



ROAD TRANSPORT AND SAFETY AGENCY

2022 ANNUAL REPORT

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LIST OF ACRONYMS

BRTA	Bilateral Road Transport Agreement
CBP	Cross Border Permit
CDC	Curriculum Development Centre
CEO	Chief Executive Officer
E-ZamTIS	Electronic Zambia Transport Information System
GRSP	Global Road Safety Partnership
ICT	Information, Communication and Technology
IDP	International Driving Permit
LMIC	Low and Mid Income Level Countries
MDVL	Motor Dealer Vehicle Licence
MLGRD	Ministry of Local Government and Rural Development
MoU	Memorandum of Understanding
MV	Motor Vehicle
NRFA	National Road Fund Agency
PSV	Public Service Vehicle
RDA	Road Development Agency
RISDP	Regional Infrastructure Strategic Development Plan
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
ZITF	Zambia International Trade Fair
ZP	Zambia Police

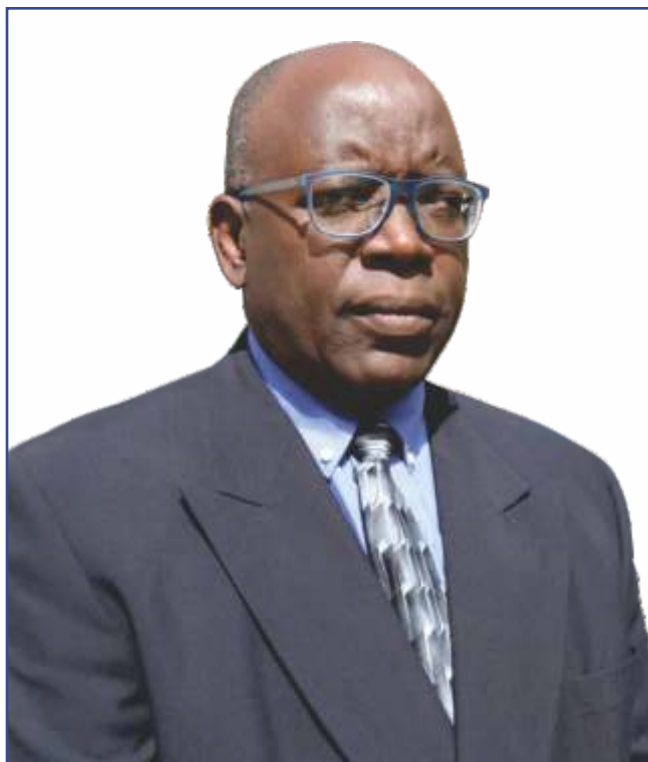




BOARD CHAIRMAN'S MESSAGE



BOARD CHAIRMAN'S MESSAGE



It is my honour and privilege to present, on behalf of the Board of Directors for the Road Transport and Safety Agency (RTSA), the annual report for the financial year that ended 31st December 2022.

Several significant events and activities have taken place in our environment that have propelled the Road Transport and Safety Agency towards the realisation of its vision of delivering 'An effective regulator enabling a safe road transport system for all'.

In a bid to leverage on ICTs as a critical success factor in enhancing service delivery as well as build on the RTSA online payment solution, the

Agency in collaboration with the Ministry of Finance and SMART Zambia unveiled the RTSA online payment solution under an integrated system called the Government Service Bus (GSB). The RTSA has also continued to come up with other innovations in Smart Enforcement as well as innovations aimed at enhancing service delivery and customer care.

In the year ahead, the Agency will work towards actualising the integration of the RTSA system with the Safe City Project networks system in an effort to enhance Smart Enforcement. We will continue to support the rigorous initiatives that will support the digitisation of RTSA processes by embracing smart solutions in line with the Agency's 2022 - 2026 Strategic Plan, to serve our clients and all stakeholders better as well as prevent fraud and corruption.

The Board will continue to guide the Agency to perform at a higher level, deliver on its mandate and be the employer of choice with a motivated staff.

My appreciation goes to the Ministry of Transport and Logistics headed by the Minister, for its support and stewardship in the year under review. To our stakeholders, thank you for your steadfast cooperation in ensuring safety on Zambia roads.

A handwritten signature in black ink, appearing to be 'A. Mate', written over a faint background watermark of the RTSA logo.

Eng. Allen Mate
Board Chairman



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and Safety Agency**
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ACTING DIRECTOR AND CHIEF EXECUTIVE OFFICER'S MESSAGE



ACTING 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 2022, as a requirement by the Road Traffic ACT No. 11 of 2002.

The year 2022 marked the implementation of the new 2022-2026 strategic plan whose aspiration is to efficiently manage road transport and traffic for the safety of all road users.

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 the strategic plan whose six strategic objectives are; Improve Road Transport and Safety, Enhance Stakeholder Engagement, Improve Financial Management, Improve Business Systems and Processes, Enhance Human Resource Capacity and Improve Agency Infrastructure, Tools and Equipment.

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

The 2022 issue of the RTSA annual report has outlined the performance of the Agency by underlining major achievements scored in the implementation of the 2022 strategic plan activities. In the year 2022, several innovations were made in the manner the Agency conducted its business.

The road transport sector was not exceptional in the economic recession which resulted from the effects of the COVID-19 pandemic in 2021. However, in the year 2022, there was an increase in motor vehicle first registration as a result of relaxed conditions in the global supply chain following the reduction in the number of COVID-19 cases.

During the year under review, the Agency continued to outsource some of its services to Local Authorities (LAs) in an effort to improve service delivery by taking services closer to the people. The Agency continued outsourcing of motor vehicle licensing, roadworthiness certification and physical inspections to Local Authorities. This increased the Agency's footprint and accessibility to regions where the Road Transport and Safety Agency (RTSA) was not present.

In 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 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 several 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 extended it to Zambia Police 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 a 4G network. The Mobile-App can scan the licence barcode, perform automatic number recognition and accept typed driver and vehicle registration mark.

During the period under review, a total of 33,682 road traffic crashes (RTCs) were recorded on Zambian roads. This number represents a 4% increase from 32,372 road traffic crashes recorded in 2021. Over fifty per cent (54.6%) of these RTCs 18,393 were recorded in Lusaka province of which 14,202 were classified as damages only. These road traffic crashes resulted in 2,240 road traffic deaths on Zambian roads. The number of road traffic deaths increased by 3.5% from 2,163 recorded in 2021 during the same period.

The data revealed that 47% (n =1,053, N=2,240) of the road traffic deaths were among pedestrians, who comprise part of the category of vulnerable road users whose road safety needs have not been adequately catered for in road designs.

A total of 15,062 injuries (serious injuries = 5,828, slight injuries = 9,234) were recorded compared

to 14,489 injuries (serious injuries = 5,307, slight injuries = 9,182) recorded in 2021. Thus the number of injuries increased by 4%(n=573, N=14,489).

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 suppliers 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 their immense support in achieving our vision to be an effective regulator enabling a safe road transport system for all during the year under review.

I now invite you to read the Road Transport and Safety Agency 2022 Annual Report.



Eng. Alinani Msisya



BOARD OF DIRECTORS



Eng. Allen Mate
Board Chairperson



Ms. Bubala Chibbonta
Vice-Chairperson



Mr. Brighton Siwale
Director



Ms. Anita Zeravica Kosor
Director



Eng. Wallece Mumba
Director



Eng. Grace Mutembo
Director



Eng. Emmanuel Sampa
Director

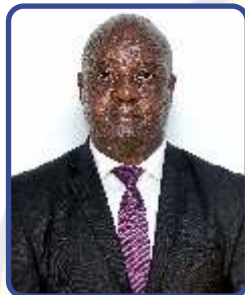


Eng. Alinani Msisya
Acting Board Secretary

SENIOR MANAGEMENT



Eng. Alinani Msisya
Acting Director and CEO



Mr. Joseph Mumba
Deputy Director Road Transport



Eng. Mubanga Mulenga
Acting Deputy Director Road Safety



Mr. Brian Sikute
Head Information,
Communication and
Technology



Ms. Vivian M. Mupunda
Head Internal Audit



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. Chuncky Kanchele
Head Planning, Research &
Development



Mr. Fredrick Mubanga
Head Public Relations





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 Agency 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 integrity, confidentiality, excellency, fairness, innovation, accountability, team work, professionalism and partnership. 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 RTSA Board is appointed by the Minister of Transport under Section 5 of the Road Traffic Act No. 11 of 2002. The Board was inaugurated in June 2022 and 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 2022 - 2026 Strategic Plan is anchored on the following key focus areas:

- a) Road Transport and Safety Management resulting in Safe Road Transport System
- b) Operational Excellence resulting in Efficient and Effective Service Delivery; and
- c) Stakeholder Collaboration resulting in Effective Programme Implementation.

1.3.1 Vision Statement

An effective regulator enabling a safe road transport system for all



1.3.2 Mission Statement

To efficiently manage road transport and traffic for the safety of all road users.



1.3.3 Core Values

The Road Transport and Safety Agency conducts its business with the following core values:

1

Integrity: We are honest and ethical as we interface with stakeholders and with one another.

2

Confidentiality: We do not disclose information acquired as a result of professional and business relations to unauthorised persons without appropriate authority.

3

Excellence: We are committed to delivering outstanding service and have the ability to consistently meet and exceed expectations.

4

Fairness: We are unbiased and impartial in the execution of our duties without leaving anyone behind;

5

Innovation: We embrace new ideas and methods in response to the dynamic environment;

6

Accountability: We are answerable to all our stakeholders for our actions.

7

Team work: We are committed to working in collaboration with each other in the interest of achieving common goals.

8

Professionalism: We ensure high level competence skills with adherence to standards and ethical code of conduct.

9

Partnership: We collaborate with stakeholders in order to leverage on their diverse capabilities to deliver a shared objective.

STRATEGIC OBJECTIVES

The six strategic objectives for the period 2022 - 2026 are:

- i. Improve Road Transport and Safety
- ii. Enhance Stakeholder Engagement
- iii. Improve Financial Management
- iv. Improve Business Systems and Processes
- v. Enhance Human Resource Capacity
- vi. Improve Agency Infrastructure, Tools and Equipment

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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 Agency convened stakeholders to revise the National Road Safety Strategy to align United Nations Decade of Action for Road Safety 2021-2030 and the Logical Framework for the African Road Safety Action Plan for 2021 - 2030. The Strategy was finalised and approved by the Ministry of Transport and Logistics (MTL).

2.1.2 Road Safety Engineering Guidelines

During the year under review, the Agency through the Road Safety Engineering Committee worked with Zambia Bureau of Standards (ZABS) in the development of Road Safety Engineering Guidelines. These will provide the principles for the design and construction of safe roads and give practical guidelines of how to implement them on Zambian Roads. They are primarily for Roads Authority engineers and consultants.

2.1.3 Standards for Materials for Road Signs

The Agency worked with ZABS to develop Standards for Materials for Road Signs which will be used for design and selection of road sign materials to ensure consistency in quality and performance. The standards will pay particular attention to designs and materials of road signs which will be less prone to vandalism and theft as this vices have negatively impacted road safety and escalated the cost of maintenance and replacement of road signs.

The standards will be finalised in 2023 after input from stakeholders and approval by Ministry of Commerce, Trade and Industry.

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 2022 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 Clubs/Traffic Warden Schemes

During the year under review, the Agency monitored a total number of 181 schools in order to check how the road safety school clubs, traffic warden schemes were performing as well as teaching of road safety in schools.

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 supplementary books.

2.2.2 Traffic Warden Training

During the year under review, seven (07) traffic wardens training were conducted in Lusaka from six (06) schools and one (01) church. A total number of 105 traffic wardens were trained. In 2021, the Agency trained a total of 56 traffic wardens from 19 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, first aid and hand signaling among others.

2.2.3 Road Safety Sensitisation in Schools

The Agency visited various schools to sensitise learners on road safety during the year under review. Table 1 shows that, a total number of 78 schools were sensitised with 30,133 learners reached out compared to 2021 where 44 schools were sensitised with a total number of 12,246 reached out.

Table 2.1: Learners sensitised in schools

S/N	QUARTER	NUMBER OF SCHOOLS	NUMBER OF LEARNERS REACHED OUT TO
01	First	32	11,107
02	Second	16	6,748
03	Third	12	4,944
04	Fourth	18	7,334
	Total	78	30,133

2.2.4 Road Safety School Park

A total number of 1,901 learners from 34 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 2022 compared to 2021 in which 946 learners from 24 schools/organisations were sensitised. The table below tabulates the number of schools/organisations and learners that were sensitised at the Road Safety School Park during the year under review.

Table 2.2: Number of Schools and learners sensitised at the Road Safety School Park

S/N	QUARTER	NUMBER OF SCHOOLS/ORGANISATIONS	NUMBER OF LEARNERS
01	First	08	342
02	Second	09	590
03	Third	08	447
04	Fourth	09	522
	Total	34	1,901

The total number of schools that visited the School Park in the year 2022 was 34 and number of learners reached out to was 1,901.



Figure 2.1: Road Safety at the School Park in Silverest, Lusaka

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 2,231 compared to the same period in 2021 where 513 drivers were sensitised.

2.2.2.1.1 Workplace Orientation

The Agency conducted road safety sensitisations in various organisations aimed at equipping 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 883 employees were sensitised from 22 organisations in 2022 compared to 528 sensitised from 12 organisations in 2021.

2.2.2.1.2 Road Safety Corners in Public Libraries

During the year under review, the Agency set up Road Safety Corners in 06 public libraries compared to 03 that were set up in 2021. The following libraries had Road Safety Corners set up:

- i. Copperbelt University Library
- ii. Kitwe Council Library
- iii. Luanshya Town Library
- iv. Livingstone City Library
- v. Kasanda Environmental Protection Information Centre (EPIC) Library
- vi. Petauke Council Library

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.

2.2.3 PUBLIC EVENTS

2.2.3.1 Zambia International Trade Fair

The Agency participated at the Zambia International Trade Fair which was commemorated from 1st to 5th July, 2022 at the Trade Fair Grounds in Ndola. The 2022 International Trade Fair was commemorated under the theme 'Promoting Value Addition'. The Agency exhibited at this event and sensitised members of the public on road safety. Information Education and Communication (IEC) materials were distributed to members of the public.

2.2.3.2 The 94th Zambia Agriculture and Commercial Show

The Agency participated at the 94th Zambia Agriculture and Commercial Show which was commemorated from 27th July to 1st August, 2022 at the Lusaka Show Grounds. The 2022 Zambia Agriculture and Commercial Show was commemorated under the theme "Innovation through Technology". The Agency exhibited at this event and sensitised members of the public on road safety. Information Education and Communication (IEC) materials were distributed to members of the public. The number of road users reached out to were approximately three thousand five hundred (3,500).

2.2.3.3 Choova Cycling Competition

The Agency conducted road safety sensitisation at the Choova Cycling competition held on 6th August, 2022. The Agency further conducted road worthiness inspection of bicycles in readiness for the competition. The Agency distributed various road safety materials such as helmets, Highway Codes, various thematic brochures among others.

The Agency featured on Breeze radio station in Chipata to discuss the importance of compliance to road safety rules during the Choova Contest. An information kiosk was set up at the Chipata Golf Club where Officers interacted with members of the public. Approximately one thousand three hundred (1,300) road users that were reached out to.

2.2.3.4 Sensitisation at Munyati SDA Camp Meeting in Mwembeshi

On 23rd August, 2022, the Agency conducted road safety sensitisation to youths at Munyati Seventh - Day (SDA) Camp Meeting Site in Mwembeshi. The sensitisation aimed at raising road safety awareness among pedestrians, passengers, cyclists and drivers. The topics covered, included walking safety, crossing safety, cycling safety, passenger safety among other significant lessons for the road users. Approximately three hundred (300) road users were reached out to.

2.2.3.5 Other Public Events Sensitisations

The table below shows public sensitisation that were ordered during the period under review

Table 2.3: Public Sensitisations

S/N	EVENT	COMMENT	NO. OF ROAD USERS REACHED OUT TO
01	N'cwala Traditional Ceremony	Two (02) road shows were conducted in Petauke. The team conducted road safety sensitisation at Kapata Market, Mwami Border, and Saturday Market. An information kiosk was setup at the main arena (Mutenguleni).	Approximately 2,000
02	Kuomboka Traditional Ceremony	Prior to the ceremony, the Agency conducted a number of sensitisation activities. The first road show was held in Kaoma in the Central Business District on 6th April, 2022. The other two (2) road shows were conducted in Mongu at Mulambwa Primary School grounds and at Limulunga Market on 7th and 8th April, 2022 respectively. The road shows in Mongu were characterised with edutainment from the Liseli Sisters.	Approximately 2, 000
02	Bene Mukuni Traditional Ceremony	The Agency reached out to the general public through the dissemination of road safety information.	Approximately 1,000
03	Mutomboko Traditional Ceremony	Road Shows were held at Senama Market Ground, Mwense District and at United Bus Zambia (UBZ) Market in Mansa. An Information Kiosk was held at Kabumbu Primary School Grounds. The Agency also featured on road safety radio programmes at Yangeni and KFM Radio Stations	Approximately 4,000
04	Ukusefya Pa Ng'wena Traditional Ceremony	The Agency sensitised members of the public at four (4) taxi ranks namely; Bata Taxi Rank, Luwingu Station, Shoprite Taxi Rank and Chikumanino Taxi Rank in Kasama.	Approximately 1,000
05	Kulamba Traditional Ceremony	The Agency reached out to the general public through the dissemination of road safety information and interacted with members of the public through setting up Information Desk.	Approximately 2,000
06	Ichibwela Mushi Traditional Ceremony	The Agency reached out to the general public through the dissemination of road safety information.	Approximately 500

2.2.4 ANNUAL EVENTS

2.2.4.1 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. The event was held on Sunday, 27th November, 2022 under the theme, 'Justice'. The commemoration was conducted countrywide with support from various Faith Based Organisations

(FBOs). The Agency procured and handed over twenty wheelchairs and crutches for victims of road traffic crashes. The hand over took place at the Cathedral of the Holy Cross where the church service was held. The Agency received support from Vivo Energy, Varun Beverages and Spectrum Clear Limited.

2.2.4.2 Road Safety Week

The Agency commemorated the 2022 Road Safety Week from 11th to 17th December, 2022 under the theme 'Leveraging Partnerships to Improve Road Safety'. The Minister of Transport and Logistics, Honourable Frank Tayali, MP, officially launched the Road Safety Week on Zambia National Broadcasting Corporation (ZNBC) TV1 on Sunday, 11th December, 2022.

The Agency commemorated the Road Safety Week by conducting various Road Safety awareness activities in all the ten (10) Provinces of the country. The road safety awareness activities during the commemoration in Lusaka were conducted in collaboration with various stakeholders such as the Zambia Police Service, Drug Enforcement Commission (DEC), Anti-Corruption Commission (ACC), Zambia Road Safety Trust (ZRST), and Passenger, Pedestrians and Cyclists Association (PAPECA) among others.

2.2.5 MEDIA ACTIVITIES

2.2.5.1 Radio Programmes

The Agency staff and stakeholders featured on Millennium Radio, ZNBC Radio 4, Radio Explorer, Breeze FM Radio, Mongu Radio, Radio Liseli, Yangeni Radio, Radio Mano, and Breeze FM Radio where various road safety thematic topics were discussed. The radio programmes focused on road safety, and how to acquire the RTSA Services.

2.2.5.2 Radio Adverts

During the year under review, the Agency aired of Road Safety Advertisements on seven (7) radio stations across the country.

Table 2.4: Radio Adverts

S/N	NAME OF RADIO STATION	COMMENCEMENT DATE	END DATE
01	South Power Radio	18/08/2022	01/12/2022
02	Radio Maranatha	12/09/2022	On-going - complimentary slots allocated for the festive season (value addition)
03	Byta FM	02/08/2022	24/09/2022
04	Millennium Radio	26/09/2022	10/12/2022
05	Beats FM	01/09/2022	On-going (Value addition) 13 weeks already done but allocated complementary slots for the festive season
06	Luswepo FM	12/09/2022	30/12/2022
07	Petauke Explorer	12/09/2022	12/12/2022

2.2.5.3 Print Media

During the year under review, the Agency featured twelve (12) road safety articles in the Zambia Daily Mail on various road safety topics on Wednesdays.

Table 2.5: Articles that featured in Daily Mail

S/N	TOPIC	DATE
01	Securing Children in Vehicles	25/05/2022
02	Road user vs Distractions	01/06/2022
03	Importance of Road Signs	08/06/2022
04	Why is Child Road Safety Education Important?	15/06/2022
05	Understanding Road Risky Behaviours	22/06/2022
06	Passengers Role in Determining Own Safety	29/06/2022
07	Pedestrian Error Among Causes of RTAs	06/07/2022
08	Important Journey Preparation Tips	13/07/2022
09	Benefits of Non-Motorised Transport	20/07/2022
10	Honking vs Road Safety	27/07/2022
11	Role of Drivers in Road Safety	03/08/2022

2.2.6 ENHANCING THE QUALITY OF ROAD INFRASTRUCTURE FOR SAFETY AND INCLUSIVENESS

In order to contribute to the attainment of safer and inclusive roads, the Agency, 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.

2.2.6.1 Road Safety Audits (RSAs)

A Road Safety Audit (RSA) is a formal procedure for independent assessment of the road traffic 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. A Road Safety Audit identifies any road safety deficiencies in the design stage and recommends ways in which these can be overcome.

In 2022, the Agency conducted a Road Safety Audit of the road access to the Proposed Lusaka Golf Club Retail Development along Los Angeles Road.

The table below highlights the major findings and recommendations. In the previous year the Agency had conducted six (6) RSAs.

Table 2.6: RSA Findings

PROJECT/PURPOSE	ROAD	MAJOR FINDINGS	RECOMMENDATIONS
RSA of Access Roads to the Proposed Retail Development to Lusaka Golf Club	Los Angeles Road in Longacres, Lusaka	Traffic lights proposed at two junctions along Los Angeles Road which are within 100 meters of each other.	Closure of median at the junction of Los Angeles Road with Nyerere Road.
		Insufficient lengths of dedicated right turning lanes	Conduct an assessment of the appropriateness of the proposed traffic lights in line with the warrants provide in SADC Guidelines.
		Bus stops located too far from apparent desire points	Reconsider the location of bus stops to be close to the proposed development.
		Pedestrian crossing points obstructed by raised medians.	Ensure that all pedestrian paths are free of obstructions such as raised curbs or drains.
		Proposed installation of concrete filled bollards to protect the proposed traffic lights.	Remove concrete bollards from the proposal and ensure that the traffic light poles are of a yielding type to make them more forgiving to errant motorists

The Agency also provided comments on fifty-two (52) Zambia Environmental Management Agency Environmental Impact Statement and Environmental Project Brief Reports.

2.2.6.2 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. The Agency has a target to conduct 16 RSIs each year.

During the year under review the Agency undertook 30 RSIs as compared to 16 RSIs that were undertaken in 2021. A total of 21 of the RSIs were of selected roads in Eastern and Luapula Provinces under the Improved Rural Connectivity Project.

The table below highlights the major findings and recommendations from the RSIs undertaken in 2022.

Table 2.7: RSI Findings

Project/Purpose	Road	Major Findings	Recommendations
RSI of Selected Roads under the Improved Rural Connectivity Project in Luapula Province	10 Selected Roads	<p>Most recommendations from pre-design inspections had been incorporated. However, the following inadequacies were noted in some sections</p> <ul style="list-style-type: none"> i. Insufficient signage, particularly speed limit signs. ii. Some settlements lacked traffic calming and warning signs. 	<ul style="list-style-type: none"> i. Enhance the installation of signage on the project roads in line with the National Guidelines for Road Traffic Signing ii. Ensure that all settlements have appropriate signage and traffic calming
RSI of the T1 Road from Kafue to Livingstone	T1 Road. Kafue to Livingstone	<ul style="list-style-type: none"> i. Insufficient traffic calming and warning signs on approaches and along built-up areas ii. Limited sight distances in some sections due to undulating vertical alignment iii. Faded road markings in most of the section from Monze to Livingstone iv. Insufficient provision for pedestrians and cyclists 	<ul style="list-style-type: none"> i. Install appropriate signage and traffic calming along all built-up sections including 'gateway' signs. ii. Provide speed limit signs which are in line with the sight distances in all sections. iii. Provide 'no overtaking' lines in the sections with limited sight distances iv. Provide walkways and cycle lanes in built-up areas. v. Ensure that all walkways and cycle lanes are free of obstructions such as curbs and depressions.
Inspection of congested road section	T3, Chingola-Kasumbalesa	<ul style="list-style-type: none"> i. Reduced lane capacity of the road due to parked and slow-moving transit trucks headed for Kasumbalesa ii. No coordinated traffic management 	<ul style="list-style-type: none"> i. Develop and implement a joint Traffic Management Plan by RDA, RTSA and ZP

2.2.6.3 Remedial Engineering Measures

During the period under review the Agency worked on three (3) remedial engineering interventions as highlighted below:

2.3.6.3.1 Supply and Delivery of Road Signs to Petauke Council

RTSA delivered road signs and road marking paints to Petauke Town Council to be installed on an accident-prone section of Boma Road adjacent to Petauke Boarding School.

2.3.6.3.2 Temporally Closure of Levy Mwanawasa Medical University

Following numerous concerns over the traffic conflicts, road crashes and disruption to smooth traffic flow at the median opening on Levy Mwanawasa Medical University (LMMU), the Agency resolved to implement a temporally closure of the above-mentioned median with the view to observe the impact such a closure will have on the traffic along Great East Road.

During the period under review, the Agency worked with Lusaka City Council and the Road Development Agency to install drums at the Levy Mwanawasa Medical University junction to form the temporally median closure.

2.3.6.3.3 Temporally Closure of University of Zambia Junction

Similarly, to LMMU, RTSA worked with Lusaka City Council to implement temporally closure of UNZA junction on Great East Road to reduce traffic conflicts and road traffic crashes.

2.3.6.3.4 Road Safety Improvements at Mungule Junction

In August, 2022 RTSA conducted a Road Safety Inspection of Mungule Road Junction on Great North Road, jointly with RDA and Ministry of Local Government and Rural Development.

In the fourth quarter, implementation of the proposed measures from the RSI commenced. RDA installed temporary drums on the Eastern leg of the junction. RTSA sought the assistance of Afriseed to purchase and donate the drums.

As part of the implementation plan from the earlier RSI, RDA will expand the Great North Road on the approaches to the junction once funding.

2.3. ENHANCING COMPLIANCE THROUGH REGISTRATION, EXAMINATION AND LICENSING

This section of the report considers the Enforcement activities that were undertaken in 2022. Traffic Law Enforcement is vital to promote road safety as the Traffic Laws without enforcement cannot achieve the intended objectives.

2.3.1 Number of Road Traffic Offences Recorded

An overall total of 60,432 traffic offences were recorded in the year 2022. All these offences were recorded from the daily station operations, highway operations and Smart enforcement using the mobile phone enforcement application.

The table below shows the operations per quarter and overall total of all the offences in that particular quarter.

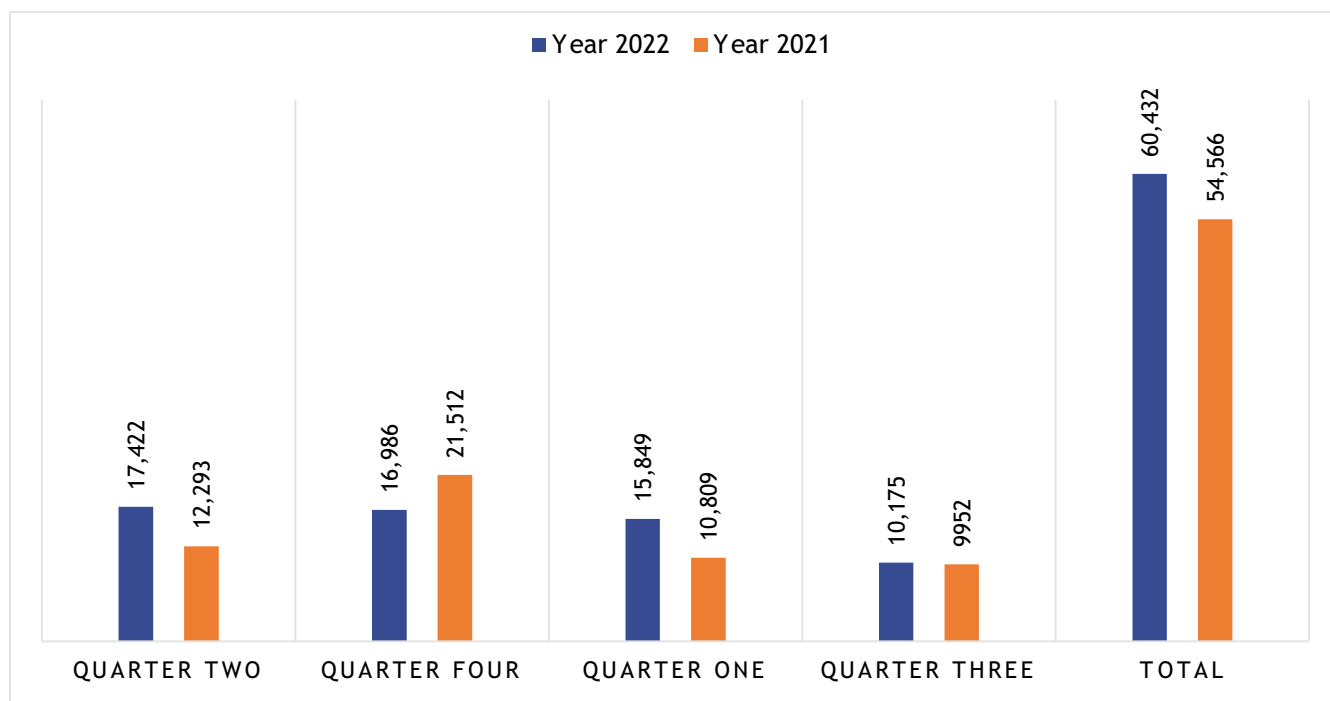


Figure 2.2: Traffic Offences

2.3.2 Ten Common Traffic Offences Recorded

Table below illustrates the first ten highest recorded Traffic offences per quarter during the year 2022.

