation ( s.4 of the Road Traffic Act No. 11 of 2002 versus s.21 and 22 of the Zambia Police Act Chapter 107 of the Laws of Zambia.

- ii. a need to harmonise any operational and institution conflicts between RTSA and the Police in enforcement of road traffic rules and regulations.
- iii. a need for proper road furniture and road signage.
- iv. a need to revisit the mode of commencing prosecution of road traffic offenders using the complaint procedure under Section 90 of the Criminal Procedure Code adopted by RTSA for cases going before the Fast Track Court for Traffic Offences.
- v. a need to check whether the administration of the admission of guilty fines by the Zambia Police complies with Section 221 of the Criminal Procedure Code.

A study tour was undertaken

#### **3.6.4.4 Training on Structuring and Managing Special Purpose Vehicle (SPV) for a Public Private Partnership (PPP) by the East and Southern African Management Institute (ESAMI)**

The Legal Officer and two Officers from the Procurement Departments' attended the above training in Arusha, Tanzania from 12<sup>th</sup> June 2017 – 16<sup>th</sup> June 2017. The main objective of the program was to give an insight into Public Private Partnerships (PPP) as well as the management and structuring of Special Purpose Vehicles in relation to execution of PPP projects.

The knowledge acquired from the training will go a long way in helping the Agency competently manage the PPP project that it is about implement with Lamise Trading in Partnership with Kapsch Traffic Comm. Arising from the training, the following recommendations were made:

1. Capacity to contract and manage PPP projects in Africa was generally inadequate. There is need to invest in capacity building to ensure value for money in the PPP projects.
2. Where necessary, a transaction advisor (consultant) who has experience in managing PPPs should be engaged to help the Contracting entity through the process and to obtain optimal results from the projects.
3. The Agency should evaluate the projects that it wishes to undertake going forward and select the ones that can be done under PPP and those that can be done through the normal procurement processes. It is better to plan for the PPP projects as opposed to dealing with unsolicited proposals.
4. Since the Agency is in the process of entering into a PPP contract on traffic law enforcement, it is recommended that a project implementation team be constituted to effectively manage and monitor implementation of the contract.
5. It is important to always remember that the private sector is driven by return on investment. It is therefore their goal to ensure as much profit as possible is made from the investment. The Government/Contracting entity should therefore take keen interest in ensuring that the project is not over priced by the private sector.

#### **3.6.4.5 Due Diligence undertaken on the Private Partner in the PPP project that the Agency is about to enter into**

The Legal Department was part a team from RTSA that undertook a due diligence exercise on Lamise Trading 's Technical Partner Kapsch Traffic Comm, for the traffic law enforcement and vehicle examination PPP project that the Agency in conjunction with the other road sector Agencies is about to enter into. The Due diligence was conducted in South Africa and in Europe where the Kapsch Traffic Comm has implemented similar facilities. The exercise was undertaken between 19<sup>th</sup> and 24<sup>th</sup> June, 2017.

#### **3.6.4.6 Evaluation of the Financial Proposal submitted by Intelligent Mobility Solution (IMS)**

The Legal Department was part of the Technical Team set up to evaluate the Financial Model submitted by IMS (the Concessionaire between Messrs. Lamise Trading Limited working in a joint venture with Kapsch Traffic Comm.) under a Private Public Partnership (PPP) project. This proposal was premised around a Road Safety Management System (RSMS) for the RTSA.

The set objectives to be achieved through this PPP include among the following:

- Enhancement of Road Safety through deployment of Cutting Edge Technology
- Integration of the National Vehicle Licensing Centre (NVLC) with the Tolling System so as to improve efficiencies and accountabilities.
- Smart deployment of technology to reduce operational costs and increase revenues related to road user charges.

The Technical Committee comprised officers from the Road Sector Agencies and the Ministries of Transport, Finance, Housing & Infrastructure Development and the PPP Unit. The report of the Technical Committee is part of the broad assessment report of the prospective PPP and has been annexed as an Evaluation Report of the Financial Proposal.

#### **3.6.4.7 Road Traffic (Amendment) Bill**

The Legal Department facilitated a workshop for the review of the Amendment Bill particularly with regards to the licensing regime for public service vehicles. The purpose of the workshop which was held from 7<sup>th</sup> to 13<sup>th</sup> August, 2017 was to segregate the licensing regime for goods vehicles from that of passenger vehicles. The Agency carried out some research and found that it was best practice to separate the licensing regime for the two categories of vehicles.

Under the new provisions, a goods vehicle that is used for hire or reward, or for or in connection with any trade or business carried on by the owner will be required to obtain a road service license for the carriage of goods by road.

The review of the Amendment Bill also focused on the definition of the term public service vehicle which in the recent past has been a subject of varied interpretations. The debate has gravitated around the issue of whether vehicles that are used for or in connection with any trade or business should be considered as public service vehicles. The meeting noted that in other jurisdictions such as the United Kingdom and Kenya, only passenger vehicles were classified and licensed as public service vehicles. Goods vehicles whether used for hire or reward or used for or in connection with a trade or business were issued what in the UK is known as the Carriers licence.

The meeting therefore resolved to separate the licensing regimes for passenger and goods vehicles going forward in order to resolve the ambiguity that currently exists.

#### **3.6.4.8 Cross Border Seminar**

From 29<sup>th</sup> May to 31<sup>st</sup> May 2017, the Legal Officer Prosecutions attended a seminar on cross-border road transport in Durban, South Africa which was organized by Cross border Road Transport Agency (CBRTA) South Africa. The meeting discussed the challenges that hamper the attainment of the strategic goals and objectives set out in various road transport agreements and instruments. The challenges highlighted included among others:

- A fragmented and inefficient regulatory regime characterized by misalignment of road transport policies, legislations, rules, standards and practices.
- Lack of harmonized transport policies, procedures, rules and standards.
- Poor and inadequate funds for infrastructure maintenance and expansion and
- Ineffective border management systems coupled with out-dated and inappropriate Information and Communication Technology (ICT) systems for the exchange of information.

These challenges were said to be culminating in congestion, delays, long journey and trip turnaround times, reduced safety and high cost of doing business. Ultimately they impede intra-regional trade and the economic potential of the region whilst also reducing regional competitiveness. It was said that these challenges required urgent attention through:

- Establishing an autonomous legal regional body with authority to enforce the implementation of regional policies, agreements and programmes so as to address effects of fragmentation of policies, legislation and standards.

- Fast track the process of implementing the Multilateral Cross-Border Road Transport Agreement.
- Transform prioritised border posts into one stop Border Posts to address the hard and soft infrastructure challenges at commercial border posts.
- Establishing roadside stations (truck stops) along prioritised regional road transport corridor in order to improve road safety.
- Establish Corridor Road Transport Observatories centres to provide real time information on road traffic flows along the corridor.
- Provide sustainable funding framework for infrastructure maintenance and expansion at member state level.
- Implementation will require intervention from respective Governments and Regulatory Authorities.

### **3.7 Information and Communications Technology**

The Information and Communications Technology department is divided into three (03) sections as follows: Systems Infrastructure and Security (SIS), Business Information Systems (BIS) and the Networks and Telecommunications (NT) section. Briefly described below are the functions of each section in turn.

#### **3.7.1 Systems Infrastructure and Security**

The Systems Infrastructure and Security (SIS) provides the main ICT infrastructure and facilities that support the Agency. SIS consists of a centralised Data Centre or Server Room that house mission critical data, information systems, security systems and computer equipment. The services housed in our server room are: email, transport management, security, financial management, radio communication, instant messaging, computerised directory (or Active Directory services), internet and network access, and bulk data storage system. SIS is in charge of the information security program that maintains and enhances the overall internal security status of the Agency.

##### **3.7.1.1 Business Information Systems**

The Business Information Systems (BIS) section is responsible for the implementation and maintenance of mission critical, enterprise-wide information systems in the Agency. The Zambia Transport Information System (ZAMTIS) is the Agency's foremost mission critical system. Other business applications are the Human Resources and Payroll systems and the Microsoft Navision application for financial data management. .

##### **3.7.1.2 Networks and Telecommunications**

The Networks and Telecommunications section maintains and supports the Agency's Wide Area Network (WAN) backbone and network connections extended to our strategic partners. Networks is responsible for Internet Connectivity, Agency wireless network, call centre systems, Radio Communication Systems. One other cardinal system managed by NT is the "Firewall" security system which is meant for protection of our systems and information from external attacks or hacking.

#### **3.7.2 SYSTEMS INFRASTRUCTURE AND SECURITY (SIS) 2015 ACTIVITIES**

##### **3.7.2.1 UPGRADE OF ZAMTIS SERVERS**

The ZAMTIS computer servers have served the Agency for slightly over 8 years. This year a new computer server was purchased to replace the old server. This was done to improve the service in terms of the e-ZAMTIS operations which references the ZAMTIS database. Secondly this computer server was procured for better management of backups for the ZAMTIS which is still needed as it houses all the information that is critical. Further the Agency procured three more servers which have been used to improve services on email, payroll and the Navision system.

### **3.7.2.2 PROCUREMENT OF VARIOUS COMPUTER EQUIPMENT**

The procurement process of various ICT and administration equipment continued in the third quarter. The tender was evaluated and recommended to be awarded to various tenderers by lots. The evaluation team has since submitted their recommendation proposal to the procurement committee for award. The equipment being procured are desktop computers, printers, laptops, hand held radios, photocopiers, scanners and projectors. The Agency procured and distributed 35 laptop computers for senior Management, Provincial Managers and some ICT officers. The other major procurement for hardware was the purchase of 60 printer/photo copiers meant for various station.

In relation to this the team visited the National Data Centre to assess suitability for hosting e-ZAMTIS Disaster Recovery system. The team satisfied itself with the hardware installed in the data centre at ZICTA under the new company.

### **3.7.2.3 PROCUREMENT OF DISASTER RECOVERY SOLUTION FOR e-ZAMTIS AND A DATACENTRE**

Following the implementation of the e-ZAMTIS it has now become imperative that a new disaster recovery site is installed and disaster recovery solution is implemented. The new disaster recovery solution will need to be installed in a new site. Therefore this has called for the setup of a new Datacentre. Management identified the new RTSA headquarters building as DR site and therefore will house the Datacentre and a DR solution.

The procurement process has already commenced for both the DR solution and the Data Centre. During the quarter under review the two concept papers (for Data Centre and DR solution) have been submitted to the CEO's office for approval. The Procurement Department has taken over the process at the moment.

