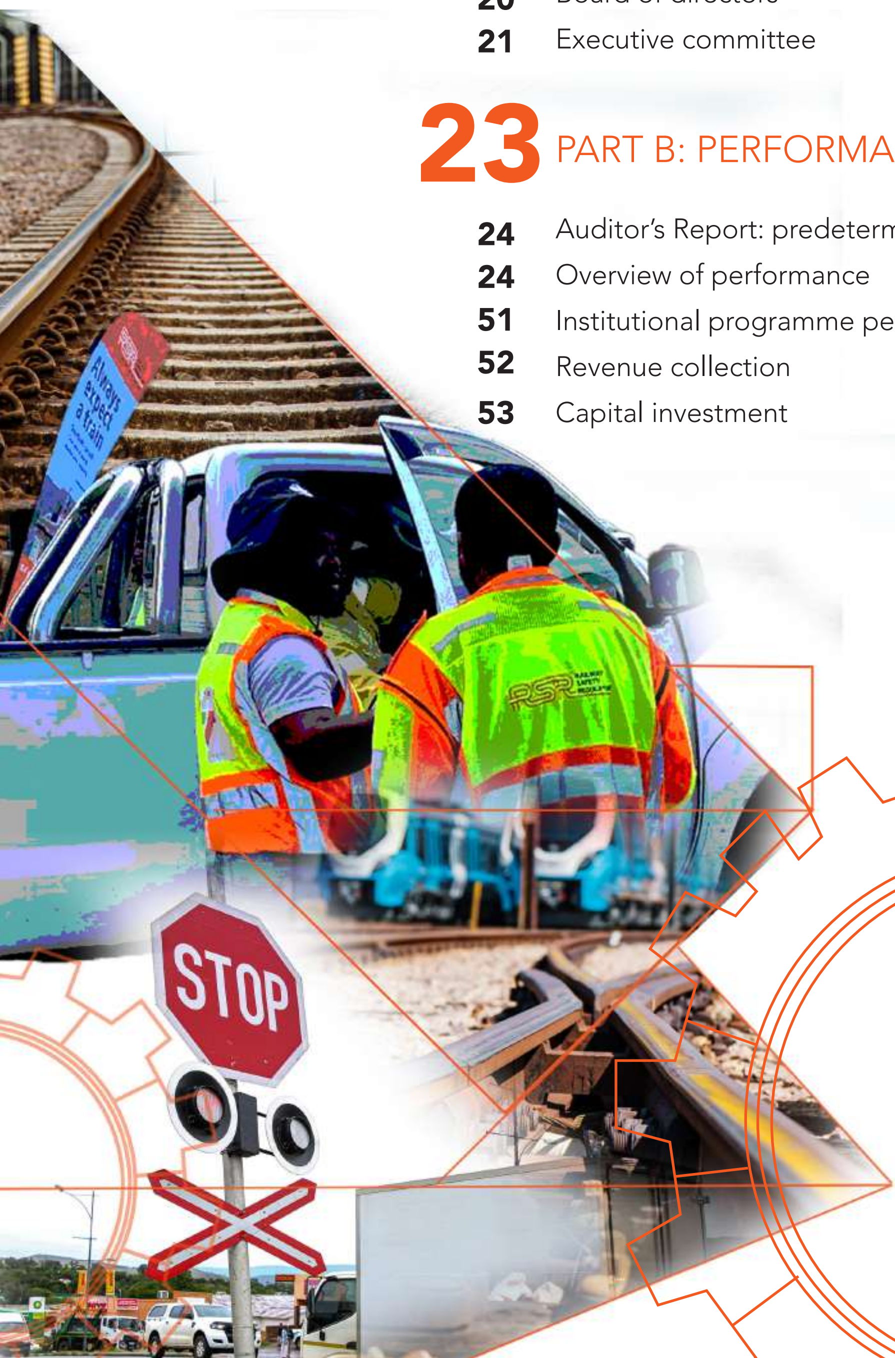
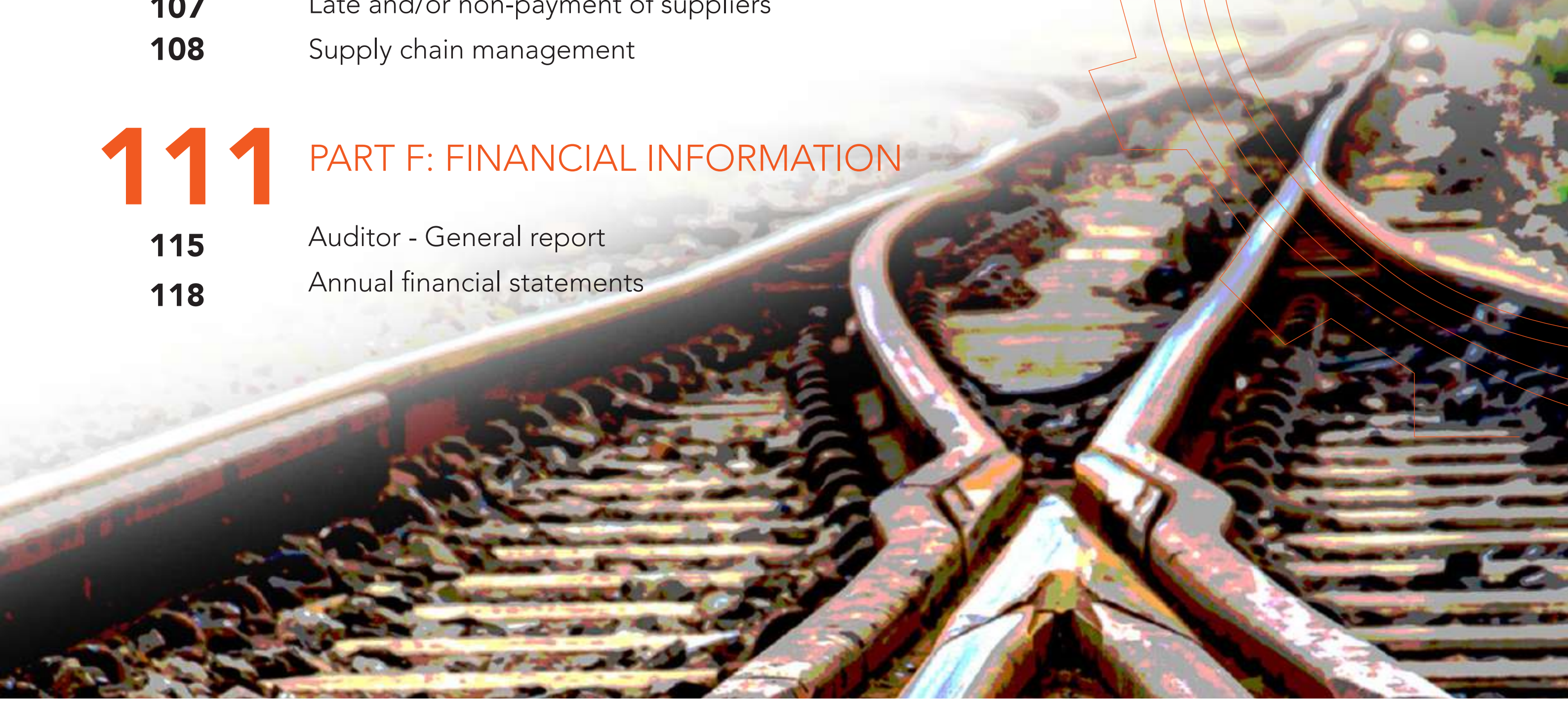
RAILWAY
SAFETY
REGULATOR

RAIL SAFETY ON THE RIGHT TRACK

ANNUAL REPORT 2023/24

CONTENT





GENERAL INFORMATION

Public entity's general information

Registered Name:	Railway Safety Regulator
Registration Number:	N/A
Registered Office Address:	Building 4, Waterfall Point Office Park, Cnr. Waterfall and Woodmead Drive, Waterfall City, Midrand, 1685, South Africa
Postal Address:	P.O Box 11202, Centurion, 0051, South Africa
Contact Telephone Number/s:	+27 10 495 5391
Email Address:	comms@rsr.org.za
Website Address:	https://www.rsr.org.za
External Auditors:	Auditor General of South Africa 271 Veale Street, Muckleneuk, 0181
Banker:	ABSA
Company/Board Secretary:	Ms Mologadi Mametja

About the annual report

This document constitutes the Annual Report of the Railway Safety Regulator (RSR) of South Africa for the 2023/24 financial year. It is premised on the Regulator's strategic plan for 2020/21- 2024/25. This Annual Report has been prepared in line with the Annual Report Guide for Schedule 3A and 3C Public Entities, which is published by the National Treasury. It captures the key performance outputs, outcomes, and impact of the Regulator during the reporting period. It also articulates how the RSR fared in the management of its resources, and in complying with corporate governance principles.

This report is organised as follows:

- Part A: General Overview
- Part B: Performance Information
- Part C: Governance
- Part D: Human Resource Management
- Part E: PFMA Compliance Report
- Part F: Annual Financial Statements

List of abbreviations/acronyms

AFS	Annual Financial Statements
AGSA	Auditor General of South Africa
APP	Annual Performance Plan
ARC	Audit and Risk Committee
ASB	Accounting Standards Board
BBBEE	Broad Based Black Economic Empowerment
CCMA	Commission for Conciliation Mediation and Arbitration
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COO	Chief Operations Officer
CSM CA	Common Safety Method Conformity Assessment
CSM RA	Common Safety Method Risk Assessment
DoT	Department of Transport
ERM	Enterprise-Wide Risk Management
EXCO	Executive Committee
FY	Financial Year
GRAP	Generally Recognised Accounting Practice
HFM	Human Factor Management
HR	Human Resources
IAA	Internal Audit Activity
ICT	Information Communication Technology
IIMS	Integrated Information Management System
KPI	Key Performance Indicator
MoU	Memorandum of Understanding
MTEF	Medium Term Expenditure Framework
MTSF	Medium Term Strategic Framework

N

NATMAP	National Transport Master Plan 2050
NDP	National Development Plan 2030
NIMS	National Information Monitoring System
NRP	National Rail Policy

P

PFMA	Public Finance Management Act
PRASA	Passenger Rail Agency of South Africa

R

REPUBLIC	Republic of South Africa
RM3	Railway Management Maturity Model
RSR	Railway Safety Regulator

S

SADC	Southern African Development Community
SALGA	South African Local Government Association
SANS	South African National Standards
SARA	Southern African Railways Association
SCM	Supply Chain Management
SMME	Small Medium and Micro Enterprises
SMS	Safety Management System
SMSR	Safety Management System Report
SOP	Standard Operating Procedure

T

TETA	Transport, Education and Training Authority
TFR	Transnet Freight Rail
TR	Treasury Regulations

U

UNTU	United National Transport Union

V

VSCC	Verbal Safety Critical Communication

Chairperson's foreword

I am honored to present the Railway Safety Regulator's Annual Report, encapsulating another year of our unwavering commitment to safety, reliability, and sustainability within South Africa's railway sector. This report not only documents our strategic direction and achievements but also delineates the challenges encountered as we stride towards our vision of global recognition for excellence in railway safety.

Our vision is ambitious yet clear: to forge a railway industry that epitomises safety and reliability, commanding global recognition for its standards. At the heart of this vision lies our mission—to diligently oversee and promote safe railway operations within a robust regulatory framework characterised by support, monitoring, and stringent enforcement.

Adherence to our foundational values of integrity, transparency, fairness, and excellence drives our organisational conduct. Governed by a strong constitutional mandate and legislative responsibilities, we remain committed to fostering safe railway operations, enhancing collaborative efforts, and advocating for a contemporary regulatory regime. Aligning with strategic national frameworks, such as the National Development Plan, ensures that our efforts are in concert with broader national and regional developmental objectives.

Collaboration forms the cornerstone of our success. Our engagements with pivotal stakeholders, including the Department of Transport, the Southern African Railways Association (SARA), and the South African Local Government Association (SALGA), have been instrumental in spearheading safety initiatives and efficiency enhancements across the sector. These partnerships not only facilitate the exchange of best practices but also bolster our regional initiatives, such as our active participation in the Regional Railway Regulator Association and adherence to Southern African Development Community (SADC) standards. The forthcoming financial year is poised for a significant collaborative thrust with SALGA to lay the groundwork for devolving rail services to municipalities, a pivotal step in our strategic journey.

Navigating the 2023/24 financial year has presented its unique set of challenges—from balancing regulatory enforcement with industry needs to adapting to evolving legislative frameworks to address safety concerns. However, our resilient approach, underpinned by initiatives like the Ethics Management Strategy and Fraud Prevention Framework, reflects our dedication to maintaining exemplary governance and operational standards.

Our strategic focus remains steadfast over both the long and medium term. We aim to refine our regulatory framework, support the modernisation of rail infrastructure, and contribute meaningfully to national and regional developmental goals. Our medium-term priorities include the rollout of effective safety management systems, the advancement of our Safety Permit Fee Model, and driving economic transformation through strategic procurement and job creation initiatives.

I wish to extend my heartfelt gratitude to all members of our Board, the executive team, and our dedicated staff, whose relentless dedication and effort have propelled our mission forward. I also extend my sincere appreciation to our stakeholders and partners, whose invaluable support and collaboration have been pivotal to our accomplishments.

As we look to the future, we are committed to further enhancing the safety and reliability of our railways, while advancing broader economic and social objectives. Our ongoing commitment to integrity, innovation, and excellence ensures that the Railway Safety Regulator remains at the forefront of safety regulation, poised to meet the challenges of tomorrow and beyond.

Ms Nompumelelo Sibongile Ekeke
CHAIRPERSON: RSR BOARD

Chief Executive Officer's Overview

2023/24 was deemed as an exciting year of the railway renaissance where investment in rail could mean a revolutionary way of connecting with the world locally and internationally. The development of modernised trains such as, the Prasa blue train, has proven the theory that investing in rail creates value not only for communities at large but for the wider economy. Above that, the renovation of our infrastructure could play a part in rail being seen as the most cost effective, safest, integral mode of transport where efficiency meets quality service. The rail renaissance envisions a world where investment in rail will far exceed investment in any other mode of transportation and in this lies endless opportunities for growth for sidelined groups such as women and youth. The Railway Safety Regulator understands the importance of investing in women and youth as this has a knock-on effect where progress is accelerated. This is why the organisation spent R26 322 752 (which is 35.15% of the total expenditure) on women owned companies in the past financial year. The RSR also set aside a budget for external bursaries and employed interns to provide them with work experience to increase their future employability in the job market, additionally, 15.60% of the total expenditure was spent on youth owned companies.

With the youth in mind, the RSR State of Safety Report revealed that on average, 16 people lose their lives annually from level crossing occurrences and this number includes children. About 47 injuries were recorded between 2020/21 and 2023/24, an alarming number that undermines the organisation's efforts to promote awareness of rail safety at level crossings. It is our responsibility as citizens of the country to ensure the safety of our children and communities, and that starts with behavioural changes. The RSR endeavours to ensure that the safety of our railways remains the utmost priority. It is for this reason that the RSR conducts investigations of occurrences that have led to major loss, including fatalities, injuries, and major damage to property to identify the root causes and prevent recurrences. Operators are obligated to report all occurrences to the RSR to ensure that analysis and review of incidences and the causes thereof are consolidated to assist the RSR in providing tools and strategic direction in addressing safe rail operations.

The RSR also plays a vital role in making communities safe through railway safety awareness programs i.e level crossing safety education. The primary function of the regulator is to ensure that safety remains the foundation of South African railway operations and the organisation uses the government's Medium Term Strategic Framework as a blueprint to building a capable, ethical and developmental state. The RSR has developed an ethics management strategy to enhance and formalise the role ethics play in good governance in addition to appointing an Ethics Officer; a fraud and corruption prevention framework was implemented during the year under review to strengthen internal controls and preventative measures; a financial sustainability plan was developed, actioned and achieved whereby the organisation's cost of employment was at 60 per cent of the fixed revenue and lastly, a new permit fee model was developed. The RSR is also strengthening the rail regulatory framework through Determinations, protocols and industry tools aimed at building an industry safety risk profile to support critical risk mitigation decisions that will result in safer railway operations.

After scrutinising the Annual Report, I have no doubt in my mind that the Regulator, together with the operators, will address the challenges in the rail environment while championing for continued public and industry vigilance.

Mr Mmuso Selaledi

ACTING CHIEF EXECUTIVE OFFICER

Statement of responsibility and confirmation of accuracy for the Annual Report

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

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor General.

The Annual Report is complete, accurate and is free from any omissions.

The Annual Report has been prepared in accordance with the guidelines on the Annual Report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Generally Recognised Accounting Practice (GRAP) standards applicable to the public entity.

The accounting authority is responsible for the preparation of the Annual Financial Statements and the judgements made in this information.

The accounting authority is responsible for establishing and implementing a system of internal control by providing reasonable assurance as to the integrity and reliability of the performance information, human resources information and the Annual Financial Statements.

The external auditors are engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report fairly reflects the operations, performance information, human resources information and the financial affairs of the public entity for the Financial Year (FY) ended 31 March 2024.

Yours faithfully

Mr Mmuso Selaledi
Acting Chief Executive Officer

Ms Nompumelelo Sibongile Ekeke
Chairperson of the Board

Strategic overview

Vision

Safe, reliable, and sustainable railway operations recognised globally.

Mission

To oversee and promote safe railway operations through appropriate support, monitoring and enforcement, guided by an enabling regulatory framework.

Values

Integrity

We instil confidence in our internal and external stakeholders through quality, professional and efficient service delivery.

Transparency

We communicate information openly.

Timely and accountable delivery

We make prompt decisions and take appropriate action informed by organisational priorities.

Fairness

We are consistent in applying policies and procedures and are impartial in how we treat all our employees.

Innovation

We create a conducive environment that allows for the sharing and implementation of new ideas in line with the goals of the RSR.

Mutual respect

We engage with and treat each other, our customers, as well as our work, with dignity and respect.

Excellence

We strive to excel in every aspect of our business and approach every challenge with a determination to succeed.