Table 2.8: Ten Highest Traffic Offences of 2022

No.	2022	Total Offences
1	Expired Road Tax (Road License)	11,259
2	Expired Test Certificate	6,182
3	Exceeding speed limit	5,705
4	Expired insurance on M/Vehicle	4,818
5	Dangerous driving	4,734
6	Plying for hire or reward	3,500
7	Expired Certificate of Fitness	2,410
8	Obstruction of roadway by m/vehicle	2,393
9	Expired Identity	2,231
10	Unlicensed Driver	1,552

2.3.3 Joint Highway Patrols

During the year under review, the Agency in collaboration with the Zambia Police Service, conducted five (05) joint highway operations along the line of rail and four (04) special operations (Lusaka CBD, Online Ride Hailing Services, Mosi Day of Thunder, Interpol RTSA joint operation and the CBRTA joint border patrols operation).

2.3.4 Tow Truck Operations

Tow truck operations were conducted in Lusaka along the highways and Central province.

The Table below illustrates the number and type of motor vehicles that were towed to safety during the year under review.

Table 2.9: Tow Truck Operations

S/N	STATUS OF MV	HEAVY MOTOR VEHICLE				TOTAL	LIGHT MOTOR VEHICLE				GRAND TOTAL
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
i.	ABANDONED			1		1					1
ii.	OBSTRUCTION	37	44	22	14	117	2	0	3	0	122
iii.	FUEL RAN OUT					0					0
iv.	RTA	4		5	6	15		0		0	15
v.	OTHER	21	37		4	62				0	62
	TOTAL	62	81	28	24	195	0	0		0	195
	TOTAL FINES COLLECTED	24,150	23,250	8,025	6,015	61,440	0	0	525	0	61,965

2.3.5 Intercity Bus Terminus Inspections

Daily Inspections are carried out on all Public Service Buses exiting Intercity Bus Terminus from 04:00AM to 5:00PM. This is done in order to verify Driver competence, compliance and experience as well as ascertain road worthiness of the buses. This is also used to check validity of tokens and to educate drivers and passengers on road safety.

During the year under review, 37,952 buses were inspected as indicated in Table below. A total of 39,050 Buses were inspected in the year 2021, hence there is a reduction of 1,098 in buses inspected by the year 2022.

2.3.6 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 950 Public Service Vehicle (PSV) buses were monitored on 60 different GPS platforms in the year under review. The highest offence recorded from Public Service Vehicle drivers in the year 2022 was exceeding speed limit with 749 offences recorded as indicated in the table below;

Table 2.10: GPS Records

Summary of GPS Records		
SN	Narration	Details
i.	Exceeding Speed Limit	749
ii.	Abrogating SI 51	142
iii.	Perpetual Offenders	147
iv.	Failure to Install GPS	12
v.	Maximum speed recorded	159
vi.	Average speed recorded	130
vii.	Total number of Buses on GPS	950
viii.	No. of Bus Operators on GPS	195
ix.	No. of GPS Platforms monitored	60
x.	Routes with the highest record of infringements	GNR/GER

2.4 COORDINATING ROAD SAFETY AWARENESS WITH OTHER STAKEHOLDERS

During the period under review, the Agency collaborated with various stakeholders. The table below highlights the activities with stakeholders.

2.4.1 Restless Development

The Agency took part in an internship organised by Restless Development that included girls in the 10th and 11th grades ranging from ages 16 to 25 years. The internship was meant to provide the girls with short-term corporate opportunities concerning market needs, the girls' areas of interest and skills, other creative projects, and the availability of positions.

The internships targeted the most disadvantaged learners who may not otherwise have such an opportunity. The internship was being facilitated by mentors from various institutions and targeted over One Thousand Five Hundred (1,500) girls from Mazabuka, Mumbwa, and Kabwe who are beneficiaries of Campaign for Female Education (Camfed) and Zambia Open Community Schools (ZOCS) sponsorship. The programme ran from 27th to 29th January, 2022 and it was undertaken virtually led by the Mentors through Zoom, Google Meet, and / Facebook Messenger platforms.

The Agency reached out to one thousand two hundred and fifty (1,250) learners during the programme.

2.4.2 Zambian Breweries

During the year under review the Agency collaborated with the Zambian Breweries PLC who funded small scale infrastructure road safety measures at Chibolya and Kabwata Primary Schools at a total cost of ZMW380,871.00.

Further, the Zambian Breweries PLC supported road safety sensitisation campaigns during the Mosi Day of Thunder which was held in Livingstone in October, 2022. The total support was to tune of ZMW100,000. Approximately, eight thousand (8,000) road users were reached out to.

2.4.3 Prudential Life Assurance Zambia Limited

The Agency collaborated with Prudential Life Assurance Zambia in launching the '2022 Safe Steps Campaigns' which was held at Radisson Blu Hotel in Lusaka. The launch of the Safe Steps Campaigns came in the wake of the signed Memorandum of Understanding (MoU) between the RTSA and PLAZ. The purpose of the launch was to highlight the need to continue conducting road safety programmes in a quest to reduce road carnage by enhancing road safety education to motorists and other road users through the Safe Steps Campaign.

Further, the Agency sensitised riders at the Pru Ride Lusaka - Tour De Mikango which was held on 21st May, 2022 at State Lodge. The Agency mounted an Information Kiosk where various road safety messages were disseminated to riders and members of the public who came to the event. Information, Education and Communication (IEC) Materials were also distributed. Approximately 215 people were reached out to.

The Agency also conducted road safety education and sensitisation to taxi drivers and motorcyclists in Eastern and Southern Provinces under the Safe Steps Campaign. In Eastern Province, Petauke District, Sinda District, Katete District, and Chipata City were covered, while in Southern Province the campaign covered Mazabuka District, Monze District, Choma District, and Livingstone City.

The Agency disseminated road safety information giving out various road safety thematic brochures to taxi drivers and motorcyclists. Approximately four hundred and forty-two (442) taxi drivers and

motorcyclists were reached out to in Eastern Province whilst two hundred and seventy-seven (277) taxi drivers were reached out to in Southern Province.

The Agency also sensitised hundred (100) drivers from Yango through a virtual meeting facilitated by PLAZ.

2.4.4 World Bank - Improved Rural Connectivity Project (IRCP)

During the year under review, the Agency conducted road safety sensitisation of the contractors and consultants under the Improved Rural Connectivity Project (IRCP) in Luapula, Northern and Eastern Provinces. The exercise was targeted at the contractors and consultants working on the rehabilitation of feeder roads in the effort to improve road safety in the named project areas. The sensitisation in Eastern Province was conducted in Nyimba and Petauke Districts.

The sensitisation in Luapula Province were conducted in Chipili, Kawambwa, Samfya and Lubwe, while in Northern Province, the activities were conducted in Mbala and Senga Hill.

Sensitisation focussed on safety in construction zones, on - site management of staff, pedestrian safety, passenger safety, and driver safety among other topics. This was in a view to abating road crashes involving contractors and consultants.

The Agency, further conducted road safety awareness campaigns in Chinsali and Kalomo Districts. The road safety awareness creation targeted both the Monitoring Consultants (MCs) and the Contracting Entities (including their employees) in order to prevent Road Traffic Crashes (RTCs). There were approximately twenty (20) people who were reached out to in Chinsali. While in Kalomo, the officers did not only educate and sensitise the contractor and their employees but they reached out to members of the community as well who they sensitised on the new roads that were being constructed and how they should keep themselves safe. They were sensitised on keeping animals away from the road, safe guarding road signs and how to use the gravel roads safely.

The Agency reached out to approximately two hundred and fifty-five (255) road users in Kalomo.

Additionally, the Agency conducted road safety awareness campaigns in Petauke and Nyimba Districts along the project roads. The road safety sensitisation was conducted to contractors, teachers, pupils, and members of the communities in both Petauke and Nyimba Districts. Approximately, six thousand four hundred and eighteen (6,418) people reached out to in Petauke District while two thousand four hundred and forty-five (2,445) were reached out in Nyimba District.

2.4.5 Insurers Association of Zambia (IAZ)

The Agency held a meeting with Insurers Association of Zambia (IAZ) during the year under review. The Association made a presentation on the Digital Insurance of Motor Vehicle (DIMVIC) which was an initiative aimed at improving service delivery. The IAZ is a consultative and advisory body for the insurance industry in Zambia.

2.4.6 Zambia Police Service

The Agency participated in the Zambia Police Day in Lusaka and Mongu on the 4th March, 2022. Approximately 950 and 250 people were reached out to in Lusaka and Mongu respectively. The Agency also distributed road safety materials at this event.

The Agency also collaborated with the Zambia Police Service during the launch of the Highway Traffic Patrols on 22nd December, 2022 at Lusaka Central Police in Lusaka. The launch, which was held under

the theme, 'Working Together to Reduce Road Traffic Accidents', was preceded by a Road Safety Awareness at Inter-City Bus Terminus followed by a march - past from Inter-city Bus Terminus to Lusaka Central Police.

2.4.7 Southern African Development Community (SADC) Association of Drivers

The Agency held a meeting with the Southern African Development Community (SADC) Association of Drivers on 7th March, 2022 at the RTSA Head Office. The purpose of the meeting was to discuss the escalating cases of Road Traffic Accidents (RTAs) in the country and the measures which would mitigate them.

2.4.8 Ministry of Education (MoE)

The Agency, in collaboration with the Ministry of Education (MoE), through Curriculum Development Centre (CDC) held a workshop from 7th to 10th March, 2022 in Kafue District to review Road Safety Learner's Manuals and Teacher's Guides and also developed a Community Road Safety Manual to be used in community Road Safety Education. The Road Safety Learners' Books and the Teachers' Manuals for Grades 1 - 4 and Grades 5 - 7 and the Community Road Safety Manual were developed.

The Agency also held a workshop with the MoE, through CDC to translate the Zambian Highway Code into the seven Zambian zonal languages, including Chinese Language. The translation of the Zambian Highway Code is aimed at improving access of road safety information by different readers in their respective languages. The exercise also included the adaptation of the Zambian Highway Code to braille for road users who are visually impaired. This is in order to promote inclusiveness in road safety issues, safeguarding lives of all road users, who include the persons with disabilities.

2.4.9 African Development Bank - Chinsali to Nakonde Road Rehabilitation Project

During the year under review, the Directorate received financial support from the African Development Bank under the Chinsali - Nakonde Road Rehabilitation Project to review Road Safety Learner's Manuals and Teacher's Guides. The materials that were reviewed are the Road Safety Learners' Book and the Teachers' Manuals for Grades 1 - 4 and Grades 5 - 7. A Community Road Safety Manual was also developed.

During the year under review, the Agency further held a meeting with NTU International Services (the Road Safety Consultant) and Circus Zambia to review the road safety materials developed by Circus Zambia for use in disseminating road safety information along the Chinsali - Nakonde Corridor. Circus Zambia was contracted to conduct road safety road shows by NTU International Services AS under Chinsali - Nakonde Road Rehabilitation Project.

2.4.10 Twafweni Village Outreach Missionary

During the year under review, the Agency in collaboration with Twafweni Village Outreach Missionary conducted road safety sensitisation at Bwafwano Market in Kanyama Compound of Lusaka. The Agency's participation in the event was to promote road safety awareness amongst various road users. During sensitisation, brochures with various road safety themes were distributed. A total of Six Hundred Forty and Five (645) road users were reached out to, among these were marketeers, bus and taxi drivers and school-going children.

2.4.11 Zambia Motor Sport Association (ZMSA)

During the year under review, the Agency participated at Motor Rallies organised by the Zambia Motor Sport Association (ZMSA). The Agency provided two safety vehicles for each event and mounted

information kiosks where road safety information was disseminated to members of the public.

The first Motor Rally was held at Kalimba Farms in Lusaka from 12th to 13th March, 2022, with one hundred (100) people reached out to. The 2nd National Motor Rally was held from the 4th to 5th June, 2022 in Ndola. The Agency disseminated road safety education messages to approximately three hundred (300) people during this event.

The Agency also participated in the Pembe Motor Rally which was held from the 16th to 17th July, 2022 at the Lusaka Showground and Chartonell Farm respectively. There were approximately one hundred and fifty (150) people reached out to.

The Agency further participated at the Monze National Motor Rally held from 27th to 28th August, 2022 at Lwengu Private School and Welkom Farm. During the Rally, approximately three hundred and forty (340) road users were reached out to.

Further, the Agency participated at an event called 'Girls on Track' at the National Sports Development Centre (NASDEC) Sports Complex in Lusaka on 11th December, 2022. The event was hosted by the Zambia Motor Sports Association (ZMSA) in conjunction with Fédération Internationale de l'Automobile (FIA). Eighteen (18) girls were sensitised on Road Safety.

2.4.12 Electoral Commission of Zambia (ECZ)

During the year under review, the Agency facilitated a familiarisation tour to the Electoral Commission of Zambia on 17th March, 2022 of the Road Safety School Park in Lusaka. The Commission wanted to learn about the Agency's education and outreach strategies and explore the modalities of creating possible synergies between the provision of voter and road safety education to the general public.

2.4.13 Lusaka National Museum

During the year under review, the Agency participated at the Literacy Programme which was held on 25th March, 2022, 4th April, 2022 and 12th October, 2022 at the Lusaka National Museum. The aim of the Literacy Programme was to supplement the education curriculum which is offered in schools and to promote literacy among learners from both private and government schools.

A total number of twenty (20) learners from Fountain Community School were in attendance on 25th March, 2022 and twenty (20) learners from Chibolya Primary School attended on 14th April, 2022. The programme had thirty-six (36) learners from John Howard Community School on 12th October, 2022.

Additionally, the Agency participated at the International Museum Day under the theme 'The Power of Museums' on 18th May, 2022 at the Lusaka National Museum. Approximately 112 people were sensitised at the event.

2.4.14 United Nations Development Programme (UNDP)

The Agency with support from the UNDP implemented a project to improve Road Safety in Schools. Under the project small scale infrastructure improvement were implemented in partnership with Zambia Road Safety Trust (ZRST) at Chamba Valley Primary School and Makeni Park Private School in the year under review.

The Agency also conducted road safety sensitisation of the learners at the two (2) schools. A total number of two thousand one hundred and ninety (2,190) learners were sensitised at Chamba Valley Primary School, while two hundred and fifty (250) learners were sensitised at Makeni Park Private School.

2.4.15 Coca-Cola Beverages Africa

The Agency collaborated with Coca-Cola Beverages Africa during the launch of their Easter Drive Safe Campaign which ran from 4th to 11th April, 2022 and made a road safety presentation to their staff. A total number of 118 members of staff were reached out and a total number of 50 thematic brochures were handed out.

The Agency also collaborated with Coca-Cola Beverages Zambia during their 'Stop & Respect the Road Campaign' on 19th December, 2022. The Agency presented a talk on Road Safety and Defensive Driving at the Coke Plant in Lusaka. A total number of 134 members of staff were reached out.

2.4.16 Njinga Rides Limited

On 15th April, 2022, the Agency attended the launch of Njinga Rides Limited in Lusaka at the Lusaka National Museum. The launch was themed 'KK Ride' and it also marked their inaugural ride which started at Lusaka National Museum then through Old State House in Chilenje, Kabwata Cultural Village and back to the museum. The Agency made a presentation on Cycling and Road Safety. Approximately forty (40) people were in attendance.

2.4.17 Kabwata Presbyterian Church

The Agency attended a seminar dubbed 'People Living with Disabilities' hosted by Kabwata Presbyterian Church at their premises on 16th April, 2022 at which a road safety awareness talk was presented. A total number of thirty (30) people were reached out to.

2.4.18 World Vision Zambia

The Agency collaborated with World Vision Zambia during a road safety awareness workshop which was aimed at educating motor bike riders. The Workshop was held in Kasama from 19th to 22nd April, 2022. The riders were World Vision Zambia employees from Central, Luapula, Muchinga, Northern and Lusaka Provinces. The workshop was part of the continuous safety programmes that are periodically conducted by the organisation to train or orient its employees and other partners in road safety. A total number of nine (9) drivers were trained.

The Agency also held a defensive driving workshop with World Vision Zambia and Ministry of Health (MoH) for drivers attached to a World Vision Zambia project. The workshop was conducted in Kasama from 5th to 8th December, 2022. A total number of twenty-seven (27) drivers were trained.

2.4.19 World Bicycle Relief (WBR)

The Agency conducted road safety awareness during the commemoration of the World Bicycle Day on 3rd June, 2022 which was held at the World Bicycle Relief Office along Kabulonga Road in Lusaka.

The Agency further conducted road safety awareness during the Africa Rides Bicycle Handover Ceremony by World Bicycle Relief (WBR) in Shibuyunji District at King's Mission School on 23rd June, 2022. During the ceremony, WBR distributed bicycles to the school-going children while the Agency sensitised learners, parents/guardians, teachers, and other community members on cyclist safety.

Additionally, the Agency handed out IEC materials such as Highway Codes, thematic brochures, key holders, and pens. Approximately, 1,523 people were reached out to.

2.4.20 Vivo Energy Zambia

The Agency attended the launch of the 'Staying Alive Campaign' at Juba Transport in Lusaka on 16th June, 2022. The campaign which is under Vivo Energy Zambia's Corporate Social Responsibility focused on the importance of road safety in the transport sector. Vivo Energy Zambia also supported the Agency by donating ten (10) wheelchairs during the World Day of Remembrance for Road Traffic Victims commemoration.

2.4.21 Public Service Day 2022

The Agency participated at the Africa Public Service Day which was commemorated from 21st to 23rd June, 2022 at East Park Piazza under the theme 'Enhancing the Resilience of the African Public Administration to Support and Facilitate the Realisation of Africa's Nutritional needs during and Post COVID-19 pandemic'.

The Agency exhibited at this event and sensitised members of the public on road safety. Information, Education and Communication (IEC) materials such as brochures on various thematic topics, RTSA branded key holders and pens were distributed to members of the public. The number of people reached out to was approximately 250.

2.4.22 Drug Enforcement Commission (DEC)

The Agency collaborated with the Drug Enforcement Commission (DEC) in commemorating the International Day against Drug Abuse and Illicit Trafficking under the theme 'Fighting Drug and Substance Abuse through Strong Families and a Healthy Lifestyle'. The commemoration was held on 28th June, 2022 and it was held at Mulungushi International Conference Centre. The event was officiated by His Excellency, the President of the Republic of Zambia, Mr. Hakainde Hichilema. Approximately 400 people were reached out to. The DEC also partnered with the Agency during sensitisations during the Road Safety Week.

2.4.23 Zambia Road Safety Trust (ZRST)

The Agency attended the AfroSAFE project launch which was organised by the Zambia Road Safety Trust (ZRST) and held on 12th September, 2022 at the Radisson Blue Hotel in Lusaka. The primary objective of the AfroSAFE project is to make a significant progress in the propagation of the Safe System modus operandi within the road safety work context in African Countries. The AfroSAFE project will help Zambia to benefit from the Euro 4 million grant from the European Commission which will help to facilitate for road safety improvements and capacity building in road safety for key partners.

The Agency further conducted road safety activities during the Car Free Day that was organized by the Zambia Road Safety Trust. The event took place on 25th September, 2022 in the Central Business District in Lusaka. The aim of the activity was to promote the use of Non-Motorised Transport (NMT) and seeks to advocate for creation of walk ways and cycle lanes. The Agency during the activity set up an information desk that was used to disseminate road safety through provision of road safety materials and information.

The Agency gave out four (04) helmets and sixteen (16) highway codes that were used as part of the winning prizes during the cycling race that was held during the event. Approximately two hundred and fifty (250) people were reached out to.

2.4.24 Butterfly Entertainment Limited

The Agency participated in the Butterfly Entertainment Limited organised Kids Festival (Education

Expo) at NASDEC on 1st October, 2022. During the event, the Agency sensitised and educated the general public through the distribution of various road safety Information, Education and Communication (IEC) materials. Approximately eight hundred and ten (810) people were reached out to.

2.4.25 Lusaka College of Nursing and Midwifery

The Agency, at the invitation of the Critical Care Nurses Association of Zambia (CCNAZ), sensitised critical care and trauma emergency nursing students on Road Safety and the Role of the RTSA in responding to Road Traffic Crashes (RTCs). The sensitisation took place on 15th December, 2022 at Lusaka College of Nursing and Midwifery. A total number of fifty-three (53) students and seven (7) staff members were in attendance. Various Information, Education and Communication (IEC) materials such as thematic brochures and Zambian Highway Codes were distributed to the participants.

2.4.26 Ministry of Transport and Logistics (MTL) and SMART Zambia Institute

The Agency collaborated with the Ministry of Transport and Logistics (MTL), and SMART Zambia Institute during the Government Service Bus (GSB) and Payment Gateway sensitisation in Lusaka. The sensitisation, whose aim was to bring awareness to the public on how to easily access RTSA services online, was conducted at the RTSA Silverest and Mimosa Stations from 27th to 30th December, 2022.

2.4.27 Association of Southern African National Road Agencies (ASANRA)

In November, 2022, the Agency attended the 36th Committee Meeting of the Association of Southern African National Road Agencies (ASANRA) in Maputo, Mozambique.

The meeting proposed and revived some key road safety improvement activities including domestication of standards for traffic signals and development of a regional strategy for anti-theft and anti-vandalism of road signs. During the first quarter of 2023, RTSA will work with RDA to prepare a proposal on for the actualization of the resolutions from the meeting.



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ROAD TRANSPORT DEPARTMENT



3.1 IMPROVE ROAD TRANSPORT AND SAFETY

3.1.1 Demonstrating leadership role in transport system and safety management

The Road Traffic (Amendment) Act No.8 of 2022 was enacted into Law during the period under review. The enactment of this piece of legislation provides for, among others:

- Introduction of vehicle “anniversary” licensing;
- Registration of vehicles at the port of entry;
- Introduction of new Road Service Licensing (RSL) regime;
- Introduction of Collateral Registry for change of ownership;
- Change in duration of Motor Dealers Vehicle License;
- Introduction of Number Plate Manufacturers or embossers permit;
- Reduction of the age for one to obtain a PSV license to drive a taxi from 25 to 20 years;
- Mandatory requirement for vehicles to undergo physical inspection before first registration;
- Creation of cross border road transport offences such as cabotage and third country rule offences; and
- Removal of requirement for trailers to also display the registration marks of the other vehicles by which they are drawn.

All measures in the Act are earmarked for implementation in the short to medium term.

3.1.2 Enhancing compliance through examination, registration and licensing

3.1.2.1 Examinations

The following transactions were recorded under examinations of motor vehicles, trailers and drivers. The total number of examination transactions for period under review were 663,142. There was an increase in the number of examination transactions by 10,990 (1.69%) compared to the previous year which had 652,152. The increase was attributed to an increase in the number of practical and theory test transaction for period under review.

The highest number of transactions recorded was that of roadworthiness (test certificates) at 258,995 (39.06%), followed by physical inspections at 133,450 (20.12%), Driver practical test at 112,358 (16.94%), Driver theory test at 102,699 (15.49%), vehicle roadworthiness (Certificate of fitness) at 53,321 (8.04%) and Road Traffic Accident examinations at 2,215 (0.33%). The lowest number was that of mobile examinations and instructor competency test at 63 (0.01%) and 41 (0.006%) respectively.

The figure below shows a comparative number of transactions under examinations for the period under review.

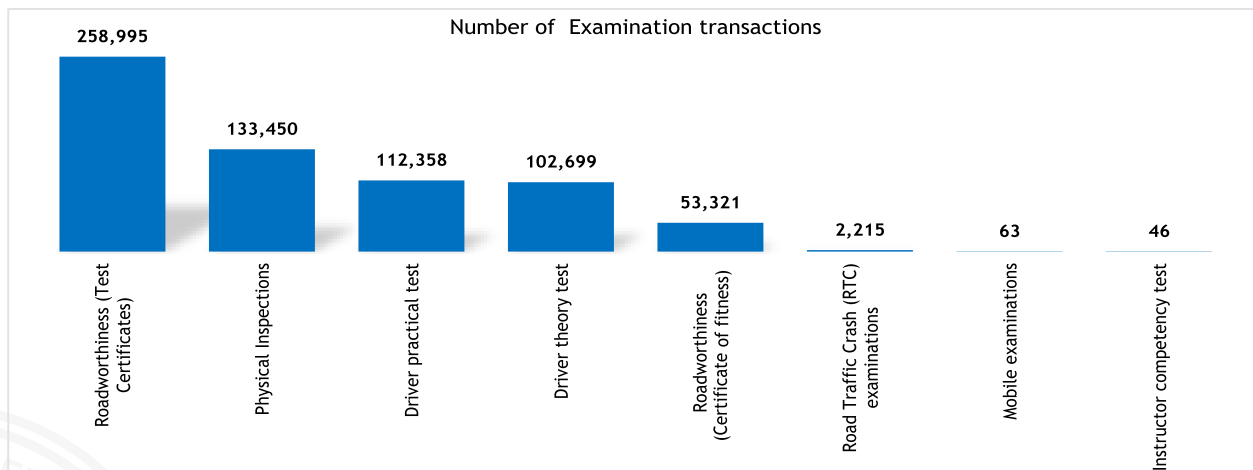


Figure 3.1: Comparative distribution of transactions for the period under review

3.1.2.1.1 Driver examinations

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

a. Theory driver test

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

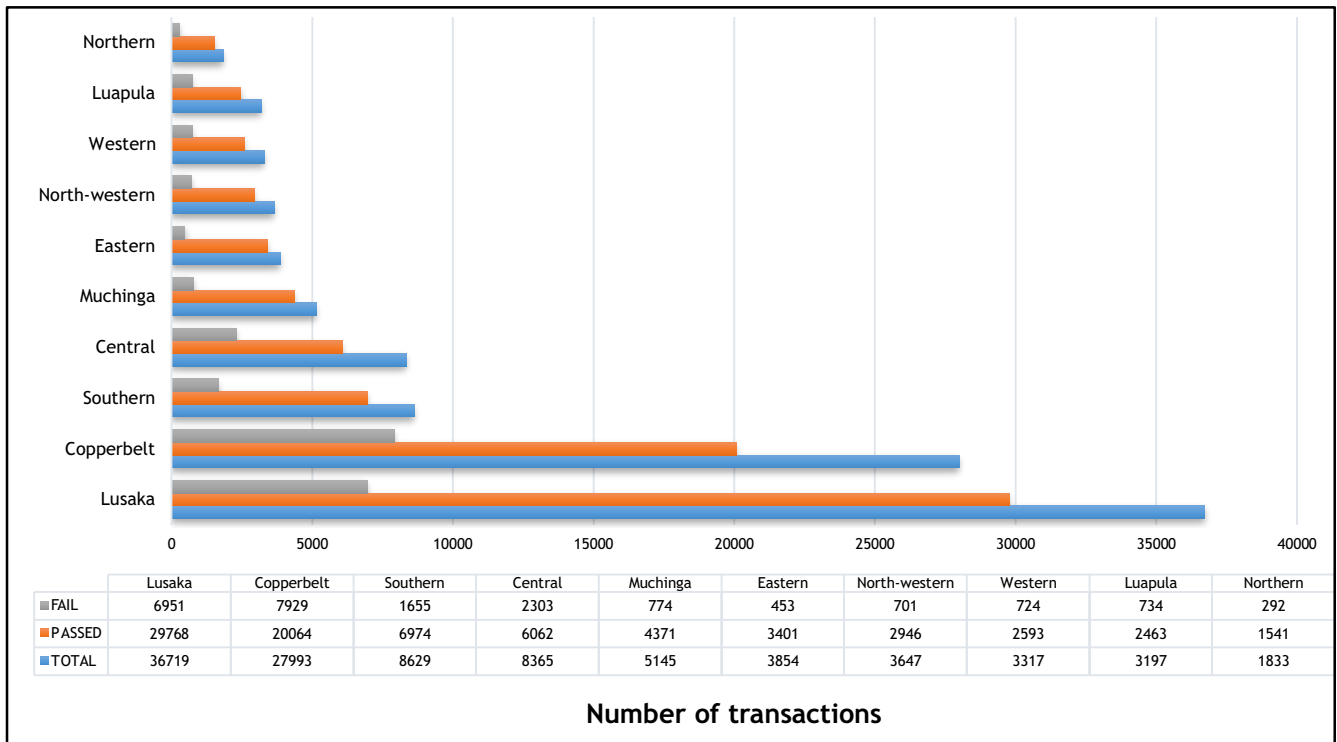


Figure 3.2: Distribution of applicants (theory) tested, passed and failed

During the period under review, a total of 112,358 learner drivers were examined in any preferred class and category and 70,951 candidates were issued with provisional drivers' licenses whilst 41,407 were unsuccessful.

The overall pass rate was 78.1 % compared to previous year of 79.2 % and 85.2 % in 2021.

During the period under review, there was a marginal increase in the number of candidates who were examined for provisional driver licenses by 5,860 (6.1%) compared to 2021.

