



ROAD TRANSPORT AND SAFETY AGENCY

2023 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



On behalf of the Board of Directors for the Road Transport and Safety Agency (RTSA), I am privileged to present the annual report for the financial year ending 31st December 2023.

Several significant events and developments in our country continue to spur the Agency on a trajectory towards the realization of its vision of delivering 'An effective regulator enabling a safe road transport system for all'.

The RTSA has continued to embrace digitalization to enhance road safety and improve service delivery:

1. **Government Service Bus (Zamportal):** the RTSA has continued to enhance and implement online platforms for various RTSA services. This has streamlined processes, reducing the need for physical visits to RTSA stations, and improving efficiency in service delivery.
2. **Electronic Ticketing System (E-Ticketing):** To enhance the enforcement of traffic regulations, the RTSA introduced an electronic ticketing system that allows Road Traffic Inspectors to issue tickets digitally. This reduces human error, minimizes corruption, and promotes transparency in traffic law enforcement.
3. **Road Safety Management Systems:** The RTSA has integrated technology into road safety management through real-time monitoring of vehicles and

drivers, enabling the detection of traffic violations, and identifying accident-prone areas. Data analytics is used to formulate policies aimed at reducing road accidents.

4. **Mobile Applications:** The RTSA developed mobile apps for public access to various services like road tax payments, vehicle fitness checks, and driver's license renewals. This enhances convenience for users and improves compliance with road safety regulations.
5. **Traffic Monitoring Cameras:** The installation of digital surveillance cameras in major cities to monitor traffic and detect violations has improved law enforcement and enhanced road safety. It also aids in controlling congestion and investigating accidents.
6. **Public Awareness Campaigns:** The agency uses digital platforms and social media to conduct public awareness campaigns on road safety. These campaigns target specific road safety issues like speeding, drunk driving, and pedestrian safety, reaching a broader audience through digital media.

Through these digital initiatives, RTSA has improved operational efficiency, increased compliance with road safety rules, and contributed to reducing accidents on Zambian roads. The Agency has also leveraged these platforms to collect public opinion and feedback.

We will continue to explore innovations and strategies that will support the digitization 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. Stringent measures are also being put in place to ensure gaps are sealed to prevent fraud and corruption.

The Board will continue to guide the Agency to perform at a higher level, deliver on its mandate as well as motivate staff to enhance employee performance and output.

Allow me to extend my appreciation 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 partnering with us and supporting the fight against road traffic crashes and ensuring safety on Zambian roads.

A stylized, handwritten signature in black ink, belonging to Eng. Allen Mate.

Eng. Allen Mate
Board Chairman



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RTSA Road Transport
and Safety Agency





DIRECTOR AND CHIEF EXECUTIVE OFFICER'S MESSAGE

DIRECTOR AND CHIEF EXECUTIVE OFFICER'S MESSAGE



It is my pleasure to present the Road Transport and Safety Agency (RTSA) Annual report with audited financial statements for the year ended 31st December 2023, as a requirement by the Road Traffic ACT No. 11 of 2002.

As an Agency we are in our second year in the implementation of the new 2022-2026 Strategic Plan whose aspiration is highlighted in our mission statement 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 and deliver on its mandate as enshrined in the Road Traffic ACT No. 11 of 2002, as well as the strategic plan. The implementation has been driven by six strategic objectives which 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 is a vital mode of transportation in Zambia, connecting major cities, towns, and rural areas. The country's road network spans approximately 67,000 km, consisting of trunk, main, and district roads. Zambia's key highways, such as the Great North Road (T2) and the Great East Road (T4), link it to neighbouring countries, fostering trade and

regional integration. The government has invested in road infrastructure improvements through initiatives like the Link Zambia 8000 project, which aims to upgrade and expand the road network.

However, road safety remains a significant challenge. The country has continued to record a high incidence of road traffic accidents, often caused by poor road conditions, speeding, overloading, and inadequate enforcement of traffic laws due to inadequate human resources. In urban areas, congestion and the lack of proper pedestrian facilities contribute to accidents involving pedestrians. Moreover, public transport vehicles, such as minibuses, are frequently involved in collisions due to reckless driving and poor vehicle maintenance.

The Zambian government, through the Road Transport and Safety Agency (RTSA), has implemented measures to enhance road safety, including public awareness campaigns, stricter vehicle inspections, and better enforcement of speed limits and road rules. Despite these efforts, continuous improvement in infrastructure, road user behavior, and law enforcement are necessary to reduce road accidents and fatalities in the country.

Road Transport accounts for a large proportion of passenger and freight traffic in Zambia.

The 2023 issue of the RTSA annual report has outlined the performance of the Agency by underlining major achievements scored in the implementation of the 2022- 2026 strategic plan to not only enhance service delivery but road safety as well.

In the year 2023, several innovations were made in the manner the Agency conducted its business.

During the year under review, the Agency continued to partner and work with Local Authorities (LAs) to broaden service delivery by taking services closer to the people.

The Agency also continued with the outsourcing of motor vehicle licensing, roadworthiness certification and physical inspections to Local Authorities. This has helped the Agency to sustain the increased Agency footprint and accessibility to regions where the Road Transport and Safety Agency (RTSA) was not present. In the year under review, the Agency has continued to

build on the number of members of the public accessing the online portal being implemented through the Government Service Bus (GSB) and Payment Gateway by enhancing publicity on this initiative to decongest the RTSA stations. The Agency continued to increase in both user count and revenue as well as the number of services and payment options.

During the period under review, a total of 36,755 road traffic crashes (RTCs) were recorded on Zambian roads. This number represents a 9.1% increase from 33,682 road traffic crashes recorded in 2022. These road traffic crashes resulted in 2,011 road traffic deaths on Zambian roads. The number of road traffic deaths was reduced by 3.6% from 2,240 recorded in 2022 during the same period.

The data revealed that 43% (n =864, N=2,011) 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 16,239 injuries (serious injuries = 6,027, slight injuries = 10,212) were recorded compared to 15,062 injuries (serious injuries = 5,828, slight injuries = 9,234) recorded in 2022. Thus, the number of injuries increased by 7.8% (n=1,177, N=15,062). Urban roads accounted for 77% (n=28,338, N=36,755) of road traffic crashes while inter-district roads contributed 23% (n= 8,417, N= 36,755). It was established that, of the total fatalities recorded, inter-district roads accounted for 60% (n=1,215, N=2,011) of fatalities while urban roads recorded 40% (n=790, N=2,011) of the fatalities.

Results also showed that human errors were the leading contributory factor to road traffic crashes and accounted for 89.8% (n =33,012, N= 36,755), the other causation factors which accounted for 11.2% which includes motor vehicle defects were 1.06% (n=389, N=36,755), road defects 0.14% (n= 53, N= 36,755), weather condition 0.04% (n= 16, N=36,755) and wandering animals 0.91% (n= 336, N= 36,755), cause not traced stood at 3% (n =1,105, N=, 36,755) and other causes 4.8% (n= 1,782, N= 36,755).

Among human errors, driver error was the leading contributory factor. The top five predominant driver errors were excessive speed, misjudging clearance distance, failing to keep to the near side, cutting in and reversing negligently. The report further

established that the highest number of road traffic crashes occurred at night between 18:00hrs and 20:00hrs while Fridays and Saturdays recorded more crashes compared to other days of the week.

Let me extend my sincere gratitude to the Government of the Republic of Zambia, through the Ministry of Transport and Logistics and the RTSA Board of Directors for the ongoing oversight and guidance to the Agency. I also want to thank the entire RTSA staff as well as the 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 2023 Annual Report.



Eng. Amon Mweemba
Director and CEO

BOARD OF DIRECTORS



Eng. Allen Mate
Board Chairperson



Ms. Bubala Chibbonta
Vice Chairperson



Mr. Brighton Siwale
Director



Ms. Anita Zeravica Kosor
Director



Eng. Wallence Mumba
Director



Eng. Grace Mutembo
Director



Eng. Emmanuel Sampa
Director



Eng. Amon Mweemba
Board Secretary

SENIOR MANAGEMENT



Eng. Amon Mweemba
Director and CEO



Mr. Joseph Mumba
Deputy Director Transport



Eng. Alinani Msisya
Deputy Director Transport



Mr. Brian Sikute
Head Information,
Communication and
Technology



Mr. Given Mazimba
Acting 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. Chunky Kanchele
Head Planning, Research &
Development



Mr. Mukela Mangolwa
Acting 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; and
- 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

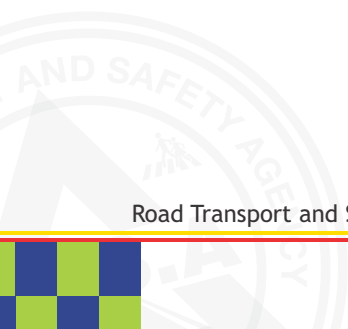
The Board, with the approval of the Minister of Transport, appoints the Director, who is the Chief Executive Officer of the Agency. The Board also appoints Deputy Directors responsible for road safety and road transport. The Director is assisted by other senior management staff who include the Head Finance, 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 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 Safety Strategy

During the year under review, the National Road Safety Strategy was finalised and the printing services for the same were procured in the fourth quarter with two copies printed and submitted to the Ministry of Transport and Communications. Printing will be concluded in the first quarter of 2024.

2.1.2 Road Safety Engineering Guidelines

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

The guidelines are currently awaiting ZABS approval. It is envisaged that this will be done by the end of the second quarter of 2024.

2.1.3 Standards for Materials for Road Signs

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

The guidelines are awaiting approval by the ZABS Board.

2.2 BROADENING ROAD USER EDUCATION ON SAFETY

Education and Publicity of road safety brings about the desired change in road user behaviour for the purpose of preserving road users' lives. Road safety education and publicity activities for the year 2023 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 the Agency undertook in education and publicity during the year under review:

2.2.1 School Road Safety Clubs / School Traffic Wardens Scheme

During the year under review, the Agency monitored a total number of 224 schools countrywide in order to monitor the implementation of road safety programmes in schools which include the Road Safety Clubs, Traffic Wardens Schemes and the implementation of the Road Safety in the mainstream school curriculum.

2.2.2 Road Safety Clubs in Schools

During the year under review, the Agency established Road Safety Clubs in eight (08) schools as shown in Table 2.1 below.

2.2.3 Road Safety Clubs in Schools

During the year under review, the Agency established Road Safety Clubs in eight (08) schools as shown in Table 2.1 below.

S/N	NAME OF SCHOOL	PROVINCE	DATE
01	ZNS Sopelo Primary School	Lusaka	21/02/2023
02	African Preparatory Academy	Lusaka	21/02/2023
03	Lusaka West Boarding	Lusaka	21/02/2023
04	Further West Primary School	Lusaka	21/02/2023
05	Namalombwe Primary School	Lusaka	02/03/2023
06	Celine's Academy	Lusaka	02/03/2023
07	Inema Academy	Lusaka	02/03/2023
08	Royal Queens Academy	Lusaka	02/03/2023
	TOTAL	08	

2.2.4 Traffic Warden Training

During the year under review, 04 traffic warden trainings were conducted in Lusaka from 01 school and 03 churches. A total number of 73 traffic wardens were trained. In 2022, the Agency trained a total of 105 traffic wardens were trained from 07 schools/organisations.

The objective of the trainings was 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 conducted in collaboration with the Zambia Police and Zambia Red Cross Society. Topics covered included road safety management, general road safety, first aid and hand signaling among others.

2.2.5 Road Safety Sensitisation in Schools

The Agency visited various schools to sensitise learners on road safety during the year under review. Table 2.2 shows that a total number of 112 schools were sensitised with 45,640 learners were reached out to in 2023 compared to 2022 where 78 schools were sensitised with 30,133 learners reached out to.

Table 2.2: Learners sensitised in schools

S/N	QUARTER	NUMBER OF SCHOOLS	NUMBER OF LEARNERS
01	First	43	14,781
02	Second	26	14,118
03	Third	25	8,560
04	Fourth	18	8,181
	Total	112	45,640

2.2.6 Road Safety School Park in Lusaka

A total number of 16,460 learners from 72 schools/organisations were sensitised on road safety at the Road Safety School Park in Lusaka during the year under review. There were more learners reached out to at the School Park in 2023 compared to 2022 in which 1,901 learners from 34 schools/organisations were sensitised. Table 2.3 below tabulates the number of schools/organisations and learners that were sensitised at the Road Safety School Park during 2023.

Table 4: Schools/organisations sensitised at the Road Safety School Park in 2023

S/N	QUARTER	NUMBER OF SCHOOLS ORGANISATIONS	/ NUMBER OF LEARNERS
01	First	43	14,781
02	Second	13	912
03	Third	10	530
04	Fourth	06	237
	Total	72	16,460

2.2.7 Road Safety Corners in Public Libraries

During the year under review, the Agency set up Road Safety Corners in two (02) public libraries in Chinsalai at Chinsali Girls Secondary School Library and in Livingstone at the National Institute for Public Administration (NIPA) Library.

2.3 ROAD SAFETY SENSITISATION ACTIVITIES

2.3.1 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 776 compared to 2022 in which 2,231 drivers were sensitised.

2.3.2 Workplace Orientation

The Agency conducted road safety sensitisation in organisations aimed at improving road safety awareness and driver skills among employees in respective organisations. Workplace Orientation is one of the ways of reducing road traffic crashes and promotes good road user behaviour. The work place orientation programme focused on road safety awareness and theory on basic defensive driving skills. A total number of 1,436 employees were sensitised from 20 organisations in 2023 as compared to 883 sensitised from 22 organisations in 2022.

2.3.3 Public Events Sensitisations

2.3.3.1 Zambia International Trade Fair (ZITF)

The Agency participated at the Zambia International Trade Fair (ZITF) which was commemorated from 26th June, 2023 to 4th July, 2023 at the Trade Fair Grounds in Ndola. The 2023 Zambia International Trade Fair (ZITF) was commemorated under the theme 'Stimulating Economic Development through Partnership, Trade and Investment'. The Agency exhibited at the event and sensitised members of the public on road safety. Various road safety Information, Education, and Communication (IEC) materials were distributed to members of the public.

2.3.3.2 The 95th Agricultural and Commercial Show of Zambia

The Agency participated at the 95th Zambia Agriculture and Commercial Show (ZACS) which was commemorated from 2nd to 7th August, 2023 at the Lusaka Show Grounds. The ZACS was commemorated under the theme 'Inclusive Economic Transformation'. The Agency exhibited and sensitised members of the public on road safety among other topics. Information, Education and Communication (IEC) materials were distributed to members of the public.

2.3.3.3 Other Public Events Sensitisation

The table below shows public sensitisation that were conducted during the period under review and the number of road users reached out to

Table 2.4 Public sensitisations

S/N	EVENT	COMMENT	NO. OF ROAD USERS REACHED OUT TO
1.	Samu Lya Moomba Traditional Ceremony	Conducted road safety sensitisation at Njola Mwanza Market. An information kiosk was set up at SamuLya Moomba main arena where Officers interacted with members of the public. Distributed various road safety.	Approximately 1,000
2.	N'cwala Traditional Ceremony	Two (02) road shows were conducted at Mtenguleni Arena and in Chipata at ABSA premises on 23 rd and 24 th February, 2023 respectively. The team featured on road safety radio programmes on Feel Free Radio. An information kiosk was setup at the main arena.	Approximately 1,800
3.	Bene Mukuni Traditional Ceremony	The Agency reached out to the general public through the dissemination of road safety information.	Approximately 1,000
4.	Mutomboko Traditional Ceremony	The Agency reached out to the general public through the dissemination of road safety information.	Approximately 3,000
5.	Ukusefya Pa Ng'wena Traditional Ceremony	The Agency sensitised members of the public and set up an information kiosk at Chikumanino Market. The team featured on road safety radio programmes on Radio Mano. Information Kiosks were set at Buseko Grounds and Ng'wena Village at the main arena and	Approximately 4,000

2.3.4 ANNUAL EVENTS

2.2.4.1 7th United Nations Global Road Safety Week (UNGRSW)

The Agency, with support from the United Nations Development Programme (UNDP), commemorated the 7th United Nations Global Road Safety Week which was held from 15th to 21st May, 2023 under the theme 'Sustainable Transport'.

The Agency commemorated the Road Safety Week by conducting various Road Safety awareness activities that include painting of pedestrian crossings that was flagged off by Her Worship, the Mayor of Lusaka, Ms. Chilando Chitangala at the entrance of St. Patrick's Girls Combined School.

The road safety awareness activities during the commemoration were conducted in collaboration with various stakeholders such as the Zambia Police Service, Drug Enforcement Commission (DEC), Charter Cities Institute (CCI), Passengers, Pedestrian and Cyclists Association (PAPECA) and the Zambia Road Safety Trust (ZRST).

2.2.4.2 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 2023. The event was held on Sunday, 19th November, 2023 under the theme 'Justice'. The commemoration was conducted in Lusaka, Kitwe and Livingstone in collaboration with various Faith Based Organisations (FBOs) and Non-Governmental Organisations (NGO). The Agency procured and handed over wheelchairs and crutches for victims of road traffic crashes who were selected in collaboration with Hospitals. In Lusaka, the event was held at the Cathedral of the Holy Cross and it was graced by the Permanent Secretary – Ministry of Transport and Logistics, Eng. Fredrick Mwalusaka.

2.2.4.3 Road Safety Week

The Agency commemorated the 2023 Road Safety Week from 10th to 16th December, 2022 under the theme 'Acting Together for 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, 10th December, 2023.

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), Safety for People on the Move, Road Safety Ambassadors, Passenger, Pedestrians and Cyclists Association (PAPECA), Commuter Rights Magazine, and Commuter Rights Association of Zambia among others.

2.3.5 MEDIA ACTIVITIES

2.3.5.1 Radio Programmes

The Agency staff featured on Millennium Radio, 5 FM Radio, Hone FM, ZNBC Radio, Radio Mano, Sky FM, Breeze FM, Petauke Explorer, Byta FM, K –FM Radio, Zambezi Radio, Choma Maanu Radio, Power FM, Radio Liseli, Kanele FM, One Love Radio, and Radio Luapula where various road safety topics were discussed. The radio programmes focused on road safety matters and how to acquire the RTSA Services.

The Agency got into media collaboration with Radio Christian Voice during the year under review. The Agency was allocated airtime and the segment was dubbed ‘Road Safety Tips’. The recorded tips started running in March 2023 and aired on their breakfast show every Monday and Friday at 07: 40 hours and the duration was 5 to 7 minutes. The tips also aired during traffic watch in the evening.

2.3.5.2 Radio Dramas

During the year under review, the Agency aired Road Safety Dramas on 7 radio.

Table 2.5: Radio Stations that aired Radio Dramas

S/N	RADIO STATION	TOWN	COMMENCEMENT DATE	END DATE
01	Beats FM	Solwezi	18/03/2023	17/06/2023
02	Kariba Radio	Kariba	18/04/2023	13/07/2023
03	Byta FM	Choma	19/04/2023	09/07/2023
04	Live Radio	Lusaka	19/05/2023	21/07/2023
05	K-FM Radio	Mansa	22/05/2023	28/07/2023
06	Northern Radio	Kasama	24/04/2023	On hold due to technical challenge at the radio station.

2.3.5.3 Television Dramas

The Agency procured for the production of a thirteen (13) series road safety television drama dubbed ‘On the Road’. The drama has various road safety themes which included child Safety, drink driving, over speeding and overloading. The road safety drama started airing on Crown TV on 8th August, 2023 and the airing ended in the month of October.

The Zambia National Broadcasting Corporation (ZNBC) Television (TV 1) started airing the Road Safety Drama on 25th September, 2023. The series airs every Monday at 20:05 hours and it is still airing.

2.3.5.4 Billboards

The Agency procured lighting of road safety adverts on 12 x 3 metre billboards along the Great North Road on three (03) locations from Lusaka to Ndola. The following sites were picked; 1.3Km from Katuba Toll Plaza heading north to be seen from the left. The second site was 1.5Km after Manyumbi Toll Plaza heading north

and can be seen from the right. The third site was 1.4Km after Kafulafuta Toll Plaza heading north and can be seen from the right. The billboards were flighted between 3rd and 12th July, 2023 at the three (03) sites and they had the following themes; Seatbelt Use, Driver Fatigue, and Over speeding. No billboards were flighted in the year 2022.

2.4 ROAD SAFETY ENGINEERING ACTIVITIES

2.4.1 National Road Safety Strategy

During the year under review, the National Road Safety Strategy was finalised and the printing services for the same were procured in the fourth quarter with two copies printed and submitted to the Ministry of Transport and Communications. Printing will be concluded in the first quarter of 2024.

2.4.2 Road Safety Engineering Guidelines

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

The guidelines are currently awaiting ZABS approval. It is envisaged that this will be done by the end of the second quarter of 2024.

2.4.3 Standards for Materials for Road Signs

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

The guidelines are awaiting approval by the ZABS Board.

2.4.4 Road Safety Audits (RSAs)

A Road Safety Audit (RSA) is a formal procedure for independent assessment of the accident potential and likely safety performance of a specific design for a road or traffic scheme – whether new construction or an alteration to an existing road. The principle behind it is that ‘prevention is better than cure’. A Road Safety Audit identifies any road safety deficiencies in the design stage and recommends ways in which these can be overcome. The agency has a target to conduct Road Safety Audits on 90% of all designs submitted by implementing entities.

During the year under review, the Agency conducted 3 RSAs which are:

- i. Revised access to the Proposed Lusaka Golf Club Retail Development along Los Angeles Road.
- ii. Road Safety Audit of Proposed Rehabilitation of Approximately 87.3km of The Lusaka-Mongu Road (M9) From Tateyo Gate to Katunda/Lukulu Junction in Western Province.
- iii. Rehabilitation/upgrading to bituminous standard of the D365 Road between Monze and Niko.

The Agency further provided comments on thirty (30 No.) Zambia Environmental Management Agency Environmental Impact Statement and Environmental Project Brief Reports.

2.4.5 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 of 16 RSIs each year.

During the year under review, the Agency undertook eighteen (18) RSIs as follows:

- i. Washama Road – T2 Road Junction.
- ii. Kafue Road – Lumumba Road Junction.
- iii. Construction of Chinsali - Nakonde Road Rehabilitation Project (North-South Corridor) -T2.
- iv. Nine (9) RSIs of roads in Central Province under the Improved Rural Connectivity Project (IRCP)
- v. T1 Road between Kafue and Livingstone
- vi. T2 Road between Chirundu and Nakonde.
- vii. T3 Road between Kapiri Mposhi and Kasumbalesa
- viii. T5 Road between Chingola and Solwezi
- ix. Construction of LED Billboards on Great East Road
- x. Escarpment section of the escarpment section of the Lusaka-Chirundu Road

The major findings from the RSIs was that road traffic signing (including markings) was inadequate on the TMDs. For road signs, this was attributed to mostly vandalism. There will be need to scale up anti-vandalism efforts, including rolling out of the Standards for Alternative Materials for Road Signs.

2.5 ENHANCING COMPLIANCE THROUGH TRAFFIC LAW ENFORCEMENT

This section of the report considers the Enforcement activities that were undertaken in 2023. Traffic Law Enforcement is vital to promote road safety as the Traffic Laws without enforcement cannot achieve the intended objectivities.

2.5.1 Number of Road Traffic Offences Recorded

A total of 51,422 traffic offences were recorded in the year 2023 compared to 60,432 in the year 2022. All these offences were recorded from the daily operations, highway operations and Smart enforcement using the mobile phone application. The figure below shows the operations per quarter and overall total of all the offences in that particular quarter.

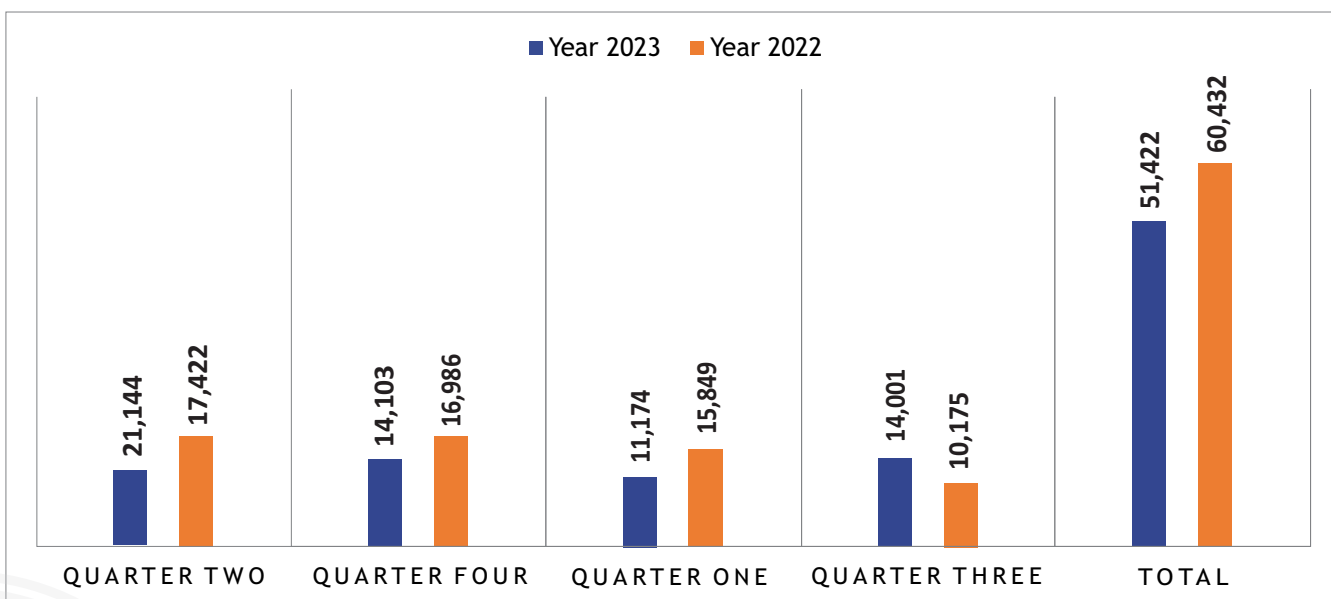


Figure 2.1: Offence Statistics per quarter

2.5.2 Top Ten Common Traffic Offences Recorded in the Year 2023

The table below illustrates the first ten common Traffic offences recorded during the year 2023.

Table 2.6: Top Ten Traffic Offences in the year 2023

No.	2023	Total Offences
1	Expired Road Tax (Road License)	7,750
2	Expired Test Certificate	3,812
3	Expired insurance on M/Vehicle	3,063
4	Dangerous driving	2,796
5	Obstruction of roadway by m/vehicle	2,664
6	Exceeding Speed Limit	1,809
7	Plying for hire or reward	1,790
8	Expired Identity	1,363
9	Unsecured Load	1,270
10	Expired Certificate of Fitness	1,180

2.5.3 Fast Track Court

The fast track courts in Kabwe and Lusaka attended to a total number of 16,405 traffic offences in the year 2023 compared to 10,126 in the corresponding year of 2022. A total of 4,731 were convicted and fined, 18 were withdrawn and 4,610 remained pending.

2.5.4 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 2.7: 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	
1	ABANDONED			1					2		2
2	OBSTRUCTION	21	18	9	11	59				1	1
3	FUEL RAN OUT										
4	RTA	2	2	4	4	12					
5	OTHER			1	1	2			1		1
	TOTAL	23	12	14	17	66			3	1	4
	TOTAL FINE COLLECTED	6,450	4,500	11,025	2,700	24,675			1,285	350	1,635

2.5.5 Quarterly Special Operations - Joint Highway Patrols

During the year under review, the Agency in collaboration with the Zambia Police Service, conducted five (03) joint highway operations targeting the following;

1. Clean up of the Central Business District in Lusaka, Kabwe and Monze.
2. Operation on Piracy in Kabwe.
3. Operations on Piracy in Lusaka, Kafue and Mazabuka.