Advancing organisational culture through the integration of the RSR Values

Since their inception in 2020, the RSR values have become the foundation of the corporate identity. Over the past financial year, significant effort has been devoted to embedding these values deeply within the organisational culture.

Throughout the year, RSR launched a series of innovative and engaging initiatives aimed at promoting a thorough understanding and adoption of these values among employees. A standout initiative was a unique art project, where employees were encouraged to express their interpretations of the values through various creative outlets such as poetry, singing, and drawing. This was more than just an exercise in creativity—it provided a critical platform for employees to reflect on and personally connect with the core principles that guide their daily operations and interactions.

These activities have not only helped to foster a stronger connection with the values but have also encouraged the integration of value-driven behaviours at every level of the organisation. As the financial year drew to a close, a comprehensive survey was conducted to assess the effectiveness of these initiatives. The results were highly encouraging, demonstrating substantial understanding and integration of the RSR values across the workforce.

Building on this progress, RSR has now rooted these values within its Performance Management system. Starting this year, 2023/24, Devolved Values Behaviours have been incorporated into performance evaluations, where staff are assessed based on their demonstration of these behaviours. This strategic integration promises significant benefits for the RSR, enhancing the organisational culture and ensuring that the values are lived out in everyday actions and decisions.

By aligning performance management with core values, RSR aims to reinforce a culture of continuous improvement and integrity. This alignment is not merely about compliance; it's about fostering a workplace where every employee is motivated by shared values to contribute to the collective mission. This approach will undoubtedly strengthen the organisation, making it more cohesive, resilient, and dedicated to safety and excellence in all aspects of its work.

Legislative and other mandates

CONSTITUTIONAL MANDATE

In accordance with the Constitution of the Republic of South Africa, the legislative responsibilities pertaining to air, roads, traffic management, and public transport are delineated among the various levels of government. Transport is a function that is legislated and executed at all levels of government. The implementation of transport functions at national level, takes place through public entities which are overseen by the Department of Transport (DoT). The RSR is responsible for ensuring compliance with elements relevant to the RSR Act and corporate governance aspects of the Constitution of the Republic of South Africa as it relates to the following:

- The RSR observes and adheres to the principles of cooperative government and intergovernmental relations, as evidenced by its efforts in developing rail reserve regulations and harmonising the railways within the Southern African Development Community (SADC) through common safety methods.
- The Promotion of the rights of people in South Africa affirms the democratic values of human dignity, equality and freedom. The achievement of safer railways reinforces the values contained in the Bill of Rights.

LEGISLATIVE AND POLICY MANDATES

Our railway safety functions are driven by legislation. We are accountable to Parliament and the public to:

- Provide for and promote safe railway operations;
- Encourage the collaboration and participation of interested and affected parties in improving railway safety;
- Recognise the prime responsibility and accountability of operators in ensuring the safety of railway operations;
- Facilitate a modern flexible and efficient regulatory regime that ensures the continuing enhancement of safe railway operations; and
- Promote the harmonisation of the railway safety regime of the Republic with the objectives and requirements of SADC for the operation of railways.

Legislative mandate

The RSR was established in terms of the National Railway Safety Regulator Act No. 16 of 2002 as amended. The organisation exists to institute a national regulatory framework for South Africa and to monitor and enforce compliance in the rail sector. The primary legislative mandate of the RSR is to oversee and enforce safety performance by all railway operators in South Africa including those of neighbouring states whose rail operations enter South Africa. In terms of the Act, all operators are primarily responsible and accountable for ensuring the safety of their railway operations.

Other legislative mandates

The RSR is a statutory organisation that primarily derives its mandate from its constitutive legislation, the National Railway Safety Regulator Act No. 16 of 2002 as amended. The Regulator is required to comply with legislative prescripts that an impacts its business and operations, including but not limited to the:

- Occupational Health and Safety Act (OHSA), 1993 (Act no 85 of 1993) (as amended);
- Legal Succession to the South African Transport Services Act, 1989 (Act no 9 of 1989) (as amended);
- Public Finance Management Act, 1999 (Act no 1 of 1999) (as amended);
- National Environmental Management Act, 1988 (Act no 107 of 1988);
- National Disaster Management Act, 2002 (Act no 57 of 2002);
- Protection of Personal Information Act, 2013 (Act 4 of 2013);
- Promotion of Access to Information Act, 2000 (Act no 2 of 2000);
- Various labour legislation, including the Labour Relations Act, 1995 (Act no 66 of 1995),

  Basic Conditions of Employment Act 1997 (Act no 75 of 1997), Skills Development Act, 1998 (Act no 97 of 1998), Employment Equity Act, 1998 (Act no 55 of 1998);
- Protected Disclosures Act, 2000 (Act no 26 of 2000); and
- Promotion of Administrative Justice Act, 2000 (Act no 3 of 2000).

Policy mandate

The RSR as a state entity is also governed and guided by various policies developed and approved by the South African government at varying spheres. The following are some of the policy mandates that guide the work of the Regulator

- The National Development Plan 2030 (NDP);
- The National Railway Policy 2022;
- The National Transport Master Plan 2050 (NATMAP);
- The Revised White Paper on National Transport Policy, 2018; and
- Various national and international policies within the railway sector.

Alignment to the Medium-Term Strategic Framework

The Medium-Term Strategic Framework (MTSF) is the government's high-level strategic document to guide the five-year implementation and monitoring of the National Development Plan (NDP) 2030. The MTSF stems from the 2019 electoral mandate of the governing party and outlines the priorities to be addressed during the 2020-2025 financial years to advance toward the achievement of the 2030 vision. It establishes targets for implementation of these priorities and interventions over the five-year period and states the outcomes and indicators to be monitored.

The National Development Plan 2030

The National Development Plan (NDP) is a plan for the country to eliminate poverty and reduce inequality by year 2030 through uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the capability of the state and leaders working together to solve complex problems.

High-level objectives to be achieved by 2030

The high-level objectives of the NDP are to:

- Reduce the number of people who live in households with a monthly income below R419 per person (in 2009 prices) from 39% to zero; and
- Reduce inequality, as measured by the Gini Coefficient, from 0.69 to 0.6.

Enabling milestones

Of the 19 enabling milestones listed in the NDP 2030, the RSR contributes to the six milestones listed below:

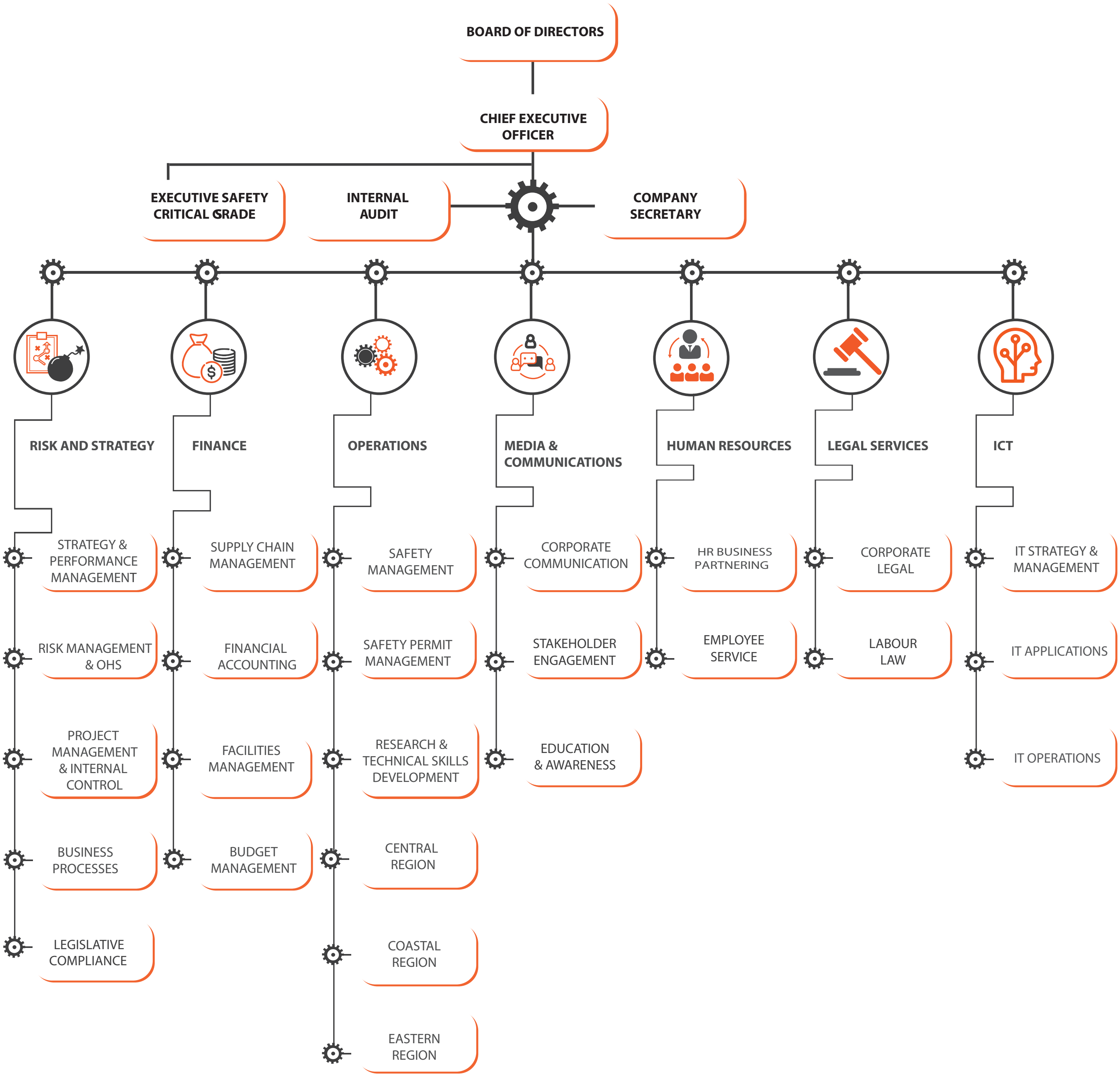
1. Increase employment from 13 million in 2010 to 24 million in 2030.
2. Establish a competitive base of infrastructure, human resources and regulatory frameworks.
3. Ensure that skilled, technical, professional and managerial posts better reflect the country's racial, gender and disability makeup.
4. Establish effective, safe and affordable public transport.
5. Realise a developmental, capable and ethical state that treats citizens with dignity.
6. Play a leading role in continental development, economic integration, and human rights.

Critical actions

Of the 10 critical actions outlined in the NDP 2030, the RSR contributes to the following five actions:

1. A social compact to reduce poverty and inequality and raise employment and investment.
2. A strategy to address poverty and its impacts by broadening access to employment, strengthening the social wage, improving public transport and raising rural incomes.
3. Public infrastructure investment at 10% of the Gross Domestic Product (GDP), financed through tariffs, public-private partnerships, taxes and loans, and focused on transport, energy and water.
4. Interventions to ensure environmental sustainability and resilience to future shocks.
5. New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps.

Organisational structure



Board of directors

Mr Sisa Lunga Mtwa
Deputy Chairperson

Ms Nompumelelo Ekeke
Board Chairperson

Mr Mmuso Selaledi
Acting Chief Executive Officer

Adv Johannes Collen Weapond

Ms Xoliswa Njokweni-Mlotywa

Ms Sibusisiwe Nomfundo Molefe

Prof Tshepo Herbert Mongalo

Mr Lungi Maminza

Mr Tawana Mopeli

Ms Mala Somaru

Lieutenant General Peter Jacobs

Ms Sizakele Makhanya

Ms Nolitha Pietersen

Ms Milly Ruiters

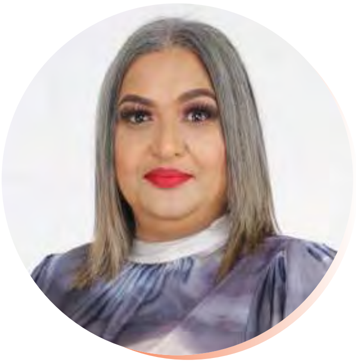
Mologadi Mametja
Company Secretary

Executive committee

Mr Mmuso Selaledi
Acting Chief Executive Officer
& Chief Financial Officer

Mr Albert Tjatji
Acting Chief Financial Officer

Dr Peaceman Sopazi
Acting Chief Operations Officer



Ms Madelein Williams
Executive:
Media and Communications

Mr Bongani Sibiya
Executive: Human Resources

Ms Varsha Sewlal
Executive: Legal Services
& Acting Executive: Risk and Strategy

Mr Tshepo Mothoagae
Chief Information Officer

Ms Malerato Kekana
Chief Audit Executive

PERFORMANCE INFORMATION

Auditor’s Report: predetermined objectives

The Auditor General of South Africa (AGSA) currently conducts required audit procedures on performance information, to provide reasonable assurance through an audit conclusion. The audit conclusion is included in the report to management and contains material findings under the Predetermined Objectives heading in other legal and regulatory requirements section of the Auditor’s Report.

Refer to page 115 - 117 of the Auditors Report, published as Part : F Financial Information.

Overview of performance

Highlights

The RSR’s overall performance for the 2023/24 stands at a remarkable 94%. This achievement reflects the organisation’s unwavering dedication and commitment to fulfilling its mandate and achieving its strategic objectives. Furthermore, the following key milestones were achieved in support of the Regulator’s mandate:

Audits and Inspections

The RSR conducted 236 safety audits and 443 inspections during the 2023/24 financial year. The key objectives of these audits and inspections are to critically assess safety management systems and processes employed by operators to provide in-depth knowledge and understanding of required interventions which the RSR provides to promote the attainment of safe rail operations.

Occurrence Management

The RSR conducted fourteen preliminary investigations based on the qualifying criteria tool for occurrence management. A digital system of reporting occurrences was introduced through its National Information Management System (NIMS) which enables a swift response and awareness on all railway occurrences.

The Minister of Transport published new Regulations on Notifiable Railway Occurrences (RONO) on reporting of occurrences.

Safety Critical Grades

The RSR successfully developed the Safety-Critical Grades (SCG) Framework. The purpose of the SCG Framework is to provide guidance on the governance structures and operational considerations necessary for the effective implementation of the safety critical grades requirements as stipulated in National Rail Policy and the Railway Safety Bill.

Support to Industry's Developments

In line with the Safety Management System Determination, the RSR conducts technology reviews on all changes to an operators SMS and No Objection approvals granted to operators within 30 days.

The RSR has developed clear and simple guidelines to assist and support the new operators (Third Party Access) to be able to apply for and obtain the necessary safety permit which they are required to have before commencing to operate.

Collaborations

The RSR collaborated and entered into the MOU with the University of Pretoria and African Rail Industry Association (ARIA) These partnerships will see the enhanced training programmes, and collaborative initiatives aimed at advancing the rail industry in Africa.

ISO Standard Certifications

During the period under review the organisation maintained it's ISO 9001 certification and archieved a certification in ISO 22301: Business Continuity Management.

Transforming Rail Safety Education

In the 2023/24 financial year, the Railway Safety Regulator (RSR) embarked on a transformative journey to redefine rail safety education and community engagement across South Africa. Through the innovative introduction of Captain Sporo, a superhero mascot designed to captivate young minds, and a strategic partnership with the beloved children's program Takalani Sesame, the RSR has significantly enhanced its outreach and educational initiatives. This section delves into the successes and impacts of these vibrant campaigns, showcasing how the RSR is not only promoting safety but also fostering a culture of responsibility and care within communities.

Introduction of Captain Sporo: A New Hero for Rail Safety

Captain Sporo burst onto the scene as more than just a mascot; he became a vital part of RSR's mission to educate young learners about the dangers of unsafe behavior around railway tracks. Targeting students in grades 1-7, Captain Sporo's dynamic school visits have turned safety education into an adventure. His interactive sessions, which include quizzes, games, and the distribution of Captain Sporo-themed educational materials, have transformed mundane safety talks into exciting learning experiences that resonate with children.

The success of these engagements is evident in the data collected from post-visit surveys, which show a remarkable increase in rail safety comprehension among students. These metrics not only surpassed previous educational benchmarks but also demonstrated how a well-crafted mascot could effectively capture the attention and imagination of children, leading to better retention of safety protocols.

Expanding Impact: Captain Sporo's Outreach to High School Learners

Recognizing the success and positive influence among younger students, Captain Sporo is now exploring strategies to extend his relevance to high school learners. Believing in the importance of his safety messages for older students, the character is being adapted to address more complex safety topics and scenarios relevant to this age group. This expansion aims to fill the knowledge gaps observed in high school students, who face different safety challenges in and around rail environments. Through this initiative, Captain Sporo hopes to continue his mission of instilling lifelong safety habits across all educational levels.

Takalani Sesame Partnership

The collaboration with Takalani Sesame leveraged its vast audience to broaden the scope of RSR's rail safety campaigns. By integrating rail safety themes into the program's content, and featuring popular characters alongside notable South African personalities, the initiative delivered crucial safety messages in an accessible and relatable format. The production of six educational videos, which simplified complex safety concepts, became a basis of this partnership, enhancing the understanding of rail safety among preschoolers and their caregivers alike.

The public unveiling of this partnership at Isiziba Primary School showcased the powerful synergy between Captain Sporo and the Takalani Sesame crew, captivating both children and adults and reinforcing the community's role in promoting rail safety.

Annual Television Advertisement

Highlighting the broader societal impacts of railway theft and vandalism, the annual RSR advertisement "Sabotaging Ourselves" brought to life the personal and communal consequences of these crimes. Featuring real RSR staff, this narrative-driven campaign was broadcast across major national channels, reaching an estimated 23 million viewers. This strategic media placement not only maximized the campaign's exposure but also played a crucial role in fostering a community-wide ethos of responsibility and stewardship over rail safety.

Rail Safety Murals

The wall mural initiative is a strategic component of the responsibility to enhance the Regulator's visibility across multiple platforms. The selected mural locations were strategically chosen for their proximity to railway stations, lines, and communities adjacent to these areas. These high-impact murals are displayed on boundary walls facing the street, ensuring maximum visibility to commuters traveling to and from the stations.