### **3.7.2.4 E-ARCHIVE PROJECT**

The project for the implementation of the e-Archive system to digitalise the Agency's records commenced in the first quarter and has progressed with the award being made in the quarter under review to the deserving bidder. The bid was awarded to Necor Zambia Limited and is expected to take four months from the date of contract signing. The contract for this project was forwarded to the office of the Attorney General for vetting. The contract has since been signed and preliminary meetings have been held between the vendor and the Agency. The vendor requested to be paid 50% of advance payment which is contrary to Government regulations. The Agency will guide the Vendor that the allowable advance payment is 25%.

### **3.7.2.5 COBIT TRAINING FOR ALL ICT STAFF**

The adopted ICT governance framework for the Agency is COBIT (Control Objectives for Information and Related Technologies). Since the adoption of this framework, ICT staff members have never been trained. During the quarter under review all ICT staff members were trained in the COBIT foundation. The training centre was TECHNO Brain Zambia limited. The trainees wrote exams as per COBIT requirements and 6 of them were successful.

Further during the year one ICT networks officer attended Cisco training at Techno Brian sponsored by the Zambia Revenue Authority (ZRA) for institutions involved in the Mineral Value Chain Monitoring Project (MVCMP) which is being spear headed by ZRA.

### **3.7.2.6 POWER BACK SYSTEM INSTALLATION**

During the year a new power backup system was installed at the Lumumba data centre or server room. The system has been installed to supplement the UPS power system which is already existing. This solution uses wet cell battery banks and can run for 8 hours.



### **3.7.2.7 PROCUREMENT OF VEHICLE TRACKING SYSTEM**

During the year the Agency commenced the tendering process for the Vehicle tracking System. This system is important for supplementing efforts to enhance Road Safety. The System will use GPS to track public service vehicles and also monitor their speed. This will significantly impact the statistics in terms of road crashes.

As part of the process ICT prepared Terms of Reference for Consultancy services for the supply, installation, implementation, training and maintenance of a global positioning system based vehicle tracking system (GPS-VTS) for public service vehicles in line with Statutory Instrument No.78 of 2016.

### **3.7.3 BUSINESS INFORMATION SYSTEMS (BIS)**

#### **3.7.3.1 ROLLOUT OF e-ZAMTIS TO ALL RTSA STRATEGIC PARTNERS**

After the launch of the e-ZAMTIS in the first quarter the rollout commenced to all RTSA stations. The rollout to all RTSA stations was completed within five months from January 2017 to May 2017. The e-ZAMTIS has been rolled out to all 32 RTSA stations.

Further the Agency also undertook to rollout e-ZAMTIS to our strategic partners who are ZAMPOST and ZSIC. This started in June 2017 and was only completed in July 2017. By end of June 2017 only ten (10) sites for our strategic partners were done out of 55 sites. The roll out of the remainder 45 sites were completed in July 2017. In addition to the rollout the Agency staff also undertook to train staff located at these sites for our strategic partners (ZAMPOST and ZSIC).

The ICT staff has continued providing remote support and sometimes training for our strategic partners in addition to the support for our own stations. The internal ICT staff continued to provide maintenance and support for smooth operation of e-ZAMTIS. During the year there has been intensive support for the system especially for various data related problems.

#### **3.7.3.2 E-ZAMTIS RESOLUTION OF TOLL FEE MODULE ROUNDING OFF**

The toll fee is calculated based on a formula which looks at the distance involved. Because of this there is need to round off to the nearest 5 US dollars. However to implement this clearance was needed from the Ministry of Finance. Following the guidance from the Ministry of Finance to round upwards all toll fees with decimals to the nearest whole number, a Change Request for the rounding off of foreign tolls with decimals on e-ZAMTIS was made to the developers in the quarter under review.

#### **3.7.3.3 IMPLEMENTATION OF BACKUP SYSTEMS AND LOG BOOK**

A new backup server was installed at Lumumba in the period under review. The old ZAMTIS production server was removed from the network and has been taken to the Dedan-Kimathi office to act as a DR Site for the backups. The new server has more space to store the backups and also ensures optimal performance. Further a log book has been placed in the server room for daily recording of backups. The log book will help with monitoring the frequency and times of backups. A secondary server was configured and installed for saving the backup dump files.

#### **3.7.3.4 DATA MIGRATION SERVICES FROM ZAMTIS TO E-ZAMTIS**

Due to the ongoing data clean-up on the ZAMTIS database various errors arise during data migration. The team has successfully managed to find solutions to all the known ZAMTIS-related errors during migrations, resulting in a clearing of the backlog and shorter response time for ZAMTIS-related errors. This initiative has resulted in shorter problem resolution time and has greatly improved service delivery and alleviated many frustrations from our users.

This needs to be encouraged by way of reskilling our ICT staff working these systems.

### **3.7.3.5 EXTRACTION OF SOFT COPY REPORTS**

During the year under review forty three (43) soft copy reports were done as follows: eighteen (18) for Audit department, eighteen (18) for Transport department, three (03) were for Statistics and research, investigations requested two (02) and finance had requested two (02) reports. This support to many departments helps the institution to be effective in many strategic areas and not just service delivery.

### **3.7.3.6 PROCUREMENT OF THE ADVANCED ROAD SAFETY MANAGEMENT SYSTEM**

During the quarter under review the Agency commenced the procurement of an Advanced Road Safety Management System. This system is being procured through the Public Partnership Procurement (PPP). The Agency undertook the due diligence on the firm that is to undertake this venture. Due diligence was undertaken by the technical team in South Africa and by an Executive team in Europe. Under this procurement the firm will undertake to construct motor vehicle testing centres throughout the country and also install radar and surveillance systems.

## **3.7.4 NETWORKS AND TELECOMMUNICATIONS**

### **3.7.4.1 EXPANSION OF THE WIDE AREA NETWORK**

The RTSA wide Area Network Continues to grow either by adding new RTSA offices or extending the coverage to more stations of our strategic partners i.e. ZAMPOST and ZSIC. During the quarter under review the University of Zambia Post office was added to the RTSA Wide Area Network (WAN) and the e-ZAMTIS was installed and operationalised. The university of Zambia community is now fully serviced in terms of road tax and fitness receipts.

Further the RTSA WAN was expanded by rolling out and completion of LAN installation at the new RTSA Silver Rest station. Further the team undertook the upgrade of Petauke ZSIC and Katete ZAMPOST data links. Initially these two strategic partner stations were serviced by a low speed link provided by ZAMTEL but in order to improve service delivery these links were migrated to high speed fibre optic links provided by SmartNET. This has greatly improved service delivery in these two stations for our strategic partners who have attested to this.

The Nakonde inland link which was using a wireless link has also been upgraded to fibre network link. This has tremendously improved service delivery at Nakonde.

During the year, the Agency commenced another activity to extend the Wide Area network by adding another ZAMPOST station located at Lundazi. The team undertook a site survey at Lundazi Post Office in preparation for the rollout of e-ZAMTIS. The installation has been completed and the e-ZAMTIS has been operationalised.

### **3.7.4.2 UPGRADE OF MAIN NETWORK EQUIPMENTS**

The Agency operates very critical network communications equipment at both Lumumba and Dedan Kimathi offices. During the quarter under review these systems were upgraded. The upgrade of new Cisco Firewall devices were installed and commissioned at Lumumba station to service the e-ZAMTIS network. At Dedan-Kimathi station a new Cisco Firewall was installed to service the Internet network. These devices are the latest equipment in the CISCO Advanced Security Appliances (ASA) 5000 series. The network monitoring system (WHATSUP GOLD) was also upgraded for efficient monitoring of network lines.

### **3.7.4.3 INSTALLATION OF A CENTRALISED TELEPHONY SYSTEM**

During the quarter under review a new centralised telephony system was procured and installations started with Lusaka stations. The new centralised system is meant to route all internal calls through one central computer server which has already been installed. This means that all stations will now be extensions. This will drive down the cost of ZAMTEL telephone bills as all stations once completed can be called using these internet network based telephone extensions. So far all the stations in Lusaka have been installed. Once the system stabilises the Agency will require to procure more handsets to cater for all the stations.

### **3.7.4.4 INSTALLATION OF BACKUP NETWORK LINKS IN LUSAKA**

Last year the Agency mooted the idea of installing redundancy network lines or connectivity to mitigate e-ZAMTIS downtimes or outages which occur due to loss of network connectivity. The initial concept paper that was approved had all the major RTSA Wide Area Network links but was not implemented due to the high cost of the project and subsequent service costs. Management instead approved the scaled down selective installation involving the three Lusaka most important links. These are Lumumba, Mimosa and Ridgeway. These links have since been installed and commissioned.

### **3.7.4.5 UPGRADE OF NETWORK LINKS FROM DIGITAL LINKS TO WIRED FIBRE AND REQUEST TO INCREASE THE CAPACITIES ON NETWORKS**

Most of the Agency's network connections are on fibre however the bandwidth (space of data transmission in the pipe) allocated to us by most of our service providers was below 1mbps or 1 mega bit per second. The installation of the new e-ZAMTIS required a bigger pipe size to be allocated. Requests were made to the service providers to increase the pipe space for data transmission to a minimum of 2mbps. This has been implemented by our service providers and e-ZAMTIS performance has improved greatly.

Secondly the Agency's Wide Area Network extends to our strategic partners sites that is ZAMPOST and ZSIC. Most of the network links to ZAMPOST sites have been on wireless links provided by ZAMTEL. With the coming of the new system the wireless links cannot sustain the connection and hence transactions can ne be performed well. To resolve this the Agency requested ZAMTEL who are the service providers to upgrade the links which have been upgraded save for one ZAMPOST site, Itezhi-tezhi post office.

In the same vein the Agency migrated the Kasama link from the ZAMTEL link to SmartNet fibre link. The ZAMTEL link though fibre had a lot of bandwidth challenges which had to be resolved. The Agency also commenced the installation of both the Wide Area Network (WAN) and the Local Area Network (LAN) in Kitwe in readiness to relocate the Kitwe office from the industrial area to Copper Hill mall.

### **3.7.4.6 INSTALLATION OF E-ZAMTIS AT ZITF AND ZACS**

Every year the Agency participates in the Zambia International Trade Fair (ZITF) held in Ndola. The Agency showcases its services and actually offers the services to show goers and the general public. This year 2017, was no different at all, the Agency participated and showcased what we do. One of the cardinal ingredients of ensuring that services are offered to the show goers and the public at large is the installation of a Local Area Network at the fair-grounds so that the RTSA Wide Area Network is extended there. Therefore this year an extension of the RTSA WAN was extended and the e-ZAMTIS was rolled out at the 2017 Zambia International Trade Fair (ZITF) in Ndola and also at the Zambia Agriculture and Commercial Show (ZACS) in Lusaka. This is basically extending our offices to the ZITF and ZACS during those events.

