



Road Transport and Safety Agency

2021 ANNUAL REPORT

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Acronyms

BRTA	Bilateral Road Transport Agreement
CBP	Cross Border Permit
CDC	Curriculum Development Centre
CEO	Chief Executive Officer
DPP	Director of Public Prosecutions
E-ZamTIS	Electronic Zambia Transport Information System
GPS	Global Positioning System
ICT	Information and Communication Technology
IDP	International Driving Permit
LMIC	Low and Mid Income Level Countries
MDVL	Motor Dealer Vehicle Licence
MoU	Memorandum of Understanding
MV	Motor Vehicle
NRFA	National Road Fund Agency
PSV	Public Service Vehicle
RDA	Road Development Agency
RMI	Road Management Initiative
RSA	Road Safety Audit
RSI	Road Safety Inspection
RSL	Road Service Licence
RTC	Road Traffic Crash
RTI	Road Traffic Inspector
RTSA	Road Transport and Safety Agency
SADC	Southern African Development Community
SCCM	System Centre Configuration Manager
SCOM	System Centre Operations Manager
SI	Statutory Instrument
UN	United Nations
ZamTis	Zambia Transport Information System
ZP	Zambia Police



Permanent Secretary's Message

Permanent Secretary's message



initiatives in its road traffic law enforcement operations by developing and introducing portable enforcement applications that are being used by Road Traffic Inspectors (RTIs) to ensure compliance among motorists.

RTSA and Government shall continue with the process of digitisation of RTSA processes by embracing smart solutions in line with the Agency Strategic Plan 2022-2026, to serve our clients and all stakeholders better. The Ministry of Transport and Logistics will continue to guide the Agency to uphold professionalism and perform at a higher level and to be the employer of choice with a highly motivated workforce. My appreciation goes to Management and staff for their unrelenting efforts to improve the road transport sub-sector as well as the country's road safety profile in the year under review. To our stakeholders, thank you for your steadfast cooperation in ensuring safety on the Zambian roads.

STRATEGY AND EXECUTION

It is my honour and privilege to present, on behalf of the Management of the Road Transport and Safety Agency (RTSA) the Annual Report for the financial year ended 31st December 2021.

The Report is presented at a time when the country is grappling with an unprecedented high level of debt and a depressed economy. In 2021, RTSA's performance against planned targets was 89%. With the major achievement being the digitisation of some major RTSA operations.

In a bid to leverage on ICTs as a critical success factor in enhancing service delivery, RTSA in collaboration with the Government unveiled the RTSA online payment solution under an integrated system called the Government Service Bus (GSB). This launch has marked a significant milestone for digital services. In an effort to enhance smart law enforcement, the Agency has continued to explore new

Eng. Fredrick Mwalusaka
Permanent Secretary
Ministry of Transport and Logistics



Director and Chief Executive Officer's Message

Director and Chief Executive Officer's Message



It is my pleasure to present the Road Transport and Safety Agency (RTSA) Annual report with audited financial statements for the year ended 31st December, 2021, as a requirement by the Road Traffic ACT No. 11 of 2002.

The year 2021 marked the closure of the 2019-2021 strategic plan whose aspiration was to deliver a safe, efficient, client focused and inclusive road transport system which supports socio-economic development. During the year under review, the Agency continued to perform its functions as enshrined in the Road Traffic ACT No. 11 of 2002, as well as strategic plan objectives whose six focus areas were anchored on the following; improving road transport and safety, improving agency brand, improving service delivery, enhancing stakeholders collaboration, improved revenue collection and strengthening organizational capacity.

Road transport plays a critical role in urban and rural development. Road transport has in the recent past dominated the transport sector in Zambia accounting for a large proportion of passenger and freight traffic.

The 2021 edition of the RTSA annual report has outlined performance of the Agency through underlining major achievements scored in the implementation of 2021 strategic plan activities. In 2021, a number of innovations were made in the manner the Agency conducted its business.

The COVID-19 pandemic is one of the significant restraints that inhibited Zambia's economic growth during the year 2021. The road transport sector was not exceptional to the economic recession which resulted from the effects of the COVID-19 pandemic. In the first six months of 2021, there was a significant decrease in motor vehicle first registration transactions due to disruption of the Global Supply Chain as a result of the COVID-19. However, in the last six months there was an increase in motor vehicle first registration as a result of relaxed conditions in the global supply chain.

During the year under review, the Agency continued to outsource some of its services to Local Authorities (LAs) to improve service delivery by taking services closer to the people. The Agency outsourced motor vehicle licencing, roadworthiness certification and physical inspections to additional five Local Authorities namely; Kapiri Mposhi, Mbala, Kasempa, Mwense and Kaoma. This brings to eleven the total number of LAs performing RTSA services. The other LAs includes Kabompo, Mwinilunga, Kafue, Mumbwa, Nyimba and Lundazi these were outsourced in 2020. This increased the Agency's footprint and accessibility to regions where the Road Transport and safety Agency was not present.

The year under review, the online portal implemented through Government Service Bus (GSB) and Payment Gateway continued to increase in both user count and revenue as well as the number of services and payment options. Among the payment options introduced during the period under review were MTN Money, Airtel Money and two online banking options were also added through Zambia Industrial Commercial Bank (ZICB) and Indo Zambia Bank.

Among the critical services added to the platform were Motor Vehicle Licence (Road Tax /CES) and Application for Roadworthiness bulk payments. These services allow large motor vehicle fleet owners to pay online for a number of units in a single transaction. Following successful User Acceptance, Seven (7) other services were later successfully integrated between the GSB and the eZamTIS, these include; Provisional Driving Licence, New Driving Licence, New PSV Driving Licence, Renewal of PSV Driving Licence, New Driving Instructor Licence, New Driving School Licence and Release of Information (Motor Vehicle).

The Agency has rolled out the RTSA Mobile-App to RTSA inspectors and piloted it to Zambia Police Divisional traffic officers. The Mobile-App significantly changed how the Agency is now undertaking traffic law enforcement. The Mobile-App allows the verification of Motor Vehicle Licence certificates anywhere in the country where there is 4G network. The Mobile-App is able to scan the licence barcode, perform automatic number recognition and accept typed driver and vehicle registration mark.

During the year under review, the country recorded unacceptably higher numbers of road traffic crashes, fatalities and injuries. A total of 32,396 road traffic crashes, resulted in 2,163 fatalities and 5,307 serious injuries. The number of road traffic crashes, fatalities and serious injuries during the period under review rose in comparison to the previous year. The road stretch between Lusaka and Copperbelt had the highest number of crashes. This road stretch is associated with high traffic volumes, with some sections of the road stretch in bad condition characterised by edge breaks, deep potholes and ruttings. Travel speeds have also

reduced between Lusaka and Ndola to lower than the 100km/h permissible speed limit resulting in increased travel time. This results into panic driving, which has led to excessive speeding, improper overtaking, misjudging clearance distance among drivers and has culminated into head-on collision crashes.

The Agency has continued to face the challenge of inadequate Annual Work Plan (AWP) budget funding for operations. The AWP budget was only funded to the tune of 73%. The inadequate funding lead to several challenges which include, but are not limited to the following; increased debt burden on amounts of money owed to supplies for goods and services and failure to implement planned activities.

Let me extend my sincere gratitude to the Government of the Republic of Zambia, through the Ministry of Transport and Logistics and RTSA Board of Directors for the ongoing oversight and guidance to the Agency. Special tribute goes to the entire RTSA staff who are the key assets of the institution and RTSA stakeholders for the immense support in achieving our vision for a safe, inclusive and economically enabling road transport system during the year under review.

I now invite you to read the Road Transport and Safety Agency 2021 Annual report.



Gladwell Banda
Director and Chief Executive Officer

2021 Board of Directors



Dr. Cornelius Chipoma
Board Chairperson



Mr. Daniel Kampilimba
Vice Board Chairperson



Eng. Misheck Lungu
Director



Ms. Mumeka Walumweya
Director



Ms. Foster Chileshe
Director



Mr. Henry Nkhoma
Director



Ms. Lombe Kamukoshi
Director



Ms. Mwenya Bwalya
Director



Mr. Patrick Malindi
Director



Eng. Wallece Mumba
Director



Eng. George Manyele
Director



Mr. Charles Mafumo
Director



Ms. Kabisa K Ngwira
Director



Mr. Gladwell Banda
Board Secretary

Senior Management



Mr. Gladwell Banda
Director and Chief Executive Officer



Mr. Joseph Mumba
Deputy Director-Transport



Eng. Alinani Msisya
Deputy Director-Safety



Mr. Brian Sikute
Head-Information and
Communication Technology



Ms. Vivian M. Mupunda
Head-Internal Audit and
Risk Management



Ms. Mundi C. Mwanza
Head-Human Resource and
Administration



Mr. Progress Saiwana
Head-Finance



Ms. Janet Mumba
Procurement Specialist



Mr. Aaron Tembo
Legal Counsel



Mr. Chunky Kanchele
Head-Planning, Research
and Development



Mr. Fredrick Mubanga
Head-Public Relations



Corporate Governance

1.0 Corporate Governance

1.1 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.

1.2 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.

1.2.1 Committee of Ministers on Road Maintenance Initiatives

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

- i. Transport;
- ii. Finance;
- iii. Justice;
- iv. Local Government;
- v. Infrastructure;
- vi. Water Development;
- vii. Agriculture; and
- viii. Tourism.

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

1.2.2 The Road Transport Safety Agency Board

The Board was inaugurated in August 2019 after the term of office for the previous Board came to an end. The RTSA Board is appointed by the Minister of Transport 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. 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;
- ix. A representative of the Ministry responsible for Transport;
- 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.

1.2.3 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 Management Act No. 1 of 2018. 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.

1.2.4 Technical Committee

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 licensing 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.

1.2.5 Finance and Administration Committee

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.

1.2.6 Senior Management

The Board, with the approval of the Minister of Transport, 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 Planning, Research and Development, 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 registration, licensing and examinations.

1.3 Strategic Plan

The Strategic Plan sets the Agency's strategic direction, priorities and enables the Agency to focus its energies and resources towards achieving set goals. The strategic 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 2019 - 2021 Strategic Plan ended in December, 2021.

1.3.1 Vision Statement

A safe, inclusive and economically enabling road transport system.

1.3.2 Mission Statement

To deliver a safe, efficient, client focused and inclusive road transport system which supports socio-economic development.

1.3.3 Core Values

The Road Transport and Safety Agency will conduct its business with the following values:

Service excellence: Endeavour to do better always.


Accountability: Taking ownership in all situations involved.

Fairness: Impartial and just treatment or behaviour to others.

Efficiency: Timely desired work output.

Confidentiality: Non-disclosure of private Information.

Integrity: A quality of honesty and strong moral principles.



Transparency: Openness/confident to share with clarity to others.

CORE VALUE ACRONYM - SAFE CIT

The six focus areas for the period 2019 - 2021 were to improve:

- i. Road Transport and Safety;
- ii. Agency branding;
- iii. Service delivery;
- iv. Stakeholder collaboration
- v. Revenue collection and
- vi. Organisational capability.



Road Safety Department

2.0 ROAD SAFETY DEPARTMENT

2.1 DEMONSTRATING LEADERSHIP ROLE IN TRANSPORT SYSTEM AND SAFETY MANAGEMENT

2.1.1 National Road Traffic Safety Strategy

During the year under review, the then Ministry of Transport and Communications guided the Agency to develop the National Road Safety Strategy. The process was initiated and the strategy is awaiting development of the African Road Safety Action Plan for the period 2021 to 2030 to ensure that it is in line with the African Road Safety Plan. The strategy will be ready in 2022 once the African Road Safety Action Plan has been finalised and shared by the Economic Commission for Africa (ECA) under the auspices of the African Union (AU).

2.1.2 Rural Road Safety Strategy

During the year under review the Agency printed and distributed 700 copies of the rural road safety strategy to stakeholders. The strategy addresses road safety on rural roads in Zambia to ensure the provision of a long term safe environment for all users of rural roads and contribute to the overall reduction in road crashes and fatalities.

2.2 BROADENING ROAD USER EDUCATION ON SAFETY

Education and Publicity of road safety bring about the desired change in road users behaviour for the purpose of preserving their lives. Road Safety Education and Publicity activities for the year 2021 therefore concentrated on equipping road users with information and skills on how to avoid risks on shared roads at various levels. The following were the major activities in education and publicity undertaken by the Agency during the year under review;

2.2.1 Road Safety School Programmes

A total number of fifty six (56) traffic wardens were trained from nineteen (19) schools in Lusaka and Solwezi in the year under review.

In 2020, the Agency did not conduct any school traffic warden training. However, in 2020 the Agency facilitated for the training of thirty seven (37) members of The Bus and Taxi Drivers Association of Zambia (BTDAZ) as traffic wardens from bus stations in Lusaka's Central Business District (CBD).

2.2.1.1 Road Safety Clubs/Traffic Warden Schemes

During the year under review, the Agency monitored a total number of 267 schools in order to check how the road safety school clubs and traffic warden schemes were performing as well as to evaluate on how the schools were implementing road safety in the school curriculum. Some of these schools were provided with Road Safety materials which included t-shirts for patrons and club members, traffic wardens' uniform, traffic cones, and School Manuals among others.

2.2.1.2 Traffic Warden Training

During the year under review, two (2) traffic wardens training were conducted in Lusaka and Solwezi. The training in Lusaka was conducted at Chudleigh House School with a total number of thirty-two (32) General Workers being trained as School Traffic Wardens and the training was funded by Chudleigh House School.

The Agency with support from First Quantum Minerals (FQM) conducted the other training workshop for School Traffic Wardens in Solwezi. Twenty-four (24) teachers were trained as traffic wardens from eighteen (18) schools.

The objective of the trainings were to equip the trainees with knowledge and skills that would enable them to effectively control traffic and assist learners to traverse the roads around school areas. The trainings were also conducted in order to mitigate the Road Traffic Crashes (RTCs) occurring due to the road rehabilitations and the high volume of traffic along busy roads near the schools. Both

workshops were conducted in collaboration with the Zambia Police Service and Zambia Red Cross Society. Topics covered included road safety management, general road safety and first aid.

2.2.1.3 Road Safety Sensitisation in Schools

The Agency visited various schools to sensitise

learners on road safety during the year under review. The table below shows that, a total number of 44 schools were sensitised with 12,246 learners reached out compared to 2020 where 20 schools were sensitised with a total number of 4,193 reached out.

Table 1: Number of Learners sensitised in schools

S/N	QUARTER	NUMBER OF SCHOOLS	NUMBER OF LEARNERS REACHED OUT TO
01	First	04	972
02	Second	17	2,573
03	Third	15	7,089
04	Fourth	08	1,612
	Total	44	12,246



Figure 1: RTSA Education Officer conducting road safety sensitisation in schools.

2.2.1.4 Road Safety School Park

A total number of 946 learners from 24 schools/ organisations were sensitised on Road Safety at the Road Safety School Park during the year under review. There were more learners reached out to at the School Park in 2021

compared to 2020 where 508 learners from 16 schools/ organisations were sensitized. The table 2 below tabulates the number of schools/ organisations and learners that were sensitized at the Road Safety School Park during the year under review.

Table 2: Number of Schools and learners sensitised at the Road Safety School Park

S/N	QUARTER	NUMBER OF SCHOOLS/ORGANISATIONS	NUMBER OF LEARNERS
01	First	05	139
02	Second	09	314
03	Third	01	18
04	Fourth	09	475
	Total	24	946

The total number of schools that visited the School Park in the year 2021 was 24 and number of learners reached out to was 946.



Figure 2: Sessions at the Road Safety School Park.

2.2.2 Road Safety Sensitisation Activities

2.2.2.1 Sensitisation of Drivers at Bus Stations and Taxi Ranks

During the year under review, the Agency conducted road safety sensitisations in various bus stations and taxi ranks. This was done in order to promote road safety awareness amongst Public Service Vehicle (PSV) drivers.

The total number of drivers reached out was 513 compared to the same period in 2020 where 608 drivers were sensitised. The reduction in 2021 was attributed to the increased number of road safety activities which were sponsored by other stakeholders in road safety.

The list of bus stations and taxi ranks where sensitisations were conducted in 2021 is in the table 3.

Table 3: Sensitisation at Bus Stations and Taxi Ranks

S/N	LOCATION	NUMBER OF DRIVERS
01	Garden and Roma Bus Stops	78
02	Chongwe Bus Station	27
03	Kaunda Square Market	27
04	Hybrid Roundabout	15
05	Bata and Mungwi Taxi Ranks	33
06	Luwingu Taxi Rank	21
07	SOS Mt. Meru Taxi Rank	49
08	Libala-SDA Bus Station	25
09	Yotam Muleya Taxi Ranks	14
10	Mtendere Taxi Rank	58
11	Hybrid Roundabout Taxi Rank	35
12	Jacaranda Junction Taxi Rank -Ndola	15
13	Indo-Zambia Bank Taxi Rank - Ndola	25
14	Chikola Taxi Rank - Itawa Ndola	05
15	Shoprite Taxi Rank - Ndola	18
16	Jacaranda Taxi Rank - Ndola	20
17	Mumbwa Town Centre Station	48

2.2.2.2 Workplace Orientation

The Agency conducted road safety sensitisations in various organisations aimed at equipping their staff with road safety information in order to reduce road traffic crashes and promote good road user behaviour. The workplace orientation programme focused on road safety awareness and basic defensive driving skills. A total number of 528 employees were sensitised from 12 organisations in 2021 compared to 446 sensitised from 12 organisations in 2020. The total number of organisations reached out to in the year 2021 was 12 with a total number of staff reached out to being 528.

Campus Library in Lusaka

- iii. Zambia Library Service Library at the Curriculum Development Centre (CDC) in Lusaka

2.2.3 Public Events

2.2.3.1 United Nations Global Road Safety Week (UNGRSW)

The Agency partnered with the United Nations Development Programme (UNDP) during the commemoration of the 6th United Nations Global Road Safety Week which was held from 17th to 23rd



Figure 3: Education Officer conducting road safety Workplace sensitisation

The Agency provided the libraries with various road safety materials which included thematic brochures, the *Zambian Highway Code*, newsletters, emergency line cards, National Guidelines for Road Traffic Signing, and Annual Reports. Three (03) Road Safety Corners were set up at libraries both in 2021 and 2020.

2.2.2.3 Road Safety Corners in Public Libraries

During the year under review, the Agency set up Road Safety Corners in three (03) public libraries. The following libraries had Road Safety Corners set up:

- i. Mansa College of Education in Mansa
- ii. National Institute of Public Administration (NIPA) Burma Road

May, 2021 under the theme “Managing Speed”.

The activities conducted during this week included a virtual launch at Government Complex in Lusaka, media activities, installation of thirty six (36) road signs along Great East Road from Kenneth Kaunda traffic circle to Sinjela area (90km) and two (2) road signs along Lumumba road near Matero Boys Secondary School. The road signs were mounted before, during and after the UNGRSW and these included warning signs, information signs and pedestrian crossing signs. The procurement and installation of the road signs was financed by the Road Development Agency (RDA). Other activities included speed management and sensitisations in Chirundu District. Promotion of non-motorised transport such as walking,

bicycle riding and earmarking pedestrian Spaces during the Car Free Day organised by the Zambia Road Safety Trust (ZRST) which was held in the Central Business District in Lusaka between Cairo and Chachacha Roads along Katunjila Road.

Other stakeholders that the Agency collaborated with during the UNGRSW included the Drug Enforcement Commission (DEC), Commuter Rights Association, Road Safety Ambassadors (An NGO of volunteers promoting road safety), Passenger, Pedestrian and Cyclists Association (PAPECA) and the Zambia Police Service (ZPS).

2.2.3.2 Traditional Ceremonies

During the year under review, the Agency facilitated for participation in the Mini Mutomboko Ceremony which took place from 30th to 31st July, 2021 in Mwansabombwe. The Agency also participated at the Coronation Ceremony of Senior Chief Mukuni Ng'ombe at his palace in Chibombo District. Various Information, Education, and Communications (IEC) materials were distributed at both events.

2.2.3.3 Launch of the Zambia Road Safe Corridor Initiative (ZRSCI)

The Zambia Road Safe Corridor Initiative (ZRSCI) is a proposed collective effort to convene various road sector stakeholders to enable action for improved road safety management. This is with the view to work towards a road safety management regime that saves lives, enables inclusive socioeconomic progress and enhances regional transport safety and connectivity.

The Agency facilitated the launch of the Zambia and Road Safety Corridor Initiative (ZRSCI) which took place on 28th November, 2021. The launch was held at the RTSA Silverest Station during the RTSA Open Day. The event was graced by the Honourable Minister of Transport and Logistics, Mr. Frank Tayali, who also launched The RTSA Smart Enforcement Application during the same event. During the event, the Agency showcased the various services and operations that the institution provides and explained procedures and requirements.

Other institutions such as Zambia State Insurance Corporation (ZSIC), Road Development Agency (RDA), Drug Enforcement Commission (DEC), Zambia Road Safety Trust (ZRST), and Zambia Chartered Institute of Logistics and Transport (ZCILT) set up information desks and interacted with the public.

2.2.3.4 Annual Events

2.2.3.4.1 World Day of Remembrance for Road Traffic Victims.

The Agency joined the rest of the world in commemorating the World Day of Remembrance for Road Traffic Victims 2021. The event was held on Sunday, 21st November, 2021 under the theme, 'ACT for LOW SPEEDS/ACT for LOW SPEED STREETS'. The commemoration was conducted countrywide with the support of various Faith Based Organisations (FBOs). As part of the commemoration countrywide, the public gathered at churches and held church services with the clergy taking the lead. The families and accident victims shared their experience about what they have gone through due to injury or loss of a loved one due to road traffic accidents. The Minister of Transport and Logistics Hon. Frank Museba Tayali, MP, launched commemoration of the event on Zambia National Broadcasting Corporation (ZNBC) TV 1.

In Lusaka, the commemoration was held at the Cathedral of the Holy Cross and it was streamed live by Kalemba and AskRTSA on Facebook. Hon. Tayali was the Guest of Honour, in his speech emphasised the importance of road safety. He also called for partnerships in order to address the road traffic crash problems and that Ministry of Transport and Logistics stood ready to support initiatives and strategies aimed at improving road safety.

Hon. Tayali also handed over two (02) electric wheel chairs to survivors of the Kawambwa road traffic accident which claimed the lives of 44 learners of Kawambwa High School on 8th April, 2005.

2.2.3.2 Road Safety Week

The Agency commemorated the 2021 Road Safety Week from 5th to 11th December, 2021 under the theme 'Be a Road Safety CHAMPION - Slow Down!'. Road safety sensitisations were conducted at various taxi ranks in Kasama and Chinsali. Road safety sensitisations were also conducted with Road Service License applicants operating Public Service Vehicles who were given some road safety materials.

In Western Province, the office engaged stakeholders, such as Driving Schools, Insurance Companies, the Road Development Agency, Zambia Police, and Resource Centre at Mongu Public Library. In Eastern Province, the office engaged stakeholders such as the Zambia Police Service, Office of the President, driving schools and Sales Representatives for Insurance companies. The target groups were motor cyclists, bicyclists and pedestrians. The RTSA officers also interacted with road users and educated them on the importance of road safety and adherence to road traffic rules and regulations in order to reduce the high number of road traffic crashes witnessed in the country. The Agency procured orthopaedic and medical consumables which were donated to Serenje General Hospital. The event was graced by the Serenje District Commissioner supported by the Acting District Health Director, the Medical Officer In-Charge for Serenje District Hospital, and the hospital staff.

2.2.3.5 Media Activities

2.2.3.5.1 Radio Programmes

The Agency facilitated for staff and stakeholders to feature on Millennium Radio, ZNBC Radio 2, 5 FM, Live Radio, Modern Voice Radio, and Hone FM Radio where various road safety thematic topics were discussed. The radio programmes focused on road safety matters, the United Nations Road Safety Week, and how to acquire the RTSA Services. The Agency also partnered with Lusaka City Council (LCC) and featured on Millennium Radio and 5 FM Radio to discuss the topic 'Road Safety on Newly Constructed and Expanded Roads'.

A total number of 95 radio appearances were made in the year 2021 and 139 in 2020. The reduction in the number of radio appearances in 2021 was as a result of the adjustment of the radio schedule from the initial three (03) appearances per week in 2020 to two (02) in 2021 on Millennium Radio.

2.2.3.5.2 Road Safety Radio Dramas

The Agency facilitated for the airing of Road Safety Radio Dramas in various radio stations in the ten (10) provinces of the country. A number of radio stations were engaged to air the Road Safety Radio Dramas. 20 radio stations countrywide aired the Road safety dramas.

2.2.3.5.3 Television Advertisements

During the year under review, the Agency facilitated for the airing of Road Safety Television Advertisements on Zambia National Broadcasting Corporation TV1. The advertisements started airing from 20th April to 20th June, 2021. The advertisements were on the use of handheld mobile phone while driving, driving under the influence of alcohol, over speeding, non-use of the seatbelt and inappropriate overtaking.

2.2.3.5.4 Television Drama

During the year under review, the Agency procured for the production of a 13 series road safety television drama. The drama had various road safety themes which included child Safety, drink and drinking, over speeding and overloading. The production of the drama was finalised and is yet to be aired. The Agency has also engaged Zambezi Magic for the airing of the drama.

2.2.3.5.5 Print Media

During the year under review, the Agency procured for space in the Zambia Daily Mail for the placement of eleven road safety articles, once a week. The table 4 below indicates the articles that featured during the year under review. The same number of articles were featured in the Zambia Daily Mail in 2020.

Table 4: Articles that featured in print media

S/N	TOPIC	DATE
01	Importance of Defensive Driving	20/08/2021
02	Road Rage: Dos and Don'ts	25/08/2021
03	Why is Planning for a Trip Important?	01/09/2021
04	Who is Responsible for Children's Road Safety?	08/09/2021
05	Drink Driving and young Motorists	22/09/2021
06	Road user Distraction: Common cause of Traffic Crashes	29/09/2021
07	Night driving: Look out for pitfalls	06/10/2021
08	Why all road users must know the Zambian Highway Code	13/10/2021
09	Road Safety: A shared responsibility	20/10/2021
10	How Impatience can lead to road traffic crashes	27/10/2021
11	Passenger Safety	03/11/2021

2.2.3.5.6 Billboards

The Agency flighted nine (9) with various Road Safety messages along the Great North Road between Mkushi and Mpika through Media 4 Africa.

2.3 ENHANCING THE QUALITY OF ROAD INFRASTRUCTURE FOR SAFETY AND INCLUSIVENESS

In order to contribute to the attainment of safer and inclusive roads, the Road Transport and Safety Agency (RTSA), through the Road Safety Engineering Unit, carries out Road Safety Audits (RSAs) and Road Safety Inspections (RSIs) and makes recommendations for safety improvement for all road users.

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'. A Road Safety Audit identifies any road safety deficiencies in the design stage and recommends ways in which these can be overcome.

During the year under review, the Agency conducted 5 RSA's. The Agency also provided comments on 104 Zambia Environmental

Management Agency Environmental Impact Statement and Environmental Project Brief Reports, up from 47 in 2020.

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 undertook sixteen 16 RSIs.

2.3.3 International Road Assessment Programme (iRAP)

The International Road Assessment Programme (iRAP) is a registered charity dedicated to saving lives by eliminating high-risk roads throughout the world. Like many life-saving charities working in the public health arena, they use a robust, evidence-based approach to prevent unnecessary deaths and suffering.

iRAP works in partnership with governments, road authorities, mobility clubs, development banks, NGOs and research organisations to:

- Inspect high-risk roads and develop road safety Star Ratings, Risk Maps and Safer Roads Investment Plans
- Provide training, technology

and support that will build and sustain national, regional and local capability

- Track road safety performance so that funding agencies can assess the benefits of their investments.

As part of the implementation of the Global Plan for the Decade of Action 2021 to 2030, to attain at least three star roads, the Agency was in the process of procuring for the assessment of approximately 2,700 km of Trunk, Main and District Roads.

During the year under review, the Agency shortlisted three firms to conduct the assessment using the iRAP methodology. The firms submitted Technical and Financial Proposals in the fourth quarter of 2021. Programme implementation will be in 2022

2.3.4 Remedial Engineering Measures

During the year under review, the Agency engaged a contractor to assist Lusaka City Council (LCC) to paint the RTSA Ridgeway drivers' testing circuit using thermoplastic paints. LCC will undertake the works in quarter 1 of 2022. Steward Globe (AFRISEED) procured on behalf of the Agency 18 assorted road signs. The Road Development Agency installed them between Kabwe and Kapiri Mposhi. The Agency further facilitated the installation of 6. Pedestrian crossing warning signs on Lumumba Road during the United Nations Global Road Safety Week.

2.3.5 Smart Traffic Lights and Traffic Control System - Pilot

The Road Transport and Safety Agency (RTSA) working with Local Authorities (LAs) wishes to implement Urban Traffic Control Systems

within the country with the view to optimise traffic flow through signalized junctions and enable remote monitoring and control of the traffic lights. Over the years, a wide variety of traffic management systems have been developed for urban traffic control. Among them, computerised traffic signal control, also known as Urban Traffic Control (UTC), have become the norm for large towns and cities. In dense urban networks there are clear benefits from using computers (artificial Intelligence) to harmonise traffic control to balance demands and flow at different times of the day.

A tender for a project to design and build a pilot Smart Traffic Control System at Four (04) Road Junctions with Traffic Lights in Lusaka District in collaboration Lusaka City Council was floated and closed December 2021 and is due for Implementation in Q2-2022.

2.4 ENHANCING COMPLIANCE THROUGH REGISTRATION, EXAMINATION AND LICENSING

This section of the report considers the Enforcement activities that were undertaken in 2021. Traffic Law Enforcement is vital to promote road safety as the Traffic Laws without enforcement cannot achieve the intended objectives.

2.4.1 Number of Road Traffic Offences Recorded

An overall total of 54,566 traffic offences were recorded in the year 2021. All these offences were recorded from the daily station operations, highway operations and Smart enforcement using the mobile phone enforcement application. Table 5 and figure 4 below shows the operations offences recorded per quarter.

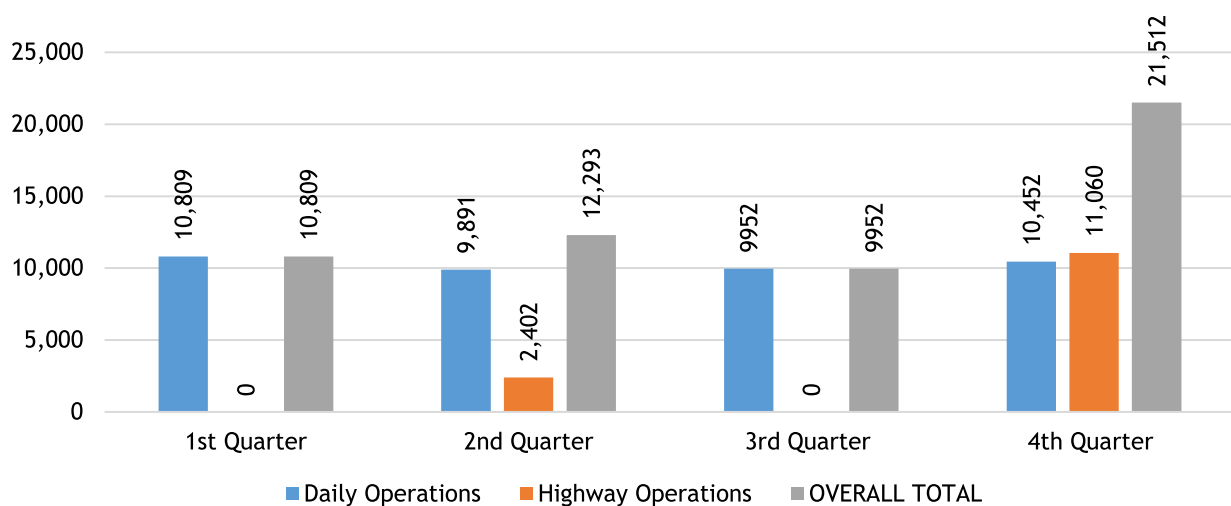


Figure 4: Number of Traffic Offences per quarter in 2021.

2.4.2 Ten Common Traffic Offences Recorded

The first ten highest recorded Traffic offences per quarter during the year 2021 are shown in table 5.

Enforcement Report

Table 5: Top Ten Highest Common Offences Of 2021

NO.	1st Quarter 2021	Statistics	2nd Quarter 2021	Statistics	3rd Quarter	Statistics	4th Quarter	Statistics
1	Expired Road Tax	1848	Expired Road Tax	1952	Expired Road Tax	1266	Dangerous driving	3274
2	Expired Test Certificate	1156	Exceeding Speed Limit	1437	Expire Test Certificate	986	Expired R/ Tax(Road License)	3114
3	Expired/ Uninsured MV	1074	Expire Test Certificate	1074	Plying for hire	946	Exceeding speed limit	2573
4	Plying for Hire	825	Plying for Hire	1039	Dangerous driving	883	Expired/ No Test Certificate	1922
5	Defective Tyres	592	Expired/ Uninsured M/V	937	Expired insurance	809	Expired/ Uninsured M/Vehicle	1433
6	Dangerous Driving	523	Dangerous Driving	552	Exceeding speed limit	779	Expired Certificate of Fitness	849
7	Expired certificate of fitness	557	Defective Tyres	522	Expired certificate of fitness	556	Plying for hire or reward	780
8	Unlicensed Driver	485	Expired certificate of fitness	431	Obstruction of roadway by MV	389	Expired Identity/ No identity	635
9	Expired Identity	405	Unlicenced Driver	402	Expired identity	317	Defective tyres	613

10	Obstruction of Roadway by MV	380	Carrying Unsecured Load	358	Unlicensed driver	308	Careless Driving	573
11	Other	3653	Other	3589	Other	2713	Others	5746
12	Total	11498		12293		9952		21512

Lusaka recorded the highest number of offences, then followed by Copperbelt province. The Top five offences of the year 2021 included Expired road tax, Dangerous driving, Expired test certificate, expired certificate of fitness and expired insurance.

said stretch. These operations started on 13th November 2021 to 11th December 2021 and were conducted in phases during these joint operations a total of 13,462 offences were recorded with ZMW 1,641,856 fines in revenue collected.

2.4.3 Joint Highway Patrols

The Agency had planned for 2 highway patrols and 4 special operations; one highway patrol was carried out in the second quarter and the other in the fourth quarter of 2021. The Highway Operation in the second quarter was conducted from 1st to 5th April 2021. The fourth quarter was conducted from 21st December 2021 to 3rd January 2022. Four special operations were conducted along Great North road from Ndola to Lusaka to reduce the number of accidents along the

2.4.4 Traffic fines Collected

In the year 2021, the enforcement unit collected ZMW 10,329,476.00 in fines and towing charges. Lusaka province collected the highest fines ZMW 4,381,299, followed by Copperbelt province with ZMW 1,128,955, and Eastern province collected the lowest with ZMW 180,675, as illustrated in the table 6. The Overall Total revenue collected in 2020 amounted to ZMW 10,091,254.00. Compared to 2020, there was an increase of 2.36% in revenue collection in the year 2021.

Table 6: Fines and Towing Charges Collected Per Quarter.

Name of Zone	1st quarter 2021(ZMW)	2nd Quarter 2021 (ZMW)	3rd Quarter 2021 (ZMW)	4th Quarter 2021(ZMW)	Yearly Total 2021 (ZMW)
Lusaka	915,015	1,044,490	973,854	1,447,940	4,381,299
Southern	220,717	241,823	190,290	126,458	779,288
Central	129,075	225,030	122,800	58,150	535,055
Copperbelt	458,930	138,075	148,800	383,150	1,128,955
Western	132,900	134,760	97,650	78,825	444,135
Eastern		97,875	66,975	15,825	180,675
Northern	91,860	96,660	54,525	39,770	282,815
Luapula	101,805	91,335	95,725	56,760	345,625
N/Western	67,195	84,900	45,150	41,963	239,208
Muchinga	105,450	61,900	61,550	86,365	315,265
TOTAL	2,222,947	2,216,848	1,857,319	2,335,206	8,632,320
Towing Charges	10,200	8,675	5,525	30,900	55,300
Highway Patrols		340,140	0	684,205	1,024,345
Special Operations				617,511	617,511
Quarterly TOTAL	2,233,147	2,565,663	1,862,844	3,667,822	10,329,476



Figure 5: Joint Highway Patrols

2.4.5 Tow Truck Operations

Tow truck operations were conducted around Lusaka, and the main highways. In the 1st Quarter of the year 2021, 13 motor vehicles were towed to safety, in the 2nd Quarter 17 motor vehicles were towed to safety, in the

third quarter 23 motor vehicles were towed to safety and in the 4th quarter 84. A total of 137 motor vehicles were towed to safety in the year 2021 generating a revenue amounting to ZMW 55,300.00. Recording an increase of 21 motor vehicles compared to the year 2020.



Figure 6: Toll Truck operations

Table 7 illustrates the number and status of the vehicles that were moved by the tow trucks to safety during the period under review.