The murals further raise awareness about the Regulator's rail safety mandate through engaging messages portrayed in a cartoon-style imagery. It also enhances the profile of the RSR and fosters greater awareness and adherence to rail safety protocols among commuters.

Shaping a Safer Future

Through the engaging presence of Captain Sporo, the educational reach of Takalani Sesame, and the compelling storytelling of its annual television campaign, the RSR has not only heightened rail safety awareness but also cemented its role as a leader in community-focused safety advocacy. These innovative strategies serve as a testament to RSR's commitment to safeguarding lives and nurturing a culture of safety across South Africa's rail networks, ensuring that rail safety education continues to evolve and resonate with all South Africans.

Celebrating a milestone in labour relations

In a landmark achievement, the Railway Safety Regulator (RSR) proudly signed a recognition agreement with the United National Transport Union (UNTU), solidifying its commitment to constructive and harmonious labour relations. This agreement establishes UNTU as the majority trade union representing a vast number of RSR employees, setting a precedent for transparency, trust, and mutual respect within the organisation.

Why this agreement matters

The recognition of UNTU as the majority union marks a critical step forward for RSR, enabling more streamlined and effective negotiations and enhancing the overall workplace environment. This agreement ensures:

- Structured Dialogue: Establishing a formal mechanism for discussions on wages and working conditions leads to more organized and predictable negotiation processes.
- Strengthened Trust: By officially recognizing UNTU, RSR underscores its commitment to listening to and valuing the voice of its workforce, fostering a culture of trust and mutual respect.

Strategic wage negotiations and employee benefits

Further strengthening RSR's labour relations, RSR and UNTU reached a significant consensus on a multi-year wage agreement that promises stability and growth for its employees. The agreement, aligned with inflation rates, provides a clear, fair framework for wage increases over the next three years.

This structured approach not only offers financial predictability and security for the employees but also aligns with RSR's strategic financial planning, ensuring that the Regulator remains a robust, sustainable organisation focused on its mission.

Impact on organisational culture and performance

The recognition agreement and ensuing wage negotiations are not just about numbers and contracts; they are about people. By securing fair, inflation-aligned wage increases, RSR invests in the well-being and motivation of its workforce, which translates directly into enhanced service delivery and safety in its operations. The agreement facilitates a focused, engaged workforce dedicated to the highest standards of railway safety and regulatory compliance.

These accomplishments in labour relations showcase RSR's dedication to its values and its people, reinforcing its position as a forward-thinking, exemplary regulatory body in the railway safety domain.

Transforming recruitment

The RSR has introduced a digital recruitment system that significantly enhances its recruitment strategy. This innovative platform expands RSR's talent reach by breaking geographic barriers, enabling access to a diverse and skilled pool of candidates from various locations. The system streamlines the application process, offering a quick and user-friendly experience that substantially reduces the time it takes to hire. Additionally, by adopting a paperless approach, the RSR not only modernizes its recruitment practices but also actively contributes to environmental sustainability, reflecting its commitment to eco-friendly and efficient operational standards.

The digital system has not only improved operational efficiency but also aligns with the RSR's strategic vision of leveraging technology for better performance. The adoption of a fully digital recruitment system marks a significant advancement in how the organisation manages its most valuable asset—its people. By leading with technology, RSR reinforces its role as a pioneer in the railway safety sector, committed to excellence and forward-thinking solutions.

Smart HR revolutionizes performance management

In the past financial year, the RSR made significant strides in enhancing its performance management processes with the introduction of Smart HR. This advanced system was specifically implemented to streamline and elevate efficiency within the performance management framework. Notably, all management-level employees successfully completed their agreements and final appraisals through this new platform. The deployment of Smart HR represents a pivotal advancement in RSR's commitment to fostering a culture of continuous improvement and accountability. This initiative has not only optimized the appraisal process but also reinforced RSR's dedication to maintaining high standards of performance and operational excellence across the organisation.

Service delivery environment

The RSR's contribution to the government's priorities

Government planning must align with the Medium-Term Strategic Framework. Each level of government, along with public entities, is required to base their planning for the MTSF on these priorities and outcomes. The Regulator's contribution can be outlined as follows:

PRIORITY 1	BUILDING A CAPABLE, ETHICAL AND DEVELOPMENTAL STATE
RSR contribution	The RSR has developed the following: - Ethics Management Strategy - Fraud and Corruption Prevention Framework - Financial Sustainability Plan - Code of Ethics and Conduct - Safety Permit Fee Model
Progress	**Ethics Management Strategy** To strengthen and formalise the role of ethics in good governance within the organisation, the Board appointed an Ethics Officer. The Ethics Officer completed the Certified Ethics Officer training provided by the Ethics Institute. A comprehensive ethics programme and strategy have been established within the Regulator. The Ethics Officer is responsible for promoting and enforcing ethical practices, developing and implementing ethical policies and procedures, providing training and guidance to employees, investigating ethical violations, and ensuring compliance with applicable laws and regulations.

Progress	**Fraud and Corruption Prevention Framework** The Fraud and Corruption Prevention Framework was implemented during the year under review, furthermore, there has been an effective implementation of the Fraud and Corruption Prevention Plan in an effort to strengthen internal controls and preventative measures. **Financial Sustainability Plan** The Financial Sustainability Plan, designed to ensure the Regulator's financial sustainability, was successfully implemented. The target set for the 2023/24 FY - achieving the RSR's Cost of Employment at 60 per cent of revenue was met. For the 2024/25 financial year, a new Revenue Plan will be developed to further enhance the Regulator's operations and financial sustainability. **Permit Fee Model** The RSR has developed a new Permit Fee Model, which consists of a base component + an activity component + a safety component to determine the total safety permit fee. This Model will use historical safety performance data and will be adjusted annually. The model incorporates the latest safety information, allowing for adjustments based on recent performance. **Safety Component** The RSR has initiated a process to determine responsibility for occurrences by ensuring that investigations are completed before the safety data is concluded for purposes of the model. Efforts to address various scenarios related to the model's implementation and ensure readiness will continue into the 2024-25 financial year. A Safety Permit Fee Determination on the new model has been prepared for approval by the Minister and subsequent implementation in the industry.
PRIORITY 2	**ECONOMIC TRANSFORMATION AND JOB CREATION**
RSR contribution	The RSR utilises procurement spend to target designated groups such as women, youth and small enterprises to contribute to economic transformation and job creation.
Progress	The total expenditure of the RSR for the 2023/24 financial year amounts to R81 020 078. Out of this total, an amount of R74 884 963 was spent on BBBEE compliant companies, which constitutes 92.43% of the total expenditure. Procurement on companies owned by women for the 2023/24 financial year amounts to R26 322 752 which is 35.15% of the total expenditure. Procurement on companies owned by youth for the 2023/24 financial year amounts to R11 683 286 which is 15.60% of the total expenditure.

PRIORITY 3	EDUCATION, SKILLS AND HEALTH
RSR contribution	The RSR sets aside a budget for external bursaries for critical skills required in the rail sector. Additionally, the Regulator employs interns to provide them with valuable work experience and enhance their future employability. The RSR also provides bursaries to internal staff to foster development and contribute value to both the organisation and the industry.
Progress	**Twenty (20)** students from outside the organisation received a total of **R 1,459,839** in bursaries covering tuition, accommodation, and incidentals. This amount also covers funding for six **(6)** students recommended by the Department of Transport. The organisation further awarded twenty-nine (**29**) internal bursaries totalling **R1 460 892.** The RSR is running a 24-month internship programme for 10 interns to contribute to government priorities by fostering youth employment, enhancing skills development, and preparing interns for future careers through comprehensive training, development, and practical work experience. A total of **61** employees, including interns, attended training sessions provided by external service providers, with the overall cost amounting to **R1 095 681.** These training initiatives are part of the RSR's investment in human capital development, enhancing workforce skills, enhancing workforce skills and ensuring that employees are well-equipped to contribute effectively to the organisation's goals. Furthermore, the RSR'S organises an annual wellness day where employees can participate in various activities designed to promote a healthier work-life balance and improve physical, mental, and emotional well-being. The RSR also partners with DNA Wellness to offer a comprehensive suite of services tailored to support employees' holistic well-being. The programme extends its benefits to immediate dependents of employees, ensuring that the entire family receives comprehensive support. Furthermore, the RSR conducts annual wellness events to assess employees' health habits and promote overall wellness.
PRIORITY 4	**CONSOLIDATING THE SOCIAL WAGE THROUGH RELIABLE AND QUALITY BASIC SERVICES**
RSR contribution	No direct RSR contribution

PRIORITY 5	SPATIAL INTERGRATION, HUMAN SETTLEMENTS AND LOCAL GOVERNMENT
RSR contribution	The RSR constantly engages with the South Africa Local Government Association (SALGA) as a nodal point to municipalities. The Regulator contributes to this priority through the initiatives listed below: • Rail Reserve Regulation • Education and awareness campaigns • Community involvement of the people interested and affected by railway operations
Progress	The RSR has maintained ongoing dialogue and meetings with SALGA concerning rail safety issues. This involves active participation in webinars aimed at raising awareness and education on safety matters. Although the Memorandum of Understanding (MOU) between the two organizations has not been formalized due to shifts in the rail environment, discussions have progressed significantly towards its finalization. The promulgation of the National Rail Policy alludes to the devolution of rail services to municipalities. This is another area of focus between the RSR and SALGA, regarding the safe rail operation
PRIORITY 6:	**SOCIAL COHESION AND SAFE COMMUNITIES**
RSR contribution	The RSR is strengthening the rail regulatory framework through Determinations, protocols and industry tools aimed at building an industry safety risk profile to support critical risk mitigation decisions that will result in safer railway operations. These interventions include: • Occurrence reporting categories published; • Industry-wide hazard log; • Railway Risk matrix • Railway Management Maturity Model; • Human Factor Management Capacity Building Framework; • Verbal Safety Communication Determination developed; • Interface Agreements Framework; and • National Rail Communicators Forum.

Progress	During the 2023/24 FY, the RSR conducted the following: • The ***Common Safety Method on Risk Assessment (CSM-RA)*** guideline was published in the Government Gazette on 28 March 2024 for implementation and compliance by the railway operators. This CSM-RA addendum applies to all railway operators as defined in terms of the Act. The purpose of this tool is to assist the operators to prepare satisfactory risk assessment submissions for the RSR when requesting to introduce major/significant changes in the operational system. • The RSR has embarked on a process to standardise interface agreements between operators through the development of an ***Interface Agreement Standard*** which is to be implemented throughout the industry. This Standards was published in the Government Gazette on 28 March 2024 for implementation and compliance by the railway operators. The Standard applies to all railway operators as defined in terms of the Act. The purpose of this Standard is to enable the operators to achieve uniform, seamless and safe interoperability through the implementation of appropriate Interface Agreements by interoperating operators in South Africa. • The RSR embarked on a process to develop the ***Safety-Critical Grades (SCG) Framework***. The purpose of the SCG Framework is to provide guidance on the governance structures and practical considerations that need to be in place to facilitate the practical implementation of the safety critical grades requirements set out in the National Rail Policy, the Bill and the Act. This Framework outlines the safety critical grades framework, which will form the foundation upon which the Safety Critical Grades Policy, Regulations, and Standards will be developed, and will serve as another tool that can assist the railway industry in managing risks linked to safety critical grades competencies across the life cycle phases of railway operators' safety management systems. The RSR team conducted research on the requirements for an appropriate ***Regulatory Framework for a High-Speed Railway System in South Africa.*** This research is intended to inform the Regulator on the requirements of a regulatory framework for the proposed High-Speed Railway System. This will guide all interested and affected parties on safe and effective management of High-Speed Railway System, and to enable the RSR to enforce and monitor compliance to safe High Speed Railway Operations.

PRIORITY 7	A BETTER AFRICA AND WORLD
RSR contribution	The RSR is a member of the Southern African Railways Association (SARA), an association that aims to promote the harmonisation of the railway safety regime in the Southern African Development Community (SADC) railway operations. The Regulator plays a pivotal role in ensuring that the common Standards are adopted at a regional level, thus ensuring interoperability among member states.
Progress	The RSR is currently engaging with the Land and Transport Regulatory Authority (LATRA) to provide the required support with regards to the Regional Railway Regulator Association (RRASA) Secretariat duties, which were facilitated by the RSR since the establishment of RRASA in September 2019, and handed over in March 2022. The RSR continues to participate as a member of the Task Team for the development of the Regional Occupational Health & Safety, and Environmental Management Policy, and the Task Team is currently engaging with the United Nations Agency, International Labour Organisation regarding the Proposed Concept on the funds for this project. The RSR continues to participate, and to provide risk and safety support in the SARA Technical Committees, Conferences, and Railway Sub Committees (Railway SCOM).
In implementing the MTSF, Government will factor-in the interests of Women, Youth and People with disabilities	50% Female employees (50% female representation in EXCO) and 10 Interns. RSR procurement spend has a set target to procure through women owned companies.

Over and above the stated priorities, the RSR is expected to contribute and support government's programmes including standing together against corruption. The RSR also contributes to the government's key priorities that were announced by President Cyril Ramaphosa during the 2024 State of the Nation Address (SONA). The 2024 SONA titled **"Let us get to work. Let us rebuild our country. And let us leave no one behind"** and it contained initiatives on how the government is tackling issues that concerns South Africa. This includes matters related to load shedding, unemployment, poverty and the rising cost of living, crime and corruption. Numerous initiatives from electricity generation to economic infrastructure to social services. The five key priorities discussed below clearly articulate the agenda of the government and the RSR's response to the State of the Nation priorities:

PRIORITY	RSR CONTRIBUTIONS
1. Growing the Economy and Jobs	Creating employment including internship and participating in the YES (Youth Employment Services) programme
2. Building better lives	A safe and reliable railway system provides an attractive alternative to private cars, reducing traffic congestion and pollution. This can lead to: • Shorter and safer and more affordable commutes and more leisure time for passengers. • Improved access to jobs and educational opportunities, especially for those without cars.
3. Fighting corruption	Compliance to regulations through policies and processes Clear and fair safety regulations, enforced objectively by the regulator, reduce opportunities for corruption in areas such as contract awarding and safety inspections.
4. Making communities safe	Conducting railway safety awareness programmes i.e level crossing safety education. The primary function of the Regulator is to give effect to its legislative environment that fosters safe railways and minimises railway accidents
5. Making government work	Supporting BEE initiatives: Procurement from Women, Youth and people with disability A well-functioning regulator demonstrates the government's commitment to public safety and promotes trust in its ability to regulate industries effectively. The Regulator can also encourage investment in new railway technologies that are both safer and more efficient, further contributing to economic growth. • By ensuring a skilled workforce in the railway sector, the Regulator can contribute to a more qualified national labour pool. • By focusing on safety, the Regulator indirectly contributes to a range of positive social and economic outcomes.

The RSR's alignment to the DoT priorities for the year under review is depicted below:

PRIORITY FOCUS AREA: SAFETY AS AN ENABLER OF SERVICE DELIVERY			
OUTCOME	**INTERVENTION**	**INDICATOR**	**RSR CONTRIBUTION**
Improved transport safety and security	Ensuring a continued enhancement of safe railway operations	Safe railway operations	Conducting railway safety inspections, audits and investigations
DOT PRIORITY FOCUS AREA: INFRASTRUCTURE BUILD THAT STIMULATES ECONOMIC GROWTH AND JOB CREATION			
OUTCOME	**INTERVENTION**	**INDICATOR**	**RSR CONTRIBUTION**
Increase access to affordable and reliable transport systems.	Implement comprehensive rail modernisation and upgrade programme	Rolling stock expansion and upgrade	Technology reviews conducted and no-objection approvals granted to operators within 30 days
	Plan to facilitate transition from road freight to rail and the participation of private sector	Private Sector Participation Framework	Interface agreement standard developed and piloted with operators and SALGA
Affordable, safe and reliable public transport	Percentage of national usage of public transport	Modernisation of the existing rail network and system through the Station Modernisation Programme	Technology reviews conducted and no-objection approvals granted to operators including advisement to operators in respect of improving safety. 23 Technical Awareness training sessions held with operators

Organisational environment

The RSR has continued implementing the Work from Home policy to support business continuity during disruptions, such as the energy crisis. The policy is activated as needed through a proclamation by the Acting Chief Executive Officer.

In accordance with international best practices for railway safety management, the RSR is tasked with guiding the railway industry towards excellence in safety management to minimise operational risks in the railway environment to a level as low as reasonably practicable. The Regulator's strategic aspirations for reducing risk are outlined in the 2020-25 Strategic Plan, which details the specific strategic objectives to be achieved during this period.

While the RSR's responsibilities are designed to protect the interests of rail users, the Regulator is committed to transparency in its work. Decisions are driven by data and evidence, and the delivery of work is guided by clear processes and governance. The RSR, as an enforcing authority for safety legislation on South Africa's railways, plays an advisory and training role to other regulators and operators in the SADC region on various safety regulatory tools and techniques. The following functions were undertaken to ensure the successful execution of the RSR's mandate:

- The RSR performs various functions, human resource and financial support. The Human Resources department is responsible for ensuring institutional stability, collaboration and functional integration while also encouraging and facilitating ongoing employee training and development.
- The Finance department provides financial management services and endorses all financial information to ensure compliance with the government budget cycle and to improve the RSR's business practices, using the Supply Chain Management (SCM) policy as a foundation. The SCM system is based on effectiveness, efficiency, transparency, competitiveness and fairness. The SCM system is premised on effectiveness, efficiency, transparency, competitiveness and fairness.

- **Issues and manages safety permits**: The SMS and concomitant safety permit provide the legal interface between the RSR and railway operators. This relationship enables and promotes continuous improvement in safe railway operations. Annually, the RSR evaluates the Safety Improvement Plans and the SMSR submitted by operators, outlining directives and/or interventions to improve safety in the operational environment.

- **Conducts inspections and audits**: The RSR is mandated to play an oversight safety role in the railway industry. This role is undertaken through various strategic initiatives such as conducting safety-related audits and inspections of operators' activities. The key objectives of safety audits and inspections are to critically assess the safety systems and processes of operators. These assessments provide in-depth knowledge and understanding of required interventions which the RSR provides to promote the attainment of safe rail operations.