The Agency also collaborated with Ministry of Transport and Logistics, Controller of Government Transport and the Zambia Police Service to undertake festive season operations.

2.5.6 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 licence 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 37,882 buses were inspected as indicated. A total of 37,952 Buses were inspected in the year 2022, hence there is a reduction of 70 in buses inspected by the year 2023.

2.5.7 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 5,458 Public Service Vehicle (PSV) buses were monitored on 561 different GPS platforms in the year under review. The highest offence recorded from Public Service Vehicle drivers in the year 2023 was exceeding speed limit with 883 offences recorded as indicated in Table below;

Table 2.8: Offences Recorded on GPS

SUMMARY OF GPS RECORDS		
SN	NARRATION	DETAILS
i.	Exceeding Speed Limit	883
ii.	Maximum Speed Recorded	672
iii.	Average speed recorded	497
iv.	Abrogating SI 51	121
v.	Perpetual Offenders	141
vi.	Inactive GPS	42
vii.	Total number of Buses on GPS	5458
viii.	No. of Bus Operators on GPS	1336
ix.	No. of GPS Platforms Monitored	561
x.	Route with the highest record of infringements	Great North Road

2.5.8 Smart Enforcement

On site Mobile Smart Enforcement ticketing trials were conducted in Lusaka and the Copperbelt Province. Offenders were issued tickets for various offences, with tickets being issued using 30 procured Mobile Bluetooth printers. These printers have been delivered countrywide.

On 11th December 2023, 78 Automated Speed Enforcement Cameras under the Safe City Project of the Ministry of Home Affairs and Internal Security went live throughout the country. These cameras were approved by the Zambia Metrology Agency (ZMA). By the end of the year, approximately 33,680 speeding offences were recorded, with ZMW1,452,900.00 paid in fines.

Eight Mobile Automated Enforcement Cameras were delivered in quarter 4 of 2023. These cameras will be deployed across the country in 2024 and will help increase compliance towards speed among motorists and general compliance to statutory obligations.

An online payment system for speed fines was introduced, resulting in increased compliance and revenue for the government.

2.5.9 Fleet Safety Management

In an effort to improve the Country's road safety profile, the Road Transport and Safety Agency in consultation with other stakeholders and with guidance from the Ministry of Transport and Communication (MCT) developed a Fleet Safety Management Guide (FSMG) to provide guidance in the management and improvement of fleet in Zambia by companies.

The objective of the guide was to assist companies to develop their own fleet safety management policies to improve the safety of their fleet, drivers and other road users.

2.5.10 Fleet Risk Assessments and Audits carried out

A total number of Fifty-Nine (51) fleet risk assessments and audits were conducted for both goods and passengers in 2023 as shown in the table below;

Table 2.9: Fleet Risk Assessments and Audits Conducted

S/n	Name of Operator	Category	Base of Operation	Score
1	Peace Soldier	Passengers	Mansa	53%
2.	P. Mwansa	Passengers	Mansa	65%
3.	Chandawesu	Passengers	Mansa	76%
4.	RM Motors	Passengers	Mansa	43%
5.	Mwipu	Passengers	Mansa	31%
6.	Express Line	Passengers	Kabwe	51%
7.	Supa Oil Company	Goods	Kabwe	55%
8	Express Line Transport	Goods	Kabwe	63%
9.	Chamo Milling	Goods	Kabwe	58%
10.	Moyo Farms	Goods	Kabwe	62%
11.	Temalenga	Goods	Kabwe	71%
12.	Reddy's Transport	Goods	Kabwe	72%
13.	Carnot	Goods	Kabwe	70%
14	San He Logistics	Goods	Kabwe	85%
15	Mpanzi Sikaonga	Goods	Kabwe	52%
16.	David Muta Logistics	Goods	Kabwe	62%
17	BUKS Haulage Limited	Goods	Solwezi	96%
18.	Likili Motorways	Passengers	Ndola	87%
19.	Headland Logistics	Goods	Ndola	99%
20.	Mining Haulage	Goods	Ndola	97%
21.	Dairy Gold	Goods	Lusaka	90%
22.	Adrian Kashala	Passengers	Lusaka	68%
23.	Shingalana	Goods	Lusaka	96%
24.	Shaan Carriers	Goods	Lusaka	89%
25.	Zambeef	Goods	Lusaka	96%
26.	Hybrid Poultry Farm	Goods	Lusaka	94%

27.	Kachema Meat Supplies	Goods	Lusaka	83%
28.	Mercury Logistics	Goods	Lusaka	80%
29.	Euro Africa	Passengers	Lusaka	75%
30.	Kobs Transport	Passengers	Lusaka	61%
31.	Juldan Motors	Passengers	Lusaka	69%
32.	Jimbara Merchants	Goods	Mansa	61%
33.	RK Motorways	Passengers	Ndola	34%
34.	LG Travelers	Passengers	Ndola	73%
35.	Zamm Imports	Goods	Ndola	77%
36.	Advance Logistics	Goods	Ndola	98%
37.	Khalif Motors	Goods	Ndola	86%
38.	Midways Investments	Goods	Ndola	85%
39.	Zalawi Transport	Goods	Chingola	97%
40.	Headland Transport	Goods	Chingola	98%
41.	Cam Cam Transport	Goods	Chingola	98%
42.	Powertools	Passengers	Kitwe	98%
43.	G and G Bakery	Goods	Kitwe	73%
44.	Mbwe Motorways	Passengers	Chingola	33%
45.	Temas Transport	Passengers	Chingola	10%
46.	Wada Chovu	Passengers	Luanshya	71%
47.	Ally and Sons	Goods	Chipata	93%
48.	Neeb Logistics	Goods	Chipata	86%
49.	Kavulamungu	Goods	Chipata	90%
50.	Jonda Bus Tours	Passengers	Chipata	68%
51.	Jonda Contractors	Goods	Chipata	68%
52.	Badat Agencies Limited	Goods	Chipata	81%
53.	Aliboo Trading Limited	Goods	Chipata	91%
54.	Nyimba Wholesalers	Goods	Chipata	86%

RATING/VETTING CATEGORY		Colour	Rating		
Category A	75%-100%				Excellent
Category B	65%-75%		✓		Good
Category C	45%-65%				Fair
Category D	Below-45%				Poor

The average score for most operators was good but a lot needs to be done to mainstream FSM in the daily activities of the most PSV operators. The department intends to have a fully-fledged FSM unit to sensitise and enforce the required of FSM as prerequisite to obtain a Road Service Licence (RSL) in order to embrace FSM as a best practice.

2.5.11 Speed Management

The Agency introduced speed enforcement via the Safe City Cameras on 11th December 2023 in order to mitigate over speeding from motorists across the country. These fines are payable and cleared online. Out of the total number of 22,709 offences created, only 4,843 have so far been convicted with 33,680 pending.

2.6 COORDINATING ROAD SAFETY AWARENESS WITH OTHER STAKEHOLDERS

During the year under review, the Agency collaborated with a total number of thirty-four (34) stakeholders compared to the same period in 2022 where thirty-one (31) stakeholders were engaged.

2.6.1 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 Ridgeway Station from 3rd to 6th January, 2023. Approximately six hundred fifty (650) clients were reached out to.

2.6.2 United States Agency for International Development (USAID)

The Agency, at the invitation of the USAID Bicycles for Growth Project, attended a validation meeting on 12th January, 2023 at Lusaka's Southern Sun Hotel. The meeting was held to review and discuss the findings of the Zambia Bicycle Market System Assessment Project conducted in 2022. The assessment examined the structures and dynamics of the market and bicycle usage within Zambia and identified a number of barriers and opportunities to support increased bicycle availability and use. The Agency was represented by officers from Planning, Research and Development (PRD) Department, Engineering Unit, and the Education and Publicity Units.

2.6.3 Special Olympics Zambia

The Agency, through the invitation of Special Olympics Zambia, participated in this year's Special Olympics Unified Sports National Games. The event took place on 21st January, 2023 at Olympic Youth Development Centre (OYDC) in Lusaka. The team set up an information kiosk and sensitised the members of the public on road safety. Various Information, Education and Communication (IEC) materials were distributed. Approximately one hundred fifty (150) clients were reached out to.

2.6.4 Zambia Road Safety Trust (ZRST)

The Agency held a meeting with the Zambia Road Safety Trust (ZRST) on 24th January, 2023 at the RTSA Head Office. The purpose of the meeting was to highlight the core functions of the Education and Publicity Unit. The meeting discussed the various programmes the Agency was undertaking to mitigate Road Traffic Crashes (RTCs) among other things. The meeting further discussed strategies of enhancing collaboration between the Agency and stakeholders so as to improve the road safety profile of the country.

The Agency also attended a stakeholders meeting on 2nd February, 2023 at the ZRST Head Office in Woodlands. The purpose of the meeting was to discuss the measures aimed at reducing speeding and improving compliance to speed limits in Lusaka.

On 6th June, 2023, the Agency participated at a capacity building workshop organised by ZRST on designing of streets for children and vulnerable road users. Officers from the Agency appreciated the best practices of making streets safe for children and vulnerable road users.

Additionally, the Agency attended the launch of Safe School Improvement Infrastructure at Jacaranda Primary School on 7th September, 2023 under ZRST. The RTSA Director and Chief Executive Officer was represented by the Acting Lusaka Province Manager, Ms Rina Mubi, who delivered a speech on his behalf.

Further, officers conducted road safety activities during the 'World Car Free Day' that was organised by ZRST. The event took place on 22nd September, 2023 along Thabo Mbeki and Nangwenya Roads. One of the aims of the event was to promote the use of sustainable transportation alternatives such as walking and cycling. Various Information, Education, and Communication (IEC) materials were distributed. The Agency reached out to two hundred and sixty-five (265) road users.

2.6.5 The Commuter Magazine

The Agency attended a Community Health Clinics Planning Meeting on 2nd February, 2023 at Kamanga Ward Development Centre in Lusaka. The Community Health Clinics were organised by The Commuter Magazine and they are meant to make communities aware of the health and social problems affecting them. These include educating the target audience about drink driving, HIV and alcohol and drug abuse.

The role of the Agency during the meeting was to give guidance on the dissemination of road safety information in bus stations, markets and other public places. The meeting was attended by representatives from Lusaka City Council (LCC) and the Ministry of Health.

The Agency also participated in the Commuter Magazine organised sensitisation programme at Chainda Bus Stop in Lusaka on 6th March, 2023. Various road safety Information, Education and Communication (IEC) materials were distributed. Approximately, fifty-one (51) clients were reached out to.

Others sensitisations were conducted on 19th October, 2023 at Intercity Bus Terminus, Down Town Bus Station, and Kulima Tower Bus Station where a total of two hundred and seventy.

2.6.6 Prudential Life Assurance Zambia (PLAZ)

During the year under review, the Agency attended the launch of the 2023 Safe Steps Road Safety Zambia Campaign on 16th February, 2023 in Lusaka. 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. The total amount pledged towards the campaign by PLAZ was \$122,549.00. The Agency was led by the Deputy Director – Safety, Eng. Alinani Msisya who read a speech on behalf of the Director and Chief Executive Officer, Eng. Amon Mweemba.

The Agency also collaborated with PLAZ in the sensitisation of drivers at various bus stations and taxi ranks in Southern Province and Copperbelt Province. The programme was undertaken from 28th to 30th July, 2023 and 14th to 16th September, 2023 respectively. The sensitisation was conducted in the following areas in Southern Province; Mazabuka, Monze, Choma, Kalomo, and Livingstone where 375 drivers were reached out to. The sensitisation in Copperbelt Province covered Ndola, Kitwe, Mufulira, Chambishi, Luanshya, and Kalulushi where 567 drivers were reached out to.

2.6.7 Lusaka National Museum

The Agency has been collaborating with the Lusaka National Museum by sensitising invited schools on road safety during their Literacy Programmes. 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 104 learners were sensitised in the literacy programme as shown below.

Table 2.10: List of schools sensitised during the Literacy Programme

S/N	Name of School	Number of Learners	Date
01	Majestic Kids' Academy	22	24/02/23
02	Mtendere Community School	22	15/03/2023
03	Jacaranda Primary School	20	24/05/2023
04	Chisengalumbwe Primary School	20	21/06/2023
05	Kabwata Primary School	20	21/07/2023
	TOTAL	104	

Additionally, the Agency participated at the Literacy Quiz which was held on 26th October, 2023 at the Lusaka National Museum. The quiz included road safety questions. The Agency donated 30 RTSA branded school bags and 100 RTSA branded pencil cases as prizes for participating schools. There were one hundred (100) learners from five different schools namely; Majestic Kids academy, Mtendere Community School, Jacaranda Primary School, Chisengalumbwe Primary School and Kamwala Primary School.

2.6.8 Eagles Nest School

The Safety Directorate sensitised learners and parents at Eagles Nest Primary School during EAGLESPELL IT Competition which was held on 24th March, 2023. The Agency also sponsored the event by providing forty-five (45) RTSA branded school bags and forty-five (45) RTSA branded pencil cases towards the competition. The Agency also provided the school with some road safety quiz questions which were also used in the competition. Approximately two hundred seventy five (275) learners and forty (40) parents were in attendance.

2.6.9 Ministry of Education (MoE)

The Agency, in collaboration with the Ministry of Education (MoE), held a workshop to harmonise and validate the translated Zambian Highway. The Highway Code was translated into the seven Zambian zonal languages, Chinese language and it was also transcribed to Braille. The harmonisation and validation took place from the 17th to 30th April, 2023 at House of Excellence Lodge in Kafue District. The exercise was completed successfully as the first drafts of the highway codes were printed. The translated Highway Code is scheduled to be printed in third quarter, 2023.

2.6.10 Zambian Breweries (ZB) PLC

The Agency partnered with Zambian Breweries (ZB) PLC and conducted road safety sensitisations during the 2023 Mosi Day of Thunder which was held in Livingstone on 29th April, 2023. The sensitisation activities were conducted at Basiku Ground and at Maramba Market where a road show was held on 29th April, 2023. The sensitisation was also conducted at Saxon Complex in Dambwa North where a road show was held and at Mosi-O-Tunya Square where an information kiosk was set up on 30th April, 2023 and 1st May, 2023 respectively. Approximately, seven hundred eighty (780) clients were reached out to during the sensitisation.

2.6.11 United Nations Development Programme (UNDP)

The Agency, in collaboration with the United Nations Development Programme (UNDP), donated medical supplies and equipment to Mtendere Mission Hospital in Chirundu on 28th December, 2023. The items were procured by the UNDP as part of the #moments2live4 Campaign which advocates supporting people who help make our roads safer. The team was led by the Deputy Director - Safety, who represented the Director and Chief Executive Officer.

Further, with support from the UNDP, the Agency commemorated the 7th United Nations Global Road Safety Week which was held from 15th to 21st May, 2023 under the theme 'Sustainable Transport'. The theme emphasised on the need for Government to facilitate a shift to walking, cycling and using public transport. A number of road safety awareness activities were conducted in public places and various road safety Information, Education, and Communication (IEC) materials were distributed.

2.6.12 National Health Research Authority

The Agency attended a meeting which was conducted by the National Health Research Authority on 31st May, 2023 at Taj Pamodzi Hotel. The purpose of the meeting was to validate the key research areas/priorities in Public Health for the year 2023. The key research areas are meant to strengthen the National Health Research System. The meeting also aimed at finalising the National Health Research Agenda for 2022-2026 set in November, 2023.

2.6.13 World Vision Zambia

The Agency held a meeting with World Vision Zambia on 31st May, 2023 at the RTSA Head Office. The purpose of the meeting was to discuss possible partnership on road safety activities. These included a project to improve road infrastructure and sensitisations in schools among others. This comes in the wake of the numerous Road Traffic Crashes (RTCs) that have been recorded involving World Vision fleet of vehicles and school-going children. World Vision Zambia will fund the project which was expected to be undertaken within a period of four (04) months. The Agency was tasked to come up with costing for both logistical and materials for the twenty-three (23) site offices countrywide.

On 30th June, 2023, the Agency attended the Drive Safe Training of Trainers workshop under World Vision Zambia in Chisamba at Fringila Lodge. The training was meant to equip drivers with general road safety and defensive driving knowledge. The drivers were drawn from World Vision Stations across the country. The World Vision Zambia Chief Executive Officer was present and a discussion was made on the plan to collaborate on safe infrastructure for schools and sensitisations in the areas where they have their Centres countrywide.

2.6.14 Ministry of Local Government and Rural Development (MLGRD)

The Agency at the invitation of the Ministry of Local Government and Rural Development (MLGRD), attended a meeting and press briefing on illegal selling and abuse of alcohol in Zambia. The meeting took place at the Mulungushi International Conference Centre (MICC) on 31st May, 2023. The objectives of the meeting were to build consensus among stakeholders on addressing alcoholism and illegal production, distribution and sale of alcohol and also to agree on the way forward on managing challenges associated with alcohol.

The meeting was concluded with a joint press statement read by the Guest of Honour, Honourable Garry C. Nkombo, Minister of Local Government and Rural Development (MLGRD). The statement was a representation of what was agreed by representatives from Ministries, Departments and Agencies (MDAs), traditional leaders, religious organisations, political parties, and Civil Society Organisations (CSOs) present.

2.6.15 World Bicycle Relief (WBR)

The Agency, in collaboration with World Bicycle Relief (WBR), joined the rest of the world in commemorating World Bicycle Day which falls on 3rd June every year. This day is celebrated globally so as to appreciate the many ways that bicycles improve people's lives and it was officially declared by the United Nations in April, 2018. This year's World Bicycle Day was commemorated on 2nd June, 2023 under the theme 'Pedal to Empower'. In order to demonstrate the important aspect of road safety, the Agency provided helmets for all the riders. The event was graced by Mr. Mwila Chikula, the Director, in the Ministry of Small and Medium Enterprises Development on behalf of the Permanent Secretary.

The Agency also conducted road safety awareness during the WBR bicycle distribution programme in Petauke District from 21st -24th August, 2023. The exercise was designed to sensitise learners, parents/guardians, teachers, and other community members on cyclist safety and road safety in general in order to prevent Road Traffic Crashes (RTCs). Additionally, the Agency handed out various road safety IEC materials such as highway codes, thematic brochures, branded t-shirts, and cyclist vests.

The sensitisation was conducted at the following schools Mtukuzi Primary School, Kawere Primary School, and Kabvumbe Primary School with a total number of 1,097 people were reached out to.

2.6.16 Chongwe Scouts Association of Zambia

The Agency was invited by the Chongwe Scouts Association of Zambia and attended an Adult Scout Leaders Residential Training which was held on 13th June, 2023, at Teen Ranch Zambia in Nampundwe Shibuyunji District. The training's main objective was to equip Adult Scout Leaders with leadership skills and education that would enable them become responsible citizens. The role of the Agency was to sensitise the scouts on road safety. A total number of twenty (24) scouts were sensitised.

2.6.17 Drug Enforcement Commission (DEC)

On 16th and 17th June, 2023, at the invitation of the Drug Enforcement Commission (DEC), the Agency conducted road safety sensitisation of members of the public in George and Chawama Compounds in Lusaka respectively. The activities were part of the lined up activities towards the commemoration of the International Day against Drug and Illicit Trafficking which fell on 26th June, 2023. There were approximately five hundred and twenty (520) people reached out to.

The Agency was on 26th June, 2023 invited by the DEC in Lusaka as they joined the rest of the world in commemorating the International Day against Drug Abuse and Illicit Trafficking at the Zambia National Service (ZNS) Banquet Hall in Chamba Valley. The commemoration was held under the theme, 'Save a Life: Addressing Challenges of Drug and Substance Abuse among the Youth through Advocacy and Collaboration'.

The RTSA Choma and Mansa staff also undertook sensitisation activities in their Provinces during the commemoration.

2.6.18 Library and Information Association of Zambia (LIAZ)

The Road Safety Department facilitated for the participation of officers during commemoration of the 2023 National Library Week in Mansa, Luapula Province. The commemoration ran from 19th to 23rd June, 2023 and was it commemorated under the theme: 'There is more to the Story'. This is an annual event which is commemorated globally in the month of June. The event took place on Wednesday 21st June, 2023 from 08:30 hours to 14:00 hours at Luapula Provincial Library in Mansa District. Approximately, two hundred and thirty (230) people were reached out to.

2.6.19 Office of the President (Public Service Management Division - PSMD)

The Agency participated at the Africa Public Service Day which was commemorated from 21st to 23rd June, 2023 at Arcades Shopping Mall in Lusaka. The Day was commemorated under the theme 'Entrenching Citizens-Centred Delivery Culture: Partnering with the Youth for Africa's Transformation'.

The Agency provided services such as printing of road tax and fitness forms and sensitisation of members of the public on road safety. Various Information, Education, and Communication (IEC) materials such as thematic brochures, branded key holders and pens were distributed to members of the public. The approximate number of clients reached out to was four hundred and fifty (450).

2.6.20 Zambia Motor Sports Association (ZMSA)

The Agency participated at the Planet Spares Motor Rally organised by the Zambia Motor Sport Association (ZMSA). Officers mounted information kiosks where road safety information was disseminated to members of the public. The Department also provided zero cars that officers used to ensure that the race track was clear of any obstructions before the race. The Rally took place from 8th to 9th July, 2023 at the Lusaka Motor Sports Club in the Show Grounds and Zambezi Ranching and Cropping Farm in Chisamba respectively. There were approximately two hundred and sixty (260) road users reached out to.

2.6.21 Seventh Day Adventist (SDA) Church

On 23rd August, 2023, the Directorate conducted road safety sensitisation to youths at Munyati Seventh Day (SDA) Camp Meeting Site in Mwembeshi. The presentation 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. One thousand, eight hundred and ninety-seven (1,897) road users were reached out to.

2.6.22 Zambia Red Cross Society (ZRCS)

The Agency, at the invitation of the Zambia Red Cross Society (ZRCS), participated in the Zambia Red Cross Society stakeholder engagement first aid workshop. The workshop was held on 1st September, 2023 in Lusaka. The purpose of the workshop was to strengthen stakeholder collaboration in the management of occupational health and first aid in the community. An officer from the Directorate made a presentation on the partnership between the RTSA and ZRCS in the provision of first aid training in schools and the community. A total number of nineteen (19) participants were in attendance.

Further, the Agency participated in the World First Aid Day Commemoration on 9th September, 2023 in Lusaka. Officers exhibited at the event and they interacted with the public discussing road safety and services offered by the Agency. Various Information, Education, and Communication (IEC) materials were distributed during the event. A total number of three hundred and fifty (350) road users were reached out to.

2.6.23 Butterfly Entertainment Limited

The Agency participated in the Butterfly Entertainment Limited organised Kids Festival (Education Expo) at NASDEC on 2nd September, 2023. Officers set up an information kiosk and they sensitised the public on road safety. Various road safety Information, Education, and Communication (IEC) materials were distributed during the event. The Agency reached out to one hundred and forty-three (143) road users.

2.6.24 The World Bank Group

The Agency attended the World Bank Supervision Support Mission for the Improved Rural Connectivity Project (IRCP) from 7th to 8th September, 2023 in Lusaka at the World Bank Office. The primary aim of the Mission was to revolve on the restructuring of the Project (Component 1) and the modification of indicators and the progress on civil works, among others.

The Agency also attended a Workshop on Public-Private Partnerships (PPPs) in the Road Sector in Zambia from 11th to 12th September, 2023 in Lusaka. The workshop was organised by The World Bank Group, in collaboration with the Ministry of Finance and National Planning. The workshop was centred on how to support the Government make informed decisions, sharing of the international experience in PPPs, and to how to support government plans in the development of PPPs strategies.

The Agency further held discussions with the Bank Missions for the implementation of a SMART Corridor between Lusaka and Nakonde. This covers Intelligent Transport Systems (ITS) to deliver safe and efficient transport along the corridor. Fifty Four Million United States Dollars (USD\$54,000,000) United States dollars has been allocated for the SMART corridor project under the Transport Corridors for Economic Resilience (TRACER) Project to be Managed by the Road Development Agency(RDA) with a total funding of Two Hundred and Seventy Million United States Dollars to rehabilitate the Serenje Mpika road.

Additionally, the Agency had a meeting with World Bank on 27th November, 2023 in the RTSA Boardroom. The objective of the meeting was to assess the status of emergency services and financing in Zambia, including recommendations for a post – trauma care pilot under the Transport Corridors for Economic Resilience (TRACER) Project.

2.6.25 Community Emergency Rescue Service (CERS)

The Directorate had a meeting on 18th September, 2023 with Community Emergency Rescue Service (CERS) at the RTSA Head Office. The primary aim of the meeting was to understand how the Community Emergency Rescue Services intends to implement Post Crash Care services in Zambia. The meeting further aimed at understanding the scope of Community Emergency Rescue Services and the cooperating partners through the establishment of the trauma centres or the Emergency Response Centres across the country.

2.6.26 National Road Fund Agency (NRFA)

The Agency, in collaboration with the National Road Fund Agency (NRFA), conducted joint Road Licence Anniversary/E toll card awareness campaign. The Campaign was conducted from 15th – 22nd September, 2023 at toll stations in the Copperbelt Province. The Agency sensitised the road users on Road Tax Anniversary and other road safety matters. The team also conducted spot checks to interact with road users whilst informing them on the need to adhere to road safety rules and regulations. There were eight hundred and twenty-five (825) road users reached out to.

2.6.27 Disaster Management and Mitigation Unit (DMMU)

The Agency participated in the commemoration of the International Day for Disaster Risk Reduction which was held on 13th October, 2023 under the theme: “Fighting Inequality for a Resilient Future”. The theme aligns with the Sendai Framework, on preventing and reducing losses in lives, livelihood, economic and basic infrastructure.

2.6.28 Society of Anesthetists in Zambia

The Agency attended an inter-disciplinary, multi – sectoral indaba on the financial, infrastructural and expertise challenges in achieving safe efficient, sustainable surgical, trauma and anesthesia service in Zambia. The indaba was held on 16th November, 2023 at Radisson Blu Hotel and was organised by Society of Anaesthetists of Zambia.

2.6.29 Safety for People on the Move

The Agency participated at the football tournament which was held on 9th and 10th December, 2023 at Olympic Youth Development Centre (OYDC) under the theme: ‘Play for Safety’. The aim of the event was to promote road safety education among PSV drivers. The Agency disseminated road safety materials during the event and give out Highway Codes and various thematic brochures. There were two hundred and sixty (260) road users reached out to.





ROAD TRANSPORT DEPARTMENT

3.0 IMPROVING ROAD TRANSPORT AND SAFETY

3.1 Implementation of the provisions of the Road Traffic (Amendment) Act No.8 of 2022

The Road Traffic (Amendment) Act No.8 of 2022 was enacted into Law on 9th August 2022. Therefore, a total of Twelve (12) provisions, relating to road transport, have since been implemented and four (4) are yet to be implemented. These require promulgation of Statutory Instruments (SI) namely introduction of probationary driver licence, issuance of number plate manufacturer's or embosser's permit, licensing of online car hailing operators and addition of Fleet Safety Management Policy as a condition for award of Road Service Licence (RSL). Three Draft Statutory Instruments were submitted to Ministry of Justice for consideration.

3.1.2 Enhancing compliance through Examinations, Registration and Licensing

3.1.3 Examinations

The following transactions were recorded under examinations of motor vehicles, trailers and drivers. The total number of transactions for period under review were 760,291. There was an increase in transactions by 97,149 (14.6%) compared to the previous year which had 663,142. The increase was attributed to an increase in the number of vehicle physical inspections for various registration purposes, practical and theory test transactions for period under review.