STATUS OF MOTOR VEHICLE	HEAVY MOTOR VEHICLE	LIGHT MOTOR VEHICLE	TOTAL
Abandoned	0	0	0
Broken Down	80	14	94
Ran out of fuel	0	0	0
RTA	13	2	15
Any other	27	3	30
Total Vehicles	120	19	137
Total Amount Paid	30, 900	0000	55, 300

2.4.6 Intercity Bus Terminus Inspections

Daily Inspections are carried out on all Public Service Buses exiting Intercity Bus Terminus from 04:00hours to 17:00hours. This is done in order to verify Driver license class, and compliance, experience as well as ascertain road worthiness of the buses; to check validity of tokens and to educate drivers and passengers

on the Public Service Vehicles on road safety, in order to increase awareness on road safety issues.

A total number of 39,050 buses were inspected in the year 2021. Compared to 38,880 buses inspected in the year 2020, there was an increase of 170 buses inspected.



Figure 7: RTSA Road Traffic Inspector inspecting PSV Buses before departure

2.4.7 Blocked and Unblocked Motor Vehicles

A total of 7,769 motor vehicles and 41 Drivers licences were unblocked on the Electronic Zambia Transport Information System (E-ZamTIS) in the year 2021 generating ZMW3,945,290. In comparison to the year 2020, there was an increment of 2,860 motor vehicles unblocked in the year 2021.

A total of 7,158 motor vehicles and 92 drivers' licences were blocked for various traffic offences in the year 2021, compared with 5,571 in the year 2020. An increase of 1,587 motor vehicles blocked was recorded in the year 2021.

2.4.8 Fast Track Court

The fast track court in Lusaka attended to a total number of 7,701 Offences in the year 2021, as illustrated in table 8.

Table 8: Fast Track Court Cases per Quarter

Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Offences	2,059	1,731	1,541	2,370	7,701

2.4.9 Global Positioning System (GPS)

The Global Positioning System (GPS) installation on long distance PSV buses is a pre requisite for obtaining the certificate of fitness so that the vehicles can be monitored by the Agency. A total of 815 public service buses were on 48 GPS platforms in the year 2021. Among these a total of 920 offences were recorded. The highest being Dangerous driving with 526 offenders, 248 Exceeding speed limit with and lastly failure to install GPS with 9 offences recorded.

Great East Road (GER) route had the highest offence record in the year 2021 as illustrated in table 9. Among the operators power tools bus services had the highest offence record with 205 offences.

Table 9: Offences Recorded on GPS in 2021.

SN	NARRATION	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
1	Exceeding Speed Limit	98	55	33	62	248
2	Abrogating SI 51	71	29	21	9	130
3	Dangerous Driving	80	227	153	66	526
4	Failure to install GPS	-	-	7	2	9
5	Perpetual Offenders	24	36	20	11	91
6	Cautioned drivers	-	36	5	5	46
7	Total No. of Offences Recorded (blocked)	249	318	216	137	920
8	Operator most frequently charged	56	84	40	25	205
9	Total number of Buses on GPS 2021	636	689	794	815	815
10	No. of GPS Platforms monitored	-	40	42	48	48
11	Route with the highest number of infringements	GER:36	GER:54	-		GER

*GER - Great East Road

2.5 ENHANCING STAKEHOLDER COLLABORATION

2.5.1 Implement, Monitor and Evaluate Performance of the MOU on Road Safety

Successful implementation of road safety programmes requires RTSA to work with RDA, NRFA, sector ministries including local authorities, private and non-profit organizations and local communities to address issues of safety and transport system management.

The Agency did not hold any physical workshop to review the MoU on Road Safety due to lack of funding. However, the Agency held 2 No. Virtual meetings to discuss the finalization of the MoU work plans and to prepare an implementation plan for the Zambia Road Safety Corridor Initiative (ZRSCI).

2.5.2 Coordinating Road Safety Awareness with Other Stakeholders

2.5.2.1 Lusaka Apex Medical University

The Agency, through the Education and Publicity Unit, held a virtual meeting with Lusaka Apex Medical University on 10th February, 2021. The objective of the meeting was to discuss a possible collaboration between the RTSA and Lusaka Apex Medical University on matters pertaining to road safety such training of members of the community in post-crash care.

2.5.2.2 United Nations Development Programme (UNDP)

The Agency concluded the Concepts on improving Road Safety in Schools and a study determining Road Traffic Accident Hotspots. Letters of Agreement were signed between the Agency and the UNDP on 19th February, 2021

on the 'School Safety Programme' and the 'Mapping of traffic hotspots in Lusaka District'.

The Agency, with support from UNDP, procured road traffic wardens uniforms and traffic cones for the training of traffic wardens in selected schools under the 'School Safety Programme'.

The UNDP also provided financial support in the sum of \$10,000 towards the commemoration of the United Nations Global Road Safety Week (UNGRSW) which was commemorated from 17th to 23rd May, 2021.

2.5.2.3 Prudential Life Assurance Zambia Limited

During the year under review, the Safety Agency facilitated for the signing of a Memorandum of Understanding (MoU) between the Agency and Prudential Life Assurance Zambia on 25th March, 2021. Different activities were conducted in line with the signed MoU.

The Agency collaborated with Prudential Life Assurance and donated assistive devices to Zambia Agency for Persons with disabilities (ZAPD) on 7th December, 2021. The handover was held at ZAPD Headquarters in Lusaka. The Agency conducted road safety awareness at Pru Ride Cycling Challenge Event at State Lodge on 6th November, 2012. The team also conducted traffic management and promoted road safety compliance among the cyclists. Road Safety sensitisations were also done at Mtendere market and Hybrid Roundabout Tax Ranks on 10th December, 2021. The Agency facilitated for the airing of road safety adverts on radio stations by Prudential Life Assurance Zambia. During the year under review, Prudential Life Assurance also delivered the following IEC materials in order to carry out activities under the Safe Steps Project.

Table 10: List of materials handed over by Prudential Life Assurance Zambia

S/N	Description of Materials	Quantity
01	Brochures	3,000
02	Car Disc Stickers	1,000
03	T-shirts	1,500
04	Winter Jackets	113
05	Drinking Bottles	352
06	Key Holders	752
07	Card Holders	685
08	Reflective Vests	270
09	Bumper Stickers	9,000



Figure 8: RTSA Education Officer interacting with Road Users.

2.5.2.4 Rhodes Park School

The Agency was invited by Rhodes Park School to their Inter-House Cross Country event held from 31st March to 1st April, 2021. Officers from the Agency attended the two (02) day event and they conducted traffic management and a road safety presentation was made.

2.5.2.5 Zambia Road Safety Trust (ZRST)

The Agency collaborated with Zambia Road Safety Trust (ZRST) so as to advocate for the benefits of the use of Non-Motorized Transport (NMT) during the Car Free Day events. The events were held on the 18th April, 2021 and 23rd May, 2021 in the Central Business District (CBD) of Lusaka. The Agency supported and took part in both events.

2.5.2.6 Zambia Youth League

The Agency supported the Zambia Youth League

through the RTSA Western Provincial Office to conduct a debate on road safety on 17th April, 2021. The debate was held at Lewanika Nursing School, in Mongu. The motion that was debated was: - 'RTSA is doing much to sensitize motorists, cyclists and pedestrians'. The Agency provided the debaters and Judges with RTSA branded t-shirts and Highway Codes.

2.5.2.7 Commuter Rights Association of Zambia

The Agency held a joint passengers COVID-19 Pandemic compliance spot check with Commuter Rights Association of Zambia on 24th July, 2021 at 10 Miles Check Point. The purpose of the activity was to educate and sensitise passengers and drivers on the need to adhere to recommended health guidelines which are meant to prevent the further spread of the COVID-19. On that account, officers distributed 1,000 face masks, and 1,600 thematic brochures.

2.5.2.8 Ministry of General Education (MoGE)

The Agency held a meeting with Ministry of General Education (MoGE) on 26th July, 2021. The purpose of the meeting was to seek possible partnership in road safety education through the use of ZNBC TV4 and radio in order to promote the Safe Steps Campaign. The MoGE agreed that they would provide the media platform on Zambia Education Broadcasting Service and on Zambia National Broadcasting Corporation (ZNBC) TV 3.

2.5.2.9 National Institute of Public Administration (NIPA)

The Agency participated in the National Library Week Exhibition at the National Institute of Public Administration (NIPA). The learners that attended the exhibition from two (2) schools were sensitised on road safety. Sixty (60) learners were in attendance from Great North Road Academy and Libala Secondary School on 16th and 17th September, 2021 respectively. Various Information, Education and Communication (I.E.C) materials in form of brochures, highway codes, RTSA newsletters and Annual Reports were presented to the National Institute of Public Administration (NIPA) Librarian as well.

2.5.2.10 World Vision Zambia

The Agency conducted a training of drivers from World Vision Zambia from 20th September to 1st October, 2021 in Kasama. The training focused on defensive driving and general road safety. A total number of sixty (60) drivers from various World Vision Project areas such as Luapula, Central, North Western, Northern and Muchinga Provinces were trained.

2.5.2.11 Zambia Motor Sport Association (ZMSA)

The Agency collaborated with Zambia Motor Sport Association (ZMSA) during two Motor Rallies in Lusaka and Chingola. The Sarago Zambia International Motor Rally in Lusaka took place from 24th to 26th September, 2021

at different venues and the Chingola Nation Motor Rally held in Chingola was from 20th to 23rd November, 2021 hosted by Nchanga Motor Sport.

The Agency carried out road safety sensitisations through the use of the stage truck, one-on-one sensitisations, and set up information kiosks. Two (2) vehicles were also provided during the events.

2.5.2.12 Butterfly Entertainment Limited

The Agency participated in the Butterfly Entertainment Limited organised Kids Festival (Education Expo) at NASDEC on 2nd October, 2021. During the event, the Agency sensitized and educated the general public through the distribution of various road safety Information, Education and Communication (IEC) materials.

2.5.2.13 Lusaka National Museum

The Agency made road safety presentations at the Literacy Programme which was held on 29th October, 2021 and 12th November, 2021 at the Lusaka National Museum. Forty-five (45) learners were sensitised from Libala and Lotus Primary Schools on 29th October, 2021 and 12th November, 2021 respectively.

2.5.2.14 World Bank - Improved Rural Connectivity Project (IRCP)

The Safety Agency conducted road safety awareness campaigns under the Improved Rural Connectivity Project (IRCP) in Chibombo and Mkushi Districts from 1st to 10th November, 2021. The campaigns were funded by the World Bank under the Improved Rural Connectivity Project (IRCP).

The exercise was designed to educate the communities on road safety and proper road usage in order to prevent Road Traffic Crashes (RTCs). The campaigns were conducted in areas where the World Bank has rehabilitated feeder roads through the project. The target groups included school children and their guardians/parents, teachers, traditional leaders, religious

groups, marketers, Public Service Vehicle drivers, and the general members of the community. They were sensitised on road safety and the need to safeguard road furniture.

2.5.2.15 Church Mother Bodies

During the year under review, the Agency also collaborated with the three (03) church mother bodies in order to commemorate the World Day of Remembrance for Road Traffic Victims on 21st November, 2021 countrywide. The three (03) church mother bodies are Council of Churches in Zambia (CCZ), Evangelical Fellowship of Zambia (EFZ) and Zambia Conference for Catholic Bishops (ZCCB).

2.5.2.16 Zambian Breweries PLC, Drug Enforcement Commission (DEC), and Lusaka City Council (LCC)

The Agency participated in joint festive season sensitisations initiated by Zambian Breweries PLC. The sensitisations were conducted in collaboration with Drug Enforcement Commission (DEC) and Lusaka City Council (LCC). The Agency facilitated for its staff and stakeholders to feature on media platforms to sensitise the public. The sensitisations were conducted on Hone FM and Millennium Radio on 3rd December, 2021, Diamond TV on 4th December, 2021 and 5 FM Radio on 15th December, 2021 .

2.5.2.17 World Bicycle Relief

The Agency conducted road safety awareness during the World Bicycle Relief (WBR) bicycle distribution programme in Mumbwa District from 8th to 14th December, 2021. This was part of activities stated in the Memorandum of Understanding (MoU) signed by the Agency and the World Bicycle Relief. The exercise was designed to sensitise learners, parents/guardians, teachers, and other community members on cyclist safety and road safety in general in order to prevent Road Traffic Crashes (RTCs). Additionally, the Agency handed out IEC materials such as highway codes, thematic brochures, branded t-shirts, key holders and pens. The sensitisation was conducted in five (05) schools as tabulated in the table 11.

2.5.2.18 NTU International - Nakonde Road Rehabilitation Project (North-South Corridor) - T2

The Agency had a virtual meeting with NTU International, Road Development Agency (RDA) and the Ministry of General Education (MoGE) on 21st December, 2021. The objective of the meeting was to conclude on the way forward on the development of the Teacher and Student Manuals and the Road Safety events on Chinsali-Nakonde Road Corridor.

Table 11: List of schools sensitised

S/N	Name of School	No. of Teachers	No. of Learners	No. of Parents
01	Chikanda Primary School	12	500	150
02.	Nakanjoli Primary School	8	580	200
03.	Chipa Primary School	7	546	150
04.	Mobe Secondary School	4	101	134
05.	Nalusanga Primary/ Secondary School	6	210	222
	Totals	37	1,937	856
	Total reached out	2,830		



Road Transport Department

3.0 ROAD TRANSPORT DEPARTMENT

3.1 IMPROVING ROAD TRANSPORT AND SAFETY

3.1.1 Demonstrating leadership role in transport system and safety management

- a. Statutory Instrument No. 50 of 2020 The Road Traffic (Driving Licence) Regulations, Statutory Instrument No.50 of 2020, was amended under the Road Traffic Act No. 11 of 2002. The enactment of this piece of legislation provides for increase in validity of Public Service Vehicle (PSV) Drivers licence from one (1) year to three (3) years.

This is being implemented during renewal and endorsement of the Professional Driving Permits (PrDP).

- b. Registration and Licensing regulation
The registration and licensing

regulation was reviewed and is yet to be promulgated under the Road Traffic Act No. 11 of 2002.

3.1.2 Making Zambia a transport hub

A survey to review time taken to traverse between entry and exit border posts and measures to remove delays was conducted. A draft paper was developed on the Agency role in making Zambia a regional transport hub.

3.1.3 Enhancing compliance through registration, examination and licensing

3.1.3.1 Examinations

The following transactions were recorded under examinations of motor vehicles, trailers and drivers. The table below shows the number of transactions recorded on the Electronic Zambia Transport Information System (E-Zam-TIS) and in the manual registers.

Table 12 shows number of transactions for the period under review

S/n	Type of transactions	Number of transactions	Revenue (ZMW)	Percentage (%)
1	Roadworthiness (Test Certificates)	271,508	12,760,876.00	41.633
2	Physical Inspections	142,477	6,696,419.00	21.847
3	Driver practical test	99,306	7,745,868.00	15.227
4	Driver theory test	96,809		14.845
5	Roadworthiness (Certificate of fitness)	40,009	1,889,423.00	6.135
6	Road Traffic Crash (RTC) examinations	1,901		0.291
7	Mobile examinations	96	3,306,244.00	0.015
8	Instructor competency test	46	7,728.00	0.007
Total		652,152	32,406,558.00	100

The total number of transactions conducted for the period under review were 652,152 against a target of 570,000 and revenue collected amounted to ZMW 32,406,558.00. The highest number of transactions recorded was that of roadworthiness (test certificates) at 271,508 (41.6%), followed by physical inspections at 142,477 (21.8%), Driver practical test at 99,306 (15.23%), Driver theory test at 96,809 (14.8%), roadworthiness (Certificate of fitness) at 40,009 (6.14%) and Road Traffic Crash (RTC) examinations at 1,901 (0.29%). The lowest number was that of mobile examinations and instructor competency test at 96 (0.02%) and 46 (0.01%) respectively.

There was a marginal increase in transactions by 38,521 (6.3%) compared to the previous year which had 613,631. The increase was attributed to the moderately increased economic activities.

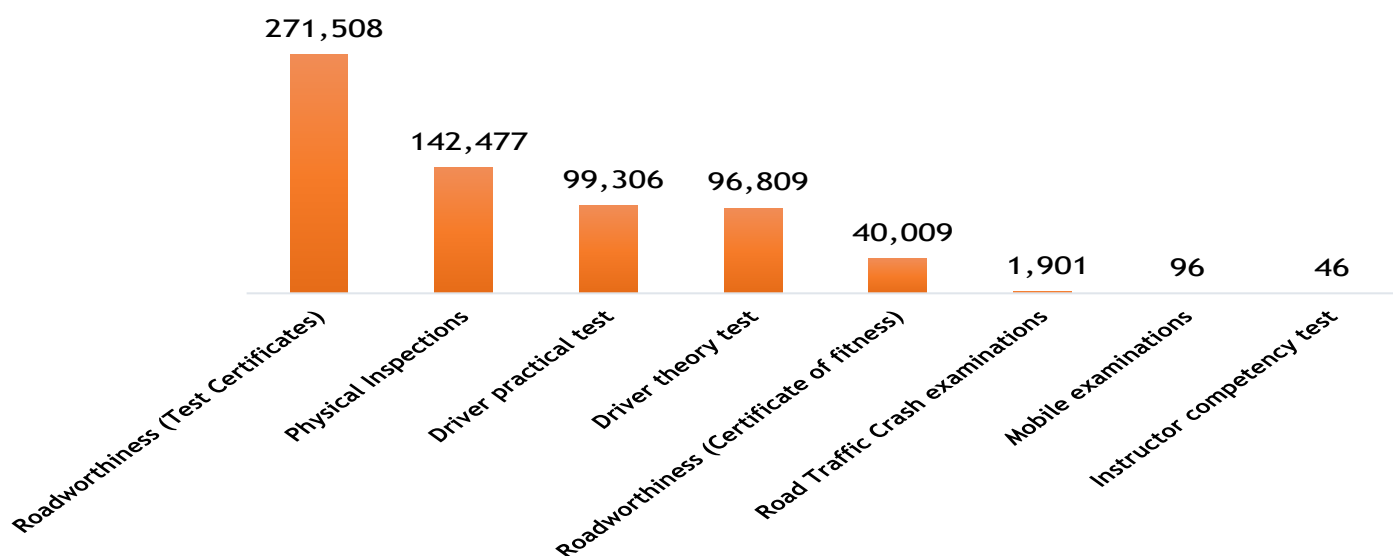


Figure 9: Comparative distribution of transactions for the period under review.

3.1.3.1.1 Driver examinations

This examination is conducted on applicants wishing to drive motor vehicles on a public road. The examination is conducted in two-fold, theory and practical.

a. Theory driver test

Theory driver test is conducted to ascertain an applicants' driving knowledge. For theory test, figure 10 below shows number of applicants who were tested, passed and failed the test.

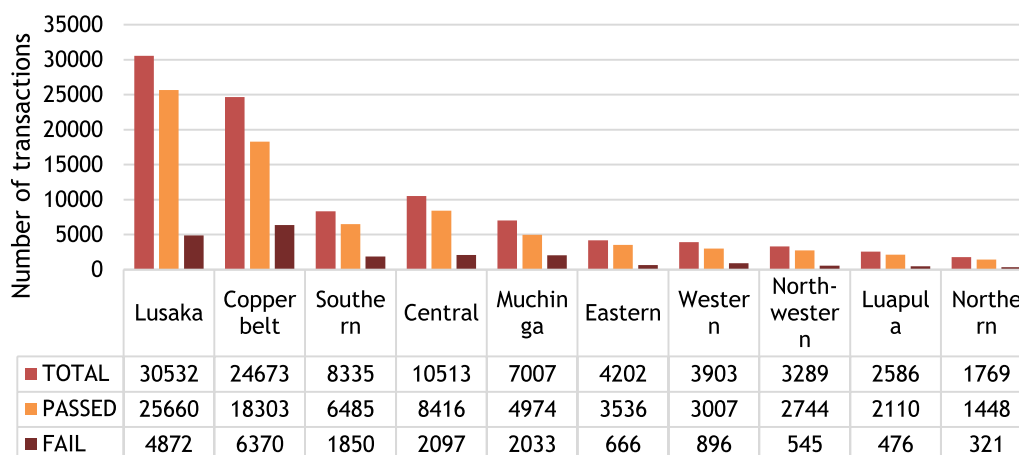


Figure 10: shows the distribution of applicants tested, passed and failed.

During the period under review, a total of 96,809 learner drivers were examined, against a target of 80,000, in any preferred class and category and 76,683 candidates were issued with provisional drivers' licenses whilst 20,126 were unsuccessful.

The overall pass rate was 79.2 % compared to previous year of 82.5 % and 75.7 % in 2019.

During the period under review, there was a marginal increase in the number of candidates who were examined for provisional driver licenses from 95,635 to 96,809 (1.2%) compared to the year 2020.

A regional performance analysis shows that Lusaka Province had the highest number of candidates accounting for 32 %, followed by Copperbelt Province with 25.5% and the least was Northern Province with 1.82%.

b. Practical Driving Test

Practical driving test is conducted to ascertain applicants driving skill and competences. The applicants were subjected to docking or barrel and country drive test. Figure 11 below shows number of applicants, in respective Provinces, who had practical driving test and so was their outcome.

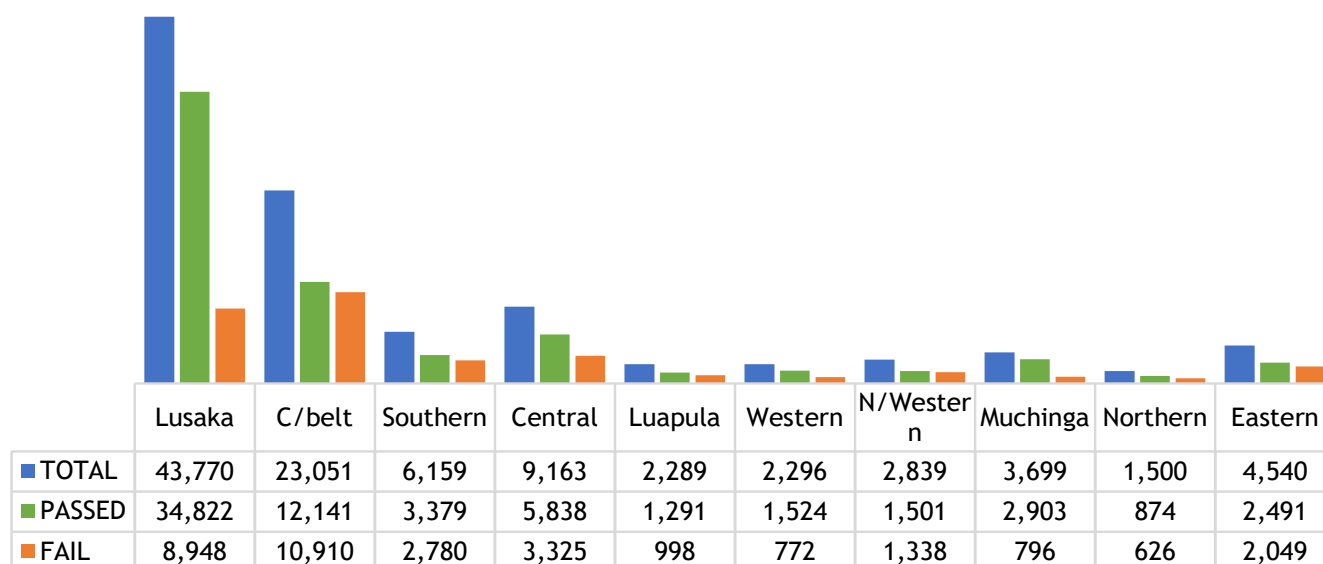


Figure 11: shows the distribution of applicants tested, passed and failed.

During the period under review, a total of 99,306 learner drivers, in any preferred class and category, were tested across the country against a target of 110,000 and 66,764 candidates were issued with drivers' licenses whilst 32,524 failed. Comparatively, in 2020, 119,628 learner drivers were tested, 78,636 passed while 40,992 failed. The total number of learner drivers tested decreased from 119,628 to 99,306 representing a decrease of 20.5% as compared to 2020. The decrease in the number of candidates was attributed the negative impact of the pandemic on the economy.

Lusaka Province recorded the highest number of applicants with 44.1% and followed by Copperbelt Province with 23.2%. The least was Northern Province which accounted for 1.5%.

For the period under review, the pass rate stood at 67.2% compared to 65.7% in 2020 and 50.8% in 2019. The increase in pass rate is attributed to the implementation of driver mentorship programme countrywide.

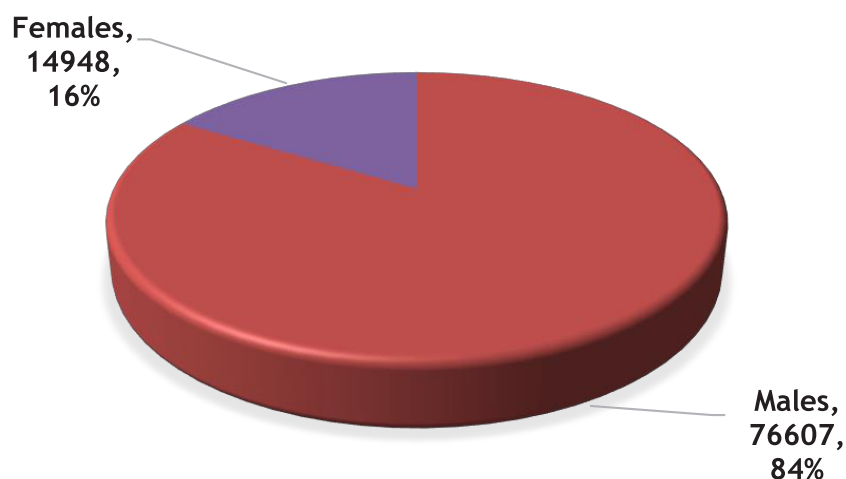


Figure 12: Driver mentorship enrollment by gender

c. Driver Mentorship

The driver mentorship programme was implemented successfully countrywide. Figure 12 shows the number of candidates who passed through the driver mentorship sessions.

Further, the Assistant Managers and Examiners were equally trained and equipped with teaching methodology skills in order to foster and enhance the effective delivery of the driver mentorship programme.



During the period under review, the total number of enrolled candidates was 91,555 compared to 49,621 candidates enrolled in the previous year. There was an increase in the number of candidates enrolled by 41,934 representing 84.5%. With regards to gender, the national enrollment rate for male candidates accounted for 84% while female candidates accounted for 16%.

2.1. 3.1.2 Examination of motor vehicles and trailers (Roadworthiness test)

The examination was conducted in order to ensure that all vehicles that were driven on

public roads were roadworthy and to deter the use of unsafe vehicles which compromise road safety.

Two types of tests were conducted namely private (Test Certificate) and Public Service Vehicles (Certification of fitness).

a. Private vehicle examinations

Figure 13 shows the number of transactions for roadworthiness examinations conducted on private vehicles for issuance of Test Certificates.

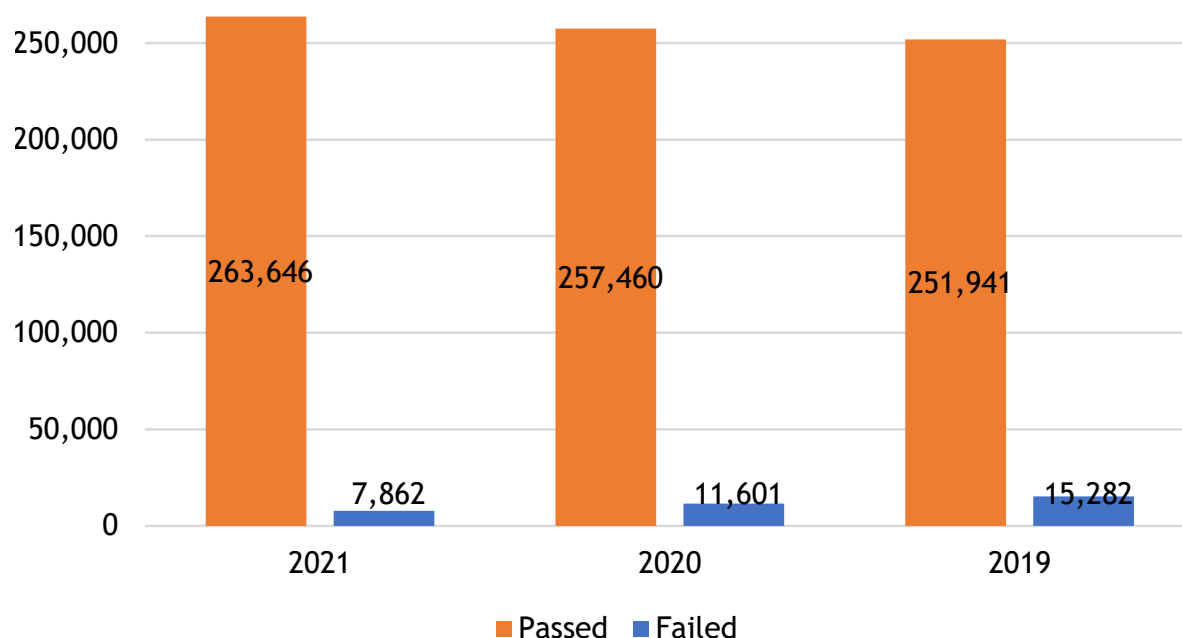


Figure 13: shows the number of transactions for roadworthiness examinations (Test Certificates)

During the period under review, a total number of 271,508 motor vehicles and trailers were examined for roadworthiness for the issuance of test certificates, against a target of 265,000, of which 269,061 passed while 7,862 failed. Comparatively, 269,081 motor vehicles were examined and 257,460 passed while 11,601 failed in 2020 whereas 267,223 were examined in the 2019 of which 251,941 passed and 15,282 failed.

There was a minimal increase in the number of motor vehicles examined for roadworthiness from 269,081 to 271,508 by 0.9% compared to 2020.

Lusaka Province recorded the highest number of vehicles subjected to roadworthiness examination with 134,698 (49.61%), followed by Copperbelt Province with 68,003 (25%) and Western Province had the lowest with 3,299 (1.38%).

b. Public Service Vehicle (PSV) examinations

Figure 14 shows the number of transactions for roadworthiness examinations conducted on Public Service Vehicles (PSV) for issuance of Certificate of Fitness (CoF).

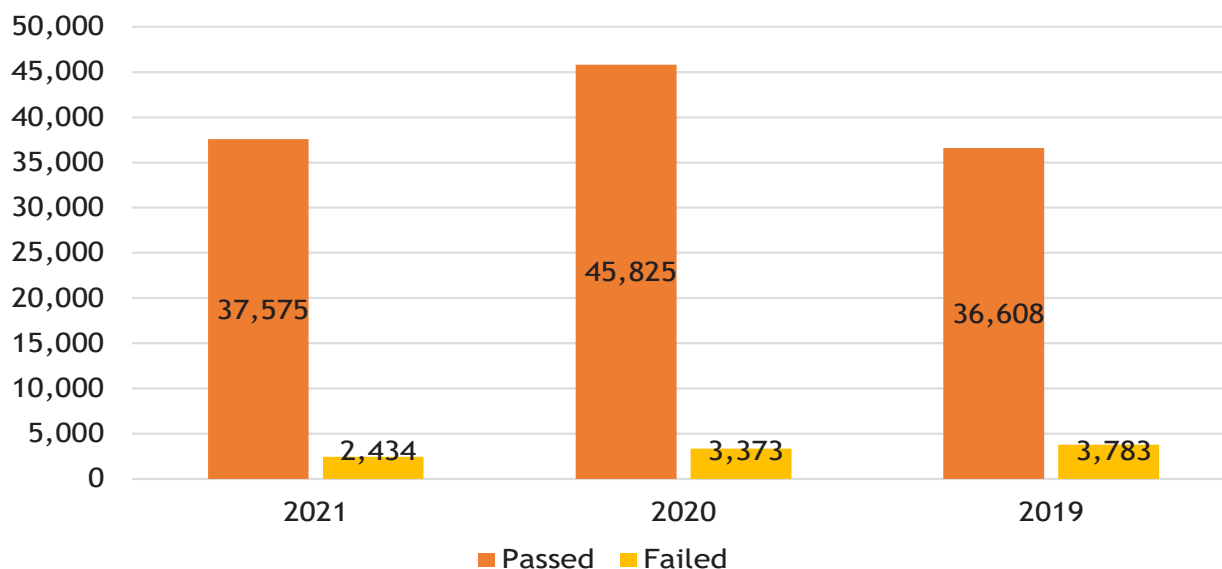


Figure 14: shows the number of transactions for roadworthiness examinations (Certificate of Fitness)

During the period under review, a total of 40,009 Public Service Vehicles (PSV) were examined for issuance of Certificate of Fitness, against a target of 40,000, of which 37,575 passed while 2,434 failed. Comparatively, in 2020, 49,198 Public Service Vehicles were examined and 45,825 passed while 3,373 failed and 40,391 Public Service Vehicles were examined, 36,608 passed while 3,783 failed in 2019.

The decrease in number of vehicles tested by 9,189 (23%) was attributed to decreased traffic law enforcement.

Copperbelt Province had the highest number of Public Service Vehicles (PSV) subjected to road-

worthiness examination with 17,432 (43.6%), followed by Lusaka Province with 14,200 (35.5%) and Muchinga Province had the lowest with 430 (1.1%).

3.1.3.1.3 Motor vehicle physical examinations

During the period under review, a total number of 142,477 motor vehicles were physically inspected for various registration purposes compared to 81,881 and 73,781 in 2020 and 2019 respectively. Seventy five percent (75%) of the physical inspections were for new registration and change of ownership transactions.

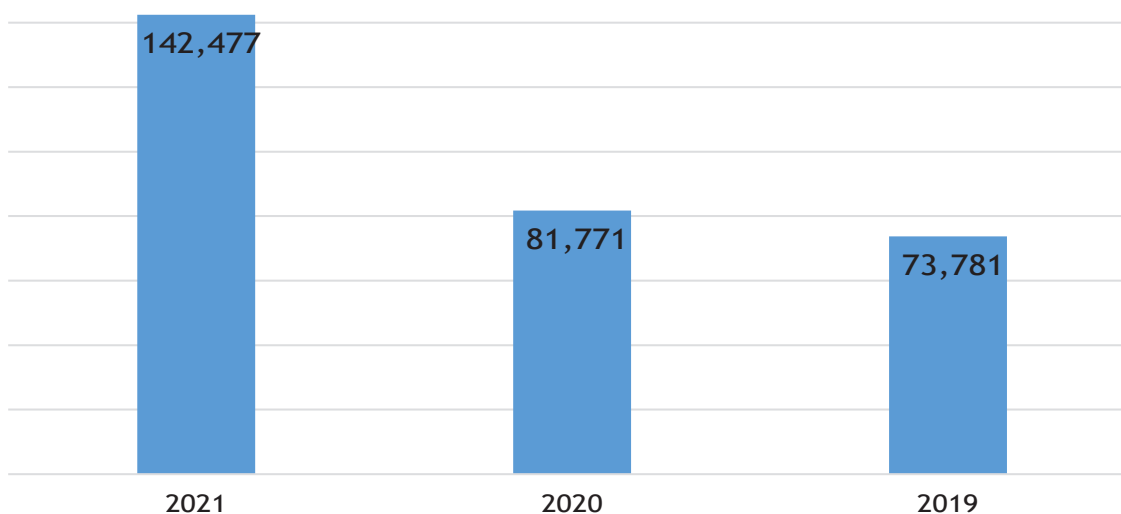


Figure 15: Shows comparative statistics for physical inspection

Lusaka Province accounted for 102,520 (71.9%), followed by Copperbelt with 28,112 (19.7%), due to many Motor dealers and Franchise holders, and the lowest was Western Province with 465 (0.33%).

2.1.3.1.4 Mechanised motor vehicle inspection

During the period under review a total of 886 vehicles were examined using the mechanised motor vehicle equipment. 771 motor vehicles passed while 116 failed.

Further, during the period under review, the Agency constructed a motor vehicle examination shelter at the Mimosa Station.



Figure 16: Showing a motor vehicle being examined using the mechanised equipment at RTSA Mimosa Station.



Figure 17: showing the motor vehicle examination shelter at Mimosa Station

3.1.3.1.5 Road Traffic Crash examinations

During the period under review, 1,901 motor vehicles involved in Road Traffic Crashes (RTC) were examined of which 793 were fatal, 684 serious injuries, 205 slight injuries and 219 were damages only.

Comparatively, 1,563 motor vehicles were examined in 2020 of which 601 were fatal, 486 serious injuries, 299 slight injuries and 177 damages only. There was an increase in RTC examinations by 332 compared to the previous year.

3.1.3.1.6 Instructor competency test

This test is conducted on applicants wishing to obtain an instructors' license and for the

period under review, Forty-Six (46) Instructors, against a target of Thirty (30), were tested for competency and issued with Instructor's Licences compared to Fifty-one (51) issued in 2020.