- **Conducts safety assessments**: The RSR fulfils its safety oversight mandate on new works and technology developments by conducting safety assessments and providing approvals on all life cycle phases of railway projects to ensure that safety is not compromised in the revitalisation of the local industry. by the operators. These regulatory safety assessments also aim to ensure that the impact of the intended changes is considered within the immediate environment of its application and from a systemic perspective encompassing the asset/operational system life cycle.

- **Investigates railway occurrences**: To achieve safety improvement and a reduction of occurrences, the RSR conducts investigations of occurrences that have led to major loss, including fatalities, injuries, and major damage to property to identify the root causes and prevent recurrences. Operators are obligated to report all occurrences to the RSR to ensure that analysis and review of incidences and the causes thereof are consolidated to assist the RSR in providing tools and strategic direction in addressing safe rail operations.

- **Develops regulations, safety standards and regulatory prescripts:** In terms of Sections, 29, 30 and 50 of the Act, the RSR is mandated to develop regulations, safety standards and related regulatory prescripts which form an integral part of the regulatory regime adopted for the oversight and enforcement of safe railway operations.

- **Issues notices of non-conformance and non-compliance.** The RSR issues operators with notices to indicate conditions within the operators' system that are deemed to be sub-standard or not in compliance with regulatory prescripts that ensure safe rail operations in terms of the adopted regulatory regime. Furthermore, the Regulator imposes penalties for non-compliance with the Act and safety standards adopted by the Board of Directors of the RSR.

- **Supports and promotes occupational health and safety and security**: To address occupational health and safety and security issues that impact on railway safety, the RSR conducts investigations, audits and inspections. Occupational health and safety legal requirements are included in the Human Factors Management Standard and are, therefore, continuously promoted during the technical workshops that are conducted by the RSR.

- **Co-operates with relevant organs of state to improve safety performance and oversight functions**: In compliance with the Act, the RSR concludes appropriate co-operative agreements with relevant state organs to give effect to co-operative government and inter-governmental relations as contemplated in Chapter 3 of the Constitution. The RSR has concluded 12 co-operative agreements, nine with various government departments and three with industry associations. The MOUs with government departments aim to eradicate duplication where there is dual jurisdiction and promotes collaboration while the agreements with industry associations aim to share best practices with the industry and maintain an interactive approach in enforcing compliance with the view to result in an occurrence free environment. While all these agreements focus on different issues, the common denominator is to ensure rail safety.

- **Plays a leading role in the alignment of the railway safety regime of South Africa with those of the SADC**: The RSR plays a significant role in harmonising the rail safety regime within the SADC region. Through SARA, the RSR workshops and facilitates its South African standards, with the vision of adapting them at the SADC level, once approved by the SARA Board.

- **Data management and analysis**: This function is in support of Section 37 and 39 of the Act, which requires that all occurrences be reported to the RSR and in turn requires the RSR to establish a National Information and Monitoring System (NIMS). In terms of risk identification and management as well as strategic and operational planning, the RSR must maintain an accurate data management system. The data must be reliable and regularly analysed for risks. This enables the Regulator to accurately identify the major safety-relevant risks that will require actions such as inspections, audits, investigations, awareness campaigns, etc., to increase the level of operational safety within the South African rail environment.

Key policy developments and legislative changes

National Rail Policy

The National Rail Policy (NRP) was approved during March 2022 and the policy aims to position rail as an affordable, competitive, effective, integrated, reliable, safe, sustainable, and valued mode of transport. Furthermore, the National Rail Policy sets out to revitalise the country's railway sector by investing substantially to establish a high – performance rail sector that will recapture rail's proper contribution to the national transport task and thereby reduce transport sector harmful emissions.

The primary intervention of the NRP is to initiate railway renaissance in the country by deploying high speed, heavy haul, heavy intermodal as well as contemporary urban and regional rapid transit to ensure rail offers the most economically, environmentally, financially and socially viable logistics and mobility solution. The RSR is at the centre of ensuring the successful implementation of objectives of the National Rail Policy, work has started to institutionalise the objectives of the policy.

Railway Safety Bill

In 2021, the government initiated the development of the Railway Safety Bill, which aims to amend the National Rail Safety Regulator Act No. 16 of 2002. The Bill seeks to enhance safe railway operations while encouraging the collaboration and participation of interested and affected parties in improving railway safety. The National Rail Safety Regulator Act established the Railway Safety Regulator and provided for safety standards and regulatory practices. The Bill facilitates a modern, flexible, and efficient regulatory regime that ensures the continued enhancement of safe railway operations and promotes the harmonization of the railway safety regime of the Republic with those of the Southern African Development Community (SADC). Furthermore, the Bill provides for :

- The regulation of railway safety in the Republic;
- The continued existence of the Railway Safety Regulator;
- The board and governance structures of the Railway Safety Regulator
- Railway safety permits;
- National railway safety information and monitoring system;
- Legal framework to enforce compliance with the Act and to deal with railway occurrences;
- Appeal mechanism and the repeal of the National Railway Safety Regulator Act, 2002;
- Railway occurrence and railway occurrence investigations;
- Licensing of railway safety critical grades and registration of training institutions offering training to safety critical grades.

It also promotes a legal framework that supports the safety of commuters thereby encouraging rail as a mode of transport. The Bill went before the Portfolio Committee on Transport and National Council of Provinces after a national drive of public hearings in all provinces. The hearings revealed the public outcry for rail services. The Railway Safety Bill of 2021 was passed by the NCOP on the 8 May 2024 and awaits assent by the President.

Progress towards achievement of institutional Impacts and Outcomes

The RSR is an agency of the DoT that regulates and oversees railway safety, conducts audits and inspections, and investigates accidents and incidents related to railways to ensure safe railway operations in South Africa and neighbouring countries.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements Table

No	Outcome	Output	Output indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations
1.1	Railways are safer	Industry safety risk profiling towards increased critical risk mitigation decisions	Industry safety risk profile developed	Industry-wide hazard log validated	Railway risk matrix developed	Version 1 of Safety Risk Model platform developed	Version 1 of Safety Risk Model platform developed	None	None
1.2	Railways are safer	Industry-consulted risk assessment tools and methodologies	Common Safety Methods developed and tested	CSM-RA tested with 9 selected Class A or Class B operators	CSM-RA draft regulatory tool (determination/ standard/ guideline) published for comments	CSM-RA regulatory tool (determination) published	CSM-RA regulatory tool (determination) published	None	None
1.3	Railways are safer	Industry-consulted risk assessment tools and methodologies	Common Safety Methods developed and tested (Supervision)*	-	-	-	-	None	None
1.4	Railways are safer	Industry consulted risk assessment tools and methodologies	Implementation of railway management maturity assessments	Railway Management Maturity Assessment Reports for 8 Class A dangerous goods operators	14 RM3 assessment reports for Class A mining operators	Railway Management Maturity Assessment Reports for all SADC operators	Railway Management Maturity Assessment Reports for all SADC operators	None	None

No	Outcome	Output	Output indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations
1.5	Railways are safer	Industry consulted risk assessment tools and methodologies	Interface Agreements aligned with operational risks	Interface Agreements stakeholder engagement on IA gaps with 4 metropolitan municipalities	Draft Interface Agreement Standard developed	Interface Agreement Standard published for public comments	Interface Agreement Standard published for public comments	None	None
1.6	Railways are safer	Industry consulted risk assessment tools and methodologies	Developed and implemented RSR Standard on Verbal Safety Critical Communications	Draft Verbal Safety Critical	VSCC RSR Standard adopted	-	-	None	None
1.7	Railways are safer	State of safety interventions	Research Reports published	Two topical research papers published	Two research papers published on the RSR website	Three topical research papers published	Three topical research papers published	None	None
1.8	Railways are safer	Service provider accreditation	Accreditation of training service providers	-	-	Accreditation of training service providers framework developed	Accreditation of training service providers framework developed	None	None
2.1	Good governance and clean administration	To secure an adequate operational financial base	Progress made in revising the permit fee model developed in 2014/15	Implementation of financial sustainability plan actions due by year-end	Implementation of financial sustainability plan action due by year-end	Implementation of financial sustainability plan actions due by year-end	Implementation of financial sustainability plan actions due by year-end	None	None

No	Outcome	Output	Output indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations
2.2	Good governance and clean administration	Progress made in revising the permit fee model developed in 2014/15	Permit fee model determination developed	-	-	Permit Fee Model Determination developed	Permit Fee Model Determination developed	None	None
2.3	Good governance and clean administration	To monitor and track the effectiveness of RSR compliance initiatives	New NIIMS build and maintained	Not achieved	NIMS maintained and uptime at 99%	50% of NIIMS Modules developed	50% of NIIMS Modules developed	None	None
2.4	Good governance and clean administration	Organisational Excellence improved	Employee engagement improved	Employee engagement action plan developed and implemented	Employee Satisfaction improved. Action plan developed and implemented	Employee satisfaction improved Action plan developed and implemented	Employee satisfaction improved Action plan developed and implemented	None	None
2.5	Good governance and clean administration	Surplus funds	Surplus funds	Current ratio 1,9:1	Current ratio 1,53:1	Current ratio of 1,2:1	Current ratio of 1,86:1	Exceeded by 0,66	High cash balances to fund outstanding commitments
2.6	Good governance and clean administration	ISO (QMS) related policies ISO (QMS) Audit Reports	ISO (QMS) related policies ISO (QMS) Audit Reports	Pre-certification audit conducted	ISO 9001:2015 certification	ISO compliance audit conducted	ISO compliance audit conducted	None	None
2.7	Good governance and clean administration	Clean administration	Clean administration	Clean audit	Clean audit	Clean audit outcome	Unqualified audit opinion with findings on compliance with laws and regulations	Unqualified audit opinion with findings on compliance with laws and regulations	Effective and appropriate steps were not taken to prevent irregular expenditure - PFMA 51(1)(b)(ii)

No	Outcome	Output	Output indicator	Audited actual performance 2021/22	Audited actual performance 2022/23	Planned annual target 2023/24	Actual achievement 2023/24	Deviation from planned target to actual achievement 2023/24	Reasons for deviations
3.1	Improved stakeholder service	To influence safe railway behaviour	Number of safety awareness initiatives conducted	30 Railway safety awareness initiatives conducted	43 Railway safety awareness initiatives conducted	40 Railway safety awareness initiatives conducted	40 Railway safety awareness initiatives conducted	None	None
3.2	Improved stakeholder service	To measure the impact of railway safety awareness initiatives	Effectiveness and impact of awareness initiatives	-	-	Effectiveness survey conducted and outcomes reported	Effectiveness survey conducted and outcomes reported	None	None
3.3	Improved stakeholder service	To promote safety consideration during new investments through annual industry safety thematic interventions	Annual industry safety interventions conducted	Annual Rail Safety Conference conducted	Annual Rail Safety Conference conducted	International Rail Safety Conference conducted	International Rail Safety Conference conducted	None	None
3.4	Improved stakeholder service	Regular engagement with organised labour and interested parties to encourage collaboration towards improved railway safety of employees, commuters and the public	Stakeholder forums implemented	8 stakeholder forum discussions conducted	8 Stakeholder forum discussions conducted	8 Stakeholder forum discussions conducted	8 Stakeholder forum discussions conducted	None	None

Linking performance with budgets

In assessing the achievement of the outputs in comparison with the planned targets, the Regulator must consider the linkages and the relation to the resources available to it, particularly the financial resources. Therefore, the following financial information is presented. The financial information must agree with the information in the Annual Financial Statements.

No	Output Indicator	Annual Target	2022/23			2023/24		
			Budget	Actual Expenditure	(Over)/ Under expenditure	Budget	Actual Expenditure	(Over)/Under expenditure
			R	R	R	R	R	R
1.1	Industry safety risk profile developed	Version 1 of Safety Risk Model platform developed	8 200 582	3 919 063	4 281 520	11 329 705	7 466 099	3 863 606
1.2	Common Safety Methods developed and tested	CSM-RA regulatory tool (determination) published	7 600 582	3 919 063	3 681 520	7 729 705	3 866 099	3 863 606
1.3	Common Safety Methods developed and tested (Supervision)*	-	-	-	-	-	-	-
1.4	Implementation of railway management maturity assessments	Railway Management Maturity Assessment Reports for all SADC operators	4 600 582	3 919 063	681 520	7 729 705	3 866 099	3 863 606
1.5	Interface Agreements aligned with operational risks	Interface Agreement Standard published for public comments	3 919 063	681 520	3 919 063	7 729 705	3 866 099	3 863 606
1.6	Developed and implemented RSR Standard on Verbal Safety Critical Communications		3 919 063	681 520	3 919 063	-	-	-
1.7	State of safety interventions	Three topical research papers published	3 919 063	681 520	3 919 063	7 729 705	3 866 099	3 863 606
1.8	Accreditation of training service providers	Accreditation of training service providers framework developed	-	-	-	7 729 705	3 866 099	3 863 606

No	Output Indicator	Annual Target	2022/23			2023/24		
			Budget	Actual Expenditure	(Over)/ Under expenditure	Budget	Actual Expenditure	(Over)/Under expenditure
			R	R	R	R	R	R
2.1	Progress made in revising the permit fee model developed in 2014/15	Implementation of financial sustainability plan actions due by year-end	10 007 919	2 686 672	10 007 919	10 828 160	7 671 455	3 156 705
2.2	Permit fee model determination developed	Permit Fee Model Determination developed	14 200 592	10 007 919	4 192 672	11 128 160	7 971 455	3 156 705
2.3	New NIIMS build and maintained	50% of NIIMS Modules developed	-	-	-	12 334 160	9 177 455	3 156 705
2.4	Employee engagement improved	Employee engagement action plan developed and implemented	12 694 592	10 007 919	2 686 672	10 828 160	7 671 455	3 156 705
2.5	Surplus funds	Current ratio of 1.2:1	12 694 592	10 007 919	2 686 672	10 828 160	7 671 455	3 156 705
2.6	ISO 9001: 2015 Certification	ISO compliance audit conducted	12 694 592	10 007 919	2 686 672	11 428 160	8 271 455	3 156 705
2.7	Number of material audit findings	Clean audit outcome	12 694 592	10 007 919	2 686 672	10 828 160	7 671 455	3 156 705
3.1	Number of safety awareness initiatives conducted	40 Railway safety awareness initiatives conducted	5 824 158	5 179 012	645 147	5 654 599	5 016 734	637 866
3.2	Effectiveness and impact of awareness initiatives	Effectiveness survey conducted and outcomes reported	-	-	-	5 654 599	5 016 734	637 866
3.3	Annual industry safety interventions conducted	Annual Rail Safety Conference conducted	5 824 158	5 179 012	645 147	7 654 599	7 016 734	637 866
3.4	Stakeholder forums implemented	Eight stakeholder forum discussions conducted	5 824 158	5 179 012	645 147	5 654 599	5 016 734	637 866

RSR's response to national crisis

Electricity crisis

In response to the ongoing energy crisis in South Africa, the RSR continued to implement several mitigation measures to address the unavailability of electricity as a result of loadshedding.

The RSR continued with the implementation of identified measures in line with the Business Continuity Plan and ensured that all physical offices are equipped with back-up generators. This is to provide uninterrupted power supply for business continuity to ensure that the Regulator carries out its mandate during loadshedding.

Unemployment and Poverty

The RSR is playing a vital role in the fight against unemployment and poverty by creating employment including internship opportunities and participating in the YES program. To realise the above the organisation:

- Recruits and contracts at least 10+ graduates biennial on 2-year contract.
- Recently participated in the YES programme and will be partnering with the external companies by funding them to recruit/employ at least 11 youths on the 1 year contract with the intention of absorbing at least 1 youth at the end of the programme. The programme is intended to continue annually.

The RSR continues to engage on the social development programmes by donating groceries, clothing and school uniforms to those in need.

Rising cost of living

The RSR timely reviews, benchmarks and aligns the employees' salary packages that are market/industry related. The RSR annually budget and offer a fair and competitive level of pay based on Consumer Price Index (CPI) to compensate for increasing cost of living and help employees to afford basic life necessities.

- Give annual increases where applicable
- Offer performance based bonus.
- Research and benchmark against the market rates.

Institutional programme performance information

The RSR set the following targets to be achieved over the MTSF 2020-2025.

MTSF priority	Establish effective, safe and affordable public transport		
NDP five year implementation plan and intervention	New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps		
Measure of success	Industry risk profile		
Outcome	**Outcome Indicator**	**Baseline**	**5-Year Target**
Railways are safer	The following indicators will be utilised to mitigate risks of occurrences by establishing a collaborative risk-based regulatory approach to oversee, monitor and enforce railway safety: • State of Safety Report • Audit and inspection reports • Regulatory instruments issued	Safety risk model scope developed	Safety risk model implementation
MTSF priority	Realise a developmental, capable and ethical state that treats citizens with dignity		
NDP five year implementation plan and intervention	New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps		
Measure of success	Clean audit		
Outcome	**Outcome indicator**	**Baseline**	**5-Year Target**
Good governance and clean administration	We strive for excellence by enriching our governance processes, ensuring compliance with laws and regulations. This will be achieved through developing an excellent organisation that is financially sustainable, by means of these indicators: • Effective internal audit mechanisms • Effective risk management practices • Monitoring and reporting practices	Unqualified audit opinion	Clean audit
MTSF priority	Establish effective, safe and affordable public transport		
NDP five year implementation plan and intervention	New spatial norms and standards – densifying cities, improving transport, locating jobs where people live, upgrading informal settlements and fixing housing market gaps		
Measure of success	Improved stakeholder satisfaction		
Outcome	**OUTCOME INDICATOR**	**BASELINE**	**5-Year Target**
Improved stakeholder service	Targeted campaigns, awareness, promotion initiatives and collaboration between stakeholders.	20 safety promotion initiatives conducted	210 safety promotion initiatives conducted

Revenue collection

Sources of revenue	2022/23			2023/24		
	Estimate	Actual amount collection	Over/under collection	Estimate	Actual amount collection	Over/under collection
	R	R	R	R	R	R
Permit Fees	183 332 349	183 496 027	163 678	189 941 623	188 110 753	(1 830 870)
Investment Income	8 163 544	8 863 007	699 463	10 141 903	10 619 899	477 996
Penalties	0	100 000	100 000	0	501 450	501 450
Grant Income	72 874 000	72 874 000	0	76 086 000	76 086 000	-
Other income	0	836 174	836 174	21 645 830	23 664 127	2 018 297
Total	**264 369 893**	**266 169 208**	**1 799 315**	**297 815 356**	**298 982 229**	**1 166 873**

Capital investment

The RSR is a PFMA Schedule 3A Public Entity with the DoT as its only shareholder. Assets are managed in line with the RSR's Asset Management Policy. Furthermore, the Regulator has not embarked on any infrastructure projects nor has it closed or downgraded facilities during the year.