The highest number of transactions recorded was that of roadworthiness (test certificates) at 273,984 (36.04%), followed by vehicle physical inspections at 177,474 (23.34%), Driver theory test at 131,204 (17.26%), Driver practical test at 118,188 (15.56%), roadworthiness (Certificate of fitness) at 57,250 (7.5%) and Road Traffic Crash examinations at 2,090 (0.28%). The lowest number of transactions were that of mobile examinations and instructor competency test at 56 (0.007%) and 45 (0.006%) respectively.

The figure below shows Comparative distribution of transactions for the period under review.

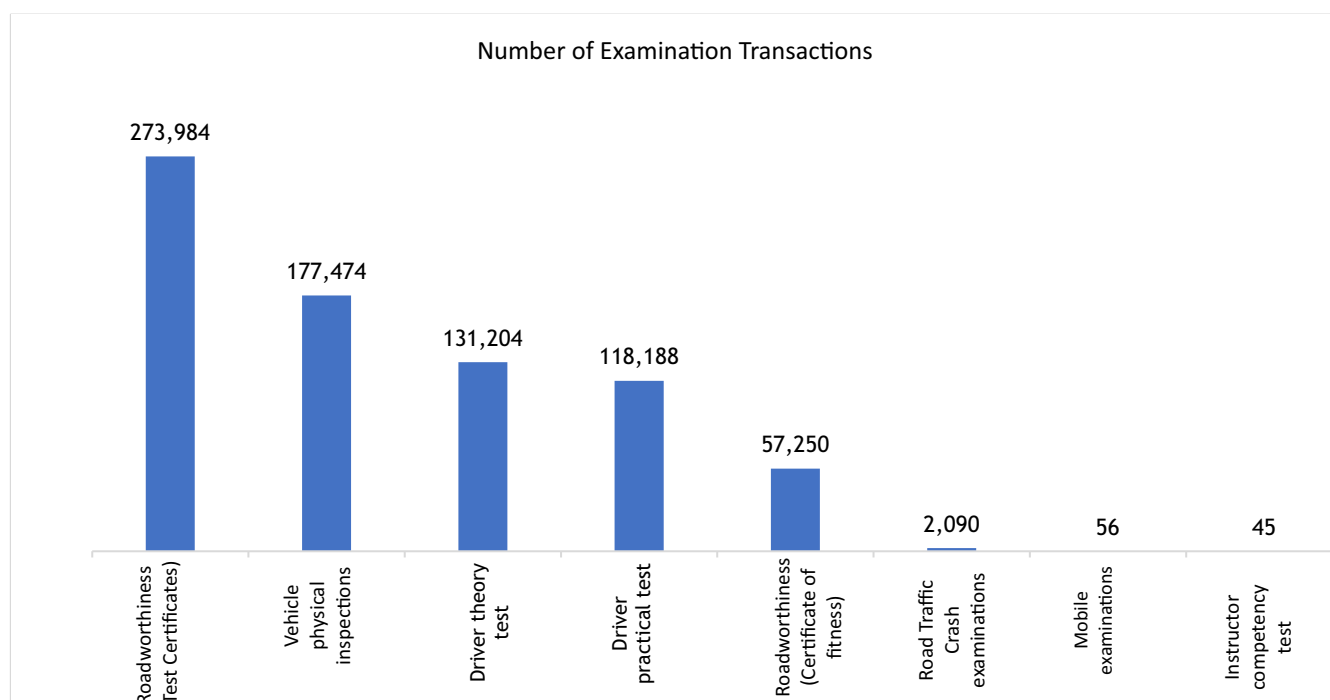


Figure 3.1: Comparative distribution of transactions for the period under review.

3.1.4 Driver examinations

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

a) Theory driver test

Theory test is conducted to ascertain an applicant's driving knowledge. For theory test, figure 2 shows the number of applicants who were tested, passed and failed the test.

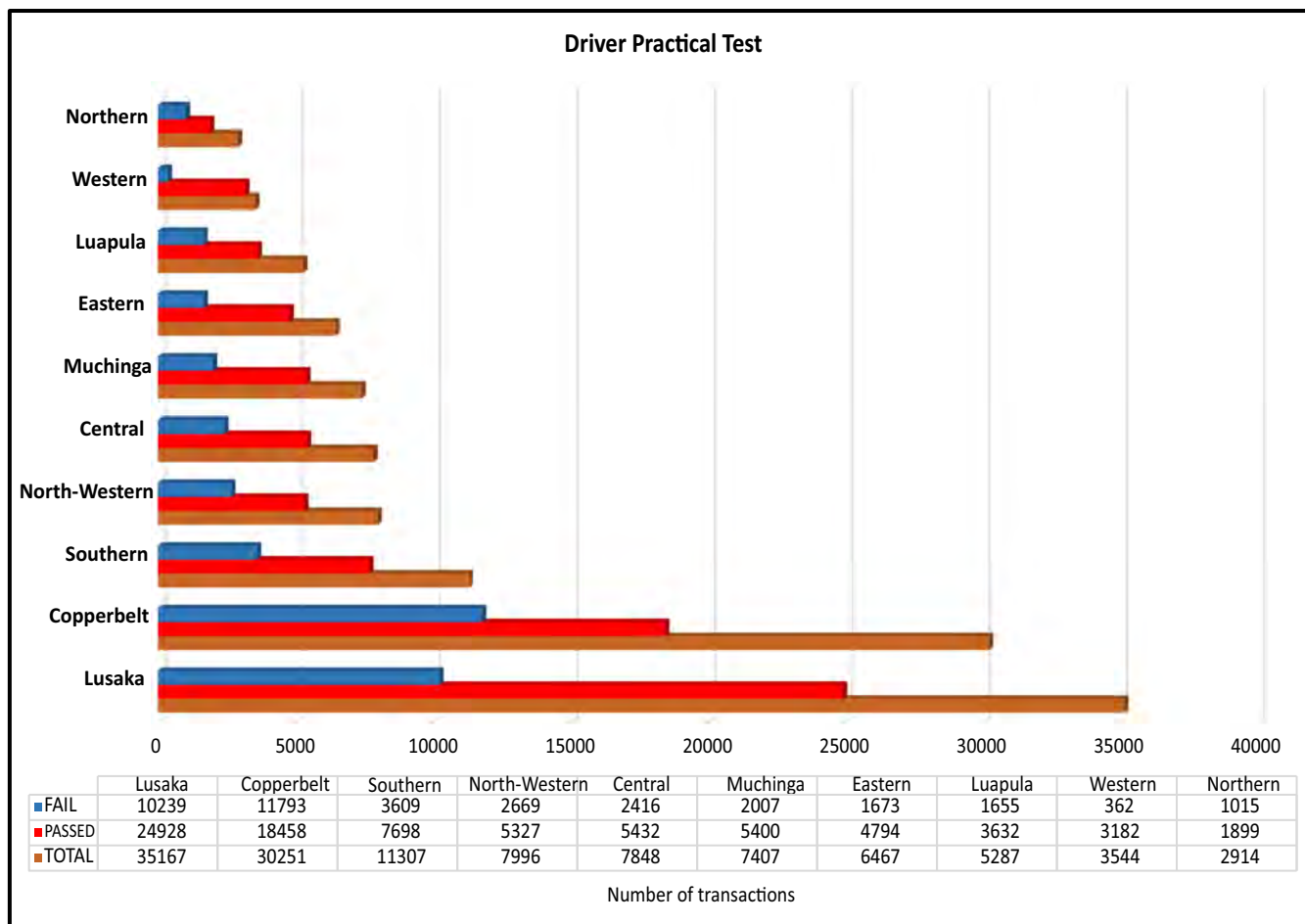


Figure 3.3: shows the distribution of applicants tested, passed and failed.

During the period under review, a total of 118,098 learner drivers, in any preferred class and category, were tested across the country and 80,750 candidates were issued with drivers' licenses whilst 37,348 failed. Comparatively, in 2022, 111,558 learner drivers were tested, 70,151 passed while 41,407 failed. The total number of learner drivers tested increased by 5,830 (5.2%) as compared to 2022. The increase in the number of candidates was attributed to the increased number of candidates who were sponsored to acquire driving skills through the Constituency Development Fund (CDF). The candidates were trained by the Technical Education, Vocational and Entrepreneurship Training Authority (TEVETA) accredited driving schools.

Lusaka Province recorded the highest number of applicants with 29.7%, followed by Copperbelt Province with 25.5%. The least was Northern Province which accounted for 2.5%.

For the period under review, the pass rate stood at 68.3% compared to 63.1% in 2022 and 67.2% in 2021.

b) 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.

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

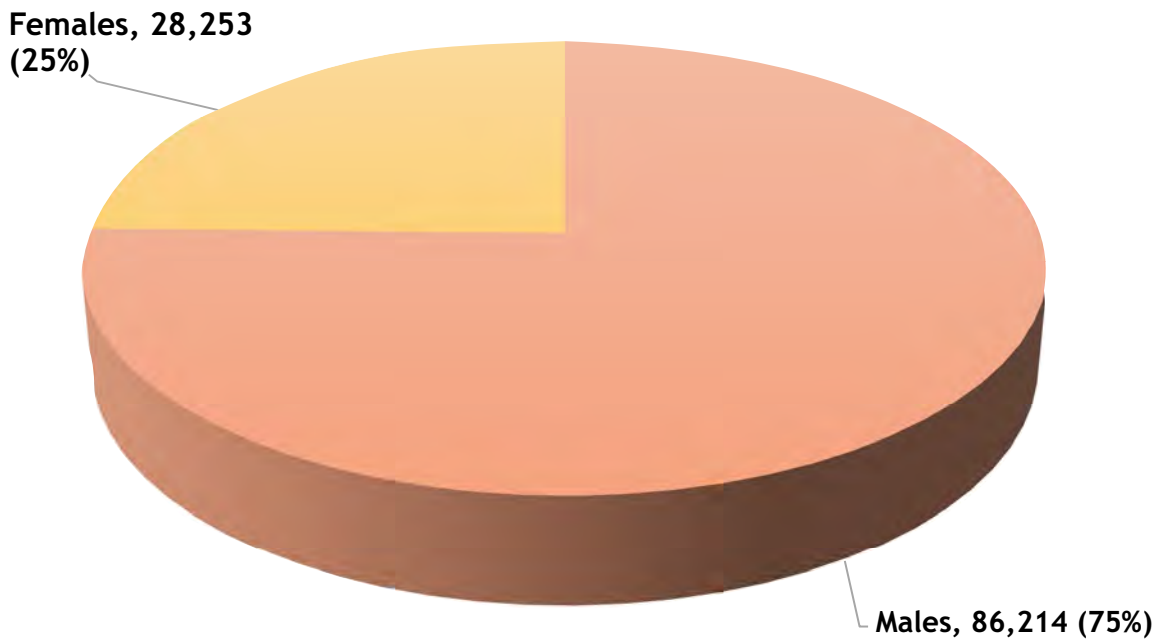


Figure 3.4: Driver mentorship enrollment by gender

During the period under review, the total number of enrolled candidates was 114,476 compared to 92,282 candidates enrolled in the previous year and 91,621 in 2021. There was a significant increase in the number of candidates enrolled by 22,194 representing 24% increase. With regards to gender, the national enrollment rate for male candidates accounted for 75% while female was 25%.

3.1.5 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

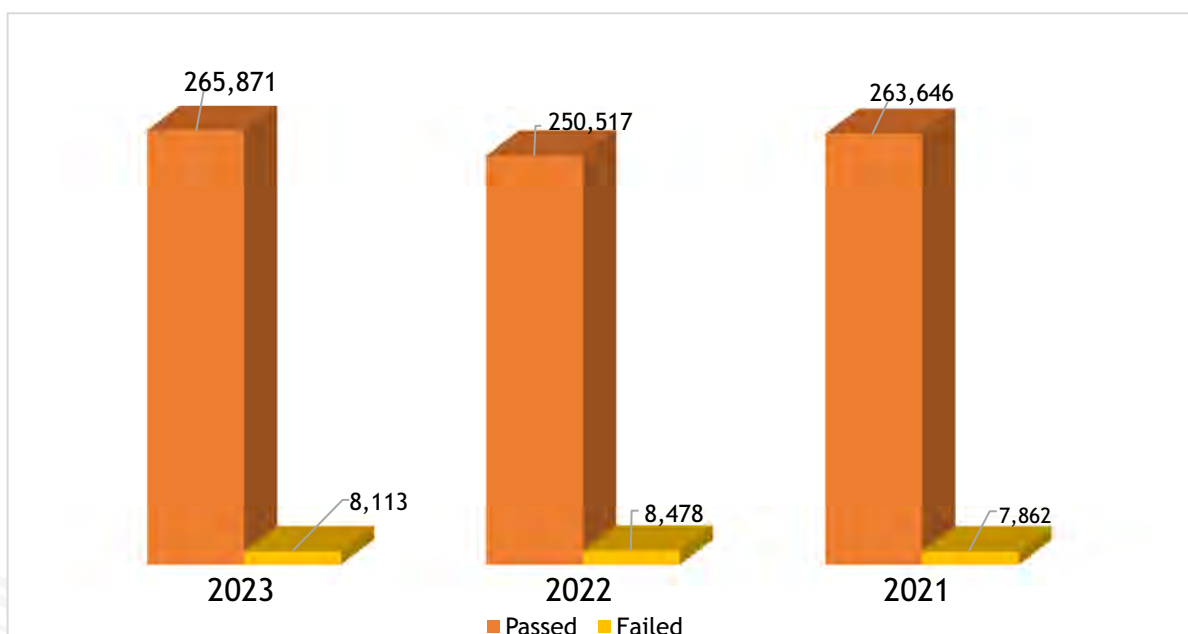


Figure 3.5: Number of roadworthiness examinations transactions (Test Certificates)

During the period under review, a total number of 273,984 motor vehicles and trailers were examined for road worthiness for the issuance of test certificates of which 265,871 passed while 8,113 failed. Comparatively, 258,995 motor vehicles were examined and 250,517 passed while 8,478 failed in 2022. There was an increase in the number of vehicles examined for roadworthiness by 15,467 (5.9%) compared to 2022.

Lusaka Province recorded the highest number of vehicles subjected to roadworthiness examination with 128,459 (46.9%), followed by Copperbelt Province with 72,484 (26.5%) and Western Province had the lowest with 3,772 (1.4%).

b. Public Service Vehicle (PSV) examinations

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

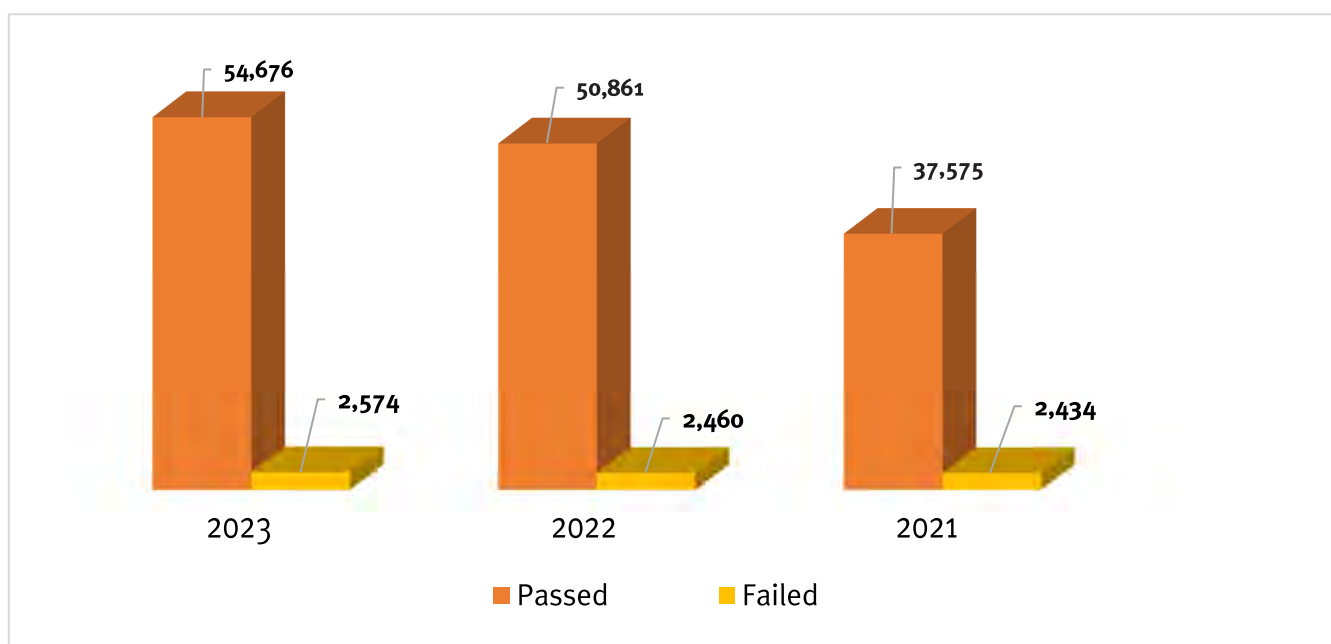


Figure 3.6: shows the number of roadworthiness examinations transactions (Certificate of Fitness)

During the period under review, a total of 57,250 Public Service Vehicles (PSV) were examined for issuance of Certificate of Fitness of which 54,676 passed while 2,574 failed. Comparatively, 53,321 Public Service Vehicles were examined in 2022 and 50,861 passed while 2,460 failed. The increase in number of public service vehicles examined by 2,574 (4.8%) for COF and was attributed to an increase in the number of commercial vehicles registered during the period under review.

Lusaka Province had the highest number of Public Service Vehicles (PSV) subjected to roadworthiness examination with 22,175 (38.7%), followed by Copperbelt Province with 21,709 (37.9%) and Western Province had the lowest with 650 (1.1%).

3.1.6 Motor vehicle physical examinations

During the year under review, a total number of 177,474 vehicles were inspected for various registration purposes compared to 133,350 and 142,477 in 2022 and 2021 respectively. 67% of the physical inspections were for new registration and change of ownership transactions.

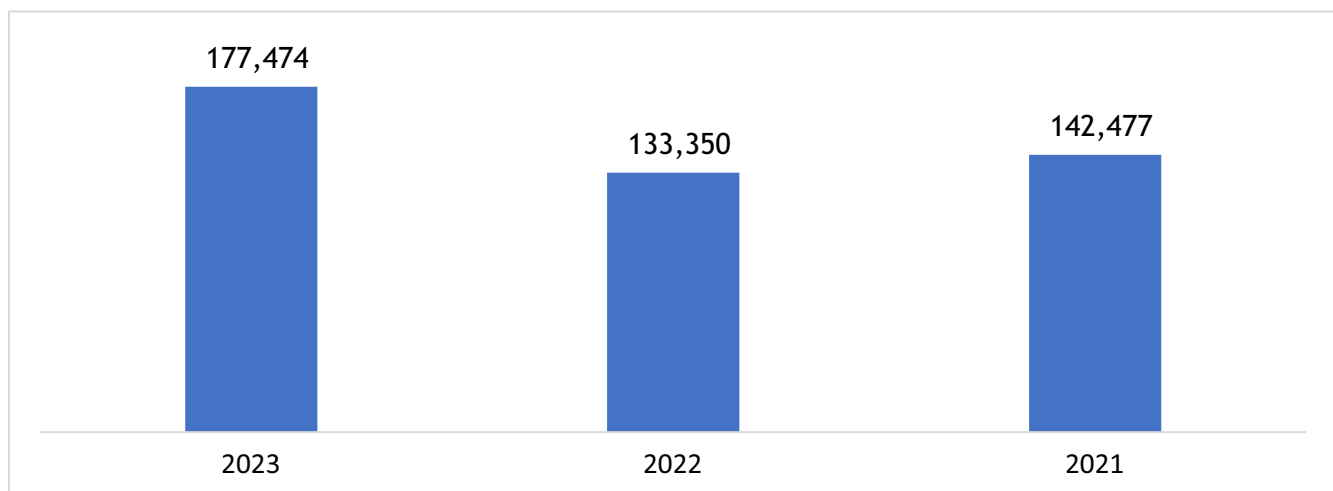


Figure 3.7: Comparative statistics for physical inspection

Lusaka Province accounted for 118,288 (66.7%), followed by Copperbelt with 31,217 (17.6%), due to many Motor dealers and Franchise holders, and the lowest was Northern Province with 600 (0.33%).

3.1.7 Road Traffic Crash vehicle examinations

During the period under review, 2,090 motor vehicles involved in Road Traffic Crashes (RTCs) were examined of which 857 were fatal, 747 serious injuries, 295 slight injuries and 200 were damages only.

Comparatively, 1,901 motor vehicles were examined in 2022 of which 793 were fatal, 684 serious injuries, 283 slight injuries and 203 damages only. There was an increase in motor vehicles involved in RTCs that were examined by 314 compared to the previous year.

3.1.8 Instructor competence test

This test is conducted on applicants wishing to obtain an instructors' license and for the period under review, Forty-five (45) Instructors were tested for competence and issued with Instructor's Licences compared to Forty-one (41) Instructor's Licences which were issued in year 2023.

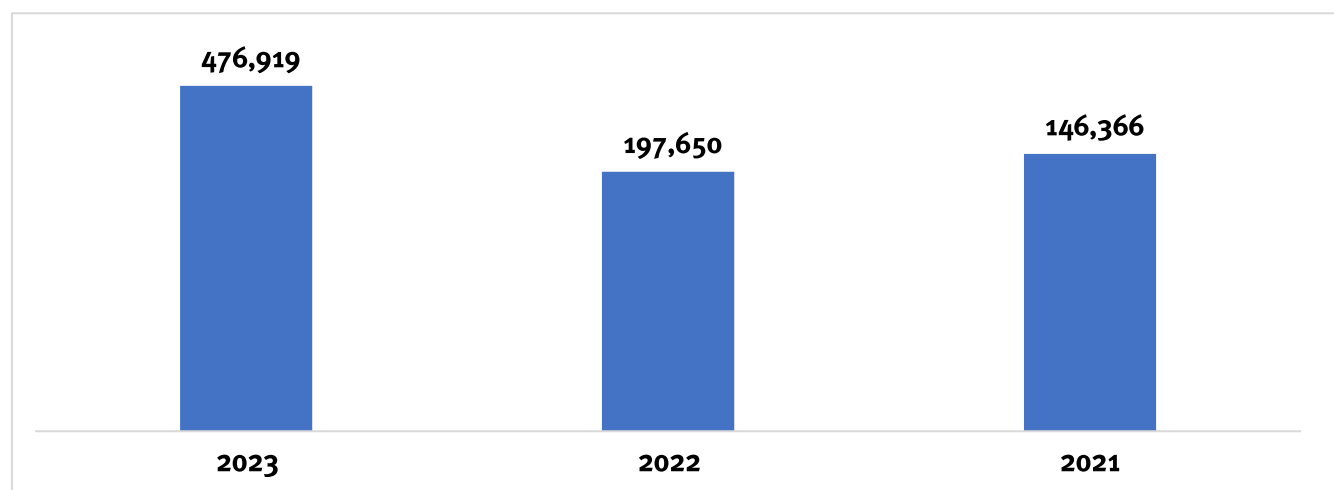
3.1.9 Registration

The Agency recorded 476,919 transactions against a target of 200,000 compared to 197,650 in 2022 and 146,366 in 2021. 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 for the period under review.

S/n	Type of transaction	1st Period 2023	2nd Period 2023	3rd Period 2023	4th Period 2023	Total (Annual)	Percentage (%)
1	De-registration	75	69	223,171	65	223,380	46.8
2	Imports	25,371	29,152	34,655	33,597	122,775	25.7
3	First registration	19,395	19,837	20,042	27,572	86,846	18.2
4	Change of ownership	8,241	8,986	8,869	9,179	35,275	7.4
5	Add and amend title holder	1,646	1,704	2,021	2,154	7,525	1.6
6	Vanity registration	93	123	66	101	383	0.08
7	Retention	70	118	83	45	316	0.07
8	Assignment of registration mark currently in use or not in use(Preferred)	97	82	73	26	278	0.06
9	Re-registration	34	42	14	47	137	0.03
10	Conversions	1	1	0	2	4	0.001
Total 2023		55,023	60,114	288,994	72,788	476,919	100

During the period under review, the highest number of transactions recorded was de-registration at 223,380 (46.8%) followed by vehicle imports at 122,775 (25.7%), first registration accounted for 86,846 (18.2%), change of ownership at 35,275 (7.4%), addition and amendment of absolute owner at 7,525 (1.6%), vanity at 383 (0.08%), re-allocation/retention at 316 (0.07%); assignment of registration mark not in use (preferred) at 278 (0.06%), re-registration at 137, (0.03%) and conversion with 4 (0.001%).



During the period under review, there was an increase of 279,269 (145.7%) transactions compared to the previous year due to increased transactions on de-registration, vehicle importation, first registration and change of vehicle ownership.

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

3.1.10 Imports

The Agency determines the number of imports using the Motor Vehicle Fund (MVF) collected through the Zambia Revenue Authority (ZRA). During the period under review, 122,775 motor vehicles were imported in comparison to 92,895 imported in 2022 and 64,256 in 2021.

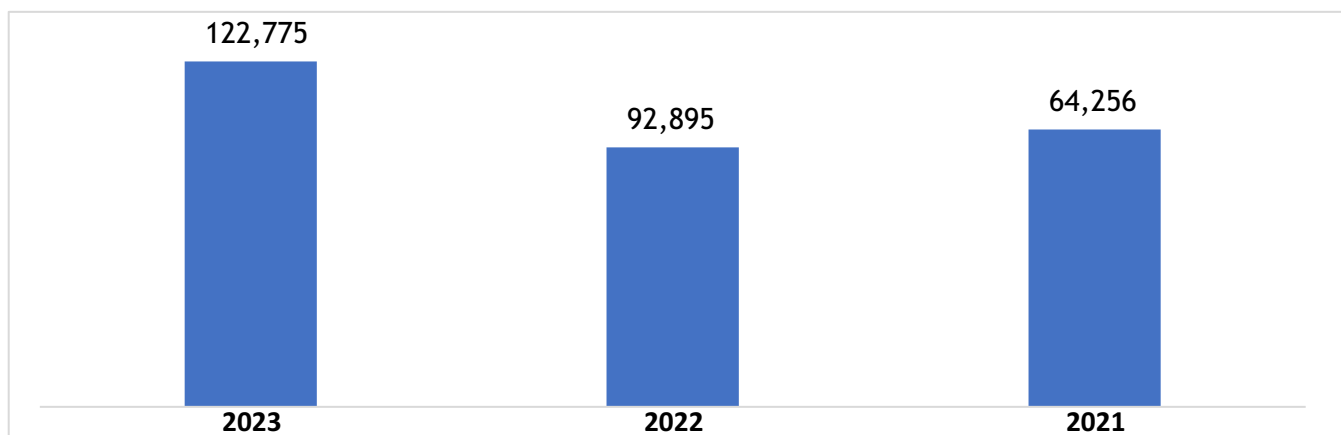


Figure 3.9: Shows comparative vehicle imports.

During the period under review, there was a significant increase in the number of imports by 29,880 (32.17%) compared to 2022. Nakonde border post recorded the highest number of vehicle importations into the country.

3.1.11 First Registration

A total of 86,846 vehicles against a target of 70,000, were registered in the period under review compared to 61,051 vehicles registered in 2022 and 45,277 in 2021 on the Electronic Zambia Transport Information System (E-ZamTIS). The figure below shows comparative number of first registration transactions.