A regional performance analysis shows that Lusaka province had the highest number of candidates accounting for 35.75 %, followed by Copperbelt Province with 27.25% and the least was Northern Province with 1.78%.

b. Practical Driving Test

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

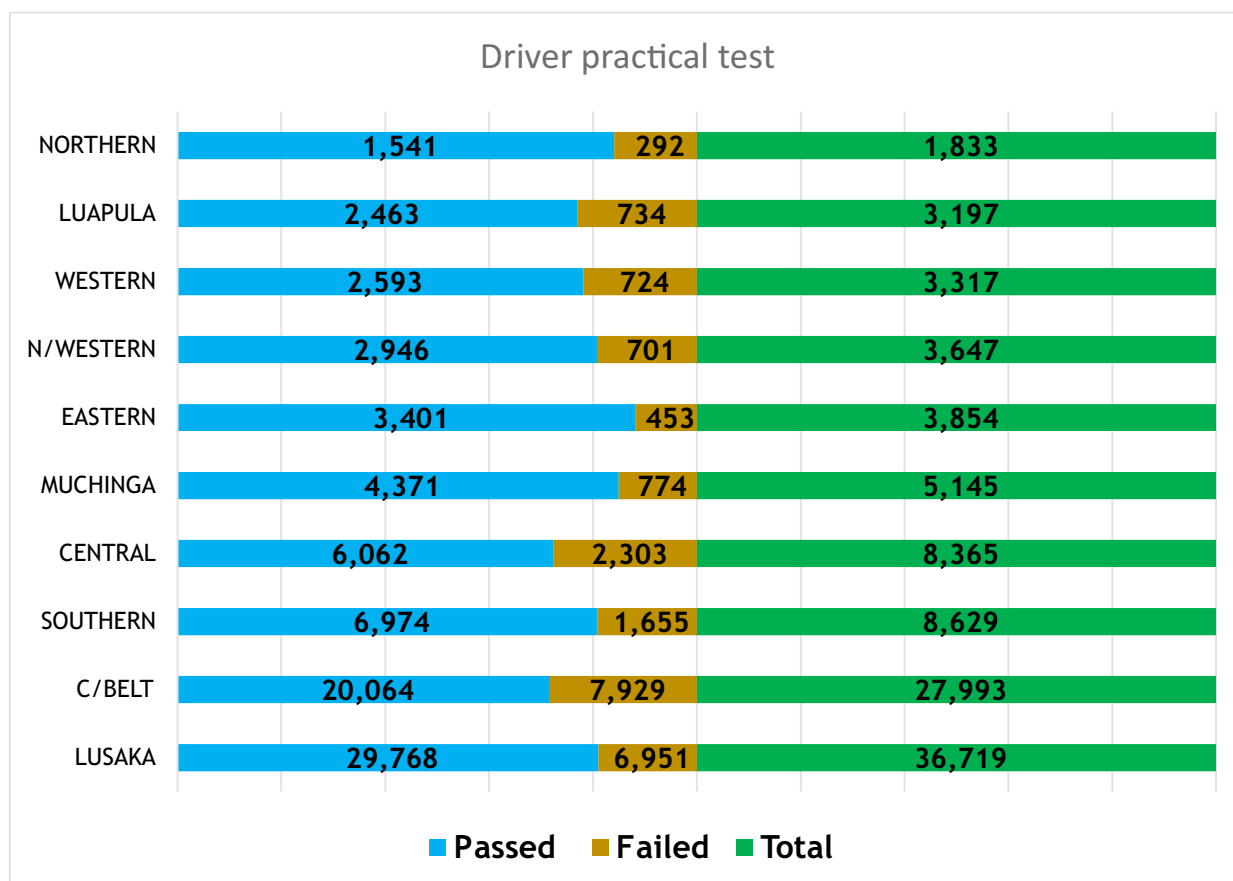


Figure 3.3: Distribution of practical applicants tested, passed and failed

During the period under review, a total of 112,358 learner drivers, in any preferred class and category, were tested across the country and 70,151 candidates were issued with drivers' licenses whilst 41,407 failed. Comparatively, in 2021, 99,306 learner drivers were tested, 66,764 passed while 32,524 failed. The total number of learner drivers tested increased by 13,052(13.1%) as compared to 2021. The increase in the number of candidates was attributed to the relaxation of the Corona Virus Disease (COVID-19) restriction rules.

Lusaka Province recorded the highest number of applicants with 39.2%, followed by Copperbelt Province with 24.6%. The least was Northern Province which accounted for 2.5%.

For the period under review, the pass rate stood at 63.1% compared to 67.2% in 2021 and 65.7% in 2020.

c. Driver Mentorship

Driver mentorship is a program that is aimed at improving driver evaluation experience to ensure that more learner drivers pass theory and practical tests with the right values.

This programme was implemented countrywide. The figure below shows the number of candidates who passed through the driver mentorship sessions.

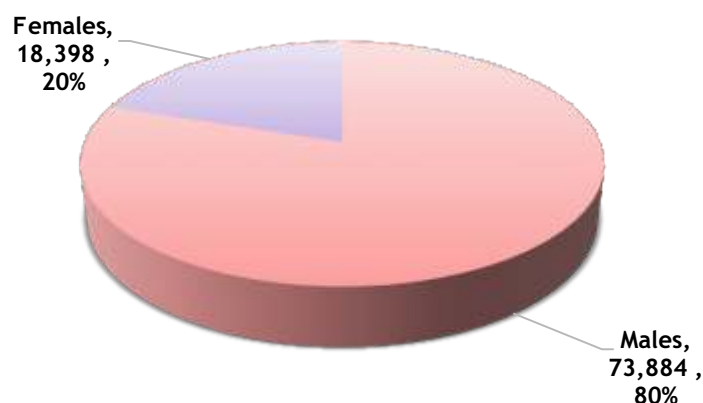


Figure 3.4: Driver mentorship enrollment by gender

During the period under review, the total number of enrolled candidates was 92,282 compared to 91,621 in 2021 and 49,621 in 2020. There was a marginal increase in the number of candidates enrolled by 661 (0.72%). The national enrollment rate for male candidates accounted for 80% while female candidates were 20%.

3.1.2.1.2 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

The figure below shows the number of transactions for roadworthiness examinations conducted on private vehicles for issuance of Test Certificates.

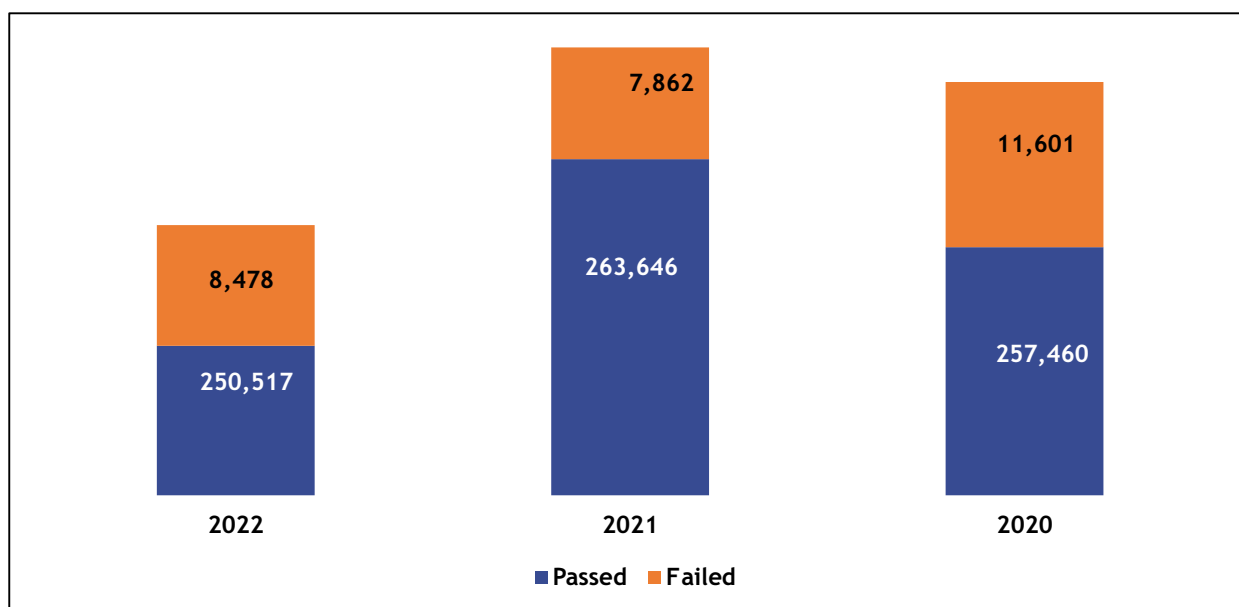


Figure 3.5: Number of transactions for roadworthiness examinations (Test Certificates)

During the year under review, a total number of 258,995 motor vehicles and trailers were examined for road worthiness for the issuance of test certificates of which 250,517 passed while 8,478 failed. Comparatively, 271,508 motor vehicles were examined and 263,646 passed while 7,862 failed in 2021. There was a decrease in the number of motor vehicles examined for roadworthiness by 12,513 (4.8%) compared to 2021.

Lusaka Province recorded the highest number of vehicles for roadworthiness examination with 124,992 (48.2%), followed by Copperbelt Province with 70,578 (27.3%) and Western Province had the lowest with 3,595 (1.4%).

b. Public Service Vehicle (PSV) examinations

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

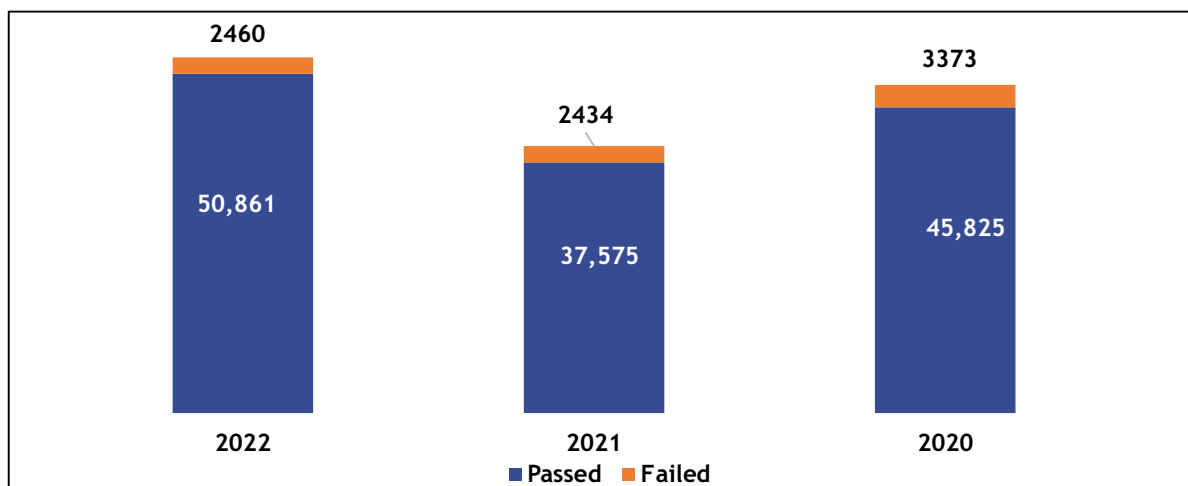


Figure 3.6: Number of transactions for roadworthiness examinations (Certificate of Fitness)

During the period under review, a total of 53,321 Public Service Vehicles (PSV) were examined for issuance of Certificate of Fitness of which 50,861 passed while 2,460 failed. Comparatively, 40,009 Public Service Vehicles were examined in 2021 and 37,575 passed while 2,434 failed. The increase in number of vehicles examined by 13,312 (33.3%) for COF was attributed to an increase in the number of Public Service Vehicles (PSV) which were registered during the period under review.

Lusaka Province had the highest number of Public Service Vehicles (PSV) subjected to roadworthiness examination with 21,981 (41.2%), followed by Copperbelt Province with 19,040 (35.7%) and Western Province had the lowest with 592 (1.1%).

3.1.2.1.3 Motor vehicle physical examinations

During the period under review, a total number of 133,450 motor vehicles were physically inspected for various registration purposes compared to 142,477 and 81,881 in 2021 and 2020 respectively. Most of the physical inspections were for new registration and change of ownership transactions.

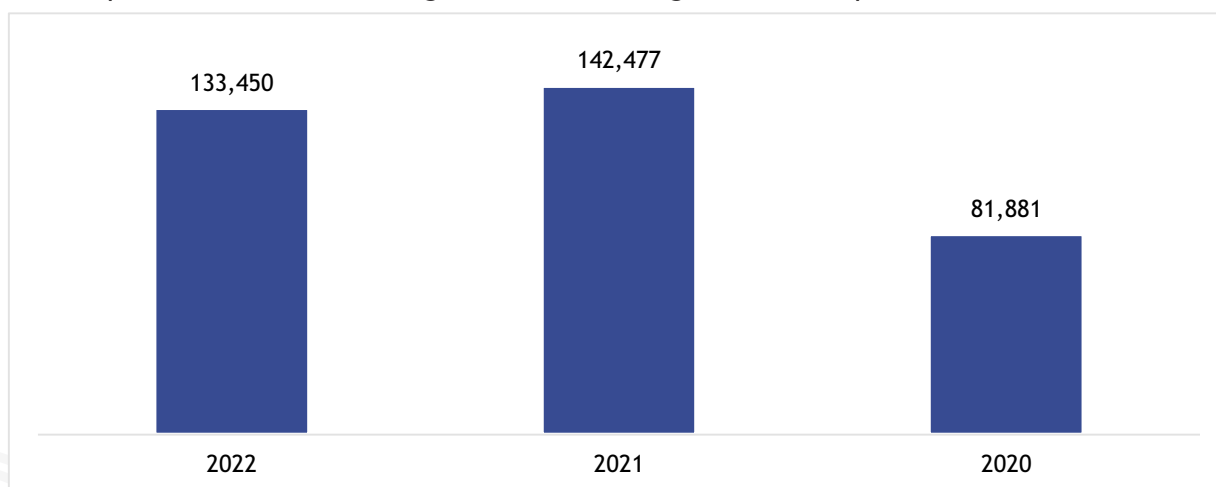


Figure 3.7: Comparative statistics for physical inspection

Lusaka Province accounted for 90,811 (68%), followed by Copperbelt with 20,908 (15.7%), due to many Motor dealers and Franchise holders, and the lowest was Western Province with 571 (0.43%).

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



Figure 3.8: Motor vehicle examination shelter at Silverest Station

3.1.2.1.4 Road Traffic Crash examinations

During the period under review, 2,215 motor vehicles involved in Road Traffic Crashes (RTC) were examined of which 954 were fatal, 766 serious, 295 slight and 200 were damages only.

Comparatively, 1,901 motor vehicles were examined in 2021 of which 793 were fatal, 684 serious, 205 slight and 219 damages only. There was an increase in motor vehicles examined in RTCs by 314 compared to the previous year.

3.1.2.1.5 Instructor competency test

This test is conducted on applicants wishing to obtain an instructor's license and for the period under review, forty-one (41) applicants were tested for competency and issued with Instructor's Licences compared to forty-six (46) Instructor's Licences in 2021.

3.1.2.1.6 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.

In line with the strategic focus area of enhancing revenue collection, the Agency conducted 63 mobile examinations and licensing activities, against a target of 60, compared to 96 in 2021. Table 5 shows the

costs incurred during the mobile examinations and licensing activities during the period under review.

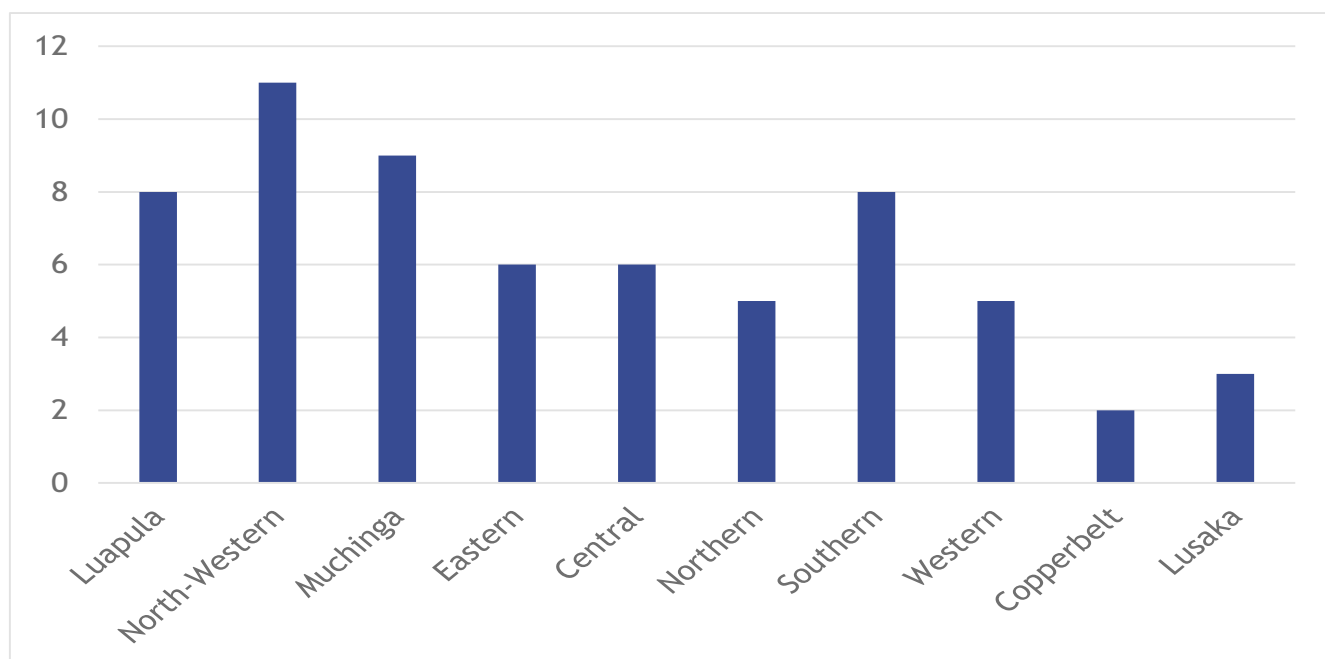


Figure 3.9: Graphic presentation mobile licensing

3.1.2.2 Registration

The registration unit recorded 197,650 transactions compared to 146,366 in 2021 and 103,986 in 2020. The table below shows the distribution of the transactions as they were recorded both on the Electronic Zambia Transport Information System (E-ZamTIS) and the manual registers.

Table 3.1: Shows a comparative number of transactions under registration for the period under review.

S/n	Type of transaction	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022	4th Quarter 2022	Total annual	Percentage (%)
1	Imports	18,831	23,195	24,111	26,758	92,895	47
2	First registration	14,304	13,121	15,653	17,973	61,051	31
3	Change of ownership	8,114	7,207	12,183	8,543	36,047	18
4	Add and amend of title holder	1,360	1,404	1,384	1,741	5,889	3
5	De-registration	99	173	86	151	509	0.26
6	Vanity registration	79	94	98	116	387	0.20
7	Assignment of registration mark currently in use or not in use(Preferred)	79	102	81	85	347	0.18
8	Retention	83	59	111	91	344	0.17
9	Re-registration	18	35	52	37	142	0.07
10	Conversions	1	2	36	0	39	0.02
Total 2022		42,968	45,392	53,795	55,495	197,650	100
Total 2021		27,027	21,027	27,219	28,505	103,986	100%

During the period under review, the highest number of transactions recorded was vehicle imports at 92,895 (47%); followed by first registration which accounted for 61,051 (31%), change of vehicle ownership with 36,047 (18%); addition and amendment of absolute owner with 5,889 (3%); de-registration with 509 (0.26%), vanity with 387 (0.2%), assignment of registration mark currently in use or not in use with 347 (0.18%), retention with 344 (0.17%), re-registration with 142 (0.07%) and conversion with 39 (0.02%).

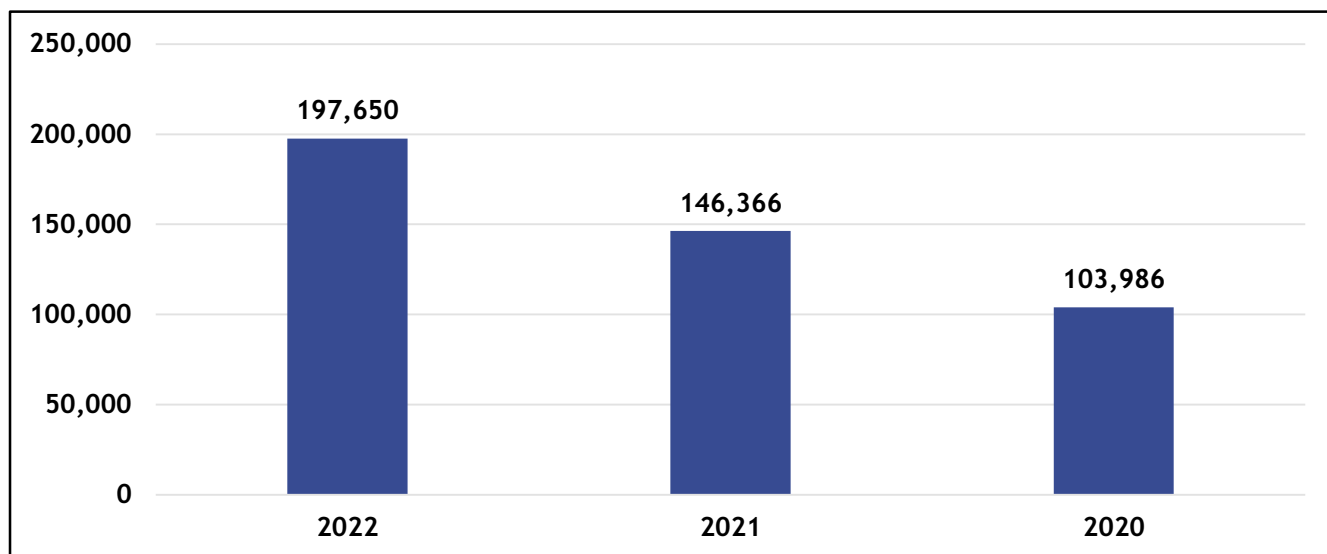


Figure 3.10: Comparative number of transactions for the period under review

There was a significant increase by 51,284 (35%) in transactions compared to 2021 due to favorable exchange rate against the major convertible currencies.

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

3.1.2.2.1 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, 92,895 motor vehicles were imported in comparison to 64,256 imported in 2021 and 40,869 in 2020.

During the period under review, there was a significant increase in the number of imports by 28,639 (44.6%) compared to 2021.

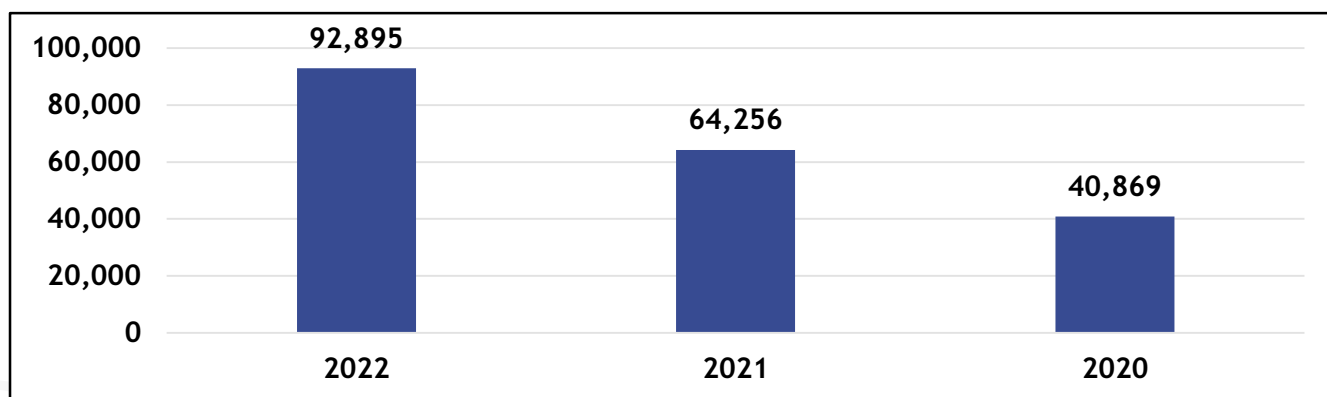


Figure 3.11: Comparative vehicle imports 2022, 2021 and 2020

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

3.1.2.2.2 First registration

A total of 61,051 motor vehicles and trailers were registered in the period under review as compared to 45,277 motor vehicles and trailers registered in 2021 on the Electronic Zambia Transport Information System (E-ZamTIS). Figure below shows comparative number of first registration transactions.

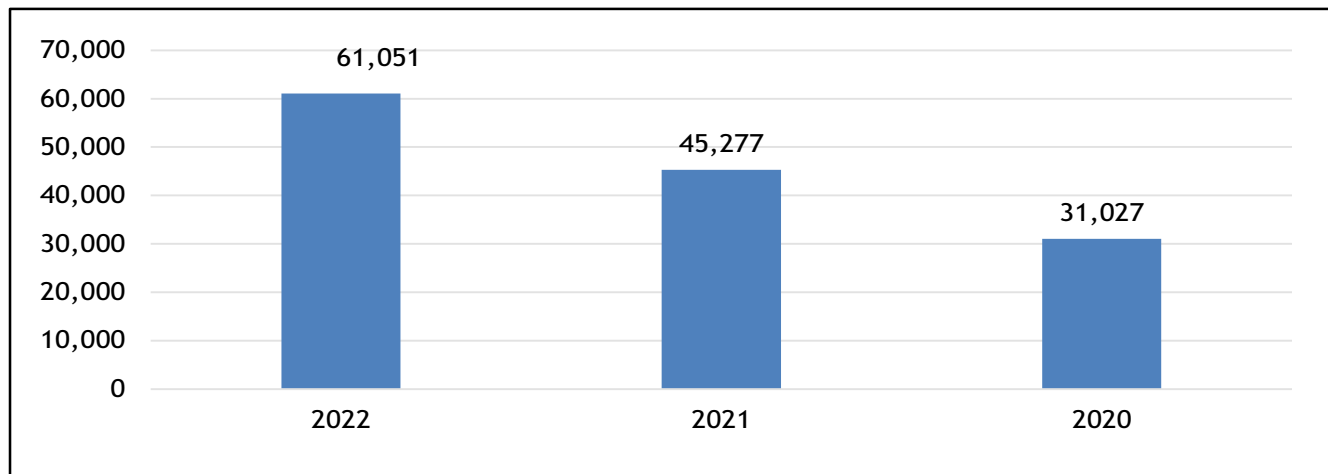


Figure 3.12: Comparative number of first registration transactions

There was an increase by 15,774 (35.9%) in the number of motor vehicles and trailers registered compared to 2021 due to favorable exchange rate of Kwacha against US dollars as well as relaxed conditions in the global supply chain as a result of the Corona Virus Disease (COVID-19).

From a total of 92,895 vehicles that were imported, 61,051 were registered while 31,844 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.

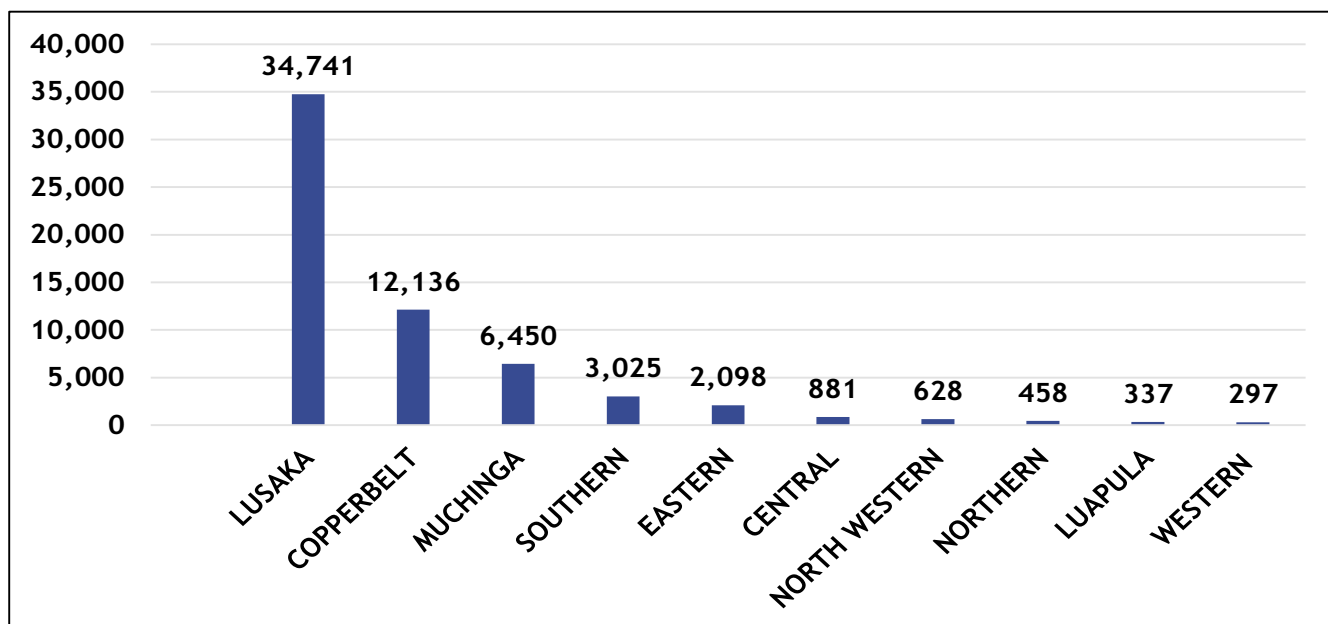


Figure 3.13: comparative number of first registration for the period under review

Regarding performance by region, Lusaka Province recorded the highest number of first registration transactions with 34,741, followed by Copper-belt Province with 12,136 while Luapula and Western Provinces had the lowest number of transactions with 337 and 297 respectively.

3.1.2.2.3 Change of ownership

A total of 36,047 change of vehicle ownership transactions, were conducted during the period under review in comparison to 30,395 recorded in 2021. The significant increase by 5,652 (18.6%) can be attributed to people's preference in buying from the Local Market and increased publicity on the need to change vehicle ownership.

3.1.2.2.4 Add title holder and amend or remove absolute owner

A total of 5,889 transactions, against a target of 4,800, were conducted in the period under review compared to 4,874 recorded in 2021. There was a significant increase by 1,015 (21%) in use of motor vehicles as collateral in accessing loan facilities from financial institutions.

3.1.2.2.5 Vanity or personalised registration

A total of 387 vanity or personalized registration transactions, against a target of 200, were recorded during the period under review compared to 375 in 2021. A significant increase by 12 (3.2%) 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.

3.1.2.2.6 Re-allocation registration

A total of 344 registration marks and numbers were re-allocated during the period under review compared to 254 in 2021. This was mostly due to the fact that vehicles with diplomatic and personalized marks reverted to ordinary marks after being sold.

3.1.2.2.7 Re-registration

During the period under review, 142 motor vehicles were re-registered compared to 149 recorded in 2021. This was mostly done on vehicles which had the same mark for more than Ten (10) years or re-imported.

3.1.2.2.8 De-registration

A total of 509 motor vehicles were de-registered in the period under review compared to 399 in 2021. 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.

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

During the period under review, 347 motor vehicles, were registered under this transaction compared to 330 in 2021.

3.1.2.2.10 Conversion registration

During the period under review, 39 motor vehicles, were registered under conversion registration compared to 56 in 2021. The reduction in the number of conversion transactions entails that most white-books have been converted into registration certificates.

3.1.2.2.11 Cumulative vehicle population

A total of 61,051 motor vehicles and trailers were registered in the period under review and the cumulative vehicle population stood at 960,237 compared to 899,186 in 2021 and 853,909 in 2020.

Table 3.2: Cumulative vehicle population

Quarter	1st Quarter 2022	2nd Quarter 2022	3rd Quarter 2022	4th Quarter 2022
Registered Vehicles	14,304	13,121	15,653	17,973
Cumulative vehicle population	913,490	926,611	942,264	960,237

3.1.2.3 Licensing

During the period under review, a total of 1,329,471 licensing transactions were conducted compared to 1,303,152 transactions in 2021. The highest number of transactions carried out were road tax at 57.1%, followed by Road Service Licenses at 11.3%, while drivers' licenses printed stood at 10.4%. Motor Dealers' Vehicle License (MDVL) transactions were the least with 194 (0.01%).