3.1.3.2 Registration

During the period under review, 146,366 registration transactions, against a target of 125,000, were conducted and ZMW 50,658,365.00 revenue was collected compared to 103,986 in 2020 and 124,802 in 2019. Table 13 shows registration transactions as recorded on the Electronic Zambia Transport Information System (E-ZamTIS).

Table 13: shows registration transactions for the period under review.

S/n	Type of transaction	1st Quarter 2021	2nd Quarter 2021	3rd Quarter 2021	4th Quarter 2021	Total annual	Revenue (ZMW)	Percentage (%)
1	Imports	11,427	14,962	16,425	21,442	64,256	31,035,648.00	43.9
2	First registration	8,983	10,183	11,463	14,648	45,277	0	30.9
3	Change of ownership	7,186	7,570	7,753	7,886	30,395	13,191,430.00	20.76
4	Add and amend of title holder	1,262	1,053	1,253	1,306	4,874	2,115,316.00	3.3
5	De-registration	81	130	90	98	399	86,583.00	0.27
6	Vanity registration	80	89	106	101	376	3,214,800.00	0.26
7	Assignment of registration mark currently in use or not in use	73	87	91	79	330	715,110.00	0.23
8	Re-Allocation	47	69	47	91	254	55,118.00	0.17
9	Re-registration	39	43	40	27	149	177,608	0.10
10	Conversions	7	19	21	9	56	66,752	0.04
Total 2021		29,185	34,205	37,289	45,687	146,366	50,658,365.00	100%
Total 2020		27,027	21,027	27,219	28,505	103,986	35,599,390.00	100%

During the period under review, the highest number of transactions recorded were vehicle imports at 64,256 (43.9%), followed by first registration which accounted for 45,277 (30.9%), change of vehicle ownership with 30,395 (20.76%), addition and amendment of absolute owner with 4,874 (3.3%), de-registration with 399 (0.27%), vanity with 376 (0.26%), assignment of registration mark currently in use or not in use with 330 (0.23%), re-allocation/retention with 254 (0.17%), re-registration with 149 (0.10%) and conversion with 56 (0.04%).

There was a significant increase by 42,380 (40.7%) in transactions compared to 2020 due to relaxed conditions in the global supply chain as a result of the Corona Virus Disease (COVID-19).

Specific performance of routine functions under registration during the period under review is as follows:

3.3.2.1 Imports

The Agency determines the number of imports using the Motor Vehicle Fund (MVF) paid through the Zambia Revenue Authority (ZRA). During the period under review, 64,256 motor vehicles were imported in comparison to 40,869 imported in 2020 and 53,194 in 2019.

During the period under review, there was a significant increase in the number of imports by 23,387 (57%) compared to 2020.

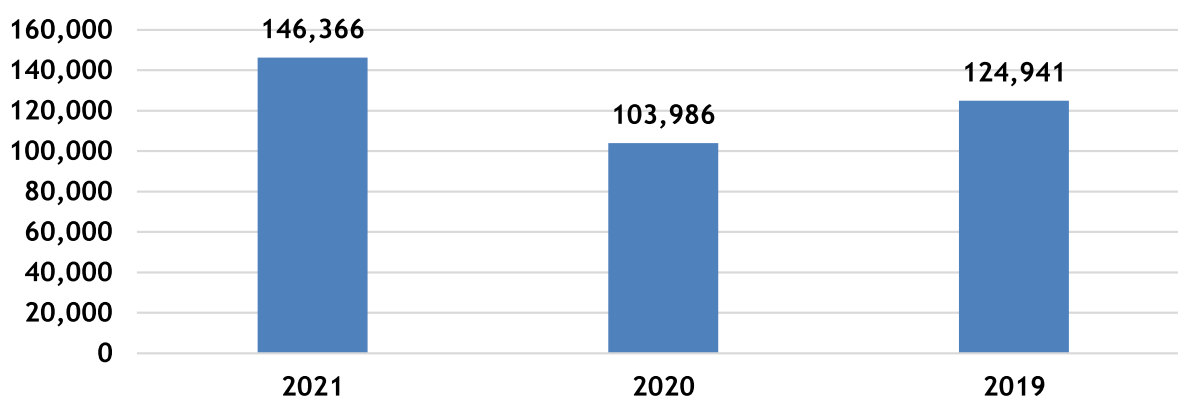


Figure 18: Shows comparative number of transactions for the period under review

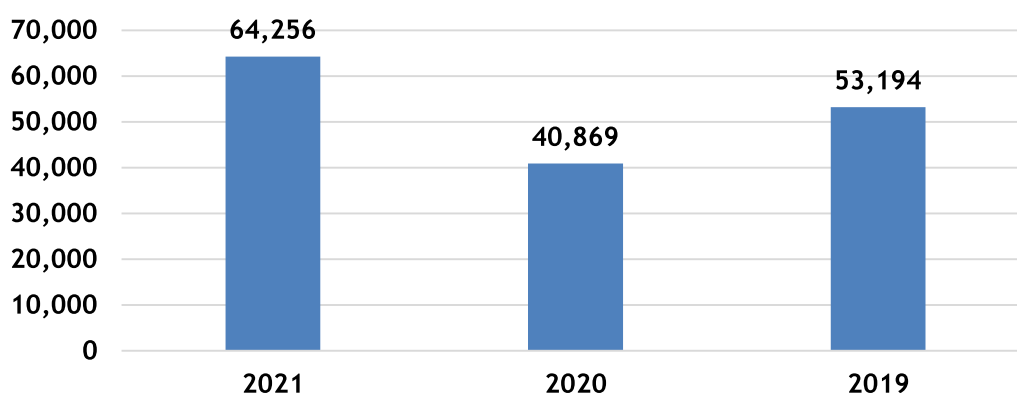


Figure 19: Shows comparative vehicle imports for the period under review

Nakonde border recorded the highest number of motor vehicle and trailer importations. Due to the foregoing, most of the vehicles were imported into the country using the Port of Dar-Es-Salaam, Tanzania.

3.1.3.2.2 First registration

A total of 45,277 motor vehicles and trailers, against a target of 41,000, were registered in the period under review as compared to 31,027 motor vehicles and trailers registered in 2020 on the Electronic Zambian Transport Information System (E-ZamTIS). Figure 20 shows comparative number of first registration transactions.

There was an increase by 14,250 (45.9%) in the number of motor vehicles and trailers registered compared to 2020 due to relaxed conditions in the global supply chain as a result of the Corona Virus Disease (COVID-19).

From a total of 64,256 vehicles that were imported, 45,277 were registered while 18,979 remained unregistered. The difference between imported and registered vehicles is due to the lead-time that franchise holders and motor vehicle dealers keep their motor vehicles before effecting any sale.

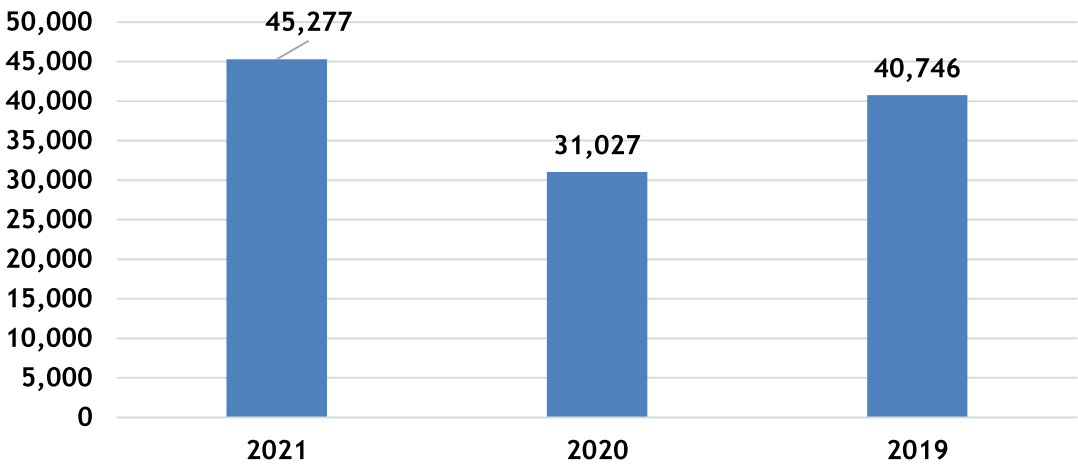


Figure 20: Shows comparative number of first registration transactions.

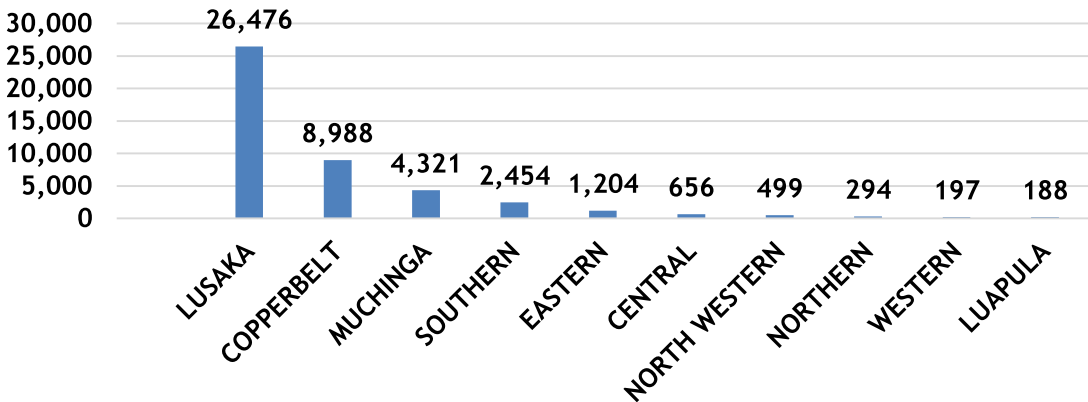


Figure 21: Shows comparative number of first registration for the period under review.

Regarding performance by region, Lusaka Province recorded the highest number of first registration transactions with 26,476, followed by Copperbelt Province with 8,988 while Western and Luapula Provinces had the lowest number of transactions with 197 and 188 respectively.

3.1.3.2.3 Change of vehicle ownership

A total of 30,395 change of vehicle ownership transactions, against a target of 27,000, were conducted during the period under review in comparison to 27,247 recorded in 2020. The significant increase by 3,148 (11.5%) can be attributed to people's preference in buying from the Local Market and increased publicity on the need to change vehicle ownership.

3.1.3.2.4 Add title holder and amend or remove absolute owner

A total of 4,874 transactions, against a target of 3,800, were conducted in the period under review compared to 3,416 recorded in 2020. There was a significant increase by 1,458 (42.7%) in use of motor vehicles as collateral in accessing loan facilities from financial institutions.

3.1.3.2.5 Vanity or personalised registration

A total of 375 vanity or personalized registration transactions, against a target of 200, were recorded during the period under review compared to 224 in 2020. A significant increase by 151 (67%) was due to the increase of people with disposable income as they preferred to have their vehicles bear personalized marks to show their status in society.

3.1.3.2.6 Re-allocation registration

A total of 254 registration marks and numbers, against a target of 250, were re-allocated during the period under review compared to 442 in 2020. This was mostly due to the fact that vehicles with diplomatic and personalised marks reverted to ordinary marks after being sold.

3.1.3.2.7 Re-registration

During the period under review, 149 motor vehicles, against a target of 120, were re-registered compared to 126 recorded in the 2020. This was mostly done on vehicles which had the same mark for more than Ten (10) years or re-imported.

3.1.3.2.8 De-registration

A total of 399 motor vehicles, against a target of 300, were de-registered in the period under review compared to 290 in 2020. Most of the motor vehicles were de-registered as scrap or exports by owners after having completed their contractual obligations in Zambia as expatriates or diplomats.

3.1.3.2.9 Assignment of registration mark currently in use or not in use

During the period under review, 330 motor vehicles, against a target of 200, were registered under this transaction compared to 314 in 2020. The marginal increase in the number of this transaction entails that more people had special preferences of registration mark and numbers in 2021 than 2020.

3.1.3.2.10 Conversion registration

During the period under review, 56 motor vehicles, against a target of 50, were registered under conversion registration compared to 31 in 2020. The increase in the number of conversion transactions entails that most white-books were converted into registration certificates.

3.1.3.2.11 Cumulative vehicle population

A total of 45,277 motor vehicles and trailers were registered in the period under review and the cumulative vehicle population stood at 899,186 compared to 853,909 in 2020 after having registered 31,027.

Table 14: Shows cumulative vehicle population.

Quarter	1st Quarter 2021	2nd Quarter 2021	3rd Quarter 2021	4th Quarter 2021
Registered Vehicles	8,983	10,183	11,463	14,648
Cumulative vehicle population	862,892	873,075	884,538	899,186

3.1.3.3 Licensing

During the period under review, a total of 1,157,930 licensing transactions were conducted against a target of 900,000 and ZMW 286,736,304.00 revenue was collected compared to 1,099,059 transactions in 2020 and 860,953 in 2019. The highest number

of transactions carried out were road tax at 49.84%, followed by Driving Licenses Printed at 13.87%, while provisional drivers' licenses stood at 10.04%. Motor Dealers' Vehicle Licence (MDVL) transactions were the least with 129 (0.01%).

Table 15 shows various licensing transactions conducted during the period under review.

S/n	Type of transactions	1st Qtr. 2021	2nd Qtr. 2021	3rd Qtr. 2021	4th Qtr. 2021	Annual Total	Revenue (ZMW)	Percentage (%)
1	Road Tax	108,104	122,617	120,061	153,484	504,266	165,087,273.00	43.55
2	Driving Licenses Printed	38,619	53,262	50,478	38,381	180,740	234,962.00	15.61
3	Provisional Driving License	30,343	33,864	34,889	31,721	130,827	13,291,112.00	11.30
4	Road Service Licenses	26,611	30,650	34,988	35,142	127,391	56,120,005.00	11.00
5	New Driving License	21,035	26,466	25,885	22,752	96,138	13,987,677.00	8.30
6	Driving License Renewal	19,080	13,299	17,718	17,274	67,371	18,521,249.00	5.82
7	PSV Driving License Renewal	7,618	8,207	12,247	6,070	34,142	6,170,080.00	2.95
8	Cross Border Permits	4,344	3,125	2,919	3,552	13,940	12,878,418.00	1.20
9	International Driving Permits	2,071	185	464	266	2,986	231,003.00	0.26
10	Motor Dealers' Vehicle License	59	14	14	42	129	214,525.00	0.01
Total		330,364	324,706	316,473	331,609	1,157,930	121,649,031.00	100.00

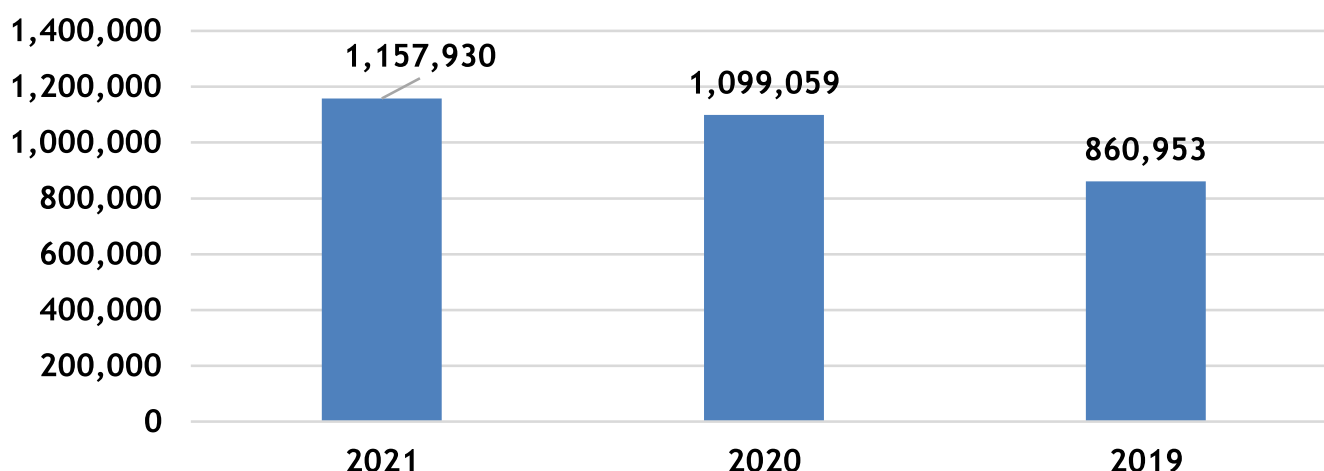


Figure 22: Shows comparative licensing transactions for the period under review

The increase in the number of licensing transactions can be attributed to among other factors, the amendment of SI 50 of 2020, which increased the validity of Public Service Vehicle (PSV) Driving License to three (3) years attracted a lot of drivers to renew and upgrade, the continuous availability of consumables required for printing of driving licenses and payment of road tax using the online platform.

Specific performance of routine functions under Licensing during the period under review is as follows:

3.1.3.3.1 Issuance of Driver's Licenses

The Agency printed a total of 180,740 driving licenses in the period under review compared to 224,457 driving licenses printed in 2020 and 227,208 in 2019. The downward trend in the printing of driving licenses has continued in the period under review due to stability in demand for the service coupled with constant availability of printing accessories like Ribbons and Laminates. This state of affairs is expected to continue in the coming periods as everything is in place. Figure 23 reflects a summary of drivers' license cards produced.

3.1.3.3.2 Issuance of International Driving Permits

International Driving Permit (IDP) is a permit issued for use outside Zambia to a person who satisfies qualification criteria. Qualification criteria is embedded in Regulation 4 of the Roads and Road Traffic (International Circulation) which provides for applicants who are competent to drive motor vehicles of the classes or descriptions for which permit is to be issued.

During the period under review, the Agency processed and issued 2,986 IDPs as compared to 716 and 1,571 issued in 2020 and 2019 respectively. Thus, the Agency recorded an increase in demand for IDPs in this period largely due to increase in demand for the service by Zambians resident in foreign countries.

3.1.3.3.3 Road Tax

During the period under review, the Agency conducted 504,266 road tax transactions against a cumulative vehicle population of 899,186 representing 56.1% of licensed vehicles compared to 458,989 and 287,088 in 2020 and 2019 respectively. Figure 24 Shows road tax compliance during the year 2021 in comparison with 2020 and 2019.

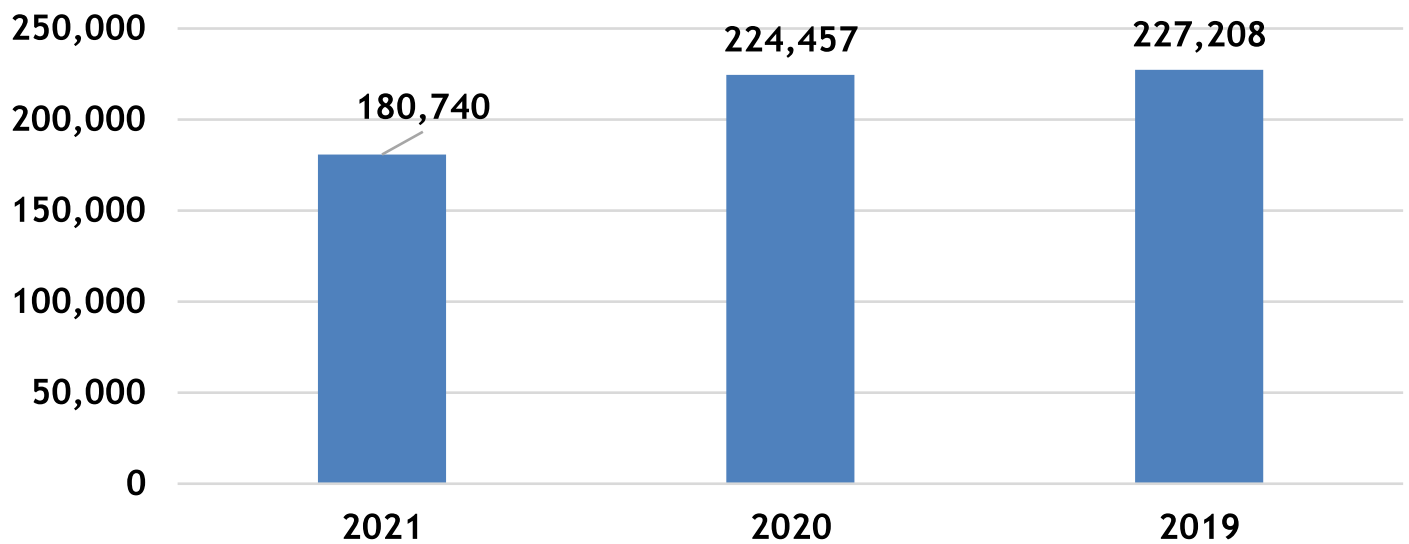


Figure 23: shows annual comparative card production transactions during the period under review.

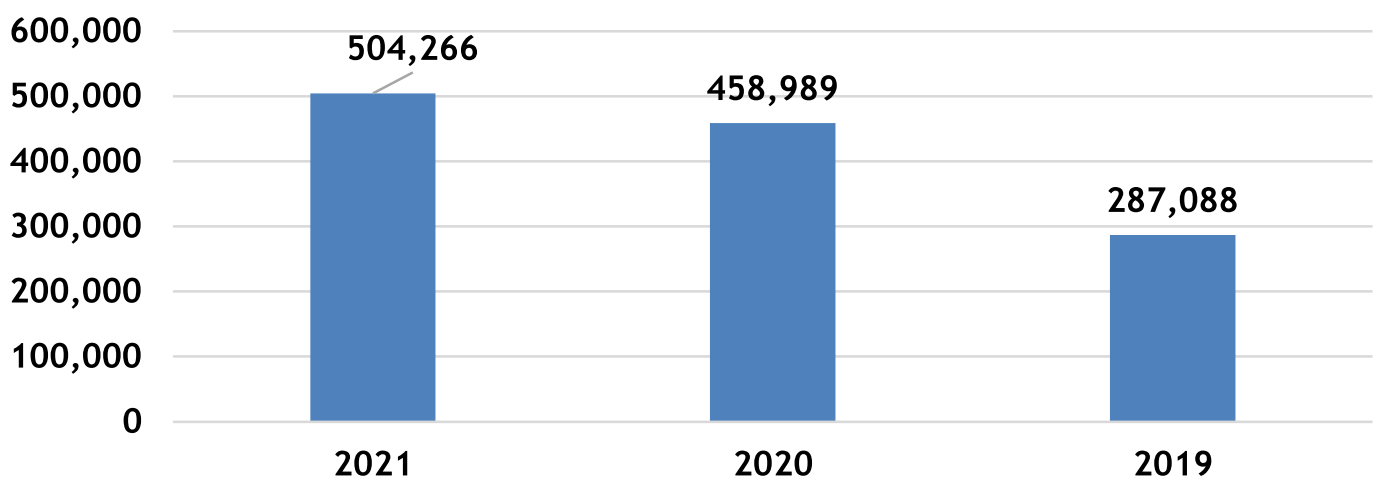


Figure 24: Shows comparative road tax transactions.

3.1.3.3.4 Road Service Licenses

During the period under review, a total of 127,391 Road Service License (RSLs), against a target of 108,000, were issued compared to 102,443 and 107,697 which were issued in 2020 and 2019 respectively.

(LT-RSL) applicants were approved for 2022 fiscal year. There was a significant increase by 249 (6.3%) compared to the last reporting period due to streamlined conditions for award of RSLs.

Further, 4,154 Long Term Road Service Licenses

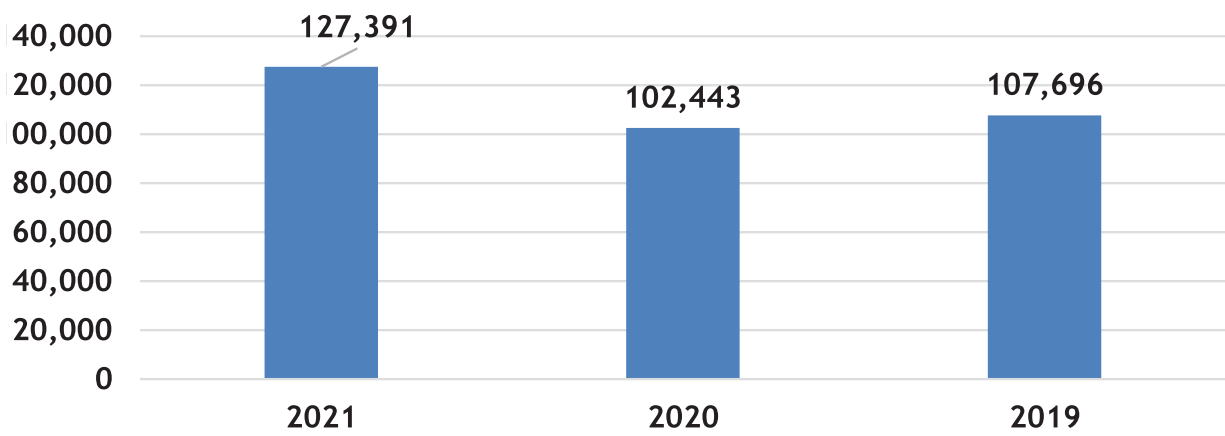


Figure 25: Shows comparative Road Service Licenses transactions

3.1.3.3.5 Cross Border Permits

During the period under review, the Agency issued a total of 13,940 Cross Border Permits (CBPs) to transport operators doing business in countries that have signed Bilateral Road Transport Agreements (BRTAs) with Zambia and recognise and implement a single permit system compared to 10,661 and 10,002 issued

in 2020 and 2019 respectively. Figure 26 shows the number of CBPs issued during the year 2021 in comparison to 2020 and 2019. South Africa continued to dominate on Cross Border Permits in the last two quarters of the period under review compared to Mozambique largely due to reduction of fuel imports through the Port of Beira.

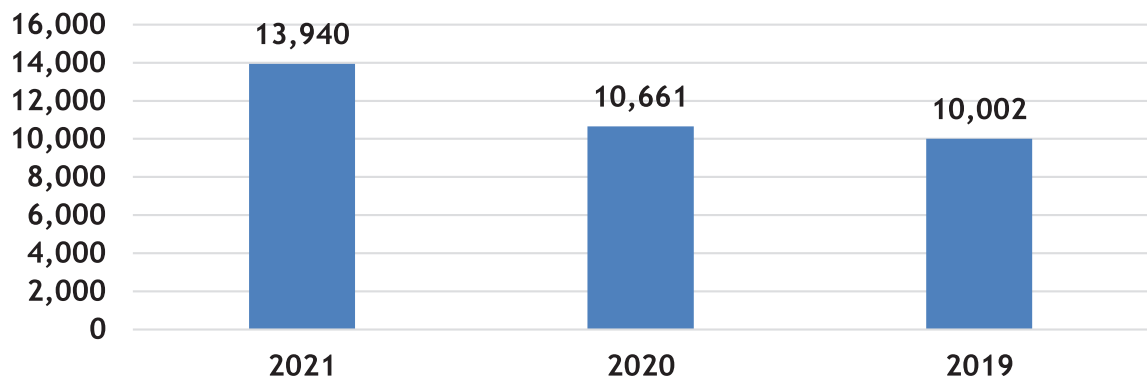


Figure 26: Shows comparative Cross Border Permit transactions

3.1.3.3.6 Issuance of Motor Dealers' Vehicle Licenses (MDVLs)

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 authorises holder to use any motor vehicles or trailers for 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 purpose of effecting a sale, or for such other purposes as may be.

A total number of 129 MDVLs, against a target of 90, were issued during the period under review compared to 92 and 97 issued in 2020 and 2019 respectively. There was an increase by 37 (30 %) due to renewals of MDVL by Motor dealers after their expiry on 31st December.

3.1.3.4 Driving School inspections

A total of 175 Driving School inspections were conducted in the period under review. This favorable performance is attributed to our focus of ensuring adherence to laid down

processes of teaching to produce quality drivers and enhance road safety profile on our roads.

3.1.3.5 Number plate manufacturers inspections

A total of 46 number plate manufacturers or embossers inspections were conducted whose objective was to ascertain compliance with the Reflex-Reflecting Vehicle Number Plate Standard (ZS266).

3.1.3.6 Review of examination, registration and licensing procedure

Procedures and processes in registration, licensing and examinations were reviewed and streamlined with the key objective of ensuring compliance, consistence and reduce variations in service delivery. Procedure manuals were developed, approved and issued to all the stations.

3.2 IMPROVING SERVICE DELIVERY

3.2.1 Devolving services to underserved regions

The Agency outsourced motor vehicle licencing, roadworthiness certification and physical inspections to Six (6) selected local authorities to provide Agency services in underserved regions. The Agency outsourced these services to Kasempa, Luangwa, Kapiri Mposhi, Kaoma, Mwense and Mbala Town Councils. The table 16 shows the number of transactions.

Table 16: shows transactions done by Town Councils

S/n	Town Council	Number of Road tax transactions	Revenue (ZMW)	Number of vehicle examination transactions	Revenue (ZMW)	Total Revenue (ZMW)
1	Kafue	1,298	471,960.00	2,427	132,439.00	604,399.00
2	Kapiri Mposhi	288	91,426.00	947	44,509.00	135,935.00
3	Kabompo	326	118,225.00	250	11,750.00	129,975.00
4	Mumbwa	225	81,717.00	966	45,402.00	127,119.00
5	Lundazi	197	100,079.00	384	18,894.00	118,973.00
6	Mwinilunga	279	106,023.00	210	9,870.00	115,893.00
7	Mbala	236	72,715.00	414	19,458.00	92,173.00
8	Nyimba	164	58,716.00	134	6,298.00	65,014.00
9	Mwense	135	40,519.00	108	5,076.00	45,595.00
10	Kasempa	93	30,818.00	115	5,405.00	36,223.00
11	Luangwa	42	11,475.00	48	2,256.00	13,731.00
12	Kaoma	20	7,440.00	19	893	8,333.00
Total		3,303	1,191,113.00	6,022	302,250.00	1,493,363.00

Kafue recorded the highest number of transaction followed by Kapiri Mposhi. Kaoma recorded the least number of transactions. The total revenue collected was ZMW 1,493,363.00.

3.2.2 Online Platform deployment and implementation.

The online platform provides an opportunity for our clients to access our services from the confine of their homes, offices and other places without the necessity of presenting themselves at RTSA offices. The Agency has continued providing its' services using the online platform.

3.2.3 Availability of accountable and non-accountable documents and consumables.

The department maintained a steady flow of accountable and none accountable documents together with necessary consumables in line with the demand for our services. This enhanced service delivery.

3.3 ENHANCING STAKEHOLDER COLLABORATION

3.3.1 Fleet Risk Assessment

During the period under review, a total of One-hundred and twenty-six (126) Fleet Risk Assessments (FRA), against a target of Fifty (50), were conducted at the operators' premises. Most of the assessments were routine inspections whose objective was to assess the risk profile of the operators. The Agency intends to continue with this activity to further improve on the operators' safety profile.

3.3.2 Engagement Meetings

A total of 220 stakeholder meetings were held in the period under review against a target of 100. Notable institutions that were engaged are Zambia National Service (ZNS), Kaoma Town Council, Zambia Revenue Authority (ZRA), Lusaka City Council (LCC), Business Regulatory Review Agency (BRRA), Zambia Police-Interpol, Road Development Agency (RDA), Truckers Association of Zambia (TAZ), Petroleum Transporters Association of Zambia (PTAZ), Copperbelt Open-Bodies Truckers Association (COTA) and Bus and Taxi Owners Association of Zambia (BTOAZ).

3.3.3 Bus fares model

The model for bus fares was developed and adopted by the Bus and Taxi Owners Association of Zambia (BTOAZ). It was utilised to determine the fares in the recent review of passenger fares in the last quarter of 2021 to determine the fare structure for the bus operators.

3.3.4 Education campaigns

During the period under review, one hundred and thirteen (113) educational campaigns were conducted countrywide targeting Public Service Vehicle (PSV) drivers against a target of 80.

3.3.5 Coordination with regional transport authorities

The Agency participated in Twenty-Six (26) International virtual meetings among others on Corridor Trip Monitoring System (CTMS), United Nations Conference for Trade and Development (UNCTAD), Cross Border Road Transport Regulators Forum (CBRT-RF). Further, the Agency in collaboration with other stakeholders participated in the homologation and balloting of motor vehicle standards under the auspices of the African Organisation for Standardisation (ARSO).

3.3.6 Review of transport means and routes

A total of Six (6) routes were assessed in the period under review. The Agency's role in this

exercise was to make recommendations in order to increase the accessibility of public transport by citizens.

3.3.7 Launch of the Corridor Trip Monitoring System (CTMS)

The Corridor Trip Monitoring System (CTMS), to facilitate the continuation of cross-border trade of essential goods during the on-going crisis occasioned by the novel coronavirus, was launched at Chirundu Border Post in the period under review. The CTMS facilitates a regulatory framework that ensures that cross border transport and transit is performed by healthy drivers that are constantly monitored and tracked to reduce the spread of COVID-19 and reducing extended travel and transit times during the pandemic.

3.4 IMPROVED REVENUE COLLECTION

3.4.1 Mobile Examinations

This is an activity that is conducted by the Agency in far flung areas of the country where the Agency has no physical presence to offer services to the public. Therefore, the provision of mobile services in remote areas enables examination and licensing of motor vehicles and drivers. This results into enhanced road safety profile, compliance to statutory requirements and a corresponding increase in revenue collection.

A total of ninety-six (96) mobile examination and licensing activities against a yearly target of Sixty (60) were conducted. Table 17 shows the costs incurred during the mobile examinations and licensing activities against the revenue generated during the period under review.

For the period under review, the Agency collected ZMW 3,306,452.92. Muchinga Province collected the highest revenue of ZMW 1,051,674.00, followed by North-Western Province with ZMW 484,627.00 and the lowest was Western Province with ZMW 101,687.00. The Agency incurred a total cost of ZMW 922,791.08 against ZMW 3,306,244.00 generated revenue thereby giving a positive variance of ZMW 2,383,452.92. This translated into 22% and 78% of cost incurred against revenue generated respectively.

Table 17: Cost and Revenue analysis by Province

S/n	Province	Number of activities	Cost (ZMW)	Revenue (ZMW)	Variance (ZMW)
1	Muchinga	23	226,200.00	1,051,674.00	825,474.00
2	North-Western	11	143,000.00	484,627.00	341,627.00
3	Luapula	18	97,000.00	415,548.00	318,548.00
4	Northern	8	94,600.00	353,292.00	258,692.00
5	Central	8	94,848.00	336,625.00	241,777.00
6	Eastern	9	54,375.00	257,363.00	202,988.00
7	Lusaka	6	110,018.08	156,097.00	46,078.92
8	Southern	6	46,600.00	149,331.00	102,731.00
9	Western	7	56,150.00	101,687.00	45,537.00
Total		96	922,791.08	3,306,244.00	2,383,452.92

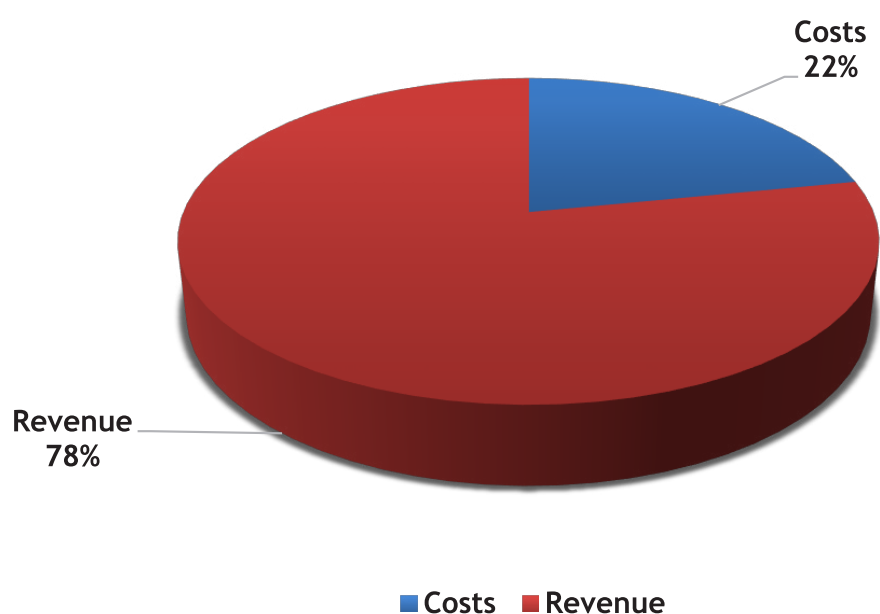


Figure 27: Graphic presentation of cost incurred against revenue generated.