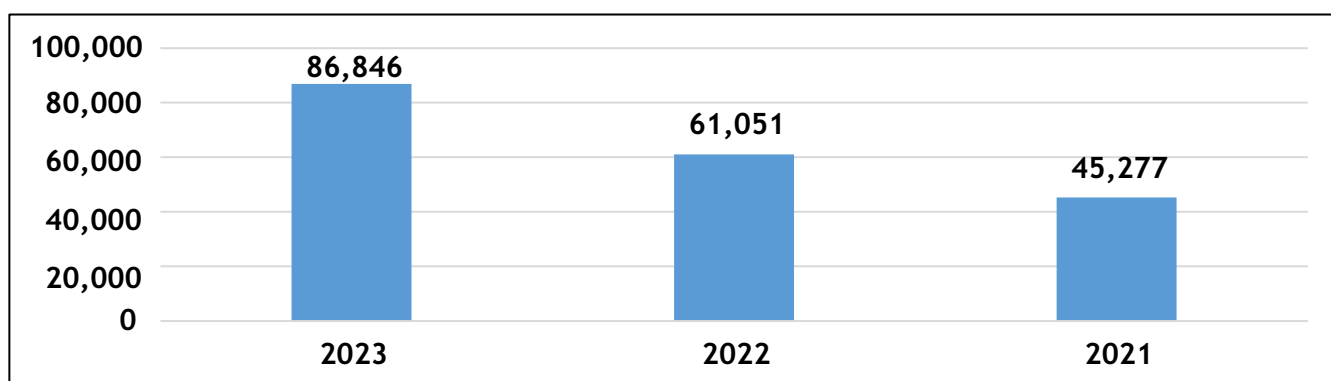


Figure 3.10: Comparative number of first registration transactions.

There was a significant increase by 25,795 (42.3%) vehicles compared to 2022. From a total of 122,775 vehicles that were imported in the period under review, 86,846 were registered while 35,929 remained unregistered. The difference between imported and registered vehicles is mainly due to the lead-time that franchise holders and motor dealers keep their motor vehicles before effecting any sale and the social economic changes in the environment.

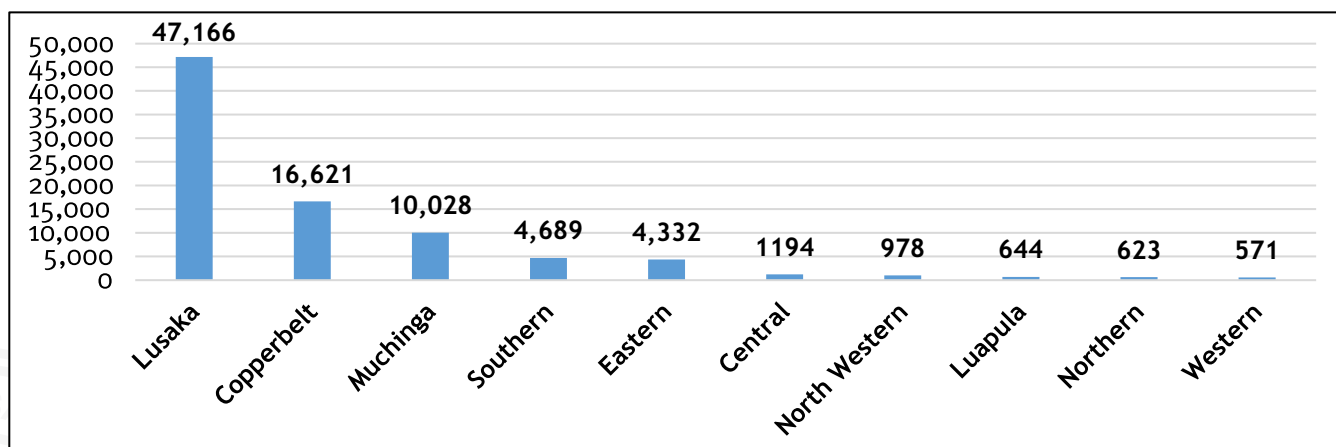


Figure 3.11: Comparative number of first registration

Regarding performance by region, Lusaka Province recorded the highest first registration transactions with 47,166 followed by Copperbelt Province with 16,621 while Northern and Western provinces had the lowest transactions with 623 and 571 respectively.

3.1.12 Change of vehicle ownership

A total of 35,275 change of vehicle ownership transactions, against a target of 30,000, were conducted during the period under review in comparison to 36,047 recorded in 2022. The decrease by 772 (2.1 %) can be attributed to people's preference in buying imported vehicles from the foreign Market.

3.1.13 Addition of title holder and amend or removal of absolute owner

A total of 7,525 transactions, against a target of 5,000, were conducted in the period under review compared to 5,889 recorded in 2022. There was a significant increase by 1,636 (27.8%) in use of motor vehicles as collateral in accessing loan facilities from financial institutions.

3.1.14 Vanity or personalised registration

A total of 383 vanity or personalized registration transactions, against a target of 300, were recorded during the period under review compared to 387 in 2022. A marginal decrease by 4 (1%) represents the same trend on peoples need to bear personalized marks on their vehicles

3.1.15 Re-allocation registration

A total of 316 registration marks and numbers, against a target of 300, were re-allocated during the period under review compared to 344 in 2022 and 254 in 2021. This shows a reduction in the number of diplomatic registration marks and numbers which reverted to ordinary marks after being sold compared to previous year.

3.1.16 Re-registration

During the period under review, 137 motor vehicles, against a target of 120, were re-registered compared to 142 recorded in the 2022 and 149 in 2021. This was mostly done on vehicles which had the same mark for more than Ten (10) years or re-imported.

3.1.17 De-registration

A total of 223,380 motor vehicles were de-registered in the period under review compared to 509 in 2022 and 399 in 2021.

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

During the period under review, 278 motor vehicles were registered under this transaction compared to 347 in 2022 and 330 in 2021. This shows a reduction in the number of clients requesting for preferred numbers.

3.1.18 Conversion Registration

During the period under review, four (4) motor vehicles were registered under conversion registration compared to 39 in 2022 and 56 in 2021. There has been continued reduction in the number of conversion transactions from blue or white books to the current system generated registration certificates.

3.1.19 GRZ Registration

During the year under review, 1,114 Government of the Republic of Zambia vehicles were registered on the electronic Zambia Transport Information system (e-ZamTIS). The Cumulative number of Government Vehicles registered in our system stood at 1,114. Registration of Government Vehicles has been centralized and its being conducted in Lusaka Province only.

Table 3.2: Shows cumulative GRZ vehicle registration

Period	1 st Period 2023	2 nd Period 2023	3 rd Period 2023	4 th Period 2023
Vehicles registered	11	357	528	218
Cumulative vehicle population	11	368	896	1,114

3.1.20 Cumulative vehicle population

A total of 86,846 motor vehicles and trailers were registered in the period under review and the cumulative vehicle population stood at 823,703 after having deregistered 223,380 in 2023.

Table 3.3: Shows cumulative vehicle population

Period	1 st Period 2023	2 nd Period 2023	3 rd Period 2023	4 th Period 2023
Registered Vehicles	19,395	19,837	20,042	27,572
vehicles de -registered	(75)	(69)	(223,171)	(65)
Cumulative vehicle population	979,557	999,325	796,196	823,703

3.1.21 Licensing

During the period under review, a total of 1,303, 686 licensing transactions were conducted against a target of 1,000,000 compared to 1,329,471 transactions in 2022 and 1,303,152 in 2021 respectively. The highest number of transactions carried out were road tax at 50.2%, followed by Driving Licences Printed at 15.9% and Provisional Driving Licences at 10.97%. Motor Dealers' Vehicle Licence (MDVL) transactions were the least with 174 (0.01%).

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

Table 3.4: shows total number of licensing transactions

S/n	Type of transactions	1 st Qtr. 2023	2 nd Qtr. 2023	3 rd Qtr. 2023	4 th Qtr. 2023	Annual Total	Percentage (%)
1	Road Tax	239,245	89,104	89,428	234,386	652,163	50.02
2	Driving Licenses Printed	44,605	49,123	55,249	58,015	206,992	15.88
3	Provisional Driving License	39,080	32,934	38,164	32,874	143,052	10.97
4	New Driving License	19,761	21,888	27,834	22,577	92,060	7.06
5	Road Service Licences	22,257	22,482	23,057	20,997	88,793	6.81
6	Driving License Renewal	16,474	16,153	20,039	20,769	73,435	5.63
7	PSV Driving License Renewal	1,711	5,737	7,617	8,253	23,318	1.79
8	Cross Border Permits	6,675	4,511	4,712	6,134	22,032	1.69
9	International Driving Permits	360	491	302	514	1,667	0.13
10	Motor Dealers' Vehicle License	70	14	16	74	174	0.01
Total		390,238	242,437	266,418	404,593	1,303,686	100.00

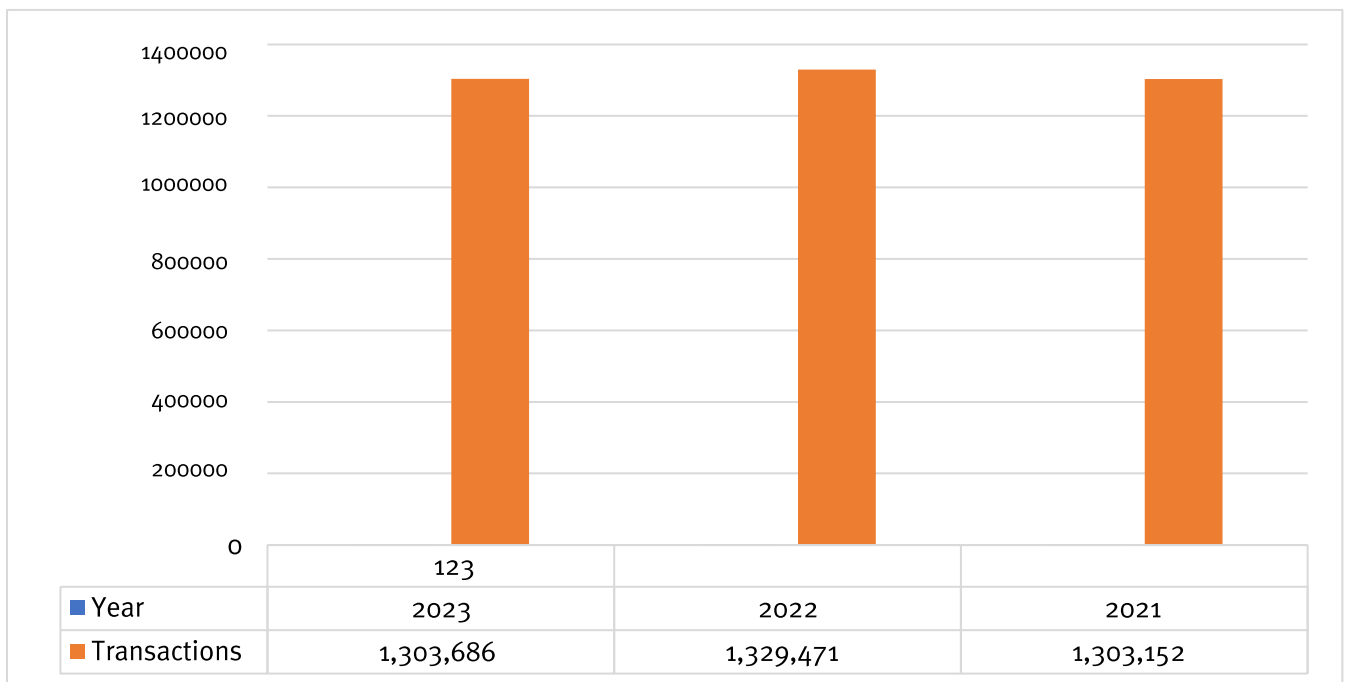


Figure 3.12: comparative number of licensing transactions for the period under review against the previous years

The period under review recorded a reduction in the number of licensing transactions. This can be attributed to among other factors the reduction of road tax and road service licence transactions. The favourable performance of our online platforms enabled our clients to pay for more road tax periods at once than the period payments.

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

3.1.22 Issuance of Driver’s Licenses

The Agency printed a total of 206,992 driving licenses in the period under review compared to 134,484 driving licenses printed in 2022 and 180,740 in 2021. The demand for driving licenses increased in the period under review largely due increased new drivers facilitated through the Constituency Development Funds (CDF) schemes in most districts coupled with favourable performance of the Card Printers. This state of affairs is expected to continue in the coming periods as everything is in place.

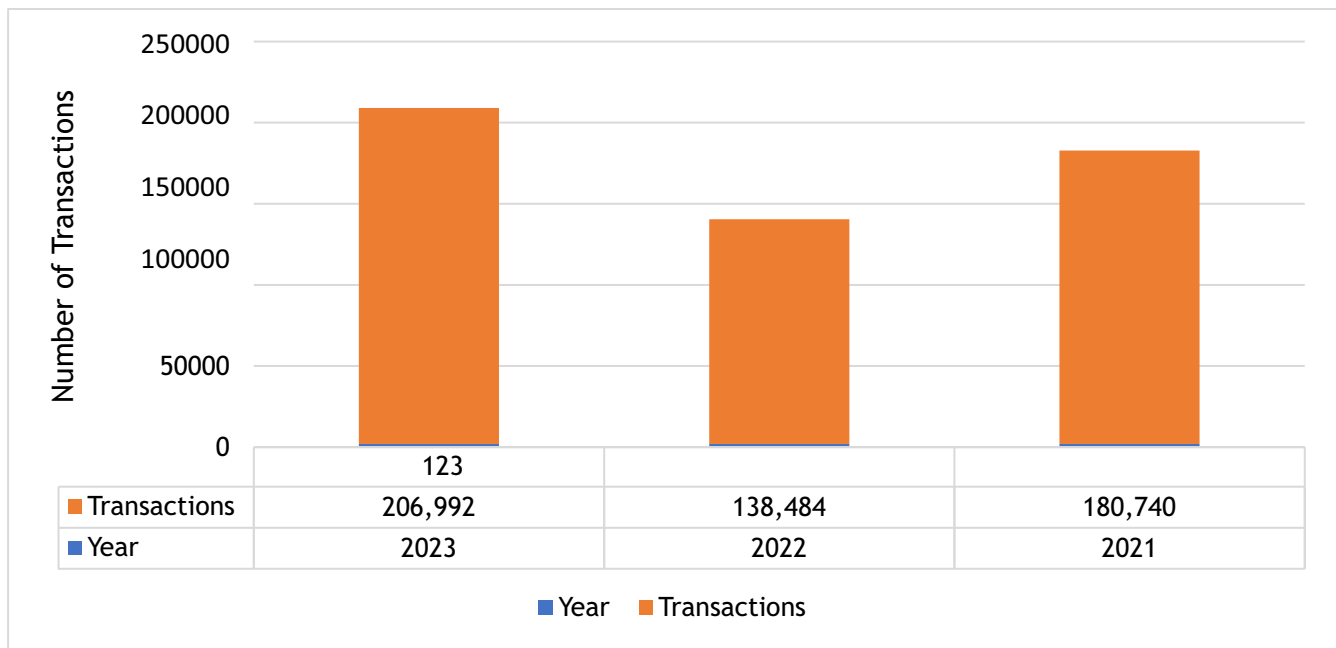


Figure 3.13: shows annual comparative card production transactions

3.1.23 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 1,667 IDPs as compared to 1,250 and 2,986 issued in 2022 and 2021 respectively. Thus, the Agency recorded an increase in demand for IDPS in this period largely due to increase in demand for the service by Zambians resident in foreign countries.

3.1.24 Road Tax

During the period under review, the Agency licenced 652,163 against a cumulative vehicle population of 823,703 representing 79.2% of licensed vehicles compared to 565,317 and 649,498 in 2022 and 2021 respectively. Figure 14 Shows road tax compliance during the year 2023 in comparison with 2022 and 2021.

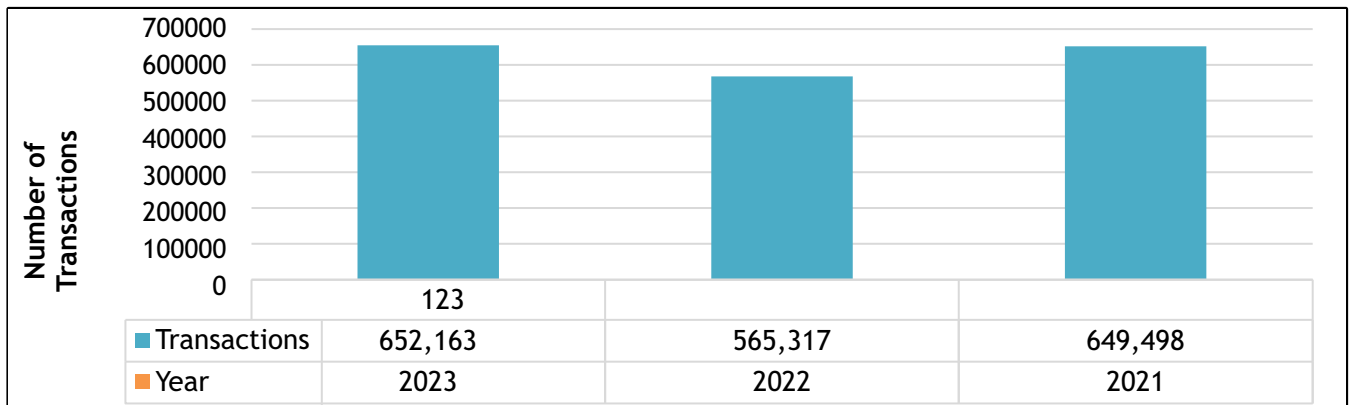


Figure 3.14: Shows comparative road tax transactions

3.1.25 Road Service Licenses

During the period under review, a total of 88,793 Road Service Licenses (RSLs) were issued compared to 150,796 and 127,391 which were issued in 2022 and 2021 respectively.

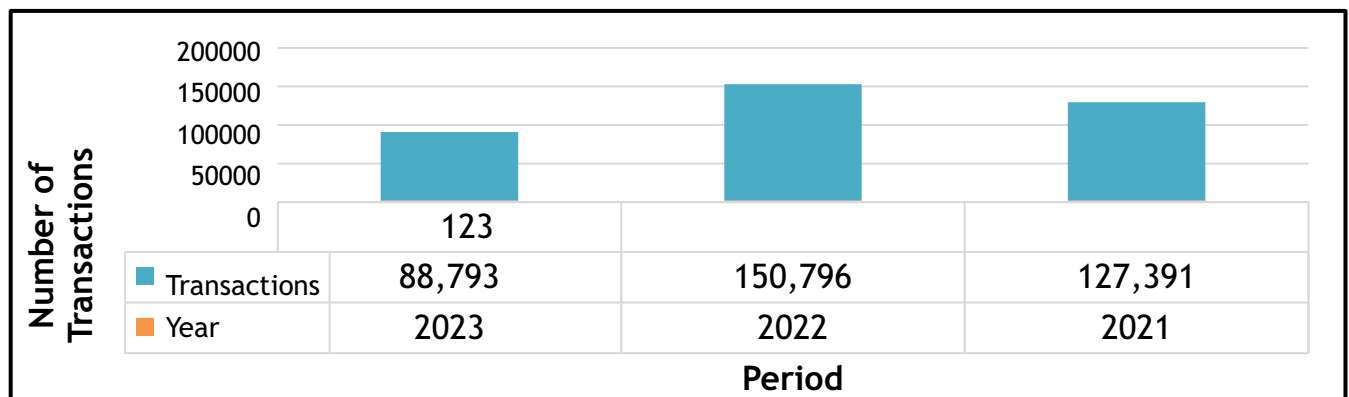


Figure 15: Shows comparative Road Service Licenses transactions

Further, 6,134 Long Term Road Service Licenses (LT-RSL) applicants were approved for 2023 to 2026 operating period representing a significant increase by 1,486 (32%) from the previous figure of 4,648 in the last reporting period.

The total number of short term applicants stood at 82,659 which composed of mostly of foreign operators at Nakonde and Kasumbalesa due to non implementation of a Single Permit System (SPS).

3.1.26 Cross Border Permits

During the year under review, the Agency issued a total of 22,032 Cross Border Permits (CBPs) to transport operators doing business in countries that have signed Bilateral Road Transport Agreements (BRTAs) with Zambia and recognize and implement a single permit system compared to 17,357 and 13,940 issued in 2022 and 2021 respectively. Figure 17 shows the number of CBPs issued during the year 2023 in comparison to 2022 and 2021.

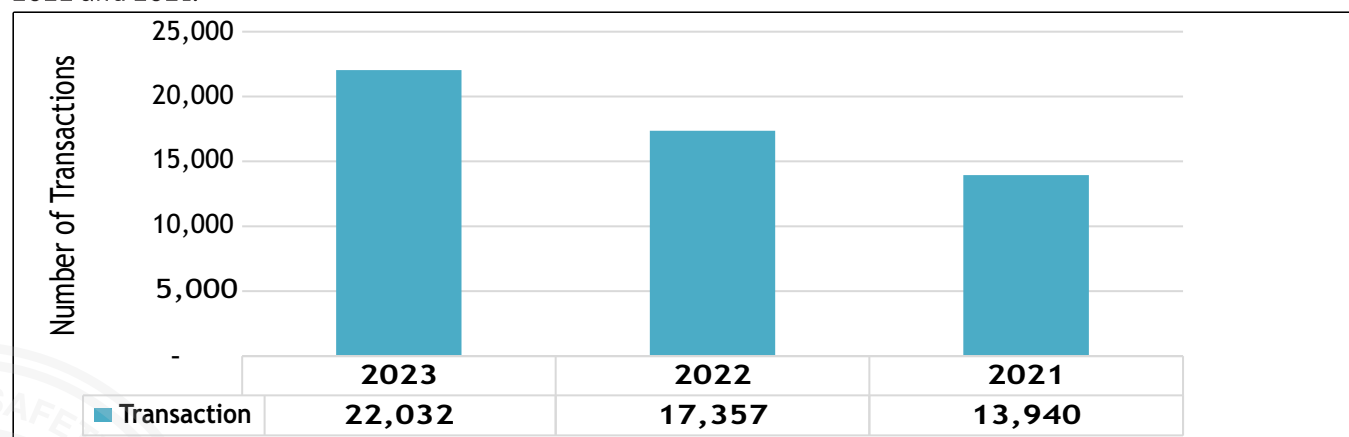


Figure 3.16: Shows comparative Cross Border Permit transactions

South Africa continued to dominate on Cross Border Permits in the period under review compared to Mozambique largely due to reduction of fuel imports through the Port of Beira.

3.1.27 Issuance of Motor Dealers' Vehicle Licenses (MDVLs)

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

A total number of 174 MDVLs, were issued during the period under review compared to 194 and 129 issued in 2022 and 2021 respectively. There was a decrease by 20 due to alignment of expiry period for MDVL from 31st December to Twelve (12) months.

3.1.30 Driving School Inspections

A total of 32 Driving School Inspections were conducted in the period under review against a target of 15. This was in line with our focus to ensure that Institutions bestowed with the responsibility to teach others to drive produce quality drivers by adhering to the laid down procedures in order to attain road safety on our roads.

From the list of schools inspected, only 8 possessed their own driving circuits for practical driving tests whilst the rest had temporal structures borrowed from community schools. The department will re-inspect the schools with the poor ratings to ensure effective driver training and adherence to set standards.

3.1.31 Number Plate Manufacturers Inspections

A total of Twenty (20) Number plate embossers were inspected countrywide whose objective was to ascertain compliance with the Reflex-Reflecting Vehicle Number Plate Standard (Zs266).

3.1.32 Services under Local Authorities

The Agency continued to leverage on the Local Authorities in providing Agency services to underserved regions. The cumulative number of Local Authorities Councils currently providing Agency services is twelve (12) and these are Kaoma, Mbala, Mwense, Kasempa, Kafue, Mumbwa, Kabompo, Mwinilunga, Kapiri Mposhi, Luangwa, Nyimba and Lundazi.

3.2 IMPROVING BUSINESS SYSTEMS AND PROCESSES

3.2.1 Online Platform deployment and implementation.

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

In the period under review, additional services were commissioned on the Government Service Bus (GSB) to enable our clients access services online. The following were the services operationalized:

- A.Application for Road Service Licence; and
- B.Renewal of Road Service Licence Identity Certificates.

Further the Cross Border Permit (CBP) was automated on the e-ZamTIS and will be issued electronically.

3.2.2 Fleet Safety Management Policy-a condition for award of Road Service License

The Road Traffic (Amendment) Act No. 8 of 2022 has made provisions to determine whether an applicant for a Road Service License (RSL) has developed and implemented a Fleet Safety Management Policy before the RSL can be issued.

During the period under review, a Fleet Safety standard validation workshop in collaboration with Zambia Bureau of Standards (ZABS), Zambia Compulsory Standards Agency (ZCSA), Truckers Association of Zambia (TAZ), Bus and Taxi Owners Association of Zambia (BTOAZ) and other key transport sector players was held.

This was meant for the stakeholders to have a buy in into the FSMP program and to prepare the Trade Association for the exercise before implementation of this requirement.

3.2.3 Decentralisation of services

A new station was opened at Great North Road Novare Mall and services being provided are vehicle licencing, driver license renewal and vehicle examinations. Further, driver examination services were introduced at Silverest Station in order to decongest Ridgeway Station. This has culminated into improved service delivery.

3.3 ENHANCING STAKEHOLDER ENGAGEMENT

3.3.1 Engagement Meetings

Engagement meetings were held in the period under review. The highlights in the year were the meetings with the Ministry of Commerce Trade and Industry (MCTI) on the strategies to eliminate NTBs, inaugural meeting on the setting up of the technical regulations unit in the Ministry and the meeting to operationalize the 24-hour border operations at Katima Mulilo-Wenela Border Post.

The Agency also held meetings with the Insurance Association of Zambia (IAZ) on migration to digital cover notes, consultative meeting with the Association of Driving Schools on the driver testing at Silverest and the introduction of online booking for practical tests, meeting with the Energy Regulation Board (ERB) on the adherence to the night ban by petroleum tankers, periodly meetings with the Bus and Taxi owners Association of Zambia (BTOAZ), Truckers Association of Zambia (TAZ) and ZICTA as members of the Postal Advisory Committee.

Further, the Agency participated in the National Trade Facilitation Committee workshop in order to finalise the requirements of the Coordinated Border Management (CBM) and the Road Sector Investment Plan.

3.3.2 Coordination with Regional Transport Authorities

The Agency participated in international meetings, among others, Walvis Bay Ndola Lumabashi Corridor Group (WBNLDC), COMESA meeting for Ministers responsible for Transport, ICT and Energy, Nacala Development Corridor (NDC) road transport cluster, Cross Border Road Transport Regulators Forum (CBRT-RF) and the Lobito Corridor Transport Facilitation Agency (LCTTFA)

3.4 IMPROVING FINANCIAL MANAGEMENT

3.4.1 Mobile Examinations

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

During the period under review, the Agency conducted a total of fifty-Six (56) mobile examination and licensing activities compared to 63 mobile examinations and licensing activities which were under-taken in the previous year.





A 3D bar chart with five bars of increasing height, colored blue, light blue, yellow, orange, and dark orange. A red arrow points upwards from the left. In the foreground, a pie chart is partially visible, divided into four segments of yellow, orange, and two shades of red. The background is a blurred image of a road with a blue sky.

PLANNING, RESEARCH AND DEVELOPMENT DEPARTMENT

4.0 IMPROVING ROAD TRANSPORT AND SAFETY

4.1 Finalisation and Launch of the 2022-2026 Strategic Plan

The Agency finalised the 2022-2026 Strategic Plan with the assistance of the MDD in aligning the structure of the document as well as aspirations on the Eighth National Development Plan (8NDP). The Agency launched the Strategic Plan on 8th December, 2023.