The RSR does not own significant infrastructure nor moveable assets that require significant continuous maintenance. The RSR incurred repairs and maintenance related expenses on motor vehicles, furniture, and equipment. The organisation acquired new assets during the year. The new acquisitions include motor vehicles (12%), office furniture and equipment (24%), computer equipment (34%) and development of computer software (30%). The significant portion of the organisation's fixed assets at 31 March 2024 were in good condition.

The RSR has an Asset Management unit located in its Finance Department that is responsible for updating the asset register with all asset transactions such as receipts, movements, disposals, useful life assessments and other changes. In line with the RSR's approved Asset Management Policy, the unit conducts asset verifications at least twice a year and is complemented by the Disposal Committee which deals with the voluntary disposal of assets. All employees are required to report stolen assets to the South African Polices Services within 24 hours and to furnish the Asset Management unit with the case number to ensure that the unit updates the asset register.

Infrastructure projects	2023/24			2022/23		
	Budget	Actual expenditure	(Over)/ under expenditure	Budget	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**

GOVERNANCE

Introduction

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

Parliament, the Executive, and the Accounting Authority of the public entity are responsible for corporate governance.

Portfolio committees

The RSR appeared before the Portfolio Committee on Transport where the Annual Report and State of Safety Report were presented to the members of the Committee. The organisation briefed the Committee on challenges encountered with compliance by the industry and the measures it has adopted to mitigate the challenges.

Executive authority

The organisation submits all quarterly reports to the Executive Authority and National Treasury (NT) in compliance with the NT frameworks. All quarterly reports for the 2023/24 FY were submitted within 30 days after the end of each quarter.

The accounting authority/ board

Introduction

The Board of the National Railway Safety Regulator is committed to ensuring that it complies with the letter and spirit of the legislative prescripts applicable to the National Railway Safety Regulator (hereinafter referred to as "RSR").

The RSR Board sets the tone and leads the organisation with integrity, efficiency, and accountability. The Board is responsible for ensuring that management cultivates an ethical culture that all employees adhere to. This necessitates agile, decisive, and ethical business leadership in these unprecedented times.

The RSR has been able to withstand difficult economic conditions over the years due to its adherence to sound financial principles and a robust corporate governance culture. The Board is committed to ensuring that we play a central role in society by fostering transformation, economic growth, national expansion, and development. We are committed to continually enhancing our corporate governance processes in accordance with best practices in order to enhance railway safety.

To the extent applicable and relevant to the RSR, the Board subscribes to the principles of good governance as set out in the King Report on Governance in South Africa, 2016 (King IV) and recognises these as fundamentally important to the success and continued sustainability of the organisation. Good Governance, amongst others, ensures that resources and business activities throughout the organisation are focused on attaining the objectives of the organisation. The Board leads by example and has adopted a code of ethics as well as a code of conduct to commit to writing the business practices which the organisation will follow, and this sets the standards of behaviour required by others within the Company. The Board ensures that an ethical culture is imbued in its culture, strategy, plans and performance of the organisation.

Effectiveness, strategy, and reporting

The RSR Board assumes responsibility for the organisation's performance. Thus, the Board assists us in defining our mission and achieving our strategic objectives. The Board of Directors constantly monitors the macro environment, risks, and opportunities, as well as the requirements of our stakeholders, which inform our strategy. The RSR continually strive to improve reporting standards through transparency and compliance with applicable reporting frameworks and best practices. Furthermore, the RSR intends to provide all stakeholders with all the relevant, material and timely information.

Governing structures and delegation

The Board is the focal point of and custodian for corporate governance and consists of nine Non-executive Directors and one Executive Director with an appropriate balance of knowledge, skills, experience, diversity, and autonomy. This enables the Board to fulfil its governance responsibilities objectively and efficiently. All Board members are suitably qualified for their roles as Directors and possess extensive business experience and specialised skills in a variety of fields, including rail safety, governance, human resources, compensation, information and communication technology, accounting and finance, legal, and transportation and logistics. Open and frank dialogue that scrutinises decisions, fosters consensus, and demands accountability is encouraged.

The roles and responsibilities of the Independent Non-executive Chairman and the Chief Executive Officer have been clearly defined and are distinct to ensure checks and balances in decision making. The Non-Executive Directors utilise their experience, expertise, and business acumen to ensure impartial and objective perspectives in decision-making processes and ethical standards. There is a clear balance of power and authority at the Board level to ensure that no single Director possesses unrestricted decision-making authority.

The Board delegates certain functions to six well-structured committees without evading its own responsibilities. In each committee's Terms of Reference, the committee's composition and duties, responsibilities, and scope of authority are specified.

Compliance to KING IV

The King IV Code of Corporate Governance has been adopted by the Board for the organisation. The Board Charter, along with the code of conduct, ensure that the RSR is effectively managed and controlled by a moral Board that acts in the best interests of all stakeholders. . Because the RSR is a values-driven organisation, we regularly review our values with the help of our staff and stakeholders. The Board take great care to protect the RSR's reputation and uphold the highest ethical standards. Bullying, harassment, and discrimination are not tolerated by the Regulator. To advance the RSR's goals in the best interests of stakeholders, members are expected to uphold a set of standards. The Board, which is ultimately accountable and responsible for the performance and business affairs of the Regulator, serves as the focal point of the RSR's corporate governance system.

The Board, through the Board Committees and Executive Management oversight, makes sure that the organisation's efforts at responsible corporate citizenship include adherence to its own codes of conduct and policies as well as the laws, leading standards, and the South African Constitution. The Board is responsible for providing overall strategic direction within a framework of rewards, incentives, and controls to steer the organization's strategic goals and policies to produce long-term value. Furthermore, the Board understands the value of developing long-lasting relationships while maintaining an appropriate stakeholder communication framework governing communication, relationships for long-term value creation, and ensuring an appropriate balance in meeting the diverse needs and expectations of the Regulator's stakeholders.

The Board has approved the Risk Management Framework, which expresses and implements its determined risk policy. With the creation of a Board ICT Committee, which will keep track of new technological advancements, the Board approves policy that clarifies and puts into practise its stated direction on the employment of information and technology. The ICT Committee meets on a quarterly basis to assess the ICT Strategy and its execution against operational plans. Management is in responsible for overseeing this process using both internal resources and outside service providers.

In carrying out its duties, the Board oversees management's implementation of Board plans and strategies to encourage ethical behaviour and compliance with applicable laws and regulations, audit and accounting principles and practises, and the RSR's own governing documents and codes of conduct. The Board is also responsible for the stewardship of the RSR. The Board is assisted in achieving compliance by the Social and Ethics Committee, Audit and Risk Committee, Human Resource Committee, and the Safety Committee.

Board Evaluation

The Board Performance review was conducted from December 15, 2022, to February 28, 2023. The evaluation concluded that the Railway Safety Regulator has an effective governance framework in place; however, there is room for improvement in certain areas. Addressing these areas could elevate the RSR's rating from "meeting expectations" to "exceeding expectations" and "outstanding performance." The implementation plan for the evaluation is monitored quarterly by the Human Resources and Remuneration Committee to ensure that all recommendations are finalised. .

Composition of the Board

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Mr Boy Johannes Nobunga	Non-executive director and Board Chairperson	06/08/2020 (re-appointment)	Contract ended 11/12/2023	• BCom Hons (UWC) • Diploma in Public Relations (IAC) • Certificate in Economic and Public Finance (UNISA) • Advanced Diploma in Economic Policy (UWC)	• Governance and legislation	• RSR Chairperson • Mpumalanga Tourism and Parks Agency	N/A	05

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Ms Yongama Pamla	Non-Executive Director and Deputy Chairperson	06/08/2020	Contract ended 11/12/2023	• Chartered Accountant (South Africa) • Postgraduate Diploma in Accounting (UCT) • Postgraduate Diploma in Management (Financial Accounting) (UFH) • Bachelor of Commerce (University of Fort Hare)	• Strategy development • Financial management • Enterprise risk and compliance management • Policy development • Corporate governance	• Pamla Financial Solutions (Pty) Ltd • POYA Investments (Pty) Ltd • Workers Life Direct (Pty) Ltd • Magalies Water	• RSR Board Procurement Committee Chairperson • RSR ARC Member • RSR Social and Ethic Committee Member: • PGC Group Investment Committee Member • Health and Welfare Sector Education and Training Authority Finance, Remuneration and Tender Standing Committee Member • Lepelle Northern Water Co-opted Finance Committee Member • Johannesburg Property Company (SOC) (Pty) Ltd – Audit and Risk Committee Member	05

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Adv Johannes Collen Weapond	Non-executive director	06/08/2020 Re-appointment (12/12/23)	N/A	• B.Iuris – UNISA • Bachelor of Laws (LLB) (UNISA) • B.Tech Policing (TUT) • Post Graduate Certificate in Computer Forensics (UNISA) • BCom Honours Information Technology (UCT) • Diploma in Compliance Management (UP) • Programme in Fraud Management (RCE) • Diploma in Education, SP III • Business Management Training College of Southern Africa (BMTCSA) • Diploma in Business Management (UNISA) • Masters in Forensics (Coursework completed) (CPUT) • Masters in IT (Coursework completed) • Masters in business systems (coursework completed) (Wismar Hoschule University)	• Corporate governance • Strategic management • Monitoring the implementation of action plans • Development and implementation of risk mitigation measures • Risk management oversight • Monitoring the implementation of strategic and operational risk • Legal and information technology management • Criminal profiling and investigation; corporate investigation; compliance and fraud management. • Forensic and fraud investigation	• Chairperson: Department of Communication and Digital Technologies • Chairperson: Free State Department of Education • Chairperson: Gauteng Provincial Audit Committee Cluster (5)	• Member: Audit and Risk Committee • Member: Procurement Committee • Member: ICT Member: Audit Committee of the Department of Correctional Service • Member: Mining Qualifications Authority	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Sisa Lunga Mtwa	Non-executive director	06/08/2020 Re-appointment (12/12/23)	N/A	• BSc (Fort Hare) • BSc (Chem Eng.) (UCT) • Global Executive Development Programme (GIBS) • Certificate in Directorship (IoDSA) Fellow membership (IoDSA) • Strategic Leadership Coaching • (UCT - GSB)	• Business leadership and direction • Business strategy development and execution • Business transformation and turnaround • Corporate governance, risk management and compliance • Engineering and technical management • Management systems development • Manufacturing operations management • Transport and logistics business leadership • Strategic leadership coaching and mentoring	• Non-executive: Africa Rising and Leadership Practitioners • Principal Member: Terbilogix cc	• Chairperson: Safety Committee • Member: Procurement Committee • Member: Human Resource & Remuneration Committee	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Adv Frans Johannes Van Der Westhuizen	Non-executive director	06/08/2020	Contract ended 11/12/2023	• Diploma IURIS (UNISA) • B. JURIS (UNISA) • LLB (UNISA)	• Adjudicator: housing disputes. • Specialists Board of Enquiry	• Chairperson: Appeals Committee South Africa Nursing Council • Member: Local Committee Gauteng Liquor Board	• Chairperson: Social and Ethics Committee • Member: Human Resource and Remuneration Committee • Member: Safety Committee • Member: Audit and Risk Committee: Boxing South Africa	04
Ms Dineo Mathibedi	Non-executive director	06/08/2020	Contract ended 11/12/2023	• MBA (Regenesys Business School) • Global Executive Development Program (GIBS) • Advanced Diploma Organisational Development (UNISA) • BSc Honours in Psychology (UNISA) • Management Development Program (University of Pretoria) • B Cur Degree (MEDUNSA)	• Chartered Human Resources Professional • HR Auditor • Organisational Strategy • Governance • Strategic risk management • Rewards and recognition • Knowledge management • Human resource management. • Organisational development	• Member: Human Resource and Remuneration Committee (ICASA) • Member: Professional Registration Committee (South African Board of People Practices)	• Chairperson: Human Resource and Committee • Member: Social and Ethics Committee	04

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Nompumelelo Sibongile Ekeke	Non-Executive Director and Board Chairperson	06/08/2020 Re-appointment (12/12/23)	N/A	• Masters Degree in Disaster Management (UFS) • Advance Diploma Disaster Management (UFS) • BEd Adult and Community Education (UJ) • BA English and Geography (UNISA) • Teachers Diploma (Transvaal Teachers College) • Diploma Human Resource and Management (Varsity College)	• Design and implementation of strategic planning • Communications plans; disaster management • Project management strategic • Stakeholder engagement and planning • Occupational health and safety • Training and capacity building • Development and implementation disaster assessment and strategy • Writing research papers • Moderating academic work on the following: - Pre-moderation of examination papers and memorandum - Moderation of examination and special examination answer scripts	-	• Member: Safety Committee • Member: Social and Ethics Committee	10

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Mr Chris De Vos	Non-executive director	01/03/2021 (re-appointment)	Contract ended 11/12/2023	• Certificate: Labour Relations (UP) • Advanced Labour Law Diploma (RAU) • Certificate Labour Relations Trade Unions (UP) • Diploma: Conciliation and Mediation (CCMA)	• Rail operations • Railway incidents investigations • Human relations • Basic Conditions of Employment Act • Labour Relations Act • Act 85 Investigations	-	• Member: Human Resource and Remuneration Committee • Member: Safety Committee	05

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Mr Mkhacani Maluleke		19/11/2021	Contract ended 11/12/2023	• Bachelor of Arts: University of the North • High Education Diploma: University of the North • Certificate: Managing integrated development for service delivery: University of Witwatersrand • Certificate: Project Management: University of Pretoria • Presidential Strategic Leadership Development programme: North-West University • Bachelor: Education and Traffic Safety: Northwest University • Certificate: PFMA Supply Chain Management: University of Pretoria • Master of Development and Management: Northwest University	• Labour Relations • Financial Management • Government Procurement • Oversight of Entities • Monitoring & Evaluation and Transport Safety	-	• Member: ICT Committee • Member: Safety committee	05

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Xoliswa Njokweni - Mlotywa	Non-executive director	11/12/2023	N/A	• BSC Civil Engineering: Hons: UKZN • Multi-Disciplinary Railway Engineering Certificate: UP • Asset Management and Maintenance Certificate: UP • Development Corporation Certificate: • Financial Management Certificate: WITS Business School • Project Management PM BOK Certificate: Project Management Institution • Project Finance Certificate: EUROMONEY • Contract Management & Administration Certificate: ALUSANI	• Railway Engineering • Development Finance • Project finance Strategy • Project management Facilitation	DoT ITB-BBEE Council Member	• ICT Member • SEC Member	04

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Lungi Maminza	Non-Executive Director	12/12/2023	N/A	• RSM Erasmus University, Netherlands (Rotterdam) & Exchange CIEBS, • China: Master of Business Administration (Finance concentration) • BSc. Elec Eng: University of Cape Town • Certificate in Maintenance Management: Augsburg Hochschule in Germany • MBA(Finance): University of Erasmus RSM, Netherlands	• Railway Industry experience: Maintenance, planning, and logistics; infrastructure renewal planning and project execution • Managing real Estate and commercial building assets of the Rail business • Industrial Relations (restructuring and optimizing; • Wage negotiations and skills development programs) • Supply Chain and procurement	-	• Safety Committee • HRRC	05

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Tawana Mopedi	Non-Executive Director	12/12/2023	N/A	• BA Masters Social Science: Labour Policy and Globalisation(Wits University) • BA (Hons) Social Science: Labour Policy and • Globalisation (Wits University) • BA (HONS) Business Studies(University of Greenwich • BTech Higher National Diploma in Business • International Diploma in Business (National Computing Centre (UK)) • Occupational Certificate: Professional Principal Executive Officer (Retirement Fund Trustees), Level 5 (BATSETA • Retirement Fund Trustee Online Training/ Trustee Toolkit (Financial Sector Conduct Authority (FSCA) • Certificate of Competence: Skills Development Facilitator; • Level 5(D&D Institute)	• Strategic Human Resource Management and Development • Management of an Organisation • Strategic Planning and Organisational Development • Advisory: socio-economic, negotiations, and collective bargaining • Stakeholder Relations Management/ Relations. • Management: education, training, and facilitation	Non -Executive Director: Transport Sector Retirement Fund (TSRF)	• Road Freight and Logistics Industry: Trustee • Trustee RFLIPF Unclaimed Benefits Preservation Provident Fund • TSRF: Chairperson of Death Benefit Disposal Subcommittee • TSRF: Trustee Investment Subcommittee • TSRF: Trustee Legal and Risk Subcommittee	04

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Sizakele Makhanya	Non-Executive Director	12/12/2023	N/A	• Bachelor of Arts: University of Durban Westville t • Bachelor of Arts in Political Science (Honours Degree): University of Durban Westville • Master of International Relations (MA-IRL): Oxford Brookes University		-	• SEC Member • HRRC Member • Non-Executive Director: Port Regulator South Africa	05
Nomfundo Molefe	Non-Executive Director	12/12/2023	N/A	• Bachelor of Social Worke: UNISA • Masters in business leadership: School of Business, UNISA • Bachelor of Laws (LLB): UNISA • Health Systems Management, Galilee College, Israel • Diploma in Nursing Administration: UNISA • Bachelor of Arts in Nursing: UNISA • Diploma in Psychiatric Nursing: Madadeni Hospital • Diploma in Midwifery: Edendale Hospital • Diploma in General Nursing	• Strategic Planning of Educational Program • Legal Advice and Training in Legal or Paralegal work and Consultant in Labour Relations matters • Build Effective teams to achieve organizational goals, in a professional, productive environment • Corporate Governance	• Brain Injury Trust	• SEC Member • HRRC Membe	05