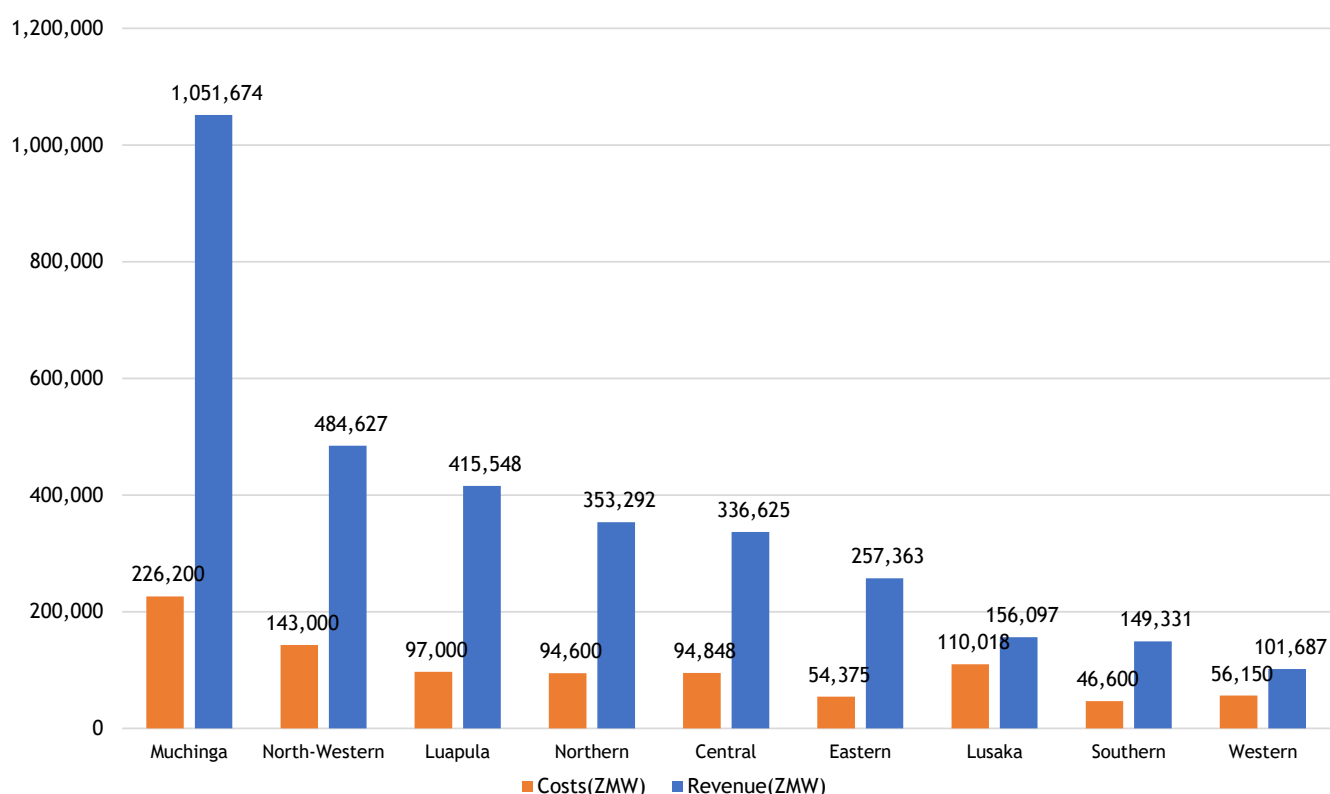


Figure 28: Cost/Revenue collection by Province through mobile examination

3.5 STRENGTHENING ORGANISATIONAL CAPACITY

2.5.1 Capacity building

For the period under review, the Agency held a Managers' Monitoring and Evaluation (M&E) workshop whose objective was to harmonise the Standard Operating Procedures (SOPs) in order to enhance service delivery.

Further, selected Agency staff undertook training in trade facilitation which was sponsored by the United Nations Conference for Trade and Development (UNCTAD).

3.5.2 Station inspection and gap analysis

Station Inspections were conducted to check on adherence to set processes, standards and procedures in order to enhance service delivery.



Planning, Research and Development Department

4.0 PLANNING, RESEARCH AND DEVELOPMENT DEPARTMENT

4.1 IMPROVING ROAD TRANSPORT AND SAFETY

4.1.1 Preparation of the Draft Inputs of 2022-2026 Strategic Plan

The preparation of the 2022-2026 Strategic Plan commenced in 2021 as the 2019-2021 Strategic Plan for the Road Transport and Safety Agency was coming to a close in December, 2021. The 2022-2026 Strategic Plan is expected to be launched in 2022 in readiness for implementation for the period 2022-2026.

The 2022-2026 strategic plan includes “Innovation” as part of the Core Values. That is; Innovation: “Continuous development of new ideas and skills to meet current and future challenges”. The plan has seven (7) strategic objectives that will help in realising the actualising the Agency’s version and mission.

4.1.2 Assessment of the impact of TV and Radio Programmes on Road Safety

Statistics have shown that human behaviour is of particular interest for most road safety interventions. Media campaigns supplement other behavioural deterrent measures such as law enforcement, education and infrastructure improvements. Road safety media campaigns are purposeful attempts to inform, persuade, and motivate road users to change their attitudes and behaviours to improve road safety.

The Agency has running airtime (slots) with some Radio and TV stations broadcasting road transport and safety messages as a way of reaching out to the general public. A qualitative assessment was conducted to assess the impact of road safety messages through radio stations along the line of rail from Ndola to Livingstone. Respondents were engaged through key informant interviews and focus group discussions.

The results of the assessment revealed that TV and radio programmes had an impact as one of the sources of information on the road safety and other Agency services. This was based on the appreciative feedback given by respondents during key informant interviews and focus group discussions. Drivers and learners drivers interviewed confirmed having listened to a road safety programme and other RTSA services on radio and a fair number of respondents were able name the programmes they have listened, seen before relating to road safety.

According to pedestrians and cyclists, the messages focused more on drivers and not the pedestrians and cyclists who are the most vulnerable road users. Results also revealed that radio messages were pre-recorded and thus did not give a chance to listeners for call in to contribute and seek clarification. Pre-recorded messages were generic and in some cases did not meet the needs of all the road users as road safety needs were varying from place to the other.

4.1.3 2021 Road Traffic Crashes Statistics

This section presents the road traffic crashes statistics for the year 2021. The section has overall accident statistics for 2021 and accidents returns for selected holidays during the year.

4.1.3.1 Trends in Road Traffic Crashes

The country has continued to record a decline in the number road traffic crashes from 2015 which had recorded 33,672 road traffic crashes. In the year 2021, the number of road traffic crashes was at 32,372. The Figure below shows the trends in the road traffic crashes.

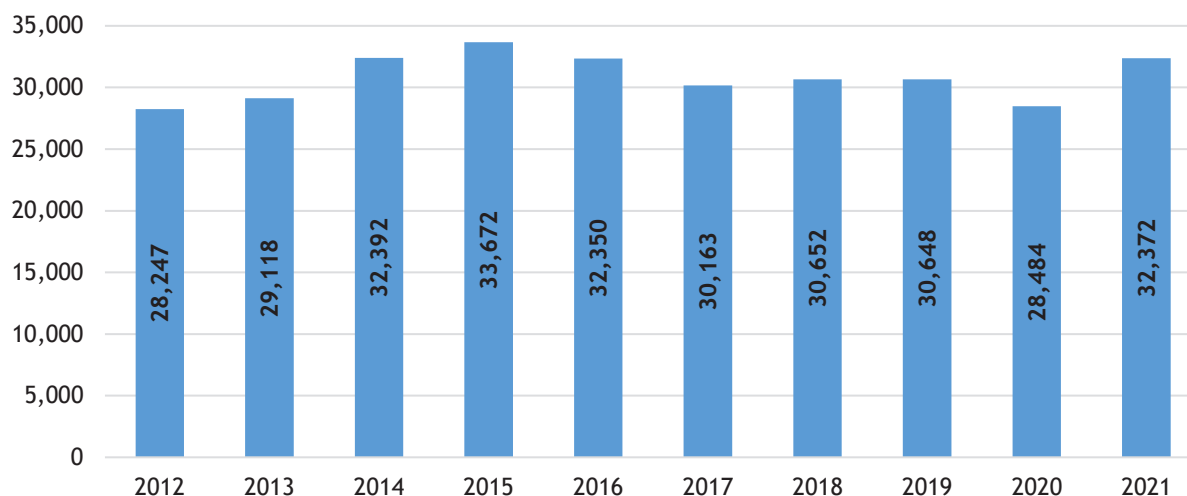


Figure 29: Road Traffic crashes Trend

4.1.3.2 Road Traffic Crashes by Province

The map below (shows the percent distribution of road traffic crashes by province and with Lusaka contributing the uppermost of above

54.7% of the total crashes. Copperbelt seconded with 15.8% and the least was Northern province with 1.9%.

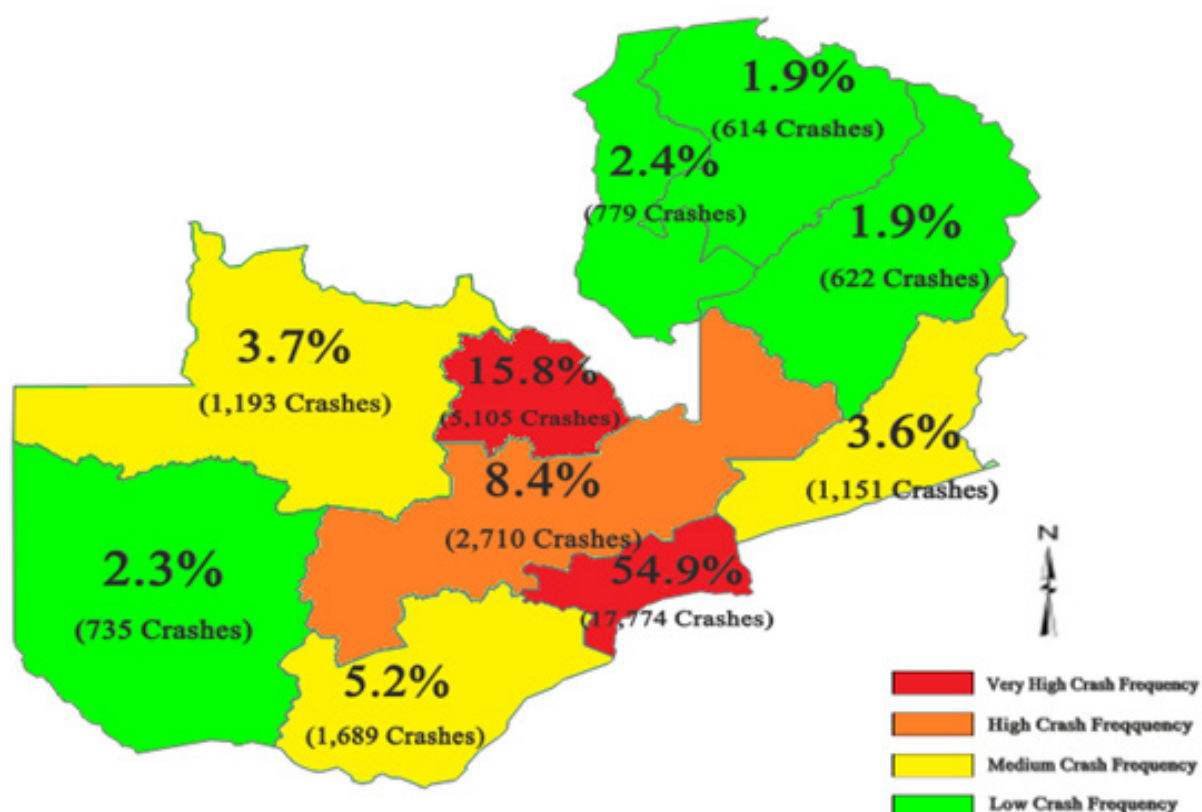


Figure 30: Distribution of RTCs in Zambia

The percent change are shown in the figure below were Muchinga province recorded a negative change in the number of road traffic crashes comparing 2020 and 2021 having a decrease of 14%.

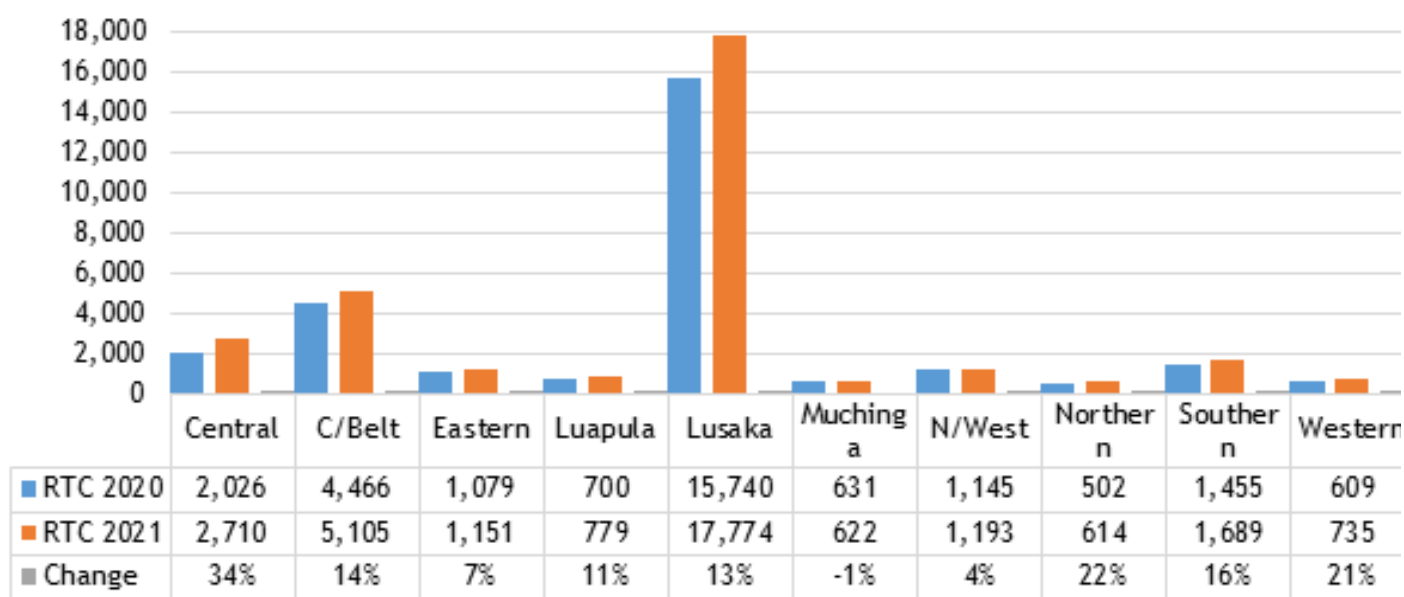


Figure 31: Road Traffic crashes by Province

4.1.3.3 Trends in Road Traffic Crashes

Fatalities have also been gradually declining from the year 2016 to 2020 which recorded 2,206 and 1,690 fatalities respectively. Nevertheless, the year 2021 observed a rise in the number of road traffic fatalities to 2,163. This shows a 28% increase in the number of fatalities due to road traffic accidents comparing the year 2020 and 2021.

4.1.3.4 Fatalities by Road User Type

The figure below shows that pedestrians accounted for the majority of the fatalities with 48.9% of the fatalities followed by Motor Vehicle passengers representing 25%. Motor Vehicle Passenger fatalities stood at 531 out of the total 2,163 road traffic fatalities recorded. MV Passenger fatalities accounted for 25% of the total fatalities and was the second highest after pedestrians which was 49%.

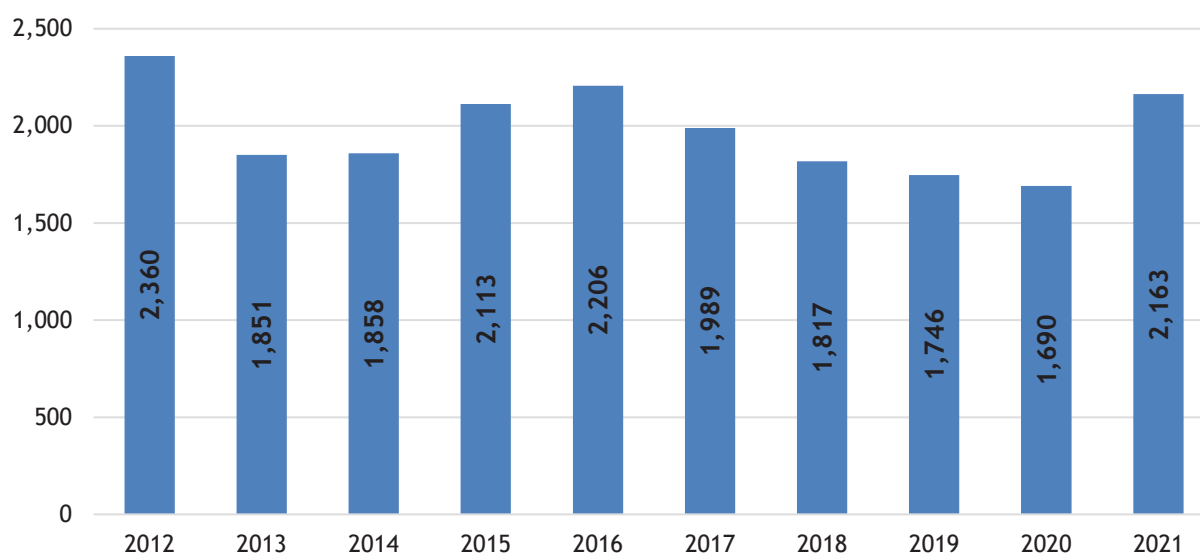


Figure 32: Trend in road traffic fatalities

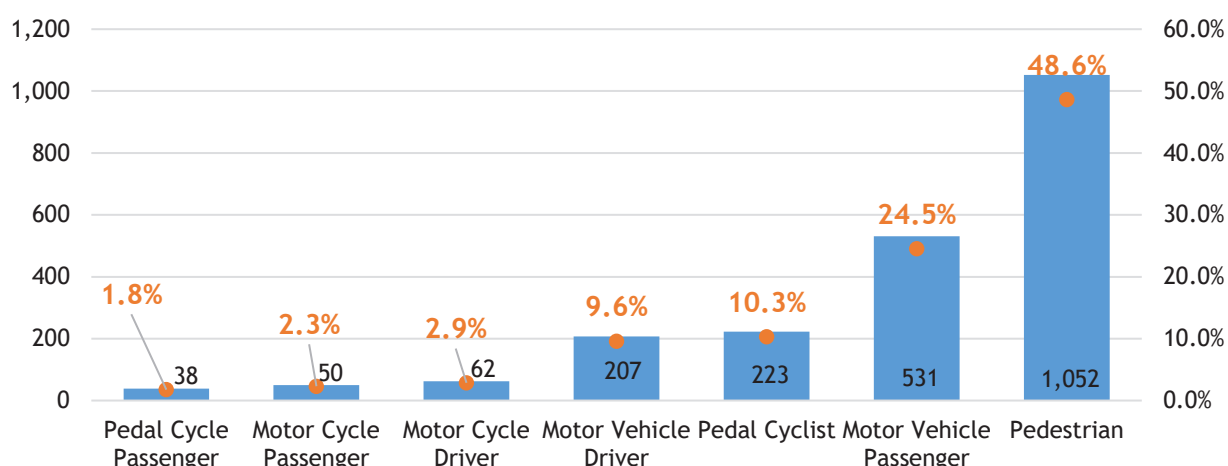


Figure 33: Percent Fatalities by Road User Type

Results shows that the 2020 recorded a smaller number of pedestrian fatalities compared to 2019 but the number of pedestrians involved were all high.

4.1.4 2021 Holidays Road Traffic Crashes Statistics

4.1.4.1 Christmas Holiday

During the Christmas holiday of 2021 a total number of 152 Road Traffic Crashes were recorded Country wide. Of 152 road traffic crashes recorded, 16 were fatal road traffic crashes in which 17 people lost their lives, 14 were serious road traffic crashes in which 19 people were seriously injured, 28 were slight

road traffic crashes in which 33 persons were slightly injured and 94 were recorded as damage only road traffic crashes.

There was a reduction by 35% (82) in the number of road traffic crashes from a total of 234 in 2020 to 152 in 2021. In the previous Christmas of 2020, a total of 22 were recorded as fatal road traffic crashes compared to 16 in 2021 representing a reduction by 27%. In 2020 a total of 26 serious road traffic crashes were recorded compared to 14 in 2021, there was a reduction by 46%. There were also reductions by 32% and 35% recorded in the category of slight crashes and damages only respectively.

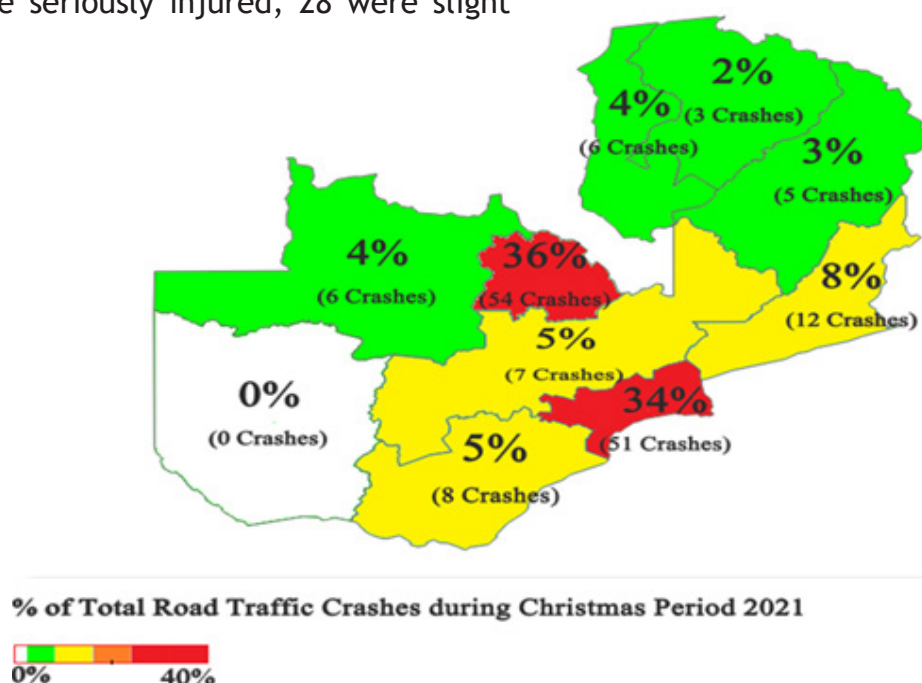


Figure 34: Map of Zambia Showing distribution of Road traffic crashes

4.1.4.2 Heroes and Unity Day Holiday

During the 2021 Heroes and unity holidays, a total of 317 road traffic crashes were recorded representing a 34% increased from 236 in 2020. These road traffic crashes resulted in 32 fatalities. The number of fatalities increased by 78% from 18 in 2020. The increase in both road traffic crashes and fatalities can be attributed to inadequate presence of RTSA and Zambia Police along major high ways during the Heroes and unity holiday.

During the 2021 Easter Holiday, a total number of 193 road traffic crashes were recorded. There was an increase in road traffic crashes compared to 142 in 2020 during the same period. Figure 35 shows the fatalities due to road traffic crashes during Heroes and Unity day.

4.1.5 Zambia's Performance against the 2011-2020 Global Decade of Action

During the period under review, the Agency conducted a desk review of Zambia's performance in relation to the global decade of action. The United Nations General Assembly proclaimed the period 2011-2020 as the Decade of Action for Road Safety, "with a goal to stabilise and then reduce the forecast level of road traffic fatalities by 50% by 2020.

In Zambia, without interventions, fatalities were forecasted or projected at 3,234. Thus by the proclamation of the decade of action Zambia performed relatively well between 2011 and 2020 towards attaining the target of stabilising road traffic crashes and reducing fatalities by 50% by 2020. In 2020 Zambia recorded 1,690 fatalities compared to the decade of action forecasted figure of 1,617 fatalities translating into a reduction by 48% in terms of the decade of action as shown in figure 36 below;

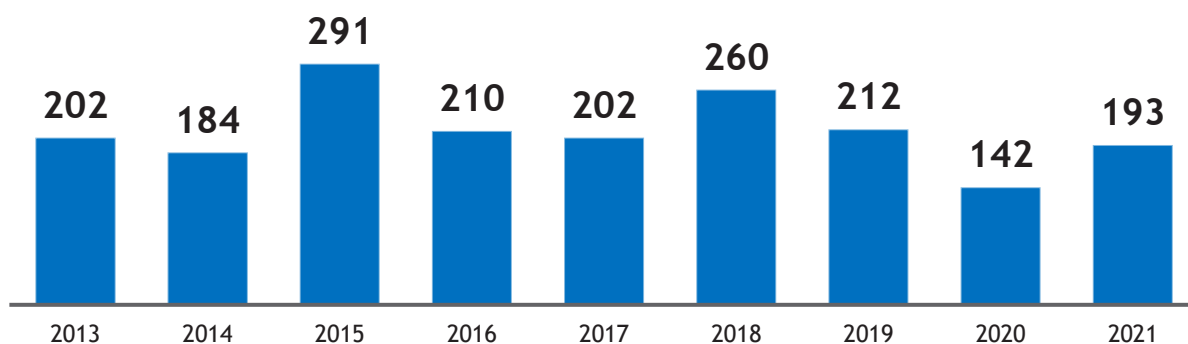


Figure 35: The number of fatalities during Heroes and Unity day.

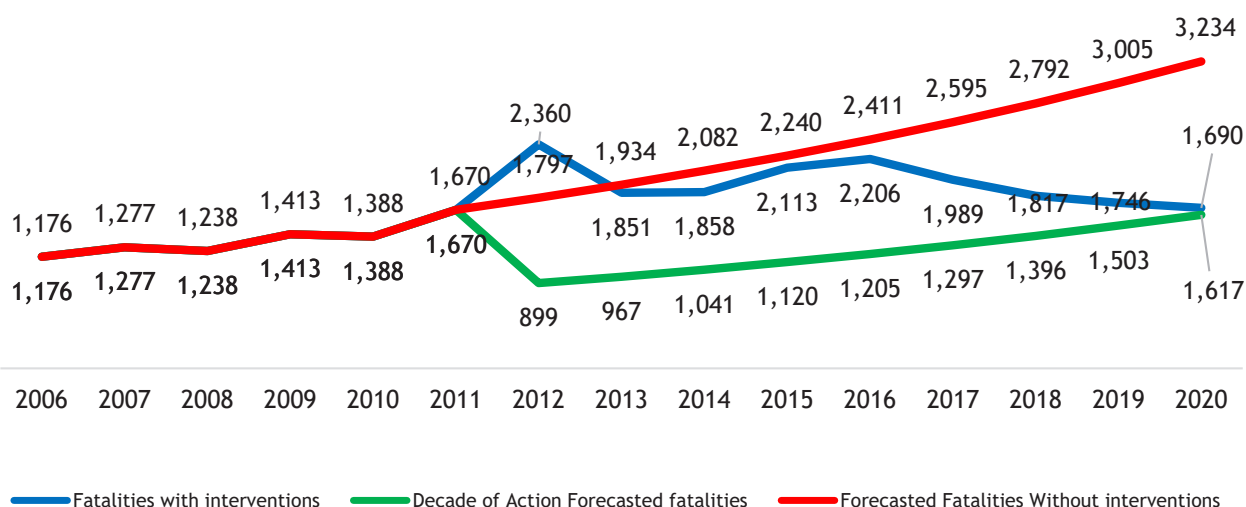


Figure 36: Zambia's performance against the Global Decade of Action



Finance Department

5.0 FINANCE DEPARTMENT

5.1 Revenue collection Performance for 2021

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 No.14 of 2011. The Agency's overall revenue performance for 2021 was favourable against the 2020 total revenue collected.

The Road Transport and Safety Agency collected revenue to the sum of K1,789 million in 2021 as compared to the Yellow Book Government target of K1,525 million. This represented a 117% collection of the targeted total revenue.

The total revenue collected of K1,789 million in 2021 represented a growth of 26% against revenue collected in 2020. The Table below shows actual revenue collected against target revenue.

5.1.1 Collections under the Road Traffic Act No.11 of 2002

Revenue collected under the Road Traffic Act No.11 of 2002 comprised of fees from registration, licensing and examination. These types of fees were called road user fees. Revenue collected by the Agency as per the yellow book's estimates of revenue and expenditure were called Road Traffic Collections. These comprised of Road User Fees and Inland Carbon Emission Surtax (CES). The total revenue collected in 2021 was K579.6 million while in 2020 it was K541.8 million. This represented a positive growth rate of 7%. The actual revenue collection of K579.6 million represented a revenue collection of 97% against the yellow book revenue target of K 597.9 million. Figure 37 below shows quarterly revenue collected for Road Traffic Collections.

Table 18: Actual Revenue Collections against Target Revenue for 2021.

	Actual -2021	Target -2021	Actual -2020	Actual Vs. Target	Revenue Growth of 2021 against 2020
	ZMW	ZMW	ZMW	ZMW	%
Road Traffic Collections	579,595,533	597,944,842	541,771,950	97%	7%
Kwacha TOLL	18,461,331	14,685,400	13,986,095	126%	32%
Foreign TOLL	1,191,402,145	912,410,926	859,553,880	131%	39%
TOTAL	1,789,459,009	1,525,041,168	1,415,311,926	117%	26%

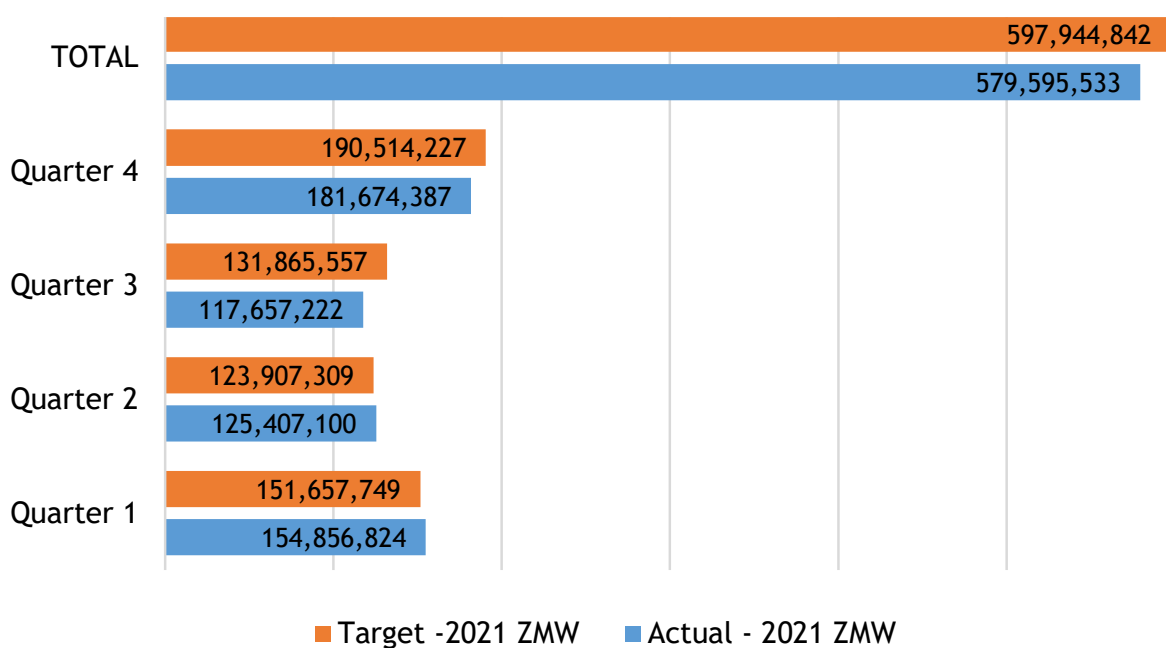


Figure 37: Road Traffic Collections of 2021

All RTSA stations collected revenue under road user fees to the sum of K351 million in 2021 while in 2020 the total revenue collected was K343.5 million. This represented a positive growth rate of 2%.

The highest revenue collecting station for road user fees in 2021 was Nakonde, followed by Lumumba and then Ndola. This represented

growth rates of 1%, 22% and a decline of 4% by Ndola station. However, the best performing station was Serenje, followed by Petauke and then Victoria Falls with growth rates of 54%, 52% and 46% respectively. Details of the revenue collections under road user fees are shown in. Figure 38 below shows road user fees collected in 2021 against collections in 2020.

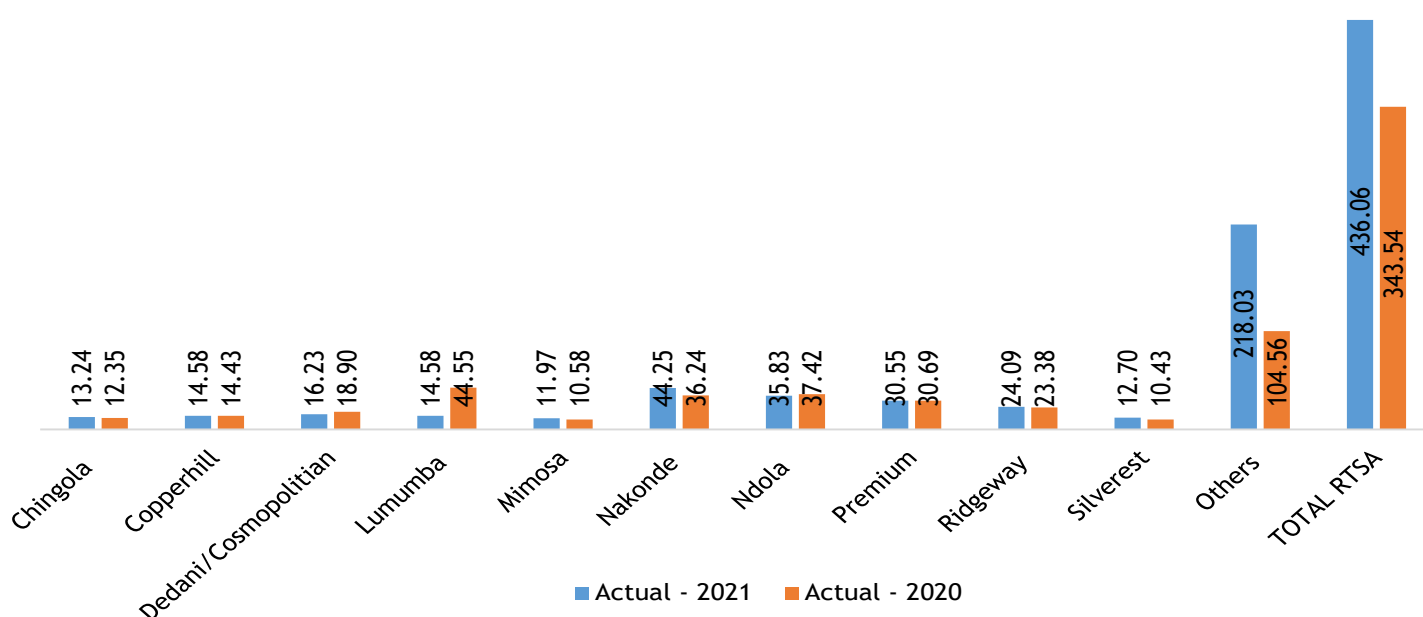


Figure 38: Road User fees collections in 2021 and 2020.

5.1.2 Administration of outsourced revenue collections from strategic partners

The Agency continued to collect revenues under road user fees through its strategic partners i.e. Zampost, ZSIC General and the Zambia Revenue Authority (ZRA). The Motor Vehicle Fund revenue collected by Zambia Revenue Authority on behalf of the Agency was not included in the Road Traffic Collections' Yellow Book revenue estimates. The Agency extended its revenue collection centres via online through the Government Service Bus (GSB) and twelve (12) Local Authorities across the country where the Agency was not present.

The strategic partners collected a total of K204.8 million in the period under review. The total collections net of the Motor Vehicle Fund (MVF) was K30.86 million. The revenue collected net collection of MVF represented a growth rate of 18.6%.

5.2 Collections under the tolls act no. 14 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) and emerged railways properties (ERP) from stations located at ports of entry and inland stations under the tolls act of 2011.