In relation to the ZITF this year was a unique one as we installed the new e-ZAMTIS which came with a newly approved and commissioned driver licence card. The Agency had a rare opportunity of renewing the driver licence card for His Excellency the President of the Republic of Zambia.

**3.7.4.7 RADIO ACCESS NETWORK (RAN) PHASE 2 PROJECT**

The rollout of the Phase II Radio Communication System continued though delayed during the year with much of the holdup being the payment to the supplier. Phase II of the radio system will cover areas off the line of rail. The line of rail was covered by Phase I of the radio system implementation. A payment was made in the final part of the fourth quarter. The project was revised in as far as implementation is concerned and it is expected that it will be concluded in the first quarter of 2018.

**3.7.4.8 RENEWED THE LICENCES FOR THE AGENCY WIDE AREA NETWORKS**

The Agency operates Wide Area Networks for data and two way radio communication system. Every year ZICTA (Zambia Information and Communications Technology Authority) requires us to apply and renew these two licences. The amount payable every year for the Agency to operate the two networks is about K210,000.00 broken down as WAN fixed fee = K166,000.00, WAN application fixed fee = K16,000 and Radio Network fee = K28,000.00.

**3.8 PROCUREMENT ACTIVITIES DURING THE YEAR UNDER REVIEW**

**3.8.1 Tenders**

**3.8.1.1 Open Tenders, Selective and Direct Bid Tenders**

The major open, selective and direct bid tenders floated in the year under review are tabulated below.

*Table 1: Major Procurements in the year 2017*

S/N	Description	Status
1.	Design, installation and implementation of an Intelligent Transport System (ITS)	Awaiting funding for Contractor to mobilise
2.	Supply and delivery of staff shoes and boots	Delivered
3.	Request for Competing proposals for a Road Management System through PPP.	Implementation work groups have been created.
4.	Tender for the Supply, delivery and installation of an e-archiving system using MS-SharePoint	Implementation to commence
5.	Tender for the supply and delivery for supply and delivery of Diaries and calendars	Calendars delivered. Diaries to be delivered on 8 <sup>th</sup> December, 2017
6.	Tender for the Supply and Delivery of Various ICT equipment	Delivery to be complete by 31 <sup>st</sup> January, 2018
7.	Supply and delivery of 22 No. Saloon Motor Vehicles	Awaiting clearance by Attorney General
8.	Supply and delivery of 10 No. 4 x 4 Motor Vehicles	Awaiting PC Authority

**3.8.2 CARRIED OVER PROCUREMENTS**

There were procurements mainly of a construction nature that were carried over from the 2016 financial year with anticipation of funding in the ended year. However the anticipated funding has not been released resulting in the bulk of the projects not registering any progress on the projects.

Tabulated below are the carried over procurements:

*Table 2: Carried Forward Procurements*

No.	Description	Status
1	Construction of Motor Vehicle Inspection Centre in Silverest	Awaiting advance payment
2	Motor Vehicle Inspection Centre in Chinsali	Awaiting advance payment
3	Motor Vehicle Inspection Centre in Mpika	Awaiting advance payment
4	Motor Vehicle Inspection Centre in Choma	Awaiting advance payment
5	Motor Vehicle Inspection Centre in Luanshya	Building is at lental level
6	Motor Vehicle Inspection Centre in Mufulira	Supplier mobilizing after site handover
7	Motor Vehicle Inspection Centre in Chipata	Awaiting advance payment
8	Motor Vehicle Inspection Centre in Kitwe	Awaiting advance payment
9	Motor Vehicle Inspection Centre in Petauke	Awaiting advance payment
10	Motor Vehicle Inspection Centre in Solwezi	Awaiting advance payment

### 3.9 Internal Audits

The Internal Audit adopted the risk based audit approach in developing its annual work which was approved by the Board. This plan is reviewed every quarter to ensure that all critical aspects of the the Agency systems and operations are examined and appropriate recommendations made for improved performance and adherence to all relevant accounting standards, laws and regulations.

The approach to each review depends on the following;

- Risks inherent in the achievement of the objectives
- Level of confidence required ensuring that controls are well designed and operating as intended.
- Level of Assurance required ensuring that risks are adequately being mitigated

Significant audit findings with an independent objective opinion on the adequacy of internal controls, risk management and corporate governance systems, and appropriate recommendations are reported to the Audit Committee. The implementation of the Audit Committee's resolutions and directives are systematically followed through and reported on a quarterly basis.

#### 3.9.1 Quality Control;

The Internal Audit Department goal during the Financial Year 2017 was to provide a service that remain responsive to the needs of the Agency and maintain consistently high standards. This was achieved through the following internal processes;

- Ongoing liaison with management to ascertain the risk management, control and governance management;
- Ongoing development of a constructive working relationship with the external auditors to maintain a coordinated assurance approach and
- Review and quality control of all internal audit work

Therefore ,most of the planned audits were completed as scheduled and the Internal Audit reports were issued and reported to the Audit Committee.

#### 3.9.2 Main Activities undertaken during the year.

The Internal Audit department had undertaken the audits as stipulated in the table below and all the scheduled audits were completed on time and internal audit reports were issued and presented to the Audit Committee except for the audit undertaken in the fourth quarter which will be submitted in the first quarter of 2018. The Internal Audit Departments is still making follow-ups on the implementation of the audit recommendations as resolved through the Audit Committee.



Activities Audited	Audit Objectives
Audit of Revenue Banking and Accountable Documents	To ensure that the Agency is in compliance with the requirements of the Financial Regulations-2006 ,Public Finance Act-2004 and the Agency's Finance and Administration procedure manual.
Audit of Motor Vehicle Registration	To ensure that the Agency was in compliance with the Road Traffic Act no.11 of 2002 in relation to Motor Vehicle Registration.
Audit of Driver Licensing Issuance	To ensure that the issuance of learner driver licenses was in accordance with the provisions of the Road Traffic Act no.11 of 2002 and Procedure Manual on Issuance of Driver Licenses
Audit of Procurement and Stores Unit	Conducted an audit of the Procurement and Stores to ensure compliance with the Zambia Public Procurement Act no. 12 of 2008 and related Circulars issued by ZPPA.
Audit of Staff Imprest	A special audit on staff imprest was carried out to ensure compliance with the requirements of the Public Finance Act, 2004 and Financial Regulation, 2006 and the Agency's Finance and Administration Procedure Manual.
IT Systems Audits	A special full ZamTIS and database audit was carried out, following the ZamTIS failure experienced on 30 <sup>th</sup> April to 14 <sup>th</sup> May 2017.

## 4.0 HUMAN RESOURCE AND ADMINISTRATION.

### 4.1 STAFFING

The staff compliment of the RTSA as at 31<sup>st</sup> December 2017 stood at **598** as compared to the approved establishment of 1559. The table below show a breakdown of the Agencies Staff Compliment.

**Table**

NO	DESCRIPTION	31 <sup>st</sup> Dec 2016	31 <sup>st</sup> Dec2017
<b>1</b>	<b>No. of Staff (beginning of the year)</b>	<b>544</b>	<b>583</b>
<b>2</b>	<b>SEPARATIONS</b>		
(i)	Dismissal	40	14
(ii)	Resignation	7	6
(iii)	Termination of Contract of Employment	1	1
(iv)	Death	5	2
(v)	Expiry of Contract (Non-renewal)	4	0
(vi)	Retirement	2	0
(vii)	Redundancy	0	0
(viii)	Medical Discharge	0	0
(ix)	Unsuccessful probation	0	1
(x)	Discharge	0	0
<b>3</b>	<b>TOTAL SEPARATIONS</b>	<b>59</b>	<b>24</b>
<b>4</b>	<b>ADDITIONS</b>		
(i)	Engagements	97	39
(ii)	Re-instatement	1	0
(iii)	Adjustment	0	0
(iv)	Demotion	0	0
<b>5</b>	<b>TOTAL ADDITIONS</b>	<b>98</b>	<b>39</b>
<b>6</b>	<b>No. of staff at end of the year (1 + 5 - 3)</b>	<b>583</b>	<b>598</b>
<b>7</b>	<b>APPROVED ESTABLISHMENT</b>	<b>1,559</b>	<b>1,559</b>
	Recruitment requirement		
<b>8</b>	<b>(6 - 7)</b>	<b>976</b>	<b>961</b>
	LABOUR TURNOVER (3/6*100)	10.12%	4.014

#### 4.1.1 Engagements, separations and promotions

There were thirty-nine (39) external engagements and six (6) internal engagements recorded during the period under review. There were twenty-four (24) separations and nine (9) employees were promoted during the period under review.

No.	Mode of Separation	Number
1	Dismissal	14
2	Resignation	6
3	Death	2
4	None Renewal of Contract	0
5	Termination of contract	1
6	Early Retirement	0
7	Normal Retirement	0
8	Unsuccessful probation	1
	<b>Total</b>	<b>24</b>

#### 4.1.2 Contract renewal

Contracts for Twenty Three (23) employees were due for renewal during the period under review and were renewed. Of the Twenty Three (23) contracts, Three (3) were awaiting performance appraisals. The details of the pending contracts are as shown in the table below;

#### 4.1.3 Confirmation of appointment

One Hundred Twenty-Six (126) employees were assessed and confirmed in their various positions.

### 4.2 NATIONAL EVENTS

The Agency participated in the following National event which were spearheaded by the Human Resource and Administration Department.

- Commemoration of Women's Day
- Commemoration of International Labour Day
- International World Aids Day

### 4.3 UNION MATTERS

On 16<sup>th</sup> October 2017, the Agency signed a recognition with the National Road Sector Agencies and Allied Workers Union. The Union was recognized as the representative of unionized employees of the Road Transport & Safety Agency. The Union has since commenced its activities and it has recruited Two Hundred and Ninety Six (296) members.



On 30<sup>th</sup> October 2017, the Union submitted their demands and a proposal for commencing negotiations for the Collective Agreement. The negotiation had not begun as the demands by the Union were begin analysed by the other party. However, Management had awarded a salary increment of K400.00 to Unionized grades and revised other Conditions of Service.

During the period under review, the union showed some apprehension towards management which prompted Management to request for a meeting with the Labour Commissioner and the meeting was held on 28<sup>th</sup> December 2017 at the Labour Commissioner's office. The Union also organized unlawful protests against the salary increment stating that it was not sufficient.

By the end of the period under review, management had not set a date for the commencement of negotiations for Collective Agreement.

#### **4.4 TRAINING AND DEVELOPMENT**

##### **4.4.1 Bonding of employees**

Three (3) employees were bonded by signing bonding agreements after the successful completion of their studies. The Agency also reimbursed them of their tuition fees.

##### **4.4.2 Orientation of new employees**

Employees who had been recruited during the period under review underwent an orientation at the Agency's Avondale house. The orientation was conducted from 6<sup>th</sup> September 2017 to 8<sup>th</sup> September 2017.