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Nolitha Pitersen	Non-Executive Director	12/12/2023	N/A	• Chartered Accountant • Master of Business Administration: NMMU Business School • BCom (Accounting Honours) and CTA: University of Johannesburg • Certificate in the Theory of Accounting (CTA): University of Johannesburg • BCom (Accounting: University of Fort Hare	• Governance Structures	• Interim Board Member: Buffalo City Metropolitan Development Agency Chairperson: Current • Board Member: Eastern Cape Rural Development Agency (ECRDA): Current • Board Member: State Information and Technology Agency (SITA) Current • Board Member: Eastern Cape Development Corporation: Current	• ICT Member • ARC Member • Eastern Cape Rural Development Agency (ECRDA) Chairperson -Finance and Investment Committee: Current • Emalahleni Local Municipality: Chairperson -Audit Committee: Current • Chairperson/ Member: Audit and Risk Committee: State Information and Technology Agency (SITA): Current • Advisory Committee Member: Cape Peninsula University of Technology Entrepreneurship and Business Management Department: Current • Member- Audit and Risk Committee, Finance & Investment Committee: Eastern Cape Development Corporation	05

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Tshepo Mongalo	Non-Executive Director	12/12/2023	N/A	• Baccalareus Procurations (B. Proc.): University of Natal, Durban • Bachelor of Laws (LL.B.): University of Natal, Durban • Cert. in Law, Social Thought and Global Governance: Brown University- Rhode Island, USA • Cert. in Global Law, Economic Policy and Social Justice: Institute for Global Law and Policy (IGLP) at Harvard University • Ph.D. (Commercial Law: University of Cape Town, Western Cape • Postgraduate Diploma in Education (Higher Education: University of the Witwatersrand, Johannesburg	• Board leadership and Corporate Governance Company Law • Securities Regulation and Insider trading • Corporate Social Responsibility and Stakeholder Capitalism • National Qualification Framework design • Regulatory Framework design and legal drafting • Innovation and Entrepreneurship education curriculum design	• Tong-Mongalo Corporate Services CC • Novalex Holdings Ltd • Tong-Mongalo Holdings (Pty) Ltd • South African Law Reform Commission		05
Mala Somaru	Non-Executive Director	05/03/2024		• B. Proc, • MBA	• Rail Transport, • Rail Economic Regulation, Rail Safety Regulation, • Transport Policy	-	Secretariat for the Interim Rail Economic Regulatory Capacity (IRERC)	04

Name	Designation (In terms of the Public Entity Board Structure	Date appointed	Date resigned	Qualifications	Area of expertise	Board Directorships (List the entities)	Other Committees or Task Teams (e.g.: Audit committee / Ministerial task team)	No. of meetings attended
Lieutenant General Peter Jacobs	Non-Executive Director	05/03/2024		• MSc: Corporate Security: Cranfield University (UK) • Advanced Diploma Management University of the Western Cape (UWC)	• Compliance Management; • Intelligence and Analysis; • Security Management; • Operational Co-ordination	-	• NECOM (National Energy Crisis Committee) • Chair Workstream 6: • Safety and Security Committee Chair; • NLCC (National Logistic Crisis Committee) • Chair Workstream 7 • SAF	04
Milly Ruiters	Non-Executive Director	05/03/2024		• BSc, BSc Hons, MSc and MBA	• Occupational health and Safety	• HRRC	• Ministerial Advisory committee Mental health	0
Mr Mmuso Selaledi*	ACEO	21/04/2021		• BAcc Rhodes University CA (SA)	• Strategy formulation and monitoring • Risk Management • Project Management • Financial Accounting • Internal and External Auditing	None	None	10

*Acting appointment since 1 April 2023

There are no alternate members of the Board.

Committees

Committee	Date meetings held	No. of members	Name of members
Audit and Risk Committee	21/04/2023	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Yongama Pamla Collen Johannes Weapond Mmuso Selaledi
	25/05/2023	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Yongama Pamla Collen Johannes Weapond Mmuso Selaledi
	29/05/2023	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Yongama Pamla Collen Johannes Weapond Mmuso Selaledi
	17/07/2023	5	Margaret Phiri (Chairperson) Gerrit Van Wyk Yongama Pamla Collen Johannes Weapond Mmuso Selaledi
	25/10/2023	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Yongama Pamla Collen Johannes Weapond Mmuso Selaledi
	30/01/2024	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Nolitha Pietersen Tshepo Mongalo Mmuso Selaledi
	15/03/2024	6	Margaret Phiri (Chairperson) Sathie Gounden Gerrit Van Wyk Nolitha Pietersen Tshepo Mongalo Mmuso Selaledi

Committee	Date meetings held	No. of members	Name of members
Human Resource and Committee	18/04/2023	5	Dineo Mathibedi (Chairperson) Chris De Vos Sisa Lunga Mtwa Frans Van Der Westhuizen Mmuso Selaledi
	06/06/2023 (special HRRC) Recruitment	6	Dineo Mathibedi (Chairperson) Chris De Vos Sisa Lunga Mtwa Frans Van Der Westhuizen Yongama Pamla Godfrey Maluleke
	13/06/2023	5	Dineo Mathibedi (Chairperson) Chris De Vos Sisa Lunga Mtwa Frans Van Der Westhuizen Mmuso Selaledi
	19/07/2023	4	Dineo Mathibedi (Chairperson) Chris De Vos Sisa Lunga Mtwa Mmuso Selaledi
	01/11/2023	5	Dineo Mathibedi (Chairperson) Chris De Vos Sisa Lunga Mtwa Frans Van Der Westhuizen Mmuso Selaledi
	16/02/2024	5	Collen Weapond(Chairperson) Nomfundo Molefe Tawana Mopeli Sizakele Makhanya Mmuso Selaledi
	12/04/2024	5	Collen Weapond(Chairperson) Nomfundo Molefe Tawana Mopeli Sizakele Makhanya Mmuso Selaledi

Committee	Date meetings held	No. of members	Name of members
Safety Committee	14/04/2023	6	Sisa Lunga Mtwa (Chairperson) Chris De Vos Nompumelelo Ekeke Frans Van Der Westhuizen Godfrey Maluleke Mmuso Selaledi
	20/07/2023	5	Sisa Lunga Mtwa (Chairperson) Nompumelelo Ekeke Chris De Vos Mkhacani Maluleke Mmuso Selaledi
	05/09/2023	6	Sisa Lunga Mtwa (Chairperson) Frans Van Der Westhuizen Nompumelelo Ekeke Chris De Vos Mkhacani Maluleke Mmuso Selaledi
	03/11/2023	6	Sisa Lunga Mtwa (Chairperson) Frans Van Der Westhuizen Nompumelelo Ekeke Chris De Vos Mkhacani Maluleke Mmuso Selaledi
	08/02/2024	5	Lungi Maminza (Chairperson) Tawana Mopeli Mala Somaru Collen Weapond Mmuso Selaledi
	05/03/2024	5	Lungi Maminza (Chairperson) Tawana Mopeli Mala Somaru Collen Weapond Mmuso Selaledi

Committee	Date meetings held	No. of members	Name of members
ICT Committee	13/04/2023	5	Annah Badimo (Chairperson) Denisha Jairum Collen Johannes Weapond Godfrey Maluleke Mmuso Selaledi
	12/07/2023	5	Annah Badimo (Chairperson) Denisha Jairum Mkhacani Maluleke Collen Johannes Weapond Mmuso Selaledi
	12/09/2023	5	Annah Badimo (Chairperson) Denisha Jairum Mkhacani Maluleke Collen Johannes Weapond Mmuso Selaledi
	19/10/2023	5	Annah Badimo (Chairperson) Denisha Jairum Mkhacani Maluleke Collen Johannes Weapond Mmuso Selaledi
	09/02/2024	5	Annah Badimo (Chairperson) Denisha Jairum Xoliswa Njokweni-Mlotywa Mala Somaru Nolitha Pietersen Mmuso Selaledi

Committee	Date meetings held	No. of members	Name of members
Social and Ethics Committee	19/04/2023	5	Frans Van Der Westhuizen (Chairperson) Yongama Pamla Dineo Mathibedi Mpumi Ekeke Mmuso Selaledi
	13/07/2023	5	Frans Van Der Westhuizen (Chairperson) Yongama Pamla Dineo Mathibedi Mpumi Ekeke Mmuso Selaledi
	23/10/2023	5	Frans Van Der Westhuizen (Chairperson) Yongama Pamla Dineo Mathibedi Mpumi Ekeke Mmuso Selaledi
	01/02/2024	6	Tshepo Mongalo (Chairperson) Nomfundo Molefe Sizakele Makhanya Xoliswa Njokweni Mlotywa Lungi Maminza Mmuso Selaledi

Committee	Date meetings held	No. of members	Name of members
Procurement Committee	06/06/2023	4	Yongama Pamla (Chairperson) Collen Johannes Weapond Sisa Lunga Mtwa Mmuso Selaledi

Remuneration of board members

How Board members' remuneration is determined

In terms of the National Treasury Circular on the service benefits package for office bearers of certain institutions, the remuneration of the RSR Board and committee members are classified under Category S. The Circular provides a schedule of pre-determined fees payable to board members on an annual basis. The DoT annually confirms the rates prescribed in terms of the National Treasury Circular.

In addition, External Audit and Risk Committee Members are remunerated in terms of the rates prescribed by the South African Institute of Chartered Accountants (SAICA).

The following members are not remunerated:

1. A person from a specified office in the National Department of Transport.
2. A person delegated by the Minister of Labour; and
3. A person delegated by the Minister of Safety and Security.

Name	Membership fees	Allowances	Expenses	Total
Mrs NS Ekeke	367 845	18 000	694	386 539
Mr SL Mtwa	324 861	18 000	2 096	344 957
Mrs MM Phiri	403 760	-	-	403 760
Adv JC Weapond	258 574	18 000	1 617	278 191
Dr D Jairam	147 583	-	-	147 583
Ms AMM Badimo	211 694	-		211 694
Mr G Van Wyk	305 706	-	7 361	313 067
Mr S Gounden	248 262	-	297	248 559
Mrs NS Molefe	84 433	4 500	-	88 933
Mr L Maminza	69 741	4 500	-	74 241
Mr T Mopeli	62 295	4 500	2 814	69 609
Ms S Makhanya	61 758	4 500	-	66 258
Mrs X Njokweni-Mlotywa	31 834	4 500	-	36 334
Ms N Pietersen	88 192	4 500	-	92 692
Mr CJ De Vos	341 515	12 539	22 057	376 111
Mr BJ Nobunga	591 949	12 539	7 030	611 518
Mrs DP Mathibedi	196 668	12 539	2 487	211 694
Adv FJ Van Der Westhuizen	183 897	12 539	3 700	200 136
Ms P Pamla	267 216	12 539	6 314	286 068
Prof T Mongalo	63 052	4 500		67 552
Total	**4 310 833**	**148 195**	**56 467**	**4 515 494**

Risk management

The risk management function resides in the Risk and Strategy department by extension the Office of the Chief Executive Officer, which allows the independence it needs to properly discharge its governance duties. The risk management process has been continuously applied and maintained to protect the RSR against known and unknown risk exposures. The RSR has an approved Enterprise Risk Management (ERM) Framework comprising of the Risk Management Policy and Strategy which provide guidance on the implementation and integration of risk management in the organisation. The RSR has, according to its ERM Framework continuously implemented and monitored the strategic risk mitigations to ensure that efficient management of risks contributes towards the organisation's performance.

Responsibilities of Audit and Risk Committee

The Audit and Risk Committee (ARC) is an independent function of the Board, delegated with the responsibility to provide oversight on risk management processes, and significant risks facing the RSR. The ARC is regulated by the approved Charter aligned with the PFMA requirements and has complied with its responsibilities arising from section 51(1)(a)i(ii) of the PFMA along with Treasury regulation 27.1.

Integrated Risk Management

The Board bears the overall responsibility of governance for risk management implemented through effective leadership. Management is accountable to the Board for the design, implementation and continuous monitoring of risk management and integration of risk process into daily operations. The RSR has implemented an integrated risk management strategy through which it ensures risks and opportunities are identified and monitored on an ongoing basis.

Governance of Risk Management

The Board has established the Audit and Risk Committee (ARC) to oversee risks associated with the RSR. The Risk Management Unit reports to the ARC on the management of risks and advises management on best practices including monitoring the progress on the implementation of planned mitigations as a form of assurance towards the RSR's management of risks.

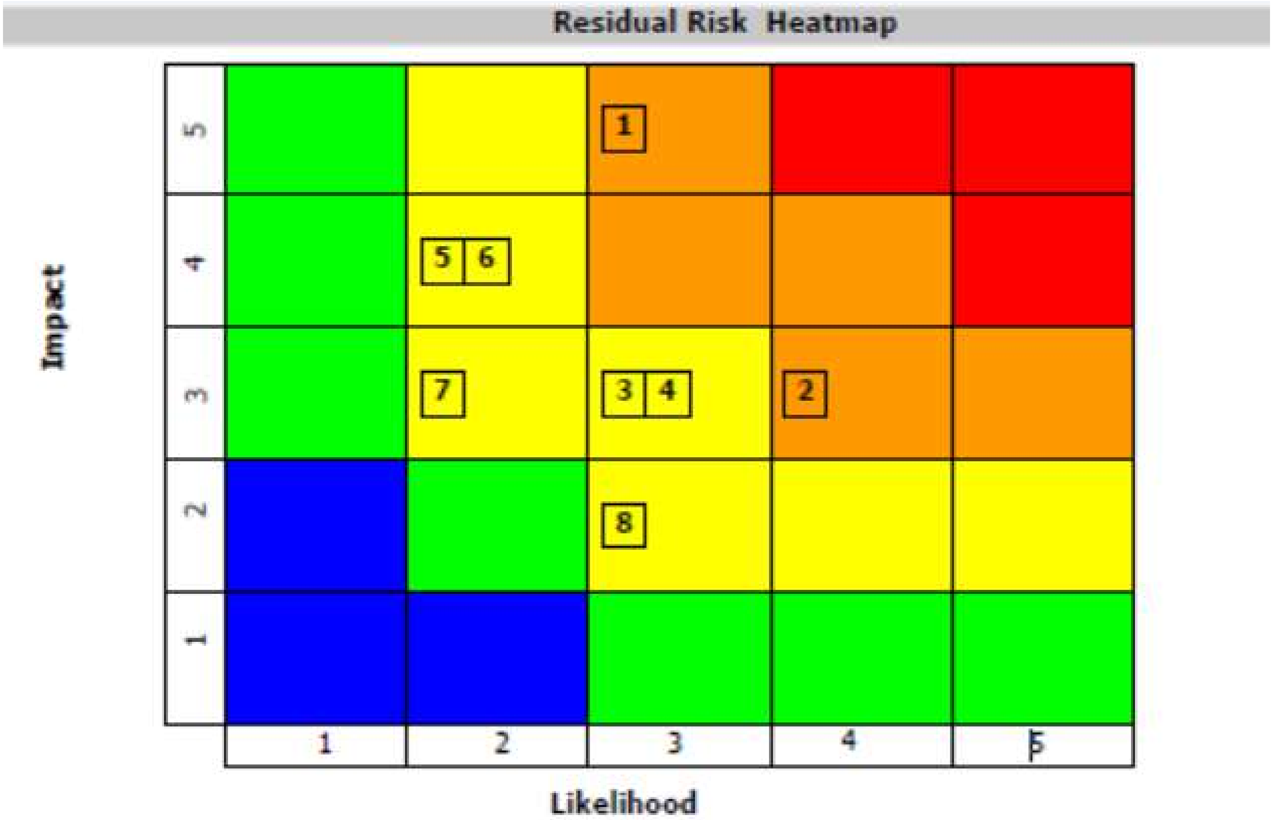
The ARC has reviewed the strategic, operational, business continuity, project-specific, including new and emerging risks. The committee further satisfies itself of the implementation of mitigation plans employed to ensure that risks are within the organisation's tolerable levels.

Strategic Risks

Strategic risks currently faced by the RSR are as follows:

NO.	RISKS DETAIL
1.	**Cyber security vulnerability** – Hackers may gain access to the RSR systems and corrupt data or share inappropriate operators' information.
2.	**Inaccurate and incomplete safety information** – The National Information Management System (NIMS) may have design faults, be inaccessible or data inputted on NIMS by operators may be incomplete or inaccurate resulting in non-compliance with the requirements of the RSR Act.
3.	**Interruption of RSR business activities** – Events might occur resulting in business disruptions for the RSR.
4.	**Inadequate regulatory framework and competencies** – The RSR implementing an incomplete, inconsistent, or incoherent mix of regulations, determinations, standards, or protocols.
5.	**Lack of independence** – The RSR may fail to fully utilise its regulatory instruments and authority due to internal inefficiencies, political interferences from or familiarity with operators.
6.	**Loss of key skilled personnel** – The RSR may struggle to effectively execute its mandate due to the departure of key personnel.
7.	**Financial sustainability** – The financial position may deteriorate to the extent that the RSR is unable to continue as a going concern, unable to render regulatory services or unable to pay salaries and creditors.
8.	**Inadequate stakeholders buy-in and support (RSR initiatives)** – The RSR initiatives may experience poor attendance, repeated objections or receive an insufficient number of public comments thereby diminishing their value or delaying their implementation.

The Strategic risks are plotted as follows on the residual risk heatmap:



Business Continuity Management (BCM)

Business Continuity Management (BCM) Oversight

The RSR has established the Occupational Health and Safety and Business Continuity Management (OHSBCM) Committee regulated by the approved term of reference to assist in ensuring that Business Continuity and health and safety matters are attended to effectively. The Committee successfully held its four (4) quarterly meetings and reviewed the Business Continuity management System (BCMS) which included the development of BCMS plans for implementation.