5.2.1 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 period under review, a total of k18.5 Million was collected as revenue for tolls on locally registered vehicles. This represented growth rate of 32% over the revenue collected in 2020 which was k13.9 Million. Figure 40 shows details of toll fee collection for locally registered vehicles at ports of entry:

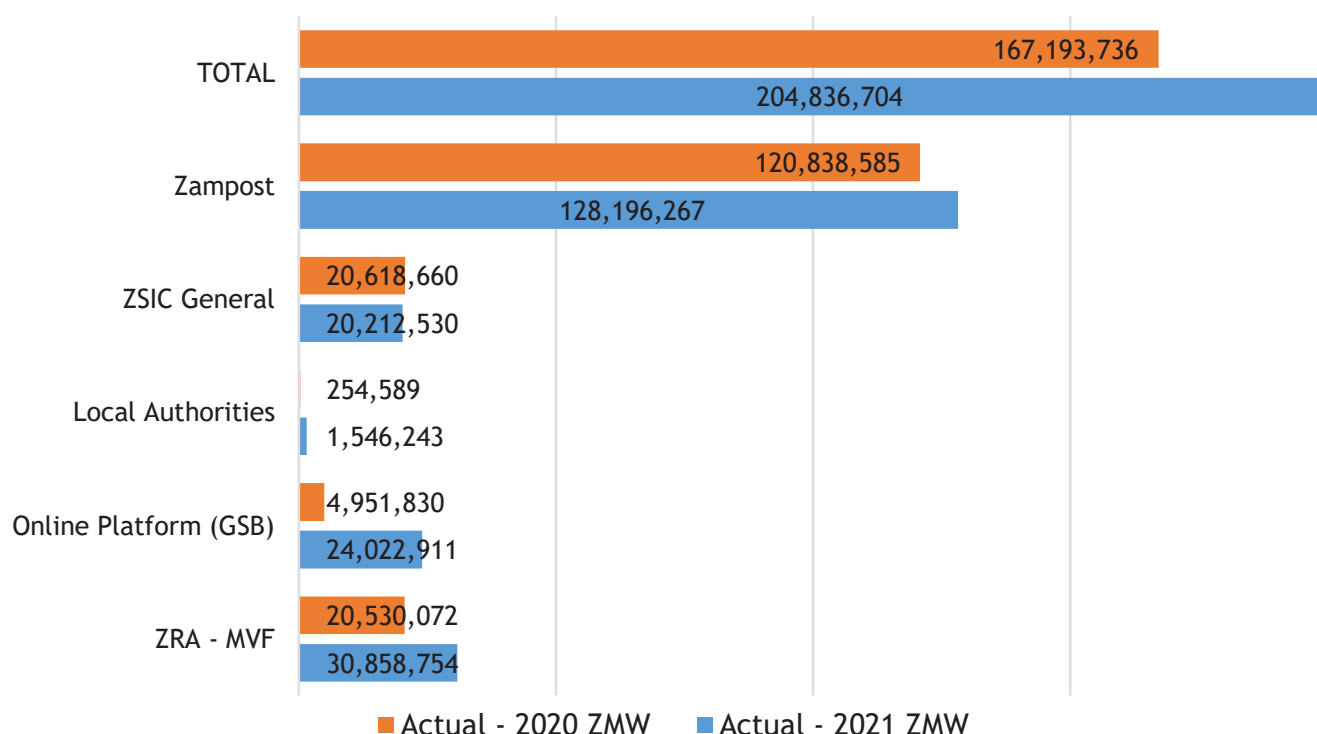


Figure 39: Details of the revenues collected by our strategic partners

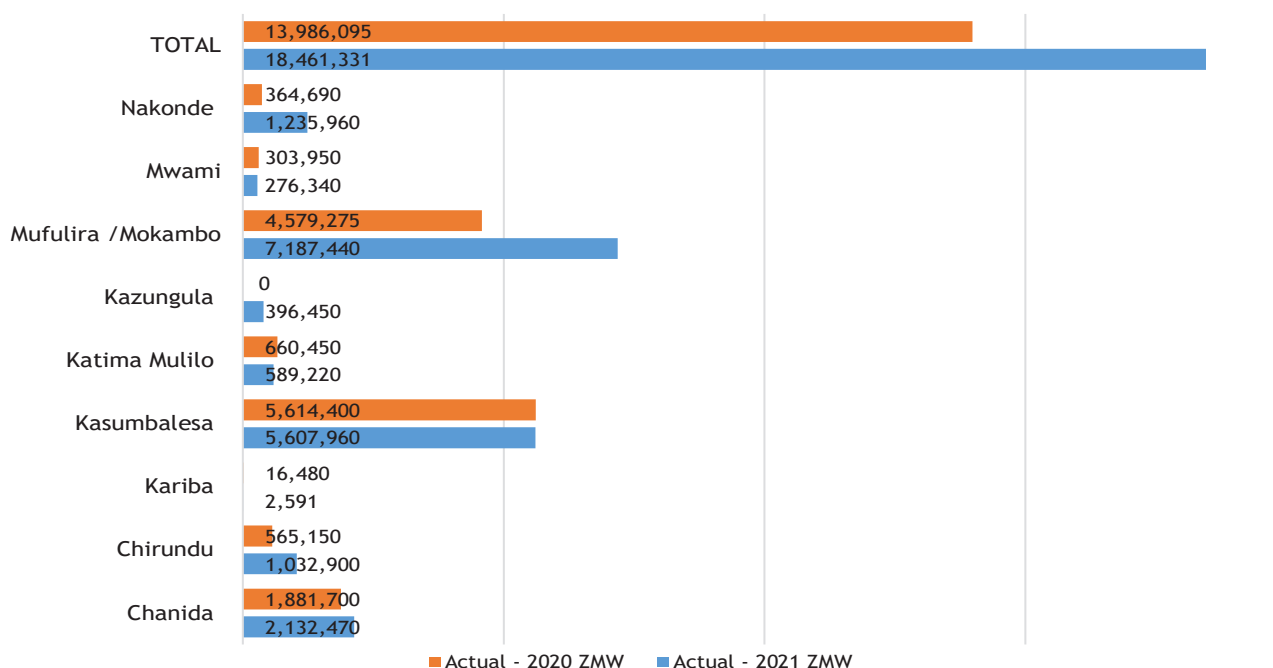


Figure 40: Toll fee collected from locally registered Vehicles in 2021 and 2020

5.2.2 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 in 2021 was US\$61.0 million

while in 2020 it was US\$45.8 million. This represented an increase of 33% in United States dollar revenue collections. The appreciation of the local currency against the United States dollars between 2021 and 2020 resulted in the reported growth of kwacha equivalent revenues collected to be 39%. Figure 41 below shows details of the foreign toll fees.

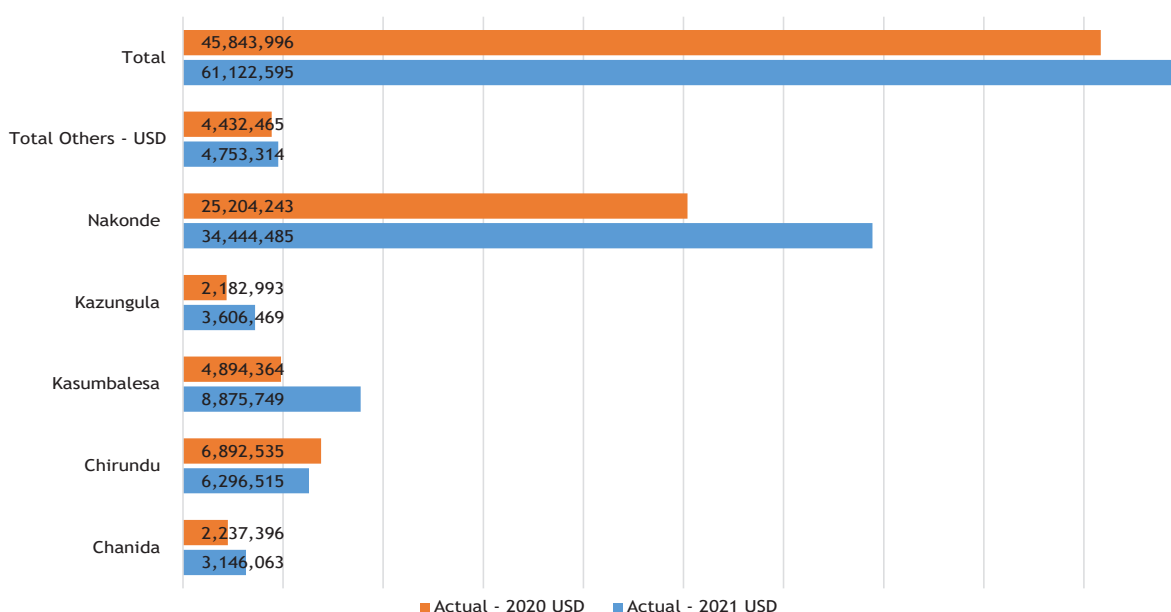


Figure 41: Revenue Collected under foreign toll fees in 2021.

Nakonde reported the highest revenue collections of foreign toll fees of US\$34.4 million in 2021 against US\$25.2 million in 2020. Kasumbalesa was the second highest foreign road toll revenue collector with US\$8.9 million against US\$4.9 million in 2020 and then Chirundu recorded a decline from US\$6.9 million to US\$6.3 million respectively.

5.2.3 Toll Fees From Victoria Falls Bridge

In 2021 the Agency continued to collect toll fees at the Victoria Falls Bridge on behalf of Emerged Railway Properties (ERP). A commission of five percent of revenue collected was retained by the Agency and deposited in the designated revenue transit account. The total revenue collected in 2021 was US\$827,018 while in the previous year of 2020 it was US\$906,060. This represented a negative growth of 9% in revenue collected using United States dollars. The total

commissions earned and due for funding by the treasury in 2021 was US\$41,454 while in 2020 it was US\$45,443.

The total outstanding claim of commissions due is US\$ 192,894 as at 31st December, 2021.

5.3 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 inland. The Agency collected a total of K53.9 million of Carbon Emission Surtax (CES) in 2021 compared to K51.6 million in the previous year of 2020. This reflected a growth in revenue collections of 4%.

Figure 43 and 44 indicates the proportion of total Carbon Emission Collections in 2021 and 2020 respectively.

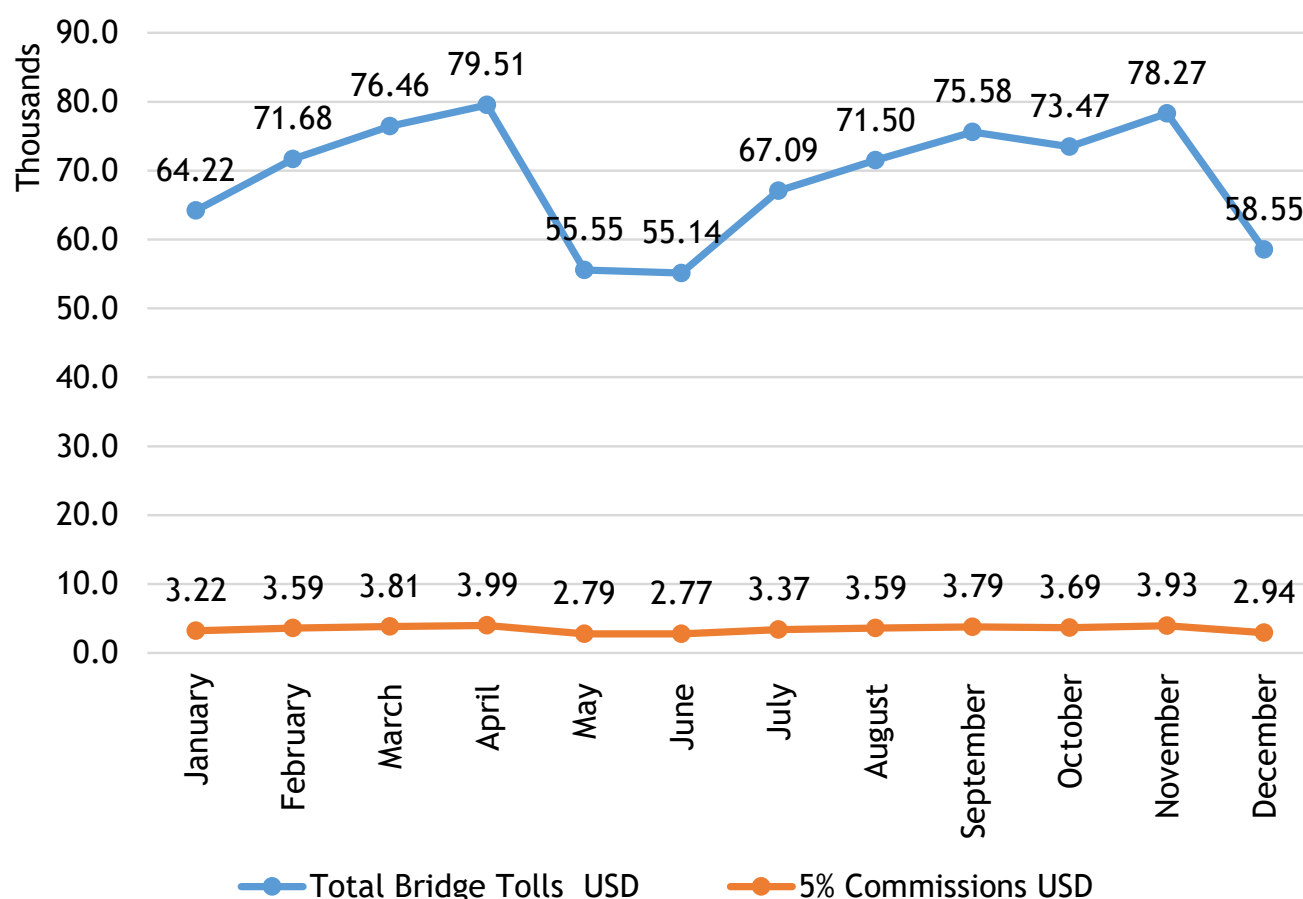


Figure 42: Revenue Collected from bridge tolling in 2021

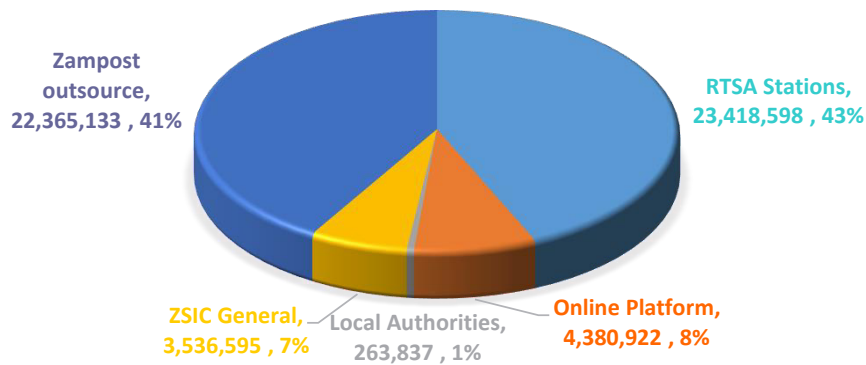


Figure 43: Carbon Emission Collection in 2020

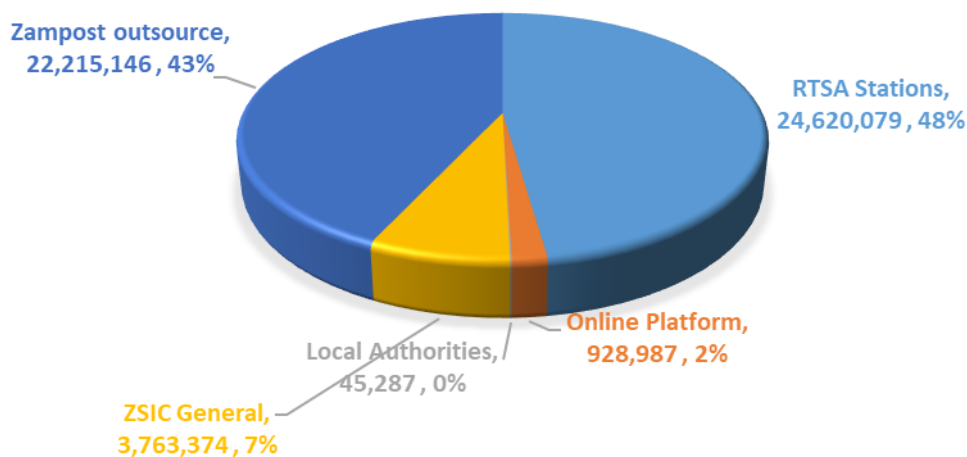


Figure 44: Carbon Emission Collection in 2021

5.4 Online Services - Government Service Bus

The Government Service Bus (GSB) is an online platform administered by the Ministry of Finance through the institute of Smart Zambia on which the Agency utilizes to provide a selected number of its services to the general public and generates revenue for the Government. The Agency commenced collecting revenue on the GSB online platform in April, 2020. The total revenue collected by the Agency on the GSB platform is made up of road user fees, carbon

emissions surtax and the service provider's commission.

The Agency has collected a total of K28.7 million from 1st January, 2021 to 31st December, 2021. The revenue collected reflected the normal operating trend of high revenues during peak period and low revenue collections during non-peak periods. Figure 45 below shows revenue collections from 1st January, 2021 to 31st December, 2021 against the same period in 2020.

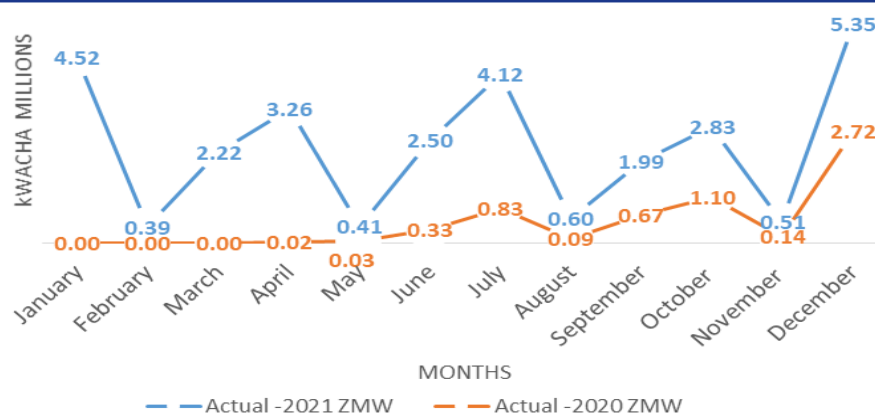


Figure 45: Revenue Collection from Online Payments

5.5 Revenue Monitoring

Strategic Partners under Zampost and ZSIC have been reconciled and invoices submitted as at 30th September, 2021. The local councils have been reconciled and invoices submitted as follows;

Monitoring of revenue collected and tracing of funds deposited into commercial banks during the year has continued at a slow pace due to inadequate staffing levels and manual processes involved in the reconciliation process. The

introduction of Point of Sale Machines and use of Government Service Bus (GSB) mitigates the risk of cash-handling but increases transactions volumes for revenue monitoring which increases the turn-around time of reconciliation and tracing funds to the designated revenue transit bank accounts as it is a manual process.

The unit has continued to experience inadequate human resource following the resignation of two officers and another two officers who were released to relief staffing challenges at Premium House and Ridgeway stations.

Table 19 Revenue collected through strategic Partners

	January	February	March	April	May	June	July	August	September	October	November
STATIONS	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	ZMW	
KABOMPO COUNCIL	1,203.00	322.20	826.20	925.72	387.72	376.36	822.44	343.40	151.80	233.16	
KAFUE COUNCIL	3,411.44	969.76	2,172.40	2,524.00	324.12	995.40	3,060.12	894.00	927.36	2,032.04	
KAPIRI MPOSHI COUNCIL	Station not yet opened	218.32	435.68	675.80	1,485.60	481.56	711.92	590.24			
KASEMPA COUNCIL	Station not yet opened	22.44	321.40	261.72	303.56	367.00					
LUANGWA COUNCIL	Station not yet opened	178.08	117.96	8.00	-	52.60	7.52				
LUNDAZI COUNCIL	141.84	327.92	85.84	136.64	1,689.00	1,095.12	975.36	572.92	745.72	843.56	394.11
MBALA COUNCIL	Station not yet opened	Station not yet visited									
MUMBWA COUNCIL	902.96	337.68	533.18	789.28	305.00	177.84					
MWENSE COUNCIL	Station not yet opened	189.20	652.24	171.12	149.56						
MWINI-LUNGA COUNCIL	1,017.28	449.48	1,025.60	962.44	537.60	218.48	563.32	288.80	492.32	229.00	
NYIMBA COUNCIL	Station not yet opened	27.88	177.44	105.88	225.40	578.96	181.28	244.56			



Information and Communication Technology Department



6.0 INFORMATION AND COMMUNICATION TECHNOLOGY DEPARTMENT

The year under review witnessed significant strides in the Agency's mandate for the revenue collection. This was the case where the Agency was able to collect its first one million kwacha in a single day from the online portal during the first quarter of the year. This was largely attributed to the increased uptake of the use of the online portal combined with the large number of motor vehicle owners whose licences expired at the end of the year 2020. The system integrations with the Zambia Revenue Authority (ZRA) and the Patents and Companies Registration Agency (PACRA) progressed with the RTSA-ZRA Application Programming Interface (API) development reaching testing phase while a requirements and integration workshop was held with PACRA.

6.1 Improving Road Transport and Safety

The Agency continued to enhance and support the enforcement mobile app with the addition of new features. The App was enhanced with a new feature for the validation of Road Service Licence Identity certificates. Within the course of the year, another version of the app was released that came with a feature that allows booking of motor vehicles. The feature is integrated with the eZamTIS and once an App user books a vehicle on the Mobile-App, the booking can then be confirmed on the eZamTIS. This has made it unnecessary for officers to be requesting the Call Centre to book a vehicle as they are now able to do so via the mobile App. Other features include the addition of vehicle chassis number or VIN in the vehicle query report. The look and feel of the app has also been enhanced while a number of bugs were also fixed.



Figure 46: RTSA MobileApp - Road Service Licence and Suspension/Booking features

In a bid to improve the availability and coverage of the Radio Access Network (RAN), the Agency engaged a service provider to provide a solution that allowed the current radio network to ride on the mobile services networks. This would make it unnecessary for the Agency to setup radio repeaters country-wide in order to increase coverage. The proposed solution was still being awaited from the service provider.

6.2 Improving Agency Branding

The Agency continued to support the Agency website with system and security updates. During the period under review, website security certificates were renewed and installed. Notification of change of ownership continued to be received through the website. As at the close of 2021, over 300 notifications had been submitted and the listing shared with the Transport and Safety Agencies.

The Agency through the Government Services Bus Zamportal also sent out promotional messaging about the services that the Agency had available online which clients could access. Further, the Agency initiated a planned training and capacity building for its staff country-wide on the online services portal.

6.3.1 Online Services Portal

The online portal implemented through Government Service Bus (GSB) and Payment Gateway continued to increase in both user count and revenue as well the number of services and payment options. Among the payment options introduced during the period under review were MTN Money, Airtel Money. Two online banking options were also added through Zambia Industrial Commercial Bank (ZICB) and Indo Zambia Bank.

Among the critical services added to the platform was Motor Vehicle Licence (Road Tax /CES) and Application for Roadworthiness bulk payments. This services allows large motor vehicle fleet owners to pay online for a number of units in a single transaction. Following successful User

Acceptance, Seven (7) other services were later successfully integrated between the GSB and the eZamTIS. The services included:-

- i. Provisional Driving Licence
- ii. New Driving Licence
- iii. New PSV Driving Licence
- iv. Renewal of PSV Driving Licence
- v. New Driving Instructor Licence
- vi. New Driving School Licence
- Release of Information (Motor Vehicle)

About 5,707 new users were registered during the first quarter while revenues collected stood at about ZMW 7, 114, 930.09. These figures grew to about 30, 600 users at the end of the year while total revenue collected at the end of the year was ZMW 28,674,026.65.

6.3.2 Mobile Licensing


The Agency also participated in various mobile licensing operations particularly in the fourth quarter of the year. ICT provided support for the operations in various locations ensuring system availability, issue resolution and network support as all applications were being done on eZamTIS. There were some challenges with network connectivity in some areas and on the several instances, the service provider, MTN Zambia was engaged to resolve the issues.

It was observed, however, that MTN 4G coverage in some areas was very poor. In order to provide network redundancy in such cases, the Agency engaged Airtel and ZAMTEL to setup network services connections.

6.4 Stakeholder Collaboration

6.4.1 Zambia Revenue Authority

The Agency worked with the Zambia Revenue Authority (ZRA) to implement an integrated system of data exchange that would result in the automated verification of motor vehicle customs clearance and confirmation of motor



vehicle registration. The Agency developed an interface that would allow ZRA to query vehicle registrations while ZRA would provide an interface for eZamTIS to verify customs clearance certificates. The project witnessed progress to the extent of the testing phase of the completion of the Application Programming Interfaces (API). However, there have been delays due to network connectivity challenges between the two institutions which was later resolved.

Working with Smart Zambia Institute through the Government Services Bus project, the Agency finalised requirements for the integration of the first time vehicle registration service on the Zamportal. By the close of 2021, the consultant was yet to complete the integration and testing.

6.4.2 Ministry of Transport and Logistics

The Agency continued working with the Ministry of Transport and Logistics through the Transport Agency provided support for the installation of equipment for the Corridor Trip Monitoring System (CTMS) under the Tripartite Transport and Transit Facilitation Programme (TTTFP). The CTMS is an initiative of the tripartite regional blocs; the Common Market for Eastern and Southern Africa (COMESA) the East African Community (EAC) and the Southern Africa Development Community (SADC) on trade and transport facilitation.

The Transport and Transit Facilitation Programme (TTTFP) identified the need for Corridor Trip Monitoring System (CTMS) to facilitate the continuation of cross-border trade of essential

goods during the ongoing crisis occasioned by the novel coronavirus.

The CTMS facilitates a regulatory framework that ensure that cross border transport and transit is performed by healthy drivers that are constantly monitored, tracked to reduce the spread of COVID-19 and aimed at reducing extended travel and transit times during the pandemic. CTMS project team completed installation at Kazungula, Victoria Falls border, Chirundu, Kasumbalesa, and Nakonde Boarder stations.

In addition to new installations of CTMS in boarder stations, the year under review saw a number drivers being monitored on the system using TRIP.

6.4.3 Insurance Companies

The Agency continued to support insurance companies to integrate their systems with the online services portal through the Zambia Insurance Database (ZIDB). The payment of road tax online service requires automatic verification of vehicle insurance cover and thus the Government Services Bus project developed an online database which is accessible by insurance companies. The insurance companies update the database with details of all vehicle insurance cover notes issued. The following insurance companies were able to successfully integrate and post motor vehicle insurance details automatically to the ZIDB portal.

Table 20: List of Insurance Companies that integrated on GSB

No.	Insurances Company
1	A Plus Insurance
2	Adelvis General Insurance Company Limited
3	Advantage Insurance
4	Africa Pride Insurance Company
5	African Grey Insurance Limited
6	General Alliance Zambia
7	Golden Lotus Insurance
8	Goldman Insurance Limited
9	Hollard Insurance Zambia Limited
10	Innovative General Insurance
11	Madison General Insurance Company Zambia Limited
12	Mayfair Insurance Company Zambia Limited
13	Meanwood General Insurance Company
14	Nico Insurance (Z) Ltd
15	Phoenix Of Zambia Assurance Company (2009) Ltd
16	Professional Insurance Corporation Zambia Limited
17	Savenda General Insurance
18	Swan General Insurance
19	ZSIC General Insurance Limited

6.4.4 Smart Zambia Institute (SZI)

Within the course of the year 2021, the Agency working with the SZI began the processes of migrating the hardware computing platform that hosts the Government Services Bus and online services to new high capacity servers. The migration included the setup of new connectivity between the SZI (GSB) and the Agency core transport system (eZamTIS).

6.5 Revenue Collection

6.5.1 Electronic Zambia Transport Information System (eZamTIS)

During the period under review, the Agency designed and implemented two new modules to facilitate the processing of Motor Vehicle Physical Examination for new vehicle registrations and short term Road Service Licences for foreign registered vehicles on eZamTIS. Further, the Cross Border Permit certificate issue was resolved with the design and implementation of an updated certificate layout. This meant that as at the end of the year 2021, all services provided by the Agency could now be processed on eZamTIS. Manual processing and receipting should therefore only be done when the systems were not available.

The Agency continued to provide support and maintain the availability of the eZamTIS without recording a single service interruption of any of the core systems. The Agency management recognised the work that the Agency continued to do in supporting eZamTIS and awarded the ICT staff with certificates of appreciation for their work.

6.5.2 System Updates

Windows updates were successfully installed on all servers including Active Directory, Application and mail servers. Further, mail server Exchange 2013 was patched after Microsoft Security alerts arising from the month of March revealed security vulnerabilities.

On the Oracle support services, engagement on the support status of the Agency was yet to be resolved after the Agency settled the long outstanding debt for software licences procured back in 2016. Engagements with Oracle reviewed that the Agency would have to pay in excess of USD800, 000 to reinstate support services on the old contract. At the close of the year, the Agency was still engaging with Oracle on the possibility of a new support contract.



Legal Department

7.0 LEGAL DEPARTMENT

7.1 ROAD TRANSPORT AND SAFETY

7.1.1 Law review

The Agency through the Legal Department is undertaking a review of the Road Traffic Act No. 11 of 2002 in order to enhance its road safety and service delivery mandate. The Agency is also working on re-promulgating Regulations that existed under the repealed Roads and Road Traffic Act Chapter 464 of the Laws of Zambia, under the Road Traffic Act No. 11 of 2002.

7.1.2 Road Traffic Amendment Bill

During the year under consideration, the Road Traffic Amendment Bill was cleared by Ministry of Justice for presentation to the Internal Legislation Committee. However, with 2021 being an election year, no further progress was made on the document. The Internal Legislation Committee Meeting to consider the Bill is expected to take place in the first quarter of 2022.

7.1.3 Road Traffic Regulations

During the year under review, the Agency facilitated review of the following Regulations:

- (a) The Road Traffic (Rules of the Road) Regulations; and
- (b) The Road Traffic (Registration and Licencing) Regulations.

The Rules of the Road Regulations were submitted to Ministry of Justice for clearance while the Registration and Licencing Regulations were subjected to a Regulatory Impact Assessment (RIA) in line with the Business Regulatory Act No. 3 of 2014. The RIA exercise is yet to be concluded.

7.2 Litigation and administrative duties

7.2.1 Court Cases

The Agency during the period under review handled a total of 21 court cases before different courts of law. The majority of the cases were handled in-house while a few were outsourced to law firms.

The table below shows a summary of active cases in 2021 compared to 2020.

Table 21: Active cases in 2020 compared to 2021

Court	2020	2021
Supreme Court	Nil	1
Court of Appeal	4	5
High Court	15	13
Subordinate Court	1	2
Road Service Appeal	Nil	Nil
TOTAL	20	21

7.2.2 Board Meetings

The Agency held Board and Committees Meetings during the year under review as shown in the table below:

Table 22: Board and Committees meeting held during the year 2021.

Meeting	Description
Board Meetings	46th Meeting held on 18th February, 2021; 41st Extra-Ordinary Meeting held on 31st March, 2021; 47th Meeting held on 18th & 26th May, 2021; 42nd Extra-Ordinary Meeting held on 18th August, 2021; 48th Meeting held on 31st August, 2021; and 43rd Extra-Ordinary Meeting held on 17th September, 2021.
Finance and Administration Committee Meetings	40th Meeting held on 19th January, 2021; 41st Meeting held on 27th April, 2021; and 42nd Meeting held on 27th July, 2021.
Technical Committee Meetings	40th Meeting held on 20th January, 2021; 41st Meeting held on 28th April, 2021; and 42nd Meeting held on 28th July, 2020.
Audit and Risk Management Committee Meetings	40th Meeting held on 21st January, 2021; 41st Meeting held on 29th April, 2021; and 42nd Meeting held on 29th July, 2021.

7.2.3 Governance Documents

7.2.3.1 Board Corporate Governance Manual

During the year under review, the Agency developed the Board Corporate Governance Manual which is intended as guide to the Agency's corporate governance practices. The Board Corporate Governance Manual spells out among other things the roles of the Board Chairperson, the Directors, the Director and Chief Executive Officer and the Senior Management Team, in the governance of the institution. In addition, the Department in the year under review developed the first ever Board Annual Work Plan for the Agency which outlined the business of the Board for the year and also served as a guide to Management in the preparation of respective Agendas for Board and Committee Meetings.

7.2.3.2 Model Board Performance Contract and Board Evaluation Tools

During the year under review the Agency through the Legal Department engaged the Institute of Directors to develop the Agency's Model Board Performance Contract and Board Evaluation Tools. The Model Board Performance Contract will be used as a template for preparation of Board Performance Contracts going forward. In the period under review, the Board approved the introduction of a Board evaluation framework to help enhance the performance of the Board. Board evaluations are set to commence in 2022.

7.3 Processing of title deeds

The Agency has acquired land in various parts of the country for construction of offices. Most RTSA stations are operating in rented premises and the Agency in line with its Strategic Plan, intends to set up its own offices in order to enhance its corporate image.

The Agency has also been undertaking the process of securing title deeds for the properties it has acquired. During the year under review, the Agency acquired title deeds for Lumumba, Head Office and Chipata.

7.4 Prosecution of Road Traffic Offenders

Under prosecutions, the Agency prosecutes road traffic offences in Lusaka at the Lusaka Fast Track Court and in other parts of the country. The prevalent offences handled by the Fast Track Court included: expired road tax, expired test certificate, expired insurance, dangerous driving, unlicensed driver and Use of handheld among others. The reduction in cases that went to Court is due to reduced enforcement activities arising from the effects of the COVID19 pandemic. Further, offences whose penalty unit was below 1500 where referred to police for payment of admission of guilty.

Table 23: Trend Analysis Table for 2020 and 2021 Convictions

PREVELENT OFFENCES			
Year	2020	Year	2021
Expired Road Tax	635	Expired Road Tax	639
Expired test certificate	373	Expired test certificate	248
Expired Insurance	371	Expired Insurance	329
Dangerous driving	246	Dangerous driving	327
Unlicensed driver	207	Unlicensed driver	118
Use of handheld	146	Use of handheld	11

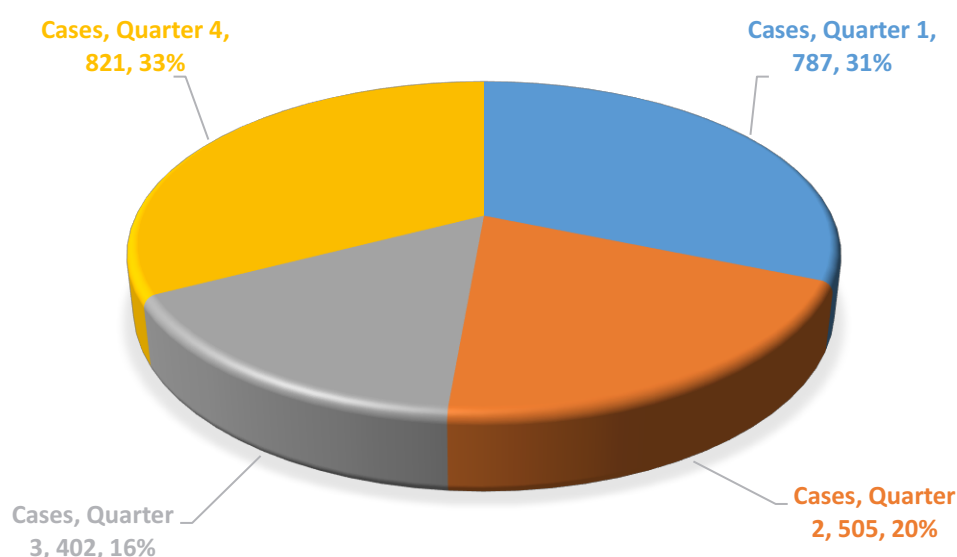


Figure 47: Break down of cases handled per quarter

7.4.1 Countrywide prosecution of traffic offences

The Agency is collaborating with the National Prosecution Authority in a bid to ensure that prosecution of traffic offences is undertaken countrywide. With limited resources, the Agency cannot have countrywide presence of prosecutors, hence the decision to leverage the spread of the National Prosecution Authority to execute this mandate. NPA prosecutors handle matters at plea stage, and in the event of a not guilty plea, RTSA prosecutors take over conduct of the matter to its logical conclusion. During the year under review, the Agency held a workshop with Magistrates to acquaint them on the provisions of the Road Traffic Act and handling of road traffic offences. The Magistrates who attended the workshop were drawn from all ten (10) provinces of Zambia.

Due to funding challenges, other planned workshops with Road traffic Inspectors (RTIs), Zambia Police Division Traffic Officers, and NPA prosecutors could not be held. The Agency however managed to hold a virtual workshop with Registry Officers who have been co-opted into the programme to assist with movement of files between the RTSA offices, the Judiciary and NPA. The framework for prosecution of traffic offences countrywide is in place and what is remaining is to continue building capacity among the relevant stakeholders to implement the initiative. The following cases were prosecuted in other parts of the country:

- a) Choma - 6 cases of driving under the influence of alcohol;
- b) Chisamba - 1 case of failing to present a motor vehicle to customs officer at the Port of entry;
- c) Kitwe - 1 Affixing false number plate;
- d) Luanshya - 8 cases of plying for hire and reward; and
- e) Kafue - 1 case of dangerous driving.