The table below shows various licensing transactions conducted during the period under review.

Table 3.3: Total number of licensing transportation for the period under Review

S/n	Type of transactions	1st Qtr. 2022	2nd Qtr. 2022	3rd Qtr. 2022	4th Qtr. 2022	Annual Total	Percentage (%)
1	Road Tax	167,787	180,908	196,561	214,534	759,790	57.1
2	Road Service Licenses	36,539	34,379	39,635	40,243	150,796	11.3
3	Driving Licenses Printed	24,745	36,378	38,321	39,040	138,484	10.4
4	Provisional Driving License	22,726	34,429	27,674	28,286	113,115	8.5
5	New Driving License	14,303	12,411	20,995	22,532	70,241	5.3
6	Driving License Renewal	14,052	15,936	16,157	22,110	68,255	5.1
7	Cross Border Permits	5,686	4,746	3,009	3,916	17,357	1.3
8	PSV Driving License Renewal	1,091	3,442	1,593	3,863	9,989	0.8
9	International Driving Permits	245	334	336	335	1,250	0.09
10	Motor Dealers' Vehicle License	90	8	25	71	194	0.01
Total		287,264	322,971	344,306	374,930	1,329,471	100

Figure 3.15 shows comparative number of licensing transactions for the period under review against the previous years.

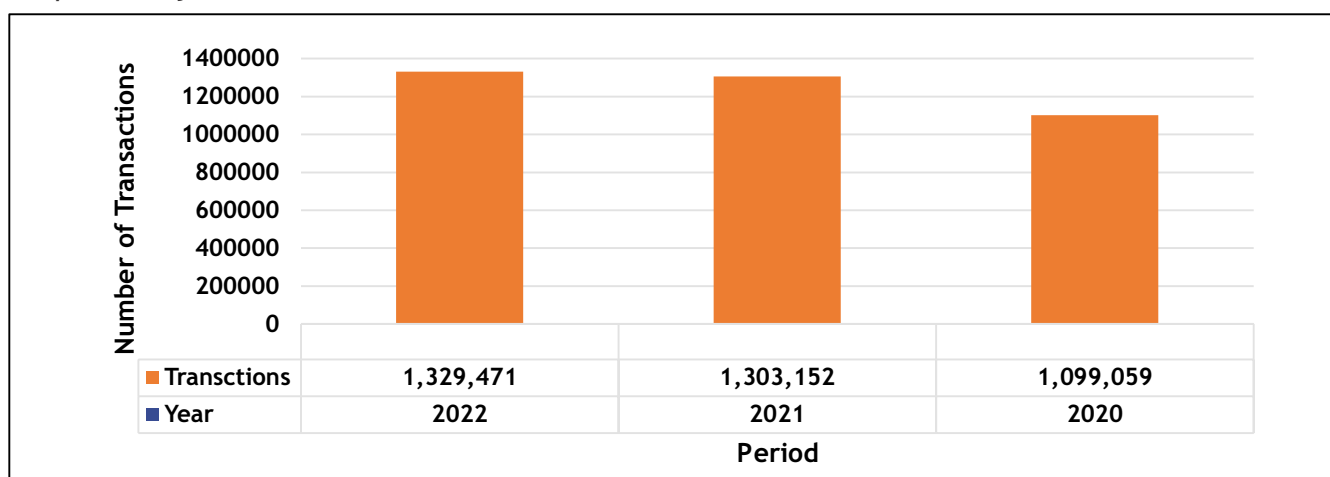


Figure 3.14: Comparative licensing transactions

The period under review continued with the positive increase in the number of licensing transactions. This can be attributed to the relaxation of COVID-19 restrictions in the year, the number of clients accessing the online platforms and the continuous availability of consumables required for printing of driving licenses.

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

3.1.2.3.1 Issuance of Driver's Licenses

The Agency printed a total of 138,484 driving licenses in the period under review compared to 180,740 driving licenses printed in 2021 and 224,457 in 2020. 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 below reflects a summary of drivers' license cards produced.

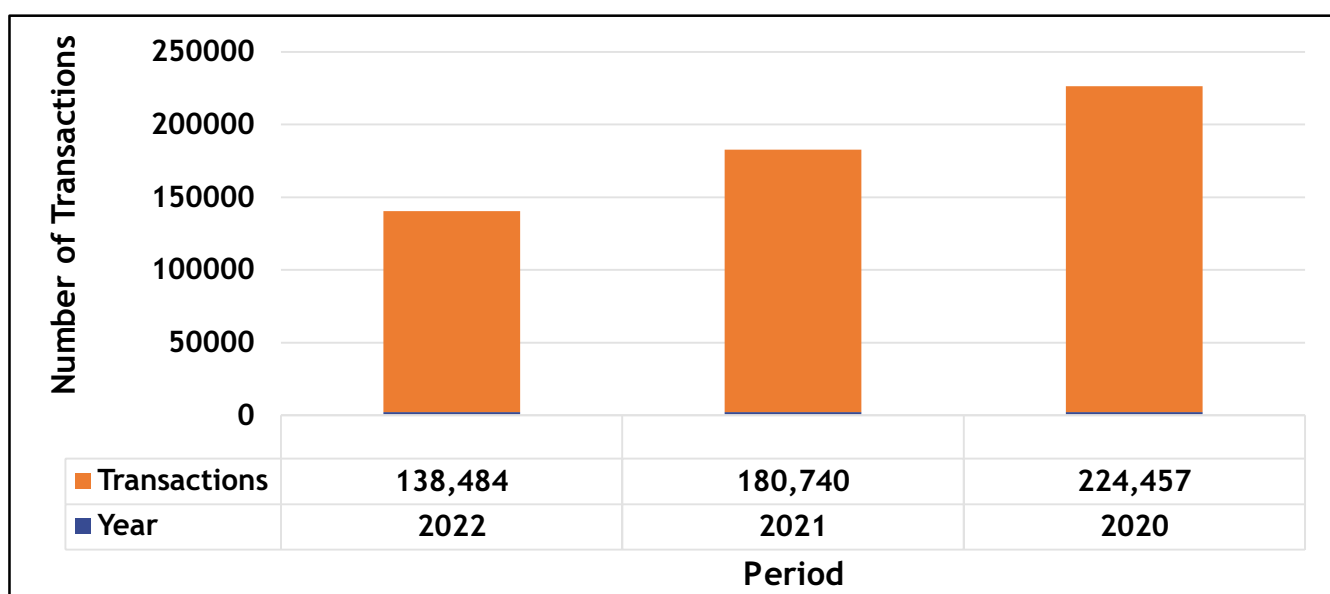


Figure 3.15: Annual comparative card production transactions

3.1.2.3.2 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 1,250 IDPs as compared to 2,986 and 716 issued in 2021 and 2020 respectively. Thus, the Agency recorded a decrease in demand for IDPS in this period largely due to reduction in demand for the service by Zambians resident in foreign countries.

3.1.2.3.3 Road Tax

During the period under review, the Agency conducted 759,790 road tax transactions against a cumulative vehicle population of 960,237 of which 565,317 (58.9%) vehicles were licensed compared to 649,498 and 458,989 in 2021 and 2020 respectively.

The figure below shows road tax compliance during the year 2022 in comparison with 2021 and 2020.

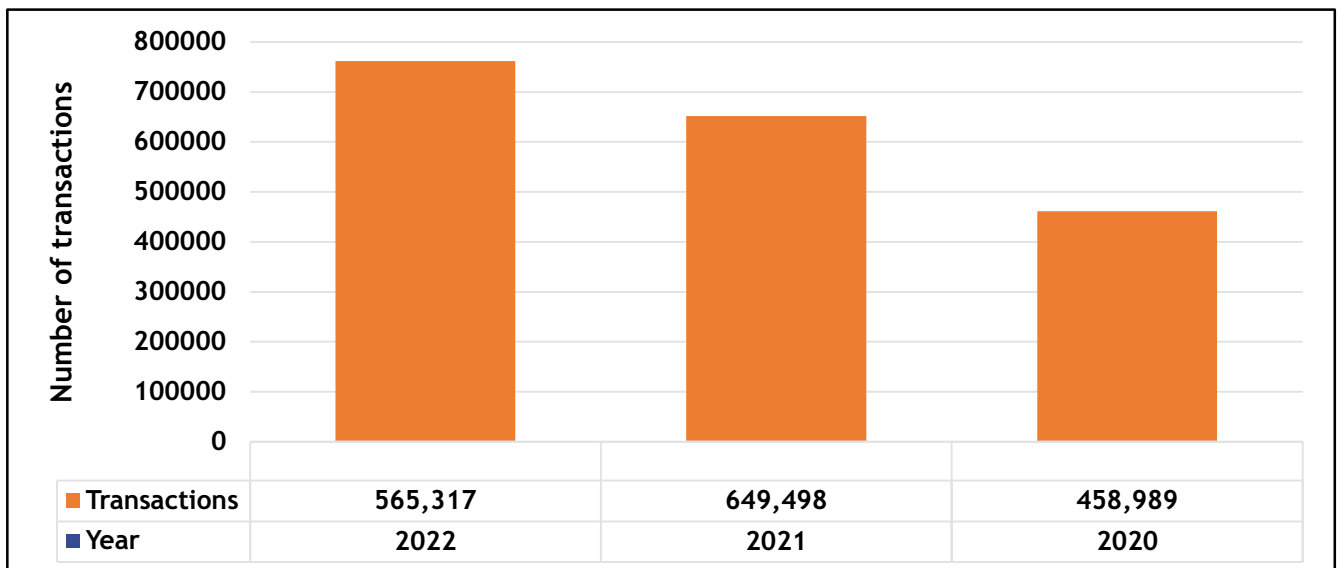


Figure 3.16: Comparative road tax transactions

3.1.2.3.4 Road Service Licenses

During the period under review, a total of 150,796 Road Service Licences (RSLs), were issued compared to 127,391 and 102,443 which were issued in 2021 and 2020 respectively.

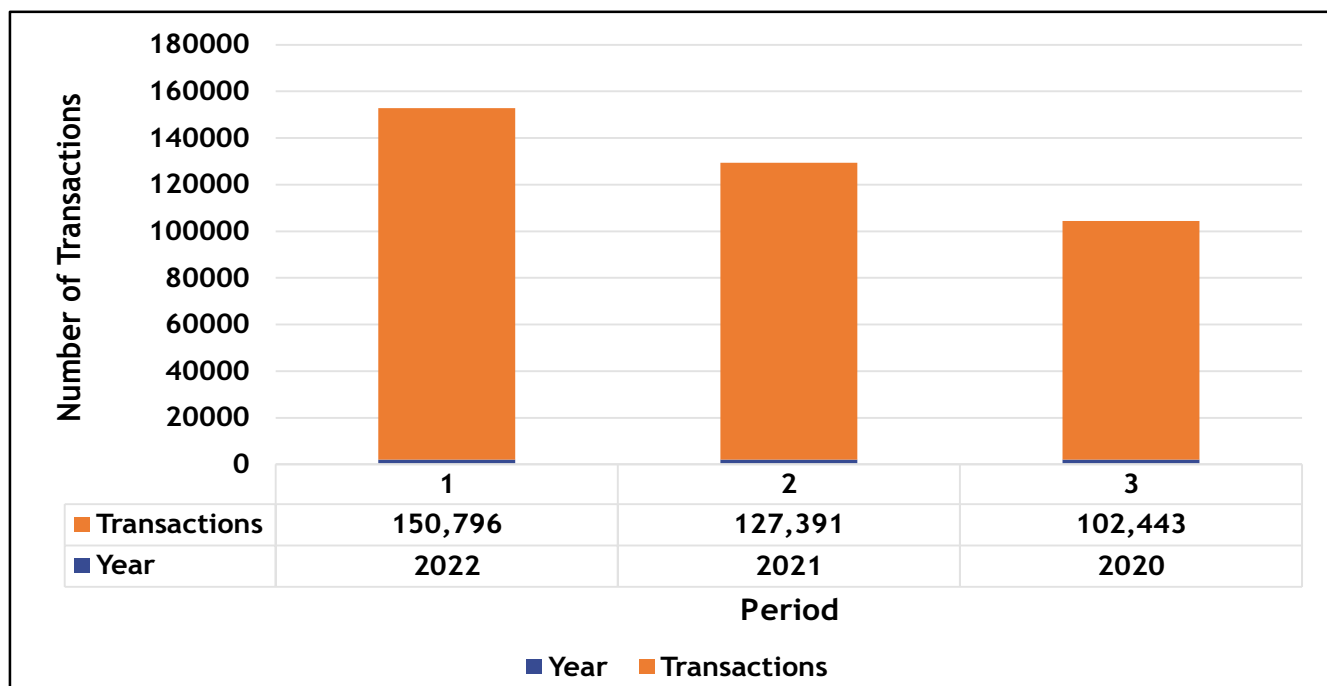


Figure 3.17: Comparative Road Service Licenses transactions

Further, 4,648 Long Term Road Service Licences (LT-RSL) applicants were approved for 2022 fiscal year representing a significant increase by 494 (12%) compared to the last reporting period where 4,154 applications were considered due to streamlined conditions for award of RSLs.

3.1.2.3.5 Cross Border Permits

During the year under review, the Agency issued a total of 17,357 Cross Border Permits (CBPs) to transport operators doing business in countries that have signed Bilateral Road Transport Agreements (BRTAs) with Zambia and recognise the implementation a single permit system compared to 13,940 and 10,661 issued in 2021 and 2020 respectively. The figure below shows the number of CBPs issued during the year 2022 in comparison to 2021 and 2020.

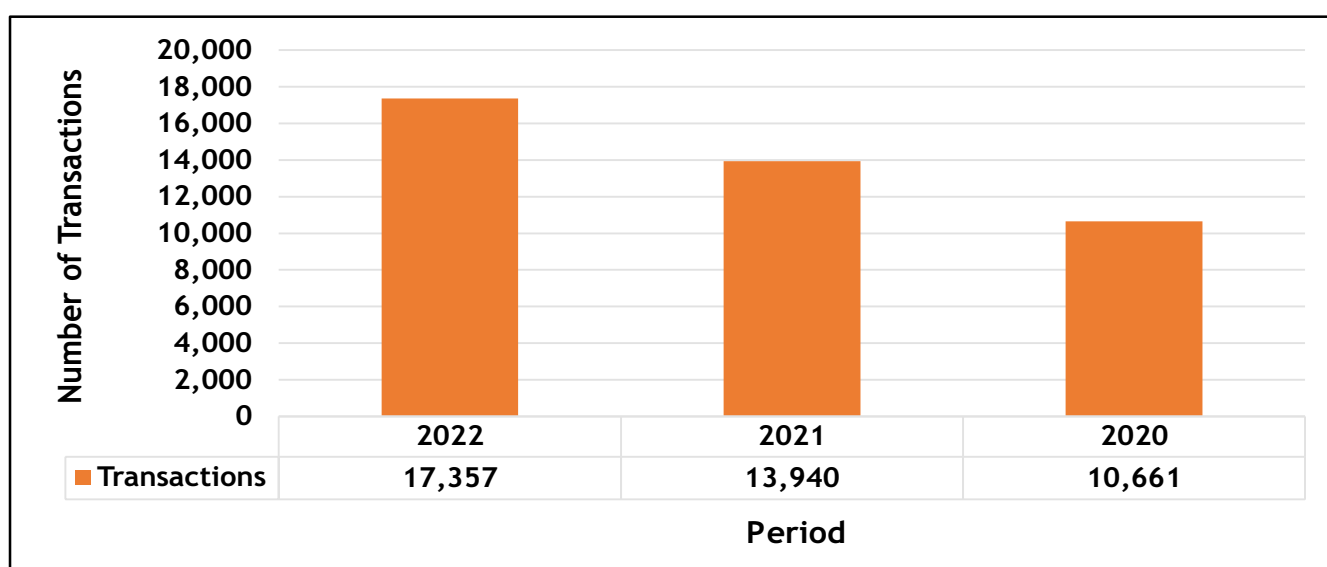


Figure 3.18: Comparative Cross Border Permit transactions

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.

3.1.2.3.6 Issuance of Motor Dealers' Vehicle Licenses (MDVLs)

A Motor Dealer Vehicle License (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 License so issued authorises the 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 or used for purpose of effecting a sale, or for such other purposes as may be.

A total number of 194 MDVLs, were issued during the period under review compared to 129 and 92 issued in 2021 and 2020 respectively. There was an increase by 65 due to positive renewals of MDVL by Motor dealers.

3.1.3.1 Driving School inspections

A total of 209 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.

3.1.3.2 Number plate manufacturers inspections

A total of 36 number plate manufacturers or embossers, against a target of 30, were inspected countrywide whose objective was to ascertain compliance with the Reflex-Reflecting Vehicle Number Plate Standard (Zs266).

3.1.4 Outsourcing services to underserved regions

The Agency outsourced motor vehicle licencing, roadworthiness certification and physical inspections to selected local authorities to provide Agency services in underserved regions. The outsourcing exercise is being implemented in phases. The cumulative number of Local Authorities currently providing Agency services is twelve (12) and these are Luangwa, Kapiri Mposhi, Mbala, Mwense, Kasempa, Kaoma, Nyimba, Lundazi, Kabompo, Mwinilunga, Mumbwa and Kafue Town Councils.

For the period under review, three (3) Local Authorities were engaged and Memoranda of Agreement (MoA) were signed with Kalomo, Senanga and Kawambwa Town Councils. Service provision will commence in the 1st Quarter, 2023.

This initiative has taken RTSA services closer to the people and therefore reduces cost of travel to access RTSA services.

The Agency will continue to leverage on the Local Authorities in service delivery.

3.2 ENHANCE STAKEHOLDER ENGAGEMENT

3.2.1 Engagement Meetings

Stakeholders' meetings were held in the period under review with, among others, Zambia National Service (ZNS), Kalomo Town Council, Senanga Town Council, Kawambwa Town Council, Zambia Revenue Authority (ZRA), Lusaka City Council (LCC), Business Regulatory Review Agency (BRRA), Zambia Police-Interpol, Truckers Association of Zambia (TAZ), Petroleum Transporters Association of Zambia (PTAZ), Copperbelt Open-Bodies Truckers Association (COTA), Bus and Taxi Owners Association of Zambia (BTOAZ), Coach Drivers Union of Zambia, Oil Transporters Association of Zambia (OTAZ), Public Passenger Transport Cooperative (PPTCo), Patents and Company Registration Agency (PACRA), Energy Regulation Board (ERB), Zambia Environmental Management Agency (ZEMA), Zambia Bureau of Standards (ZABS), Zambia Compulsory Standards Agency (ZCSA), Association of Driving Schools of

Zambia (ADSZ) and Reflective Number Plate Association of Zambia (RNAZ).

3.2.2 Coordination with Regional Transport Authorities

The Agency participated in International 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) and Joint Technical Committee meeting for the Nacala Development Corridor.

The Agency also participated in the homologation and balloting of motor vehicle standards under the auspices of the African Organisation for Standardisation (ARSO).

3.2.3 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 piloted 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

3.3 ENHANCE HUMAN RESOURCE CAPACITY

3.3.1 Capacity building

For the period under review, the Agency held capacity building training for Non-Finance Managers whose objective was to enhance skills in Microsoft excel, financial modelling, Public Finance Management and leadership skills.



Figure 3.21: Participants at capacity building training





PLANNING, RESEARCH AND DEVELOPMENT DEPARTMENT

4.1 IMPROVE ROAD TRANSPORT AND SAFETY

4.1.1 Preparation of the 2022-2026 Strategic Plan

The Agency finalised the development of the 2022-2026 Strategic Plan with the assistance of the MDD in aligning the structure of the document as well as aspirations of the Eighth National Development Plan (8NDP).

4.1.2 2022 Road Traffic Crashes Statistics

4.1.2.1 Trends in Road Traffic Crashes

Road traffic crashes in Zambia are classified according to the severity of the crash, which may be a fatal crash, serious injuries, slight injuries and/or damages only. During the year 2022, a total of 33,682 road traffic crashes were recorded countrywide. This number represents a 4.0% from 32,372 road traffic crashes recorded in the year 2021.

Table 4.1: Road Traffic Crashes by Province

PROVINCE	FATAL	SERIOUS	SLIGHT	DAMAGE ONLY	TOTAL
Lusaka	472	792	2,927	14,202	18,393
Copperbelt	362	526	831	3,424	5,143
Central	275	369	530	1585	2,759
Southern	131	214	457	1053	1,855
Eastern	176	242	422	334	1,174
Northern	99	188	184	240	711
Luapula	92	251	252	305	900
North Western	105	255	260	595	1,215
Western	72	161	196	358	787
Muchinga	91	259	125	270	745
TOTAL	1,875	3,257	6,184	22,366	33,682

4.1.2.2 Percentage Distribution of Road Traffic Crashes by Province

The map below (figure 4.1) shows the percent distribution of road traffic crashes by province and with Lusaka contributing the uppermost of above 54.6% of the total crashes. Copperbelt was second with 15.8% and the least was Northern province with 2.1%

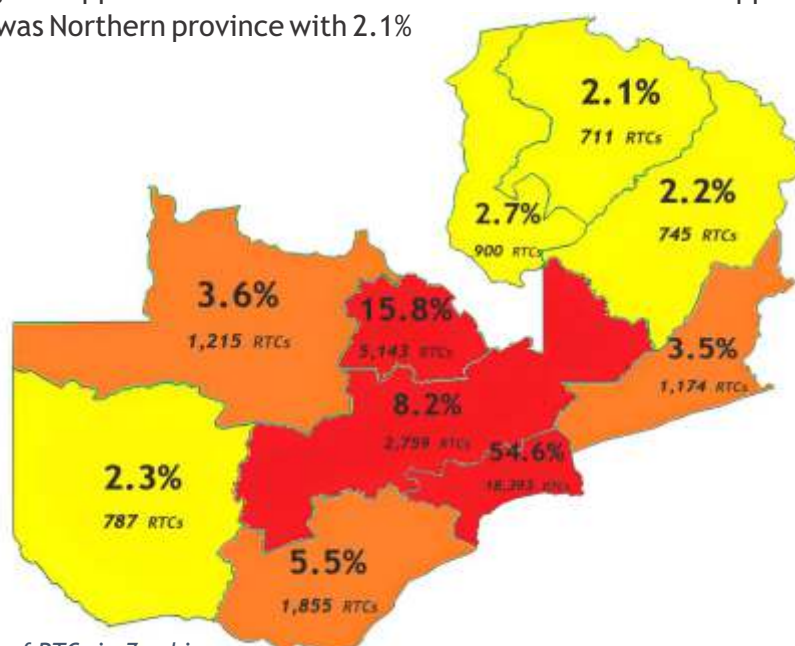


Figure 4.1: Distribution of RTCs in Zambia

The percent changes are shown in the figure below were Muchinga province had the highest change in the number of road traffic crashes comparing 2021 and 2022 having an increase of 20%

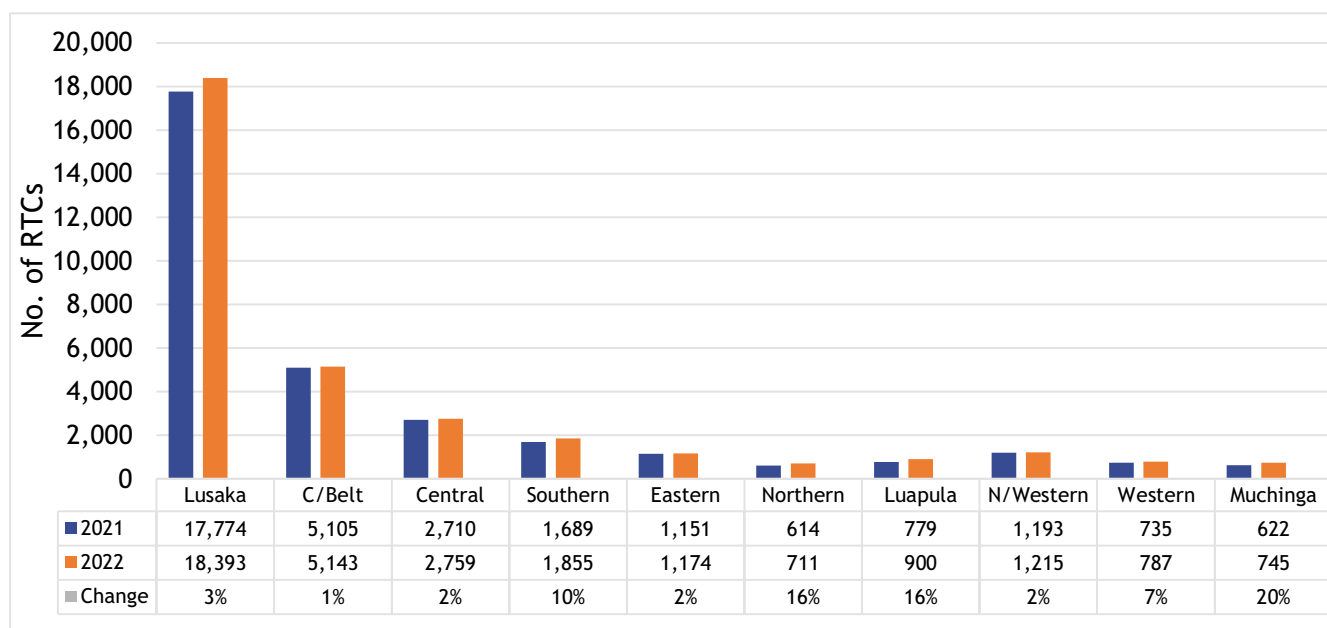


Figure 4.2: comparison of road traffic crashes in 2021 and 2022

4.1.2.3 Trends in Road Traffic Crashes

The country has continued to record raise in the number road traffic crashes from 2020 which had recorded a total of 28,484 road traffic crashes to the year 2022 which recorded a total of 33,682. The figure below shows the trends in the road traffic crashes.

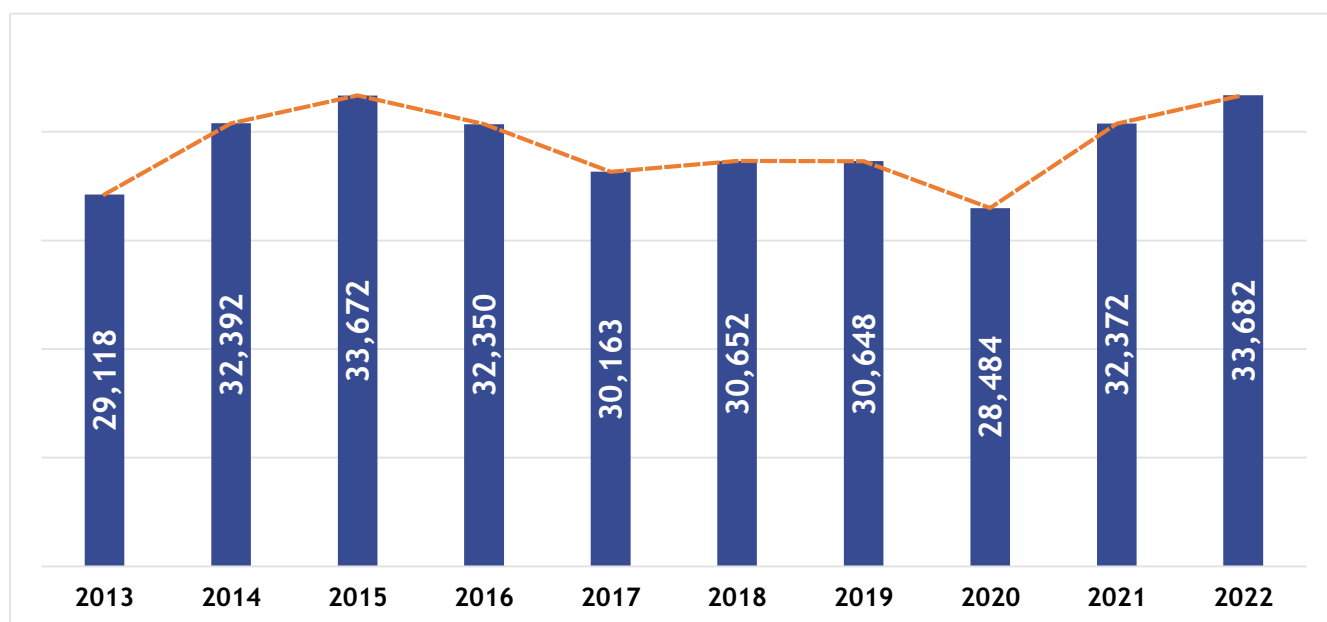


Figure 4.3: Trend in road traffic fatalities

4.1.2.4 Fatalities by Road User Type

The figure below shows that pedestrians accounted for the majority of the fatalities with 47.0% of the fatalities followed by Motor Vehicle passengers representing 23.3%. Motor Vehicle Passenger fatalities stood at 523 out of the total 2,240 road traffic fatalities recorded.