ISO 22301:2019 BCMS Certification

The RSR has implemented the Business Continuity Management System (BCMS) to provide the Regulator with capacity and capability to resume, recover and restore organisational activities within predefined timeframes in the event of a crisis or disruption that impact on normal operations. During the 2023/24 financial year the RSR was certified for ISO 22301:2019 standard.

Combined assurance

In accordance with the provisions of the KING IV report on Corporate Governance, the RSR has adopted a combined assurance model that integrates and optimizes all assurance providers to establish an effective control environment and support the integrity of information used for internal decision-making by management, the governing body, and its committees. Through its approved Combined Assurance framework, the RSR has ensured the provision of assurance on the implementation of strategies to mitigate risks and assess their effectiveness for assurance to the Executive Committee (EXCO) and the Audit and Risk Committee (ARC). The RSR has through its approved Combined Assurance framework, ensured the provision of assurance on the implementation of strategies to mitigate against the risks and assess the effectiveness for assurance to EXCO and ARC.

The combined assurance model for the RSR focused on high-risk areas and the related assurance to be provided by line management, risk management, internal audit, external audit, and other Regulatory assurance providers. All efforts by the different assurance providers were co-ordinated and these enabled management to assign resources efficiently to mitigate the risks to an acceptable level. To date, this approach has resulted in close monitoring of significant risks in the organisation by different assurance providers working towards a common goal.

Internal controls

The effectiveness of internal control

The system of controls within the RSR is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance. This is achieved by a risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks, and the Audit and Risk Committee monitoring and providing oversight of the implementation of corrective actions.

For the period under review, the Risk Management Unit has successfully developed and conducted a Control Self-Assessment with the focus on key controls within the RSR.

The Audit and Risk Committee has reviewed the reports of the Annual Financial Statements and the Management Report from the Auditor-General of South Africa (AGSA) and is satisfied that the system of internal controls is applied over financial and non-financial matters and enterprise risk management. The Committee has noted management's commitment to address the lack of control effectiveness where they exist. The Committee will monitor management's progress in resolving these issues regularly.

Internal Audit and Audit Committees

The RSR has established an in-house Internal Audit Activity (Department) under the direction of the Chief Audit Executive. The department has provided the RSR with value-added services to support the achievement of financial, compliance, environmental, operational and performance objectives. The Audit and Risk Committee has approved and successfully monitored the implementation of the 2022/23 Internal Audit Plan that included the following planned internal audit reviews:

1. Annual Financial Statements Review
2. Annual Performance Review
3. OHS and Facilities
4. Performance Management (Contracting)
5. Performance Management (Incentives)
6. Management of MOUs
7. Legislative Compliance (Legislative) including POPIA
8. Stakeholder Management
9. Litigation and Penalty Management
10. Audits, Inspections and Directives
11. Management of Consultants
12. Physical and Environmental controls Review (Data Centre and Server Room)
13. Management of Safety information
14. Permit Management
15. Contract Management
16. Leave Management
17. Audit of Performance Information (Q1-Q2) and (Q3)
18. Risk Management
19. Call Centre/IT Service/Helpdesk management review
20. Documents/Records Management
21. Planning Review
22. Budget, Revenue and Expenditure Management
23. Business Continuity & Disaster Recovery Management
24. Application & General Controls Review
25. Supply Chain Management (SCM) and Deviations Review
26. Asset Management
27. IT Governance
28. IT Security
29. Data and Information Management

Key activities and objectives of the Audit and Risk Committee

The primary purpose of the Audit and Risk Committee is to assist the Board in fulfilling the oversight responsibility required in terms of the PFMA, Treasury Regulations and corporate governance and has authority to:

- Conduct or authorise investigations into any matters within its scope of responsibility;
- Access information, records, and personnel as it requires to fulfil its responsibilities;
- Provide oversight over the Internal Audit and ICT function;
- Request the attendance of any executive or employee at Committee meetings;
- Conduct meetings with external auditors (Auditor-General) and internal auditors, as deemed necessary;
- Obtain advice from external parties, as necessary;
- Resolve any disagreements between management and the auditor regarding financial reporting; and
- Pre-approve all auditing and non-audit services.

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Margaret Phiri	• BCom. Accounting • CTA/BCompt Honours • Chartered Accountant • Registered auditor and Registered tax practitioner	External	No	01/05/2020	Active	7
Ms Yongama Pamla	• Chartered Accountant (South Africa) • Postgraduate Diploma in Accounting • Postgraduate Diploma in Management (Financial Accounting) • Bachelor of Commerce	Board Member	No	06/08/2020	12/12/2023	5

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Adv Collen Weapond	• MTech Information Technology (Cape Peninsula University of Technology) Current. • Masters in business systems (Wismar University of Germany • BCom Honours Information Technology (UCT) • MTech Forensic Investigation (UNISA) • Bachelor of Laws (LLB) (UNISA) • BTech (Policing and Investigation) Tshwane University of Technology • Diploma Business Management (Business Management Training College) • Post graduate Certificate Policing (Tshwane University of Technology) • Certificate in Leadership Development (WITS) • Diploma in Education • Diploma in Compliance Management • Programme in Fraud Management	Board Member	No	06/08/2020	12/12/2023	5

Name	Qualifications	Internal or external	If internal, position in the public entity	Date appointed	Date resigned	No. of meetings attended
Gerrit van Wyk	• Bachelor of Commerce • Bachelor of Commerce (Hons); • Masters of Commerce • Masters of Business Leadership; • AMP	External	N/A	01/06/2022	Active	7
Sathie Gounden	• Chartered Accountant (SA); • Chartered Director (SA); and • BCompt	External	N/A	01/06/2022	Active	6

Compliance with laws and regulations

The Board is committed to advance and maintain a strong compliance management capability and culture. The Board regularly reviews compliance related matters including policies and procedures, ensuring a holistic view of compliance management across the RSR. The organisation strives in doing the right thing in the right way in a timely, inclusive, open, and accountable manner to promote good governance.

The Audit and Risk Committee is assigned with a responsibility to oversee risk management and to enforce and monitor compliance to ensure that monitoring behaviour is persistent.

The role played by the Compliance function as mandated by the Committee is to ensure that the organisation supports the business activities in their duty to comply with relevant laws, regulations, and internal controls. This is accomplished by identifying, mitigating, continually monitoring and reporting on the operational effectiveness of the internal controls.

The organisation has performed and covered the following compliance areas;

- Maintaining the legislative requirements register
- Managing the policy developments highlights
- Managing the policy compliance review
- Facilitate the ISO 9001: 2015 which is a Quality Management System (QMS)
- Maintaining the Records Management System

Legislative Compliance Register

The Legislative Compliance Register is a comprehensive document that outlines the legislative requirements the RSR must comply with it includes a complete list of all applicable laws, regulations, and standards governing various aspects of the RSR's operations. Throughout the year under review, the register was effectively monitored and the RSR achieved a 100% compliant status for the Legislative Matrix.

Policy development

The RSR recognises the importance of regularly reviewing policies to ensure alignment with the latest regulatory requirements. During the period under review, thirteen (13) policies were evaluated and updated in accordance with prescribed guidelines and industry best practices:

Policies	Status
Asset Management	Reviewed and approved
Delegation of Authority	Reviewed and approved
Framework of acceptable levels of materiality and significance	Reviewed and approved
Financial Delegation of Authority	Reviewed and approved
Overtime and Standby	Reviewed and approved
Grievance	Reviewed and approved
Smoking	Reviewed and approved
Occupational Health and Safety	Reviewed and approved
Substance Abuse	Reviewed and approved
Business Continuity Management	Reviewed and approved
Fraud and corruption prevention Framework	Reviewed and approved
Penalty fee Policy	Reviewed and approved
Sponsorship Policy	Reviewed and approved

Policy Compliance

Furthermore, the RSR has closely looked at reviewing compliance on all the approved policies per business units. The purpose is to identify compliance risks issues using the compliance review checklist.

Continuous monitoring is one of RSR's cornerstones and it will continue to intensify its risk management processes by working collaboratively with business units. This process provides management with information on key performance matrices in close to real-time, allowing them to have better insight into issues as they arise.

The policies below were successfully reviewed for compliance during the last financial year:

- Acting
- Asset Management
- Audit and Inspection
- Occupational Health and Safety
- Penalty Fee
- Information Security
- Safety Management
- Security Management
- Occurrence and Investigation
- Revenue and Receivable
- Probation

ISO 9001: 2015 Quality Management System (QMS)

The ISO is an international body that sets standards in a range of industrial, commercial, and other areas. During the year under review, the RSR has gone through a process of obtaining the ISO 9001:2015 which is the Quality Management System (QMS) certification. The standard is intended to promote monitoring and enforcement of railway safety compliance and performance within the railway safety sector of South Africa.

The Stage one Certification audit was conducted during the year under review, of which the organisation has successfully attained the certification of Registration. The second phase is underway with anticipation to conclude the process in the next financial year.

Records Management

The RSR remains committed to adhering to the National Archives and Records Service Act by ensuring that all activities and functions are thoroughly documented to provide adequate evidence of compliance. This also aligns with the provisions of the Promotion of Administrative Justice Act (Act No. 2 of 2002), which requires organisations to ensure that administrative actions are lawful, reasonable, fair, and properly documented.

Fraud and corruption

Fraud and Corruption

The RSR has developed a Fraud and Corruption Prevention Framework which outlines the governance of fraud and corruption matters. The Fraud and Corruption Framework includes the protected disclosure assurance by the organisation in line with the responsibility that the RSR bears in terms of the Protected Disclosures Act 26 of 2000 to ensure the protection of whistle blowers and all employees who report fraud and corruption activities at the RSR. The Fraud and Corruption Prevention Framework further outlines processes such as identification and reporting of fraud and corruption in the RSR.

In addition, the RSR has an ethics whistleblowing hotline, which is independent to the organisation and reports directly to the Audit and Risk Committee. The purpose is to ensure and guarantee anonymity of the person reporting suspected fraud related issues.

NO.	ACTIVITY	FREQUENCY
1.	Annual staff independence declaration	Bi-Annually
2.	Annual Board Independence declaration	Annually
3.	Maintenance of register of gifts and donations	Ongoing
4.	Application for external remunerative work	Annually
5.	Vetting and security clearance for applicable employees	Ongoing
6.	Fraud questionnaire	Annually
7.	Fraud tests and audit procedures	Annually
8.	Fraud awareness workshops	Ongoing
9.	Fraud risk assessments	Quarterly
10.	Monitoring of whistleblowing hotline and investigation of reported matters.	Ongoing
11	Investigation of matters referred to Security Department	Ongoing

2023/24 Fraud Prevention Plan

Fraud and Corruption Plan has been successfully developed and implemented. During the period under review, the following activities from the approved Fraud Prevention Plan were carried out:

Minimising conflict of interest

The RSR is guided by its approved Code of Conduct and Ethics (Code) to uphold the highest ethical standards, norms, and certain professional behaviour. In compliance with the Code , every employee has been requested to:

- Declare financial interests biannually:
- Take personal responsibility for their actions and comply with all legal obligations, policies, and procedures;
- Act honestly and in good faith;
- Perform their duties conscientiously and in the best interest of the RSR; and
- Exercise reasonable care and diligence in the performance of their duties.

Code of conduct

The purpose of the RSR's Code of Conduct and Ethics is to:

- Establish standards that would promote and encourage ethical behaviour and decision making by all RSR employees, Board members and stakeholders;
- Ensure that ethics and desirable business conduct are communicated as an integral part of the RSR's corporate identity, culture, and purpose;
- Ensure that a good ethical foundation informs the RSR's policies, procedures, practices, conduct and business processes; and
- Relay a clear message that failure to live up to the desired ethics and conduct could undermine the RSR's objectives and will not be tolerated.

The RSR deems contravention of this Code as a serious matter and those who violate the Code or similar policies will be subjected to disciplinary measures, which may include the termination of services. Disciplinary measures may also be imposed for conduct that is considered unethical or improper, even if the conduct is not specifically covered in the Code.

In all cases and where applicable, the RSR's Employee Relations Policy, Disciplinary Code and Procedure and the National Railway Safety Regulator Act No. 16 of 2002, as amended, will be followed. Contraventions may also lead to civil action or criminal charges. Approval must be sought in advance for any action that may be non-compliant with the Code. Such approvals may only be granted by the CEO in consultation with the Board. Only the Board may grant waivers of this Code for directors and executive officers of the RSR. When a waiver is granted, the Board shall ensure that appropriate controls are in place to protect the RSR and its stakeholders.

Health Safety and Environmental issues

In compliance with the Occupational Health and Safety Act No. 35 of 1993, the RSR's Occupational Health and Safety Policy guides the operations and maintenance of a safe environment for both employees and stakeholders visiting the RSR premises. To enhance and strengthen governance, the Occupational Health and Safety (OHS) and Business Continuity Management (BCM) committee has been established to monitor, maintain, and exercise operational authority over the implementation of the RSR's Occupational Health and Safety Policy. To date, the committee has successfully held its four planned meetings.

An annual comprehensive compliance assessment has been conducted, along with periodic inspections, to keep the premises free of risks and hazards. Employees eligible for medical assessment were evaluated in line with the approved medical surveillance policy. Additionally, periodic alcohol testing was conducted for employees and stakeholders entering the RSR premises. The emergency plans and procedures were found to be effective and were adhered to during simulations.

Company secretary

The primary purpose of the role of the Company Secretary is to ensure that the RSR complies with standard financial and legal practices and maintains high standards of corporate governance. The role also ensures and manages corporate governance within the Board and the RSR in accordance with legislative prescripts and best practice. Furthermore, this role proactively manages the required stakeholder relations to ensure the effective functioning of the Board of Directors and its committees and ensures compliance with good corporate governance and other legislative and statutory requirements.

Social responsibility

Mandela Day Celebration

The RSR held its Mandela Day activity on 18 July 2023 at the Tshepang Care Centre in Tembisa. The centre takes care of approximately 500 children, 15 of which are orphans and stay at the centre. The remaining are kids from underprivileged families, who receive a meal from the centre daily. On the day, the RSR, was joined by the DoT; PRASA; SACAA and other NGOs that donated 70 blankets, 70 foam mattresses and 70 food parcels. The RSR further donated an additional 100 food parcels at an event that was hosted by the Road Accident Fund and DoT, also on the same day.

Mandela Day Donation in Mabopane

The RSR partnered with Traxtion to support the Office of the Deputy Minister on a Mandela Day activity in Mabopane on 31 July. The event targeted two child-headed households in Beirut Mabopane, where the RSR donated groceries and furniture to the households, while Traxtion helped to renovate a bathroom set at one of the houses, to the value of R10 000.

On the day of the event the RSR's Acting CEO, together with the Executive responsible for Media and Communications accompanied the Deputy Minister to Traxtion in the morning, where the Deputy Minister conducted a walk-about at the infrastructure depot in Rosslyn, before heading to Mabopane to donate the items to the two child-headed households.

Donation of School Uniforms at Ulco Primary School

In a display of commitment, the Regulator fulfilled a promise made during the International Level Crossing Awareness Day (ILCAD) at Ulco Primary School in the Northern Cape. The RSR visited Ulco on 17 October to conduct a comprehensive safety awareness campaign at the school, delivering on the pledge to provide new school uniforms. With Ulco Primary School situated adjacent to a crucial level crossing serving both the community and Afrisam Mine, the safety of its learners became a paramount concern. The campaign not only reinforced the importance of railway safety through engaging talks but also exemplified corporate collaboration. Partnering with Traxtion and AfriSam, the RSR not only heightened safety awareness but generously donated essential school attire, ensuring a lasting impact on the community's well-being.

Audit and risk committee report

The Audit and Risk Committee is pleased to present the report for the financial year ended 31 March 2024.

Responsibilities of Audit and Risk Committee

The Audit and Risk Committee has complied with its responsibilities arising from Section 51(1) (a) (ii) of the Public Finance Management Act (PFMA) and the National Treasury Regulations, paragraph 27.1.

The Audit and Risk Committee also adopted appropriate formal terms of reference as its Audit Committee Charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Controls

The system of internal controls within the RSR is designed to provide reasonable assurance that assets are safeguarded and that liabilities and working capital are properly managed in line with the PFMA and the protocol on corporate governance. This is achieved through a risk-based internal audit plan, Internal Audit assessing the adequacy and effectiveness of controls mitigating the risks, and the Audit and Risk Committee monitoring management's implementation of corrective actions.

From the Committee's review of the reports of the Internal Auditors, the Audit and Management Reports from the AGSA, it can be concluded that the system of internal control as applied over financial and non-financial matters and enterprise risk management and governance at the RSR are generally satisfactory.

The effectiveness of the Internal Audit Function

The Committee reviewed and approved the 2023/24 Internal Audit Charter. The Committee approved the Internal Audit Plan with 27 planned audits. The Committee evaluated the independence, effectiveness and performance of the internal audit function and compliance with its mandate. The Committee is satisfied with the level of independence and effectiveness of the internal audit function.

Enterprise Risk Management

The Committee considers reports on the effectiveness of risk management activities. A strategic and operational risk assessment for the year under review was conducted. The Audit Committee has reviewed the risk registers on a quarterly basis. The Committee ensures that the assurance functions of management, internal and external audit are sufficiently integrated. The Committee is satisfied with the risk management processes and the level of risk maturity within the RSR.

The quality of in-year management quarterly reports submitted in terms of the PFMA.

The Committee is satisfied that the RSR has established appropriate financial reporting procedures for quarterly reporting. Consequently, the Committee is satisfied with the quality of the In-year Management and Monthly/Quarterly Report.

Evaluation of Financial Statements

The Committee reviewed the Annual Financial Statements prepared by the public entity.

Auditor's Report.

The Committee has reviewed the public entity's implementation plan for audit issues raised in the prior year and was satisfied that the matters have been adequately resolved. The Committee met with the AGSA to ensure that there were no unresolved issues that emanated from the regulatory audit. Corrective actions on the detailed findings raised by the AGSA will continue to be monitored by the Audit and Risk Committee.