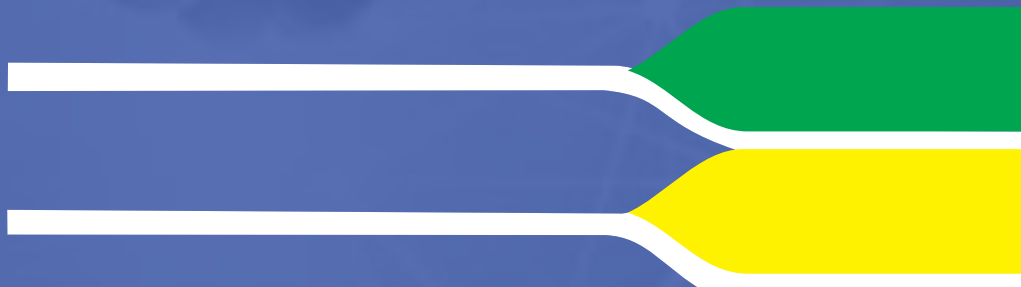
On the same subject, the Agency engaged seven local authorities (LAs) who have or intend to establish Fast Track Courts within their jurisdictions on the possibility of the Agency using the respective Fast Track Courts for prosecution of road traffic offences. The seven LAs engaged include: Livingstone City Council, Choma Municipal Council, Kabwe Municipal Council, Ndola City Council, Luanshya Municipal Council, Kitwe City Council and Solwezi Municipal Council. Arising from the engagements, it was discovered that only four out of the seven LAs had functional Fast Track Courts. These include: Livingstone City Council, Luanshya Municipal Council, Kitwe City Council and Solwezi Municipal Council. The other three were still in the process of establishing the Fast Track Courts. The Agency proceeded to share draft MoUs with four LAs for review and comments. The Agency expects to sign the MoUs within the first quarter of 2022.

7.5 Investigations

The Investigations Unit investigated a total number of 158 reports of which 105 were motor vehicle related cases. Nineteen (19) covert cases and 34 other cases. Of the 105 motor vehicle related cases, 36 were handed to ZRA as most of these offences involved cloning of number plates in an attempt to evade motor vehicle importation tax. Fifteen (15) were handed over to Zambia Police and 54 were resolved by the Agency.



Public Relations Department



8.0 PUBLIC RELATIONS DEPARTMENT

8.1 Improving Road Transport and Safety

During the period under review, the Agency through the Public Relations Department carried out activities that focused on RTSA's road safety and transport service delivery mandates. A key focus of the activities undertaken were to ensure safety programmes result in improved road safety practices and the development of sustainable transport systems.

The Agency through the Public Relations Department undertook 576 media related activities through radio, television and digital media as means of heightening messaging on the Agency's road safety and service delivery mandate. Further, a total of 15 outreach activities were undertaken at RTSA's service centres with a total of 39 of media statements issued as means of reinforcing publicity on various activities undertaken by the Agency in 2021.

8.2 Improving Agency Branding

During the period under review, the Agency carried out activities to support the rebranding process and enhancing service excellence.

8.2.1 Building a Service Focused Cooperative Public Experience

In a bid to improve the Agency branding by building a service focused corporate public experience, the Public Relations department in partnership with the Planning Research and Development department conducted a Public Perception Survey in selected districts to understand how clients were experiencing RTSA services and as anticipated, the activity was completed during the third quarter indicating a positive trajectory.

8.2.2 Strengthening Customer Relations Management

The Agency fully utilised the integrated Customer Relations Management (CRM) System at the Call Centre to monitor and record information being received at the Call Centre such as complaints, positive client feedback, queries on RTSA services and accident reports.

8.2.3 Enhancing of Client's Feedback through the Call Center

The table below shows Customer relations management through the Call Centre.

Table 24: Customer relations management through the Call Centre

SN	Description	Q4	Q3	Q2	Q1
1.	Number of calls, inquiries received and attended to through the Call Centre - Toll free line/what's app/Facebook page	47,125	42,020	42,202	18,501
2.	Number of Complaints received	2,258	1,796	84	392
3.	Number of new updates on website	19	18	19	12
4.	Number of new posts on Facebook page	106	91	134	30
5.	Number of followers (likes) on Facebook page - increased reach	80,600	79,066	75,000	69,798
6.	Number of Facebook Page Reach - (The number of people who saw any content from ASKRTSA on Facebook per quarter)	448,341	468,226	529,245	239,643
7.	Number of followers on Twitter	1810	1742	1621	1,595

8.2.4 Enhancing Visibility of RTSA Stations

The Agency undertook to improve its brand by upgrading the appearance of Mazabuaka, Choma, Monze, Livinstone, Vectors falls, Mongu and Katima Mulilo service centres to improve the quality of the Agency's infrastructure. An additional twenty-four (24) directional billboards were erected at selected Agency service centres in a bid to market the RTSA brand.

Management also developed and fully implemented the Agency's Communication Policy to manage the flow of communication both within and outside the Agency.

8.2.5 Corporate Social Responsibility

Five Corporate Social Responsibility (CSR) activities were undertaken during the period under review, with focus on support towards preventing the spread of COVID-19 on public transport through the distribution of over 20,000 face masks to bus drivers and passengers. The Agency in partnership with the Zambia Public Relations Association donated and distributed face masks to Public Service Vehicle Drivers and Passengers as part of efforts to mitigate the spread of COVID-19 on public transport.

The Agency also supported road traffic accidents victims with wheelchairs and orthopedic materials to health institutions. The Agency during the period under review undertook four (04) additional CSR activities as outlined:

- a. Donation of orthopedic equipment to Mongu General Hospital to assist accident victims;
- b. Donation of orthopedic equipment to Serenje District Hospital to assist accident victims;
- c. Donation of wheelchairs to the Zambia Persons with Disability Association in partnership with Prudential Insurance; and
- d. Handover of wheelchairs to Kawambwa accident victims during the commemoration of the World Day of Remembrance for Road Accident Victims.

8.3 Improving Service Delivery

In a bid to support the agency's goal of improving service delivery, the Agency during the period under review heightened publicity on the RTSA online payment platform under the Government Service Bus (GSB) and Payment Gateway System. The publicity culminated in an increase in the number of clients accessing RTSA services such as road tax online. Similarly, the Agency increased publicity on the devolution of selected RTSA services to twelve (12) local authorities.

8.4 Enhancing Stakeholder collaboration

During the period under review, the Agency organised and took part in several activities as a means of identifying and strengthening partnerships with other organisations and companies holding similar interests as the Agency.

To enhance stakeholder engagement, management held more than 15 stakeholder engagements with various stakeholders including the Ministry of Transport and Logistics, the media, Public Service Vehicle (PSV) operators and drivers among others. As means of broadening stakeholder engagement, the Agency hosted the 4th RTSA open day during the period under review.

Further, Management through the Public Relations Department hosted the new Minister of Transport and Logistics Honorable Frank Tayali who engaged management on operations of the Agency and undertook a familiarisation tour in three RTSA stations which included Mimosa, Silverest and Ridgeway.

The Agency also organized a stakeholder's forum that brought together various road transport stakeholders to highlight road transport and safety matters including adherence to the Standard Operating Procedures to mitigate the spread of COVID-19 on in the road transport sector.

8.5 Revenue Collection

As means of implementing innovative measures for enhancing revenue collection, management during the period under review heightened communication by encouraging the use of Point of Sale machines at all RTSA service centres. Additionally, public notices were also issued to remind motorists to pay for road tax as provided for under the Road Traffic Act No. 11 of 2002.

The Agency during the period under review published the enactment of the Road Traffic (Amendment) Bill No.47 of 2021 into law on 30th December 2021, which indicated the adjustment

of Road Taxes payable by different categories of motor vehicles and trailers upwards by 10 percent effective 1st January 2022.

8.6 Strengthening Organisational Capability

As means of strengthening organizational Capability, the Agency successfully facilitated for Customer Care Training for 20 frontline and public Relations staff during the period under review. The trainings were conducted both virtually and physically in collaboration with the Zambia Public Relations Association (ZAPRA).



Figure 48: Billboards in foreign language



Procurement and Supplies Department



9.0 PROCUREMENT AND SUPPLIES DEPARTMENT

9.1 COVID-19 Pandemic

During the year under review the Agency was impacted by various factors that affected the delivery of goods and services to the Agency.

This continued to adversely impact the global economy and this negatively impacted the delivery of goods and implementation of projects due to restrictions in the movement of goods and people.

9.2 Enactment of the Public Procurement Act No. 8 of 2020

The repeal and replacement of the Public Procurement Act No. 12 of 2008 with the Public Procurement Act No. 8 of 2020. The revised act addresses among other issues, enhanced participation of citizens in public procurement, price benchmarking through publication of quarterly market prices, requirement to conduct price reasonableness analysis by procuring entities, mandatory usage of the electronic government procurement system and capping of contract variations to a maximum of 25% of the original contract price.

9.3 The electronic Government Platform (e-GP)

The use of electronic government procurement system became mandatory with the commencement of the PPA No.8 of 2020. This means that the procurement process from invitation to bid up to contract award is to be conducted using the e-GP platform. This system enhances transparency and reduction in use of paperwork for both the implementing agencies and the bidders which ultimately has increased efficiency in the procurement process.

The Agency had planned to procure goods, works and services at a total cost of ZMW235,474,328.00 in 2021 as compared to the planned procurements for 2020 which amounted to ZMW205,074,334.73. This represented an increase of 15%. The implementation of the Agency’s Procurement Plan as at 31st December, 2021 stood at 74.36%. The figure below shows the Procurement Plan implementation status:

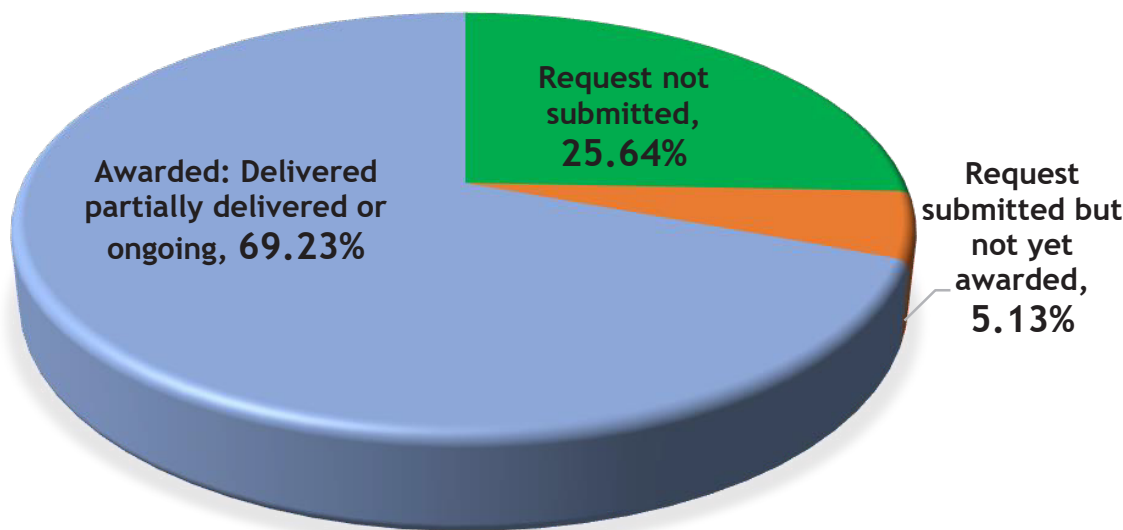


Figure 49: Implentation status of procurement plan

9.4 PROCUREMENT ACTIVITIES DURING THE YEAR UNDER REVIEW

9.4.1 Procurements under GRZ Funding and National Road Fund Agency (AWP)

The Agency receives funding from GRZ for administrative activities and from the National Road Fund Agency (NRFA) for implementation of the Annual Work Plan.

Summarized below is the value of procurements that the Agency undertook as at 31st December, 2021

Table 25: Procurements for 2021

NO	DESCRIPTION	Amounts (ZMW)
1.	Local Purchase Orders January to December, 2021	40,698,55.85
2.	Major Contracts Signed January to December 2021	26,746,769.43
3.	Renewal from January to December 2021	10,336,669.37
4.	Awarded awaiting clearance at Accountant General	45,479,205.04
	Total Procurements 2021	123,261,199.69

The major tenders floated in the year under review are tabulated below;

Table 26: Formal Tenders Floated in 2021

Item No.	Tender Number	Description	Procurement Method	Estimated Amount	Status
1.	RTSA/ CON/02/2021	Consultancy services for the Agency's fixed Assets revaluation	National Competitive Bidding	ZMW216,424.00	Cancelled
2	RTSA/ ORD/21/2020	Construction of examination slabs, shelter, perimeter wall and paving of impound yard	National Competitive Bidding	ZMW3,290,378.40	Awarded
3	RTSA/ LB/01/2021	Supply and delivery of Covid-19 prevention materials	Direct Bidding	ZMW2,130,720	Awarded
4.	RTSA/ ORD/8/2021	Renovation of Kazungula Housing Units.	National Competitive Bidding	ZMW1,200,000.00	Awarded
5.	RTSA/ ORD/05/2021	The supply and delivery of stationery	National Competitive Bidding	ZMW948,379.40	Awarded
6.	RTSA/ ORD/01/2021	Supply and delivery of ICT equipment	National Competitive Bidding	ZMW2,840,000.00	Awarded

7.	RTSA/ ORD/02/2021	Supply and delivery of Zebra Printers and Spares	National Competitive Bidding	ZMW2,840,000.00	Awarded
8.	RTSA/ ORD/09/2021	Provision of Cleaning and Sanitary Services for Ridgeway, Lumumba, Mimosa, Premium and Dedan Kimathi, RTSA Stations	National Competitive Bidding	ZMW1,440,000.00	Awarded
9.	RTSA/ ORD/10/2021	Provision of Air Travel arrangement Services	National Competitive Bidding	ZMW600,000.00	Awarded
10.	RTSA/ ORD/11/2021	Supply and delivery of 31 Laptops	National Competitive Bidding	ZMW725,000.00	Awarded
11.	RTSA/ CON/03/2021	Provision of Consulting services to assess 2,700KM of important roads in Zambia using International Road Assessment Programme (IRAP)	NNational Competitive Bidding	ZMW1,200,000.00	Evaluation of Technical Proposals underway
12.	RTSA/ DB/07/2021	The supply and delivery of seventeen motor vehicles	Direct Bidding	ZMW17,000,000.00	Awarded
13.	RTSA/ ORD/08/2021	Construction of boundary wall at RTSA Mazabuka Land	National Competitive Bidding	ZMW 750,000.00	Awarded
14.	RTSA/ ORD/07/2021	Supply, delivery and installation of Window blinds for RTSA Head Office building	National Competitive Bidding	ZMW 700,000.00	Awarded
15.	RTSA/ ORD/013/2021	The supply and delivery of Diaries and Calendars.	National Competitive Bidding	ZMW 798,750.00	Awarded
16.	RTSA/ SP/115/2021	Branding of Selected RTSA Offices	National Competitive Bidding	ZMW700,000.00	Awarded
17.	RTSA/ ORD/12/2021	Tender for branding of selected RTSA offices	National Competitive Bidding	ZMW500,000.00	Awarded
18.	RTSA/ ORD/18/2021	Tender for supply, delivery and installation of CCTV, Aluminium Security Doors and biometric Access Control	NNational Competitive Bidding	ZMW702,526.00	Pending Evaluation
19.	RTSA/ DB/02/2021	Tender for the supply and delivery of one (1No.) 4 x 4 motor vehicle	Direct Bidding	ZMW1,518,000.00	Awarded
20.	RTSA/ ORD/15/2021	Tender for the Supply and delivery of stationery and various toner cartridges	National Competitive Bidding	ZMW1,449,860.00	Pending Approval for Award

The Agency progress on awarded contracts during the year under review is shown in table 27 below.

Table 27: Awarded tenders and Contracts for 2021

S/N	Description	Amount	Contractor/Supplier
1.	Contract for the supply and delivery of various materials for Covid-19 prevention	ZMW1,683,000.00	Karibu Pharmaceuticals Limited.
2.	Contract for the supply and delivery of A4 and A5 Diaries for 2022	ZMW602,500.00	Impact Branding Limited
3.	Contract for the supply and delivery of thirty one (31 No) Laptops	ZMW952, 940.00	Almond Technologies Limited
4.	Contract for the provision of Air Travel arrangements services	Commission rate of 2% on all tickets	Best Eastern Travel and Tours
5.	Contract for the supply, delivery and installation of a Call Centre system	ZMW1,048,246.76	Accent Networks Ltd
6.	Contract for the refurbishment of Housing Units at Kazungula Station	ZMW871, 056.48	Eastwest Investments Limited
7.	Construction of boundary wall for Mazabuka Station	ZMW601,934.68	Redhil Engineering Solutions Limited
8.	Contract for the supply and delivery of Window Blinds for Head Office	ZMW567,403.16	Maxtech Engineering Limited,
9.	Contract for the Supply Design, Installation, Implementation and Commissioning of an Enterprise Resource Planning System.	ZMW24,573,357.60	Impax Business Solutions Limited in Joint Venture with Circuit Business Solutions
10.	Contract for the supply and delivery of seventeen (17No.) Motor Vehicles for operation	ZMW17,576,300.00	Vehicle Centre Zambia
11.	Contract for the supply and delivery of four (4No.) motor vehicles.	USD241,963.78	Toyota Zambia Limited
12.	Contract for the supply and delivery of Zebra Printers and Parts	ZMW2,211,300.00	Dratch Investments Limited
13.	Construction of examination shelter at Silverest station.	ZMW727,585.80	Twashuka Investments Ltd
14.	Construction of a slab for motor vehicle examination at Ndola station.	ZMW567,118.18	Retro International Investments
15.	Construction of a slab for motor vehicle examination at Kitwe station.	ZMW439,306.80	Milestone Technical Services Limited.
16.	Construction of boundary wall at Mimosa Station	ZMW353,601.00	Milestone Technical Services Limited
17.	Paving of Impound Yard at Mimosa station	ZMW2,418,499.00	Milestone Technical Services Limited
18.	Contract for the supply and delivery of fifty (50 No) Desktop Computers and seventeen (17 No.) Laptops and five (5 No.) CISCO Routers and ten (10No.) Switch CISCO Catalyst	ZMW2,283,460.00	Almond Technology Limited

9.4.2 Procurements under the Improved Rural Connectivity Project (IRCP)

The Government of the Republic of Zambia (GRZ) received financing from the International Development Association (IDA) in the form of a credit for the Improved Rural Connectivity Project (IRCP).

The objectives of this project are to:

- I. Improve Zambia's rural roads accessibility for communities in selected areas;
- II. Strengthen institutional capacity for sustainable management of rural roads; and;
- III. Respond promptly and effectively to Eligible Crisis or Emergency.

The RTSA is one of the implementing Agencies under the project and is responsible for road safety activities that include road safety awareness and Road safety audits.

In 2019 the Agency had entered into a Contract with COWI for the provision of consultancy services for Road Safety Audits under the IRCP. This assignment entails the consultant to conduct audit on selected roads that will be constructed under the project. The cost of the assignment is USD370,482.00. The assignment has delayed due changes in the scope of works. This change will require an amendment to the Contract.

9.5 Carried Forward Procurements

During the period under review the Agency carried forward Contracts that had been awarded in previous years that had not been fully executed. Some of these contracts have been completed while others are pending completion as at 31st December, 2021.

Table 28: Procurements under IRCP

S/N	Description	Cost	Status
1.	Supply and delivery of Road Safety Awareness campaign materials	USD 30,495.33	Completed in Q1 of 2021

Table 29: shows the carried forward procurements

No.	Description	Supplier/ Contractor	Status	Comment
1.	Construction of Motor Vehicle Inspection Centre in Silverest	Golden Horse Limited	Awaiting advance payment	Project stalled due to funding constraints.
2.	Motor Vehicle Inspection Centre in Luanshya	Golden Horse Limited	Building is at 65% complete (lentil level)	Project stalled due to funding constraints.
3.	Motor Vehicle Inspection Centre in Mufulira	Meltcast Limited	Works are at 15% complete	Project stalled due to funding constraints.
4.	Supply and delivery of laminates and ribbons	New Horizon Printing Press	Running contract.	Last consignment to be delivered in Q1 of 2022
5.	Supply and delivery of One (1No.) Tow truck	Southern Cross Motors Limited	Truck arrived in the country in Q4 of 2021.	Truck yet to be delivered to the Agency

6.	Completion of Construction of the Six storey RTSA Head Office building	Woodlock Limited	Main building Construction was completed in Q4 of 2021	Pending works for the supply, installation of Genset, parking slots marking and installation of Street (Security) lights round the whole yard
7.	Printing and supply of Supplementary books and brochures	Shorthorn Printers	Partial delivery of 28,500 books out of 75,200.	Delivery has delay however completion is expected in Q2 of 2022.
8.	Contract for the supply and delivery of thirteen vehicles	Vehicle Center Limited	Eight vehicles out thirteen have been delivered. Delivery is expected to be completed in Q1 of 2022.	Delivery to be completed in Q1 of 2022.

9.6 Supplies Activities

The role of the supplies unit is to receive goods on behalf of the Agency and to secure goods in stores (non-stock and stock items) for onward release to the various departments in the Agency.

During the period under review the supplies unit received goods amounting to ZMW 28,930,700.31 and at the end of the year the

value of stock available at the Central Stores was valued at ZMW 2,949,307.26.

The unit conducted quarterly stock takes at RTSA Lumumba Central stores in 2021 as per requirement for the valuation and identification of obsolete, redundant and slow and fast moving inventory.



Internal Audit and Risk Management Department



10.0 INTERNAL AUDIT AND RISK MANAGEMENT DEPARTMENT

10.1 Audit Undertaken

During the period under review, the Internal Audit and Risk Management continued to provide assurance to the Board through the Audit and Risk Management Committee on controls, risk management and governance processes.

Audits and assurance engagements include planned reviews of compliance, operations, information technology, finance, internal controls, and other topics. They also include integrated audits (Stations) which incorporate more than one of those categories in a single engagement. Audits are typically included on

our risk based annual audit plan and they result in a formal audit report which includes an overall opinion for the area under review, any findings and recommendations that were made.

The Department conducted five (5) performance audits, provided revenue assurance on five (5) strategic partners, conducted six (6) IT audits, eight (8) station operation audits and five (5) compliance audits. Four (4) special audits were conducted arising from suspicious and actual fraudulent activities, while a special human resource audit was conducted arising from the Board's directive. The audits conducted are as listed below;

Table 30: Audits conducted

Audit Area	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Performance/ Value for money	<ul style="list-style-type: none"> Review of the disposal process for motor vehicles. Stores audit 	<ul style="list-style-type: none"> Snap check on Agency laptops Review of the Agency's fleet management 		<ul style="list-style-type: none"> Management of the Agency's Medical Scheme
Strategic Partners		<ul style="list-style-type: none"> Chisamba Zampost 	<ul style="list-style-type: none"> Mumbwa Luangwa and Kafue Town Councils 	<ul style="list-style-type: none"> Victoria Falls Bridge Tolls issued on behalf of Emerged Railway Properties
IT Audits	<ul style="list-style-type: none"> Mansa IT Controls Nchelenge IT Controls 	<ul style="list-style-type: none"> Business continuity and IT Disaster Recovery GSB Revenue assurance 	<ul style="list-style-type: none"> Micropay payroll system audit 	<ul style="list-style-type: none"> General IT controls -Copperbelt Province
Station Audits	<ul style="list-style-type: none"> Mansa, Nchelenge Mazabuka Nakonde 	<ul style="list-style-type: none"> Luanshya 	<ul style="list-style-type: none"> Mongu 	<ul style="list-style-type: none"> Ndola Chirundu Cash snap checks at Lumumba, Premium House and Cosmopolitan
Compliance	<ul style="list-style-type: none"> Procurement 	<ul style="list-style-type: none"> Driving Schools Regulation audit Review on issuance of Road Service Licenses Premium House 	<ul style="list-style-type: none"> Review of Personalised motor vehicle registrations Legal Compliance and Governance processes review 	
Special Audits		<ul style="list-style-type: none"> Mokambo 	<ul style="list-style-type: none"> Human Resource Audit 	<ul style="list-style-type: none"> Ridgeway Silverest Chingola

10.2 Risk Management

As a way of formalizing the Agency's commitment to managing continuity, business resilience and agency risk appetite, two policy documents namely the business continuity policy and the risk appetite statement were approved in the year 2021.

In pursuit of the Unit's core objective of embedding a culture of risk across the Agency through various initiated activities such as Risk Awareness trainings. During the year under review, 40% of staff were trained compared to 15% in 2020. As at 31st December 2021, a total of 344 members of staff were trained in risk management.

The Risk Management Committee had its meeting in the second quarter of 2021 where the draft risk register was finalised. The register incorporated various risks faced by the Agency and the appropriate mitigating measures implemented in order to minimise risks in a quest to attain the Agency's objectives.

As part of safeguarding Agency assets, insurance claims were monitored and followed up to ensure minimal loss for the Agency where risks crystallised.

Incident reporting process ensures risks/ challenges arising from stations/units are captured, recorded and treated in a systematic manner and any associated losses reported. As compared to 2020 which recorded 37 incidents, a 10% increase was noted in 2021 with reported incidents at 41. For an efficient and effective implementation of Business Continuity Management, an Agency wide cascade was established, Crisis management plans developed and Business Continuity Management Policy approved.

In accordance with Strategic Objective NO.5 on zero tolerance towards fraud and corruption, Agency wide fraud risk awareness trainings were undertaken where sixty two (62) members of staff were trained.

Table 31: highlights the main strategic risks experienced by the Agency in the year 2021.

S/N	Risk Area	Description
1	Financial	Risk of delayed and inadequate funding which impacted on the Agency's ability to conduct or implement strategic activities.
2	Transport	Risk of non-adherence to procedures in the registration, licensing and examination of drivers and motor vehicles. Limited resources resulted in limitations of efficiently and effectively registering, licensing plus examining motor vehicles countrywide.
3	Safety	Increased road traffic crashes arising from poor road user behaviour and inadequate road infrastructure/ bad state of roads. Limited resources contributed to ineffective traffic management, effectively enforce provisions of the RTA and the five pillars of the decade of action.
4	Reputational	Some Agency Officers perceived to be corrupt by some sectors of the public. Lack of a call centre customer relationship Management (CRM) resulting in limited service delivery/ client experience
5	Technological	Obsolete IT equipment and delayed payments for IT licences resulting in inefficiencies and ineffectiveness in service delivery

10.3 STATEMENT OF INTERNAL CONTROL AND RISK MANAGEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021

INTRODUCTION

The Board of Directors of the Road Transport Safety Agency (RTSA) affirms its overall responsibility for the Agency's risk management, internal control and corporate governance. In the midst of constrained resources, it is important that the Agency demonstrates that resources are appropriately managed and controlled.

Management is accountable to the Board and is responsible for the effective implementation of the policies and procedures on risks and controls. Regular testing of the adequacy, effectiveness, efficiency and integrity of the internal control systems and processes is conducted to ensure its viability and robustness. Further, reporting by the Board of Directors on risk management and internal control system is an important part of corporate governance disclosure requirements.

The Agency shares the statement of internal controls and risk management for RTSA, for the year ended 31st December 2021.

SCOPE OF RESPONSIBILITY

Board's Role

The Board takes cognisance of its overall responsibility in establishing a sound risk management and internal control system as well as reviewing its adequacy and effectiveness. In view of the inherent limitations in any internal control system, the risk management and internal control system can only provide reasonable assurance, rather than absolute assurance, that the significant risks impacting the Agency's strategies and objectives are managed within the risk appetite set by the Board and Management. It does not in any way eliminate the risks of failure to realise the Agency's objectives and against any material financial misstatement, fraud or losses.

The Board also recognises that internal controls and risk management systems in place need to be updated from time to time to align with the changes in the business environment as well as with the process improvement initiatives undertaken and as a result has established a governance structure to ensure effective oversight of risk and control in the Agency. It is assisted by the Audit and Risk Management Committee (ARMC) to oversee all matters with regard to risk and control. The Board is satisfied that the Agency has implemented an ongoing process to identify, evaluate, monitor, manage and respond to significant risks faced by the Agency in its achievement of the business goals and objectives amidst the dynamic environment that the Agency operates in. The outcome of this process is monitored and reported to the Board for deliberation and where required, the Board directs the Management to take the necessary remediation actions to address the gaps/deficiencies reported.

The Board's focus on effective risk oversight is critical to setting the tone and culture towards effective risk management and internal control. The responsibilities of the Board for the governance of risk and controls includes:

- Embedding risk management in all aspects of the Agency's activities;
- Approving the Agency's Risk Appetite Statement and Risk Register;
- Reviewing the risk management framework, policies, processes, responsibilities and assessing whether they provide reasonable assurance that risks are managed within tolerable ranges.
- Approving Agency policies and providing strategic direction.
- Approving the Audit Charter, Audit policies, procedural manuals and annual Audit Plans.
- Reviewing internal and external

audit reports to ensure that the identified weaknesses are addressed by Management.

Management's Role

Management is responsible for implementing the processes for identifying, evaluating, monitoring and reporting of risks and internal control, taking appropriate and timely corrective actions as needed, and for providing assurance to the board that the processes have been carried out. The responsibilities of management in respect of risk management and internal controls include:

- Identifying the risks relevant to road transport and safety and the
- achievement of Agency objectives and strategies;
- Formulating relevant policies and procedures to manage these risks in accordance with the Agency's strategic vision and overall risk appetite;
- Implementing applicable National policies and policies approved by the Board to enhance compliance to applicable laws
- Identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the Board.
- Timely resolution of audit queries and implementation of recommendations

Internal Audit's Role

The Agency's internal audit function is an independent, objective assurance and consulting activity designed to add value and improve the Agency's operations. The Internal Audit and Risk Management Department evaluates and aids improve the effectiveness of risk management, control, and governance processes.

The internal audit function provides assessments as to whether risks, which may hinder the

Agency from achieving its objectives, are being adequately evaluated, managed and controlled. It further evaluates the effectiveness of the governance, risk management and internal control framework and facilitates enhancement, where appropriate.

The internal audit function reports directly to the Audit and Risk Management Committee of the Board.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to totally eliminate all risk of failure to achieve strategic objectives and activities. It therefore only provides a reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify risks, evaluate the likelihood of risks materialising and the impact should they be realised, and to manage them efficiently, effectively and economically.

CAPACITY TO HANDLE RISK

Risk management has evolved into an important driver for strategic decisions in support of the Agency's strategies while balancing the appropriate level of risk taken to the desired level of rewards. Risk management is underpinned by a set of key principles which serve as the foundation in driving strong risk management culture, practices and processes. The Board approves the Agency's Risk Policy, Risk Register and the Risk Appetite Statement. Risks are identified, analysed, evaluated and mitigated by Management. Updates on risk management are reported to the Audit and Risk Committee and the Board on a quarterly basis. The Board has the overall responsibility for the effective management of risk within the Agency. To ensure this responsibility is discharged effectively, the Agency has:

- (a) Established a Risk Unit to co-ordinate, monitor and oversee aspects of risk management
- (b) An Audit and Risk Management Committee which ensures assurances are obtained concerning the standards of performance in all aspects of governance.
- (c) Set the tone through a Board approved Risk policy framework, Risk Appetite Statement and Business Continuity Management policy.
- (d) Conducted workshops across departments and stations in order to raise awareness on risk management and embed a risk management culture.
- (e) Gradually promoted a culture that demands that incidents, accidents and near misses are reported
- (f) The Agency has further appointed risk champions across all stations and departments to ensure the Risk Register is regularly updated.
- (g) Established a Risk Management Committee that reviews cross cutting risks on a quarterly basis.
- (h) Implementation of an enterprise risk management framework, policies and procedures to ensure that risk management practices and processes are effective at all levels

The Agency's enterprise risk management strategy uses an integrated approach. The articulation of the risk appetite is done through a set of risk appetite statements that define the Agency's appetite on all its material risks. The risk management strategy and associated policies and procedures provide a systematic approach to the road transport and safety to road users. It is based upon the principles laid down in the Road Traffic Act No. 11 of 2002,

applicable legislation, National policy guidance and best practice. It is reviewed and audited annually for compliance with legal requirements and with a view to defining areas for further enhancement.

The Chief Executive Officer has the responsibility for risk management within the Agency but has delegated risk responsibility to specific directors as follows:

- a) Road Safety and Traffic Management Risk - Deputy Director Safety
- b) Road Transport Risk - Deputy Director Transport.
- c) Financial Risk - Head of Finance
- d) Operational/ People Risk - Head of Human Resource and Administration
- e) Procurement Risk - Procurement Specialist
- f) Technological Risk - Head of Information Communications Technology
- g) Reputational Risk - Head Public Relations
- h) Legal/Compliance/ Governance Risk - Legal Counsel
- i) Strategic Risk - Head Planning Research and Development
- j) Control Risk - Head Internal Audit and Risk Management

THE INTERNAL CONTROL ENVIRONMENT

The Board and Management established numerous processes for identifying, evaluating and managing the significant risks faced by the Agency. These include periodic testing of the effectiveness and efficiency of the internal control procedures and updating the system of internal controls when there are changes to the business environment or legislation.

The key elements of the internal control system established by the Board that provides effective governance and oversight of internal controls include:

1. Organisation Structure - The Agency has in line with the Road Traffic Act requirements, an organisational structure with clearly defined lines of responsibility, authority limits, and accountability of the Board, Board Committees and Management to ensure efficient and effective corporate governance is attained. Further information on the roles and responsibilities and specific duties of the Board, Board Committees and Management included in the Board Charter and the Corporate Governance Manual. The Board reviews regular reports from the Management on Road safety and transport matters, key operating statistics and financial matters.
2. Strategic Plan, Annual Work Plan, Procurement Plan and Budget These are approved by the Board and performance achievements are reviewed against the targeted results on a quarterly basis allowing timely responses and corrective actions to be taken.
3. Audit and Risk Management Committee Board has delegated the responsibility of formulating risk policies and frameworks to identify, measure, monitor, manage and control the material risk components impacting the Agency. The effectiveness of the risk management and control system is monitored and evaluated by the Internal Audit and Risk Management Department, on an on-going basis.
4. Internal Audit and Risk Management Department - Governed by the Audit Charter and using a risk based approach, the Department independently reviews key processes, checks compliance with policies/procedures, evaluates the adequacy and effectiveness of internal controls, risk management and governance processes. It highlights significant findings and corrective to Management and the ARMC on a timely basis.
5. Revenue Monitoring Unit which is responsible for the continuous monitoring of potential revenue leakage that may arise from day to day operations.
6. Compliance Culture - The Agency is largely guided by the Road Traffic Act No. 11 of 2002 in the promotion of road transport and safety. Aside from having a Compliance Register, the Agency has instilled a compliance culture where the Board, Senior Management and every employee of the Agency is committed to adhere to the requirement of the RTA, Employment Code Act, Public Finance Management Act and other applicable in the execution of its mandate.
7. Integrity Committee/Whistleblowing Policy - The Agency's Whistle Blowing Policy is applicable to all employees and provides guidance on reportable concerns, avenues for reporting as well as governance, investigation and deliberation

process. The policy promotes a culture of openness, accountability, integrity and professional responsibility among employees whilst reassuring employees of protection against harassment, reprisals or victimization for raising genuine concerns. The establishment of the policy and the Integrity Committee provides Management the opportunity to address any corrupt, dishonest or fraudulent activities by implementing remedial actions to reduce negative reputational risk. It also allows employees to receive feedback on their concerns and to allow further escalation if they are not satisfied with the actions taken.

8. Policies and procedures- There is extensive documentation of policies, procedures, guidelines and service level agreements by the Agency relating to licensing and examination for both drivers and motor vehicles, finance, procurement and contract management, human resources and administration, information communication technology, legal, communications and research among others. Continuous reviews and control enhancements are made to cater for business environment changes and to align these with regulatory changes. The Agency in 2021 reviewed its Finance and Administration, Procurement, Disposal policy documents among others, to align them with new legislation enacted A register of policies is maintained by the Legal Counsel where there is an indication of whether the policy has been Board approved and the time

line for review.

9. Management of Information Assets - Confidentiality, integrity and availability of information forms the basis for data protection, which is critical to day-to-day operations for management decision making. To safeguard the information assets, the Agency has an ICT Policy which clearly defines the processes for effective management of information assets and its associated risks, handling rules and need for information to properly managed, controlled and protected. Additional measures include reinforcing the clear desk policy to minimise information leakage/theft and fraud.
10. Segregation of duties including authority limits at station, departmental, Management and Board levels for approving general and operational expenses, ICT system rights, acquisition & disposal of assets, procurements, donations, as well as write offs.
11. Human Resource Policies and Guidelines that governs all aspects of human resource management, from talent acquisition and development, performance and consequence management, code of conduct to cessation of employment. A Disciplinary Policy is also established to provide for a structure where disciplinary matters are dealt with fairly, consistently and in line with the prevailing labour laws and employment regulations.

12. Core Values and Code of Ethics and Conduct - The Agency's core values, SAFE-CIT. (Service excellence, Accountability, Fairness, Efficiency, Confidentiality, Integrity and Transparency) are the essential guiding principles to drive behavioral ethics. It is further complemented by the Code of Ethics that sets out sound principles and standards of good practice to be observed by all. These processes have been in place for the financial year ended 31 December 2020 and up to the date of approval of this Statement on Risk Management and Internal Control except for the Board which was in place from 1st January 2021 until 30th September, 2021 when it was dissolved by the Minister.

Review of effectiveness of internal controls.