#### **4.5 PERFORMANCE EVALUATIONS**

Performance evaluations were conducted for several employees for the purposes of confirmation of appointment and renewal of contract. The performance evaluations were done using a new assessment form which was designed during the period under review in order to enhance objectivity in performance assessments.

The Human Resource & Administration Department also planned to facilitate the process of annual performance appraisals in line with Performance Agreements for the year 2016 but the program could not be undertaken due to funding challenges. The program is scheduled to take off once funds are available.

## **4.6 TRANSPORT SECTION**

### **4.6.1 Acquisitions of Motor Vehicles**

During the financial year, the Agency acquired eight (8) Toyota Land Cruiser Prado and two Ford Ranger vehicles for the Departmental Heads giving a total addition of ten units to the fleet. However only five Toyota Land Cruiser SUVs and one Ford Ranger had been received by the close of financial year.

### **4.6.2 Branding of Motor Vehicles**

The Agency branded a total of twenty-four (24) Station Managers' vehicles and Branding of vehicles for station Managers and three Hyundai Enforcement buses bringing the total number of branded vehicles to twenty-seven (27).

### **4.6.3 Accidents**

During the financial year under review, five road traffic accidents were recorded in the Agency fleet as tabulated in a table below.

### **4.6.4 Disposal of Administration Utility Vehicles**

During the period under review, the Agency Board gave an approval to dispose-off a total of sixty-four (64) administration utility vehicles that had outlived their usefulness. The Monetary Value of the proposed motor vehicles for disposal is estimated at "Six Hundred and Seventy –two Thousand Kwacha (K672,000.00) and the figure is computed at Reserve prices.

### **4.6.5 Insurance Services**

During the year under review, the Agency had two insurance brokerage consultants as follows; 1) **Guardian Insurance Brokers Limited** 2) **Rocky Insurance Brokers Limited**

## **4.7 SECURITY SERVICES**

During the period under review, the Agency had five service providers for the security services as outlined as; Magnum Security Services Limited, Mwanaweka Security Services Limited, Dragnet Security Services Limited, Mint Secure Limited and G4S Security Services Limited:

## **4.8 CONSTRUCTION WORKS**

### **4.8.1 Motor Vehicle Inspection Centres**

Apart from the project for Motor Vehicle Inspection Centre at Silverest, there were five (5) other sites where similar projects were to be undertaken and these included **Choma, Mufulira, Luanshya, Mpika and Chinsali**. Contracts for these projects were already signed during the period under review.



#### 4.8.2 RTSA Head Office Construction

In the period under review, the construction of Six Storey Office Block along Dedan Kimathi Road was still in progress. ZMW15, 952,662.66 was been paid to the contractor against the total contract sum of ZMW26,164, 721.15.

During period under review, the project completion date was extended two times.

#### 4.9 LAND ACQUISITION

The Agency has pieces of land in all the ten provinces of Zambia and their location, size and status are as shown in the table below.

The programme to have the pieces of land numbered and surveyed was planned to take place in liaison with ministry of lands. This activity was scheduled to be executed during the period under review but failed to take off due to financial resources constraints and the programme is still pending awaiting availability of funds.

#### 4.10 INSTALLATION OF NEW EQUIPMENT

During the first and second quarter of 2017, the Agency embarked on the installation of Uninterrupted Power supply systems in some of the stations that were not catered for during the 2015 generator installation exercise.



*Fig. - Part of the fully installed UPS Equipment at Monze RTSA station*



*Construction of Motor Vehicle Inspection Centre in Luanshya – substructure, blockwork & columns*



*Main Building at Silverest*

# APPENDICES

## Appendix 1: LIST OF STATUTORY INSTRUMENTS ISSUED

1. SI No. 76 of 2016 -The Road Traffic (Public Service Vehicles) (Restriction on Night Driving) Regulation;
2. SI No. 78 of 2016 - The Road Traffic (Public Service Vehicles) (Global Positioning System) Regulations;
3. SI No. 79 of 2016 - The Road Traffic (Seat-Belt and Child Car Seat) Regulation;
4. SI No. 80 of 2016 - The Road Traffic (Public Service Vehicles) (Driving Hours) Regulations;
5. SI No. 81 of 2016 - The Road Traffic (Removal of Vehicles) Regulations;
6. SI No. 82 of 2016 - The Road Traffic (Public Service Vehicles) (Exemption from Registration and Licensing) Regulation;
7. SI No.83 of 2016 - The Road Traffic (City of Ndola) (Prohibition of Traffic) Regulations;
8. SI No. 87 of 2016 - The Road Traffic (Obligatory Test Certificate) Regulations;
9. SI No. 88 of 2016 - The Road Traffic (Obligatory Test Certificate) (Exemption) Regulations;
10. SI No. 89 of 2016 - The Road Traffic (Protective Helmets) Regulations;
11. SI No.90 of 2016 - The Road Traffic (Speed Limits) Regulations;
12. SI No.91 of 2016 - The Road Traffic (Disposal of Impounded Motor Vehicles) Regulations; and
13. SI No.92 of 2016 - The Road Traffic (Prohibition of Loading and Offloading in Kabwe Municipality) Regulations.

## Appendix 2: Contracts reviewed during the year

1. Contract for the provision of security services between the Road Transport and Safety Agency and Torres Zambia Limited;
2. Addendum to contract No. 13-2012 between RTSA and Grand Insurance Brokers Limited; for the provision of life and travel insurance brokerage services;
3. Contract for the Design, Installation, Implementation and Commissioning of an Intelligent Transport System between RTSA and Beijing Gosail Information technology;
4. Addendum to contract No. 10-2014 for the Supply of Enforcement Uniforms between RTSA and Adriel Fisher and Grand Uniforms;
5. Contract for the Supply and Delivery of Three (300no.) Combat Boots between RTSA and Sanjinza Investments Limited;
6. Contract for the Supply and Delivery of Three (300no.) Staff Shoes between RTSA and Kilimanjaro Trading;
7. Addendum to contract No. 03-2015 for the Supply, Delivery and Installation of Access Control and Closed Circuit Television System at Lumumba, Dedan Kimathi, Mimosa and Ridgway RTSA Offices;
8. Contract for the Enhancement of Security Features on Pre-Printed Stationery between RTSA and On Track Innovation Limited;
9. Memorandum of Understanding between RTSA and Zambia Medical Association;
10. Memorandum of Understanding between RTSA and Drug Enforcement Commission;
11. Memorandum of Understanding between RTSA and ZAMPOST Micro Finance Limited;
12. Memorandum of Understanding between RTSA and Ministry of General Education;
13. Memorandum of understanding between RTSA and Motor Sport Association; and
14. National Transport Fleet Safety Management Policy.
15. Lease Agreement between G. Rutherford Outdoor Advertising and Road Traffic and Safety Agency (RTSA)
16. Agreement for the Supply and Delivery of 500no. School Bags for School Quiz
17. Agreement for the Supply and Delivery of 3920no. Reflective Bibs for Wheelbarrow Pushers
18. Agreement for the Reprinting of 7000no. Zambian Highway Codes
19. Agreement for the Supply and Delivery of 1000no. Manual Road Tax Books
20. Agreement for the Provision of Daily Cleaning Services for Mimosa RTSA Offices



21. Agreement for the Short- Term Consultancy to Produce Dramatized Road Safety Programmes for Television Broadcast
22. Agreement for the Provision of External Audit Services
23. Agreement For Supply, Delivery, And Installation Of Cyberoam Licence Renewal
24. Agreement for the Supply and Delivery of 203no. Epson Cartridges
25. Agreement for Supply and Delivery, of Local Area Network Power Requirements for Installation at Siverest Motor Vehicles Exam Office
26. Agreement for the Supply and Delivery of Bulk Filling Cabinets and Lockable Cabinets
27. Addendum to Contract No. 11-2015 for the provision of Air Travel Arrangement Services on a One (1no.)Year Running Contract
28. Contract for the Supply and Delivery of three (3no.) 4x4 Double Cab Motor Vehicles
29. Contract for the Supply and Delivery of Various Toners
30. Contract for the Supply and Delivery of Xerox Phaser Toner Cartridges
31. Lease Agreement for Ground Floor, 7<sup>th</sup> and 8<sup>th</sup> Floors of Premium House, Lusaka
32. Provision of Consulting Services to Conduct a Baseline Study on Road User Behavioural Change between Road Transport and Safety Agency and University of Zambia-Department of Psychology
33. Tender for the supply, delivery, installation and commissioning of an e-archive system using MS share point between Road Transport and Safety Agency Necor (Z) Ltd Jv Dimension Data Solutions Limited
34. Contract for the supply and delivery of eight (8no.) Station wagon motor vehicles between Road Transport and Safety Agency between Toyota Zambia Limited
35. Concession Agreement for the Supply and Delivery of the Advanced Road Safety Management under a PPP arrangement between Intelligent Mobility Solutions Limited and the Road Transport and Safety



## Appendix 3 : Other Stations' revenue collected under Road User Fees for 2017 and 2016

	Actual 2017	2016 Actual	Variance	Growth
	ZMW	ZMW	ZMW	
Chanida	176,231.65	150,487.30	25,744.35	17%
Chingola	9,699,039.45	9,472,015.10	227,024.35	2%
Chipata	6,902,582.92	5,566,027.06	1,336,555.86	24%
Chirundu	1,354,061.94	1,331,990.88	22,071.06	2%
Choma	3,940,877.89	4,289,151.10	(348,273.21)	-8%
Kariba	610,990.50	680,848.60	(69,858.10)	-10%
Kasama	4,413,800.97	4,137,424.54	276,376.43	7%
Kasumbalesa	6,883,328.05	6,243,081.30	640,246.75	10%
Katima Mulilo	1,019,950.36	962,430.80	57,519.56	6%
Kazungula	1,273,288.50	1,419,524.00	(146,235.50)	-10%
Livingstone	6,700,206.97	6,645,928.65	54,278.32	1%
Luanshya	3,439,803.63	3,037,475.40	402,328.23	13%
Mansa	3,797,683.56	4,479,177.30	(681,493.74)	-15%
Mazabuka	3,248,368.38	3,109,346.20	139,022.18	4%
Mongu	3,109,986.04	2,310,843.40	799,142.64	35%
Monze	2,302,756.84	2,136,118.40	166,638.44	8%
Mufulira	4,170,625.88	3,129,921.40	1,040,704.48	33%
Mwami	305,644.97	172,450.90	133,194.07	77%
Mpika	1,598,779.39	1,187,082.20	411,697.19	35%
Solwezi	8,664,040.63	6,283,744.28	2,380,296.35	38%
Nchelenge	836,280.44	104,221.95	732,058.49	702%
Vic. Falls	788,033.05	405,189.60	382,843.45	94%
<b>TOTAL</b>	<b>75,236,362.01</b>	<b>67,254,480.36</b>	<b>7,981,881.65</b>	<b>12%</b>