4.1.1 Road Traffic Crashes Statistics

4.1.1.1 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 under review, the Country recorded a total of 36,755 road traffic crashes. This number represents a 9% increase from the 33,682 road traffic crashes recorded in 2022.

Table 4.1: Road Traffic Crashes by Province

PROVINCE	FATAL	SERIOUS	SLIGHT	DAMAGE ONLY	TOTAL
Lusaka	406	850	3,471	16,243	20,970
Copperbelt	231	544	711	3,173	4,659
Central	247	377	651	1,620	2,895
Southern	140	272	495	1,215	2,122
Eastern	162	261	471	405	1,299
Northern	95	196	177	229	697
Luapula	99	307	366	290	1,062
North Western	122	294	368	671	1,455
Western	66	167	203	389	825
Muchinga	119	241	174	237	771
TOTAL	1,687	3,509	7,087	24,472	36,755

4.1.2 Percentage Distribution of Road Traffic Crashes by Province

The figure below shows the percentage distribution of road traffic crashes by province and with Lusaka conis show in figure 2. Figure shows that over 50% of the road traffic crashes were recorded in Lusaka province.

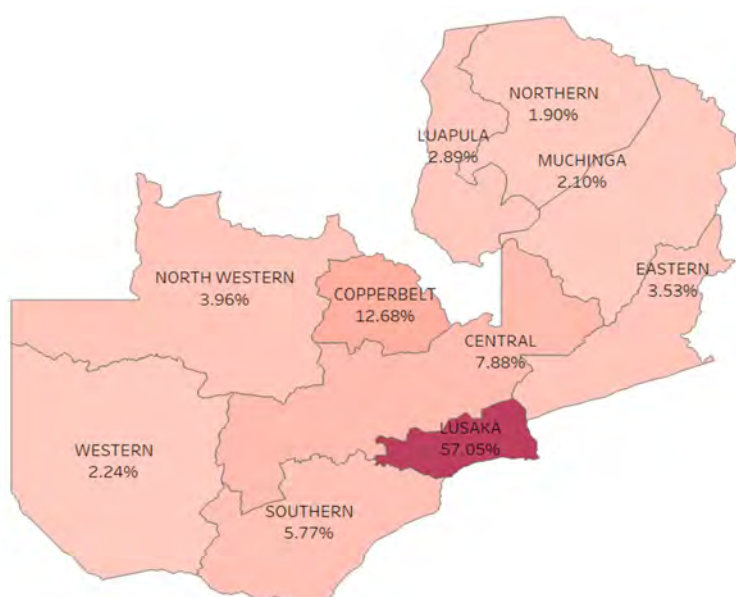
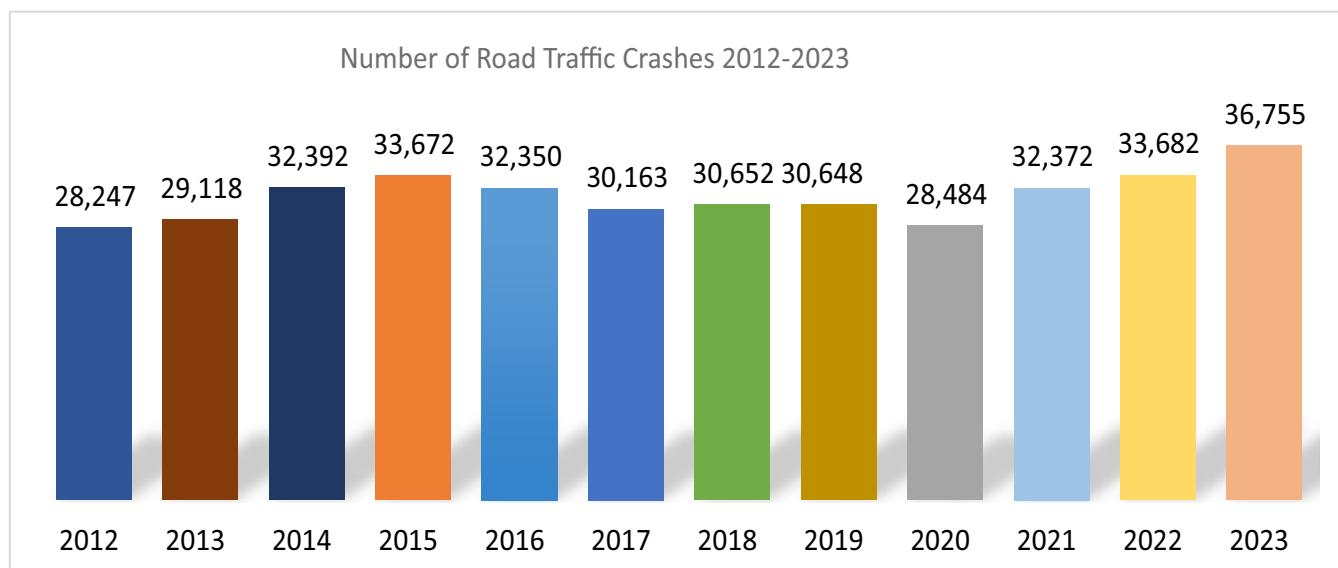


Figure 1: Percentage distribution of road traffic crashes in 2023 by Province

4.1.3 Trend in road traffic crashes from 2012 to 2023

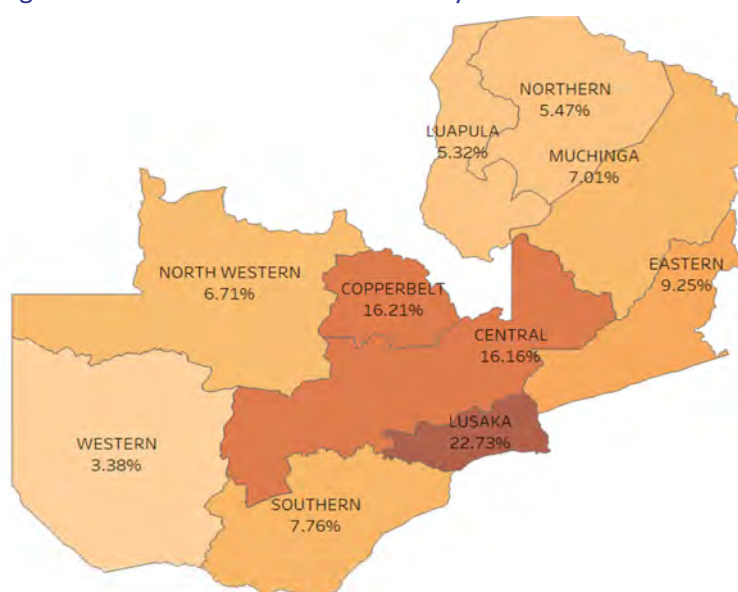
The trend of road traffic crashes from 2012 to 2023 are shown in the figure below. The figure shows an annual average of 31,000 road traffic crashes per year.



4.1.4 Road Traffic crash fatalities

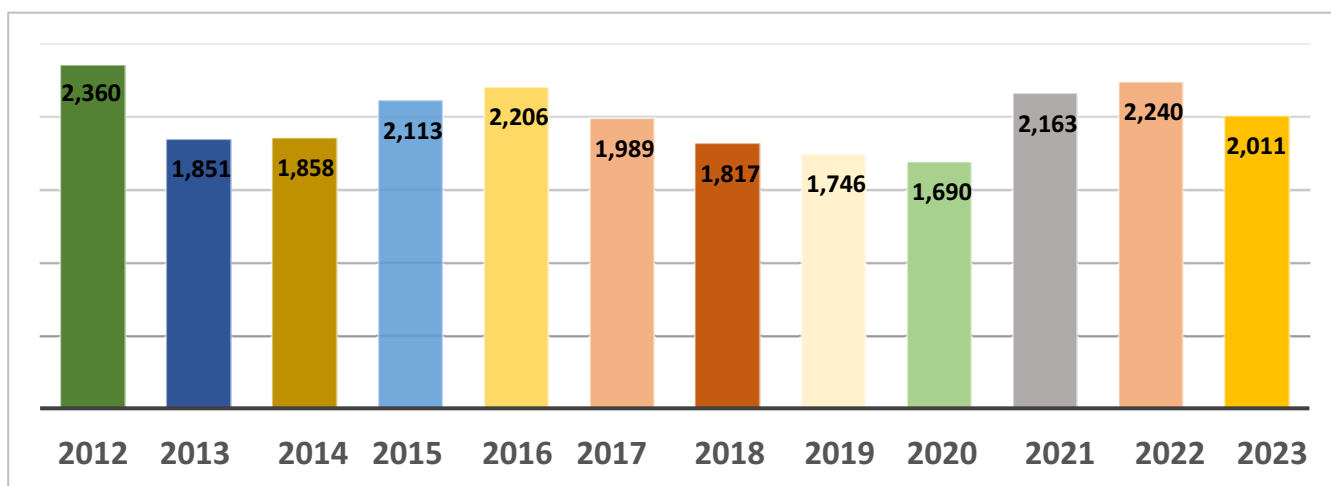
During the year under review, the Country recorded a total of 2,011 road traffic fatalities. This number represents a 10% (229) decrease from 2,240 road traffic fatalities recorded in 2022, this reduction was among many other interventions attributed to the smart enforcement whose effect is slowly being felt by motorists and regulating road user behaviour. The percentage distribution of fatalities by Province is shown in the figure below.

Figure 2: Percentage distribution of Fatalities in 2023 by Province



4.1.5 Trend in fatalities from 2012 to 2023

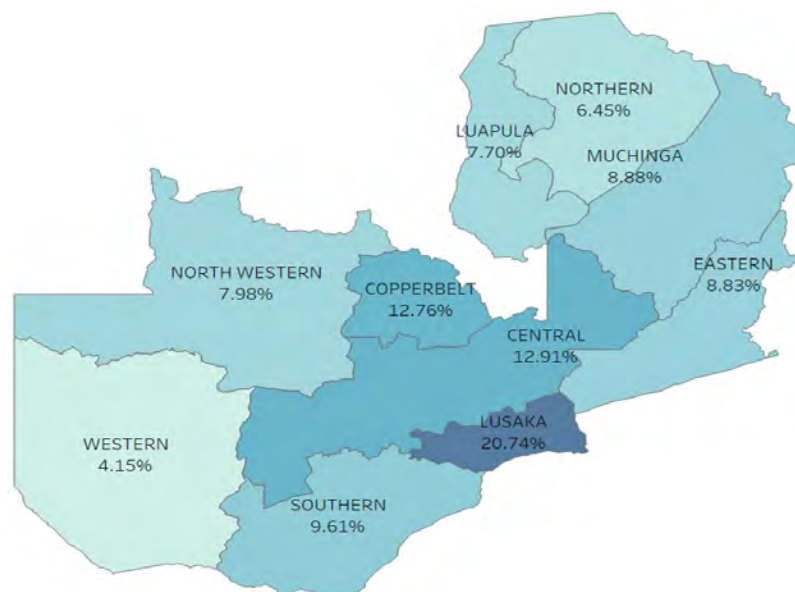
The trend in fatalities from 2012 to 2023 are shown in the figure below. The figure shows an annual average of 2000 per year.



4.1.6 Road Traffic crash serious injuries

During the year under review, the Country recorded a total of 6,027 road traffic serious injuries. This number represents a 3.4 % (229) increase from 5,828 road traffic serious injuries recorded in 2022. Treatment of road traffic crash cost the country huge sums of money as they tend to stay longer in hospital admission, further the disability suffered are life time. The percentage distribution of serious injuries is shown in the figure below.

Figure 3:Percentage distribution of serious injuries in 2023 by Province



4.1.7 Major contributing factors to road traffic

Road traffic crash data revealed that the major contributory factor to road traffic crashes was failure to keep to nearside followed by excessive speed. Motor vehicle and human population have grown and exceed the capacity of enforcement officers which slowly is making it difficult to conduct speed management and monitor motor vehicles violating posted speed limits. The increasing growing concern of speed can be significantly addressed through installation of speed cameras along Highways for SMART enforcement to enable 24hours road traffic surveillance.

4.1.8 8NDP target compared to actual fatalities

The Agency has set targets of reducing road traffic fatalities per quarter up to 2026. The targets are shown in the table below. The table shows that in 2023 the target was only met in the first quarter of 2023, the rest of the quarters the target was not met. The Agency gave itself an ambitious target of reducing fatalities by 30% by 2026.

8NDP target compared to actual fatalities

Output Indicators	Baseline	Plan Target	Quarterly Targets																			
			2022				2023				2024				2025				2026			
			Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Number of Road Traffic Fatalities		1,514	505	507	509	512	470	475	478	480	441	440	445	448	408	410	411	415	375	378	379	382
Actual			568	515	597	570	390	525	581	515												
Absolute Value Missed			63	8	88	58	-	50	103	35												
Percent Missed			12%	2%	17%	11%	-	11%	22%	7%												
Comment			Target not met	Target not met	Target not met	Target not met	Target met	Target not met	Target not met	Target not met												





FINANCE DEPARTMENT

5.0 REVENUE COLLECTION OPERATIONS

The three main streams of revenues at RTSA 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 Revenue collection Performance for 2023

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 2023 was favourable against the total revenue collected in 2022.

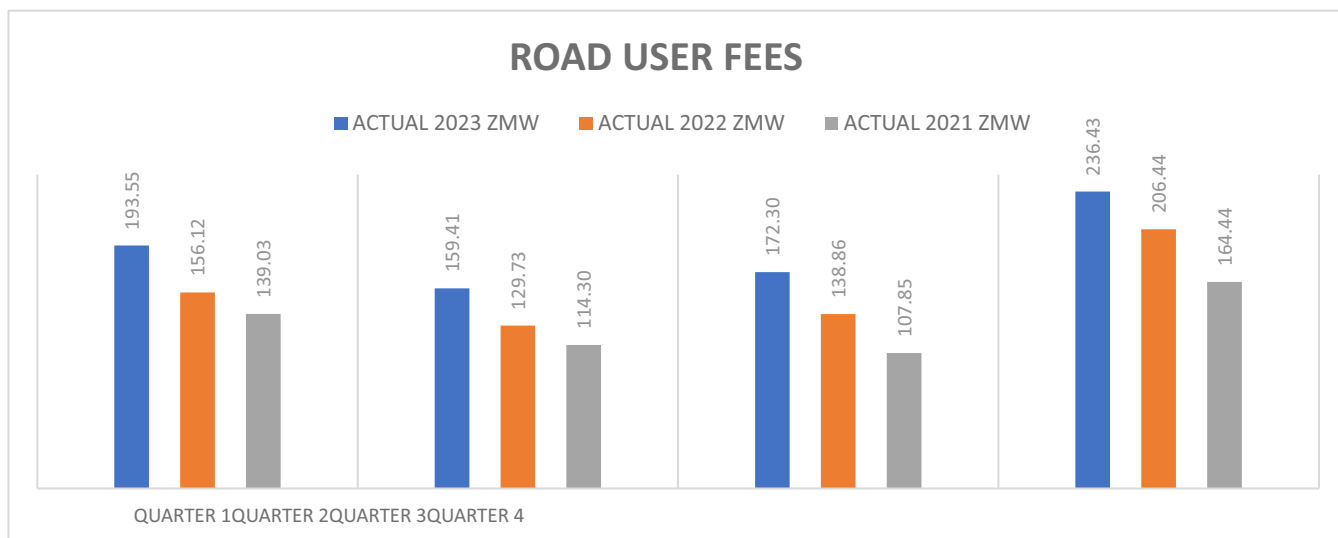
The Road Transport and Safety Agency collected revenue to the sum of K2.39 billion in 2023 as compared to the Yellow Book Government target of K1.85 billion. This represented a 29% collection above the targeted total revenue.

Table 5.1: Actual Revenue Collections against Target Revenue in 2023 and 2022

	ACTUAL - 2023	TARGET 2023	ACTUAL 2022	PERFORMANCE	GROWTH 2023 VS 2022
	ZMW	ZMW	ZMW	%	%
Road Traffic Collections	761,679,639	685,772,246	631,150,920	111%	20.7%
Inland Carbon Emission Surtax	58,825,527	44,826,982	53,055,036	131%	10.9%
Kwacha TOLL	24,389,374	19,631,321	20,392,738	124%	19.6%
Foreign TOLL	1,549,389,746	1,099,999,745	1,229,853,790	141%	26.0%
TOTAL	2,394,284,286	1,850,230,294	1,934,452,484	129%	23.8%

5.1.2 Collections under the Road Traffic Act No. 11 of 2022

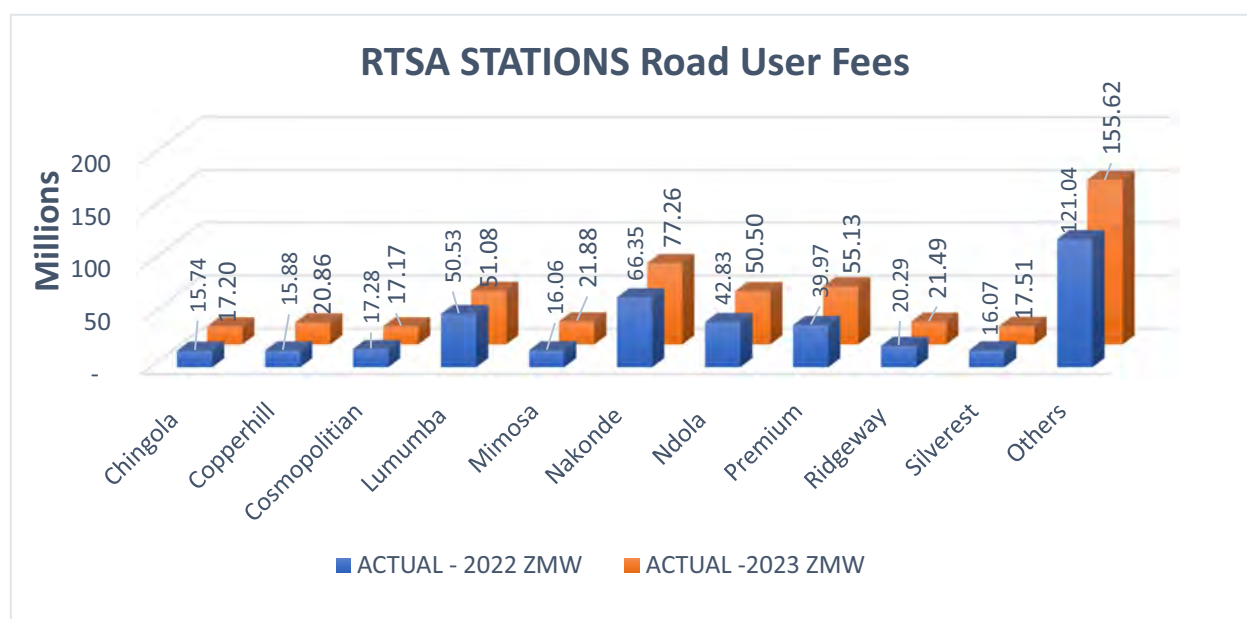
Revenue collected under the Road Traffic Act No.11 of 2002 comprised of fees from motor vehicle registration, licensing and examination. These types of fees were called Road User Fees. Revenue collected by the Agency as per the yellow book's estimates of revenue and expenditure were called Road Traffic Collections. These comprised of Road User Fees and Inland Carbon Emission Surtax (CES). The total revenue collected in 2023 was K314.78 million while in 2022 it was K672.9million. A total of K255.98 million was collected in user fees. This represented a growth rate of 22% against the 2022 revenue collection target of K209.12 million This represented Road User Fees with a positive growth rate of 20.7%. The Figure below shows quarterly revenue collected for Road Traffic Collections.



All RTSA stations collected revenue under road user fees to the sum of K505.7 million in 2023 while in 2022 the total revenue collected was K422.0 million. This represented a positive growth rate of 20%.

The highest revenue collecting station under road user fees in 2023 was Nakonde, followed by Premium and then Lumumba. This represented growth rates of 16%, 38% and 1% respectively.

Figure 5.2: Road user fees collected in 2023 and 2022



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, Zambia Revenue Authority (ZRA) and twelve Local Authorities.

The strategic partners collected a total sum of K255.98 million in the period under review. The total collections of Motor Vehicle Fund (MVF) was K64.98 million. The revenue collected excluding the MVF represented a growth of 22%. The figure below shows details of the revenues collected under Road User Fees by our strategic partners.

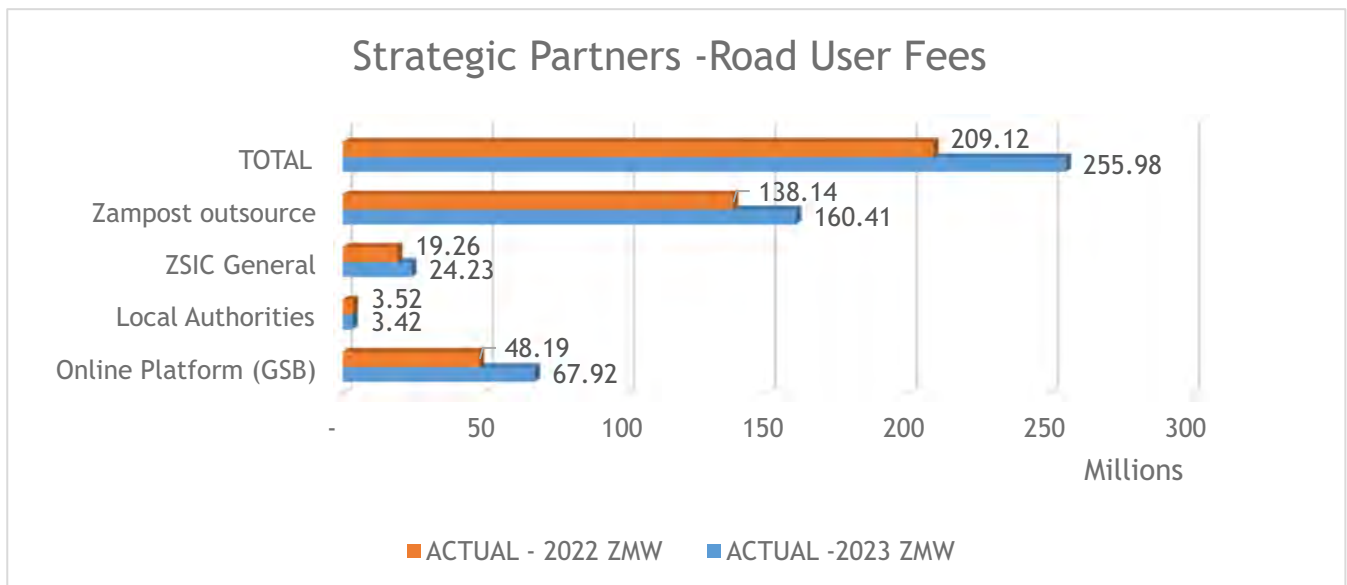


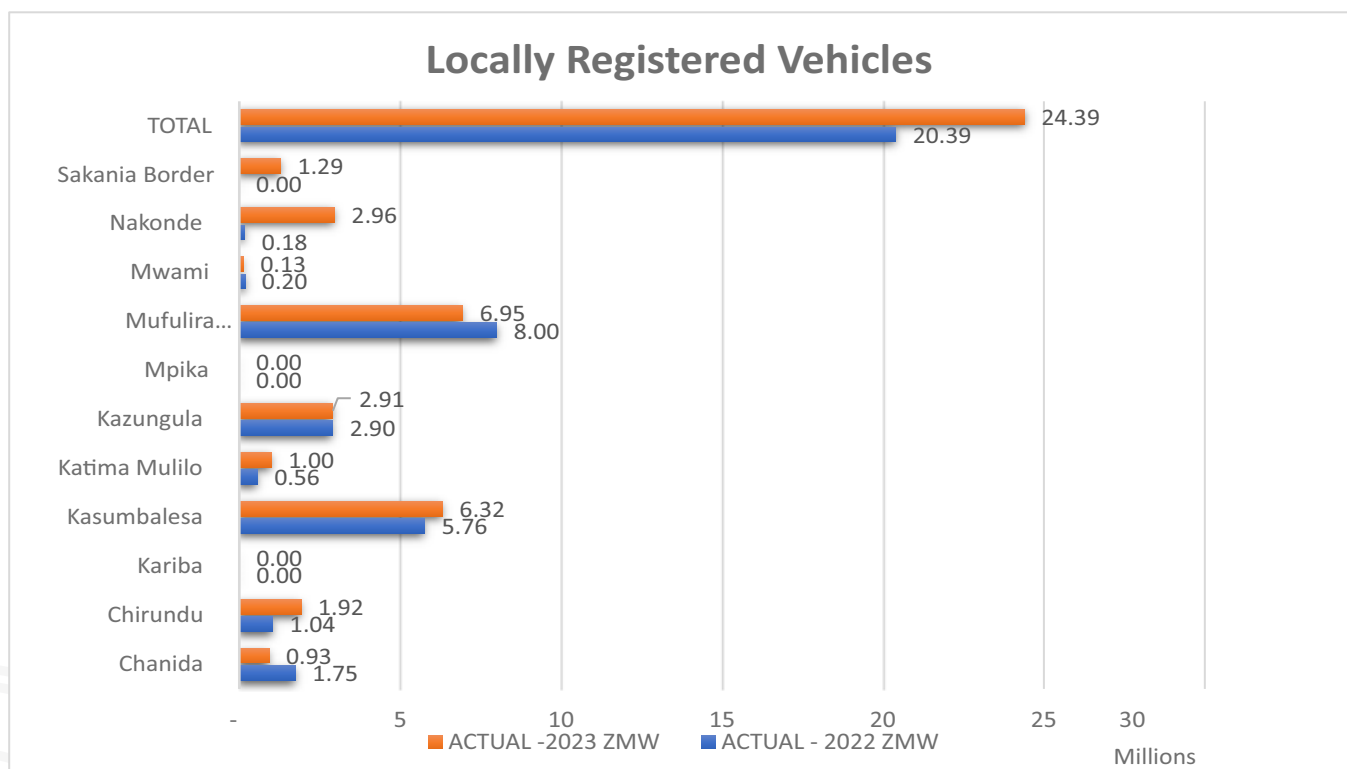
Figure 5.3: Revenue Collected under Road User Fees by our Strategic Partners

5.1.4 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 No. 14 of 2011.

5.1.5 Toll Fees from Locally Registered Vehicles

The Road Transport and Safety Agency collects toll fees from locally registered vehicles on behalf of the Road Development Agency through the administration of the National Road Fund Agency. During the period under review, a total of K24.3 million was collected as revenue for road tolls on locally registered vehicles. This represented growth rate of 20% against the revenue collected in 2022 which was K20.4 million. The figure below shows details of Toll fee collection for locally registered vehicles at ports of entry:



5.1.6 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\$72.7million 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.