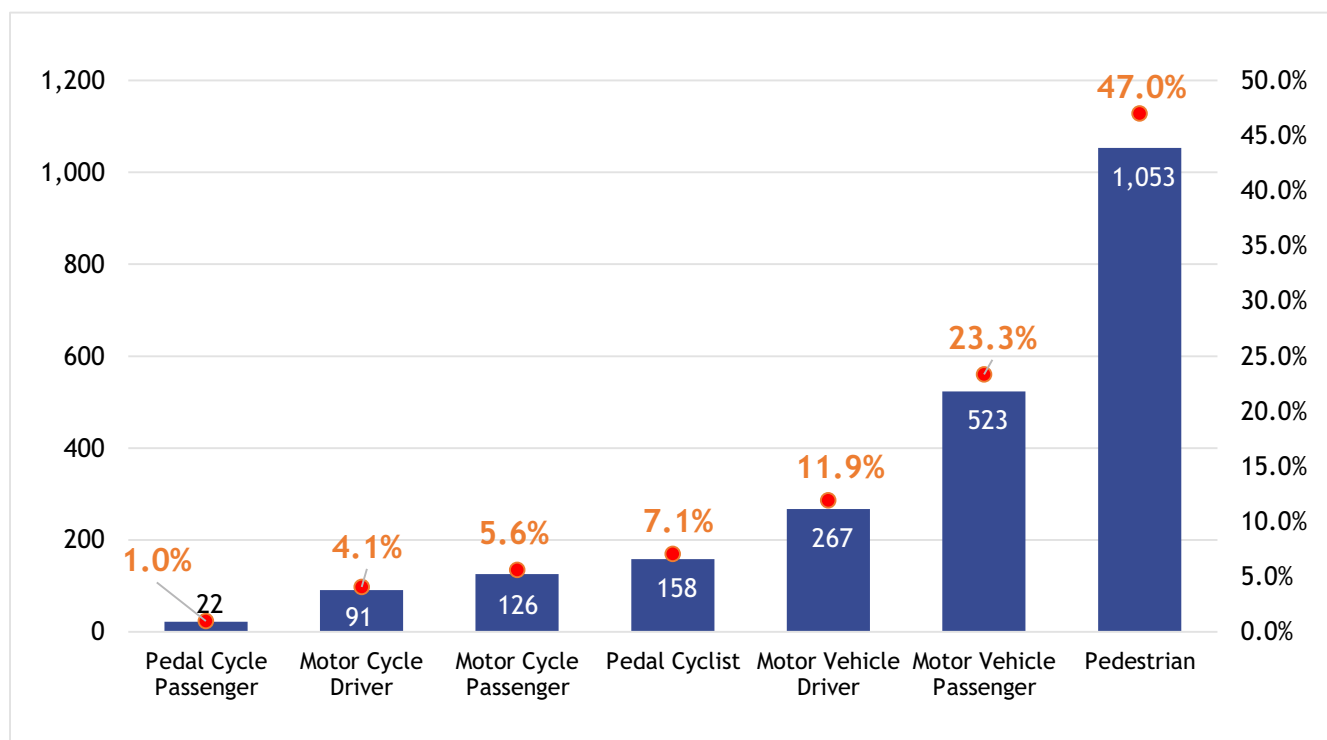


Figure 4.4: Percent Fatalities by Road User Type

shows that the year 2021 recorded a lower number of motor cycle driver fatalities compared to 1,053 in 2022 indicating an increase in the number of motor cycle driver killed.

4.1.2.5 Road Traffic Crash Rate per Human and Motor Vehicle Population

The number of fatalities per 100,000 population has shown a steady decline from 17 fatalities per 100,000 population recorded in 2012 compared to that recorded in 2022 which was 9. However, the year 2021 recorded an increase to 12 in terms of the number of fatalities per 100,000 human population. The death rate due to road traffic crashes for 2022 was 11.

Table 4.2: Crash Rate

Year	Cumulative No. of Registered Motor Vehicles	Zambia Population	No. of accidents	No. of Fatalities	No. of accidents per 10,000 vehicles	No. of Fatalities per 10,000 vehicles	No. of accidents per 100,000 population	No. of fatalities per 100,000 population
2012	452,574	14,145,327	28,247	2,360	624	52	200	17
2013	534,532	14,580,290	29,118	1,851	545	35	200	13
2014	605,637	15,023,315	32,392	1,858	535	31	216	12
2015	663,562	15,473,905	33,672	2,113	507	32	218	14
2016	696,474	15,933,883	32,350	2,206	464	32	215	15
2017	737,671	16,405,229	30,163	1,989	409	27	184	12
2018	782,136	16,887,720	30,652	1,817	392	23	182	11
2019	822,882	17,381,168	30,648	1,746	372	21	176	10
2020	853,909	17,885,422	28,484	1,690	334	20	159	9
2021	899,186	18,400,556	32,372	2,163	360	24	176	12
2022	960,237	19,610,769	33,682	2,240	350	23	172	11

4.1.2.6 Contributory Factors to Road Traffic Crashes

Figure 4.4 shows the distribution of contributory factors to road traffic crashes. The figure shows that, Human errors are leading contributor to road traffic crashes and accounted 88.94% (28,439 RTCs), while weather condition was the least with just 0.07% (57 RTCs).

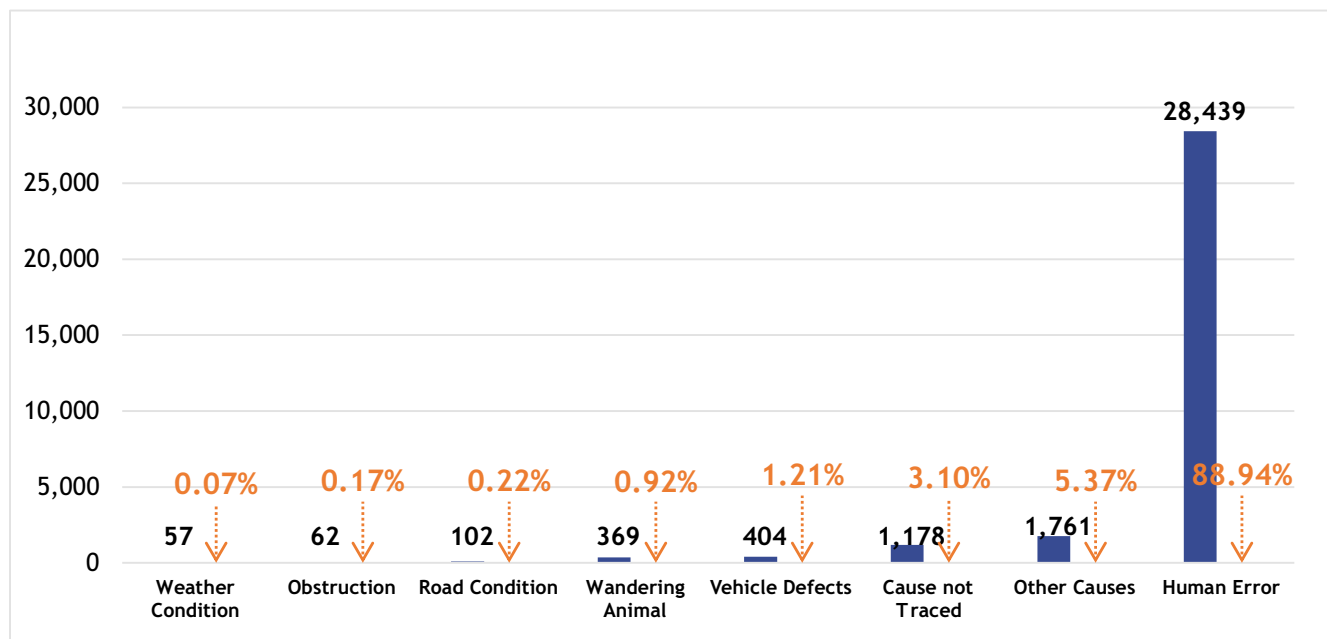


Figure 4.5: Road Traffic Crashes Contributory Factors

4.1.2.7 Human Error

Human errors were singled out and results are displayed in figure 4.5 showing that of the total Human errors 29,958, a total of 27,717 (92.52%) road traffic crashes were due to driver errors, 7.0% (2,097) were pedestrian errors and the least was cyclist errors with 0.06% (17).

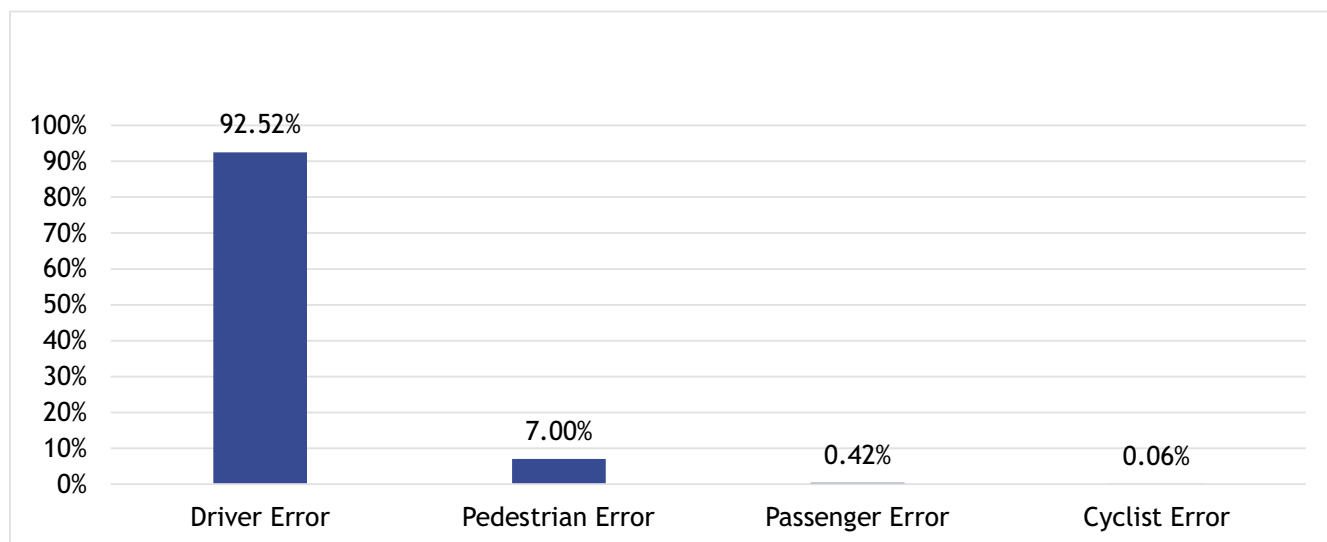


Figure 4.6: Human Errors category





FINANCE DEPARTMENT



5.1 Revenue Collection Operations

The three main streams of revenues for Agency are:

- Toll Fees; which are transit fees chargeable to foreign trucks using Zambian roads. The fees are charged in United States Dollars
- Registration, licensing, examination and related road user fees collected in Zambian Kwacha.
- Carbon tax which is charged based on the Gross Vehicular Mass (GVM) of motor vehicle.

5.1.1 Revenue Collection Performance for 2022

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 2022 was favourable against the total revenue collected in 2021.

The Road Transport and Safety Agency collected revenue to the sum of K1,885.8 million in 2022 as compared to the Yellow Book Government target of K1,640.3 million. This represented a 15% collection above the targeted total revenue. A total amount of K58.5 million of the yellow book target was allocated to Carbon Emission Surtax bring the total target for Road Traffic Collections to K628.6 million.

The total revenue collected of K1,855.8 million in 2022 represented a growth of 9% against revenue collected in 2021. The table below shows actual revenue collected against target revenue.

Table 5.1: Actual Revenue Collections against Target Revenue in 2022 and 2021

		ACTUAL 2022	TARGET 2022	ACTUAL 2021	PERFORM ANCE	GROWTH 2022 VS 2021
		ZMW	ZMW	ZMW	%	%
Road Traffic Collections	Road User Fees	621,333,498	570,108,700	525,627,783	109%	18%
Kwacha TOLL	Kwacha TOLL	22,153,161	19,264,131	18,461,451	115%	20%
Foreign TOLL	Foreign TOLL	1,242,286,874	1,050,965,365	1,191,402,145	118%	4%
TOTAL	TOTAL	1,885,773,533	1,640,338,196	1,735,491,379	115%	9%

5.1.2 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 2022 was K672.9 million while in 2021 it was K579.6 million. This represented a positive growth rate of 16%. The actual revenue collection of K672.9 million represented a revenue collection of 7% against the yellow book revenue target of K628.6 million.

The table below shows quarterly revenue collected for Road Traffic Collections.

Table 5.2: Revenue Collection for Road Traffic Collection

Road Traffic Collections	ACTUAL 2022	TARGET 2022	ACTUAL 2021	PERFORMANCE	GROWTH 2022 Vs 2021
	ZMW	ZMW	ZMW	%	%
Road User Fees	621,333,498	570,108,700	525,627,783	109%	18%
Carbon Emission Surtax	51,665,353	58,534,737	53,967,751	88%	-4%
TOTAL	672,998,851	628,643,437	579,595,533	107%	16%

All RTSA stations collected revenue under road user fees to the sum of K419.9 million in 2022 while in 2021 the total revenue collected was K351.6 million. This represented a positive growth rate of 19%.

The highest revenue collecting station under road user fees in 2022 was Nakonde, followed by Lumumba and then Ndola. This represented growth rates of 47%, 12% and 20% respectively. The figure below shows road user fees collected in 2022 against collections in 2021:

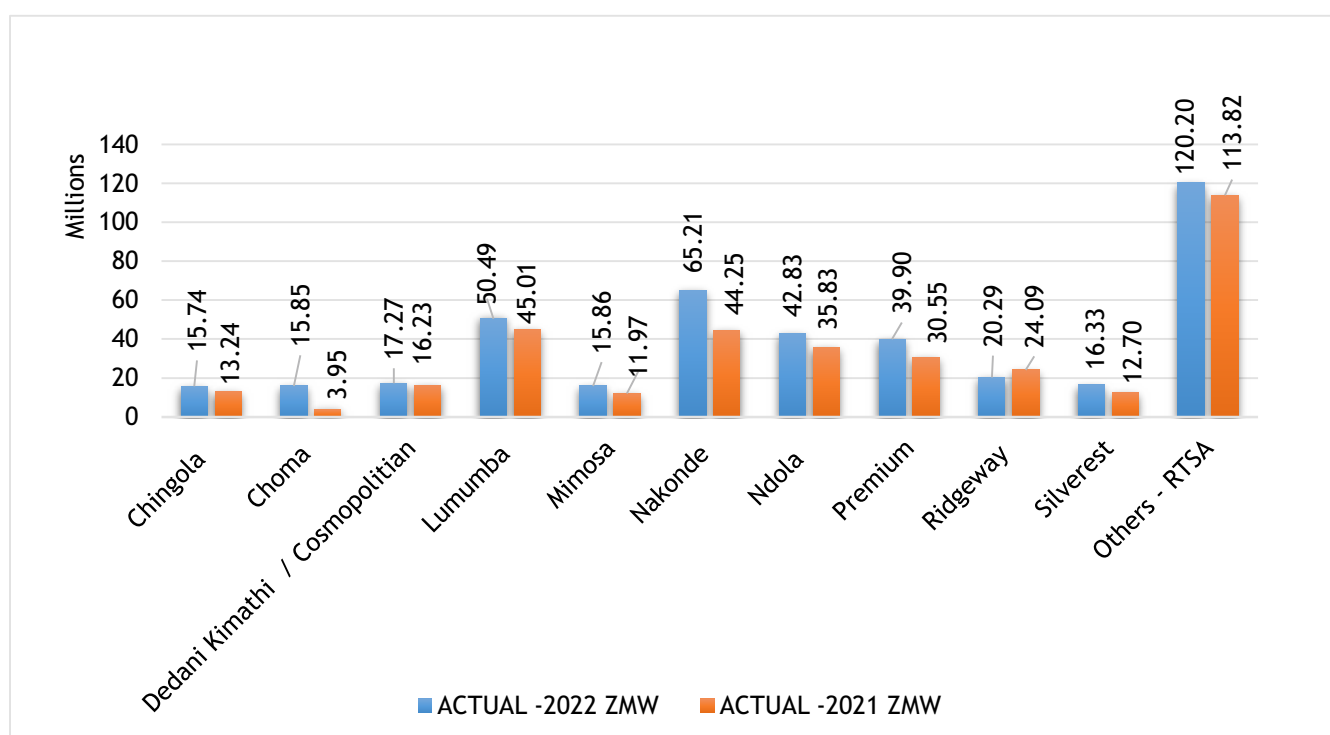


Figure 5.1: Road User fees collections in 2022 and 2021

5. 1.3 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 Agency extended its revenue collection centres via online through the Government Service Bus (GSB) and twelve (12) Local Authorities across the country.

The strategic partners collected a total of K201.4 million in the period under review. The total collections net of the Motor Vehicle Fund (MVF) was K48.4 million. The revenue collected net collection

of MVF represented a growth rate of 16%. The figure below shows details of the revenues collected by our strategic partners.

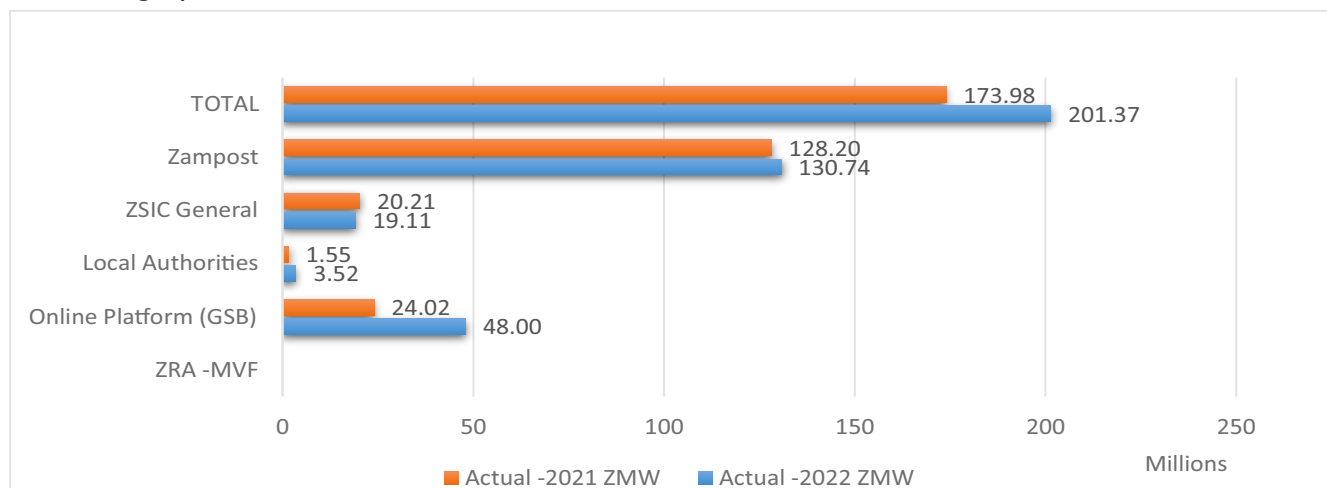


Figure 5.2: Revenue collected under Road User fees by our Strategic Partners

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 K22.2 million was collected as revenue for tolls on locally registered vehicles. This represented growth rate of 20% over the revenue collected in 2021 which was K18.5 million. The figure below shows details of Toll fee collection for locally registered vehicles at ports of entry:

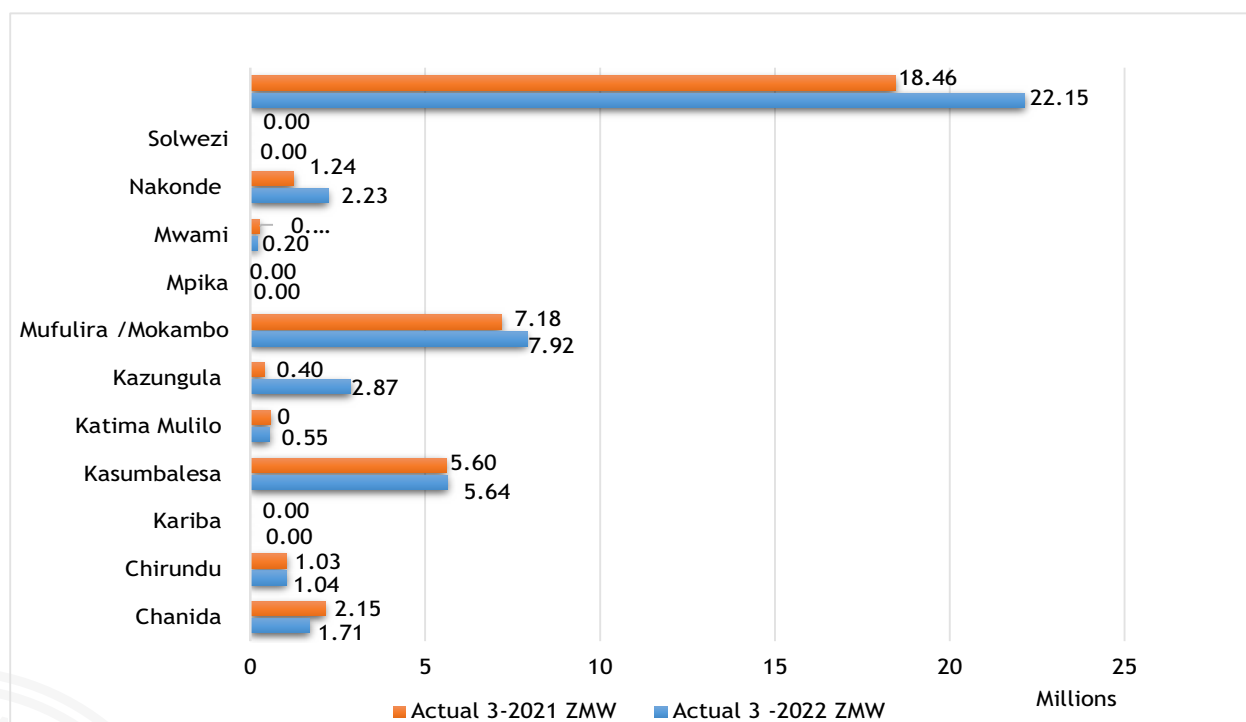


Figure 5.3: Toll fee collected from locally registered Vehicles in 2022 and 2021

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 total revenue collected in 2022 was US\$72.7 while in 2021 it was US\$61.0 million. This represented an increase of 19% in United States dollar revenue collections. The appreciation of the local currency against the United States dollars in 2022 against 2021 of K17.08: \$1 and K19.52: \$1 respectively resulted in the reported growth of kwacha equivalent revenues collected to be 4%. The figure below shows details of the foreign toll fees.

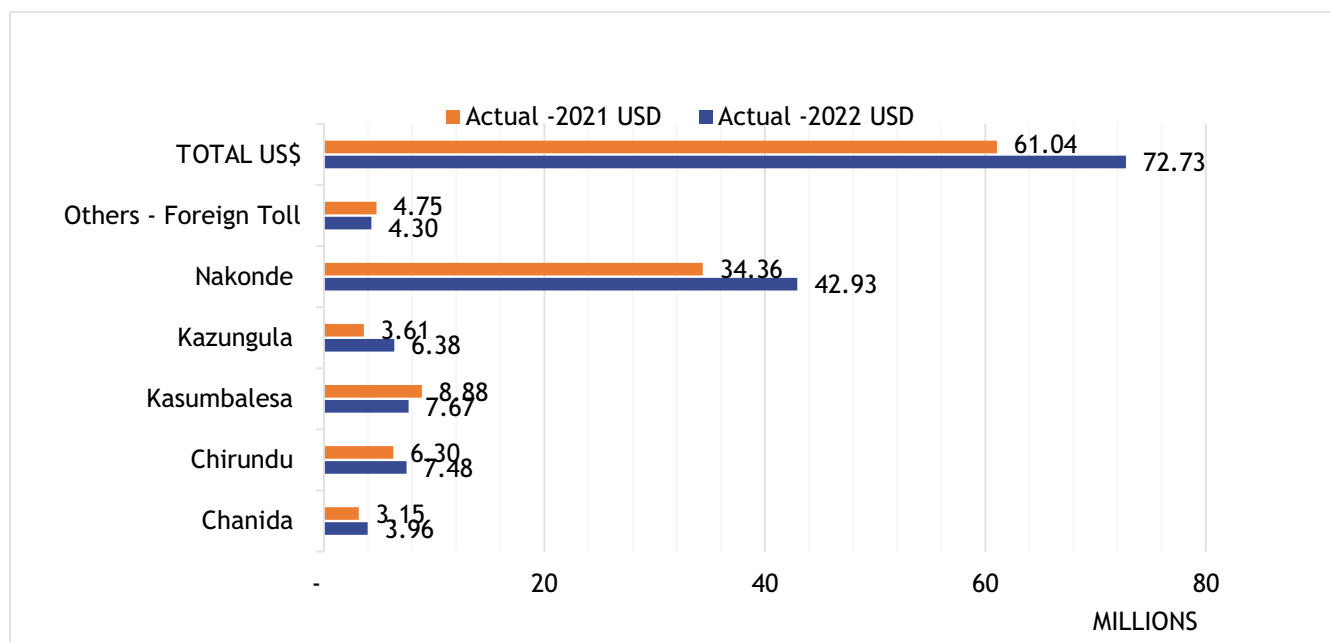


Figure 5.4: Revenue Collected under foreign toll fees

Nakonde reported the highest revenue collections of foreign road toll fees of US\$42.9 million in 2022 against US\$34.4 million in 2021. Kasumbalesa was the second highest foreign road toll revenue collector with US\$7.7 million in 2022 against US\$8.9 million in 2021 and then Chirundu with US\$7.5 million against US\$6.3 million respectively.

5.2.3 Toll fees from Victoria Falls Bridge

In 2022 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 2022 was US\$673,644 and in the previous year of 2021 was US\$827,018. 18.5% in revenue collected using United States dollars for Victoria Falls bridge tolling. The total commission for 2022 was US\$34,342 against US\$41,454 in 2021 representing a decline in commissions of 17.1%. The figure below shows commissions from revenue collected from Bridge Tolling that is due for funding by the treasury.

The figure below shows commissions from revenue collected from Bridge Tolling that is due for funding by the treasury.

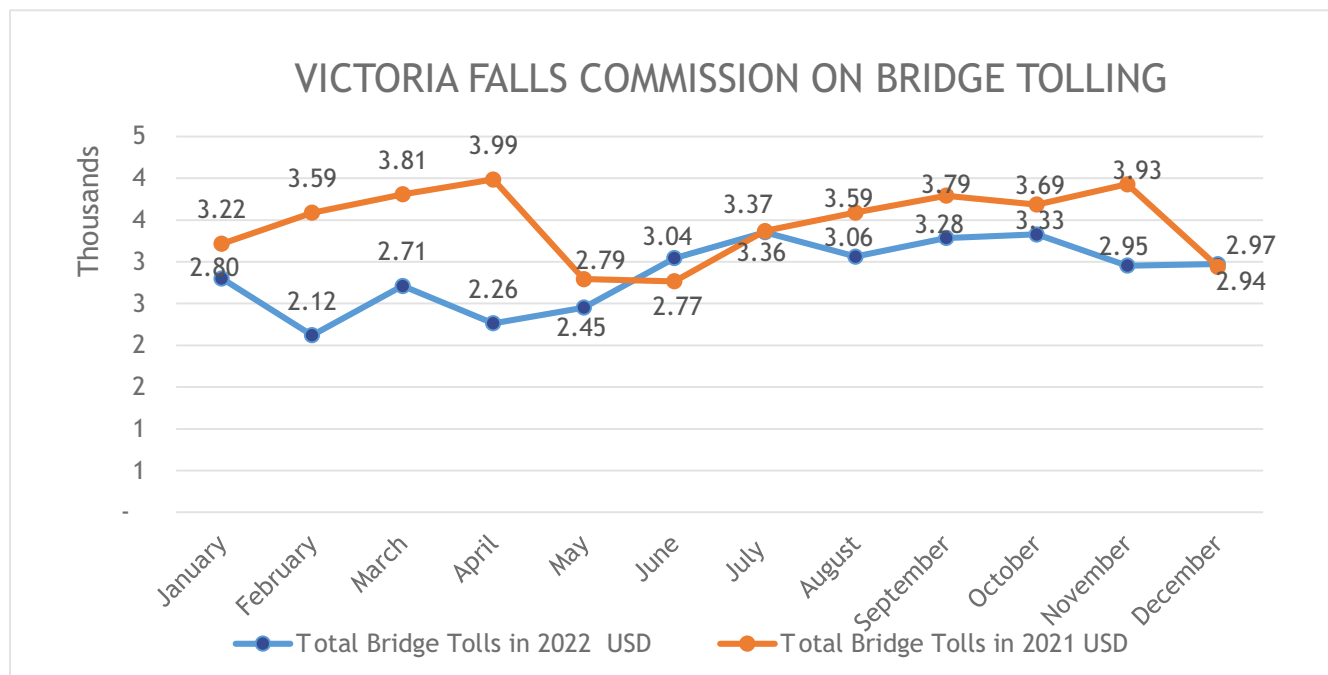


Figure 5.5: Revenue Collected from bridge tolling in 2022 and 2021

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 K51.6 million of Carbon Emission Surtax (CES) in 2022 compared to K53.9 million in 2021. This reflected a negative growth in revenue collections of 4%.

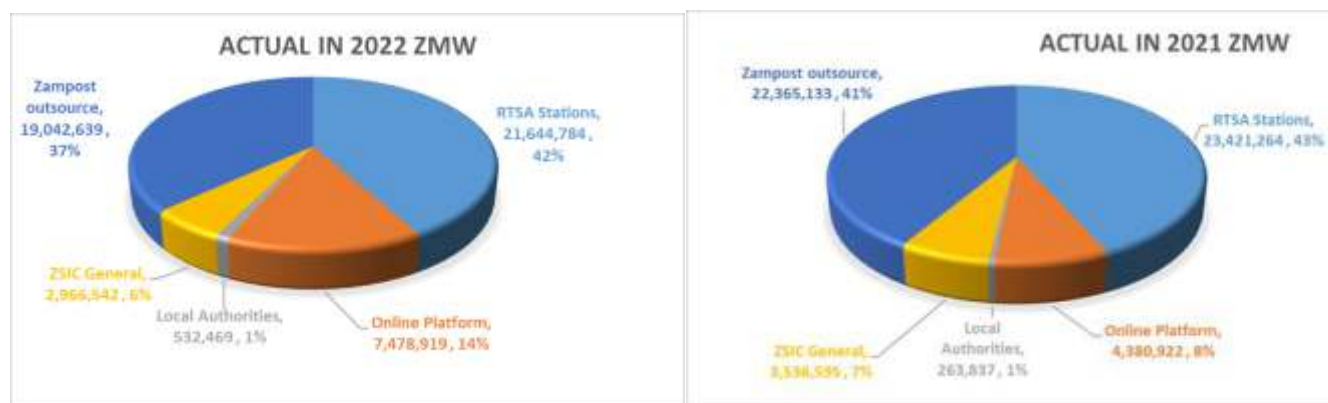


Figure 5.6 and 5.7 indicates the proportion of total Carbon Emission Collections in 2022 and 2021 respectively:

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.

During the period under review, the Agency collected Road User Fees to a total of K47.9 million. The revenue collected reflected the normal operating trend of high revenues during peak period and low revenue collections during non-peak periods. This represented a growth rate of 100% against revenue collected in 2021 of K24.0 million. The figure below shows Road User Fees collected via the GSB.