## Appendix 4: List of Board meetings held during the year under review

Board Meetings	Finance and Admin. Comm. (F/A) Meetings	Technical Comm. (T/C) Meetings	Audit and Risk Management Comm. (A/C) Meetings	Risk Committee
36 <sup>th</sup> Extra-Ordinary Board meeting - 16 <sup>th</sup> February, 2017	30 <sup>th</sup> Finance and Administration Committee Meeting- 30 <sup>th</sup> January, 2017	30 <sup>th</sup> Technical Committee -3 <sup>rd</sup> February, 2017	30 <sup>th</sup> Audit Committee Meeting - 15 <sup>th</sup> February, 2017	1 <sup>st</sup> Risk Management Committee Meeting- 14 <sup>th</sup> February, 2017
35 <sup>th</sup> Board Meeting -31 <sup>st</sup> March, 2017	12 <sup>th</sup> Extra- Ordinary Finance and Administration Committee Meeting - 21 <sup>st</sup> March, 2017;	31 <sup>st</sup> Technical Committee Meeting - 28 <sup>th</sup> April, 2017	12 <sup>th</sup> Extra- Ordinary Audit Committee Meeting- 27 <sup>th</sup> March, 2017	2 <sup>nd</sup> Risk Committee Meeting held on 2 <sup>nd</sup> May, 2017
36 <sup>th</sup> Board Meeting - 9 <sup>th</sup> June 2017	31 <sup>st</sup> Finance and Administration Committee Meeting - 25 <sup>th</sup> April, 2017	32 <sup>nd</sup> Technical Committee Meeting - 28 <sup>th</sup> July, 2017	31 <sup>st</sup> Audit Committee Meeting - 4 <sup>th</sup> May, 2017	3 <sup>rd</sup> Risk Committee Meeting held 1 <sup>st</sup> August, 2017
37 <sup>th</sup> Board Meeting - 22 <sup>nd</sup> to 23 <sup>rd</sup> September, 2017	32 <sup>nd</sup> Finance and Administration Committee Meeting -25 <sup>th</sup> July, 2017	29 <sup>th</sup> Technical Committee Meeting – 28 <sup>th</sup> October, 2017	32 <sup>nd</sup> Audit Committee Meeting held on 4 <sup>th</sup> August, 2017	4 <sup>th</sup> Risk Management Committee Meeting 31 <sup>st</sup> October, 2017
Special meeting of the Board to look at Performance Objectives - 11 <sup>th</sup> March, 2017	13 <sup>th</sup> Extra – Ordinary Finance and Administration Committee Meeting - 7 <sup>th</sup> September, 2017	33 <sup>rd</sup> Technical Committee Meeting held on 30 <sup>th</sup> October, 2017	33 <sup>rd</sup> Audit Committee Meeting held on 2 <sup>nd</sup> November, 2017	
38 <sup>th</sup> Board meeting/retreat held from 7 <sup>th</sup> to 9 <sup>th</sup> December, 2017	Special Committee to Appraise the Deputy Directors - 13 <sup>th</sup> February, 2017			

	33 <sup>rd</sup> Finance and Administration Committee Meeting held on 3 <sup>rd</sup> November, 2017			
	Special Committee of the Finance and Administration Committee - 6 <sup>th</sup> March, 2017 to consider staff related matters;			
	Special Meeting of the Finance and Administration Committee to hear the disciplinary case relating to the Head Human Resource and Administration - 16 <sup>th</sup> March, 2017			



**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**

# **Financial Statements**

**For the year ended 31 December 2017**



# **CYMA**

***Chartered Public Accountants & Management Consultants***

4th Floor, Electra House

Cairo Road

P O Box 38298

**Lusaka**

Tel: +260-211-231960

Fax: +260 211-237693

Email: [cyma@zamtel.zm](mailto:cyma@zamtel.zm)



**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**FINANCIAL STATEMENTS**  
*For the year ended 31 December 2017*

<b>Table of Contents</b>	
General Information	82
Statement of Directors' Responsibilities	84
Auditors' Report	85
Statement of Comprehensive Income	89
Statement of Financial Position	90
Statement of Changes in Capital and Reserves	91
Statement of Cash Flows	92
Notes to Financial Statements	93
Expenditure Analysis	108

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**FINANCIAL STATEMENTS**  
*For the year ended 31 December 2017*

**General Information**

**1 Board of Directors**

Name	Position	Date Appointed/Replaced
Eng. Webster Nonde	Chairperson	Appointed 28th October 2014
Ms. Mandeep de Brito	Vice Chairperson	Appointed 21st October 2014
Col. Speedwell Mulusa	Member	Appointed 28th October 2014
Dr Mary M. Zulu	Member	Appointed 28th October 2014 Retired 30th June 2017
Eng. Elias Mwape	Member	Appointed October 2016
Eng. Misheke Lungu	Member	Appointed 9th February 2016
Eng. Wallece Mumba	Member	Appointed December 2016
Mr. Henry Nkhoma	Member	Appointed September 2017
Mr. Amis Daudi	Member	Appointed November 2016
Mr. Kampamba Mutala	Member	Appointed January 2017
Mr Lawrence Kaoma	Member	Appointed 28th October 2014
Mr Likando Kalaluka SC	Member	Appointed February 2015
Mr Martin Libinga	Member	Appointed 28th October 2014

As provided for by the first schedule under Rule 2 (1) of the Road Traffic Act No. 11 of 2002, the term of the current board came to an end on 23rd November, 2017. In accordance with the powers vested in the Minister of Transport and Communications, Hon Eng. Brian C. Mushimba, MP, he extended the tenure of the board up to 31st December 2017. This was to allow for smooth transition from the current board to a new board without interrupting the approval processes of key management decisions and also to allow for formalities for constituting a new board.

**2 Secretary to the Board**

**Name**

Mr Zindaba Soko

**3 Senior Management**

Name	Position	Changes During the Year
Mr Zindaba Soko	Director and Chief Executive Officer	
Mr Gladwell Banda	Deputy Director - Safety	
Mr Rodgers Nkandu	Deputy Director - Transport	
Mr Chunky Kanchele	Head - Research and Statistics	
Mr Fredrick Mubanga	Head - Public Relations	
Mr George Mutale	Head - Information & Communications Technologies	
Mr Lawrence Sambwa	Head - Procurement	
Mr Progress Saiwana	Head - Finance	

## ROAD TRANSPORT & SAFETY AGENCY (RTSA) FINANCIAL STATEMENTS

*For the year ended 31 December 2017*

Mr Emmanuel Longwe	Acting Head - Human Resource & Administration	Mr Roderick Mulenga, former Head Human Resource & Administration, had his employment contract terminated during the year under review.
Mrs. Demetria Mudenda	Legal Counsel	
Mrs. Sandra Seleweka	Head - Internal Audit	

### 4 Bankers

United Bank for Africa (Zambia) Ltd  
Stand 22768  
Acacia Park/Thabo Mbeki Road  
Lusaka, Zambia

Zambia National Commercial Bank  
Government Complex Branch  
P.O Box 30097  
Lusaka, Zambia

### 5 Auditors

CYMA Chartered Public Accountants and Management Consultants  
4th Floor, Electra House,  
Cairo Road,  
P.O. Box 38298  
Lusaka, Zambia

### 6 Registered Office

Plot 6956  
Dedan Kimathi Road  
P.O. Box 32167  
Lusaka, Zambia

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**FINANCIAL STATEMENTS**  
*For the year ended 31 December 2017*

**STATEMENT OF THE DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Road Traffic Act No. 11 of 2002 (the "Act"). The responsibility includes; designing, implementation and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

**DIRECTORS' STATEMENT**

The Road Traffic Act No. 11 of 2002 requires the Directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the Agency and of the surplus or deficit for the period.

In the opinion of the directors;

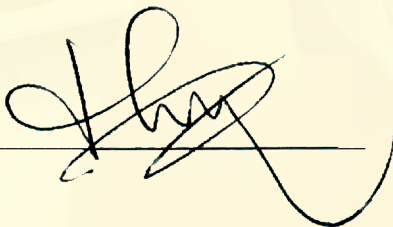
- (a) The Statement of Comprehensive Income is drawn up so as to give a true and fair view of the surplus for the year ended 31 December 2017;
- (b) The Statement of Financial Position is drawn up so as to give a true and fair view of the state of affairs of the Agency as at 31 December 2017;
- (c) At the date of these financial statements, there were reasonable grounds to believe that the Agency will be able to pay its debts as and when they fall due; and
- (d) The financial statements have been prepared in accordance with the International Financial Reporting Standards and are in compliance with the Road Traffic Act No. 11 of 2002. Other records and registers required by the Act have been properly kept in accordance with the Act.

The financial statements of the Agency which were prepared on a going concern basis were approved

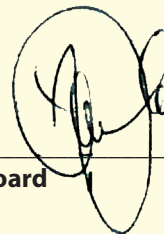
by the board of Directors on ..... and are signed on its behalf by:

04/07/18

Signature:  
Chairman



Signature:  
Secretary to the Board





**LUSAKA**

*Postal Address*

4<sup>th</sup> flr, Electra house

P O Box 38298

Cairo Road

Tel: 231960

Lusaka

Fax: 236779

Email: [cyma@zamtel.zm](mailto:cyma@zamtel.zm)

## **INDEPENDENT AUDITOR'S REPORT**

**to the Members of Road Transport and Safety Agency (RTSA)**

### **Opinion**

We have audited the financial statements of the Road Transport and Safety Agency set out on pages 9 to 24 and Appendix I, which comprise the statement of financial position as at 31<sup>st</sup> December 2017, and the comprehensive statement of income, statement of changes in capital and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial Statements give a true and fair view of the financial position of the Agency as at 31<sup>st</sup> December 2017 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards ("IFRS") and in a manner required by the Road Traffic Act No.11 of 2002.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Agency in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants ("IESBA" Code), together with other ethical requirements that are relevant to our audit of the financial statements in Zambia. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**FINANCIAL STATEMENTS**  
*For the year ended 31 December 2017*