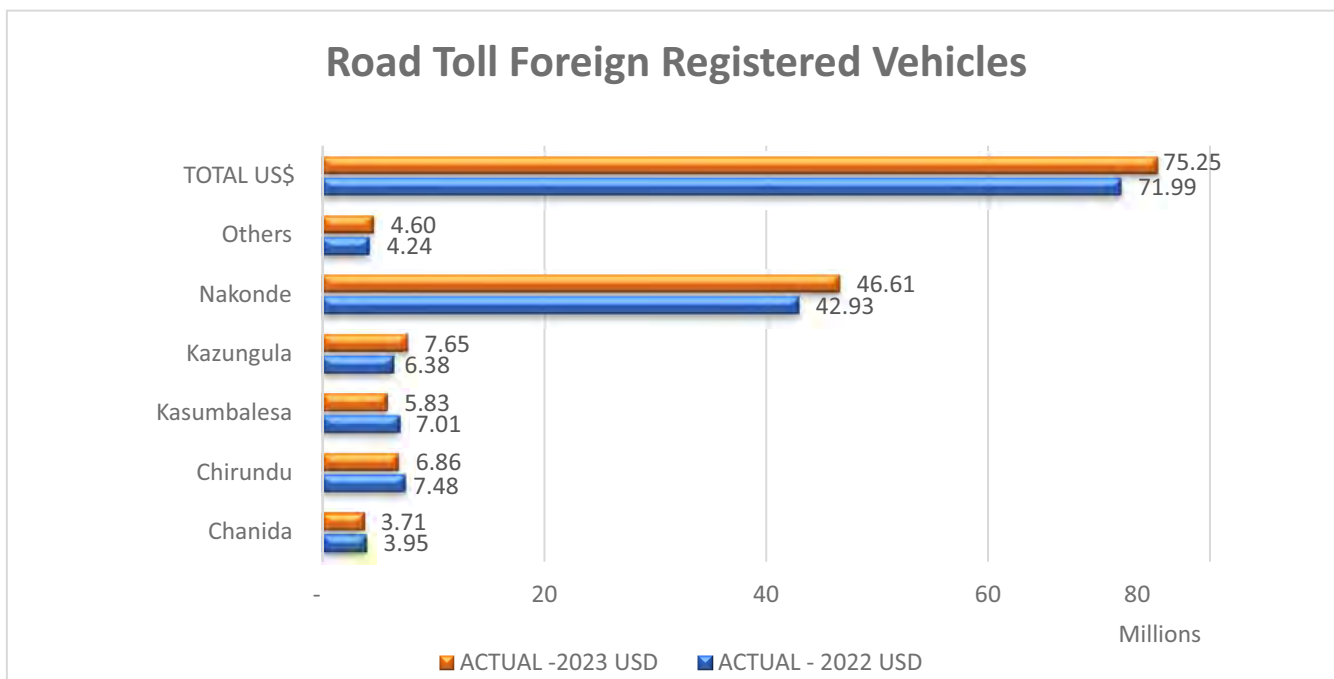


Figure 5.5: Revenue collected from foreign toll fees

Nakonde reported the highest revenue collections of foreign road toll fees of US\$46.6 million in 2023 against US\$42.976million in 2022. Chirundu was the second highest foreign road toll revenue collector with US\$6.8 million in 2023 against US\$7.5 million in 2022 and then Kasumbalesa with US\$5.8 million against US\$7.0 million respectively.

5.1.7 Toll Fees from Victoria Falls Bridge

In 2023 the Agency continued to collect toll fees at the Victoria Falls Bridge on behalf of Emerged Railway Properties (ERP). A commission of five (5%) percent of revenue collected was retained by the Agency and deposited in the designated revenue transit bank account. The total revenue collected in 2023 was US\$789,308 and in the previous year of 2022 was US\$683,344. This represented a positive growth of 15.5% in revenue collected using United States dollars for Victoria Falls bridge tolling. The total commission for 2023 was US\$39,630 against US\$34,342 in 2022 representing an increase in commissions of 15.4%. The figure below shows commissions from revenue collected Bridge Tolling for 2023 and 2022.

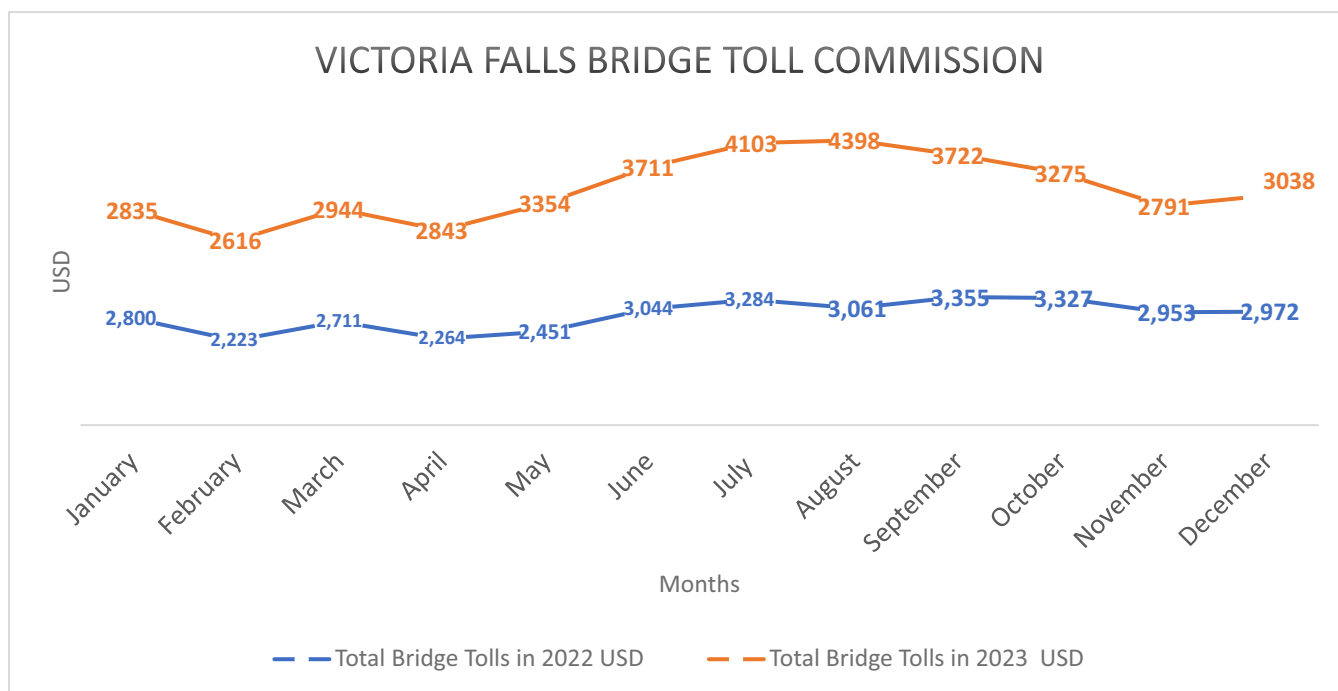


Figure 5.6: Revenue collected from foreign toll fees

5.1.8 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 total revenue collected via the Government Service Bus (GSB) was K77.8 million in 2023 and K55.7 million in 2022. This represented a growth rate of 40% against 2022 collections. The K77.8 million, further represented 9% of total revenue collected under Road User Fees and Inland Carbon Emission Surtax by the Agency. The figure below show Road User Fees collected via the GSB.

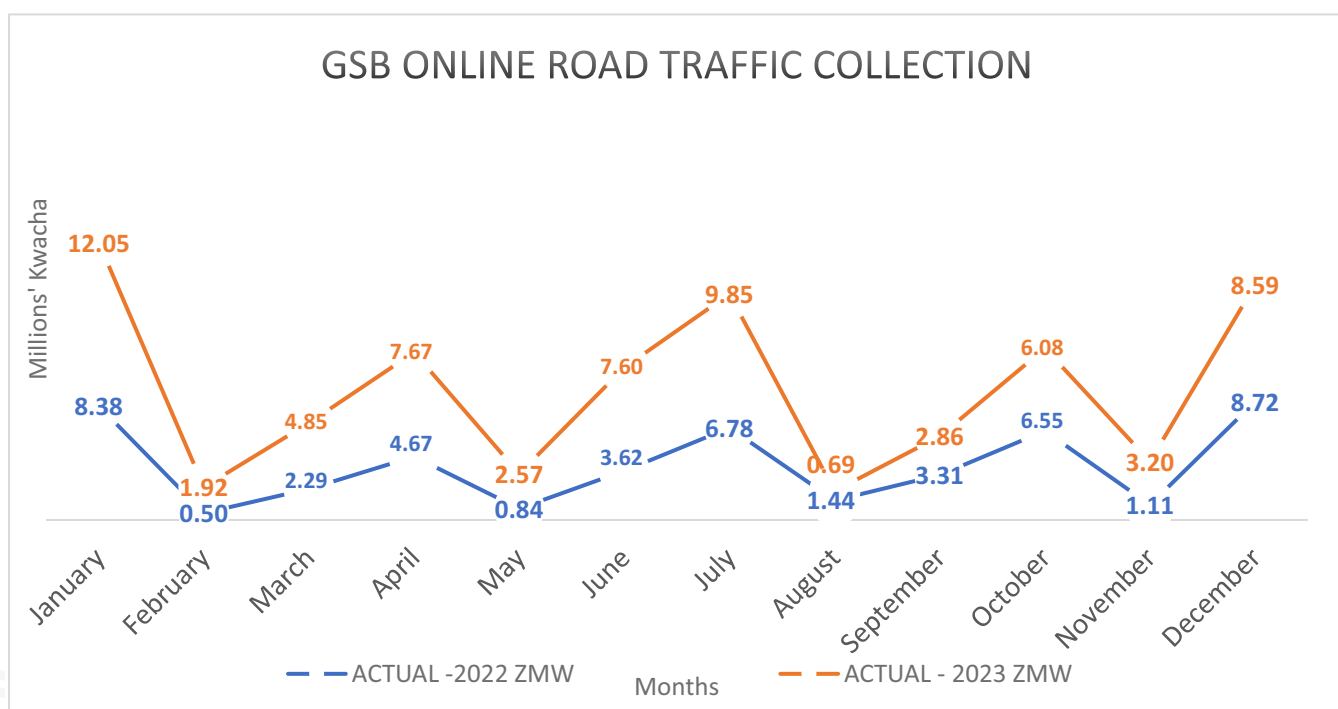


Figure 5.7: Revenue Collected online via Government Service Bus

5.1.9 Revenue Monitoring Unit

The Joint Revenue Reconciliations for quarter one, two, three and four of 2023 was conducted with Ministry of Finance and National Planning, Ministry of Transport and Logistics and the National Road Fund Agency.

The Agency's mandate in line with the appointment as a toll collector expired on 31st December, 2023. The Road Development Agency (RDA) issued an extension of the appointment for one month ending 31st January, 2024. The Agency was directed to hand over the responsibility of collecting tolls at points of entry to the Zambia Revenue Authority (ZRA). This entails that the Agency shall no longer be collecting road tolls as at 31st January, 2024.





INFORMATION, COMMUNICATION AND TECHNOLOGY DEPARTMENT

6.0 IMPROVE BUSINESS SYSTEMS AND PROCESSES

6.1 Agency Website

The Agency updated its website by including the traffic violation lookup features allowing vehicle owners to look up the status of their vehicle to check if it had any recorded traffic violations. This was after the implementation of the SMS/Email notification system. When a vehicle owner receives a notification of a traffic offence, they can visit the Agency website, enter the vehicle plate number and retrieve full details regarding the traffic violation. The portal was updated to include violations from the e-Policing System under the Safe City Project from the Ministry of Home Affairs and Internal Security. The new information includes the speed violation details like speed and vehicle image.

The screenshot displays the Road Transport and Safety Agency (RTSA) website. The header features the RTSA logo, the agency name, and the tagline "A safe, inclusive and economically enabling road transport system". The navigation menu includes links for HOME, ABOUT US, SERVICES, NEWS, MEDIA ROOM, PAY ONLINE, and TRAFFIC VIOLATIONS. The main content area is titled "TRAFFIC VIOLATIONS" and includes a search bar. Below the search bar, there is a section for checking traffic offence tickets. It prompts the user to enter the vehicle registration mark/number and click search. The search results show a speeding ticket for vehicle registration number ALF5863, recorded on 06-MAR-23, driving at 32Km/h. An image of the vehicle is also displayed.

Road Transport and Safety Agency
A safe, inclusive and economically enabling road transport system

HOME ABOUT US SERVICES NEWS MEDIA ROOM PAY ONLINE TRAFFIC VIOLATIONS Search

TRAFFIC VIOLATIONS

Check Traffic Offence tickets on a vehicle. If a vehicle is suspended, you can get suspension details here. Type Vehicle Registration Mark/Number and click search.

Registration Mark/Number:

ALF5863

Search Clear

OFFENCES: ALF5863

- ID: 100084216 | Date: 2023-03-06 | Speeding t...

OFFENCE DETAILS: 100084216

Speeding ticket recorded for Vehicle Registration Number: ALF5863 on 06-MAR-23 driving at 32Km/h. Additional details: vehicle pass

Figure 6.1: Traffic Violations lookup portal showing violations for the e-Policing System

6.1.1 SMS/Email Notifications

The Agency upgraded the notification system to include sending alerts for violations recorded by the e-Policing System from the Ministry of Home Affairs and Internal Security. This was to allow the notifying member of the public of any speeding offences committed.

6.1.2 Online Services Portal

The Agency continued to provide support for the online portal services with a total of about 210,811 transactions recorded in the year under review compared to 165,161 transactions for the year 2022 representing a 28% increase.



Service Delivery Statistics

Department: Road Transport and Safety Agency

Period: 1/1/2022 - 12/31/2023

Department	Service Type	2022	2023	% Change
Road Transport and Safety Agency	Driver's Licence Renewal (Duplicate)	975	1,904	95%
	Driving Instructor Licence	1	0	
	Examination of Motor Vehicle ("Road Fitness Test")	32,347	38,500	19%
	Examination of Motor Vehicle ("Road Fitness Test") Bulk Application	1,012	2,342	131%
	Long-Term Road Service Licence	0	4	
	Motor Vehicle Licence ("Road Tax")	127,643	162,412	27%
	Motor Vehicle Licence ("Road Tax") Bulk Application	3,001	4,208	40%
	Physical Vehicle Examination (Change in Registration Particulars)	11	16	45%
	Physical Vehicle Examination (Change of Ownership)	130	291	124%
	Physical Vehicle Examination (De-Registration)	2	1	
	Physical Vehicle Examination (Particulars Updating)	8	0	
	Physical Vehicle Examination (Registration of Motor Vehicle)	17	32	88%
	Release of Information for Motor Vehicle	10	34	240%
	Renewal of Identity Certificate (Long Term)	0	26	
	Short-Term Road Service Licence	0	1	
	Temporary Registration of Motor Vehicle	4	4	0%
	Traffic Fines	0	1,036	
Grand Total		165,161	210,811	28%

Figure 6.2: RTSA online portal statistics 2022 – 2023 service statistics

During the period under review, new online services were introduced on the GSB. These new services include applications for short-term RSL, Long-term RSL Renewal of Identity certificates and payment of traffic fines.

6.2 IMPROVE AGENCY INFRASTRUCTURE, TOOLS AND EQUIPMENT

6.2.1 Local Area Network Maintenance

Throughout the period under review, the department conducted network maintenance at multiple stations. A new link and network were also set up at the Isoka ZAMPOST office.

6.2.2 Solar Backup Power

The power backup system at the Lumumba server room experienced a fault during the period under review resulting in one inverter unit being damaged due to suspected power fluctuations. The replacement unit was installed in April of 2023.

6.2.3 Enterprise Resource Planning (ERP) Project

The Agency identified a hosting provider for the implementation of the ERP System. The process to procure the hosting service was initiated and concluded. The ERP infrastructure was successfully installed including operating systems, databases and all other applications. The licences for the system were also procured and were awaiting deployment by Microsoft.

6.2.4 RTSA Website

The number of visits and visitors to the website increased to 2,113,665 visits from 654,727 visitors compared with 889,694 visits from 235,517 visitors in 2022 representing a 137.60% and 177.16% increase respectively.

6.2.5 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 GeoPositioning 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.

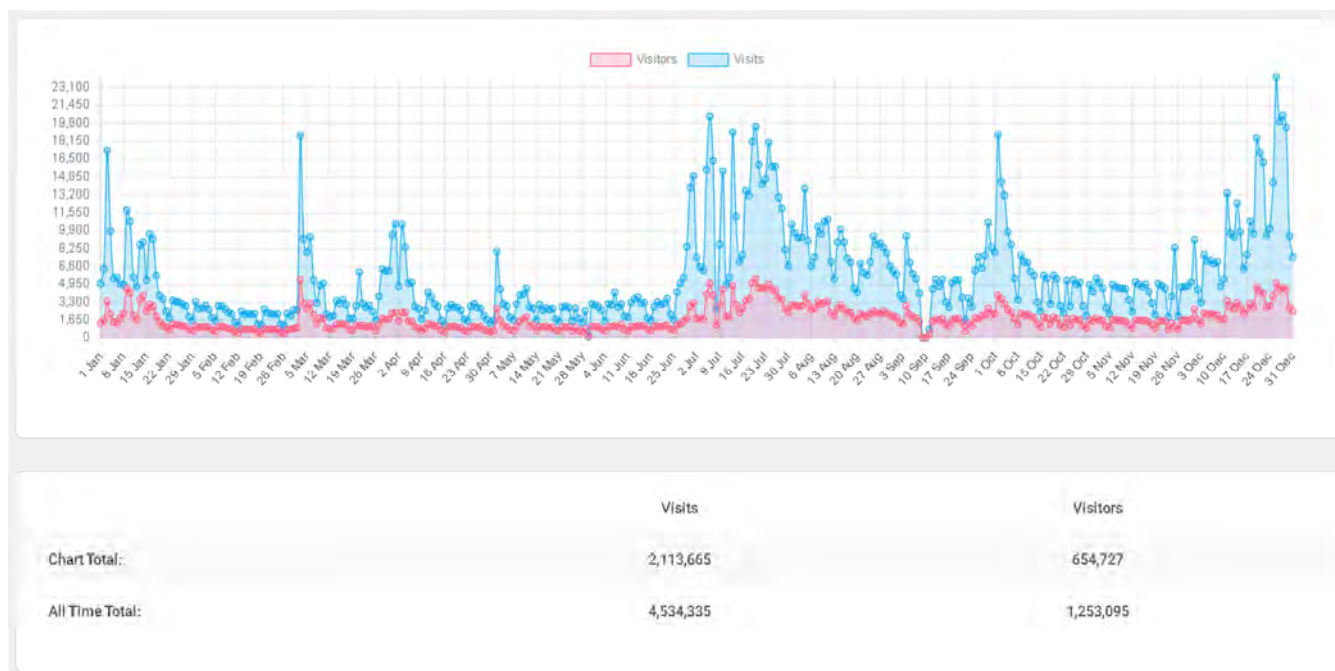


Figure 6.3 Website Visits and Visitors

6.3 ENHANCE SKATEHOLDER ENGAGEMENTS

6.3.1 Financial Intelligence Centre

The Agency implemented a network link between the Financial Intelligence Centre (FIC) and the Agency to facilitate the online access of vehicle and driver information by FIC. This was after the signing and implementation of the Memorandum of Understanding regarding data sharing.

6.3.2 Insurance Companies

In addition to supporting insurance companies to integrate their systems with the online services portal through the Zambia Insurance Database (ZIDB), the Agency implemented a portal through an Application Programming Interface (API) that allows Insurance companies to query the eZamTIS for vehicle particulars required in the issuance of motor insurance cover. In the period under review, Madison, Klapton, Mayfair and Professional Insurance companies have been integrated. Others integrated through a third-party system include Hollard, Adelvis, Discover, General Alliance, Phoenix, Veritas and ZSIC General Insurance.

6.3.3 Patents and Companies Registration Agency (PACRA)

During the quarter under review, the Agency working with the Patents and Companies Registration Agency (PACRA) completed the integration between the PACRA Movable Property (Security Interest) Registration System and the RTSA eZamTIS. The integration was done with the support of the International Finance Corporation (IFC)/World Bank and the Bank of Zambia (BOZ). The IFC procured the services of a third-party

vendor to design and implement the integration between the two systems. The integration allows the Agency to implement the new provisions of the Road Traffic Act No. 8 of 2022 allowing the registration of a Security interest on a Vehicle. Once a vehicle is registered on the Collateral Registry, an encumbrance is automatically placed on the vehicle on the eZamTIS which prevents a Change of Ownership. The encumbrance is only lifted automatically once the security interest in the Collateral Registry is discharged.

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

The Agency worked with the Ministry of Home Affairs and Internal Security (MHAIS), Zambia Police Service, ZTE and Smart Zambia Institute towards the implementation of the traffic offence notification and online payment system. During the period under review, several milestones were accomplished. The link between the Agency data centre and the MHAIS Command Centre was established and tested successfully within the first quarter of 2023. The API was also upgraded and initial testing was successful on both the test and live environments. With the cooperation of ZTE, the dataset for camera identification numbers, camera location, GPS coordinates and more required for the API were provided. These efforts culminated in the successful launch of the system to capture speed fines via the safe City Cameras and payment of the fines via the GSB on the 11th of December 2023. The first day of the launch saw close to 400 speed offences being captured while larger numbers were recorded over the Christmas period.

6.3.5 Ministry of Transport and Logistics

The Agency implemented the registration of Government vehicles on the eZamTIS which had previously been done manually by the Controller of Government Transport Unit (CGTU). This was after the Ministry of Transport and Logistics guided that all Government vehicles be registered on the eZamTIS. The registration commenced starting with the GRZ***DA series. This implementation will also allow online verification and traffic law enforcement to be done on all Government vehicles registered on the eZamTIS.

6.3.6 National Pension Scheme Authority

Following a request from the National Pension Scheme Authority (NAPSA) for system integration, the Agency reviewed the system requirements. NAPSA requested if they could use driver's licence particulars as a secondary identity verification action in their process of authenticating pensioners before a pay-out. The verification would be implemented via an API. However, the integration works did not commence as NAPSA opted to use other sources of data.





LEGAL DEPARTMENT



7.0 IMPROVE ROAD TRANSPORT AND SAFETY

7.1 Law Review

During the year under review, the Agency continued to make follow ups with the Ministry of Justice regarding clearance of the under listed statutory instruments:

- (1) The Road Traffic (Online Ride-Hailing Operations) Regulations;
- (2) The Road Traffic (Driving Licence) (Amendment) Regulations; and
- (3) The Road Traffic (Registration and Licencing) Regulations

The Agency has set a target of finalizing drafting of four (4) other statutory instruments namely the Cross Border Road Transport Regulations, the Road Traffic Honorary Road Traffic Inspectors Regulations, the Road Traffic Fleet Safety Management Regulations and the Road Traffic Driving Schools and Driving Instructors Regulations. Significant progress has been made on these SIs and it is expected that they will be finalized in the Second quarter of 2024.

7.1.2 Litigation and Administrative Duties

The Agency handled litigation before various courts of law. The majority of the cases were handled in-house while 2 were outsourced to private law firms. The table below shows a summary of active cases as at 31st December, 2023 compared to December 2022.

Table 7.1: Active cases in 2023 compared to 2022

Court	2022	2023
Supreme Court	1	1
Court of Appeal	4	4
High Court	16	13
Subordinate Court	2	2
Total	23	20

7.1.3 Prosecution of Road Traffic Offenders

Under prosecutions, the Agency prosecutes road traffic infringements in Lusaka - at the Lusaka Fast Track Court as well as in other parts of the country where the Agency has the presence of Road Traffic Inspectors. For the period under review, 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 devices among others. There was an increase in the number of cases that were taken to Court whose penalty unit was below 1500 and such were referred to the police for payment of admission of guilty. This was due to some Enforcement activities that were undertaken in town. It was observed through the conducting of town enforcement that there was a lot of infringements in town that needed consistent Enforcement.

Table 7.2: Trend Analysis Table for 2022 and 2023 convictions

PREVALENT OFFENCES			
Year	2022	Year	2023
Expired Road Tax	552	Expired Road Tax	660
Expired test certificate	168	Expired test certificate	144
Expired Insurance	219	Expired Insurance	115
Dangerous driving	123	Dangerous driving	462
Unlicensed driver	132	Unlicensed driver	27
Obstruction of Roadway	168	Obstruction of Roadway	428

7.1.4 Countrywide Prosecution of Road Traffic Offences

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

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

- a) Ndola 195 cases;
- b) Nakonde 99 cases; and
- c) Petauke 52 cases.

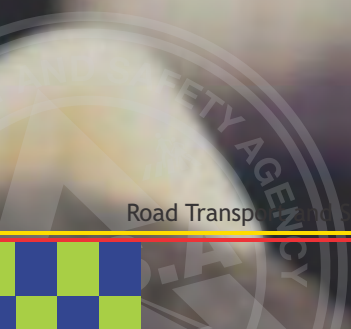
Further, during the year under review, the Agency signed MoUs with Solwezi, Kitwe, Luanshya and Livingstone Local Authorities on prosecution of road traffic offences.

7.1.5 Disposal of Unclaimed Impounded Motor Vehicles

Statutory Instrument No.91 of 2016 as amended empowers that the Agency to impounded motor vehicles if they are not claimed by the owners within in a period of 30 days from the date of impoundment. Pursuant to the forgoing, the agency in 2020 initiated the process of disposing of impounded vehicles. During the year under review, the Agency put a second notice in the Zambia Daily mail and Government Gazette following the failure by the offenders to claim the 46 impounded motor vehicles, Court orders for disposal of these vehicles were obtained.

7.1.6 Investigations

The Agency investigated a total of 143 reports, the investigations revealed that, the most prevalent transport offenses were related to motor vehicle cloning, fraudulent change of ownership and tempering of chassis number.



A close-up photograph of a silver microphone with a black mesh grille, set against a blurred background. A large, solid yellow rectangular area covers the upper right portion of the image. An orange square is positioned to the left of the main title text.

PUBLIC RELATIONS DEPARTMENT



8.1 IMPROVE ROAD TRANSPORT AND SAFETY

During the year under review, the Agency carried out activities that focused on road safety practices for all road users. The Agency undertook 866 media related activities through radio, television and digital media as means of heightening messaging on road safety. Further, a total of 45 media statements and 10 public notices were issued as means of enhancing publicity on various activities.

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 Branding of RTSA Patrol Vehicles

The Agency branded 27 patrol vehicles from the Agency's old fleet. The Agency also procured an executive bus to use as a publicity tool to publicize the newly introduced Anniversary Road Tax.

8.2.2 Branding of Novare Mall Station

During the period under review, the Agency opened a new station at Novare Mall.

8.2.3 Strengthening Customer Relations Management and Feedback through the Call Center

The 24-hour National Call Centre remains one of the constantly used means of interaction between the RTSA and the general public. Due to increased traffic on the X account, it now has 4,812 followers, while the website had 204,711 visitors and 711,466 visits respectively.

8.2.4 Integrated Customer Relations Management System

The Agency fully utilized the integrated Customer Relations Management System at the Call Centre to monitor and record information received at the Call Centre such as complaints, compliments and queries on RTSA services and accident reports.

During the year under review, the Call Centre received 170,927 calls through the 983 Toll free line, 11,770 hotline calls, responded to 25,691 radio messages and recorded 8,028 cases through Customer Relations Management (CRM).

8.3 ENHANCING STAKEHOLDER COLLABORATION

8.3.1 Corporate Social Responsibility (CSR) Programmes

During the period under review, the Agency under the Public Relations department to enhance the RTSA brand implemented Corporate Social Responsibility (CSR) Programmes by supporting selected activities which came as requests to the Agency from stakeholders.

8.3.1.1 Likumbi Lya Mize Fundraising Dinner

The Agency sponsored the Likumbi Lya Mize fundraising dinner gala for a table of 10 people which was a fundraising event to raise money for this year's Likumbi Lya Mize traditional ceremony. The Agency distributed road safety material at the event and displayed RTSA publicity material like pop-ups to support the RTSA brand.

8.3.1.2 Mass Burial of Luano Accident Victims

The Agency sent representatives to attend the mass burial in the Mkushi district for the 35 people who perished in the Luano Valley accident.