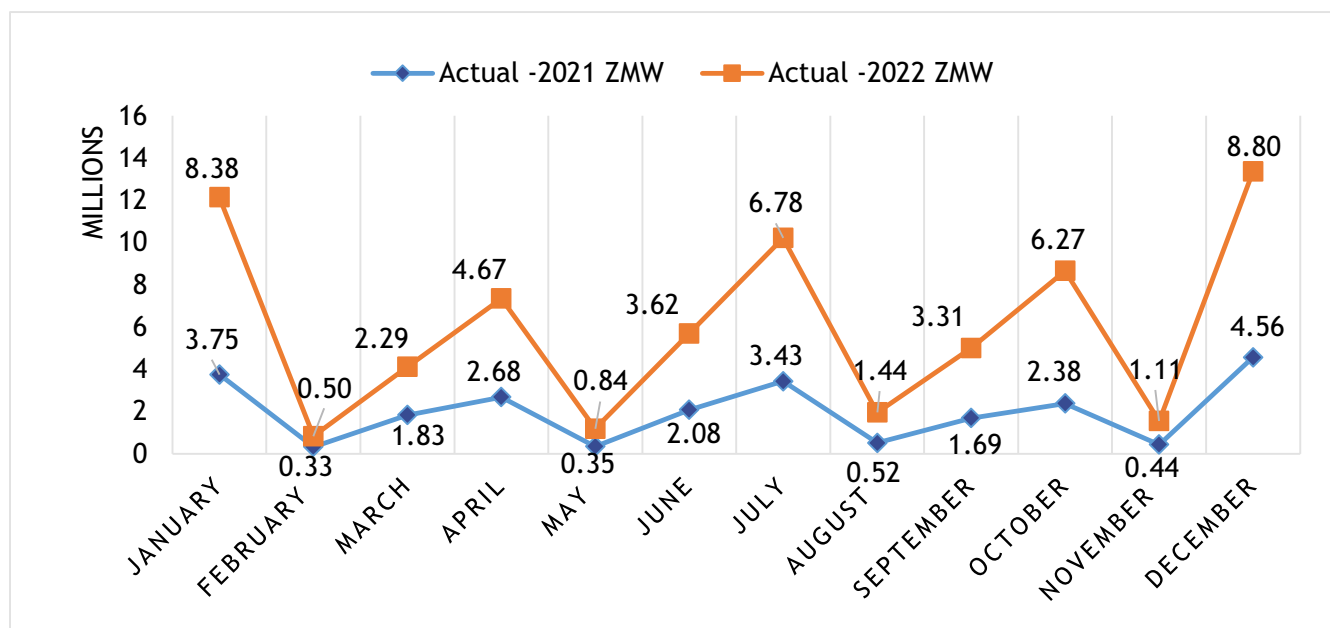


Figure 5.8: Revenue Collected Online - Government Service Bus

5.5 MOBILE LICENSING

The table shows the costs incurred during the mobile examinations and licensing activities against the revenue generated during the period under review.

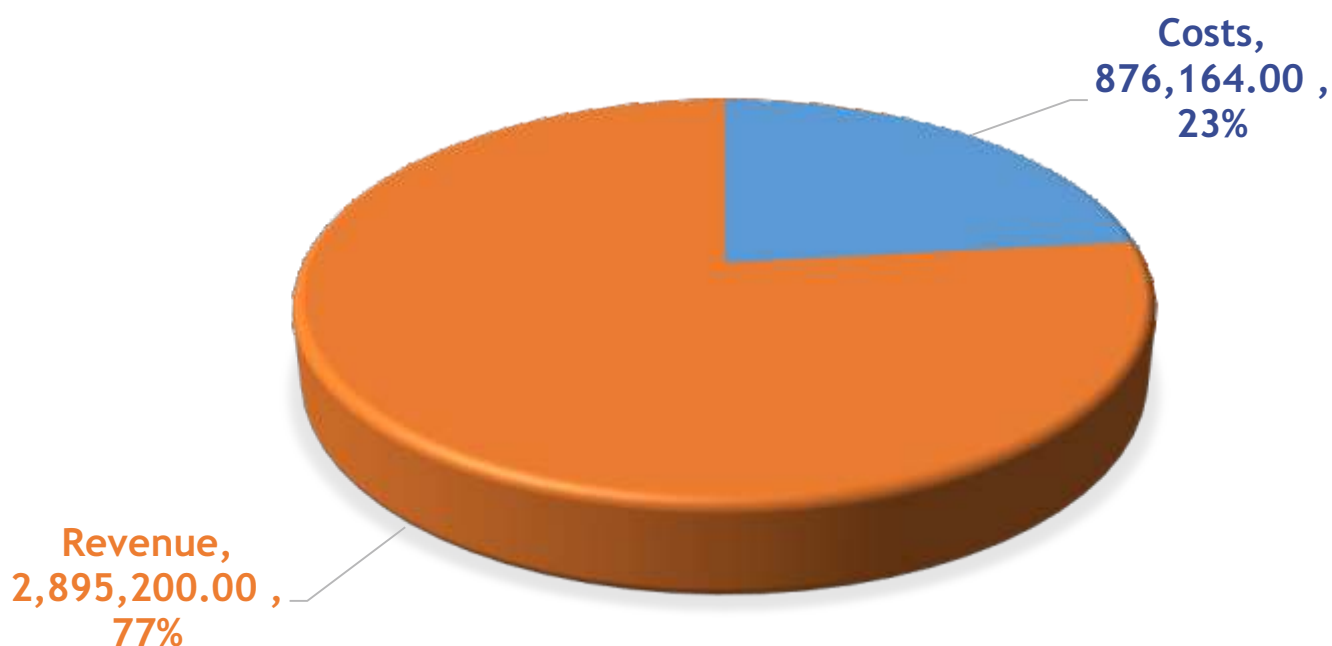


Figure 5.9: Graphic presentation of cost incurred against revenue generated

Table 5.3: Mobile Licensing Revenue Collection

S/n	Province	Number of Activities	Costs (ZMW)	Revenue (ZMW)	Variance (ZMW)
1	Luapula	8	105,200.00	503,128.00	397,928.00
2	North-Western	11	152,400.00	493,764.00	341,364.00
3	Muchinga	9	84,125.00	476,937.00	392,812.00
4	Eastern	6	113,000.00	351,999.00	238,999.00
5	Central	6	96,260.00	327,879.00	231,619.00
6	Northern	5	98,500.00	287,428.00	188,928.00
7	Southern	8	60,400.00	210,854.00	150,454.00
8	Western	5	76,200.00	96,964.00	20,764.00
9	Copperbelt	2	32,100.00	87,455.00	55,355.00
10	Lusaka	3	57,979.00	58,792.00	813.00
Total		63	876,164.00	2,895,200.00	2,019,036.00

Luapula Province collected the highest revenue of ZMW 503,128.00, followed by Northern-Western Province with ZMW 493,764.00 and the lowest was Lusaka Province with ZMW 58,792.00. The Agency incurred a total cost of ZMW 876,164.00 against ZMW 2,895,200.00 generated revenue thereby giving a positive variance of ZMW 2,019,036.00. This translated into 23% and 77% of cost incurred against revenue generated respectively.

5.6 REVENUE MONITORING UNIT

The Joint Revenue Reconciliations for quarter one, two and three in 2022 were conducted with Ministry of Finance and National Planning, Ministry of Transport and Logistics and the National Road Fund Agency. Station Visits were conducted for selected strategic partners. This included ZAMPOST, ZSIC and Local Authorities.

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INFORMATION, COMMUNICATION AND TECHNOLOGY DEPARTMENT



6.1 Improve Business Systems and Processes

6.1.2 RTSA Mobile Application

The Agency continued to enhance and support the enforcement mobile app with the addition of new features. The application has undergone several releases in the year under review. Some of the features that were added to the application included live registration capture, insurance validity check, and Vehicle usage status. Other improvements also included in the latest version are query of Driver and vehicle from the same screen, display of driver license restrictions as well as an enhanced user interface/layout and overall application performance.



Figure 6.1: RTSAMobileApp - Vehicle Insurance and Usage Information on the Go

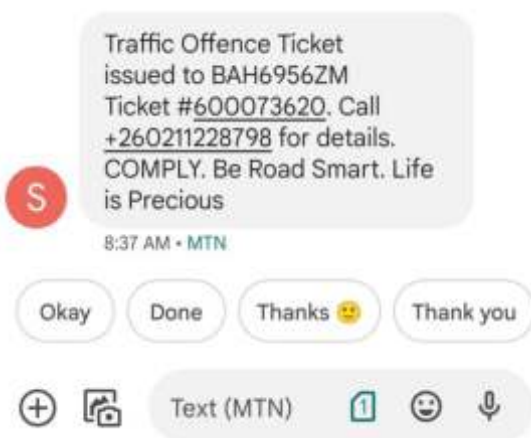


Figure 6.2 - Sample of Traffic Offence SMS

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.

6.1.3 Call Center Upgrade

In order to improve service delivery, during the period under review the Agency implemented a new Call Centre management system using 3CX technologies. The Call Centre received new equipment and software module. The new system features include call queue management, call recording and an integration of all the Agency public access phone numbers including the short code 983.

6.1.4 SMS/Email Notifications

The Agency developed bulk SMS and Email notification system to enhance traffic law enforcement. The bulk SMS system eZamTIS modules were developed in-house by ICT department. The feature provides the public with infringement details through SMS and /or Email. When an infringement is reported and effected on the eZamTIS, an infringement SMS/Email message showing the traffic ticket number is issued and sent to the vehicle owner informing them about the infringement.

The Agency also developed a web portal interface to allow members of the public to view details of a suspended vehicle through the Agency's website. Vehicle owners are able to visit the Agency website and view any traffic violations recorded against a vehicle by providing the vehicle registration number.

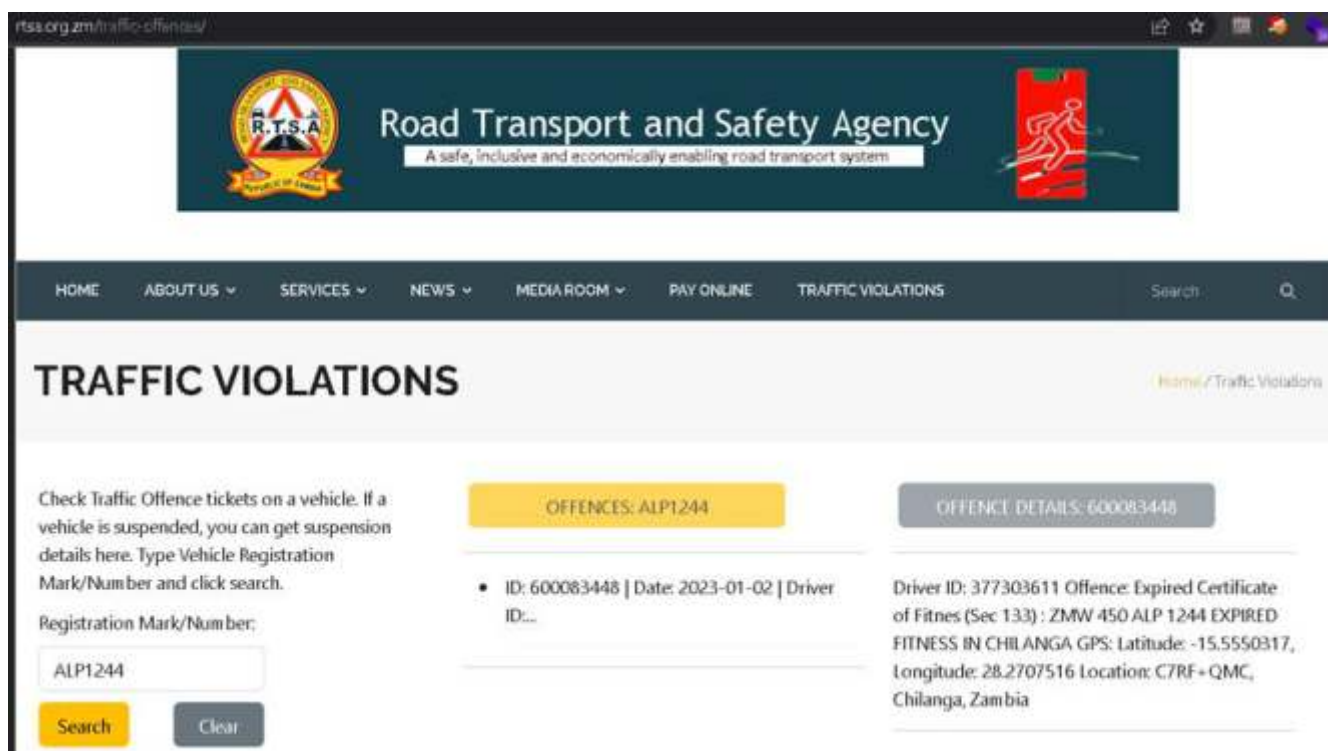


Figure 6.3 - Traffic Violations Website Portal

6.1.5 Online Services Portal

The Agency continued to provide support for the online portal services with over 150,000 transactions recorded in year under review. The performance of the online portal was enhanced with the migration to high end server infrastructure. This resulted in a reduction in the number of failed or incomplete transactions. Of concern previously were the occurrence of some incomplete transactions where funds were deducted from the customers' accounts but the eservices portal still indicated that the applications had not been paid.

Table 6.1: RTSA Online Portal Statistics 2021 - 2022 Service

Service Type	Number of Applications	
	2021	2022
Change in Registration Particulars	4	5
Driver's Licence Renewal (Duplicate)	104	918
Examination of Motor Vehicle ("Road Fitness Test")	2,752	32,258
Examination of Motor Vehicle ("Road Fitness Test") Bulk Application	28	1,012
Motor Vehicle Licence ("Road Tax")	9,926	127,082
Motor Vehicle Licence ("Road Tax") Bulk Application	284	2,985
Registration Change of Ownership	19	89
Registration of Motor Vehicle	16	15
Release of Information for Motor Vehicle	3	10
Temporary Registration of Motor Vehicle	24	4
Total	13,160	164,378

6.1.6 Mobile Vehicle Driver Examination

The Agency developed an Android mobile application for Vehicle Roadworthiness testing, Physical Inspections for New Registration, Physical Inspections for Change of Vehicle Particulars and Driver License Practical test assessments. The application is integrated with the eZamTIS and uses Geo-Positioning System features to securely capture vehicle and driver testing information including photographic images of the vehicle and driver undergoing testing. Further, the App uses Google Maps service to mark the track/route that a driver took during a driving road test. Once implemented, it will have the impact of reducing the paper/manual process, shortening the examination process and ensuring that vehicles and drivers are actually presented to RTSA offices for examination.

The screenshot displays the 'Test Booking Information' screen of an Android application. It features a user profile section with a photo of a man, a yellow ID number '909090909', and fields for Firstname (Brian), Lastname (Sikute), Date of Birth (1988-10-25), and Nationality (ZAMBIA). Below this are 'Pass' and 'Fail' buttons. The 'Test Booking Information' table includes Vehicle Class (B), Restrictions (Automatic, Electrically Powered, Corrective Lens, Bus > 16000KG, Physical Disabled, Prothesis), Status (Provisional Printed), PrDP Type, and PrDP Expiry. The 'Test Details' table lists Test Number (200000792), Booking Date (Tue, May 3, 2022), Expiry Date (Fri, May 13, 2022), Purpose (Driving Test), Status (Ready for test), and Vehicle Registration Mark (BAD45). The footer indicates 'Road Transport and Safety Agency 2022'.

Test Booking Information	
Vehicle Class	B
Restrictions	<input checked="" type="checkbox"/> Automatic <input type="checkbox"/> Bus > 16000KG <input type="checkbox"/> Electrically Powered <input type="checkbox"/> Physical Disabled <input type="checkbox"/> Corrective Lens <input type="checkbox"/> Prothesis
Status	Provisional Printed
PrDP Type	
PrDP Expiry	-

Test Details	
Test Number	200000792
Booking Date	Tue, May 3, 2022
Expiry Date	Fri, May 13, 2022
Purpose	Driving Test
Status	Ready for test
Vehicle Registration Mark	BAD45

Figure 6.4: Vehicle and Driver Examination Android Mobile Application

6.2 Improve Agency Infrastructure, tools and equipment

6.2.1 Local Area Network Maintenance

During the period under review, the Agency carried out network overhaul on Solwezi and Monze stations where the computer network was redesigned and configured in order to increase efficiency. In addition, the Agency carried network support and equipment maintenance at Itezi-Tezi and Kaoma council. Furthermore, network switches and computer equipment were replaced and reconfigured at Mimosa station in readiness for electronic theory driver testing. The Local Area Network installation and upgrade works were done at Chingola RTSA (overhauled and rebuilt) the Chinsali RTSA (new network), Mwami One-stop boarder post had a network installation done on both the passenger and commercial terminals as well as network maintenance and service restoration at Mongu RTSA old wing.

6.2.2 Solar Backup Power

In order to improve the reliability and availability of electricity supply to the server room at Lumumba station, the Agency installed and commissioned a new solar power unit including new inverters to

replace the old ones which were not compatible with the solar charging features. The server room now has access to three power sources; Zesco main supply, generator and solar power.

6.2.3 Enterprise Resource Planning (ERP) Project

The Agency kick-started the ERP project in period under review. Among the many benefits the project is expected to deliver includes the improvement of service delivery within the Agency and ultimately to the public. The project will include the automation of multiple operation workflows resulting in reduction and elimination of some manual paper based processes. The Agency is implementing the ERP using Microsoft Dynamics 365 Finance and Operations.

The RTSA-ERP systems is a Microsoft platform-based project that is aimed at transforming the way RTSA does its internal processes. The new system once implemented it will mark a thorough deviation from the current way of operation.

6.2.4 Helpdesk System

The Agency implemented a fully functional and feature rich help desk system for the management of ICT support queries. The system is fully automated allowing the creation of support tickets via email or via a web portal. The system provides tracking on ticket resolution as well as the performance of ICT support officers.

6.2.5 RTSA Website

The number of visits and visitors to website increased from 873,091 and 192,631 in 2021 to 1,762,765 and 428,148 in 2022. The most frequently accessed website page is the Pay Online page. The traffic always peaks at the end of each quarter due to increased customer access to road tax services.



Figure 6.5: Website Visits and Visitors

6.2.6 Hardware Maintenance

The maintenance of computing equipment was completed for all Stations. The exercise included updating of security and operating system programs as well as updating inventory of non-functional ICT equipment. The Agency also commenced testing the upgrade of the client machines to the Windows 11 operating system.

6.2.7 Card Printers

The Agency procured 18 driver license card printers and printer service parts. The received printers were distributed to various stations.

6.3 Enhance Stakeholder Engagements

6.3.1 Zambia Revenue Authority (ZRA)

In the period under review, the Agency implemented the Application Programming Interface (API) used in the integration between the RTSA eZamTIS and the ZRA systems. This culminated in the successful pilot of the service in the third quarter of 2022 with the official launch being held on the 5th of October 2022. This integration with the ZRA was completed on two fronts. The first leg of the integration involves a direct link between the ASYCUDA World System from ZRA to the eZamTIS system at the RTSA. The second leg of the integration was done through the Government Services Bus (GSB). With the fruition of this interface, motor vehicle registration at RTSA will utilise the data entered on the system at ZRA. Among the key benefits to be realised through this integration includes the minimisation to elimination of data mismatches between the two systems. With the integrated system, all new vehicle registrations are automatically verified for customs clearance.

6.3.2 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 insurance companies through the Insurance Association of Zambia (IAZ) launched a mobile application with which members of the public can buy insurance online from any insurance company that is part of the program. The Agency provided support to IAZ to facilitate integration allowing the mobile app to pull data from the Agency vehicle database. The integration with insurance companies, like the ZRA integration, is through the RTSA API.

6.3.3 Patents and Companies Registration Agency (PACRA) Integration

During the year under review, engagements were made with Patents and Companies Registration Agency (PACRA) on Integration between PACRA Movable Property (Security Interest) Registration System and the RTSA eZamTIS. This integration is being done with the support of the International Finance Corporation (IFC)/World Bank and the Bank of Zambia (BOZ). The IFC procured services of a third-party vendor to design and implement the integration between the two systems.

6.3.4 Ministry of Home Affairs and Internal Security, Zambia Police Service and ZTE

The Agency held meetings with the Ministry of Home Affairs and Internal Security, Zambia Police Service, ZTE and Smart Zambia Institute towards the implementation of the traffic offence notification and online payment system. Under the Safe City Project, the e-Policing system includes a speed management module. The system is able to record speeding violations which include the vehicle registration number, vehicle particulars, time/location of occurrence, vehicle speed, etc.

The Agency thus proposed and developed an API to integrate the two systems to provide for automated notifications. Further, the complete solution will include the payment of traffic fines on the GSB making it unnecessary for traffic offenders to physically visit RTSA, ZPS and the Bank in order to settle a traffic violation. The RTSA API access was granted to ZTE (e-Policing System developer) and successful tests were done.

6.3.5 Ministry of Transport and Logistics (MTL)

The Agency was invited to look at the possibility of Controller of Government Transport (CGT) department utilizing the eZamTIS for the registration and management of the Government Fleet vehicles as well as the issuance of Competences Cards to drive a Government Vehicle. The Agency prepared and presented a concept paper to the Ministry of Transport and Logistics (MTL) that provides for registration of all Government vehicles on the eZamTIS. Further, the paper also proposed the

inclusion of the Competence endorsement on the existing driver licences issued by the Agency.

6.3.6 National Road Fund Agency (NRFA)

During the period under review, the Agency developed a prototype application for the inspection of vehicles for roadworthiness and physical examination and updated RTSA MobileApp with new features and bug fixes. The Agency also worked the terms of references to Integrate the RTSA system with NRFA systems and the installation of a new call management system in the Agency's Call Centre. About 164,000 online applications were processed with Road Tax accounting for about 77.3% of the applications resulting in a collection of about ZMW 54,306,196.17.





LEGAL DEPARTMENT

7.1 IMPROVE ROAD TRANSPORT AND SAFETY

7.1.1 Law review

During the year under review, the Agency achieved a significant milestone in its quest to enhance its road safety and service delivery mandate by facilitating the enactment of the Road Traffic (Amendment) Act No. 8 of 2022. The Amendment Act among other things now makes it possible for the Agency to introduce a legal framework for the demerit points system in Zambia as well as facilitate the introduction of a regulatory framework for online ride hailing services.

The Act also allows the Agency to conduct studies on causes of traffic congestion and to make appropriate recommendations for remedial action. Of particular interest to a lot of motorists however is the introduction of tolerance limits for speeding offences to prevent people from being penalised for small margins of over speeding. The Act has also made provision for cross border road transport offences which are punishable by a fine equivalent to K18,000.00 for a first offender and K45,000.00 for a second or subsequent offender.

The Amendment Act is a very progressive piece of legislation which will help in the grand scheme of things, to enhance the Agency's operations.

7.1.2 Statutory instruments (SIs) Issued in 2022

During the year under review, the Agency also drafted and made positive strides towards the issuance of the under listed statutory instruments (Sis):

1. The Road Traffic (Rules of the Road) Regulations;
2. The Road Traffic (Demerits Points) Regulations;
3. The Road Traffic (Fees)(Amendment) Regulations;
4. The Road Traffic (Driving License) (Amendment) Regulations)
5. The Road Traffic (Public Service Vehicle) (Amendment) Regulations; and
6. The Road Traffic (Registration and Licensing) Regulations.

All six statutory instruments were submitted to the Ministry of Justice through the Ministry of Transport and Logistics for legal scrubbing.

7.1.3 Litigation and administrative duties

7.1.4 Court Cases

The Agency handled litigation before various 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 2022 compared to 2021.

Table 7.1: Active cases in 2022 compared to 2021

Court	2021	2022
Cases in the Supreme Court	1	1
Cases in the Court of Appeal	5	3
Cases in the High Court	13	13
Cases in the Subordinate Court	2	1
Cases in the Road Service Tribunal	Nil	Nil
TOTAL	21	18

7.1.5 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 comprised: 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 is below 1,500 were referred to police for payment of admission of guilty.

Table 7.2: Trend Analysis Table for 2022 and 2021 Convictions

PREVALENT OFFENCES			
Year	2021	Year	2022
Expired Road Tax	639	Expired Road Tax	552
Expired test certificate	248	Expired test certificate	168
Expired Insurance	329	Expired Insurance	219
Dangerous driving	327	Dangerous driving	123
Unlicensed driver	118	Unlicensed driver	132
Use of handheld	11	Use of handheld	168

7.1.6 Countrywide Prosecution of Road Traffic Offences

The Agency is collaborating with the National Prosecution Authority (NPA) to prosecute traffic offences countrywide. NPA prosecutors handle matters at plea stage, and in the event of a not guilty plea, RTSA takes over conduct of the matter to its logical conclusion.

The following cases were prosecuted in other parts of Zambia besides Lusaka:

- a) Kabwe 34 cases;
- b) Ndola 81 cases; and
- c) Choma 46 cases.

Further, during the year under review, the Agency signed MoUs with Solwezi, Kitwe, Luanshya and Livingstone local authorities on prosecution of road traffic offences.

7.1.7 Disposal of Unclaimed Impounded Motor Vehicles

Statutory Instrument No. 91 of 2016 as amended empowers that the Agency to dispose of impounded motor vehicles if they are not claimed by the owners within a period of thirty (30) days from the date of impoundment. Pursuant to the foregoing, the Agency in 2020 initiated the process of disposing off impounded vehicles.

7.1.8 Investigations

The Agency investigated a total of 132 reports, the investigations revealed that, the most prevalent transport offences were related to motor vehicle cloning, fraudulent change of ownership and tempering of chassis numbers.





PUBLIC RELATIONS DEPARTMENT

8.1 IMPROVE ROAD TRANSPORT AND SAFETY

During the period under review, the Agency carried out activities that focused on road safety practices for all road users. The Agency undertook 937 media related activities through radio, television and digital media as means of heightening messaging on road safety. Further, a total of 74 media statements issued as means of enhancing publicity on various activities.



Figure 8.1: Billboards with foreign languages

8.2 IMPROVE AGENCY INFRASTRUCTURE, TOOLS AND EQUIPMENT

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

8.2.1 Building a Service Focused Cooperate Public Experience

In a bid to improve the Agency branding by building a service focused corporate public experience, the Agency commenced and completed the installation of a new Call Centre system as means of enhancing the operations of the Call Centre.

8.2.3 Enhancing of Client's Feedback through the Call Center

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.

Table 8.1: Customer relations management through the Call Centre

SN	Description	Q1	Q2	Q3	Q4
1.	Number of calls, inquiries received and attended to through the Call Centre - Toll free line/what's app/Facebook page	18,501	42,202	42,020	47,125
2.	Number of Complaints received	392	84	96	89
3.	Number of new updates on website	12	19	18	19
4.	Number of new posts on Facebook page	30	134	9 1	106
5.	Number of followers (likes) on Facebook page - increased reach	69,798	75,000	79,066	102,600
6.	Number of Facebook Page Reach - (The number of people who saw any content from ASKRTSA on Facebook per quarter)	239,643	529,245	468,226	448,431
7.	Number of followers on Twitter	1,595	1,621	1,742	1,810

8.2.4 Enhancing Visibility

The Agency undertook to improve its brand by enhancing the visibility of services offered at selected outsourced council offices and these were: Nyimba, Lundazi, Mwinilunga, Kabompo, Kasempa, Mwense, Mbala, Kafue, Luangwa, Kaoma, Mumbwa, and Kapiri-Mposhi.



Table 8.2: Billboards at total Authorities

8.2.5 Corporate Social Responsibility

During the period under review, the Agency continued with the implementation of a Corporate Social Responsibility (CSR) Programme in selected chiefdoms as a way of captivating their influence in promoting road safety in rural areas, with a call for traditional leaders to partner with the RTSA to promote road safety. The Agency supported the hosting of various traditional ceremonies and held road safety engagements with various traditional leaders.

Further, as a way of enhancing the Agency brand and contributing towards the 'Make Zambia Clean and Green Campaign' the RTSA has placed ten (10) branded garbage bins in Lusaka's Central Business District.



Figure 8.3: RTSA branded garbage bins in Lusaka's CBD

During the period under review, the Agency also handed over wheelchairs to The Zambia Agency for Persons with Disability (ZAPD) to improve the mobility of survivors of road traffic accidents.

8.2.6 Exhibitions at the 94th Agricultural and Commercial Show

During the period under review, the Agency was awarded as the Best Transport Exhibit and taking third position in the Regulatory Authority Exhibit at the 94th Agricultural and Commercial Show.



Figure 8.4: Best Transport Exhibit awards at the Zambia Agricultural and Commercial Show

8.3.1 Publicity on Outsourced RTSA Services to Local Authorities

The Agency continued to leverage on various media platforms to publicize the availability of services such as payment for road tax and certificate of fitness at selected local authorities. Media publicity activities on outsourced RTSA services to local authorities were conducted during the period under review.

8.3.2 Publicity of RTSA Services

During the period under review, the Agency continued with dissemination of information on the RTSA website and Facebook page outlining all the services offered by the Agency as a means of improving citizen's awareness of the RTSA services.

8.4 Enhancing Stakeholder collaboration

The Agency organized and undertook stakeholder engagement with various institutions as a means of sharing the burden in promoting road safety and enhancing transport service delivery. The RTSA organized and participated in the following events during the period under review:

- i. Road Transport and Safety Stakeholder Forum.
- ii. Media Tour.
- iii. Traditional Ceremonies.
- iv. Exhibitions - Trade Fair, Agriculture Show, Police Day, Annual Motor Show, Motor Rallies
- v. Road Safety Sensitizations under the Improved Rural Connectivity Project (IRCP) in Nyimba and Petauke
- vi. Launch of Integration of Systems - RTSA/ZRA.
- vii. Stakeholder meeting with Bus and Taxi operators.
- viii. Public Forum on Online taxis.
- ix. Press briefing to announce the implementation of the Road Traffic Amendment Act No.8 of 2022.
- x. Press briefing to announce traffic enforcement operations during the festive period.
- xi. Joint launch of the 2022/2023 highway patrols with the Zambia Police.





PROCUREMENT AND SUPPLIES DEPARTMENT

9.1 The electronic Government Platform (e-GP)

The Agency has continued the implementation of the electronic Government Procurement (e-GP) system as required in the Public Procurement Act No.8 of 2020. However, it was noted that bidders do not understand the use of e-GP as evidenced by the low number of bids received and a number of bids being rendered unresponsive due to incomplete or incorrect submissions. This has led to cancellation of a number of procurement proceedings due to the number of unresponsive and uncompetitive bids received.