KEY AUDIT MATTER	HOW THE MATTER WAS ADDRESSED IN THE AUDIT
<b>VALUATION OF PAYROLL AND EMPLOYEE BENEFITS</b>	
<p>As disclosed in Note 12, the Agency's payroll and employee benefits (gratuity and retirement benefits) amounting to K 92.097m represent 56% of the total Employee related liabilities of K 164. 480m. The valuation of these liabilities is based on the current basic pay and months in service to the Agency adjusted for payments at maturity or advances for each employee at the reporting date.</p> <p>The valuation of the payroll and employee benefits is considered to be a key audit matter because if the cumulative liability is not adjusted for payments made during the different gratuity maturity periods or advances taken out by employees, can result in a significant measurement uncertainty involved in this valuation. As a result; the valuation of these liabilities was significant to our audit, as the actual valuation of individual valuation may be significantly different to that recognized on the financial position date since small changes to the assumptions used in the calculation materially affect valuation.</p>	<p>In considering the appropriateness of the valuation of the payroll and employee benefits, we performed various procedures, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>(i) Testing of controls including among others, those over input of individual basic pay information and number of months in service, payments made through the cash book and personal to holder vehicles received in lieu of gratuity at maturity dates, etc.; and</li> <li>(ii) Detailed analysis of the individual reconciliations of the key data values in computing the values recognized at balance sheet dates in arriving at the valuation of the payroll and employee benefits.</li> </ul> <p>Our tests did reveal some material misstatements in the valuation of the opening balance of the valuation of the payroll and employee benefits, which management made necessarily adjustments to correct the misstatement through the comprehensive income statement during the year and as a result we consider management's key assumptions used in the current year's valuation model to be within a reasonable range and disclosures thus made as at the current financial position reporting date to be appropriate.</p>
<b>ACCRUED PENALTIES AND INTEREST ON ACCUMULATED PAYE</b>	
<p>The Agency has assessments from Zambia Revenue Authority (ZRA) comprising of K 50.281m in tax arrears on which the accrued penalties and interest of K 64.550m as included in the employee related accruals as disclosed in note 12 was calculated. There is also an agreement in place on how the Agency undertakes to liquidate the tax arrears in force which gives them amnesty from further additional accruals as long as the Agency meets the payment terms in the signed undertaking with ZRA.</p> <p>We considered this as a key matter as the amounts related to the accrued penalties and interest on accumulated PAYE are significant to the financial statements as a whole should the Agency not meet the terms set out in the signed undertaking with ZRA.</p>	<p>Our audit work involved the evaluation of the terms of the undertaking which included:</p> <ul style="list-style-type: none"> <li>(i) Reviewed correspondence between ZRA and the Agency; and</li> <li>(ii) Reviewed payments made during the year to ensure that management paid the arrears of tax by the due dates and the amounts as indicated during the amnesty period that does not trigger additional accruals on the amount disclosed in note 12.</li> </ul> <p>Based on our procedures, we consider management's key assumptions used in the disclosure to be reasonable.</p>

### **Other Information**

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard as we have not obtained a copy of other information and thus do not express any opinion.

### **Responsibilities of the directors for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in a manner required by the Road Traffic Act no. 11 of 2002, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Agency's ability to continue as a going concern, disclosing, as applicable, matters related to going concern using the going concern basis of accounting unless the directors either intend to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements are as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- i) 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 our 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.
- ii) 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 Agency's internal control.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- iv) Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as



## ROAD TRANSPORT & SAFETY AGENCY (RTSA) FINANCIAL STATEMENTS

For the year ended 31 December 2017

a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.

- v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- vi) Obtain sufficient appropriate audit evidence regarding the financial information of the Agency activities to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

In terms of the Road Traffic Act No. 11 of 2002, requires that in carrying out our audit, we consider and report to you on the following matter; We confirm that, in our opinion, the accounting and other records and registers have been properly kept in accordance with the Act.

CYMA



.....  
Dr. Chintu Mulendema (AUD F000113)  
**Managing Partner**

4th July 2018

.....  
**Date**

Membership Practicing Certificate Number 000041

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*For the year ended 31 December 2017*

**Expressed in Kwacha Thousand (K'000)**

	Notes	2017	2016
<b>INCOME</b>			
Government Grants	3	<b>258,421</b>	148,426
Interest And Other Income/(Expense)	4	<b>3,645</b>	(688)
		<b>262,066</b>	147,738
<b>EXPENDITURE</b>			
Staff Related Expenses	Appendix I	<b>110,177</b>	90,148
Administration Expenses	Appendix I	<b>35,706</b>	105,171
Operating Expenses	Appendix I	<b>97,940</b>	57,163
		<b>243,823</b>	252,482
<b>Surplus/(Deficit) of Income Over Expenditure</b>		<b>18,243</b>	<b>(104,744)</b>
<b>Other Comprehensive Income</b>			
Amortisation of Capital Grant	Page 11	<b>2,698</b>	3,522
<b>Total Comprehensive Income/(Loss) For The Year</b>		<b>20,941</b>	<b>(101,222)</b>

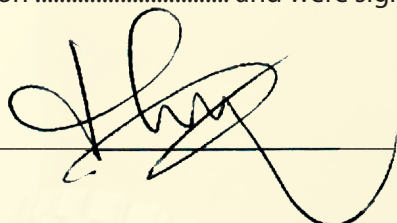
**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 31 December 2017*

**Expressed in Kwacha Thousand (K'000)**

	Notes	2017	2016
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	7	<b>261,601</b>	241,512
		<b>261,601</b>	241,512
<b>Current Assets</b>			
Inventories	10	<b>7,690</b>	7,402
Accounts Receivable	9	<b>3,505</b>	3,611
Cash and cash equivalents	11	<b>2,700</b>	2,839
		<b>13,895</b>	13,852
<b>Total Assets</b>		<b>275,496</b>	255,364
<b>CAPITAL AND LIABILITIES</b>			
<b>Capital and Reserves</b>			
Capital Fund	Page 11	<b>(38,008)</b>	(59,520)
Capital Grant	Page 11	-	2,698
Revaluation Reserves	Page 11	<b>17,703</b>	18,064
		<b>(20,305)</b>	(38,758)
<b>Non-Current Liabilities</b>			
Long-term Staff Related Liabilities	12	<b>77,212</b>	76,774
<b>Current Liabilities</b>			
Accounts Payable and Accruals	12	<b>218,589</b>	217,348
<b>Total Capital and Liabilities</b>		<b>275,496</b>	255,364

The responsibility of the Agency's Directors with regard to the preparation of the financial statements are set out on page 3. The financial statements on pages 9 to 24, together with Appendix I were approved by the board of Directors on .....04/07/18..... and were signed on its behalf by:

Signature: \_\_\_\_\_  
**Chairman**



Signature: \_\_\_\_\_

**Secretary to the Board**





**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**STATEMENT OF CHANGES IN CAPITAL**  
*for the year ended 31 December 2017*

**Expressed in Kwacha Thousand (K'000)**

	Capital Fund	Capital Grant	Revaluation Reserves	Total
Capital and Reserves at beginning of the period	(59,520)	2,698	18,064	(38,758)
Prior year adjustments	210	-	-	210
Amortisation during the period	361	(2,698)	(361)	(2,698)
Excess of income over expenditure	20,941	-	-	20,941
<b>Balance as at 31 December 2017</b>	<b>(38,008)</b>	<b>-</b>	<b>17,703</b>	<b>(20,305)</b>

**Capital Fund**

The Capital Fund represents surplus income which the Agency has retained from Government funding for the funding of its operations.

**Capital Grant**

Capital Grants are deferred and credited to the Income and Expenditure statement in equal annual installments over the expected useful lives of the related assets.

The movement on Capital Grants is made up as follows:

	2017	2016
Additions to Capital Grants		-
Amortisation during the year	<b>2,698</b>	3,522

**Prior Year Adjustments**

This adjustment relates to a transaction whereas an invoice from one transaction was posted twice. It was discovered during a thorough review of the Agency's accounts payables that this invoice related to the supply of office equipment under the income statement line of administration expenses and being that it is not practical to recall the financial statements issued for 2016, the directors have since made a prior year end adjustment against the Capital Fund as guided under IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

**Capital Revaluation**

Capital Revaluation represents those amounts attributable to the revaluation on the property, plant and equipment carried on the financial position of the Agency as at 31 December 2017.

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 31 December 2017*

*Expressed in Kwacha Thousand (K'000)*

	Notes	2017	2016
<b>Cash Flows From Operating Activities</b>			
Surplus/ (Deficit) of Income Over Expenditure	Page 9	<b>20,941</b>	(101,222)
<b>Adjustments For:</b>			
Interest Income	4	<b>162</b>	114
Depreciation Expense	7	<b>23,808</b>	24,367
Movement On Capital Grants/Reserves	Page 9	<b>(2,698)</b>	(3,522)
(Profit) / Loss on disposal of Property, Plant and Equipment	7	<b>(416)</b>	915
<b>Cash operating (Deficit)/Surplus</b>		<b>41,797</b>	(79,348)
<b>Working Capital Movements</b>		<b>1,497</b>	119,548
(Increase)/ Decrease In Inventory		<b>(288)</b>	76
Decrease In Accounts Receivable		<b>106</b>	6,134
(Decrease)/Increase In Accounts Payables And Accruals		<b>1,679</b>	113,338
<b>Cash Generated From Operations</b>		<b>43,294</b>	40,200
<b>Net Cash (Outflows)/Inflows From Operating Activities</b>		<b>43,294</b>	40,200
<b>Cash Flows From Investing Activities</b>			
Payments For Property, Plant And Equipment	7	<b>(44,491)</b>	(42,038)
Proceeds From Disposal Of Property, Plant and Equipment		<b>1,011</b>	228
<b>Net Cash Outflows From Investing Activities</b>		<b>(43,480)</b>	(41,810)
<b>Net Cash (Outflows)/Inflows Before Financing Activities</b>		<b>(186)</b>	(1,610)
<b>Net Cash Flows From Financing Activities</b>		<b>47</b>	-
<b>Net (Decrease) / Increase In Cash and Cash Equivalents</b>		<b>(139)</b>	(1,610)
<b>Net Cash And Cash Equivalents at Beginning Of Year</b>	11	<b>2,839</b>	4,449
<b>Net Cash And Cash Equivalents At End Of Year</b>	11	<b>2,700</b>	2,839
Comprising of:			
Cash and Bank Balances		<b>1,707</b>	1,645
Station Imprest		<b>993</b>	1,194

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**Notes to the financial statements**  
*for the year ended 31 December 2017*

**Expressed in Kwacha Thousand (K'000)**

**1 THE AGENCY**

The Road Transport and Safety Agency (the "Agency") was enacted through Parliament by the Road Traffic Act No. 11 of 2002 to carry out the affairs of the former Road Traffic Commission and the National Safety Council. The Agency is mandated to register motor vehicles; issue licences and permits, conduct road safety for the benefit of all sections of the community; and collect all levies and revenues under this Act on Government's behalf.