8.3.1.3 Youth and Women's Days Commemorations

The Agency through the Public Relations department rendered support towards the commemoration of the Youth and International Women's Days to the Office of the President through the District Administrative Office in Monze district, Southern Province and Ndola Copperbelt Province. The Agency donated branded T-shirts with road safety messages to the events.

8.3.1.4 Mutomboko Fundraising Golf Tournament

The Agency through the Public Relations department supported a golf tournament and community-centered initiative for the Mutomboko Ceremony which was held to raise funds towards the hosting of the ceremony.





PROCUREMENT AND SUPPLIES DEPARTMENT

9.0 THE ELECTRONIC GOVERNMENT PLATFORM (E-GP)

The Agency continued the implementation of the electronic Government Procurement (e-GP) system as required by the Zambia Public Procurement Authority. The use of the system has enhanced transparency in the procurement process and has streamlined administrative processes. However, the Agency has noted some challenges on the system such as the system being down at critical times i.e. at tender closing and suppliers not being registered especially government institutions.

The Agency has endeavored to ensure that all Open National Bidding (ONB) tenders are conducted on the system. The Agency recorded a 100% usage of the system for ONB tenders in readiness for the cutoff date for manual procurements of second quarter of 2024.

9.1 Procurement Plan Implementation

The Agency had planned to procure goods, works and services at a total cost of K110,873,793.00 in 2023 as compared to the planned procurements for 2022 which amounted to ZMW118,998,173.00. This represented a decrease of 7.3% from 2022 due to the decrease in budget allocation.

The implementation of the Agency's Procurement Plan as at 31st December, 2023 stood at 85.1%.

9.2 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 as at 31st December, 2023.

Table 9.1: Carried Forward Procurements

No.	Description	Supplier/ Contractor	Contract Signed	Status	Comment
1.	Contract for the design, supply, delivery and installation of an Enterprise Resource Planning (ERP) System	Impax Business Solutions in Partnership with Circuit Business Solutions.	28.07.2022	Contract under implementation. Initiation Phase, requirements analysis stages and installation and configuration stages have been completed. System design and development and Use Acceptance Training completed. System Configuration and assigning of user rights on going	Contract extended from 17th January, 2024 to May, 30, 2024. The system is planned to go live in March 2024.
2.	Contract for the Refurbishment of the Kazungula Housing Units	East west Investments Limited	18.12.21	Works completed awaiting inspection by the ministry of infrastructure once funds are available.	Initial inspection had identified snags and works that needed to be re-done. Management has opted to close out contract and engage another contractor to finish off the works.

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 central stores received goods (stock and nonstock items) at a total value of ZMW 26,354 859.23, the total value of goods and issued out was ZMW 2,560 282.459 and the closing balance at the end of the period was ZMW 2,728 468.60, for stock items.

The unit conducted quarterly stock takes at RTSA Lumumba Central stores in 2023 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 STRENGTHENING ORGANISATIONAL CAPACITY

In the year 2023, 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, investigations, internal controls and other engagements. 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 audit reports were reported on a quarterly basis to the Audit and Risk Committee.

The Agency conducted forty-six (46) audits during the period under review. This showed an increase of seven (7) audits conducted in comparison to 2022 whose performance attainment stood at thirty-nine (39) audits conducts.

10.2 STATEMENT OF INTERNAL CONTROL AND RISK MANAGEMENT FOR THE YEAR ENDED 31ST DECEMBER 2023

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 Board is pleased to share the statement of internal controls and risk management for RTSA, for the year ended 31st December 2023.

SCOPE OF RESPONSIBILITY

Board's Role

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

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

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

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

Management's Role

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

Identifying the risks relevant to road transport and safety and the achievement of Agency objectives and strategies;

Formulating relevant policies and procedures to manage these risks in accordance with the Agency's strategic vision and overall risk appetite;

Implementing applicable National policies and policies approved by the Board to enhance compliance to applicable laws;

Identify changes to risk or emerging risks, take actions as appropriate, and promptly bring these to the attention of the Board.

Timely resolution of audit queries and implementation of recommendations.

Internal Audit's Role

The Agency's internal audit function is an independent, objective assurance and consulting activity designed to add value and improve the Agency's operations. The Internal Audit and Risk Management Department evaluates and aids 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. These are reported to the Audit and Risk

Committee and the Board on a quarterly basis.

The Board has the overall responsibility for the effective management of risk within the Agency. To ensure this responsibility is discharged effectively, the Agency has:

- (a) Ensured the regular submission of quarterly Risk Management reports to the Ministry of Finance, Auditor General and other stakeholder as guided.
- (b) Incorporated the strategic partners in Risk Management assessment and monitoring.
- (c) Established the Terms and Reference for formation of the Frauds Response Committee.
- (d) Established the Terms and reference for formation of the Business Continuity Planning Team.
- (e) Has developed various risk management dashboards to enable morning of Key Risk indicators.
- (f) Established a Risk Unit to co-ordinate, monitor and oversee aspects of risk management.
- (g) An Audit and Risk Management Committee which ensures assurances are obtained concerning the standards of performance in all aspects of governance.
- (h) Set the tone through a Board approved Risk policy framework, Risk Appetite Statement and Business Continuity Management policy.
- (i) Conducted workshops across departments and stations in order to raise awareness on risk management and embed a risk management culture.
- (j) Gradually promoted a culture that demands that incidents, accidents and near misses are reported
- (k) The Agency has further appointed risk champions across all stations and departments to ensure the Risk Register is regularly updated.
- (l) Established a Risk Management Committee that reviews cross cutting risks on a quarterly basis.
- (m) Implementation of an enterprise risk management framework, policies and procedures to ensure that risk management practices and processes are effective at all levels.

The Agency's enterprise risk management strategy uses an integrated approach. The articulation of the risk appetite is done through a set of risk appetite statements that define the Agency's appetite on all its material risks.

The risk management strategy and associated policies and procedures provide a systematic approach to the road transport and safety to road users. It is based upon the principles laid down in the Road Traffic Act No. 11 of 2002, applicable legislation, National policy guidance and best practice. It is reviewed and audited annually for compliance with legal requirements and with a view to defining areas for further enhancement.

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

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

THE INTERNAL CONTROL ENVIRONMENT

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

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

1. Organisation Structure – The Agency has in line with the Road Traffic Act requirements, an organisational structure with clearly defined lines of responsibility, authority limits, and accountability of the Board, Board Committees and Management to ensure efficient and effective corporate governance is attained. Further information on the roles and responsibilities and specific duties of the Board, Board Committees and Management included in the Board Charter and the Corporate Governance Manual. The Board reviews regular reports from the Management on Road safety and transport matters, key operating statistics and financial matters.
2. Strategic Plan, Annual Work Plan, Procurement Plan and Budget -These are approved by the Board and performance achievements are reviewed against the targeted results on a quarterly basis allowing timely responses and corrective actions to be taken.
3. Audit and Risk Management Committee -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.
5. Revenue Monitoring Unit which is responsible for the continuous monitoring of potential revenue leakage that may arise from day to day operations.
6. Compliance Culture – The Agency is largely guided by the Road Traffic Act No. 11 of 2002 in the promotion of road transport and safety. Aside from having a Compliance Register, the Agency has instilled a compliance culture where the Board, Senior Management and every employee of the Agency is committed to adhere to the requirement of the RTA, Employment Code Act, Public Finance Management Act and other applicable in the execution of its mandate.
7. Integrity Committee/ Whistleblowing Policy - The Agency's Whistle Blowing Policy is applicable to all employees and provides guidance on reportable concerns, avenues for reporting as well as governance, investigation and deliberation process. The policy promotes a culture of openness, accountability, integrity and professional responsibility among employees whilst reassuring employees of protection against harassment, reprisals or victimization for raising genuine concerns. The establishment of the policy and the Integrity Committee provides Management the opportunity to address any corrupt, dishonest or fraudulent activities by implementing remedial actions to reduce negative reputational risk. It also allows employees to receive feedback on their concerns and to allow further escalation if they are not satisfied with the actions taken.
8. Policies and procedures- There is extensive documentation of policies, procedures, guidelines and service level agreements by the Agency relating to licensing and examination for both drivers and motor vehicles, finance, procurement and contract management, human resources and administration, information communication technology, legal, communications and research among others. Continuous reviews and control enhancements are made to cater for business environment changes and to align these with regulatory changes. The Agency in 2021 reviewed its Finance and Administration, Procurement, Disposal policy documents among others, to align them with new legislation enacted A register of policies is maintained by the Legal Counsel where there is an indication of whether the policy has been Board approved and the time line for review.
9. Management of Information Assets - Confidentiality, integrity and availability of information forms the basis for data protection, which is critical to day-to-day operations for management decision making. To safeguard

the information assets, the Agency has an ICT Policy which clearly defines the processes for effective management of information assets and its associated risks, handling rules and need for information to properly managed, controlled and protected. Additional measures include reinforcing the clear desk policy to minimise information leakage/theft and fraud.

10. Segregation of duties including authority limits at station, departmental, Management and Board levels for approving general and operational expenses, ICT system rights, acquisition & disposal of assets, procurements, donations, as well as write offs.
11. Human Resource Policies and Guidelines that governs all aspects of human resource management, from talent acquisition and development, performance and consequence management, code of conduct to cessation of employment. A Disciplinary Policy is also established to provide for a structure where disciplinary matters are dealt with fairly, consistently and in line with the prevailing labour laws and employment regulations.
12. Core Values and Code of Ethics and Conduct- The Agency's core values, SAFE-CIT. (Service excellence, Accountability, Fairness, Efficiency, Confidentiality, Integrity and Transparency) are the essential guiding principles to drive behavioral ethics. It is further complemented by the Code of Ethics that sets out sound principles and standards of good practice to be observed by all.

These processes have been in place for the financial year ended 31 December 2023 and up to the date of approval of this Statement on Risk Management and Internal Control.

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 identified by Internal Audit or Management. Other means include surveys/ reports submitted to Departmental Heads and Management subsequent to undertaking key activities.

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







RISK MANAGEMENT UNIT



11.1 Risk Management

The Risk Management Unit remains critical in ensuring the Agency attains its strategic objectives by identifying, documenting critical processes and internal controls failures as well as managing key risks. This summation outlines activities undertaken in during the year ending 2023 in comparison with year 2022.

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. As at end of 2023, Thirteen (13) risks were identified where in three (3) remained high (Red), whereas nine (9) were rated moderate (Amber) and one (1) rated Low (Green). Key drivers of these risks were identified and various management corrective initiatives were established.

During the year monitoring of reported risk incidents continued for timely resolution. Cumulatively, 255 incidences were reported as at Q4-2023 and a total of 142 (56%) incidences were closed, 19 (7%) partially resolved and 94 (37%) remained outstanding. Additionally, in order to risks are within the set Risk appetite, Key Risk Indicators were constantly monitored with the help various Agency Risk Dashboards.

In line with the unit's objective of embedding a culture, the unit conducted Risk Management Sensitisation and process review across some Lusaka province based Agency Strategic Partners. With a view to foster risk management presence across all stations the Risk Champions were identified and formerly appointed across the various station and departments.

Further in order to pro-actively enhance the Agency control environment through identification, documenting, monitoring and risk ownership, the unit continued to enforce adherence to regular submission of Risk Registers by all department and stations. Risk and fraud awareness concepts continued through the year with more staff being trained. With regards to limiting operational loss database the unit continued to monitor activities around Insurance Claims with four (4) critical claims remaining outstanding as at year end compared to twelve (12) as at end of 2022.

Finally, 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. Ministry of Finance and Insurance companies continued during the year 2023.







HUMAN RESOURCE AND ADMINISTRATION DEPARTMENT

12. ENHANCE HUMAN RESOURCE CAPACITY

12.1 Staffing

During the period under review, The Agency's staff complement as at 31st December, 2023 were as follows: 623 establishments, 612 Permanent & Pensionable & Contract employees, and 11 employees are on short term contracts.

Table 12.1 Staffing complement

Staff compliment	Dec – 2022	Dec – 2023	Absolute change	Statistics as at 31 st December, 2023
Engagements	26	23	-3	Six hundred & thirteen (612) Permanent & Pensionable & Contract, and Eleven (11) on short term contracts employees.
Separations	18	42	24	
Transfers	214	68	-146	
Promotions	18	11	-7	Total - 623

12.1.2 Up scaling the works of the Integrity Committee

In the period under review, the Agency implemented its Annual Corruption Prevention Action Plan (ACPAP) for the year 2023. To upscale the works of the Integrity Committee (IC), members of staff were sensitized on integrity related policies, the new vision, mission and core values in southern and eastern provinces.

In order to enhance collaborative partnerships in the prevention of corruption, the Agency attended the Road Sector Integrity Committee (NRFA, RDA & RTSA) annual retreat and capacity building training workshop from August 13 to August 15 2023. The training was conducted in Livingstone through facilitators from the Anti-Corruption Commission (ACC), Drug Enforcement Commission (DEC), and the Zambia Police Service (ZP).

Further, the Agency at the invitation of the Secretary to Cabinet attended the Chief Executive Officer's forum on 22nd November 2023 where through the Chairperson of the Integrity Committee, a presentation was made to the forum on "The Effect of e-Governance on Corruption & Delivery of RTSA Services."

The Agency also participated in the commemoration of the International Anti-Corruption Day on December 9, 2023. Owing to the Agency's improvement in the Zambia Bribe Payers Index (ZBPI), the Transparency International Zambia (TI-Z) awarded RTSA as the second most improved public service institution at the inaugural Transparency International Zambia 2023 Anti- Corruption Conference.

12.1.3 Restructuring of the Agency

During the year under review, the Agency continued with the restructuring process working with the Management Development Division (MDD). The Agency had received the final draft report as at the end of the period under review but it had not been presented to the Board for approval.

12.1.4 Staff Welfare

During the year under review, the Director and Chief Executive Officer had an introductory meeting with all staff in Lusaka. The meeting was held at Nakatindi Hall on 31st March, 2023.



Figure 1: RTSA Director & CEO Addressing staff during a meeting at Nakatindi Hall in Lusaka

The Director and Chief Executive Officer also visited all Lusaka and Copperbelt stations to familiarize himself with the operations of the Agency.

Further, the Agency implemented new Conditions of Service on transport allowance. The change provided for the payment of transport allowance of K2, 000.00 net of tax to employees in grades RTSA3 to RTSA5.

In revising the conditions of service in their entirety, the Agency engaged the Emoluments Commission and was invited for a rationalization and harmonization of salaries and conditions of service workshop. The workshop was successfully held from July 19, 2023 to August 3, 2023. The Agency received the finalized and approved report from the Emoluments Commission on 28th December, 2023 and is yet to present it to the Board. It is envisioned that the rationalized and harmonized conditions of service shall be implemented in the first quarter of 2024.

12.1.5 Trade Union

The Collective Agreement that was signed between the Agency and the National Road Sector Agencies and Allied Workers Union expired on 14th March, 2023. The Union had submitted its demands for negotiations. However, the negotiations could not commence as the Agency was in the process of obtaining parameters for negotiations from the Emoluments Commission.

As such, the Agency submitted an application for the extension of the Collective Agreement to the Ministry of Labour and Social Security.

In the year 2023, the union requested for the amendment of some clauses in the Recognition Agreement and the Agency had not responded as at the end of the period under review.

12.1.6 Staff Training and Capacity Building

The Agency has a training policy which supports employees' personal development. However, due to limited resources the Agency allows employees to pursue approved courses and latter access refund of tuition fees in line with the Training Policy. During the year 2023, the Agency approved eighteen (18) requests from staff to pursue different types of long term courses. The approval of the courses entitled employees to be supported with examination study leave and also access refund of tuition and examination fees at successful completion of the courses. This is as indicated in appendix 7.

Furthermore, during the year under review, eleven (11) employees pursuing long term courses approved by the Agency successfully completed their studies and submitted proof of completion documents. The employees were bonded for two years and refund of course fees were processed. The total amount processed was K470,322.69.00 plus GBP400.00 as indicated in the table at appendix 8.

12.1.7 Workshops

The Agency conducts periodic training for staff in order to build capacity and enhance service delivery. During the period under review, five (5) members of staff attended a two (2) days' workshop on International Public Sector Accounting Standards (IPSAS) in Livingstone from 29th – 31st March 2023. Furthermore, the Agency sponsored three (3) Human Resource Officers who successfully attended a three (3) days' workshop on "Ground breaking developments in the Employer-Employee relationship" facilitated by the Zambia Institute of Human Resource Management from the 14th to 15th December 2023. The officers had an opportunity to network with successful professionals and practitioners and other invited speakers in order to broaden knowledge and skill especially in the dynamics of the Employment Law, Disciplinary Procedures and other Labour Laws.



Human Resource Officers among participants at the ZIHRM workshop

12.1.8 Disciplinary matters

During the year 2023, forty-five (45) disciplinary cases arose and were handled in line with the RTSA Disciplinary Code and Grievance Procedure. From the forty-five cases, thirty-six (36) were heard and concluded, two (2) were heard but not concluded and seven (7) cases were pending hearing as indicated at appendix 5.

12.1.9 Orientation of staff

Employees recruited during the period under review did not undergo an orientation as the Agency was in the process of establishing a Training Centre at its Avondale house. The orientation is scheduled to take place once the Training Centre is operationalized in the first quarter of 2024.

12.1.10 Staff Contract Management

Contracts for forty-one (41) employees expired during the year under review. Out of the forty-one (41), contracts for four (4) employees were renewed for five years while contracts for six (6) were not be renewed and contracts for thirty-one (31) employees were awaiting Management responses.





FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2023

Road Transport and Safety Agency
Financial statements
31 December 2023

ROAD TRANSPORT AND SAFETY AGENCY

FINANCIAL STATEMENTS – 31 DECEMBER 2023

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ROAD TRANSPORT AND SAFETY AGENCY

FINANCIAL STATEMENTS – 31 DECEMBER 2023

GENERAL INFORMATION

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	Retired in January 2024
Mr. Emmanuel Sampa	Director	Appointed 8th June 2022
Eng. Grace Mutembo	Ex-Official - RDA CEO	Effective 18th September 2023
Eng. Wallece Mumba	Ex-Official - NRFA CEO	Retired in January 2024
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
Mr. Given Mazimba	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. Mukela Mangolwa	Head Public Relations
Ms. Rebecca M Mweemba	Legal Counsel
Ms. Janet Mumba	Procurement Specialist
3. **Bankers**

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

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

Grant Thornton
2nd Floor, West Wing Metropolitan House
Off Kelvin Siwale Road, Arcades Area
PO Box 30885
Lusaka
5. **Registered office**

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

ROAD TRANSPORT AND SAFETY AGENCY

FINANCIAL STATEMENTS – 31 DECEMBER 2023

DIRECTORS' REPORT

1. 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 2023.

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 third year.

2. 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. Grace Mutembo	Ex-Of□cial - RDA CEO
Eng. Wallece Mumba	Ex-Official - NRFA CEO

The Minister in charge of transport had not yet appointed the four 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.

3. 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 intangible assets and reporting on investment risks.

ROAD TRANSPORT AND SAFETY AGENCY

FINANCIAL STATEMENTS – 31 DECEMBER 2023

DIRECTORS' REPORT (CONTINUED)

3. **Highlights of key changes to the IPSAS financial statements of the Agency (continued)**

Note 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 17 to the financial statements.

4. **Overview of the financial statements for the year ended 31st December 2023**

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 2023. 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.

5. **Revenue**

The financial results for year 2023 show a surplus of K66.735 million (2022 - surplus of K27.490 million) based on the results as follows:

	2023	2022
	K'000	K'000
Total revenue	407,839	385,713
Total expense	<u>341,104</u>	<u>358,226</u>
Surplus	<u>66,735</u>	<u>27,487</u>
Net assets	<u>98,126</u>	<u>36,859</u>

In 2023 revenue totaled K407,839 million (2022: K385.713 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.

6. **Expenses**

For the year ended 31 December 2023, expenses totalled K341.104 million (2022: K358.226 million). The main expense categories were staff costs of K211.123 million (2022: K200.255 million), or 62 per cent (2022: 56 per cent); other operating expenses of K94.404 million (2022: K107.150 million), or 28 per cent (2022: 30 per cent); other expenses make up K35.576 million (2022: K50.821 million), or 10 per cent (2022: 14 per cent).

7. **Operating results**

The net surplus of revenue over expense in 2023, as measured under IPSAS, is K66,738 million (2022: surplus K27.490 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.

ROAD TRANSPORT AND SAFETY AGENCY

FINANCIAL STATEMENTS – 31 DECEMBER 2023

DIRECTORS' REPORT (CONTINUED)

8. **Property and Equipment, and intangible assets**

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

	2023	2022
	K'000	K'000
Motor vehicles	-	11,625
Capital work in progress	10,960	8,873
Office equipment	4,744	6,170
Office furniture and fittings	1,260	957
Leasehold buildings	681	1,168
Intangible assets	<u>1</u>	<u>2</u>
	<u>17,646</u>	<u>28,795</u>

9. **Related party transactions**

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

10. **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.

11. **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.

12. **Events subsequent to the reporting date**

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.

13. **Climate change**

Climate change is both an increase in high temperatures as well as an increase in climate variability, triggered by increased concentration of greenhouse in the atmosphere. Climate variability in Zambia in the year 2023 led to prolonged droughts in most parts of the country affected the food security and life in general for the entire country's population.

Premised on the above, His Excellency the President of the Republic of Zambia, Mr. Hakainde Hichilema, on 29th February, 2024 declared the country's debilitating drought, a national disaster and Emergency.

Impact on the Agency

Power outages.

Power outages due to load management by the utility company- ZESCO Limited, is affecting the operations of the Agency as staff are forced into work stoppage whenever there are power cuts till restoration. In many cases this brings that day's work to an end.

Increased costs

Increased Costs as stations are only able to continue providing services with the help of generators which require additional fuel to run.

ROAD TRANSPORT AND SAFETY AGENCY

FINANCIAL STATEMENTS – 31 DECEMBER 2023

DIRECTORS' REPORT (CONTINUED)

13. Climate change (continued) Impact on the Agency (continued)

Additional workload for staff

The maintenance team in the Administration department move between stations to re-fuel the generators and to also carryout additional maintenance work to ensure they are in working condition. The same goes for Accounts staff as they facilitate additional fuel.

Delays in finishing Agency activities

Planned activities such as training programs usually go beyond schedule as there are always connectivity issue with the system whenever there are power disruptions.

High cost of living for Agency staff

The inevitable increase in the cost of living as result of climate change has also negatively impacted on the staff since they also live in the same communities affected by economic hardships.

Adaptation measures

The Agency is implementing measures to address the adverse effects to ensure minimal impact and heal the Agency attains climate resilience. Notable measures include the following;

- The Agency is currently working on installation of Solar system at Head Office, Avondale training Centre and selected RTSA Stations.
- Allows for pre- approval of overtime for work done outside working hours so as to reward staff for work done outside working hours.
- Budget monitoring and control to ensure expenditure is according to budget
- Allows for flexibility in working to accommodate for extra-time and work.
- The Agency's conditions of service provide for staff to apply for salary advance in times of need and are always given. This helps staff meet emergencies they face during hard times like the current economic hardship resulting from climate change.

14. Auditors

Messrs Grant Thornton were appointed for a term of three years following a competitive bidding process. Their current term of office is the audit of the financial years 31 December 2023, 2024 and 2025.

By order of the Board



Agency Secretary

Lusaka

Date:

ROAD TRANSPORT AND SAFETY AGENCY

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Road Traffic (Amendment) Act No. 8 of 2022 (the Act) requires the Directors to prepare financial statements for each financial year which present fairly the state of affairs of Road Transport and Safety Agency and of the surplus or deficit for the period and its cash flows for the year then ended. In preparing such financial statements, the directors are responsible for:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error;
- selecting appropriate accounting policies and applying them consistently;
- making judgements and accounting estimates that are reasonable in the circumstances; and
- preparing the financial statements in accordance with the applicable financial reporting framework, and on the going concern basis unless it is inappropriate to presume that the Agency will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Agency and enable them to ensure that the financial statements comply with the Road Traffic (Amendment) Act No. 8 of 2022. They are also responsible for safeguarding the assets of the Agency and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirm that in their opinion:

- (a) the statement of financial performance is drawn up so as to present fairly the surplus for the year ended 31 December 2023;
- (b) the statement of financial position is drawn up so as to present fairly the state of affairs of the Agency as at 31 December 2023; and
- (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 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 _____ and are signed on its behalf by:

Signed at **Lusaka** on _____



Chairman



CEO & Board Secretary



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INDEPENDENT AUDITOR'S REPORT TO THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA THROUGH THE MINISTER OF TRANSPORT AND LOGISTICS

Report on the financial statements

Qualified 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 2023 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.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Agency as at 31st December 2023 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 Qualified Opinion

International Public Sector Accounting Standards (IPSAS) 17.44 requires that valuations be carried out with sufficient regularity to ensure that the carrying amount does not materially differ from that which would have been determined using fair value at the reporting date. The last revaluation was carried out in December 2015. In this respect the Agency has not complied with the requirements of IPSAS 17.

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

Other matter

The financial statements of the Agency as at and for the year ended 31 December 2022, were audited by another auditor who expressed an unmodified opinion on those financial statements on 26 October 2023.

Partners

Edgar Hamuwele (Managing)
Christopher Mulenga
Wesley Beene
Rodia Milumbe Musonda
Chilala Banda

Audit • Tax • Advisory

Chartered Accountants
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INDEPENDENT AUDITOR'S REPORT TO THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA THROUGH THE MINISTER OF TRANSPORT AND LOGISTICS

Key audit matters

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

For the year under review there were no such matters to report.

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

The Directors are responsible for the other information. The other information comprises the Directors' Report and the statement of Directors' responsibilities, as required by the Road Traffic Act No. 11 of 2002 as amended which we obtained before the date of this auditor's report. This other information 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 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 National Planning 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 about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA THROUGH THE MINISTER OF TRANSPORT AND LOGISTICS

Auditor's responsibilities for the audit of the financial statements (continued)

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- conclude on the appropriateness of the Board's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- 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 the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

**INDEPENDENT AUDITOR'S REPORT
TO THE GOVERNMENT OF THE REPUBLIC OF ZAMBIA THROUGH THE MINISTER
OF TRANSPORT AND LOGISTICS**

Report on other legal and regulatory requirements

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 Rules of the Road Traffic Act No. 11 of 2002 as amended.

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.