To mitigate this challenge, the Agency has held pre-bid meetings to educate bidders on the process of uploading documents. Further, the Agency resolved to increase the number of invited bidders to increase competition.

9.2 Procurement Plan Implementation

The Agency had planned to procure goods, works and services at a total cost of ZMW118,998,173.00 in 2022 as compared to the planned procurements for 2021 which amounted to ZMW235,474,328.00. This represented a decrease of 50.5% from 2021 due to the decrease in budget allocation.

The implementation of the Agency's Procurement Plan as at 31st December, 2022 stood at 93.5%. The figure below shows the procurement plan implementation process:

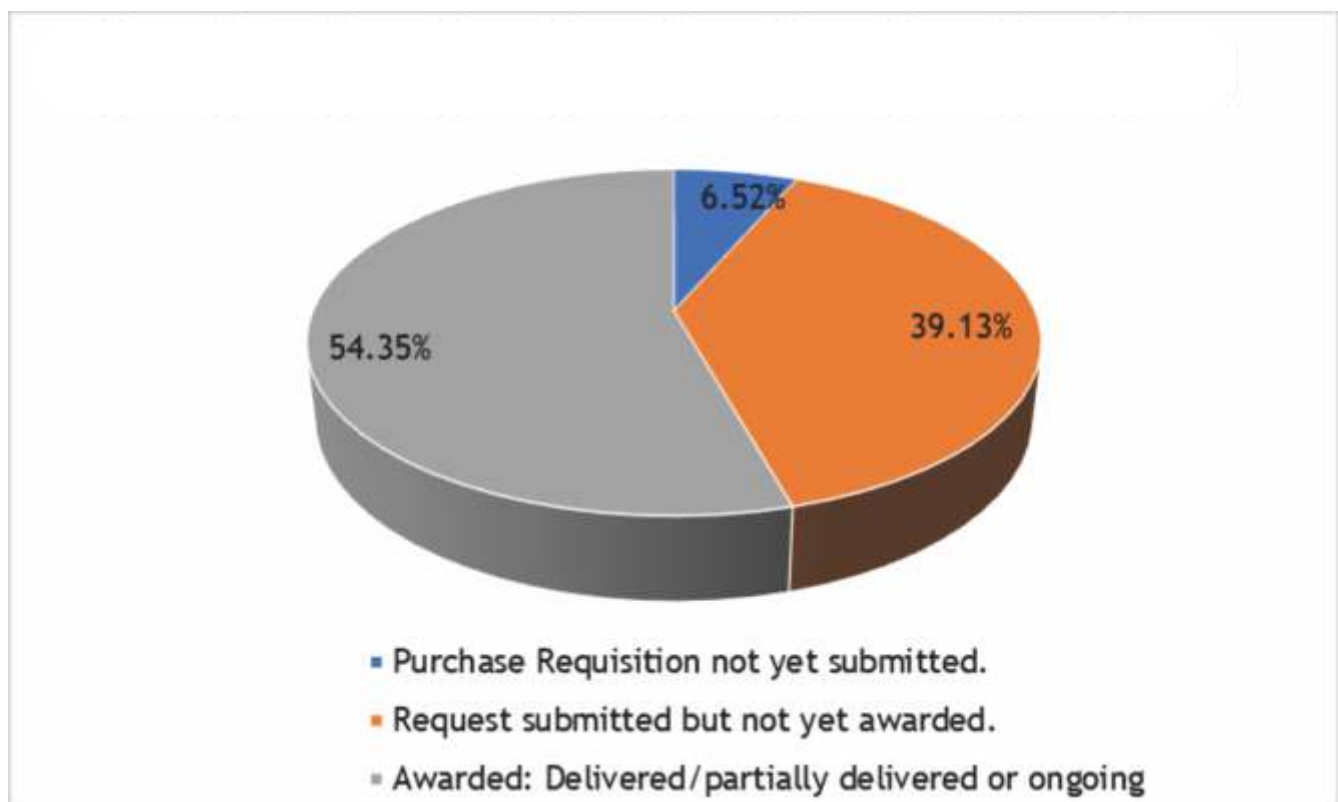


Figure 9.1: Procurement Plan Implementation Status

9.2.1 Tenders Floated Using Funds from GRZ and NRFA

During the period under review, the Agency carried out various procurements using Direct Bidding, Simplified bidding, Limited Bidding, Open National Competitive and Open International bidding.

9.3 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 at 31st December, 2021.

Table 9.1: 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 lentil level 90% super structure.	Remaining works <ul style="list-style-type: none"> •Electrical Installations •Floor and Wall finishing •Painting and Decorating •Roof and Ceiling Installation •Plumbing and Drainage works •Metal Work and Glazing •External works. 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.

The Agency intends to complete the Construction of the Luanshya and Mufulira Motor Vehicle Examination Centers. A site inspection with the Ministry of Infrastructure who are the Supervising Consultants was conducted in June 2022 to determine the cost of the remaining works. The Ministry of Infrastructure is expected to complete the drawings and costing in the 1st Quarter of 2023.

9.4 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 ZMW40,024,041.06 and at the end of the year the value of stock available at the Central Stores was valued at ZMW2,251,970.01.

The unit conducted quarterly stock takes at RTSA Lumumba Central stores in 2022 as per requirement for the valuation and identification of obsolete, redundant and slow and fast moving inventory and a recommendation was made for the Agency should to consider disposing off all redundant and obsolete items held in stores to create space for new stock.





AUDIT

INTERNAL AUDIT DEPARTMENT

10.1 STENGTHENING ORGANISATIONAL CAPACITY

In the year 2022, the Agency continued to provide assurance to the Board through the Audit and Risk Management Committee on controls, risk management and governance processes.

10.1.1 Audits undertaken

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 the 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 Agency conducted five (5) performance audits, provided revenue assurance on thirteen (13) strategic partners, conducted seven (7) IT audits, eight (8) station operation audits and three (3) compliance audits. Nine (9) special audits were conducted arising from suspicious and actual fraudulent activities, while a special human resource audit. The audits conducted are as listed below;

Table 10.1: List of Audits undertaken

Audit Area	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Performance/Value for money	<ul style="list-style-type: none"> Educational and Publicity Unit Enforcement Unit. 	<ul style="list-style-type: none"> Procurement Audit Review of the Agency's fleet management 		<ul style="list-style-type: none"> Call Centre System
Strategic Partners	<ul style="list-style-type: none"> Castle Shopping Centre Zampost Parliament Building Zampost Chililabombwe ZISC 	<ul style="list-style-type: none"> Premium House - ZISC Katete Zampost Mufulira Zampost Kapiri Mposhi Zampost Kapiri Mposhi Town Council Chisamba Zampost 	<ul style="list-style-type: none"> Kabompo Town Council. Luangwa Town Council Kafue Town Council Mwinilunga Town Council. 	
IT Audits	<ul style="list-style-type: none"> Active Directory audit Network Security in Southern Province. 		<ul style="list-style-type: none"> IT Controls- Monze. Disaster Recovery 	<ul style="list-style-type: none"> Mimosa ICT systems Assurance Call Centre System Implementation. CCTV operations snap check
Station Audits	<ul style="list-style-type: none"> Kasumbalesa Station 	<ul style="list-style-type: none"> Mufulira Station Chanida Station Serenje Station 	<ul style="list-style-type: none"> Mpika Station Solwezi Station 	<ul style="list-style-type: none"> Chipata Station Chinsali Station.
Compliance	<ul style="list-style-type: none"> Enforcement Unit Financial Statutory Obligations (Taxes, Social Security and Medical Scheme contributions) 	<ul style="list-style-type: none"> Procurement 		
Special Audits	<ul style="list-style-type: none"> Copperhill, Kitwe 	<ul style="list-style-type: none"> Motor Vehicle Registrations. 	<ul style="list-style-type: none"> Human Resource Audit 	<ul style="list-style-type: none"> Issuance of Drivers' licenses at Mimosa Station. Leave Management Public Relations Retirements. Accident Investigation Procurement of Furniture from Sikale Wood Limited. Report on submissions made to the Parliamentary Accounts Committee (PAC).

STATEMENT OF INTERNAL CONTROL AND RISK MANAGEMENT FOR THE YEAR ENDED 31ST DECEMBER 2022

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 for RTSA, for the year ended 31st December 2022.

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, only reasonable assurance, rather than absolute assurance, can be provided 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 internal 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:

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

- i. Identifying the risks relevant to road transport and safety and the achievement of Agency objectives and strategies;
- ii. Formulating relevant policies and procedures to manage these risks in accordance with the Agency's strategic vision and overall risk appetite;
- iii. Implementing applicable National policies and policies approved by the Board to enhance compliance to applicable laws
- iv. Identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the Board.
- v. 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 continued to continuously conduct risk

assessments of various departments, processes and functions in addition to raising awareness through the Risk function. To increase the independence and objectivity of the internal audit and risk functions, the risk unit was withdrawn from the Internal Audit Department in the third quarter of 2022 and the reporting requirements of the Risk Unit was now to the CEO and not the Head of Internal Audit.

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

- i. **Road Safety and Traffic Management Risk** - Deputy Director Safety
- ii. **Road Transport Risk** - Deputy Director Transport.
- iii. **Financial Risk** - Head of Finance
- iv. **Operational/ People Risk** - Head of Human Resource and Administration
- v. **Procurement Risk** - Procurement Specialist
- vi. **Technological Risk** - Head of Information Communications Technology
- vii. **Reputational Risk** - Head Public Relations
- viii. **Legal/Compliance/ Governance Risk** - Legal Counsel
- ix. **Strategic Risk** - Head Planning Research and Development
- x. **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 are outlined 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** - The 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. The Department provides reasonable and not absolute assurance to the Board.

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 RTA 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 requirements 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 existence 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 2022 submitted to the respective Board Committees its policy documents on Finance and Administration, Procurement, Disposal, Medical, Investigations, Audit Charter, among others, to align them with new legislation enacted. A register of policies is maintained by the office of 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, (Integrity, Confidentiality, Excellence, Fairness, Innovation, Accountability Professionalism, Partnership and Team work) are

the essential guiding principles to drive behavioural 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.

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.

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. This was not conducted for the year 2022 owing to the fact that as at year end, the Audit and Risk Committee and the Board had not completed a full year.





RISK MANAGEMENT UNIT



11.1 Risk Management

The objective of Risk Management Unit is to ensure the Agency attains its strategic objectives by identifying, documenting critical processes and internal controls failures as well as managing key risks. These summary outlines activities undertaken in during the year ending 2022 in comparison with year 2021.

The unit monitored and followed up on critical strategic risks across the various domains namely Transport, Safety, Procurement, Legal, Finance, Human Resource and Information and Communication Technology for mitigation and closure. Of the eleven noted Strategic Risks as at end of year 2022, three (3) were rated high whereas eight (8) were rated moderate.

The Unit continued to monitor risk incident reporting by various units and stations for timely resolution. A total of Fifty-Six (56) risk incidences were reported during the year 2022 compared to Forty-One (41) during 2021. Cumulatively One hundred and forty-eight (148) incidences were reported as at close of year 2022 with fifty-two (52) culminating into 35% remaining outstanding. In order to help with monitoring of Risk Appetite, an Agency Risk Dashboard showing a trend analysis of Key Risk Indicators in the agency was incorporated.

During the year under review the unit conducted a Risk Management Sensitisation and process review for Southern province based Agency Strategic Partners. Further in line with the unit 's objective of embedding a culture of Risk, a total of 517 staff representing 81% of staff composition were trained in Risk Management concepts and all Risk Registers monitored as at end of 2022. Further Fraud Awareness concepts continued during the and 25 stations have since been trained as at year end. With regards to limiting operational loss database the unit continued to monitor activities around Insurance Claims with twelve (12) critical claims remaining outstanding as at year end.

Enhancing service delivery and collaboration with stakeholders remains critical to achievement of Agency strategic objectives. During the period under review, the unit monitored the Helpdesk Incident Management, Social Media platform and Call Centre based complaints to ensure timely resolution, remediation and provision of feedback. Engagement with various stakeholders i.e. the Zambia Risk Management Working Group and insurance companies continued during the year 2022.

With regards ensuring quick resumption of business critical processes in the event of business or system failure, the unit has commenced the process of implementing Business Continuity Management with Business Continuity Steering Committee (BCSC) Terms of Reference and Business Impact Analysis (BIA) having been drafted during the year 2022. Finally the unit monitored COVID 19 intervention strategies aimed at limiting the spread and infection rate.



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HUMAN RESOURCE AND ADMINISTRATION DEPARTMENT

12.1 ENHANCE HUMAN RESOURCE CAPACITY

12.1.1 Staffing

During the year under review, the staff compliment as at 31st December, 2022 were as follows; 643 establishments, 641 Permanent and Pensionable and Contract employees, and 2 employees on temporary contracts.

Table 11.1: Staff Compliment

Staff compliment	Dec - 2021	Dec - 2022	Absolute change	Statistics as at 31 st December, 2022
Engagements	35	26	(9)	Six hundred & forty one (641) Permanent & Two (2) Pensionable & Contract employees
Separations	23	18	(5)	
Transfers	29	214	185	
Promotions	11	18	7	Total - 643

12.1.1.1 Human Resource Analytics

During the period under review, the Agency comprised of ten (10) Departments with 643 employees distributed across the country.

The Human Resource dashboard below depicts the HR analytics into four categories which are the ratio of front and back office, gender distribution, number of employees across Departments and the current employment offered to employees as at 31st December 2022.

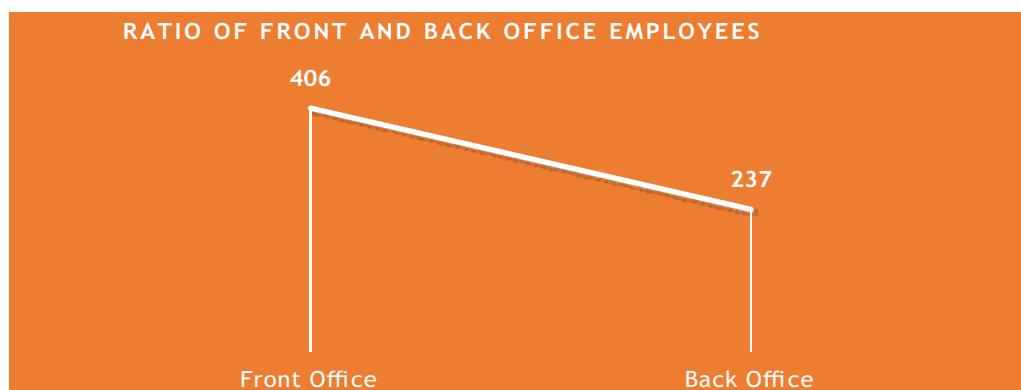


Figure 11.1: Human Resource Analytics (Front office vs Back Office)

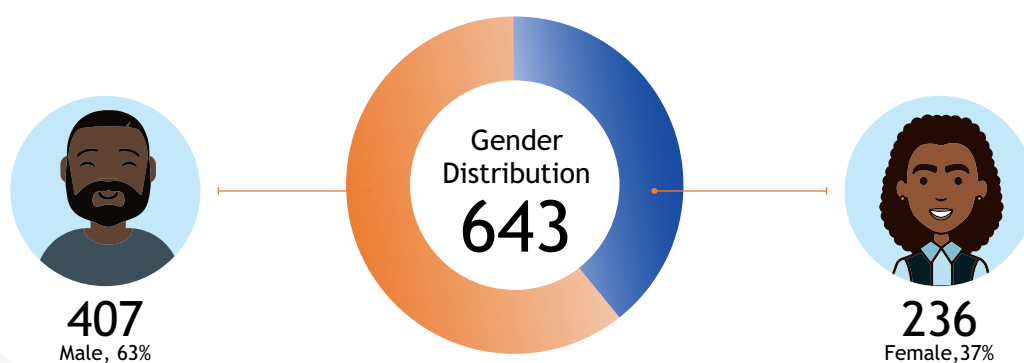


Figure 11.2: Staff Gender Distribution

12.1.1.2 Talent Distribution per Department

In the period under review, the talent distribution was illustrated as follows:

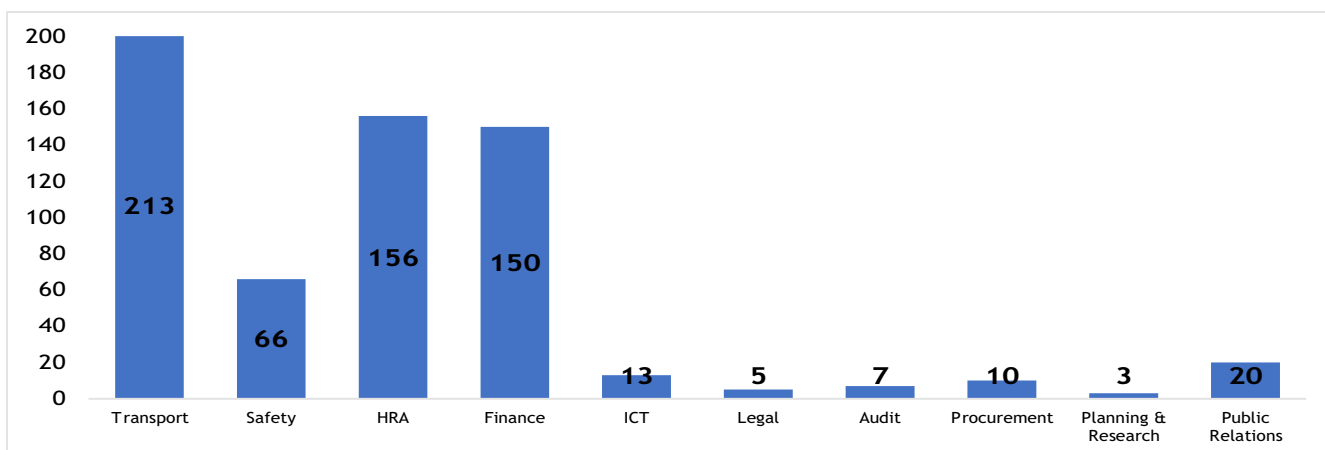


Figure 11.3: Talent Distribution per Department

12.1.2 Up scaling the works of the Integrity Committee

The IC undertook an integrity awareness program sensitising members of staff on the Code of Ethics and Whistle Blower Policy. A total of two hundred and 279 employees were sensitised in Central, Copperbelt, Northern, North-Western, Luapula, Western, Southern, Eastern and Muchinga provinces.

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 undertook media sensitisation programs.

The Integrity Committee (IC) featured on radio programs on Millennium Radio. Some of the aired programs include Procedures on how to report alleged corruption, RTSA's Integrity Committee and Ethics and Integrity at RTSA.

12.1.3 Whistleblowing

The Agency through the Integrity Committee experienced an increase in whistleblowing. In the period under review, a total of 20 complaints were received through platforms provided for in the policy. This saw an increase of 6 from the 14 complaints received in the 2021.

12.2 ENHANCE STAKEHOLDER ENGAGEMENT

The Agency's Integrity Committee in collaboration with the Transparency International Zambia (TI-Z) held road shows along the line of rail, where members of the public were educated on how to acquire RTSA services in a corrupt free manner. It was also emphasized at these events that the RTSA has not engaged third parties to help it execute its mandate (driver licensing and examination) in an effort to minimize incidences of fraud and corruption.



Figure 11.4: Public Awareness Campaigns on Corruption



Figure 11.5: Sensitization activities to the general public in collaboration with Transparency International Zambia on how to acquire various RTSA services in a corrupt free manner

In furtherance of collaborative partnerships in the prevention of corruption in public institutions, especially traffic corruption, Government through the Anti-Corruption Commission (ACC) in collaboration with Transparency International Zambia (TIZ) on November 15, 2022 launched the “No Bribes but Fines Campaign.” The Agency participated in various activities and sensitizations in Lusaka, Southern, Eastern and Western Provinces.



Figure 11.6: Eastern Province - No Bribes but Fines Campaign launch

Zambia joined the rest of the world in commemorating the International Anti-Corruption Day on December 9, 2022. The event was aimed at raising public awareness on corruption and what people can do to fight it. The activities included a March Past and setting a RTSA desk where all key stakeholders were enlightened on the corruption prevention practices.



Figure 11.7: The Guest of Honour, Minister of Justice Hon. Haimbe and then ACC Director General Mr. G. Phiri, enlightened on what the Agency is doing to prevent corruption during the commemoration of the International Anti-Corruption Day 2022.



Figure 11.8: RTSA Anti-Corruption Day 2022 desk and the March Past

The ACC awarded RTSA third (3rd) position overall in integrity development through the Agency Integrity Committee (IC). The RTSA was also awarded third (3rd) position in the Parastatal/Quasi Government Category.



Figure 11.9: Ag. RTSA Director & CEO Eng. Alinani Msisya receives trophies from Secretary to the Cabinet Mr. Patrick Kangwa

12.3 IMPROVE AGENCY INFRASTRUCTURE, TOOLS AND EQUIPMENT

12.3.1 Capital Infrastructure Projects

12.3.2 Silverest Examination Shelter

Construction of the vehicle examination shelter at Silverest was completed in Quarter 1 2022. The facility was inspected and accepted by the Agency and is currently in use by the public.



Figure 11.10: Examination Shelter Front, Rear, Seating & Interior

12.3.3 Mazabuka Solar Security Lights

The project for supply, delivery and installation of solar security lights for the Mazabuka site was commenced and completed within the month of August 2022.

The lights have been commissioned and are in full working order, enhancing the security on site in a sustainable way.



Figure 11.11: Solar Lights Installed at Mazabuka Land Site

12.3.4 Mazabuka Container Office

Construction works for the Mazabuka Container Office stalled at 85% of completion. The process to engage a new Contractor to complete the pending works has commenced.

Pending works include:

- Aluminium partitioning
- Floor finishing
- Installation of Air conditioners



Figure 11.12: Monze Toilet Exterior

12.3.5 Office Administration

12.3.5.1 Covid-19 Compliance

During the period under review the Administration Unit distributed COVID19 materials to all its Stations as a mitigation measure in the spread of COVID 19. Further employees were encouraged to voluntarily take the COVID vaccination as well as receiving the COVID booster.





FINANCIAL STATEMENTS

Financial Statements for the year end 31st December 2022



Road Transport & Safety Agency (RTSA)

Financial Report and Audited Financial Statements

for the year ended 31st December 2022

August, 2023

Issued by:

CYMA

Chartered Public Accountants & Management Consultants

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Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

for the year ended 31st December 2022



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Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

General Information

for the year ended 31st December 2022



1 Board of Directors

		Date Appointed
Eng. Allen T. Mate	Chairperson	Appointed 8th June 2022
Ms. Bubala Chibbonta	Vice Chairperson	Appointed 8th June 2022
Mr. Brighton Siwale	Director	Appointed 9th November 2022
Ms. Anita Z. Kosor	Director	Appointed 8th June 2022
Mr. Emmanuel Sampa	Director	Appointed 8th June 2022
Eng. George Manyele	Ex-Official - RDA CEO	Appointed 8th June 2022
Eng. Wallece Mumba	Ex-Official - NRFA CEO	Appointed 8th June 2022
Eng. Amon Mweemba	Acting Board Secretary	

2 Management

Eng. Amon Mweemba	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. Chunky 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 2022



Introduction

The Board has the honour to submit the financial report on the accounts of the Road Transport and Safety Agency for the year ended 31st December 2022

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 as amended (the "Act") on Government's behalf.

In January 2021, the Agency implemented the International Public Sector Accounting Standards (IPSAS), and will have fully implemented the IPSAS by end of 2027. These financial statements have successfully been prepared in accordance with IPSAS for the second year.

Directors

The following Directors were appointed to the Board of the Agency in accordance with Section 5 (1) of the Road traffic (Amendment) Act No.8 of 2022:

Eng. Allen T. Mate	Chairperson
Ms. Bubala Chibbonta	Vice Chairperson
Mr. Brighton Siwale	Director
Ms. Anita Z. Kosor	Director
Mr. Emmanuel Sampa	Director
Eng. George Manyele	Ex-Official - RDA CEO
Eng. Wallece Mumba	Ex-Official - NRFA CEO

The Minister in charge of transport had not yet appointed to the five other members to the board in accordance with the Road Traffic Act No. 11 of 2002 as amended. The four members yet to be appointed to the board are representatives from the following institutions as prescribed by the Act:

- (i) Zambia Chartered Institute of Logistics and Transport;
- (ii) Zambia Agency of Persons with Disabilities;
- (iii) A person nominated from an association representing passengers; and
- (iv) Ministry of Local Government.

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

Revenue under IPSAS, is recognized when an agreement to provide unconditional funding is signed, even prior to the receipt of cash.

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.

Overview of the financial statements for the year ended 31st December 2022

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 2022. 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.

Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

Financial report to the financial statements

for the year ended 31st December 2022



Revenue

The financial results for year 2022 show a surplus of K27.490 million (2021 - Deficit of K1.530 million) based on the results as follows:

Financial results for 2022

(Thousands of Zambian Kwacha)

	31st December 2022	31st December 2021
Total revenue	385,713	364,755
Total expense	358,226	366,285
Surplus/(deficit)	27,490	(1,530)
Net assets	36,859	2,951

In 2022 revenue totaled K385.713 million (2021-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. During the year, the Agency refunded a total unutilised funds of K0.517 million from a revenue grant of K1.473 million donated by the United Nations Development Programme (UNDP) for various safety programmes, and the equity and equality in socioeconomic development and service delivery project in 2021.

Expenses

For the year ended 31st December 2022, expenses totaled K358.226 million (2021 - K366.285 million). The main expense categories were staff costs of K200.255 million (2021 - K183.953 million), or 56 per cent (2021 - 50 per cent); other operating expenses of K107.150 million (2021 - K102.223 million), or 30 per cent (2021 - 28 per cent); other expenses make up K50.821 million (2021 - K80.109 million), or 14 per cent (2021 - 22 per cent).

Operating results

The net surplus of revenue over expense in 2022, as measured under IPSAS, is K27.490 million (2021 - deficit K1.530 million). 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.

Property and Equipment, and intangible assets

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

	31st December 2022	31st December 2021
Motor vehicles	11,625	12,507
Capital work in progress	8,873	15,603
Office equipment	6,170	4,532
Office furniture and fittings	957	47
Leasehold buildings	1,168	332
Intangible assets	224	28
	29,017	33,048

Related Party Transactions

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

Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

Financial report to the financial statements

for the year ended 31st December 2022



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 appointed Engineer Amon Mweemba Director and Chief Executive Office of the Agency in the last quarter of 2022 in accordance with Section 6 (1) of the Road Traffic (Amendment) Act No. 8 of 2022. Engineer Mweemba is currently the acting Board Secretary until such a time that the Board appoints a Secretary in accordance to Section 6 (3) of the Act.

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.


Secretary

Date: 17/10/23.

Financial Report and Audited Financial Statements

Road Transport & Safety Agency (RTSA)

Statement of responsibilities



for the year ended 31st December 2022

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the requirements of the Road Traffic (Amendment) Act No. 8 of 2022 (the "Act"). Their responsibility includes: designing, implementation and maintaining internal controls relevant to the preparation of financial statements that are free from material misstatement whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

DIRECTORS' STATEMENT

The Road Traffic (Amendment) Act No. 8 of 2022 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 surplus for the year ended 31st December 2022;
- (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 2022;
- (c) The financial statements have been prepared in accordance with the International Public Sector Accounting Standards and are in compliance with the Road Traffic (Amendment) Act No. 8 of 2022. 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 11th October 2023 and are signed on its behalf by:


Mr. Allen Mate
Chairman


Eng. Amon Mweemba
CEO and Board Secretary

INDEPENDENT AUDITOR'S REPORTTo 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 2022 (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 34.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at 31st December 2022 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 as amended.

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.

KEY AUDIT MATTER	HOW MATTER WAS ADDRESSED DURING THE AUDIT
INCOME TAX ON DIRECTORS' FEES	
Directors fees are treated as emoluments under the Income Tax Act Cap 323 of the Laws of Zambia and under the Pay As You Earn Regulations of 2014 issued by the Minister of Finance. The Agency had assumed undeclared tax on directors fees amounting to Kwacha Three Hundred - Thirty Seven Thousand Nine Hundred Sixty Five and Eight Ngwee (K337,965.08) . According to the Income Tax Act, all earned income is subject to tax	Our audit work involved the gathering of sufficient appropriate audit evidence by referencing any circular or schedule from the line ministry detailing directors' fees. We also made referencing to the Income Tax Act Chapter 323 of the Laws of Zambia and the practice notes published by the Zambia Revenue Authority (ZRA).
Taxation is a legal requirement and was therefore considered a Key Audit Matter.	Our tests did reveal that the directors fees as per the authorised schedule from the line ministry did imply that the fees tabulated were gross and that PAYE at the rate of 37.5% for the 2022 charge year, ought to have been deducted from the directors allowances and quarterly fees. Management made the necessary adjustments in the Agency's financial statements by reclassifying and disclosing the implied recoverable amounts as receivables on the Statement of Financial Position. The Agency shall recover those amounts in the subsequent period.
	We consider management's action to be reasonable and appropriate.

KEY AUDIT MATTER	HOW MATTER WAS ADDRESSED DURING THE AUDIT
PAYMENTS OF ALLOWANCES AND TRAVEL FOR RELATED PARTIES	
The Agency facilitated payment of Kwacha Nine Hundred and Twenty Six Thousand Three Hundred Ninety-Eight and Eight Ngwee (K926,398.08) for a related party's (Ministry of Transport) allowances and travel without following the Government procedure as regards approved budget lines for appropriated funds.	Our audit work involved the gathering of sufficient appropriate audit evidence through the review of the originating instructions directing and authorising payments of the allowances and travel expenses.
Expenditure not supported by a budget line as per the annual approved work plan potentially implies an unauthorised budget variation and was therefore considered a Key Audit Matter.	Our tests did reveal that the related party did not follow procedure when instructing the Agency to facilitate payments for allowances and travel for unplanned activity. Management engaged the related party and consensus was reached that expenditure be refunded by the related party to the Agency. These expenses have since been reclassified as a receivable and will be refunded by the related party in the subsequent period. We consider management's action to be reasonable and appropriate.