The effectiveness of internal controls is achieved through internal and external audits. Quarterly internal audit reports are submitted to the ARMC and the Board highlighting areas of weakness, action taken by Management and status of audit issues. The Internal Audit department also maintains a quality assurance and improvement programme and continuously monitors its overall effectiveness through internal self-assessments.

The ARMC and the Board further review observations of the independent External Auditors with regards to risks and controls related to the financial statements which are highlighted in their Management Letter, as part of assessment of the effectiveness of internal controls.

Management holds weekly meetings to ensure timely mitigation of any deficiencies or significant risks for efficient and effective attainment of strategic objectives.

The statement of internal controls is reviewed by the ARMC and the Board to ensure it accurately reflects the control system in operation under review. Reviewing the effectiveness of risk management and internal control is an essential part of the Board's responsibilities and should be performed at least annually.

Significant Internal Control Deficiencies/ Fraud Incidences Recorded in 2021.

Conclusion

The ARMC had its first and second quarter meetings before the Board was dissolved therefore annual review of the effectiveness of internal controls was not conducted.

The internal controls and risk management processes of the Agency have been considered to be effective in attaining strategic objectives, mitigating risks and safeguarding assets and therefore continue to be monitored and reviewed regularly.

Table 32: Shows the significant control deficiencies and cases of fraud recorded in the year 2021;

Internal Control Deficiencies	Consequence	Action Taken
Absence of a Board during the last quarter of 2021.	Weakened Corporate Governance	Management prepared quarterly reports and sought strategic guidance from the Ministry of Transport and Logistics. Strategic offices such as Attorney General's office, Accountant General and the Zambia Public Procurement Authority were consulted when need arose.
Employees lacking honesty and integrity resulting in misappropriation of monies.	Loss of K79,444.00 at Silverest Station.	Officer was dismissed
Employee manipulating transactions through window dressing/ fraudulent accounting	Loss of K275,737.00 at the Chingola Station.	Officer was dismissed.



Human Resource and Administration Department



11.0 HUMAN RESOURCE AND ADMINISTRATION DEPARTMENT

11.1 STENGTHENING ORGANISATIONAL CAPACITY

11.1.1 Staffing

During the year under review, the staff compliment as at 31st December, 2021 were as follows; 634 establishment, 625 Permanent and Pensionable and Contract employees, and 9 employees on temporary contracts.

11.1.2 Up scaling the works of the Integrity Committee

In the year under review, the Agency implemented its Annual Corruption Prevention Action Plan (ACPAP). The Integrity Committee submitted three integrity related policies for Board consideration and approval namely the Code of Ethics, Revised Whistle Blower Policy and the Revised Gift Policy. Further, Agency tailored Integrity Committee Terms of Reference with accompanying Focal Point Person appointment guidelines and respective Terms of Reference were developed. The later documents were considered and approved by Management while the former were approved by the Board with the exception of Revised Gift Policy.

The Integrity Committee also facilitated for the quarterly Road Sector Integrity Committee meeting which was held from 21st - 23rd May 2021 which was aimed at further enhancing collaborative partnerships in promoting integrity in the road sector.

Further, the Integrity Committee conducted staff awareness programs at various stations on the Copperbelt, Eastern and Northern Provinces. This was to bring to the attention of members of staff the existence of the Code of Ethics and Whistle Blower Policy. The said documents were also circulated to all members of staff.

The Integrity Committe (IC) in the year under review also participated in the evaluation of the Integrity Committee program for Zambia undertaken by the Anti-Corruption Commission

(ACC) with various recommendations made. Further, the IC participated in the International Anti-Corruption Day which fell on December 9, 2021. This commemoration was preceded by awareness programs for members of the public on how to acquire various RTSA services free of corruption. The Agency also attended the Chief Executives Forum on the Integrity Program for Zambia that was chaired by the Acting Secretary to Cabinet. Various matters were discussed on mainstreaming integrity in respective institutions.

Due to the conducive environment established by management as a result of the revised whistle-blower policy, the Agency through the Integrity Committee experienced an increase in whistleblowing. The received complaints were deliberated on with recommendations made to Management. The IC also held eight meetings in the period under review and began to facilitate for the appointment of Integrity Committee focal point officers at all RTSA stations.

It also is important to note that the ACPAP has a corresponding Monitoring, Evaluation and Assessment Score Sheet (MEA), a tool that is used to measure and monitor the performance of the anti-corruption interventions and measures the Agency puts in place. The tool comprises an outline of the measurable indicators/standards (169) in accordance with the “PEE model”.

The tool attempts to introduce a mathematical approach to the analysis of corruption prevention interventions in Agency. Scores will show efforts being made to address the indicator or vulnerability identified out of a possible score of 100. The overall performance of the Agency in the period under review was a score of 76.

11.1.3 Renovation Works

Choma Station

To promote a conducive work environment with ergonomic standards, the Maintenance Unit installed a wire fence, a steel sliding gate and painted/branded the storage container at the Choma Station.

Below are the images of the branded container and fence



Choma Office - Pre Fencing



Choma Office - Post Fencing



Office - Pre Gate Installation



Office - Post Gate Installation



Branded Storage Container - Choma

Figure 50: Images of Branded Containers and Fences

Refurbishment of Mimosa and Ridgeway Containers

During the period under review the Agency undertook to renovate and refurbish a container at Ridgeway Examination yard which is currently

being used as an office. Further a Container was refurbished at Mimosa Station for the purpose of use by the Enforcement unit.



Mimosa Exterior



Mimosa Exterior



Mimosa Exterior



Mimosa Exterior



Ridgeway Exterior



Ridgeway Interior

Figure 51: Ridgeway and Mimosa Container Refurbishment

11.1.4 Head Office Construction

The Agency has made significant progress with the completion of Head Office. The Head Office building is at 99% completion and all five floors have been occupied. It is envisaged that the pending works of Generator supply and solar backup solutions will be done in the 1st quarter of 2022.

Summary of Progress as at 31st December 2021:

- i Installation of solar security lights around the perimeter of the

property

- ii Replacement of internal mortice locks
- iii Practical completion certification of air conditioning system

Pending works:

The following works are remaining in order to complete the works for Head Office:

- Generator supply and installation to supply back up power



Figure 52: Head office before installation of security lights.



Figure 53: Car Park Solar Lights Installed

11.3.2.3 Office Administration

COVID-19 Compliance

The Agency has continued to adhere to the COVID-19 guidelines in all the Stations. Disinfection of stations and supply of COVID-19 material was on going during the period under review. The Agency facilitated for COVID-19 Vaccination of Lusaka based employees by inviting Ministry of Health Officers to come and carry out voluntary vaccination at Head Office, were vaccinated. Provincial Managers were encouraged to facilitate vaccination for employees in their respective Provinces.

Further, the Agency has continued to use the spray booth at the entrance of Head Office main building.

11.2 IMPROVING AGENCY BRANDING

11.2.1 Strengthening Customer Relations Management

In the period under review, in order to intensify anti-corruption campaigns and publicise various mechanisms put in place

to prevent corruption in the acquisition of various RTSA services, the Agency in the period undertook media sensitization programs. Through a designated officer, the IC featured on six radio programs on Millenium Radio. Ethical Issues at RTSA was aired on 25th January 2021, Procedures to report alleged corruption at RTSA was aired on 18th June 2021. The role of the IC at RTSA was aired on 19th July 2021 and Procedures to report alleged corruption at RTSA was aired on 23rd August 2021. Further, Ethics and Integrity at RTSA was aired on 8th October, 2021 and Procedures to report alleged corruption at RTSA was aired on 17th December, 2021. The Agency was in the period under review called upon to make five presentations at Integrity Committee trainings the Anti-Corruption Commission was undertaking. The presentations on “Mainstreaming Integrity in the RTSA” was made to several participants from various public institutions. This without a doubt further improved the Agency’s corporate image.



Figure 54: Covid-19 Vaccine Administration at Head Office



Figure 55: Automatic Covid-19 Spray Booth at Head Office



Financial Statements





Road Transport & Safety Agency (RTSA)

Financial Report and Audited Financial Statements

for the year ended 31st December 2021

March, 2022

Issued by:

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Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

for the year ended 31st December 2021



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Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

General Information

for the year ended 31st December 2021



1 Board of Directors

		Date Appointed/Replaced
	Chairperson	Yet to be appointed
	Vice Chairperson	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
	Director	Yet to be appointed
Mr. Gladwell Banda	Board Secretary	Yet to be appointed

2 Management

Mr. Gladwell Banda	Director and CEO
Eng. Alinani Msisya	Deputy Director - Safety
Mr. Joseph Mumba	Deputy Director - Transport
Mr. Progress Saiwana	Head Finance
Ms. Vivian Mupunda	Head Internal Audit & Risk Management
Mr. Brian Sikute	Head Information and Communication Technology
Ms. Mundi Mwanza	Head Human Resources and Administration
Mr. Chucky Kanchele	Head Planning, Research and Development
Mr. Fredrick Mubanga	Head Public Relations
Mr. Aaron Tembo	Legal Counsel
Ms. Janet Mumba	Procurement Specialist

3 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

4 Auditors

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

5 Registered office

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

Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

Financial report to the financial statements

for the year ended 31st December 2021



Introduction

The Board has the honour to submit herewith the financial report on the accounts of the Road Transport and Safety Agency for the year ended 31st December 2021

The present report is designed to be read in conjunction with the financial statements.

The Agency is mandated to register motor vehicles; issue licenses and permits; conduct road safety for the benefit of all sections of the community; and collect all levies and revenues under the Road Traffic Act No. 11 of 2002 (the "Act") on Government's behalf.

Despite a challenging local economic environment, the Agency was able to deliver 68 per cent of its core functions. In January 2021, the Agency implemented the International Public Sector Accounting Standards (IPSAS). These financial statements have for the first time been prepared in accordance with IPSAS.

Directors

The following board of Directors was dissolved on 30th September 2021:

Dr. Cornelius Chipoma	Chairperson
Mr. Daniel Kampilimba	Vice Chairperson
Ms. Mwenya Bwalya	Director
Mr. Patrick Malindi	Director
Ms. Mumeka Walumweya	Director
Ms. Elizabeth Ngwira	Director
Eng. George Manyele	Director
Mr. Henry Nkhoma	Director
Eng. Wallece Mumba	Director
Ms. Lombe Kamukoshi	Director
Dr. Emmanuel Sampa	Director
Mr. Charles Mafumo	Director
Ms. Foster Chileshe	Director
Mr. Gladwell Banda	Board Secretary

The Minister in charge of transport had not appointed a new board as at the reporting date as required by Section 5 of the Road Traffic Act No. 11 of 2002.

Adoption of the International Public Sector Accounting Standards

For the first time, the financial statements of the Agency have been prepared in accordance with IPSAS. In 2020 and prior years, the financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS).

The adoption of IPSAS has been accepted as best practice for accounting and reporting by the public sector and not-for-profit governmental organizations. The Agency adopted IPSAS on 1st January 2021, in accordance with the Government of the Republic of Zambia (GRZ) guidance on the migration project to IPSAS where all government ministries, provinces, and spending agencies will be required to prepare financial statements under accruals IPSAS framework by 2024.

Highlights of key changes to the IPSAS financial statements of the Agency

Financial statements prepared in accordance with IPSAS use full accrual-based accounting, which is a similar to the IFRS accounting previously applied. Accrual-based accounting requires the recognition of transactions and events when they occur and the presentation of all assets and liabilities at reporting date. Accordingly, the accounting policies of the Agency have been updated to IPSAS; the summary of significant accounting policies, presented in note 3 to the financial statements, reflects this update.

Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

Financial report to the financial statements

for the year ended 31st December 2021



Highlights of key changes to the IPSAS financial statements of the Agency (Cont'd)

Revenue under IPSAS, is recognized when an agreement to provide unconditional funding is signed, even prior to the receipt of cash. The Agency has also recognized, revenue for donated right-to-use property arrangements in accordance with IPSAS.

IPSAS requires significantly more note disclosures in the financial statements; some of the new areas of note disclosures for the Agency include reporting on leases, movement of provisions, reporting on key management personnel, reporting on details of measurement of employee-benefit liabilities, reporting on details of the life cycle of property, plant and equipment and intangibles assets and reporting on investment risks.

Of note is that the budget of the Agency continues to be prepared on a modified cash basis. As the accounting basis for the budget differs from the basis applied to the financial statements, reconciliation between expenditure on the budget and expenses according to the IPSAS financial statements is provided in note 18 to the financial statements.

In order to transition to IPSAS, the financial position as at 31st December 2020 was restated and IPSAS-compliant opening balances were compiled as at 1st January 2021, which resulted in an adjustment to the net asset position of the Agency; refer to statement III. Owing to the change of accounting basis in the first year of the adoption of IPSAS, a full suite of comparative information for the prior year is not provided in the financial statements.

Overview of the financial statements for the year ended 31st December 2021

Financial statements I, II, III, IV and V show the financial results of the activities of the Agency and its financial position as at 31st December 2021. The notes to the financial statements explain the Agency's accounting and financial reporting policies and provide additional information on the individual amounts contained in the statements.

Revenue

The financial results for year 2021 show a deficit of K1.530 million based on the results as follows:

Financial results for 2021

(Thousands of Zambian Kwacha)

Total revenue	364,755
Total expense	366,285
Deficit	(1,530)
Net assets	2,951

In 2021 revenue totaled K364.755 million. The main sources of revenue was appropriated through Parliament and paid through the Ministry of Finance and National Planning, and the National Road Fund. A revenue grant of K1.473million was donated by the United Nations Development Programme (UNDP) for various safety programmes, and the equity and equality in socioeconomic development and service delivery project.

Expenses

For the year ended 31st December 2021, expenses totaled K366.285 million. The main expense categories were staff costs of K183.953 million, or 50 per cent; other operating expenses of K102.223 million, or 28 per cent; other expenses make up K80.109 million, or 22 per cent.

Operating results

The net deficit of revenue over expense in 2021, as measured under IPSAS, is K1.530million. However, it is worth noting that, under IPSAS, the matching principle of revenue and expenses does not apply for non-exchange transactions. This means that contributions can be received in one financial year and spent in another, in particular where agreements are signed late in the financial year and span a multi-year period.

Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

Financial report to the financial statements

for the year ended 31st December 2021



Property and Equipment, and intangible assets

The following were the additions to property and equipment during the year:

	31st December 2021
Motor vehicles	12,507
Capital work in progress	15,603
Office equipment	4,532
Office furniture and fittings	4,532
Leasehold buildings	332
Intangible assets	28
	37,533

Related Party Transactions

Related party transactions are disclosed in Note 20 to the financial statements.

Health and Safety of Employees

The Directors are aware of their responsibilities regarding the health and safety of employees and have put appropriate measures in place to safeguard the safety and health of employees.

Corporate Governance

The Directors are committed to high standards of corporate governance, which are fundamental to discharging their leadership responsibilities. The Board applies integrity, principles of good governance and accountability throughout its activities.

Events Subsequent to the Reporting Date

The Board of the Agency was dissolved at the end of the third quarter as at 30th September 2021. A new Board had not been constituted at the reporting date as is comprised and required by Section 5 of the Road Traffic Act No. 11 of 2002.

Other than the above, the Directors are not aware of any matter that is material to the financial affairs of the Agency that occurred between the reporting date and the date of approval of these financial statements.

Auditors

Messrs.' CYMA Chartered Public Accountants & Management Consultants, have indicated their willingness to continue in office. A resolution proposing their reappointment and authorising of the Directors to determine their remuneration will be put to the Directors at the next board meeting.

By order of the Board.

Mr. Gladwell Banda
Secretary

Date: 1, 04, 2022

Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

Statement of responsibilities



for the year ended 31st December 2021

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"). Their responsibility includes; designing, implementing 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 present fairly 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 financial performance is drawn up so as to present fairly the deficit for the year ended 31st December 2021;
- (b) The statement of financial position is drawn up so as to present fairly the state of affairs of the Agency as at 31st December 2021;
- (c) The financial statements have been prepared in accordance with the International Public Sector Accounting Standards and are in compliance with the Road Traffic Act No. 11 of 2002. The financial statements are presented in **Zambian Kwacha** "000 the functional and reporting currency of the Agency. The accounting policies have been consistently applied to all the years presented. 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 25TH MARCH 2022 and are signed on its behalf by:

Permanent Secretary

Mr. Gladwell Banda
Director and CEO (Board Secretary)

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of the Road Transport and Safety Agency ("the Agency"), which comprise the statement of financial position as at 31st December 2021 (statement I) and the statement of financial performance (statement II), the statement of changes in net assets (statement III), the statement of cash flows (statement IV) and the statement of comparison of budget and actual amounts (statement V) for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies as set out on pages 13 to 35.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at 31st December 2021 and of its financial performance and cash flows for the year then ended, in accordance with the International Public Sector Accounting Standards (IPSAS) and in the manner required by the Road Traffic Act No. 11 of 2002.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are described in the section below entitled "Auditor's responsibilities for the audit of the financial statements". We are independent of the Agency, in accordance with the ethical requirements relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence that 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. For the year under review there were no such matters to report.

Information other than the financial statements and auditor's report thereon

The Directors are responsible for the other information, which comprises the financial report of the Directors for the year ended 31st December 2021 as required by the Road Traffic Act No. 11 of 2002, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the 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, on the basis of the work that we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors and those charged with governance for the financial statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IPSAS and the requirements of the Public Finance Management Regulations of 2020, and the Road Traffic Act No. 11 of 2002, and for such internal control as the Directors determine to be 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 and using the going concern basis of accounting unless the Directors with consent from the Minister of Finance and in accordance with the Road Traffic Act No. 11 of 2002, intends to either discontinue financial support to the Agency or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of the Road Transport and Safety Agency.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing 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 the International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- i) Identify and assess the risks of material misstatement in 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 the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or the overriding 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 internal control of the Road Transport and Safety Agency.
- iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- iv) Draw conclusions as to the appropriateness of the Directors' use of the going-concern basis of accounting and, on the basis of the audit evidence obtained, whether a material uncertainty exists in relation to events or conditions that may cast significant doubt on the ability of the Road Transport and Safety Agency to continue as 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 Road Transport and Safety 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.

We communicate with those charged with governance with regard to, 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 Directors 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.

Report on other legal and regulatory requirements

- (a) Furthermore, in our opinion, the transactions of the Road Transport and Safety Agency that have come to our notice, or that we have tested as part of our audit, have in all significant respects been in accordance with the Public Finance Management Act No.1 of 2018 and Public Finance Management Regulations of 2020, and the Rules of the First Schedule Part II of the Road Traffic Act No. 11 of 2002.
- (b) The Road Transport and Safety Agency, did not have a Board constituted for the last quarter of the year as prescribed by Section 5 of the Road Traffic Act No. 11 of 2002, which is a non-compliance with the Road Traffic Act.

CYMA Chartered Accountants and Management Consultants

The engagement partner on the audit resulting in this auditor's report is;



Dr. Chintu Y Mulendema

Managing Partner

Practicing Certificate Number AUD/F000113

27/04/22
Date

Financial statements for the year ended 31st December 2021

Road Transport & Safety Agency (RTSA)

I. Statement of financial position as at 31st December 2021

(Thousands of Zambian Kwacha)



	Reference	31st December 2021	1st January 2021
Assets			
Current assets			
Cash and cash equivalents	6.	5,266	3,952
Funding receivable	7.	17,438	17,438
Other assets	8.	7,143	10,185
Inventories	9.	59,320	85,330
Total current assets		89,167	116,905
Non-current assets			
Intangible assets	10.	17	38,009
Property and equipment	11.	140,912	126,529
Total non-current assets		140,929	164,538
Total assets		230,096	281,443
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12.	76,886	158,099
Employee benefit liabilities	13.	87,266	68,021
Short-term provisions	14.	15,834	9,497
Total current liabilities		179,986	235,617
Non-current liabilities			
Employee benefit liabilities	13.	47,159	41,798
Total non-current liabilities		47,159	41,798
Total liabilities		227,145	277,415
Net of total assets and total liabilities		2,951	4,028
Net liabilities			
Operating reserves	Page 11	(17,200)	(16,006)
Capital grants	Page 11	3,710	3,257
Revaluation reserves	Page 11	16,441	16,777
Total net assets		2,951	4,028

The responsibility of the Agency's Directors with regard to the preparation of the financial statements are set out on page 5. The statement of financial position above was laid before the board in a board meeting and approved by the Board of Directors on ~~25th March 2022~~ and were signed on its behalf by:

Permanent Secretary

Mr. Gladwell Banda
Director and CEO (Board Secretary)

Financial statements for the year ended 31st December 2021

Road Transport & Safety Agency (RTSA)

II. Statement of financial performance for the year

(Thousands of Zambian Kwacha)



	Reference	31st December 2021
Revenue		
Appropriated through the MoFNP	15.	130,501
Appropriated through the Road Fund	15.	231,814
UNDP Grant	15.	1,473
Interest and other revenue	16.	967
Total revenue		364,755
Expenses		
Administration expenses	17.	2,491
Depreciation and amortisation	10. & 11.	56,618
Employees salaries, allowances and benefits	17.	183,953
Foreign exchange expenses	17.	4,447
Other operating expenses	17.	102,223
Supplies and consumables	17.	440
Training	17.	926
Travel	17.	15,187
Total expenses		366,285
Deficit for the year		(1,530)

The accompanying notes form an integral part of these financial statements

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Financial statements for the year ended 31st December 2021

Road Transport & Safety Agency (RTSA)

III. Statement of changes in net assets for the year ended 31st December 2021

(Thousands of Zambian Kwacha)



	Reference	Operating reserves - restricted	Capital grants (a)	Revaluation reserves (b)	Total
Net assets at 31st December 2020 (IFRS)		(67,081)	3,257	16,777	(47,047)
IPSAS adjustments	Note 4	51,075	-	-	51,075
Total IPSAS adjustments		51,075	-	-	51,075
Restated net assets as at 1st January 2021 (IPSAS)		(16,006)	3,257	16,777	4,028
Deficit	Page 10	(1,530)	-	-	(1,530)
Additions	c.		695		695
Transfers	a., b.	336	(242)	(336)	(242)
Total recognised changes in net assets		(1,194)	453	(336)	(1,077)
Net assets at 31st December 2021		(17,200)	3,710	16,441	2,951

- (a) The Capital grants are amortised to reserves at 6% on reducing balance basis for other capital items, and 25% for the vehicle donated by the World Bank (see c below), annually.
- (b) The Revaluation reserve is amortised to revenue at the rate of 2%, for the Silverrest property. The amortisation of the revenue reserves is disclosed as part of interest and other revenue in Note 16 to the financial statements.
- (c) This relates to a motor vehicle, Land Cruiser Hardtop registration number BAP 8577, that was donated by the World Bank for the improved rural connectivity project.

Financial statements for the year ended 31st December 2021

Road Transport & Safety Agency (RTSA)

IV. Statement of cash flows for the year ended 31st December 2021

(Thousands of Zambian Kwacha)



	Reference	31st December 2021
Cash flows from operating activities		
Deficit for the year	Page 10	(1,530)
<i>Non-cash movements</i>		
Depreciation and amortisation	Note 10., & 11.	56,618
Grant amortisation	Note 16.	(242)
Loss on disposal of property and equipment	Note 16.	23
<i>Changes in assets</i>		
Increase in other assets	Note 8.	3,042
Decrease in inventories	Note 9.	26,010
<i>Changes in liabilities</i>		
Decrease in accounts payable and accrued liabilities	Note 12.	(81,212)
Increase in employee benefits	Note 13.	24,606
Decrease in short-term provisions	Note 14.	6,337
Net cash flows used in operating activities		33,652
Cash flows from investing activities		
Payments for property and equipment	Note 11.	(33,021)
Payments for intangible assets	Note 10.	(28)
Proceeds from disposal of property and equipment		16
Net cash flows used in investing activities		(33,033)
Cash flows from financing activities		
Capital grant received	Page 11	695
Net cash flows used in financing activities		695
Net increase in cash and cash equivalents		1,314
Cash and cash equivalents at the beginning of year	Note 6.	3,952
Cash and cash equivalents at the end of the year	Note	5,266
Comprising of:		
Cash and bank balances	Note 6.	3,748
Station imprest		1,518
Total Cash and cash equivalents		5,266

The accompanying notes form an integral part of these financial statements

Financial statements for the year ended 31st December 2021

Road Transport & Safety Agency (RTSA)



V. Statement of comparison of budget and actual amounts for the year ended 31st December 2021

(Thousands of Zambian Kwacha)

	<i>Publicly available budget</i>			<i>Note</i>
	<i>Original and final budget (a)</i>	<i>Actual (budget basis)</i>	<i>Difference (percentage) (b)</i>	
Revenue				
Appropriated through the Ministry of Finance	112,214	130,501	16%	18(i).
Appropriated through the Road Sector Fund	341,132	231,814	-32%	18(ii).
Donor funds	-	1,473	Not applicable	
Total revenue	453,346	363,788		
Expenses				
Administration expenses	7,361	2,491	-34%	18(iii).
Capital expenditure	151,368	33,049	-78%	18(iv).
Employees salaries, allowances and benefits	152,005	183,953	21%	18(v).
Other operating expenses	127,015	102,223	-20%	18(vi).
Supplies and consumables	680	440	-35%	18(vii).
Training	1,735	926	-47%	18(viii).
Travel	13,182	15,187	15%	
Total expenses	453,346	338,269		
Surplus for the year	-	25,519		

- (a) The original budget is the budget approved by the Ministry of Finance and National Planning. The original budget is the portion of the appropriations approved by parliament derived from the estimate of resources for use in the financial year. The final budget is the original budget, adjusted for all reserves, carry-over amounts, transfers, allocations, supplemental appropriations, and other authorised legislative or similar authority changes applicable in the budget year. The final budget is the amount approved by the Ministry of Finance and National Planning in the performance report covering the financial year. In the year under review, there were no differences between the original and final budgets.
- (b) This a percentage of Actual expenditure (comparable budget basis) less final budget. In pursuant of IPSAS 24 budget considerations, differences greater than 10 per cent are considered material and are discussed in Note 18 of the financial statements.

Financial statements for the year ended 31st December 2021

Road Transport & Safety Agency (RTSA)

Notes to the 2021 financial statements



(Thousands of Zambian Kwacha)

1. Reporting entity

1.1 The Road Transport and Safety Agency and its activities

The Road Transport and Safety Agency (the "Agency") was enacted through Parliament by the Road Traffic Act No. 11 of 2002, subject to the provisions of this Act the strategic objectives and functions of the Agency are:

- (a) *to implement policy on road transport, traffic management and road safety;*
- (b) *to register motor vehicles under the Act;*
- (c) *to issue licenses and permits under the Act;*
- (d) *to pay out money in the Road Fund from revenues payable under this Act in respect of fees for licenses, permits and concessions granted and registration fees, as the Minister shall, after consultation with the Minister responsible for finance and national planning and the Agency, by regulations, as prescribed;*
- (e) *to conduct road safety education and, through publicity campaigns, undertake and assist in the dissemination of information on road safety for the benefit of all sections of the community;*
- (f) *to coordinate road safety programmes;*
- (g) *to approve road safety programmes undertaken by, any person, body or institution. Provided that no person, body or institution shall, without the prior approval of the Agency, undertake any road safety programme;*
- (h) *in conjunction with local authorities, to formulate and conduct programmes designed to promote road safety;*
- (i) *to make contributions towards the cost of programmes for promoting road safety undertaken by other authorities or bodies; and*
- (j) *to carry out such other activities as are necessary or conducive to the performance of its functions under the Act.*

The Agency is headed by a Director who is also the Chief Executive Officer (CEO) and Secretary of the Agency who reports to the members of the Agency. The Director is appointed by the Agency with approval of the Minister and is assisted by two Deputy Directors. The composition of the members of the Agency is prescribed by Section 5 of the Road Traffic Act No. 11 of 2002. The members of the Finance and Audit Committees of the Agency meets annually to examine the activities of the Agency on the basis of the annual report and to make recommendations to the Directors of the Agency, which review the Agency programme of work.

The regular Administration and Annual Work Plan financial provisions budgets are financed through appropriation by parliament through the National Road Fund and an allocation to the Agency from the Road Fund. 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.

The Agency is regarded as a separate reporting entity and is not deemed to be subject to common control for the purposes of IPSAS compliant reporting.

The headquarters of the Agency is at Plot 6956, Dedan Kimathi Road, Lusaka with over 35 stations across the ten provinces of Zambia.

2. Basis of preparation

The accounts of the Agency are maintained in accordance with **Sections 10, 11 and 12 of Part II of the First Schedule of the Road Traffic Act No. 11 of 2002**. The financial statements of the Agency are prepared on the accrual basis of accounting in accordance with the International Public Sector Accounting Standards (IPSAS). In accordance with the requirements of IPSAS, these financial statements, which present fairly the assets, liabilities, revenue and expenses of the Agency, and the cash flows over the financial year, consist of the following:

- (a) Statement I: statement of financial position;
- (b) Statement II: statement of financial performance;
- (c) Statement III: statement of changes in net assets;
- (d) Statement IV: statement of cash flows using the indirect method;
- (e) Statement V: statement of comparison of budgets and actual amounts;
- (f) A summary of significant accounting policies and other explanatory notes.

This first set of financial statements is prepared in compliance with IPSAS, which includes the application of certain transitional provisions, as identified below.

Financial statements for the year ended 31st December 2021

Road Transport & Safety Agency (RTSA)

Notes to the 2021 financial statements



(Thousands of Zambian Kwacha)

2. Basis of preparation (Cont'd)

Prior to 1st January 2021, the financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The adoption of IPSAS has required changes to be made to the accounting policies previously followed by the Agency. The adoption of the new accounting policies has resulted in changes to the assets and liabilities recognized in the statement of financial position. Accordingly, the last audited statement of assets, liabilities and reserves and fund balances as at 31st December 2020 has been restated and the resulting changes are reported in the statement of changes in net assets and note 4, First implementation of IPSAS. The net effect of the changes brought about by the adoption of IPSAS in the statement of financial position amounted to an increase in total net assets of K51.075 million at 1st January 2021.

2.1 Going concern

The financial statements have been prepared on a going-concern basis and the accounting policies, as summarized in note 3, have been applied consistently in the preparation and presentation of these financial statements. The going-concern assertion is based on the annual letter of comfort received from the Ministry of Finance and National Planning for the Agency's continued support, the positive historical trend of collection of financial provisions over the past years and that the Minister in charge of finance and national planning has not made any decision to cease the operations of the Agency.

2.2 Functional and presentation currency

The financial statements are presented in Zambian Kwacha, which is the functional and presentation currency of the Agency. The financial statements are expressed in thousands of Zambian Kwacha unless otherwise stated. The administration and annual work plan budgets of the Agency are approved and assessed in Zambian Kwacha.

Non-monetary items that are measured in terms of historical cost or fair value in a foreign currency are translated using the Zambian Kwacha operational rates of exchange prevailing at the date of the transaction or when the fair value was determined. Monetary assets and liabilities that are denominated in foreign currencies are translated into Zambian Kwacha at the operational rate of exchange year-end closing rate. Foreign currency transactions are translated into Zambian Kwacha using the operational rate of exchange prevailing at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions in currencies other than the Agency's functional currency and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance on a net basis.

2.3 Materiality and use of judgment and estimation

Consideration of materiality is central to the development of accounting policies and the preparation of financial statements. In general, an item is considered material if its omission or its aggregation would affect the conclusions or decisions of the users of the financial statements.

The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the year. Accruals, property, plant and equipment and employee benefits liabilities are the most significant items where estimates are used. Actual results could differ from these estimates. Changes in estimates are reflected in the year in which they become known.

2.4 IPSAS transitional provisions

As permitted for first-time adoption of IPSAS, the following transitional provisions have been applied:

- (a) IPSAS 1: Presentation of financial statements — comparative information is provided only for the statement of financial position;
- (b) IPSAS 31: Intangible assets is applied prospectively to intangible assets;
- (c) IPSAS 17: Property, plant and equipment, which allows a transitional period of up to five years prior to full recognition of capitalized tangible assets. The Agency has not recognized the cost of leasehold improvements expensed prior to the adoption of IPSAS at 1st January 2021.

2.5 Measurement basis

The financial statements are prepared using the historic cost convention except for certain assets as stated in the notes to the financial statements. The financial statements are prepared for the year from 1st January to 31st December.

Financial statements for the year ended 31st December 2021

Road Transport & Safety Agency (RTSA)

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(Thousands of Zambian Kwacha)

2. Basis of preparation (Cont'd)

2.6 Future accounting pronouncements

The progress and impact of the following significant future IPSAS Board accounting pronouncements on the financial statements of the Agency continues to be monitored:

- (a) Heritage assets: the objective of the project is to develop accounting requirements for heritage assets;
- (b) Non-exchange expenses: the aim of the project is to develop a standard or standards that provide recognition and measurement requirements applicable to providers of non-exchange transactions, except for social benefits;
- (c) Revenue: the aim of the project is to develop new standard-level requirements and guidance on revenue to amend or supersede that currently located in IPSAS 9: Revenue from exchange transactions, IPSAS 11: Construction contracts, and IPSAS 23: Revenue from non-exchange transactions (taxes and transfers);
- (d) Leases: the objective of the project is to develop revised requirements for lease accounting covering both lessees and lessors in order to maintain alignment with the underlying International Financial Reporting Standards;
- (e) Public sector measurement: the objectives of this project include to:
 - (i) issue amended standards with revised requirements for measurement at initial recognition, subsequent measurement and measurement-related disclosure;
 - (ii) provide more detailed guidance on the implementation of replacement cost and cost of fulfilment and the circumstances under which these measurement bases will be used; and
 - (iii) address transaction costs, including the specific issue of the capitalizing or expensing of borrowing costs;
- (f) Infrastructure assets: the objective of the project is to research and identify issues preparers have when applying IPSAS 17: Property, plant and equipment, to infrastructure assets. Informed by this research, the aim is to provide additional guidance on accounting for infrastructure assets.

2.7 Recent and future requirements of IPSAS

The IPSAS Board has issued the following standards: IPSAS 39: "Employee Benefits", in 2016 effective 1st January 2018, IPSAS 40: Public sector combinations, in 2017 effective 1st January 2019, and IPSAS 41: Financial instruments, issued in August 2018 and effective 1st January 2022. The impact of these standards on the Agency financial statements and the comparative period therein has been evaluated to be as follows:

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
IPSAS 39	IPSAS 39 will not have any impact on the Agency since the "corridor method" on actuarial gains or losses, which is being eliminated, is not applied from the initial adoption of IPSAS in 2021. The Agency does not have any plan assets; therefore there is no impact from application of the net interest approach prescribed by the standard. Further analysis will be carried out in the future should the Agency procure plan assets.
IPSAS 40	There is no impact on the Agency from the application of IPSAS 40 at the adoption of IPSAS as there are no public sector combinations which fall under the Agency. Should such combinations occur, any impact of IPSAS 40 on the Agency financial statements following the effective date of the standard was (1st January 2019) will be evaluated for application by the Agency.
IPSAS 41	IPSAS 41 substantially improves the relevance of information for financial assets and financial liabilities. It will replace IPSAS 29: Financial Instruments: Recognition and Measurement, and improves that Standard's requirements by introducing: <ul style="list-style-type: none"> (a) Simplified classification and measurement requirements for financial assets; (b) A forward-looking impairment model; (c) A flexible hedge accounting model.

These notes form part of the financial statements on pages 9 to 13

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(Thousands of Zambian Kwacha)

2. Basis of preparation (Cont'd)

2.7 Recent and future requirements of IPSAS (Cont'd)

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
IPSAS 41	IPSAS 41 will be effective from 1st January 2022. Its impact on the financial statements will be assessed prior to that date and the Agency will be ready for its implementation by the time it becomes effective.

3. Significant accounting policies

3.1 Assets

3.1.1 Financial assets

(a) Classification

The Agency classifies its financial assets either at fair value through surplus or deficit or, in the case of receivables, at amortized cost. The Agency determines the classification of its financial assets at initial recognition.

(b) Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit includes any investments held by the Agency in the main cash pool managed by various financial institutions, which invests these funds on behalf of the Agency.

The main cash pool comprises cash and term deposits and short-term investments, all of which are managed through the various financial institutions. The cash pool is disclosed in the notes to the financial statements and in the statement of financial position, categorized as investments at fair value through surplus or deficit or as cash and cash equivalents if they had original maturities of less than three months.

(c) Recognition and measurement of assets held in the main cash pool

Gains or losses arising from changes in the fair value of the financial assets held in the main cash pool at fair value through surplus or deficit are presented in the statement of financial performance in the year in which they arise as part of finance costs if there is a net loss, or investment revenue if there is a net gain.

(d) Recognition and measurement of receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Agency receivables comprise other accounts receivable recognized in the statement of financial position. These receivables are stated at nominal value, except for receivables that will mature in more than 12 months, less impairment for estimated irrecoverable amounts, that is, the allowance for doubtful receivables. If deemed material, long-term receivables are reported at a discounted value calculated using the effective-interest method.