Grant Thornton

Chartered Accountants

Banda

Chilala M. Banda (AUD/F0004257)

Name of Partner signing on behalf of the Firm

Lusaka

Date: **14.10.2024**

ROAD TRANSPORT AND SAFETY AGENCY

STATEMENT OF FINANCIAL POSITION - 31 DECEMBER 2023

	Note	2023 K'000	2022 K'000
ASSETS			
Current assets			
Cash and cash requirements	5	95,125	37,266
Funding receivables	6	17,437	18,764
Other assets	7	5,541	4,883
Inventories	8	<u>15,011</u>	<u>35,608</u>
Total current assets		<u>133,114</u>	<u>96,521</u>
Non-current assets			
Intangible assets	9	130	209
Property and equipment	10	<u>144,072</u>	<u>153,232</u>
Total non-current assets		<u>144,202</u>	<u>153,441</u>
Total assets		<u>277,316</u>	<u>249,962</u>
LIABILITIES			
Current liabilities			
Accounts payables and accrued liabilities	11	43,509	63,101
Employee benefit liabilities	12	76,777	91,651
Short-term provisions	13	<u>12,809</u>	<u>12,253</u>
Total current liabilities		<u>133,095</u>	<u>167,005</u>
Non-current liabilities			
Employee benefit liabilities	12	<u>46,095</u>	<u>46,095</u>
Total non-liabilities		<u>46,095</u>	<u>46,095</u>
Total liabilities		<u>179,190</u>	<u>213,100</u>
Net of total assets and total liabilities		<u>98,126</u>	<u>36,862</u>
Net liabilities			
Operating reserves		72,264	10,749
Capital grants		3,217	3,468
Revaluation reserves			
	<u>22,645</u>	<u>22,645</u>	
Total net assets		<u>98,126</u>	<u>36,862</u>

The financial statements on pages 11 to 48
were approved by the Board of Directors
on _____ and were signed on
its behalf by:

)
)
) **Directors**
)
)

ROAD TRANSPORT AND SAFETY AGENCY

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 K'000	2022 K'000
Revenue			
Appropriated through the MoFNP	14	143,216	130,196
Appropriated through the Road Fund	14	264,594	253,706
UNDP Grant	14	-	-
Interest and other revenue	15	<u>29</u>	<u>1,811</u>
Total revenue		<u>407,839</u>	<u>385,713</u>
Expenses			
Administration expenses	16	5,312	12,265
Depreciation and amortization	9 & 10	20,105	22,889
Employees' salaries, allowances and benefits	16	211,123	200,255
Foreign exchange expenses	16	-	-
Other operating expenses	16	94,404	107,150
Supplies and consumables	16	446	950
Training	16	1,306	651
Travel	16	<u>8,408</u>	<u>14,066</u>
Total expenses		<u>341,104</u>	<u>358,226</u>
Surplus for the year		<u>66,735</u>	<u>27,487</u>

ROAD TRANSPORT AND SAFETY AGENCY

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Operating reserves - restricted K'000	Capital grants K'000	Revaluation reserves K'000	Total K'000
Balance at 1 January 2022		(17,200)	3,710	16,441	2,951
Surplus		27,487	-	-	27,487
Additions	(c)	-	-	6,666	6,666
Transfers	(a), (b)	462	(242)	(462)	(242)
Total recognised changes in net assets		<u>27,949</u>	<u>(242)</u>	<u>6,204</u>	<u>33,911</u>
Balance at 31 December 2022		<u>10,749</u>	<u>3,468</u>	<u>22,645</u>	<u>36,862</u>
Balance at 1 January 2023		10,749	3,468	22,645	36,862
Surplus		66,735	-	-	66,735
Additions	(c)	-	-	-	-
Reversal	(d)	(5,220)	-	-	(5,220)
Transfers	(a), (b)	-	(251)	-	(5,471)
Total recognised changes in net assets		<u>61,515</u>	<u>(251)</u>	<u>-</u>	<u>61,264</u>
Balance at 31 December 2023		<u>72,264</u>	<u>3,217</u>	<u>22,645</u>	<u>98,126</u>

- (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 Kasumbalesa 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 15 to the financial statements.

- (c) The addition to the revaluation reserves in 2022 related to the following:

	Valuation as per the Report in (b) K'000	Purchase price/ Carrying amount K'000	Gain K'000
Kasumbalesa property (i)	280	205	75
Mimosa property (ii)	<u>20,141</u>	<u>13,550</u>	<u>6,591</u>
Total (iii)	<u>20,421</u>	<u>13,755</u>	<u>6,666</u>

- (d) The reversal of K5.2 million is to correct the grant received from NRF for the construction of the head office which was captured twice in 2013 and 2014.

ROAD TRANSPORT AND SAFETY AGENCY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

Notes

- (i) Property is situated at Kasumbalesa border approximately fifteen (15) kilometres from the central business district of Chilabombwe and sitting on Subdivision No. D of Farm No 1884. The site measures approximately 0.0750 hectares in extent with boundaries consisting of a single storey building. This property had a carrying amount of K205,195 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 amortised to the operating reserves at 2% per annum.

ROAD TRANSPORT AND SAFETY AGENCY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 K'000	2022 K'000
Cash flows from operating activities			
Surplus for the year		66,735	27,487
Non-cash movements			
Depreciation and amortisation	9&10	20,105	22,889
Grant amortization and revaluation reserves	15	(251)	(242)
(Gain)/loss) on disposal of property and equipment	15	398	(682)
Changes in assets			
Increase in funding receivable	6	1,327	(1,326)
Decrease in other assets	7	(658)	2,260
Decrease in inventories	8	20,597	23,712
Changes in liabilities			
Decrease in accounts payable and accrued liabilities	11	(19,595)	(13,782)
Increase in employee benefits	12	(14,874)	3,321
Decrease in short-term provisions	13	<u>556</u>	<u>(3,581)</u>
Net cash flows used in operating activities		<u>74,343</u>	<u>60,059</u>
Cash flows from investing activities			
Payments for property and equipment	10	(17,646)	(28,793)
Payments for intangible assets	9	(1)	(224)
Proceeds from disposal of property and equipment		<u>1,160</u>	<u>958</u>
Net cash used in investing activities		<u>(16,484)</u>	<u>(28,059)</u>
Net increase in cash and equivalents		57,859	32,000
Cash and cash equivalents at beginning of the year	5	<u>37,266</u>	<u>5,266</u>
Cash and cash equivalents at end of the year	5	<u>95,125</u>	<u>37,266</u>
Represented by:			
Station imprest		93,949	631
Cash in hand and at bank	5	<u>1,176</u>	<u>36,635</u>
		<u>95,125</u>	<u>37,266</u>

ROAD TRANSPORT AND SAFETY AGENCY

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	<i>Publicly available budget</i>			
	<i>Original and final budget (a)</i>	<i>Actual (budget basis)</i>	<i>Difference (percentage) (b)</i>	<i>Note</i>
Revenue				
Appropriated through the Ministry of Finance	143,214	143,216	0%	
Appropriated through the Road Sector Fund	<u>240,000</u>	<u>264,594</u>	10%	
Total revenue	<u>383,214</u>	<u>407,810</u>		
Expenses				
Administration expenses	2,557	5,312	(108%)	18(i).
Capital expenditure	53,286	17,647	67%	18(ii).
Employees salaries, allowances and benefits	204,166	211,123	(3%)	
Other operating expenses	111,149	94,404	15%	
Supplies and consumables	470	446	5%	18(iii).
Training	1,334	1,306	2%	18(iv).
Travel	<u>10,252</u>	<u>8,408</u>	<u>18%</u>	<u>18(v).</u>
Total expenses	<u>383,214</u>	<u>338,646</u>	<u>12%</u>	
Surplus for the year	<u>-</u>	<u>69,164</u>		

- (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) The percentage of Actual expenditure (comparable budget basis) less final budget should be considered for materiality. In pursuant of IPSAS 24 budget considerations, differences greater than 10 per cent are considered material and are discussed in Note 17 of the financial statements.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

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:

- to implement policy on road transport, traffic management and road safety;
- to register motor vehicles under the Act;
- to issue licenses and permits under the Act;
- 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;
- 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;
- to coordinate road safety programmes;
- 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;
- in conjunction with local authorities, to formulate and conduct programmes designed to promote road safety;
- to make contributions towards the cost of programmes for promoting road safety undertaken by other authorities or bodies; and
- to carry out such other activities as are necessary or conducive to the performance of its functions under the Act.

1.2 The Agency is headed by a Director who is also the Chief Executive Officer (CEO). As at 31 December 2023, 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.

1.3 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.

1.4 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.

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

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

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:

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

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 judgement 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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. Basis of preparation (continued)

2.3 Materiality and use of judgement and estimation (continued)

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

2.4 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.

2.5 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.
- (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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. Basis of preparation (continued)

2.6 Recent and future requirements of IPSAS

A number of new standards, amendments to standards and interpretations are mandatory for the year ended 31 December 2023 and have been adopted by the Agency where relevant to the Agency's operations.

The IPSAS Board has issued the following standards: 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) 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>

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. Basis of preparation (continued)

2.6 Recent and future requirements of IPSAS (continued)

(a) **Future requirements of IPSAS (continued)**

<i>Standard</i>	<i>Anticipated impact in the year of adoption</i>
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>
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>

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. Basis of preparation (continued)

2.6 Recent and future requirements of IPSAS (continued)

(b) Amendments to existing Standards

A number of IPSAS were amended as a result of the International Public Sector Accounting Standards Board's (IPSASB) improvement to IPSAS, 2021 project. This project involves making non-urgent but necessary changes to IPSAS. The following IPSAS have been amended:

- IPSAS 17, Property, Plant and Equipment;
- IPSAS 19, Provisions, Contingent Liabilities and Contingent Assets;
- IPSAS 22, Disclosure of Financial Information About the General Government Sector;
- IPSAS 29, Financial Instruments: Recognition and Measurement;
- IPSAS 30, Financial Instruments: Disclosures;
- IPSAS 33, First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs);
- IPSAS 39, Employee Benefits; and
- IPSAS 41, Financial Instruments.

The IPSASB's narrow scope project IPSAS 5, Borrowing Costs- Non-Authoritative Guidance amended this IPSAS to provide Implementation Guidance and Illustrative Examples to assist entities in determining the extent to which borrowing costs can be capitalized.

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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. Significant accounting policies (continued)

3.1 Assets (continued)

3.1.1 Financial assets (continued)

(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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. Significant accounting policies (continued)

3.1 Assets (continued)

3.1.2 Advances or prepayments (continued)

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 initially stated at historical cost less accumulated depreciation and accumulated impairment losses. The revalued property is stated at fair value. 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.

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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. Significant accounting policies (continued)

3.1 Assets (continued)

3.1.3 Property, plant and equipment

(b) Depreciation of property, plant and equipment (continued)

The estimated useful lives for property, plant and equipment classes are as follows:

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

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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023 (CONTINUED)

3. Significant accounting policies (continued)

3.1 Assets (continued)

3.1.4 Intangible assets (continued)

(a) *Amortisation of intangible assets*

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

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

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

3.1.5 Inventories

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

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

3.2 Liabilities

3.2.1 Financial liabilities

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

Financial liabilities classified as other financial liabilities are initially recognized at fair value and subsequently measured at amortized cost. Financial liabilities with a duration of less than 12 months are recognized at their nominal value. The Agency re-evaluates the classification of financial liabilities at each reporting date and derecognizes financial liabilities when its contractual obligations are discharged, waived, cancelled or expired. Accounts payable and accrued expenses arise from the purchase of goods and services that have been received but not paid for as at the reporting date. They are stated at invoice amounts, less payment discounts as at the reporting date. Payables are recognized and subsequently measured at their nominal value, as they are generally due within 12 months.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. Significant accounting policies (continued)

3.2 Liabilities (continued)

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 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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. Significant accounting policies (continued)

3.2 Liabilities (continued)

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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. Significant accounting policies (continued)

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 instalments 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 2023.

4. Financial instruments and financial risk management

Financial instruments	2023	2022
	K'000	K'000
Financial assets		
Cash and receivables		
Cash and cash equivalents (Note 5)	95,125	37,266
Accounts receivable (Note 6)	<u>17,437</u>	<u>18,764</u>
Total cash and receivables	<u>112,562</u>	<u>56,030</u>
Total carrying amount of financial assets	<u>112,562</u>	<u>56,030</u>
Financial liabilities		
<i>Amortised cost</i>		
Accounts payable and accrued liabilities (Note 11)	43,509	63,101
Short-term employee benefit liabilities (Note 12)	<u>76,777</u>	<u>91,651</u>
Total carrying amount of financial liabilities	<u>120,286</u>	<u>154,752</u>

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

4. Financial instruments and financial risk management (continued)

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 of maturities.

Summary of revenue and expenses of the main pool

	2023 K'000	2022 K'000
Interest revenue (Note 15)	-	-
Interest revenue from the main cash pool	-	-
Bank fees (Note 16)	177	162
Operating expenses from the main cash pool	177	162
Revenue and expenses from the main cash pool	(177)	(162)

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 reporting 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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

4. Financial instruments and financial risk management (continued)

Financial risk management: credit risk (continued)

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.

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:

	<u>31 December 2023</u>		<u>31 December 2022</u>	
	Gross Receivable	Allowance	Gross receivable	Allowance
Less than one year	-	-	-	-
More than one year	<u>3,143</u>	<u>3,143</u>	<u>266</u>	<u>266</u>
Total	<u>3,143</u>	<u>3,143</u>	<u>266</u>	<u>266</u>

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:

- (i) The debtors balances are grouped by receivables category;
- (ii) 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;
- (iii) Historical default rate % is calculated based on the bad debt established from the recoveries profile for each account receivable category;
- (iv) Forward looking data is incorporated using macro indicators such as inflation rate that have been observed to affect recoveries in the past;
- (v) 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; and
- (vi) Prepaid debt up to 180 days is projected to be collected in the next 12 months. No provision is made on this category of receivables there being nil expected losses.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

4. Financial instruments and financial risk management (continued)

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 2023

	Current	> 30	> 60	> 90	> 120	Total
Staff imprest for active employees	55	-	-	-	-	-
Expected credit losses	%	n/a	n/a	n/a	0%	-
Staff imprest for active employees expected credit loss						
Staff imprest for separated employees	n/a	n/a	n/a	n/a	71	71
Expected credit losses	-	-	-	-	100%	-
Staff imprest for separated employees expected credit loss						
Material loans for active employees	2,577	-	-	-	32	2,609
Expected credit losses	0%	n/a	n/a	n/a	%	-
Material loans for active employees expected credit loss						
Material loans for separated employees	n/a	n/a	n/a	n/a	101	101
Expected credit losses	-	-	-	-	100%	-
Material loans for separated employees expected credit loss						
Staff advances for active employees	223	%	n/a	%	-	223
Expected credit losses	0%	-	-	-	%	-
Staff advances for active employees expected credit loss						
Staff advances for separated employees	-	-	-	-	-	-
Expected credit losses	%	n/a	n/a	n/a	94	94
Staff advances for separated employees expected credit loss						
GRZ receivable accounts	-	-	-	-	94	94
Expected credit loss	%	n/a	n/a	n/a	17,155	17,155
GRZ expected credit loss						
Other staff receivables	-	-	-	-	-	-
Expected credit losses	n/a	n/a	n/a	n/a	0%	-
Other staff receivables expected credit loss						
Prepaid expenses	-	-	-	-	-	-
Expected credit losses	%	%	n/a	2,388	-	2,388
Prepaid expenses expected credit loss						
Total receivables	2,855	-	-	2,388	17,453	22,696
Total expected credit losses	-	-	-	-	266	266

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

4. Financial instruments and financial risk management (continued)

*Other credit risk disclosures (continued)***As at 31st December 2022**

	Current	> 30	> 60	> 90	> 120	Total
Staff imprest for active employees	211	-	-	-	86	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	n/a	n/a	n/a	n/a	71	71
Expected credit losses	-	-	-	-	71	
Staff imprest for separated employees expected credit loss	3,095	-	-	-	32	3,127
Material loans for active employees	0%	n/a	n/a	n/a	0%	
Expected credit losses	-	-	-	-	-	-
Material loans for active employees expected credit loss	-	-	-	-	-	-
Material loans for separated employees	n/a	n/a	n/a	n/a	101	101
Expected credit losses	-	-	-	-	100%	
Material loans for separated employees expected credit loss	-	-	-	-	101	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	94
Expected credit losses	0%	n/a	n/a	n/a	100%	
Staff advances for separated employees expected credit loss	-	-	-	-	94	94
GRZ receivable accounts	1,194	-	-	-	17,438	18,632
Expected credit loss	0%	n/a	n/a	n/a	0%	
GRZ expected credit loss	-	-	-	-	-	-
Other staff receivables	-	-	-	-	131	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

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

4. Financial instruments and financial risk management (continued)

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).

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

4. Financial instruments and financial risk management (continued)

Financial risk management: interest rate risk (continued)

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 2023, the Zambian Kwacha had weakened against the dollar by 41% over the twelve month period.

5. Cash and cash equivalents

	2023 K'000	2022 K'000
Main cash pool	93,949	36,635
Cash held in main station offices	<u>1,176</u>	<u>631</u>
Total cash and cash equivalents	<u>95,125</u>	<u>37,266</u>

6. 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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

6. **Accounts receivable (continued)****Accounts receivable**

	2023	2022
	K'000	K'000
GRZ	17,437	18,364
Sundry receivables	<u>-</u>	<u>400</u>
Total funding receivable	<u>17,437</u>	<u>18,764</u>

7. **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.

	2023	2022
	K'000	K'000
Advances to suppliers of products and services	2,388	906
Staff advances	<u>3,153</u>	<u>3,977</u>
Total other assets	<u>5,541</u>	<u>4,883</u>

8. **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 K2.6 million (2022: K2.3 million):

	2023	2022
	K'000	K'000
Security documents and forms	12,596	34,777
Motor vehicle spares	1,257	40
IT equipment and stationery	3,535	2,983
Law enforcement gear	<u>214</u>	<u>150</u>
	17,602	37,950
Provision for obsolete stock	<u>(2,591)</u>	<u>(2,342)</u>
Total inventories	<u>15,011</u>	<u>35,608</u>

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

9. Intangible assets

	Software - Externally developed K'000
Opening cost 1 January 2023	115,056
Adjustment	____ (1)
Total cost 31 December 2023	<u>115,055</u>
Opening accumulated amortisation 1 January 2023	114,847
Amortisation	____ 78
Closing accumulated amortisation 31 December 2023	<u>114,925</u>
Net book value 1 January 2023	<u>209</u>
Net book value 31 December 2023	<u>130</u>

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

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

10. Property and equipment

	Leasehold land and buildings K'000	Office equipment K'000	Motor vehicles K'000	Fixture and fittings K'000	Capital work in progress K'000	Totals K'000
Cost						
At 1 January 2022	40,159	44,346	93,517	16,883	67,317	262,222
Additions	1,162	6,170	11,625	957	8,873	28,787
Transfers from Capital in progress*	12,608	-	4,305	-	(16,913)	-
Asset valuation gains**	6,666	-	-	-	-	6,666
Disposals	(310)	(30)	(510)	-	-	(850)
At 31 December 2022	60,285	50,486	108,937	17,840	59,277	296,825
Additions	681	4,744	-	1,260	10,960	17,645
Transfers from Capital in progress	34,476	(60)	-	1,546	(35,962)	-
Adjustment on duplicated entry	(5,200)	-	-	-	-	(5,220)
Disposals	(362)	(55)	(9,684)	(8)	-	(10,109)
At 31 December 2023	89,860	55,115	99,253	20,638	34,275	299,141
Depreciation						
At 1 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)
At 31 December 2022	6,948	38,465	84,316	13,864	-	143,593
Charge for the year	946	6,455	9,786	2,840	-	20,027
Eliminated on disposals	(796)	(124)	(7,628)	(3)	-	(8,551)
At 31 December 2023	7,098	44,796	86,474	16,701	-	155,069
Net carrying amount						
At 31 December 2023	82,762	10,319	12,779	3,937	34,275	144,072
At 31 December 2022	53,337	12,021	24,621	3,976	59,277	153,232

As at 31st December 2023, 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.

* - During the year under review, the Agency purchased office Equipment worth K4.7 million and also acquired Fixtures and Fitting amounting to K 1.3 million. Transfer from Capital Work In Progress relates to Capitalisation of Head Office and Silverst Examination Shelter, with a small component of Fixtures and Fittings.

** - The Agency also disposed of eight (8) Motor Vehicles three (3) of which were as result of accident damages while the rest(5) were due to end and termination of contracts respectively.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

10. 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 on buildings as at 1st January 2023 were for the revaluation performed on 11th December 2015 by the Department of Government Valuation since RTSA is a government Agency.

During the year under review, the Agency Capitalised Head Office Building and Silverest Examination Shelter which were valued at K33.6 million and K0.75 million respectively.

	K'million
Head Office Building	33.60
Silverest Examination Shelter	<u>0.75</u>
	<u>34.35</u>

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 31 December 2023	Fair value as at 1 January 2023
	K'000	K'000	K'000	K'000	K'000
Land and buildings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,779</u>

11. Accounts payable and accrued liabilities

	2023 K'000	2022 K'000
Venders and other payables*	24,051	41,261
Accruals for goods and services	<u>19,458</u>	<u>21,840</u>
Total accounts payable and accrued liabilities	<u>43,509</u>	<u>63,101</u>

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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023 (CONTINUED)

12. Employee benefit liabilities

	2023 K'000	2022 K'000
Current liabilities		
Accrued and deducted statutory employee obligations	4,020	12,317
Accrued salaries, allowances and benefits	42,600	48,200
Accumulated annual leave	29,462	30,386
Employees insurance claims payable	-	-
Other employee third party payable payroll deductions	<u>695</u>	<u>748</u>
Subtotal current liabilities	<u>76,777</u>	<u>91,651</u>
Non-current current liabilities		
Accrued salaries, allowances and benefits	<u>46,095</u>	<u>46,095</u>
Subtotal non-current liabilities	<u>46,095</u>	<u>46,095</u>
Total employee benefits liabilities	<u>122,872</u>	<u>137,746</u>

The employee benefits liabilities are unfunded. The liabilities arising from end-of service or post-employment benefits. No actuarial service is contracted by the Agency.

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

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

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

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

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

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

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

13. Provisions

	2023 K'000	2022 K'000
Carrying amount as at 1 January	12,253	15,834
Current year movements on provisions	<u>556</u>	<u>(3,581)</u>
Closing balance as at 31 December	<u>12,809</u>	<u>12,253</u>

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

14. Revenue

	2023 K'000	2022 K'000
Funds appropriated through the Ministry of Finance and National Planning	143,216	130,196
Funds appropriated through the National Road Fund Agency (NRFA)	264,594	253,706
Funds granted under the United Nations Development Programme (UNDP)	<u>-</u>	<u>-</u>
Total revenue	<u>407,810</u>	<u>383,902</u>

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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

15. Interest and other revenue

	2023 K'000	2022 K'000
Grant amortisation during the year	251	242
Foreign exchange (losses)/ gains	(162)	734
Interest received	-	-
(Loss)/ profit on disposal of assets	(398)	682
Sundry income	<u>338</u>	<u>153</u>
Interest and other revenue	<u>29</u>	<u>1,811</u>

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.

16. 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.

(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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

16. Expenses (continued)

- (v) *Supplies and consumables;*
This relates to all consumable expense items for cleaning, office, procurement and protective supplies. This 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:

	2023 K'000	2022 K'000
(a) Administration expenses		
Audit expenses	1,192	1,116
Bank charges and interest	177	162
Board expenses	1,801	1,525
Consultancy and professional fees	2,009	7,052
Electricity, water and rates	83	129
Hire of goods and services	1,338	1,253
Other administrative charges	(2,104)	2,213
Postage and telecommunication	-	38
Repairs and maintenance	5	83
Donor funds refunded	-	-
Subscriptions and publications	554	158
Sundry expenses	257	(1,464)
	<u>5,312</u>	<u>12,265</u>
(b) Employees' salaries, allowances and benefits		
Allowances	44,958	47,634
Basic pay	99,134	96,811
Gratuity	33,016	23,003
Insurance GLA	1,003	1,213
Leave pay	12,291	15,213
NAPSA employer's contribution	6,337	6,025
NHIMA employer's contribution	988	952
Other staff benefits	12,437	8,484
Workers compensation	959	920
	<u>211,123</u>	<u>200,255</u>

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

16. Expenses (continued)

The above expenses are listed below in detail (continued):

	2023 K'000	2022 K'000
(c) Foreign exchange expenses		
Exchange losses	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
(d) Other operating expenses		
Advertising and public relations	6,100	9,544
Conferences and seminars	609	1,506
Consumables	35,019	35,860
Highway patrol costs	378	11,016
Registration, licensing and examination connectivity	16,505	15,159
Repairs and mechanical consumables	104	341
Station running costs	<u>35,689</u>	<u>33,724</u>
	<u>94,404</u>	<u>107,150</u>
(e) Supplies and consumables		
Cleaning material	-	15
Office material	230	71
Procurement supplies	29	630
Protective supplies	<u>187</u>	<u>234</u>
	<u>446</u>	<u>950</u>
(f) Training		
Training charges	1,248	628
Workers and seminars	<u>58</u>	<u>23</u>
	<u>1,306</u>	<u>651</u>
(g) Travel		
Foreign travel	1,056	134
Local travel	63	64
Subsistence and lunch allowance	<u>7,289</u>	<u>13,868</u>
	<u>8,408</u>	<u>14,066</u>

17. 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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

17. Budget comparison and reconciliation (continued)

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.

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 108% overspent on the administration expenses budget is attributable to (i) the countrywide transportation of household good for members of staff as result of massive staff transfer during the year which involved Provincial Mangers, Station Manager Revenue Officers etc.; (ii) the amount arising from the consent judgement between NAPSA, Gladwell Banda, Daniel Kalima and the Agency; (iii) Audit services contracted from the Auditor General's office. It should however be noted that the excess was funded from the K50m budget allocation from the Road Fund support to administration of the Agency.
- (ii) The 67% underspent on the capital expenditure budget is attributable to (i) Non procurement of five (5) vehicles, one for the CEO, two for Finance, and one each for procurement and PR departments; (ii) Various constructions which did not take place such Kasama and Mufulira Standard stations and vehicle inspection centre for Luanshya. Other Capital items which were not procured such as UPS's for 5 stations, Audit software for the internal Audit Department, Television Screens for the stations under Public Relations, Laptops for mobile licensing, Smart enforcement and Speed Camera procurement.
- (iii) The 15% underspent on Other Operating Expenses is attributable to; (i) High way patrols which were only conducted on selected festival period, and were also conducted locally at station levels across the country, (ii) Public Safety Education not undertaking all planned activities, but selected a few for the year under review.
- (iv) The 18% underspent on travel expenses is mainly attributable to some local travel activities which were not undertaken during the year under review.

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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

17. Budget comparison and reconciliation (continued)

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

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

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

	2023 K'000	2022 K'000
Budget revenue presented in statement V	<u>383,214</u>	<u>390,214</u>
Basis difference	29	1,811
IPSAS adjustment:		
Interest and other revenue	29	1,811
Entity difference	<u>24,596</u>	<u>(6,312)</u>
Actual revenue in Statement of Financial Performance (statement II)	<u>407,839</u>	<u>385,713</u>
 Budget expenditure as per statement V	 <u>383,214</u>	 <u>390,214</u>
Basis difference	2,354	(5,122)
IPSAS adjustment:		
Depreciation and amortisation	20,105	22,889
Employee benefits expenses	(104)	1,006
Capitalisation property, plant, equipment and intangible asset	(17,647)	(29,017)
Foreign exchange expenses	-	-
Entity difference	<u>(44,464)</u>	<u>(26,866)</u>
Actual expenditure in Statement of Financial Performance (statement II)	<u>341,104</u>	<u>358,226</u>

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

18. 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 Daniel Kalima Vs RTSA and William Kayula Vs RTSA.

The Directors estimate the combined contingent liability at K1.03 million (2022; K2.3 million) 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 2023 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.

19. 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. Three departmental heads were in holding positions as at end of year and these are Public relations, Internal Audit and Legal. These persons have the authority and responsibility for planning, directing and controlling the activities of the Agency and influencing its strategic direction.

Key management personnel

	2023	2022
Number of individuals (full-time equivalents)	<u>11</u>	<u>11</u>
	2023	2022
	K'000	K'000
Aggregate remuneration	8,706	12,294
Outstanding loans and advances at 31 December	<u>168</u>	<u>351</u>

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 (2022 - K1.126million) were paid as non-monetary and indirect benefits to key management personnel during the year under review.

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.

ROAD TRANSPORT AND SAFETY AGENCY

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

20. 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:

	2023 K'000	2022 K'000
Government funding received	<u>407,810</u>	<u>382,902</u>

21. Events after the reporting period

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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