These financial statements relate only to the operations funded under the Government Grants and the National Road Fund Agency funding as approved by the Ministry of Finance. These financial Statements have been prepared from 1st January 2017 to 31st December 2017

**2 Significant Accounting Policies**

The principal accounting policies applied by the Agency in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**2.1 Basis of preparation**

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). They have been prepared on the going concern principle under the historical cost convention modified by the carrying of held-to-maturity financial assets at amortized cost and equity securities at fair values. All amounts are reported in Zambian Kwacha in unit of thousands.

As at 31 December 2017, the Agency's current liabilities exceeded its current assets by K204.694m. Since the financial statements are prepared on a going concern basis, the assumption is that the Agency will continue in operational existence by the Government and the NRFA support for the foreseeable future.

**2.1 Income**

Income represents the revenue grants received from the Government of the Republic of Zambia during the year and is accounted for on an accrual basis. Income from commissions, interest and other sources are recognized when earned and are reported in the financial period to which they relate.

**2.2 Tangible Fixed Asset**

Leasehold buildings are stated in the balance sheet at cost or valuation less depreciation. An exercise to identify and transfer assets belonging to the former Road Traffic Commission and National Road Safety Council to the Agency was carried out in November 2005. These were transferred at their fair values. An estimate of the future net cash flows of the related assets was used to determine whether the assets are recoverable or not.

Equipment, motor vehicles and furniture and fittings are stated in the balance sheet at cost less depreciation.



**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**Notes to the financial statements**  
*for the year ended 31 December 2017*

**Expressed in Kwacha Thousand (K'000)**

### **2.3 Depreciation**

Depreciation is charged to write off the cost or valuation of tangible fixed assets over their expected useful lives, on a straight line basis, at the following annual rates:

Leasehold buildings	2%
Office equipment, furniture, fixtures and fittings	20%
Motor vehicles	25%

Capital work in-progress is not depreciated.

### **2.4 Asset Impairment**

Tangible fixed assets and other assets are reviewed for impairment when events or changes in the economic circumstances indicate that the carrying amount of such assets may not be recoverable by the business. An estimate of the future discounted net cash flows of the related asset over the remaining useful life is used to determine whether the assets are recoverable and to measure any impairment by reference to fair value. Fair value is generally estimated using the Agency's expectation of discounted net cash flows.

### **2.5 Inventories**

Inventories consist of consumables. Inventories are stated in the balance sheet at the lower of cost and net realizable value. Cost is calculated using the weighted average method and includes those costs that have been incurred in bringing the inventories to their present location and condition. Net realizable value takes into account all directly related costs to be incurred in selling the inventories.

### **2.6 Financial Instruments**

#### ***Financial assets***

The Agency's principal financial assets are cash, employees and other receivables. These are stated at their nominal value reduced by appropriate allowances for estimated irrecoverable amounts. Cash and cash equivalents comprise cash on hand and demand deposits, and station imprest.

#### ***Financial liabilities***

The Agency's principal financial liabilities are amounts due to employees, trade and other payables. Financial liabilities are classified according to the substance of the contractual arrangements entered into. Amounts due to employees, trade and other payables are stated at their nominal value.

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**Notes to the financial statements**  
*for the year ended 31 December 2017*

**Expressed in Kwacha Thousand (K'000)**

**2.7 Provisions**

Provisions are recognized when the Agency has a present legal and constructive obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

**2.8 Revaluation Reserve**

The surplus arising on tangible fixed assets transferred to the Agency is credited to a non-distributable reserve. A transfer is made from this reserve to the Capital Fund each year equivalent to the actual depreciation charge for the year and the depreciation charge is based on historical values.

**2.9 Capital Grants**

Capital grants represent the value of assets vested in the Agency by foreign agencies without charge to the Agency. Capital grants are deferred and credited to the income and expenditure statement in equal annual instalments over the expected useful lives of the related assets.

**2.10 Translation of Foreign Currencies**

Transactions denominated in foreign currencies are translated into Zambian Kwacha at the rates of exchange ruling at the date of the transaction.

Assets and liabilities denominated in foreign currencies are translated into Kwacha at the rates of exchange ruling at the balance sheet date. Gains and losses arising on translation are included in the income and expenditure statement in the year in which they arise.

**2.11 Retirement Benefits**

The Agency provides for retirement benefits for all permanent employees as provided for by terms provided in Statutory Instrument No. 119, and in line with the Agency's conditions of service. On 1 February 2000, the National Pension Authority (NAPSA) also came into effect. Membership with exception of expatriate employees, is compulsory and monthly contributions by both employer and employees are made.

Also, certain members of the Agency's employees are entitled to end of contract gratuity. Provision is made for past service on the basis of current conditions and earnings.

**2.12 Risk Management**

Risk is inherent in the Agency's activities but it is managed through a process of on-going identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Institute's viable operations.



**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**Notes to the financial statements**  
*for the year ended 31 December 2017*

**Expressed in Kwacha Thousand (K'000)**

(a) **Credit Risk**

Credit risk is the risk of financial loss to the Agency if a counterparty to a financial instrument defaults on its contractual obligations. The Agency is subject to credit risk through its trading and investing activities. The Agency's primary exposure to credit risk arises through its cash deposits, accounts receivables and cash equivalents. The Agency only deposits cash with licensed banks in Zambia. The Agency structures the levels of credit risk it accepts by placing limits on its exposure to the level of credit given to a single debtor.

(b) **Liquidity Risk**

The Agency is not believed to be exposed to significant liquidity risk, being the inability to sell financial assets quickly at close to their fair value.

(c) **Cash Flow Risk**

The Agency is not exposed to the risk that future cash flows associated with monetary financial instruments will fluctuate in amounts. It has no instruments that include a floating interest rate.

**2.13 Financial Statements Considerations In Adopting New and Revised Standards/Pronouncements**

Where new and revised pronouncements are applied for the first time, there can be consequential impacts on annual financial statements, including:

Updates to accounting policies. The terminology and substance of disclosed accounting policies may need to be updated to reflect new recognition, measurement and other requirements, e.g. IAS 19 Employee Benefits may impact the measurement of certain employee benefits.

Impact of transitional provisions. IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors contains a general requirement that changes in accounting policies are retrospectively applied, but this does not apply to the extent an individual pronouncement has specific transitional provisions.

Disclosures about changes in accounting policies. Where an entity changes its accounting policy as a result of the initial application of an IFRS and it has an effect on the current period or any prior period, IAS 8 requires the disclosure of a number of matters, e.g. the title of the IFRS, the nature of the change in accounting policy, a description of the transitional provisions, and the amount of the adjustment for each financial statement line item affected.

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**Notes to the financial statements**  
*for the year ended 31 December 2017*

**Expressed in Kwacha Thousand (K'000)**

Third statement of financial position. IAS 1 Presentation of Financial Statements requires the presentation of a third statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements in a number of situations, including if an entity applies an accounting policy retrospectively and the retrospective application has a material effect on the information in the statement of financial position at the beginning of the preceding period.

#### **IFRS 9 Financial Instruments**

A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39, however there are differences in the requirements applying to the measurement of an entity's own credit risk.

Impairment. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.

Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

Derecognition. The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

#### **IFRS 14 Regulatory Deferral Accounts**

IFRS 14 permits an entity which is a first-time adopter of International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS and in subsequent financial statements.

#### **IFRS 16 Leases**

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**Notes to the financial statements**  
*for the year ended 31 December 2017*

**Expressed in Kwacha Thousand (K'000)**

**IFRIC 22 Foreign Currency Transactions and Advance Consideration**

The interpretation addresses foreign currency transactions or parts of transactions where:

- There is consideration that is denominated or priced in a foreign currency; the entity recognizes a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepayment asset or deferred income liability is non-monetary.

The Interpretations Committee came to the following conclusion:

- The date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt.

**Disclosure Initiative (Amendments to IAS 1)**

Amends IAS 1 Presentation of Financial Statements to address perceived impediments to preparers exercising their judgement in presenting their financial reports by making the following changes:

Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;

Clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;

Additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.



Disclosure Initiative (Amendments to IAS 7)

Amends IAS 7 Statement of Cash Flows to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Clarifications to IFRS 15 ‘Revenue from Contracts with Customers’

Amends IFRS 15 Revenue from Contracts with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts

3 GOVERNMENT GRANTS

Through Ministry Of Finance	100,204	64,353
Through The National Road Fund Agency	158,217	84,073
	<u>258,421</u>	<u>148,426</u>

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**Notes to the financial statements**  
*for the year ended 31 December 2017*

**4 INTEREST AND OTHER INCOME**

Sundry Income relates to income received from sales of tender documents, and interest received on bank accounts, broken down as follows:

Sundry Income	<b>3,067</b>	113
Interest Income	<b>162</b>	114
Profit (loss) on Disposal of Assets	<b>416</b>	(915)
	<b>3,645</b>	(688)

**5 SURPLUS/(DEFICIT) OF INCOME OVER EXPENDITURE FOR THE YEAR**

Surplus/(Deficit) of income over expenditure for the year is stated after charging:

Gratuities	<b>16,890</b>	5,226
Depreciation	<b>23,808</b>	24,367
Board fees and expenses	<b>2,844</b>	3,667
	<b>43,542</b>	33,260

**6 TAXATION**

The Road Transport and Safety Agency is a statutory body exempt from income tax.