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 as amended, 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 as amended, and for such internal control as the Directors determines 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 as amended, 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 Road Traffic Act No. 11 of 2002 as amended.
- (b) The Road Transport and Safety Agency, did not have a Board constituted as per the provisions of Section 5 (1) of the Road Traffic (Amendment) Act No. 8 of 2022 by not having appointed representatives from the following institutions:
 - (i) Zambia Chartered Institute of Logistics and Transport;
 - (ii) Zambia Agency of Persons with Disabilities;
 - (iii) A person nominated from an association representing passengers; and
 - (iv) Ministry of Local Government.

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



Dr. Chinzu Y Mulendema

Managing Partner

Practicing Certificate Number AUD/F000113

26/10/23
Date

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

I. Statement of financial position as at 31st December 2022

(Thousands of Zambian Kwacha)



	Reference	31st December 2022	1st January 2022
Assets			
Current assets			
Cash and cash equivalents	6.	37,266	5,266
Funding receivable	7.	18,764	17,438
Other assets	8.	4,883	7,143
Inventories	9.	35,608	59,320
Total current assets		96,521	89,167
Non-current assets			
Intangible assets	10.	209	17
Property and equipment	11.	153,232	140,912
Total non-current assets		153,441	140,929
Total assets		249,962	230,096
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	12.	63,104	76,886
Employee benefit liabilities	13.	91,651	87,266
Short-term provisions	14.	12,253	15,834
Total current liabilities		167,008	179,986
Non-current liabilities			
Employee benefit liabilities	13.	46,095	47,159
Total non-current liabilities		46,095	47,159
Total liabilities		213,103	227,145
Net of total assets and total liabilities		36,859	2,951
Net liabilities			
Operating reserves	Page 11	10,752	(17,200)
Capital grants	Page 11	3,468	3,710
Revaluation reserves	Page 11	22,639	16,441
Total net assets		36,859	2,951

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.....and were signed on its behalf by:

Mr. Allen Mate
Chairman

Director

The accompanying notes form an integral part of these financial statements

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

II. Statement of financial performance for the year

(Thousands of Zambian Kwacha)



	Reference	31st December 2022	31st December 2021
Revenue			
Appropriated through the MoFNP	15.	130,196	130,501
Appropriated through the Road Fund	15.	253,706	231,814
UNDP Grant	15.	-	1,473
Interest and other revenue	16.	1,811	967
Total revenue		385,713	364,755
Expenses			
Administration expenses	17.	12,265	2,491
Depreciation and amortisation	10. & 11.	22,889	56,618
Employees salaries, allowances and benefits	17.	200,255	183,953
Foreign exchange expenses	17.	-	4,447
Other operating expenses	17.	107,150	102,223
Supplies and consumables	17.	950	440
Training	17.	651	926
Travel	17.	14,066	15,187
Total expenses		358,226	366,285
Surplus/(deficit) for the year		27,490	(1,530)

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

III. Statement of changes in net assets for the year ended 31st December 2022

(Thousands of Zambian Kwacha)

Reference	Operating reserves - restricted	Capital grants (a)	Revaluation reserves (b)	Total
Net assets at 1st January 2022	(17,200)	3,710	16,441	2,951
Surplus	27,490	-	-	27,490
Additions	c.		6,660	6,660
Transfers	a., b.	(242)	(462)	(242)
Total recognised changes in net assets	27,952	(242)	6,198	33,908
Net assets at 31st December 2022	10,752	3,468	22,639	36,859

(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 in 2021, annually.

(b) The revaluation reserve relates to the Silverest property revaluation gain brought forward as at 1st January 2022 and the revaluation gains on the Kasumbaleasa and Mimosa properties, that was requested by the Agency on August 3, 2021 and August 19, 2021 respectively. The two valuation reports were issued by the Government Valuation department in accordance with the Royal Institution of Chartered Surveyors (RICS) code of measuring practice as recognised by the Surveyors Institute of Zambia and as prescribed by Section 3 of the Valuation Surveyors Act, Chapter 207 of the Laws of Zambia. This process was finalised during the year under review.

The Revaluation reserve is amortised to revenue at the rate of 2%. The amortisation of the revenue reserves is disclosed as part of interest and other revenue in Note 16 to the financial statements.

(c) The addition to the revaluation reserves for the year relates to the following:

	Valuation as per the Report in (b)	Purchase price/Carrying amount	Gain	Notes
Kasumbaleasa property	280	205	75	(i)
Mimosa property	20,141	13,550	6,591	(ii)
Total	20,421	13,755	6,666	(iii)

Notes

(i) Property is situated at Kasumbaleasa border approximately fifteen (15) kilometers from the central byusines district of Chilabombwe and sitting on Subdivision No. D of Farm No 1884. The sites measures approximately 0.0750 hectares in extent with boundaries consisting of a single storey building. This property had a carrying amount of K205,195.31 at the date of the valuation.

(ii) Property is situated in Mimosa area of Lusaka sitting on subdivision of Farm No. F/49a/a/27, F/49a/26, F/49a/5 and F/49a/4. The site measures approximately 8.1645 hectares in extent consisting of four elements including a drive circuit, an office building, examination shelter and piece of land. This property was bought from the Zambia Institute of Management.

(iii) This gain has been added to the revaluation reserve account and will be amorised to the operating reserves at 2% per annum.

The accompanying notes form an integral part of these financial statements

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

IV. Statement of cash flows for the year ended 31st December 2022

(Thousands of Zambian Kwacha)



	Reference	31st Dec 2022	31st Dec 2021
Cash flows from operating activities			
Surplus/(Deficit) for the year	Page 10	27,490	(1,530)
Non-cash movements			
Depreciation and amortisation	Note 10., & 11.	22,889	56,618
Grant amortisation and revaluation reserves	Note 16.	(242)	(242)
(Gain)Loss on disposal of property and equipment	Note 16.	(682)	23
Changes in assets			
Increase in funding receivable	Note 7.	(1,326)	-
Decrease in other assets	Note 8.	2,260	3,042
Decrease in inventories	Note 9.	23,712	26,010
Changes in liabilities			
Decrease in accounts payable and accrued liabilities	Note 12.	(13,782)	(81,212)
Increase in employee benefits	Note 13.	3,321	24,606
Decrease in short-term provisions	Note 14.	(3,581)	6,337
Net cash flows used in operating activities		60,059	33,652
Cash flows from investing activities			
Payments for property and equipment	Note 11.	(28,793)	(33,021)
Payments for intangible assets	Note 10.	(224)	(28)
Proceeds from disposal of property and equipment		958	16
Net cash flows used in investing activities		(28,059)	(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		32,000	1,314
Cash and cash equivalents at the beginning of year	Note 6.	5,266	3,952
Cash and cash equivalents at the end of the year	Note	37,266	5,266
Comprising of:			
Cash and bank balances	Note 6.	36,635	3,748
Station imprest		631	1,518
Total Cash and cash equivalents		37,266	5,266

The accompanying notes form an integral part of these financial statements

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

V. Statement of comparison of budget and actual amounts for the year ended 31st December 2022



(Thousands of Zambian Kwacha)

	<i>Publicly available budget</i>			<i>Note</i>
	<i>Original and final budget (a)</i>	<i>Actual (budget basis) (b)</i>	<i>Difference (percentage) (b)</i>	
Revenue				
Appropriated through the Ministry of Finance	130,214	130,196	0%	
Appropriated through the Road Sector Fund	260,000	253,706	-2%	
Total revenue	390,214	383,902		
Expenses				
Administration expenses	3,368	12,265	264%	18(i).
Capital expenditure	77,318	29,017	-62%	18(ii).
Employees salaries, allowances and benefits	188,687	200,255	6%	
Other operating expenses	108,187	107,150	-1%	
Supplies and consumables	92	950	933%	18(iii).
Training	1,264	651	-48%	18(iv).
Travel	11,298	14,066	24%	18(v).
Total expenses	390,214	364,354	-7%	
Surplus for the year	-	19,548		

(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 2022

Road Transport & Safety Agency (RTSA)

Notes to the 2022 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 as amended, 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). As at 31st December 2022, the Board had not appointed a Secretary of the Board of the Agency in accordance with the provisions of the Act. 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 (1) of the Road Traffic (Amendment) Act No. 8 of 2022. 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 Appendix of the Road Traffic (Amendment) Act No. 8 of 2022**. 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.

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

Notes to the 2022 financial statements



(Thousands of Zambian Kwacha)

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.

2.5 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.

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) The updates to Chapter 5 of the Conceptual Framework revise the definitions of an asset and a liability and add new guidance on the transfer of resources, unit of account, and binding arrangements that are equally unperformed. These changes provide a strong foundation for the guidance in the new standards.
- (b) IPSAS 47 replaces IPSAS 9, Revenue from Exchange Transactions and IPSAS 11, Construction Contracts, and IPSAS 23, Revenue from Non-Exchange Transactions (Taxes and Transfers) with two accounting models for the recognition and measurement of public sector revenue transactions, based on the existence of a binding arrangement. The new IPSAS is aligned with IFRS 15, Revenue from Contracts with Customers while broadening its applicability across the public sector. Additional guidance is included to help entities apply the accounting principles to public sector-specific transactions, such as capital transfers and compelled transactions.
- (c) IPSAS 48 introduces guidance for transfer expenses, where a transfer provider provides resources to another entity without receiving anything directly in return, which is common situation in the public sector globally. The accounting for transfer expenses is driven by whether the transaction results in an enforceable right to have the transfer recipient satisfy their obligations. To operationalize this principle, IPSAS 48 presents two accounting models based on the existence or not of a binding contract.

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

Notes to the 2022 financial statements



(Thousands of Zambian Kwacha)

2. Basis of preparation (Cont'd)

2.6 Future accounting pronouncements (Cont'd)

The effective date for both IPSAS 47 and 48 is 1 January 2026, with earlier application permitted. Updates to the Conceptual Framework are effective when published.

2.7 Recent and future requirements of IPSAS

A number of new standards, amendments to standards and interpretations are mandatory for the year ended 31 December 2022, and have been adopted by the Agency where relevant to the Agency's operations.

The IPSAS Board has issued the following standards: IPSAS 41: "Financial Instruments", in August 2018 effective 1st January 2022, IPSAS 42: Social benefits in 2019, effective 1st January 2022, IPSAS 43, Leases in January 2022, effective 1 January 2025, IPSAS 44 Non-current Assets Held for Sale and Discontinued Operations issued in May 2022, effective 1 January 2025, IPSAS 45 Property, Plant and equipment, May 2023, effective 1 January 2025, IPSAS 46, Measurement, IPSAS 46 issued in April 2023, effective 1 January 2025, IPSAS 47 Revenue issued in May 2023, effective 1 January 2026 and IPSAS 48 Transfer expenses issued in May 2023, effective 1 January 2026. The impact of these standards on the Agency financial statements and the comparative period therein has been evaluated to be as follows:

(a) Recent requirements of IPSAS

Standard	Anticipated impact in the year of adoption
IPSAS 41	<p>The International Public Sector Accounting Standards Board (IPSASB) issued IPSAS 41, Financial Instruments in August 2018 to improve financial instruments reporting in public sector. The Standard establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement.</p> <p>IPSAS 41 substantially improves the relevance of information for financial assets and financial liabilities. It provides users of financial statements with more useful information than IPSAS 29, by:</p> <ul style="list-style-type: none"> (a) Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held; (b) Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and (c) Applying an improved hedge accounting model that broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy. <p>It is based on International Financial Reporting Standard (IFRS) 9, Financial Instruments, developed by the International Accounting Standards Board (IASB), but also includes public sector-specific guidance and illustrative examples such as on financial guarantees issued through non-exchange transactions, concessionary loans, equity instruments arising from non-exchange transactions and fair value measurement.</p> <p>IPSAS 41 was effective from 1st January 2022 and its impact on the financial statements of the Agency is described more fully in Note 5 of the financial statements.</p>
IPSAS 42	<p>The International Public Sector Accounting Standards Board (IPSASB) issued IPSAS 42, Social Benefits in January 2019, and it provides guidance on accounting for social benefits expenditure.</p>

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

Notes to the 2022 financial statements



(Thousands of Zambian Kwacha)

2.7 Recent and future requirements of IPSAS *Continued*

(a) Recent requirements of IPSAS *Continued*

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
IPSAS 42	<p>It defines social benefits as cash transfers paid to specific individuals and/or households to mitigate the effect of social risk. Specific examples include state retirement benefits, disability benefits, income support and unemployment benefits. The new standard requires an entity to recognize an expense and a liability for the next social benefit payment.</p> <p>IPSAS 42 seeks to improve the relevance, faithful representativeness and comparability of the information that a reporting entity provides in its financial statements about social benefits. To accomplish this, IPSAS 42 establishes principles and requirements for:</p> <ul style="list-style-type: none"> (a) Recognizing expenses and liabilities for social benefits; (b) Measuring expenses and liabilities for social benefits; Presenting information about social benefits in the financial statements; and (c) Determining what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the social benefits provided by the reporting entity. <p>IPSAS 42 was effective from 1st January 2022 and was adopted with no impact on the financial statements of the Agency as it does not have such defined social benefit transactions.</p>

(b) Future requirements of IPSAS

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
IPSAS 43	<p>The International Public Sector Accounting Standards Board (IPSASB) issued IPSAS 43, Leases in January 2022 replacing IPSAS 13 Leases.</p> <p>For lessees, IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model in IPSAS 13, Leases. For lessors, IPSAS 43 substantially carries forward the risks and rewards incidental to ownership model in IPSAS 13.</p> <p>IPSAS 43 introduces a right-of-use model that replaces the risks and rewards incidental to ownership model for lessee to be applied to all leases (i.e., all leases are treated as finance leases), whilst retaining the same approach for lessors (i.e., finance and operating leases).</p> <p>The standard is effective 1 January 2025 and earlier application is permitted. The Agency expects to adopt this standard in the year it will become effective.</p> <p>The Agency anticipates that this standard will have an impact on its Statement of Financial Position and Statement of Performance once it becomes effective on 1 January 2025 because of the related depreciation, risk and benefits arising from the Right of Use of the assets it leases.</p>
IPSAS 44	<p>The International Public Sector Accounting Standards Board (IPSASB) issued IPSAS 44, Non-current Assets Held for Sale and Discontinued Operations, in May 2022.</p> <p>IPSAS 42 will become effective on 1st January 2025 and the Directors will assess its impact on the Agency's financial statements closer to the effective date.</p>
IPSAS 45	<p>The International Public Sector Accounting Standards Board (IPSASB) issued IPSAS 45, Property, plant and equipment replacing IPSAS 17 by adding current operational value as a measurement basis in the updated current value model for assets within its scope, identifying the characteristics of the heritage and infrastructure assets, and adding new guidance on how these important types of public sector assets should be recognised and measured.</p> <p>The standard is effective 1 January 2025 and earlier application is permitted. The Agency expects to adopt this standard in the year it will become effective and does not anticipate it to have any impact on the financial statements.</p>

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

Notes to the 2022 financial statements



(Thousands of Zambian Kwacha)

2.7 Recent and future requirements of IPSAS *Continued*

(b) **Future requirements of IPSAS** *Continued*

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
IPSAS 46	<p>The International Public Sector Accounting Standards Board (IPSASB) issued IPSAS 46, Measurement, in April 2023.</p> <p>The objective of this Standard is to define measurement bases that assist in reflecting fairly the cost of services, operational capacity and financial capacity of assets and liabilities. The Standard identifies approaches under those measurement bases to be applied through individual IPSAS to achieve the objectives of financial reporting.</p> <p>IPSAS 46 has an effective date of January 1, 2025. Earlier application is permitted. The Agency expects to adopt this standard closer to the effective date.</p> <p>The Standard is not expected to have significant impact on the measurement of assets and liabilities however it is expected to have significant disclosure changes.</p>

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

Notes to the 2022 financial statements



(Thousands of Zambian Kwacha)

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.

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.

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.

Financial statements for the year ended 31st December 2022

Road Transport & Safety Agency (RTSA)

Notes to the 2022 financial statements



(Thousands of Zambian Kwacha)

3. Significant accounting policies (Cont'd)

3.1.3 Property, plant and equipment

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:

Asset class	Asset subclass	Estimated useful life (years)
Leasehold and leasehold	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.

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



(Thousands of Zambian Kwacha)

3. Significant accounting policies (Cont'd)

3.1.4 Intangible assets (Cont'd)

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.

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.

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3. Significant accounting policies (Cont'd)

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 the Appendix of the Road Traffic Act No. 11 of 2002 as amended, 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.

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 2022.

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4. Financial instruments and financial risk management

<i>Financial instruments</i>	<i>31st December 2022</i>	<i>31st December 2021</i>
Financial assets		
Cash and receivables		
Cash and cash equivalents (Note 6)	37,266	5,266
Accounts receivable (Note 7)	18,764	17,438
Total cash and receivable	56,030	22,704
Total carrying amount of financial assets	56,030	22,704
Financial liabilities		
Amortised cost		
Accounts payable and accrued liabilities (Note 12)	63,104	76,886
Short-term employee benefit liabilities (Note 13)	91,651	87,266
Total carrying amount of financial liabilities	154,755	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.

Summary of revenue and expenses of the main pool

	<i>31st December 2022</i>	<i>31st December 2021</i>
Interest revenue (Note 16)	-	185
Interest revenue from the main cash pool	-	185
Bank fees (Note 17)	162	141
Operating expenses from the main cash pool	162	141
Revenue and expenses from the main cash pool	(162)	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.

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

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:

	31st December 2022		31st December 2021	
	Gross receivable	Allowance	Gross receivable	Allowance
Less than one year	-	-	-	-
More than one year	266	266	353	353
Total	266	266	353	353

Other credit risk disclosures

The Agency is exposed to varying degrees of credit risk in manageable concentration. The Agency applies the IPSAS 41 simplified approach in developing a provision matrix.

When applying the IPSAS 41 simplified basis in recognising expected future losses, the Agency adopts the following approach in developing a provision matrix:

- The debtors balances are grouped by receivables category.
- A sixty (60) month period is considered as a reasonable basis and is used to define a period of advances, recoveries profile and bad debts related to those advances.
- Historical default rate % is calculated based on the bad debt established from the recoveries profile for each account receivable category.
- Forward looking data is incorporated using macro indicators such as inflation rate that have been observed to affect recoveries in the past.
- GRZ receivable through NRFA is expected to be zero because GRZ have never defaulted on their sovereign debt before. This is expected to continue to be down on the GRZ debt balance in the future. No provision is made on this category of receivables as the outstanding arrears are expected to be collected in full.
- Prepaid debt up to 180days is projected to be collected in the next 12 months. No provision is made on this category of receivables there being nil expected losses.

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

Other credit risk disclosures

The following provision matrix illustrates the Agency's approach as described in the note above in determining and recognising future expected loss position on the all receivable balances that do not contain a financing portion as disclosed above at the reporting date.

As at 31st December 2022

	Current	> 30	> 60	> 90	> 120	Total
Staff imprest for active employees	211	-	-	-	-	297
Expected Credit Losses	0%	n/a	n/a	n/a	0%	
Staff imprest for active employees Expected Credit Loss	-	-	-	-	-	-
Staff imprest for separated employees	-	-	-	-	-	71
Expected Credit Losses	n/a	n/a	n/a	n/a	100%	
Staff imprest for separated employees Expected Credit Loss	-	-	-	-	-	71
Material Loans for active employees	3,095	-	-	-	32	3,127
Expected Credit Losses	0%	n/a	n/a	n/a	0%	
Material Loans for active employees Expected Credit Loss	-	-	-	-	-	-
Material Loans for separated employees	-	-	-	-	-	101
Expected Credit Losses	n/a	n/a	n/a	n/a	100%	
Material Loans for separated employees Expected Credit Loss	-	-	-	-	-	101
Staff Advances for active employees	154	3	-	38	93	288
Expected Credit Losses	0%	0%	n/a	0%	0%	
Staff Advances for active employees Expected Credit Loss	-	-	-	-	-	-
Staff Advances for separated employees	-	-	-	-	-	94
Expected Credit Losses	0%	n/a	n/a	n/a	100%	
Staff Advances for separated employees Expected Credit Loss	-	-	-	-	-	94
GRZ receivable accounts	1,194	-	-	-	17,438	18,632
Expected Credit Losses	0%	n/a	n/a	n/a	0%	
GRZ Expected Credit Loss	-	-	-	-	-	-
Other Staff receivables	-	-	-	-	-	131
Expected Credit Losses	n/a	n/a	n/a	n/a	0%	
Other Staff Receivables Expected Credit Loss	-	-	-	-	-	-
Prepaid Expenses	618	288	-	-	-	906
Expected Credit Losses	0%	0%	n/a	n/a	100%	
Prepaid Expenses Expected Credit Loss	-	-	-	-	-	-
Total Receivables	5,272	291	-	38	18,046	23,647
Total Expected Credit Losses	-	-	-	-	266	266

These notes form part of the financial statements on pages 10 to 14



(Thousands of Zambian Kwacha)

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

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.

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 2022, the Zambian Kwacha had weakened against the dollar by 8% over the twelve month period.

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6. Cash and cash equivalents

	31st December 2022	1st January 2022
Main cash pool	36,635	3,748
Cash held in main and station offices	631	1,518
Total cash and cash equivalents	37,266	5,266

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.

Accounts receivable

	31st December 2022	1st January 2022
GRZ	18,364	17,438
Sundry receivables	400	-
Total funding receivable	18,764	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 2022	1st January 2022
Advances to suppliers of products and services	906	2,793
Staff advances	3,977	4,350
Total other assets	4,883	7,143

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 K2.3million (K3.8m - 2021).

	31st December 2021	1st January 2022
Inventories	35,608	59,320
Total inventory	35,608	59,320

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10. Intangible assets

	<i>Software externally developed</i>
Opening cost 1st January 2022	114,832
Additions	224
Total cost 31st December 2022	115,056
Opening accumulated amortisation 1st January 2022	114,815
Amortisation	32
Closing accumulated amortisation 31st December 2022	114,847
Net book value 1st January 2022	17
Net book value 31st December 2022	209

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 2022	40,159	44,346	93,517	16,883	67,317	262,222
Additions	1,168	6,170	11,625	957	8,873	28,793
Transfer from Capital Work In Progress*	12,608	-	4,305	-	(16,913)	-
Asset Valuation Gains**	6,660	-	-	-	-	6,660
Disposals	(310)	(30)	(510)	-	-	(850)
Cost at 31st December 2022	60,285	50,486	108,937	17,840	59,277	296,825
Accumulated depreciation at 1st January 2022	6,124	32,898	70,099	12,189	-	121,310
Charge for the year	877	5,568	14,727	1,675	-	22,847
Eliminated on disposals	(53)	(1)	(510)	-	-	(564)
Accumulated depreciation at 31st December 2022	6,948	38,465	84,316	13,864	-	143,593
Net carrying amount						
1st January 2022	34,035	11,448	23,418	4,694	67,317	140,912
31st December 2022	53,337	12,021	24,621	3,976	59,277	153,232

As at 31st December 2022, 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 transfer from Capital Work In Progress relates to the purchases of the property in Mimosa area amounting to K12.6m and the Mercedes Benz tow truck amounting to K4.3m. These amounts had been paid over a period of five years as agreed with the seller of the property and supplier of the Benz truck.

** Refer to page 11 on the make up of the asset valuation gain. The gain relates to properties owned by the Agency in Kasumbalesa in Chililabombwe district and Mimosa area of Lusaka.

These notes form part of the financial statements on pages 10 to 14

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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 2022 were performed on 11th December 2015 by the Department of Government Valuation since RTSA is a government Agency.

During the year under review, the Agency had requested the Government Valuation department to value the Kasumbalesa and Mimosa properties, on August 3, 2021 and August 19, 2021 respectively. The two valuation reports were issued by the Government Valuation department in accordance with the Royal Institution of Chartered Surveyors (RICS) code of measuring practice as recognised by the Surveyors Institute of Zambia and as prescribed by Section 3 of the Valuation Surveyors Act, Chapter 207 of the Laws of Zambia. This process was finalised during the year under review and the resulting valuation gain added to the valuation reserve account..

As per the Agency policy in line with Government policy, the Agency engaged the Government Valuation Department under the Ministry of Infrastructure, Housing and Urban Development in April 2022 to undertake the valuation of all Agency properties countrywide. This engagement is expected to be finalised in the second quarter of 2023.

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 2022	Fair value as at 1st January 2022
Land and Building			40,779	40,779	20,343

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12. Accounts payable and accrued liabilities

	31st December 2022	1st January 2022
Vendors and other payables*	41,262	57,198
Accruals for goods and services	21,842	19,688
Total accounts payable and accrued liabilities	63,104	76,886

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 2022	1st January 2022
Current liabilities		
Accrued and deducted statutory employee obligations	12,317	15,641
Accrued salaries, allowances and benefits	48,200	46,380
Accumulated annual leave	30,386	23,885
Employees insurance claims payable	-	816
Other employee third party payable payroll deductions	748	544
Subtotal current liabilities	91,651	87,266
Non-current liabilities		
Accrued salaries, allowances and benefits	46,095	47,159
Subtotal non-current liabilities	46,095	47,159
Total employee benefits liabilities	137,746	134,425

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 Micro pay 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	15,834
Current year movement on provisions	(3,581)
Closing balance as at 31 December	12,253

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

15. Revenue

	<i>31st December 2022</i>	<i>31st December 2021</i>
Funds appropriated through the Ministry of Finance and National Planning	130,196	130,501
Funds appropriated through the National Road Fund Agency (NRFA)	253,706	231,814
Funds granted under the United Nations Development Programme (UNDP)	-	1,473
Revenue	383,902	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 2022</i>	<i>31st December 2021</i>
Grant amortisation during the year	242	242
Foreign Exchange Gains	734	-
Interest received	-	185
Profit/(loss) on disposal of assets	682	(23)
Sundry income	153	563
Interest and other revenue	1,811	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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(Thousands of Zambian Kwacha)

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 2022	31st December 2021
Audit expenses	1,116	649
Bank charges and interest	162	141
Board expenses	1,525	2,009
Consultancy and professional fees	7,052	595
Electricity, water and rates	129	149
Hire of goods and services	1,253	273
Other administrative charges	2,213	10
Postage and telecommunication	38	10
Repairs and maintenance	83	-
Donor funds refunded	-	-
Subscriptions and publications	158	336
Sundry expenses	(1,464)	(1,681)
Administration expenses	12,265	2,491

(ii) Employees salaries, allowances and benefits

	31st December 2022	31st December 2021
Allowances	47,634	40,728
Basic pay	96,811	90,401
Gratuity	23,003	20,281
Insurance GLA	1,213	890
Leave pay	15,213	11,896
NAPSA employer's contribution	6,025	5,374
NHIMA employer's contribution	952	894
Other staff benefits	8,484	12,825
Workers compensation	920	664
Employees salaries, allowances and benefits	200,255	183,953

These notes form part of the financial statements on pages 10 to 14

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17. Expenses (Cont'd)

(iii) Foreign exchange expenses

	31st December 2022	31st December 2021
Exchange losses	-	4,447
Foreign exchange expenses	-	4,447

(iv) Other operating expenses

	31st December 2022	31st December 2021
Advertising and public relations	9,544	7,349
Conferences and seminars	1,506	1,355
Consumables	35,860	38,210
Highway patrol costs	11,016	11,480
Registration, licensing and examination connectivity	15,159	14,898
Repairs and mechanical consumables	341	327
Station running costs	33,724	28,604
Other operating expenses	107,150	102,223

(v) Supplies and consumables

	31st December 2022	31st December 2021
Cleaning material	15	4
Office material	71	60
Procurement supplies	630	85
Protective supplies	234	291
Supplies and consumables	950	440

(vi) Training

	31st December 2022	31st December 2021
Training charges	628	888
Workshops and seminars	23	38
Training	651	926

(vii) Travel

	31st December 2022	31st December 2021
Foreign travel	134	-
Local travel	64	27
Subsistence and lunch allowance	13,868	15,160
Travel	14,066	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 264% overspent on the administration expenses budget is attributable to (i) the additional fees for the audit of revenue by the Office of the Auditor General; (ii) consultancy fees for the orientation of the newly appointed board members conducted by the Institute of Directors; (iii) other administrative charges as a result of provision made from anticipated litigations emanating from former employee separation with the Agency; and (iv) the amount arising from the consent judgement between Beijing Gosail Information Technology Company Limited and the Agency, as a result of the Agency failing to fulfill its obligations under an executed contract. The excess was funded from the K50m budget allocation from the Road Fund support to administration of the Agency.
- (ii) The 62% underspent on the capital expenditure budget is attributable to (i) the Agency not completing the Information Communication and technology ERP software; (ii) late receipt of budget support from the Road Fund which was only funded on the 27th of December 2022 for the Agency to have procured the enforcement vehicles, mobile licencing vans and other capex items as budgeted.
- (iii) The 933% overspent supplies and consumable expenses is attributable to the protective equipment spent in the stations to enhance safety at the work place.
- (iv) The 48% underspent on training is mainly attributable to the forth quarter instalment for the budget being funded on 27th December 2022 and as a result the Agency could not fund the training activities budgeted for the year.
- (v) The 24% overspent on travel expenses is mainly attributable to the waiver on travel ban following the containment of the Covid 19 pandemic. The excess was funded from the K50m budget allocation from the Road Fund support to administration of the Agency.

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.
- (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.

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18. Budget comparison and reconciliation (Cont'd)

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

	31st December 2022	31st December 2021
Budget revenue presented in statement V	390,214	453,346
Basis difference	1,811	967
IPSAS adjustment		
Interest and other revenue	1,811	967
Entity difference	(6,312)	(89,558)
Actual revenue in Statement of Financial Performance (statement II)	385,713	364,755
Budget expenditure as per statement V	390,214	453,346
Basis difference	(5,122)	22,407
IPSAS adjustment		
Depreciation and amortisation	22,889	56,618
Employee benefits expenses	1,006	(5,609)
Capitalisation property, plant, equipment and intangible asset	(29,017)	(33,049)
Foreign exchange expenses	-	4,447
Entity difference	(26,866)	(109,468)
Actual expenditure in Statement of Financial Performance (statement II)	358,226	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 K2.3million (2021: 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 2022 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.

<i>Key management personnel</i>	31st December 2022	31st December 2021
Number of individuals (full-time equivalents)	11	11
Aggregate remuneration	12,294	26,874
Outstanding loans and advances at 31 December	351	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 K1.126million (2021 - 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 2022	31st December 2021
Government funding received	383,902	362,315

22. Events after the reporting period

The Board of the Agency appointed a Director and Chief Executive Officer in January 2023 as required by 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.



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