(e) Impairment of receivables

The Agency assesses receivables for impairment at the end of the reporting year. Receivables are considered impaired and impairment losses are incurred only if there is objective evidence, based on a review of outstanding amounts as at the reporting date, that the Agency will not be able to collect amounts due according to the original terms as a result of one or more events that occurred after initial recognition. In such a case, the carrying amount of the asset is reduced and any loss is recognized in the statement of financial performance. The amount of the loss is measured as the difference between the asset's carrying amount and the estimated future receipts.

An allowance for doubtful accounts receivable equal to 25 per cent of the carrying value is established to offset receivables aged 12–24 months, equal to 60 per cent of the carrying value for those aged more than 24 months and 100 per cent of the carrying value for those aged more than 36 months as at the reporting date. If, in a subsequent year, the amount of the impairment loss decreases, the reversal of the previously recognized impairment loss is recognized in the statement of financial performance.

3.1.2 Advances or prepayments

Advances are recognized as an asset until goods are delivered or services are rendered in accordance with binding agreements with suppliers or in accordance with the Agency regulations and rules for staff advances. The Agency recognizes an expense once it has received proof of the delivery of goods or the rendering of services.

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(Thousands of Zambian Kwacha)

3. Significant accounting policies (Cont'd)

3.1.2 Advances or prepayments (Cont'd)

The Agency advances funds to various suppliers in order for them to provide services to in accordance with binding agreements with the Agency. Expenses are recognized on receipt of expenditure or service delivery.

3.1.3 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost comprises the purchase price, any costs directly attributable to bringing the asset to its location and condition and the initial estimate of dismantling and site restoration costs. Assets that fall under the category of property, plant and equipment but are not under the direct control of the Agency are expensed when acquired. The Agency is deemed to control an asset if it can use or otherwise benefit from its use in the pursuit of its objectives and can exclude or regulate the access of third parties to the asset.

Property, plant and equipment are capitalized when their cost is greater than or equal to K5,000. In respect of assets that costs between K2,000 and K5,000, the question of capitalisation is a matter of discussion by Head Finance having regard to the materiality and the nature of the item. Station managers who are the custodians of the assets should consult Head Finance in case of doubt. No threshold is applied for vehicles, prefabricated buildings, satellite communications systems, generators and network equipment.

(a) Subsequent costs

Costs incurred subsequent to initial acquisition are capitalized only when it is probable that future economic benefits or service potential associated with the item will flow to the Agency and the subsequent costs can be measured reliably.

(b) Depreciation of property, plant and equipment

Depreciation is recognized for property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives for property, plant and equipment classes are as follows:

<i>Asset class</i>	<i>Asset subclass</i>	<i>Estimated useful life (years)</i>
Leasehold and leasehold improvements	Minor construction work	50 years
Information technology equipment and systems design	Information technology equipment including servers	3 years
	Computer software	
Vehicles	Light wheeled vehicles	4 years
Office equipment	Computer hardware including monitors and CPUs	4 years
	Printers and scanning equipment	
	Security and safety equipment	
Furniture and fixtures	Furniture	4 years
	Fixtures and fittings	

Capital work in progress is not depreciated.

Impairment reviews are undertaken for property, plant and equipment at least annually and any impairment losses are recognized in the statement of financial performance. The residual values and useful lives of assets are reviewed at least annually and adjusted if applicable.

A gain or loss resulting from the disposal or transfer of property, plant and equipment arises where proceeds from disposal or transfer differ from the carrying amount. Those gains or losses are recognized in the statement of financial performance within other revenue or other expenses.

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(Thousands of Zambian Kwacha)

3. Significant accounting policies (Cont'd)

3.1.4 Intangible assets

Intangible assets are valued at historical cost less accumulated amortization and any impairment losses. Externally acquired software is capitalized if its cost exceeds K5,000, including costs incurred to acquire and bring the software to use. Internally developed software is capitalized where the accumulated cost is equal to or greater than K5,000, excluding research and maintenance costs and including directly attributable costs such as employees, subcontractors and consultants.

(a) Amortization of intangible assets

Amortization of intangible assets is recognized over their estimated useful lives using the straight-line method. The estimated useful lives for intangible asset classes are as follows:

Class	Estimated useful life (years)
Software developed internally and externally acquired	3

Impairment reviews are undertaken for all intangible assets at least annually and any impairment losses are recognized in the statement of financial performance.

3.1.5 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average cost method, and includes all expenditure incurred in bringing the inventories to their present value and condition, but excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

The amount of any write down of inventories to net realisable value and all losses of inventories is recognised as an expense in the period the write down or loss occurs.

3.2 Liabilities

3.2.1 Financial liabilities

Financial liabilities are classified as "other financial liabilities". They include accounts payable, unspent funds held for future refunds and other liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with a duration of less than 12 months are recognized at their nominal value. The Agency re-evaluates the classification of financial liabilities at each reporting date and derecognizes financial liabilities when its contractual obligations are discharged, waived, cancelled or expired.

Accounts payable and accrued expenses arise from the purchase of goods and services that have been received but not paid for as at the reporting date. They are stated at invoice amounts, less payment discounts as at the reporting date. Payables are recognized and subsequently measured at their nominal value, as they are generally due within 12 months.

3.2.2 Employee benefits liabilities

The Agency recognizes the employee benefits described in the following paragraphs.

(a) Short-term employee benefits

Short-term employee benefits comprise first-time employee benefits (assignment grants), regular monthly benefits (wages, salaries, allowances), compensated absences (paid sick leave, maternity/paternity leave) and other short-term benefits (education grant and home leave travel). Short-term employee benefits are expected to be settled within 12 months of the reporting date and are measured at their nominal values based on accrued entitlements at current rates of pay. All short-term employee benefits that are earned but not taken as at the reporting date are treated as current liabilities.

(b) Post-employment benefits

Post-employment benefits comprise after-service health insurance, end-of-service repatriation benefits and a termination benefits.

(c) Defined-benefit plans

The Agency is required by law to make monthly compulsory retirement contributions by both the employer and employee to the National Pension Scheme Authority (NAPSA), which is defined contribution scheme. In this scheme, the employee portion is included as part of the wages paid as part of the employee benefits, whilst the employer's contribution for the compulsory contribution scheme is accounted for in the statement of financial performance as it becomes payable and the corresponding liability recognised on the statement of financial position.

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3. Significant accounting policies (Cont'd)

3.2.2 Employee benefits liabilities (Cont'd)

(c) Defined-benefit plans (Cont'd)

Defined-benefit plans are those where the obligation of the Agency is to provide agreed benefits and therefore the Agency does not bear the actuarial risks as it makes compulsory contributions to NAPSA. At the end of the reporting year, the Agency did not hold any plan assets as defined by IPSAS 39: Employee benefits. Upon end of service, staff members are compensated for accumulated unused annual leave days for those holding a fixed-term or permanent appointment.

3.2.3 Provisions

Provisions are recognized for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event, it is probable that the Agency will be required to settle the obligation and the value can be reliably measured. The amount of the provision is the best estimate of the expenditure required to settle the present obligation as at the reporting date.

3.2.4 Operating leases

Leases where the lessor retains a significant portion of the risks and rewards inherent in ownership are classified as operating leases. Payments made under operating leases are recognized in the statement of financial performance as an expense on a straight-line basis over the period of the lease.

3.3 Contingent liabilities and contingent assets

3.3.1 Contingent liabilities

Any possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency, or where value cannot be reliably estimated, are disclosed as contingent liabilities. Contingent liabilities are assessed continually to determine whether an outflow of resources embodying economic benefits or service potential has become probable. If it becomes probable that an outflow of resources embodying economic benefits or service potential will be required, a provision is recognized in the financial statements of the year in which the change of probability occurs.

3.3.2 Contingent assets

Any probable assets that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Agency are disclosed as contingent assets.

3.4 Revenue

3.4.1 Non-exchange revenue and receivables

As per Section 9 of Part II of the First Schedule of the Road Traffic Act No. 11 of 2002, the administrative financial provisions arrangements of the Agency provide that the budget of the Agency funds may: (a) be appropriated to the Agency by Parliament through the Road Fund, (b) be allocated to the Agency from the Road Fund, and (c) be paid to the Agency by way of grants or donations through the National Road Fund. Revenue therefore represents the revenue grants received from the Government of the Republic of Zambia as appropriated and ratified by Parliament during the year and is accounted for on a cash basis.

3.4.2 Interest revenue

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

3.5 Expenses

In accordance with the accrual basis of accounting, expense recognition occurs at the time of delivery of goods or services by the supplier or service provider. Expenses are recorded and recognized in the financial statements of the periods to which they relate.

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3. Significant accounting policies (Cont'd)

3.6 Related party disclosures

Related parties that have the ability to control or exercise significant influence over the Agency in making financial and operating decisions, as well as transactions with such parties, unless occurring within or consistent with a normal relationship and on arms-length terms between such parties, are disclosed in the notes to the financial statements. In addition, the Agency discloses specific transactions with key management personnel and their family members.

3.7 Operating reserves and capital grants

The operating reserve of the Agency is maintained to cover delays in budget financing to meet shortfalls of revenue over final expense of Agency operations. Capital grants are deferred and credited to the statement of financial performance in equal annual installments over the expected useful lives of the related assets. Both these reserves are presented in the statement of financial position and statement of changes in net assets as a separate component of net assets.

3.8 Capital revaluation

The leasehold property were revalued in 2016 by the department of Government valuation so as to reflect current market values.

Capital revaluation represents those amounts attributable to the revaluation on the property and equipment carried on the financial position of the Agency as at 31st December 2021.

4. First implementation of IPSAS

Opening balances reflect the closing balances on the 2020 audited statement of assets, liabilities and Agency fund balances, which have been restated to incorporate adjustments made owing to the adoption of IPSAS effective 1st January 2021.

The net financial impact of IPSAS adoption on opening balances amounts to K51.075 million. The classification of existing leases as operating on the basis of circumstances existing at the inception of the leases on adoption of IPSASs. This is in accordance with paragraph 13 of IPSAS 33 and paragraphs 12 to 15 of IPSAS 13 and IPSAS 33 Implementation Guide No. 3.

Other adjustments made to the opening balances pertaining to the adoption of IPSAS are as follows:

- Disclosure of funding receivable and other assets identified separately as funding receivable and staff advances and advance payments classified as other current assets.
- Reclassification of computer software to intangible assets.
- Change in the valuation of employee benefits liabilities.
- Change in the valuation of provisions
- Change in valuation of accounts payable on rental suppliers.

Opening balances adjustment (restatement) (Cont'd)

	31st December 2020	Adjustments required by transition to IPSAS	1st January 2021
Assets			
Current assets			
Cash and cash equivalents	3,952	-	3,952
Funding receivable	27,623	(10,185)	17,438
Other assets	-	10,185	10,185
Inventories	85,330	-	85,330
Total current assets	116,905	-	116,905
Non-current assets			
Intangible assets	-	38,009	38,009
Property and equipment	164,538	(38,009)	126,529
Right of use assets	2,734	(2,734)	-
Total non-current assets	167,272	(2,734)	164,538
Total assets	284,177	(2,734)	281,443

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(Thousands of Zambian Kwacha)

4. First implementation of IPSAS (Cont'd)

Opening balances adjustment (restatement) (Cont'd)

	31st December 2020	Adjustments required by transition to IPSAS	1st January 2021
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	219,984	(61,885)	158,099
Employee benefit liabilities	-	68,021	68,021
Lease liabilities	842	(842)	-
Short-term provisions	-	9,497	9,497
Total current liabilities	220,826	14,791	235,617
Non-current liabilities			
Accounts payable and accrued liabilities	110,133	(110,133)	-
Employee benefit liabilities	-	41,798	41,798
Lease liabilities	265	(265)	-
Total non-current liabilities	110,398	(68,600)	41,798
Total liabilities	331,224	(53,809)	277,415
Net of total assets and liabilities	(47,047)	51,075	4,028
Net liabilities			
Operating reserves	(67,081)	51,075	(16,006)
Capital grants	3,257	-	3,257
Revaluation reserves	16,777		16,777
Total net liabilities	(47,047)	51,075	4,028

5. Financial instruments and financial risk management

Financial instruments

31st December 2021

Financial assets

Cash and receivables

Cash and cash equivalents (Note 6)	5,266
Accounts receivable (Note 7)	17,438
Total cash and receivable	22,704
Total carrying amount of financial assets	22,704

Financial liabilities

Amortised cost

Accounts payable and accrued liabilities (Note 12)	76,886
Short-term employee benefit liabilities (Note 13)	87,266
Total carrying amount of financial liabilities	164,152

The Agency directly holds cash and cash equivalents, and short-term deposit investments in its main cash pool for operations for the over 35 stations across the ten provinces of Zambia, administration functions and annual work plan of the Agency. These represents operational bank accounts, cash and cash equivalents, and short-term investments in Zambian Kwacha in top rated financial institutions.

Pooling the funds has a positive effect on the overall investment performance and risk, because of economies of scale and the ability to spread yield curve exposure across a range maturities.

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(Thousands of Zambian Kwacha)

5. Financial instruments and financial risk management (Cont'd)

Summary of revenue and expenses of the main pool

	<i>31st December 2021</i>
Interest revenue (Note 16)	185
Interest revenue from the main cash pool	185
Bank fees (Note 17)	141
Operating expenses from the main cash pool	141
Revenue and expenses from the main cash pool	44

Financial risk management

The operations of the Agency expose it to a variety of financial risks, market risk, credit risk and liquidity risk. The Agency is also responsible for investment and risk management for the main cash pool, including conducting investment activities in accordance with the set investment management guidelines.

The objective of investment managements to preserve capital and ensure sufficient liquidity to meet operating cash requirements while attaining a competitive market rate of return on the investment pool. Investment quality, safety and liquidity are emphasised over the market rate of return component of the objectives.

The Finance and Administration Committee periodically evaluates performance and assess compliance with the guidelines and provides/makes recommendations for updates thereto.

Financial risk management: credit risk

Credit risk refers to the risk that a counterparty to a financial instrument will default on its contractual obligations, resulting in a financial loss to the Agency. Credit risk arises from cash and cash equivalents, investments and deposits with financial institutions, as well as credit exposures to outstanding receivables. The carrying value of financial assets equates to the maximum exposure to credit risk as at the balance date. The Agency does not hold any collateral as security.

The investment guidelines require the ongoing monitoring of issuer and counterparty credit ratings. Permissible main pool investments may include bank deposits and any securities with maturities of twelve months or less. The main pool does not invest in derivative instruments such as asset-backed and mortgage-backed or equity products.

The Agency actively monitors credit ratings and given that investments are only made in securities with high credit ratings, management does not expect any counterparty to fail to meet its obligations, except and in very remote circumstances for any impaired investments.

Other credit risk disclosures

Funding provisions through appropriated funds are all funded by the state through the Ministry of Finance and National Planning, and the Road Fund. Credit risk is considered minimal since the funding agencies are part of the sovereign state.

A provision for doubtful receivables of K0.35million was made for employee receivables. The ageing of other accounts receivable are as follows:

	<i>31st December 2021</i>	
	<i>Gross receivable</i>	<i>Allowance</i>
Less than one year	-	-
More than one year	353	353
Total	353	353

Financial risk management: liquidity risk

Liquidity risk is the risk that the Agency might not have adequate funds to meet its obligations as they fall due. Cash flow forecasting is performed by the finance department in conjunction with the user departments with the Finance and Administration Committee monitoring the rolling forecasts of liquidity requirements to ensure that the Agency has sufficient cash to meet operational needs.

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5. Financial instruments and financial risk management (Cont'd)

Financial risk management (Cont'd)

Financial risk management: liquidity risk (Cont'd)

Surplus cash held by the Agency above the balance required for working capital requirement is invested. The main cash pool is exposed to liquidity risk associated with the requirement of the user departments to make withdrawals at short notice.

The Agency maintains sufficient cash and cash equivalents, and term deposits to meet user departments commitments as and when they fall due. The major portion of cash and cash equivalents, and short-term deposits are available within a day's notice to support operational requirements of the Agency. The main pool liquidity risk is therefore considered to be low.

Financial risk management: interest rate risk

Interest rate risk is the risk of variability in the fair values or future cash flows of financial instruments due to a change in interest rates. Interest rate risk is commonly measured by the duration of the fixed-rate security (e.g. government bonds) with duration being a number expressed in years. The longer the duration, the greater the interest rate risk.

The main pool comprises the main exposure of the Agency to interest rate risk, with fixed-rate cash and cash equivalents and investments being interest-bearing financial instruments. As at the reporting date, the main pool had not invested in any securities and only held cash deposits in high credit rating financial institutions which is considered to be an indicator of low risk.

Other market risk: price risk

The main pool is not exposed to significant other price risk, because it does not sell short, borrow securities or purchase securities on margin, which limits the potential loss of capital.

Accounting classifications and fair value hierarchy

All investments are reported at fair value through surplus or deficit. Cash and cash equivalents carried at nominal value are deemed to be an approximation of fair value.

The levels are defined as follows:

- (a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

The fair value of financial instruments traded in active markets is based on quoted market prices as at the reporting date and is determined by the independent custodian based on valuation of securities sourced from third parties. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Financial risk management: foreign exchange risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The Agency on occasion operates internationally and is exposed to foreign exchange risk arising from various currency exposures, mainly with respect to the United States dollars or European Euros.

Management requires that the Agency manages its currency risk against its functional currency by structuring payments to be made through claims settlement with the Road Fund in United States dollars or European Euros, thereby reducing its overall foreign currency exposure of its financial assets and liabilities denominated in foreign currency.

As at 31st December 2021, the Zambian Kwacha had strengthened against the dollar by 21% over the twelve month period.

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6. Cash and cash equivalents

	31st December 2021	1st January 2021
Main cash pool	3,748	2,716
Cash held in main and station offices	1,518	1,236
Total cash and cash equivalents	5,266	3,952

7. Accounts receivable

Current NRFA funding receivable represents previously collected but unremitted motor vehicle levies into the Ministry of Finance and National Planning Control 99 account at Bank of Zambia by the two state-run institutions; the Zambia State Insurance Corporation (ZSIC) and the Zambia Postal Service Corporation (ZamPost) that have entered into and signed Memorandum of Understanding (MoU) as collection agents for the Agency. As at the reporting date, the Agency has since recovered in full those amounts payable to the state through direct deduction on the commission accounts with the two institutions and created a funding receivable from the National Road Fund Agency (NRFA) for onward payment to the Ministry of Finance and National Planning against the payable created and disclosed as part of the other financial liabilities in current liabilities.

These are due immediately and are passed due but no impairment provision has been against this amount because it is due from a state run fund and as such is considered low risk.

Funding receivable

	31st December 2021	1st January 2021
Current	17,438	17,438
Non-current	-	-
Total funding receivable	17,438	17,438

8. Other assets

Advances to suppliers of products and services are payments made by the Agency for products and services not delivered nor fulfilled at the reporting date. Expenses are recognised as products are delivered and services fulfilled.

Staff 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.

	31st December 2021	1st January 2021
Advances to suppliers of products and services	2,793	6,169
Staff advances	4,350	4,016
Total other assets	7,143	10,185

9. Inventories

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 licenses 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. The carrying amount is included net of an impairment provision of obsolete stock amounting to K2.8million.

	31st December 2021	1st January 2021
Advances to suppliers of products and services	-	-
Total inventory	59,320	85,330

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10. Intangible assets

	<i>Software externally developed</i>
Opening cost 1st January 2021	114,804
Additions	28
Total cost 31st December 2021	114,832
Opening accumulated amortisation 1st January 2021	76,795
Amortisation	38,020
Closing accumulated amortisation 31st December 2021	114,815
Net book value 1st January 2021	38,009
Net book value 31st December 2021	17

The accounting policy for intangible assets is discussed in Note 3.1.4 of the notes to these financial statements.



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11. Property and equipment

	Leasehold land and buildings	Office equipment	Motor vehicles	Fixtures and fittings	Capital work in progress	Totals
Cost at 1st January 2021	39,827	39,882	81,010	16,836	51,714	229,269
Additions	332	4,532	12,507	47	15,603	33,021
Disposals	-	(22)	-	-	-	(22)
Adjustment*	-	(46)	-	-	-	(46)
Cost at 31st December 2021	40,159	44,346	93,517	16,883	67,317	262,222
Accumulated depreciation at 1st January 2021	5,413	27,858	59,223	10,246	-	102,740
Charge for the year	711	5,069	10,876	1,943	-	18,599
Eliminated on disposals	-	(10)	-	-	-	(10)
Adjustment**	-	(19)	-	-	-	(19)
Accumulated depreciation at 31st December 2021	6,124	32,898	70,099	12,189	-	121,310
Net carrying amount						
1st January 2021	34,414	12,024	21,787	6,590	51,714	126,529
31st December 2021	34,035	11,448	23,418	4,694	67,317	140,912

As at 31st December 2021, the directors have reviewed the balances as reflected in the statement of financial position and are of the considered view that the amounts reflect the fair value of the assets as at the reporting date.

* The 2021 office equipment adjustment amounting to K46,000 relates to a total cost of three (3) Hewlett Packard laptops included on the asset register but have gone missing or lost. The Directors have decided to have this figure removed so as to present fairly the cost or valuation of office equipment.

** The 2021 office equipment adjustment amounting to K19,000 relates to a total accumulated depreciation of three (3) Hewlett Packard laptops included on the asset register but have gone missing or lost. The Directors have decided to have this figure removed so as to present fairly the cost or valuation of office equipment.

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11. Property and equipment (Continued)

The Agency's buildings are stated at their revalued amounts, being their fair value at the date of revaluation. The revalued amount for some of the buildings as at 1st January 2021 were performed on 11th December 2015 by the Department of Government Valuation since RTSA is a government Agency.

The information below shows the valuation techniques used as well as the significant inputs used.

Property, plant and equipment	Valuation technique	Description of valuation technique	Observable inputs
Buildings	Depreciated Current Replacement Value (DCRV)	The valuation was prepared in accordance with the current edition of the Royal Institution of Chartered Surveyors' Appraisal and Valuation Manual (2012), as recognised by the Surveyors Institute of Zambia, Valuation Chapter. The basis adopted is market value. This is an estimated amount for which a property is exchanged on the date of valuation between a buyer and a willing seller in an arms length transaction after proper marketing where in the parties had acted knowledgeably, prudently and without compulsion.	Market Value - Direct Comparative method

Details of some of the Agency's buildings and information about the fair value hierarchy as at the end of the reporting period are as follows:

	Level 1	Level 2	Level 3	Fair value as at 31st December 2021	Fair value as at 1st January 2021
Buildings			20,343	20,343	20,343

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12. Accounts payable and accrued liabilities

	31st December 2021	1st January 2021
Vendors and other payables*	57,198	140,518
Accruals for goods and services	19,688	17,581
Total accounts payable and accrued liabilities	76,886	158,099

Accounts payable and accrued liabilities principally comprise amounts outstanding in respect of purchases and on going costs, as well as amounts accrued in respect of operating costs. The Directors consider that the carrying amount of accounts payable and accrued liabilities approximates their fair value.

*Included in the vendors and other payables is an amount of K3 Million owed to On Track Innovations (OTI) a foreign vendor which is likely that settlement is neither planned nor likely to occur. The associated exchange differences will only be recognised to the statement of financial performance on repayment.

13. Employee benefit liabilities

	31st December 2021	1st January 2021
Current liabilities		
Accrued and deducted statutory employee obligations	15,641	14,644
Accrued salaries, allowances and benefits	46,380	33,628
Accumulated annual leave	23,885	18,656
Employees insurance claims payable	816	263
Other employee third party payable payroll deductions	544	830
Subtotal current liabilities	87,266	68,021
Non-current liabilities		
Accrued salaries, allowances and benefits	47,159	41,798
Subtotal non-current liabilities	47,159	41,798
Total employee benefits liabilities	134,425	109,819

The employee benefits liabilities are unfunded. The liabilities arising from end-of service or post employment benefits are independently checked and verified by the external audit service as no actuarial service is contracted by the Agency.

In addition to the retirement benefits and terminal benefits for the contracted and permanent employees, the Agency is required by law to make monthly contributions by both the employer and employee to the National Pension Scheme Authority (NAPSA), which is defined contribution scheme.

Accrued and deducted statutory employee obligations relates to those statutory amounts deducted from the employees payroll system in the Micropay including the Agency's contribution as the employer. These amounts include; payroll tax, pension contributions, national health insurance contributions, personal levies, etc., unremitted to the statutory agency or authority at the reporting date. These are expected to be settled within the subsequent month after the reporting date.

Accrued salaries, allowances and benefits consists of the net pay to employees outstanding, accrued and accumulated gratuity and any other allowances unsettled at the reporting date.

The liabilities for annual leave represent unused accumulated leave days that are projected to be settled through a monetary payment to employees upon their separation from the Agency.

Employees insurance claims payable relates to those claims settled by the insurance companies to the Agency but yet to be paid to the estate of the deceased employee in the case of a group life policy, and/or incapacitation of an employee, at the reporting date.

Other employee third party payable payroll deductions relates to all instituted and agreed through Memorandum of understanding (MoU) for third party deductions from employees with; financial institutions, Higher Education Loans and Scholarship Board (HELSB) and any other institution of good standing.

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14. Provisions

	<i>Total</i>
Carrying amount 1 January	9,497
Current year provisions	6,337
Closing balance as at 31 December	15,834

Provisions relate to administrative claims before the Agency arising from mainly employee statutory obligations.

15. Revenue

	<i>31st December 2021</i>
Funds appropriated through the Ministry of Finance and National Planning	130,501
Funds appropriated through the National Road Fund Agency (NRFA)	231,814
Funds granted under the United Nations Development Programme (UNDP)	1,473
Revenue	363,788

Revenue comprise financial provisions appropriated through Parliament, mainly Government grants from two funding streams: the Ministry of Finance and National Planning to support the Administration and National Road Fund Agency (NRFA) to support the Annual Work plan. The Agency also received a revenue grant from the United Nations Development Programme (UNDP) for the improvement of rural connectivity.

16. Interest and other revenue

	<i>31st December 2021</i>
Grant amortisation during the year	242
Interest received	185
Loss on disposal of assets	(23)
Sundry income	563
Interest and other revenue	967

Other revenue relates to revenue received from sales of tender documents, amortisation of the revaluation reserves and (loss) or gain on disposal of Agency assets. Interest received is on bank accounts held with financial institutions.

17. Expenses

Expenses are recorded and recognized in the financial statements of the periods to which they relate. Agency expenses are broken down as follows:

(i) *Administration expenses:*

This relates to administration of the Agency to ensure smooth operations in order to undertake the core functions of the Agency, which is the enforcement of traffic rules, whilst ensuring safety on the Zambian roads and public education and awareness of the safety guidelines and traffic laws and regulations. These activities are financed through the Administration budget appropriated through parliament and funded through the Ministry of Finance and National Planning. The Agency ensures control of the budget cost through continuous monitoring of budget activities under administration expenses.

(ii) *Employee salaries, allowances and benefits:*

Employee salaries, allowances and benefits are for all Agency staff expenses, such as salaries, post adjustments, entitlements and pension and health plan contributions for professional and general service category staff. These expense activities are also financed through the Administration budget as above.

(iii) *Foreign exchange expenses:*

Foreign exchange gains and losses resulting from the settlement of transactions in currencies other than the Agency's functional currency and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance on a net basis. The foreign exchange expenses are attributed to trade payables for foreign suppliers.

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17. Expenses (Cont'd)

(iv) Other operating expenses:

This relates to the core operating function expenses of the Agency's Annual Work Plan and includes such expenses such as advertising and public relations, conferences and seminars, highway patrols, registration, licensing and examination connectivity, and station running costs. These activities are financed through the Annual Work Plan budget appropriated through parliament and funded through the Road Fund. The Agency ensures control of the budget cost through continuous monitoring of budget activities under the annual work plan expenses.

(v) Supplies and consumables:

This relates to all consumable expense items for cleaning, office, procurement and protective supplies. This is financed through the administration budget like (i) above.

(vi) Training:

This relates to training charges for traffic enforcement and continuous professional development. Like (iv) above, these activities are financed through the Annual Work Plan budget appropriated through parliament and funded through the Road Fund.

(vii) Travel

This relates to local and foreign travel. Due to the Covid-19 restrictions, there were no foreign travel in the year under review.

The above expenses are listed below in detail.

(i) Administration expenses

	31st December 2021
Audit expenses	649
Bank charges and interest	141
Board expenses	2,009
Consultancy and professional fees	595
Electricity, water and rates	149
Hire of goods and services	273
Other administrative charges	10
Postage and telecommunication	10
Subscriptions and publications	336
Sundry expenses	(1,681)
Administration expenses	2,491

(ii) Employees salaries, allowances and benefits

	31st December 2021
Allowances	40,728
Basic pay	90,401
Gratuity	20,281
Insurance GLA	890
Leave pay	11,896
NAPSA employer's contribution	5,374
NHIMA employer's contribution	894
Other staff benefits	12,825
Workers compensation	664
Employees salaries, allowances and benefits	183,953

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17. Expenses (Cont'd)

(iii) Foreign exchange expenses

	31st December 2021
Exchange losses	4,447
Foreign exchange expenses	4,447

(iv) Other operating expenses

	31st December 2021
Advertising and public relations	7,349
Conferences and seminars	1,355
Consumables	38,210
Highway patrol costs	11,480
Registration, licensing and examination connectivity	14,898
Repairs and mechanical consumables	327
Station running costs	28,604
Other operating expenses	102,223

(v) Supplies and consumables

	31st December 2021
Cleaning material	4
Office material	60
Procurement supplies	85
Protective supplies	291
Supplies and consumables	440

(vi) Training

	31st December 2021
Training charges	888
Workshops and seminars	38
Training	926

(vii) Travel

	31st December 2021
Local travel	27
Subsistence and lunch allowance	15,160
Travel	15,187

18. Budget comparison and reconciliation

The Ministry of Finance and National Planning approve the Administration and Annual Work Plan Budget of the Agency. The budgets may be subsequently amended by the Ministry of Finance and National Planning or through the exercise of delegated authority.

The Agency budgets are prepared on a modified cash accounting basis and the financial statements are prepared on a full accrual basis in accordance with IPSAS.

Statement V, comparison of budget and actual amounts compares the final budget with actual amounts calculated on the same basis as the corresponding budgetary amounts. The comparison is only made in respect of the publicly available regular budget.

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18. Budget comparison and reconciliation (Cont'd)

Budget to actual variance analysis

In pursuant of IPSAS 24 budget considerations, differences greater than 10 per cent are considered material. Explanations of material differences between the final budget and actual amounts are provided below as follows:

- (i) The 16% positive variance on the budgeted appropriated financial provision from the Ministry of Finance and National Planning administration budget is attributable to the Ministry liquidating vehicle supply arrears to the two critical suppliers; Toyota Zambia and Vehicle Centre. These amounts were not budgeted for in the 2021 approved budget but were subsequently amended by the Ministry's discretion.
- (ii) The 32% negative variance on the budgeted appropriated financial provision through the Road Fund annual work plan budget is attributable to the subsequent amendment by the National Road Fund Agency's exercise of delegated authority due to below than budgeted funding of the Road Fund by the Ministry of Finance and National Planning.
- (iii) The 34% negative variance on the budgeted administration expenses is attributable to a cost recovery on the budgeted audit fees; less consultancy activities undertaken due to the Covid-19 pandemic, and the dissolution of the board in the third quarter.
- (iv) The 78% negative variance on capital expenditure is mainly attributable to the major activities for the procurement of the enterprise resource planning system (ERP), data centre and e-Zamtis infrastructure not taking place during the year under review due to unavailability of funds.
- (v) The 21% positive variance on employee salaries, allowances and benefits is mainly attributable to the revaluation of leave pay accruals that were previously understated based on contracts signed by employees with the Agency.
- (vi) The 20% negative variance on other operating expenses is due both the under funding of these activities by the Road Fund and the impact of the Covid-19 pandemic that restricted gatherings and impacted on these activities.
- (vii) The 35% negative variance is attributable to the impact of the Covid-19 pandemic which restricted gatherings and as a result employees of the Agency were required to work from home which resulted in a reduction on the expenses spent on office consumables.
- (viii) The 47% negative variance is attributable to the impact of the Covid-19 pandemic which restricted gatherings and as a result employees of the Agency were required to work from home which resulted in a reduction on the expenses for training conducted especially in the first two quarters.

Reconciliation between the actual amounts on a comparable basis and the statement of financial performance

The statement of comparison of budget and actual amounts (statement V), includes the final budget and the actual revenue and expense on the same basis as the budget.

As the basis used to prepare the budget and the financial statements differ, the present note provides a reconciliation between the actual amounts presented in statement V and the actual amounts presented in the statement of financial performance and the statement of comparison of budget and actual amounts.

The actual amounts presented on a comparable basis in the statement of comparison of budget and actual amounts have been reconciled to the actual amounts presented in the statement of financial performance, identifying separately any basis, timing and entity differences, defined as follows:

- (a) Basis differences capture the differences resulting from preparing the budget on a modified accrual basis. In order to reconcile the budgetary results, the non-cash elements such unliquidated obligations, depreciation of fixed assets, amortisation of intangible assets and deferral of capital grant are included as basis differences.
- (b) Timing differences occur when the budget period differs from the reporting period reflected in the financial statements. For purposes of comparison of budget and actual amounts, there are no timing differences for the Agency.

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18. Budget comparison and reconciliation (Cont'd)

- (c) Entity differences represent the segment of fund groups other than the regular budget fund that are reported in the financial statements. The financial statements include results for all funds.

The reconciliation between the actual amounts presented in statement V and the actual amounts presented in the statement of financial performance is as shown below.

Reconciliation of actual amounts on a comparable basis and actual amounts in the financial statements:

31st December 2021	
Budget revenue presented in statement V	453,346
Basis difference	967
IPSAS adjustment	
Interest and other revenue	967
Entity difference	(89,558)
Actual revenue in Statement of Financial Performance (statement II)	364,755
Budget expenditure as per statement V	453,346
Basis difference	22,407
IPSAS adjustment	
Depreciation and amortisation	56,618
Employee benefits expenses	(5,609)
Capitalisation property, plant, equipment and intangible asset	(33,049)
Foreign exchange expenses	4,447
Entity difference	(109,468)
Actual expenditure in Statement of Financial Performance (statement II)	366,285

19. Contingent assets and contingent liabilities

There were no contingent assets arising at the reporting period.

The Agency had known contingent liabilities arising from litigation processes from former employees and other institutions from operating and business transactions.

The directors estimate the combined contingent liability at K3million (2020: K1.8million) from the preliminary court documents and proceedings from the various active case files. The estimation is based on the known contested cases as at 31st December 2021 and is therefore disclosed as a contingent liability because the chance that the Agency will have to pay is not considered remote.

The directors will reassess this position once conditions are met that an outflow of economic benefits will be required for an item previously dealt with as a contingent liability.

20. Related parties: key management personnel

The key management personnel of the Agency are the Director and Chief Executive Officer, the two Deputy Directors, and the Departmental Heads. These persons have the authority and responsibility for planning, directing and controlling the activities of the Agency and influencing its strategic direction.

Key management personnel	
Number of individuals (full-time equivalents)	11
Aggregate remuneration	26,874
Outstanding loans and advances at 31 December 2021	703

The aggregate remuneration paid to key management personnel includes gross salaries, post adjustment entitlements, rental subsidy, personal effects shipment costs, employer contributions to the pension authority and current health insurance contributions. Key management personnel are also qualified for post-employment benefits, which are payable only upon separation. Fuel allowances of K0.858million were paid as non-monetary and indirect benefits to key management personnel during the year under review.

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20. Related parties: key management personnel (Cont'd)

Any advances are those made against entitlements in accordance with the Agency's Finance and Administration Procedures. The loans and advances granted to key management personnel is included in the summary above.

Transactions with related party entities

Except otherwise noted in these statements for revenue from non-exchange transactions, including revenue grants from cooperating partners, all transactions made with third parties, including the Ministry of Finance and National Planning, National Road Fund Agency, Board of Directors, United Nations organizations and the World Bank, occur within a normal supplier or client/recipient relationship or at arm's-length terms and conditions.

21. Relationships of significant influence

Related parties that have the ability to control or exercise significant influence over the Agency in making financial and operating decisions, as well as transactions with such parties, unless such transactions are consistent with normal operating relationships between entities, are disclosed. The Agency which is responsible for the enforcement of road safety over which Ministry of Finance and National Planning, the Ministry of Transport and Logistics and the board of directors have significant influence and its financial statements are treated using the equity method.

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:

	31st December 2021
Government funding received	362,315

22. Events after the reporting period

The Board of the Agency was dissolved at the end of the third quarter as at 30th September 2021. A new Board had not been constituted at the reporting date as is comprised and required by Section 5 of the Road Traffic Act No. 11 of 2002.

Other than the above, the Directors are not aware of any matter that is material to the financial affairs of the Agency that occurred between the reporting date and the date of approval of these financial statements.



Road Transport and Safety Agency

2021 ANNUAL REPORT




Road Transport & Safety Agency

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