## ROAD TRANSPORT & SAFETY AGENCY (RTSA)

### Notes to the financial statements for the year ended 31 December 2017

Expressed in Kwacha Thousand (K'000)

#### 7 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Buildings	Office Equipment	Motor Vehicles	Fixtures and Fittings	Computer Software	Capital Work In Progress	Total
<b>COST OR VALUATION</b>							
At 1 January 2017	32,741	28,334	69,536	31,582	774	164,973	327,940
Additions	-	2,080	6,091	2,050	-	34,270	44,491
Reclassification	(575)	-	575	-	-	-	-
Disposals	-	-	(1,708)	-	-	-	(1,708)
<b>At 31 December 2017</b>	<b>32,166</b>	<b>30,414</b>	<b>74,494</b>	<b>33,632</b>	<b>774</b>	<b>199,243</b>	<b>370,723</b>
<b>DEPRECIATION</b>							
At 1 January 2017	6,537	22,536	39,217	17,364	774	-	86,428
Charge for year	687	2,841	13,709	6,571	-	-	23,808
Reclassification	(220)	-	220	-	-	-	-
Eliminated on disposal	-	-	(1,114)	-	-	-	(1,114)
<b>At 31 December 2017</b>	<b>7,004</b>	<b>25,377</b>	<b>52,032</b>	<b>23,935</b>	<b>774</b>	<b>-</b>	<b>109,122</b>
<b>NET BOOK VALUE</b>							
<b>At 31 December 2017</b>	<b>25,162</b>	<b>5,037</b>	<b>22,462</b>	<b>9,697</b>	<b>-</b>	<b>199,243</b>	<b>261,601</b>
At 1 January 2017	26,204	5,798	30,319	14,218	-	164,973	241,512

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)****Notes to the financial statements**  
*for the year ended 31 December 2017**Expressed in Kwacha Thousand (K'000)*  
*Note 7 continued*

	Leasehold Buildings	Office Equipment	Motor Vehicles	Fixtures and Fittings	Computer Software	Capital Work In Progress	Total
<b>COST OR VALUATION</b>							
At 1 January 2016	32,111	27,637	53,705	20,687	774	153,418	288,332
Additions	630	697	18,261	10,895	-	11,555	42,038
Reclassification	-	-	(2,430)	-	-	-	-
Disposals	-	-	(2,430)	-	-	-	(2,430)
<b>At 31 December 2016</b>	<b>32,741</b>	<b>28,334</b>	<b>69,536</b>	<b>31,582</b>	<b>774</b>	<b>164,973</b>	<b>327,940</b>
<b>DEPRECIATION</b>							
At 1 January 2016	3,079	19,239	27,645	12,494	774	-	63,231
Charge for year	3,458	3,297	12,742	4,870	-	-	24,367
Eliminated on disposal	-	-	(1,170)	-	-	-	(1,170)
<b>At 31 December 2016</b>	<b>6,537</b>	<b>22,536</b>	<b>39,217</b>	<b>17,364</b>	<b>774</b>	<b>-</b>	<b>86,428</b>
<b>NET BOOK VALUE</b>							
<b>At 31 December 2016</b>	<b>26,204</b>	<b>5,798</b>	<b>30,319</b>	<b>14,218</b>	<b>-</b>	<b>164,973</b>	<b>241,512</b>
At 1 January 2016	29,032	8,398	26,060	8,193	-	153,418	225,101

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**Notes to the financial statements**  
*for the year ended 31 December 2017*

*Expressed in Kwacha Thousand (K'000)*

**2017** **2016**

**8 CAPITAL COMMITMENTS**

The Agency did not have any capital commitments for the year ended 31 December 2016.

**9 ACCOUNTS RECEIVABLE**

Receivables principally comprise amounts receivable in respect of employee advances, miscellaneous receivables and prepaid amounts.

The Directors consider that the carrying amount of receivables approximates their fair value.

The make up of the receivables at the balance sheet date was as follows:

Employee advances	<b>3,093</b>	3,138
Insurance Claims	<b>(263)</b>	(211)
Pre-payments and others	<b>675</b>	684
	<b>3,505</b>	3,611

Employees loans and advances

Employee advances are considered to be non-derivative financial assets as they have fixed and determinable conditions attached to repayment, and are not quoted in an active market. No interest is charged on advances.

The make up of Employee loan balances at the balance sheet date was as follows:

Salary Advances	<b>1,371</b>	600
Retireable Imprest	<b>328</b>	1,038
Material loans	<b>1,375</b>	1,481
NRSC Loans	<b>19</b>	19
	<b>3,093</b>	3,138
Maturity analysis		
Amounts falling due within one year	<b>3,093</b>	3,138
Amounts falling due after more than one year	-	-
	<b>3,093</b>	3,138

**10 INVENTORIES**

Inventory	<b>7,690</b>	7,402
-----------	--------------	-------

## ROAD TRANSPORT & SAFETY AGENCY (RTSA)

### Notes to the financial statements

for the year ended 31 December 2017

Expressed in Kwacha Thousand (K'000)

Inventory mainly consists of security documents and forms which are held under custody with the Ministry of Finance. The cost of the requisitioned documents and forms is released to the income statement as and when required by stations for issuance of licences and toll permits, against the inventory balance held at Ministry of Finance.

Other items included in inventory include motor vehicle spares, law enforcement gear, IT equipment and administration stationary. Inventory is valued at weighted average cost.

#### 11 CASH AND CASH EQUIVALENTS

Zambia National Commercial Bank Plc.	<b>1,444</b>	1,438
United Bank for Africa	<b>253</b>	197
Cash In Hand	<b>10</b>	10
Station Imprest	<b>993</b>	1,194
	<b>2,700</b>	2,839

#### 12 ACCOUNTS PAYABLE AND ACCRUALS

Other payables principally comprise amounts outstanding in respect of Employee related accruals, purchases and on going costs, as well as amounts accrued in respect of operating costs.

The Directors consider that the carrying amount of other payables approximates their fair value.

The make up of the other payables at the balance sheet date was as follows:

Employee Related Accruals	<b>164,480</b>	152,693
Local Suppliers	<b>46,993</b>	45,009
Foreign Suppliers	<b>4,859</b>	17,294
Accrued Penalties On the Accumulated PAYE	<b>64,550</b>	64,550
Sundry Payables and Accrued Expenses	<b>14,919</b>	14,576
	<b>295,801</b>	294,122
Less: Employee related accruals		
- included in non current liabilities	<b>77,212</b>	76,774
Included in current liabilities	<b>218,589</b>	217,348

The make up of employee related accruals at the balance sheet date was as follows:



## ROAD TRANSPORT & SAFETY AGENCY (RTSA)

### Notes to the financial statements

for the year ended 31 December 2017

Expressed in Kwacha Thousand (K'000)

Gratuity	<b>18,511</b>	14,885
Pay As You Earn payable	<b>59,075</b>	61,018
Leave Pay	<b>11,480</b>	8,915
Employee bank loans	<b>636</b>	622
Other (Retirement Benefits)	<b>73,586</b>	66,697
Personal Levy	<b>32</b>	23
NAPSA	<b>1,160</b>	533
	<b>164,480</b>	152,693

Included in employee related accruals are the following provisions :

	<b>Gratuity</b>	<b>Leave Pay</b>	<b>Pension</b>
Balance at the beginning of the period	14,885	<b>8,915</b>	66,697
Additional provisions for the period	16,890	<b>7,485</b>	8,358
Payments during the period	(13,264)	<b>(4,920)</b>	(1,469)
At end of the period	18,511	<b>11,480</b>	73,586

Maturity analysis

	<b>Gratuity</b>	<b>Retirement Benefit</b>	<b>Total</b>
Amounts falling due within one year			
- included in current liabilities	14,885	-	14,885
Amounts falling due after more than one year			
- included in non current liabilities	3,626	<b>73,586</b>	77,212
	18,511	<b>73,586</b>	92,097

### 13 CONTINGENT LIABILITIES

The Agency had no known contingent liabilities during the year having previous paid claims amounting to K4.000m due to traffic wardens for a Memorandum of Understanding signed with the Ministry of Education sometime in 2012 with the terms that the Agency would pay K500 per term per traffic warden. as a means of motivating the wardens to participate in the traffic safety programme. Even though the Agency had continued to pay this token to the traffic wardens, after a board resolution to expressly approved this arrangement.



**ROAD TRANSPORT & SAFETY AGENCY (RTSA)****Notes to the financial statements***for the year ended 31 December 2017**Expressed in Kwacha Thousand (K'000)***14 RELATED PARTY TRANSACTIONS**

In the context of the Agency, related party transactions include any transactions made by any of the following:

- The Government of the Republic of Zambia
- The Board of Directors of the Agency
- Government ministries and parastatals.
- Senior management

The transactions to be reported are those that affect the Agency in making financial and operating decisions.

Examples of such transactions include:

- Funding
- Investments;
- Financial (loans);
- Procurement and investment contracts; and
- Disposal of assets.

The Agency undertakes to disclose the nature of related party relationships, types of transactions necessary for the understanding of the annual financial statements.

**Transactions**

The effect of related party transactions on the results for the year are as follows:

- Government Funding received	<b>258,421</b>	148,426
-------------------------------	----------------	---------

**ROAD TRANSPORT & SAFETY AGENCY (RTSA)**  
**Notes to the financial statements**  
*for the year ended 31 December 2017*

*Expressed in Kwacha Thousand (K'000)*

**Note 14 continued:**

- Financial Loans	<b>406</b>	-
-------------------	------------	---

**Compensation of key management**

The remuneration of the Director and Deputy Directors and other members of key management is determined by the Board of Directors having regard to the Government funding received and market trends.

The remuneration of the Director and Deputy Directors and other members of key management during the year was as follows:

Short term benefits	<b>4,613</b>	4,992
Post employment benefits (gratuity)	<b>2,187</b>	1,316
<b>Total</b>	<b>6,800</b>	6,308

## ROAD TRANSPORT & SAFETY AGENCY (RTSA)

### Expenditure Analysis

for the year ended 31 December 2017

Expressed in Kwacha Thousand (K'000)	2017	2016
<b>Staff Related Expenses</b>		
Basic pay	70,115	63,884
Gratuity	16,890	5,226
Leave Pay	7,485	5,665
Other allowances	11,757	11,164
NAPSA: employer's contributions	3,386	3,007
Workers' Compensation	544	529
Housing allowance	-	673
	110,177	90,148
<b>Administration Expenses</b>		
Depreciation	23,808	24,367
Other Staff Costs	3,644	4,285
Hire of goods and services/rentals	252	702
Printing and stationery	742	696
Consultancy / Professional fees	580	1,458
Board expenses	2,844	3,667
Postage and telephones	423	419
Subscriptions and publications	156	173
Electricity, water and rates	72	63
Repairs and maintenance	801	911
Cleaning expenses	15	12
Staff welfare	848	1,121
Insurance - Life	1,182	1,991
Insurance - Non Life	50	386
Bank charges and interest	98	87
Penalties on accumulated PAYE	-	64,550
Computer consumables	20	9
Sundry Expenses	55	(36)
Audit expenses	116	309
	35,706	105,171
<b>Operational Expenses</b>		
Travel expenses	10,521	5,203
Station Running Costs	18,621	16,164
Printing and stationery	13,265	5,316
Highway patrol costs	9,313	5,740
Advertising and public relations	7,085	5,667
Conferences and seminars	2,434	2,551
Registration, Licensing and Examination Connectivity	31,243	11,285
Fuel	5,410	5,062
Repairs and consumables	48	175
	97,940	57,163
<b>Total Expenses</b>	<b>243,823</b>	<b>252,482</b>






Road Transport & Safety Agency

Head office Premium House

P.O. Box 32167, Lusaka

Tel: +260-211-228797

Fax: +260-211-231601


 : askrtsa


 twitter@rtsa2006

 [www.rtsa.org.zm](http://www.rtsa.org.zm)

 [askrtsa@rtsa.org.zm](mailto:askrtsa@rtsa.org.zm)

 Toll Free 983

 0965 429499

 Hotline: 0955 983983  
+260 211 228798