The Committee concurs and accepts the conclusions of the AGSA on the Annual Financial Statements and believes that the audited Annual Financial Statements must be accepted and read together with the report of the AGSA.

Appreciation

The Committee wishes to acknowledge the dedication and work performed by the acting Chief Executive Officer, Management and Officials of the RSR. The Committee further wishes to express its appreciation to management, the AGSA and the Internal Audit Department for the co-operation and information they have provided to enable the Committee to discharge its oversight responsibilities.

Ms Margaret Phiri CA(SA)
CHAIRPERSON: AUDIT AND RISK COMMITTEE

Broad-Based Black Economic Empowerment Compliance Performance Information

The following table has been completed in accordance with the compliance to the Board-Based Black Economic Empowerment (B-BBEE) requirements of section 13(g)(1) of the B-BBEE Act of 2013 and as determined by the Department of Trade and Industry.

Name of sphere of government / Public entity / Organ of state:	The Railway Safety Regulator
Registration number (If applicable):	Not Applicable
Physical address:	Building 4, Waterfall Point Office Park, Cnr. Waterfall and Woodmead Drive, Waterfall City, Midrand, 1685
Type of sphere of government / Public entity / Organ of state:	Regulation
Organisation industry / Sector	Transportation sector

Has the sphere of government / Public entity / Organ of state applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following:		
Criteria	**RSR**	**Relevant Annexure**
Determining qualification criteria for the issuing of licences, concessions, or other authorisations in respect of economic activity in terms of any law	**No**	The RSR has not set any qualification criteria for the issuing of operator permits
Developing and implementing a preferential procurement policy	**No**	Preferential points awarded in the procurement of goods and services
Determining qualification criteria for the sale of state-owned enterprises	**No**	The RSR is a fully owned entity of the National Department of Transport
Developing criteria for entering partnerships with the private sector	**No**	No criteria have been set by the RSR
Determining criteria for the awarding of incentives, grants and investment schemes in support of B-BBEE	**No**	No incentives, grants and investment schemes were awarded by the RSR during the year

APPROVED BY:

Ms Nompumelelo Sibongile Ekeke

CHAIRPERSON RSR BOARD OF DIRECTORS

HUMAN RESOURCE MANAGEMENT

Introduction

The Human Resources department provides advice and support to the organisation on human resources-related issues.

Overview of matters

Within this framework, the department developed and implemented effective human resources management processes to cultivate leadership and create a learning organisation that values the importance of its employees, service delivery and empowering people for operational excellence. The following provides an overview of the core functions of the department:

- Employee Relations, including labour relations management and employee wellness.
- Employee administration, including recruitment, employee development, succession planning and performance management.
- Employee Services, including payroll administration and the management remuneration and employee benefits.
- Communicate key human resource decisions to ensure consistent service delivery.
- Ensure alignment of the HR strategy with the RSR strategic objectives.
- Develop and build effective relationships with internal and external stakeholders to encourage the integration of HR best practices into business planning.
- Ensure integrity of RSR personnel records.

HR priorities

The Human Resources has prioritised the following from the past financial period:

- Revised Human Resources department organisational structure.
- Implementation of the Human Resources Business Partner model
- Implementation of the electronic Performance Management system
- Implementation of the Recruitment system (Direct Hire)
- Registration of the RSR Engineers to Engineering Council of South Africa (ECSA).
- Review and alignment of HR policies and procedures (SOPs)
- Prioritize a high importance on educating and raising awareness among staff members.

Internship Programme

The RSR is committed to creating a conducive working environment where continuous training is promoted through the provision of a comprehensive and effective internship programme. The aim is to contribute towards the national skills development agenda and to reduce the unemployment rate. The objective of the programme is to:

- To address the skills, needs and capacity development in the South African Labour market.
- To expose interns to meaningful real work experiences to complement their theoretical learning and enable them to gain skills and experience to increase their chances of accessing employment opportunities in the labour market.
- To promote the integration of structured learning and structured workplace experience and bridge the gap thereof.

The 24-month internship programme commenced on 1 April 2023, where 10 Interns were inducted into the programme. The interns have been placed in all the support departments of the RSR and their performance is monitored monthly to ensure that the programme is successfully equipping the interns with the necessary skills and knowledge to compete in the labour market

Workforce planning framework

The Human Resources department has prioritised filling of vacancies in the organisation during the period ending 31 March 2024. The vacancies are filling following an approval of Staffing plan for the period, these exclude vacancies that emanate through voluntary resignations.

Employee performance management framework

- The Human Resources has prioritised in simplifying and making the performance management effective and aligned to the RSR Strategic plans.
- Together with the ICT department have embarked on a project to implement an electronic performance management system that will enable ease of access by all employees, create alignment to the RSR Performance management Policy Framework.
- The implementation has started with employees from the D salary band and upwards during the period, having utilised the system from Contracting stage, Mid Term appraisals and finally the year end appraisals.
- The system has excluded the employees below D band. This group has continued to utilise the paper-based mechanism during this period. Plans are underway to enrol all employees from the following financial period after extensive testing and approval has been done by the RSR Management.

Employee Wellness Programme

- The HR department is currently reviewing the wellness strategy.
- Developing the Employee Wellness Plan.
- Review of the SLA to ascertain low hanging services.
- The HR department is also intending to add more services to attract the utilisation of the Wellness programme.

Policy development

Institutional Governance

- HR is undergoing the review of the HR policies, to encompass the elements of the new Human Resource Business Partner model.

Achievements

- Signing of Recognition Agreement with UNTU
- Reduction of CCMA matters and reducing travelling costs as for the first time 3 CCMA matters were held within RSR premises.
- Costs orders in favour of the RSR in labour related matters
- Conversions of SMS contracts to permanent and addendum for the Executive members from 5 years to 10 years.
- Implementation of the HRBP model.
- Implementation of the second Medical Aid scheme (BestMed)
- Upgrading to a Comprehensive Critical Illness Cover on the Sanlam Pension Fund
- Upgrading of the Funeral Cover from R10,000 to R50,000 for Main member and Spouse, including child dependents.

Challenges

- Compliance with HR requirements, e g bursary documents, equity documents.
- Lack of participation from the employees in wellness initiatives.
- Lack of compliance with HR requirement or processes from Management
- Acting appointments (budget purposes)
- Overtime issues.

Future plans

- Reviewing of the RSR employment Equity Plan
- Enhancement of the HR tools
- Enhancement of the HRIS
- Enhancement of the HR Policies and SOPs

Human Resource oversight statistics

Personnel cost by programme/ activity/ objective

Department/Region	Total Expenditure for the entity	Personnel Expenditure	Personnel exp. as a % of total exp.	No. of employees	Average personnel cost per employee
Chief Executive Office	6 642 272	2 811 307	42%	2	1 405 653
Company Secretary	9 134 317	3 276 097	36%	3	1 092 032
Chief Operations Office	3 315 313	543 820	16%	1	543 820
Central Region	25 501 187	24 445 034	96%	16	1 527 815
Coastal Region	18 692 431	16 809 354	90%	12	1 400 779
Eastern Region	18 392 890	17 694 575	96%	17	1 040 857
Research and Technical Skills Development	15 381 015	14 732 352	96%	10	1 473 235
Safety Management	17 911 336	15 595 133	87%	11	1 417 739
Safety Permit Management	11 796 945	10 508 494	89%	8	1 313 562
Finance	64 915 705	27 852 430	43%	32	870 388
Human Resources	17 935 158	9 646 453	54%	9	1 071 828
Internal Audit	6 363 473	4 199 791	66%	5	839 958
Legal Services	8 868 063	4 947 522	56%	4	1 236 881
Media and Communications	33 882 302	12 032 800	36%	11	1 093 891
Risk and Strategy Management	12 025 435	9 532 262	79%	10	953 226
Systems and ICT	21 311 338	9 976 872	47%	10	997 687
Total	**292 069 181**	**184 604 297**	**63%**	**161**	**1 146 611**

Personnel cost by salary band

Level	Personnel expenditure	% of personnel expenditure to total personnel cost	No. of employees	Average personnel cost per employee
Top Management	-	-	-	-
Senior Management	32 167 016	17,4%	12	2 680 585
Professionally qualified and experienced	107 451 214	58,2%	78	1 377 580
Skilled technical and academically qualified workers,	36 694 430	19,9%	54	679 526
Semi-skilled	8 291 637	4,5%	17	487 743
Unskilled	-	-	-	-
TOTAL	**184 604 297**	**100%**	**161**	**1 146 611**

Performance Rewards

Level	Performance rewards	Personnel expenditure	Percentage of performance rewards to total personnel cost
Top Management	-	-	-
Senior Management	1 008 005	32 167 016	3%
Professionally qualified and experienced	6 467 865	107 451 214	6%
Skilled technical and academically qualified workers,	3 602 773	36 694 430	10%
Semi-skilled	1 168 437	8 291 637	14%
Unskilled	-	-	
TOTAL	**12 247 080**	**184 604 297**	**33%**

Training costs

Programme/ activity/ objective	Personnel expenditure (R'000)	Training expenditure	Training expenditure as a % of Personnel Cost	No. of employees trained	Average training cost per employee
Internship	1 140 323	110 776	10%	10	11 078
Staff Training	46 114 874	780 575	2%	51	15 305
Staff Bursary	28 295 808	723 585	3%	15	48 239
TOTAL	**75 551 005**	**1 614 936**	**2%**	**76**	**21 249**

The training costs reflect training undertaken by employees as part of the approved RSR Training Plan. The Training Plan is a culmination of the employees' Personnel Development Plans (PDP) as captured in the performance agreements of all the employees including the Interns currently undertaking job experience training.

Employment and vacancies

Department	2023/24 No. of Employees	2023/24 Approved posts	2023/24 Vacancies	% of Vacancies
Chief Executive Office	2	**3**	**1**	33%
Company Secretary	3	2	-1	-50%
Chief Operations Office	1	3	2	67%
Central Region	16	21	5	24%
Coastal Region	12	16	4	25%
Eastern Region	17	14	-3	-21%
Research and Technical Skills Development	10	13	3	23%
Safety Management	11	14	3	21%
Safety Permit Management	8	12	4	33%
Finance	32	30	-2	-7%
Human Resources	9	12	3	25%
Internal Audit	5	6	1	17%
Legal Services	4	6	2	33%
Media and Communications	11	12	1	8%
Risk and Strategy	10	13	3	23%
Systems and ICT	10	10	-	-
TOTAL	**161**	**187**	**26**	**16%**

Employment changes

The employment changes reflect employee movements during the period under review (*with negative numbers*) and the appointments made include 10 interns as of 31 March 2024.

Salary band	Employment at beginning of the period	Appointments	Terminations	Employment at end of the period
Top Management	-	-	-	-
Senior Management	11	-	1	10
Professionally qualified and experienced	66	5	3	68
Skilled technical and academically qualified workers	50	3	3	50
Semi-skilled	17	10	2	25
Unskilled	-	-	-	-
TOTAL	**144**	**18**	**9**	**153**

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Resigned	2	22%
Retired	1	11%
Discharged	-	-
Deceased	2	22%
Voluntary Severance Package	4	44%
End of Contract	-	-
Termination	-	-
Total	**9**	**100%**

The overall number of terminations may be attributed to normal attrition as well as the contract terminations.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	-
Written Warning	2
Final Written warning	1
Dismissal (Upskilling process)	1

Equity Target and Employment Equity Status

LEVELS	MALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	6	0	1	0	0	0	0	0
Professional qualified	38	0	1	0	0	0	2	0
Skilled	20	0	0	0	0	0	0	0
Semi-skilled	3	0	0	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**67**	**0**	**2**	**0**	**0**	**0**	**2**	**0**

The full implementation of the Employment Equity Plan should be achieved by 31 May 2024. The variance between the current and the target figure is due to the implementation of the EE Plan.

LEVELS	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	0	1	0	1	0	0	0
Professional qualified	25	0	2	0	0	0	0	0
Skilled	36	0	1	0	0	0	0	0
Semi-skilled	10	0	1	0	0	0	0	0
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**73**	**0**	**5**	**0**	**1**	**0**	**0**	**0**

The full implementation of the Employment Equity Plan should be achieved by 31 May 2024. The variance between the current and the target figure is due to the implementation of the EE Plan.

LEVELS	DISABLED STAFF			
	MALE		FEMALE	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	0	0	0	0
Skilled	0	0	0	0
Semi-skilled	0	0	0	0
Unskilled	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

The full implementation of the Employment Equity Plan should be achieved by 31 May 2024. The variance between the current and the target figure is due to the implementation of the EE Plan.

PFMA COMPLIANCE REPORT

Irregular, fruitless and wasteful expenditure and material losses

1.1. Irregular expenditure

Irregular Expenditure		
Reconciliation of irregular expenditure		
Description	**2023/24**	**2022/23**
Opening Balance	67 289 961	50 594 275
Add: Irregular expenditure confirmed	16 682 137	17 557 470
Less: Irregular expenditure condoned	-	(861 784)
Less: Irregular expenditure not condoned and removed	-	-
Less: Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing balance	**83 972 098**	**67 289 961**

Reconciling notes to the annual financial statements' disclosure

Description	2023/24	2022/23
Irregular expenditure that was under assessment in 2022/23	-	16865251
Irregular expenditure incurred - current year	16,682,137	692,219
Total	**16,682,137**	**17,557,470**

Description	2023/24	2022/23
Irregular expenditure under assessment	16 682 137	16 865 251
Irregular expenditure under determination	-	-
Irregular expenditure under investigation	-	-
Total	**16 682 137**	**16 865 251**

1.2. Fruitless and wasteful expenditure

Fruitless and wasteful Expenditure		
Reconciliation of fruitless and wasteful expenditure		
Description	**2023/24**	**2022/23**
Opening Balance	8 320 201	8 320 201
Add: Fruitless and wasteful expenditure confirmed	-	-
Less: Fruitless and wasteful expenditure written off	-	-
Less: Fruitless and wasteful expenditure recoverable	(8 320 201)	-
Closing balance	**-**	**8 320 201**

Reconciling notes to the annual financial statements disclosure

Description	2023/24	2022/23
Fruitless and wasteful expenditure that was under assessment in 2022/23	-	-
Fruitless and wasteful expenditure that relates to 2022/23 and identified in 2023/24	-	-
Fruitless and wasteful expenditure for the current year	-	-
Total	**-**	**-**

Late and/or non-payment of suppliers

Description	Number of invoices	Consolidated Value
Valid invoices received	1344	R95 746 929
Invoices paid **within** 30 days or agreed period	1 252	R89 311 077
Invoices paid **after** 30 days or agreed period	8	R 2 693 129
Invoices older than 30 days or agreed period (*unpaid and without dispute*)	84	R 3 742 721
Invoices older than 30 days or agreed period (unpaid and in dispute)	2	R1 847 770

Compliant invoices were paid within 30 days and as per our service level agreements.

Supply chain management

Procurement by other means

No	Project Description	Name of Supplier	Type of procurement by other means	Contract number	Value of contract
1	IRSC 2023 Hotel Accommodation	Lagoon Beach Hotel	Single source procurement	N/A	447 600
2	Training	The Ethics Institute	Sole source procurement	N/A	71 900
3	IRSC 2023 Conference closing ceremony venue	The Aleit Group (Zeitz MOCAA)	Single source procurement	N/A	100 7188
4	Extended maintenance and service plan	Isuzu South Africa	Single source procurement	N/A	271 872
5	Maintenance and support to the Safety Permit Model	Deloitte South Africa	Single source procurement	N/A	109 250
6	Technical tours for the International Rail Safety Council (IRSC 2023)	K2018506049 (PTY) LTD	Single source procurement	N/A	483 836
7	Renewal of annual subscription	South African National Standards (SANS)	Sole source procurement	N/A	14 752
8	Legal services	MMMG Attorneys	Single source procurement	N/A	800 000
9	Legal services	Moja Sibiya Attorneys	Single source procurement	N/A	1 000 000
10	Internal Audit System	CURA software	Sole source procurement	N/A	323 641
11	Replacement of vehicle battery	Ford Motor Company SA	Single source procurement	N/A	3 310
12	Maintenance and service plan	Volkswagen Southern Africa	Single source procurement	N/A	69 575
Total					**4 602 924**

Contract variations and expansions

No	Project Description	Name of Supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s *(if applicable)*	Value of current contract expansion or variation
1	Representation at the CCMA and Labour Court	Moja Sibiya Attorneys	Variation	N/A	700 000	-	800 000
2	Intranet and Website maintenance and support services	QIS Solutions (PTY) LTD	Expansion and Variation	N/A	485 760	-	51 750
3	Corporate wear and PPE	Link Reflective and Protective Designs	Variation	N/A	40 986	-	6 900
4	IRSC Sponsorship Dinner	Tlhari Smart Travel and Tours	Variation	N/A	400 000	-	40 744
5	Legal services	Ngeno and Mteto Attorneys	Variation	N/A	400 000	-	500 00
6	Strategic planning session venue	Hans Van Rensburg Travel	Variation	N/A	33 844	-	4 961
7	Management of the Annual Rail Safety Conference 2022 (ARSC) & International Rail Safety Council 2023 (IRSC) for the Railway Safety Regulator	Tsalena Media	Variation	N/A	3 857 030	-	674 445
8	IRSC 2023 conference venue	Century City conference	Expansion and Variation	N/A	3 632 337	-	255 439
9	Accommodation at the Marriott Charles de Gaulle Airport Hotel in France	Blue Cloud Travel Solutions	Variation	N/A	386 990	-	21 830
10	SARA Board members dinner	Blue Cloud Travel Solutions	Variation	N/A	17 484	-	6 994
11	Employee Value Proposition (EVP)	21st Century Pay Solutions Group	Expansion and Variation	N/A	971 520	-	20 021.50
12	Public Service Announcements and a Community Outreach Programme	Sesame Workshop International	Expansion and Variation	N/A	675 350	-	260 037
13	Security Services	Sinqobile Equestrian Security services	Expansion and Variation	N/A	1 386 047	-	468 993
Total					**12 987 349**	-	**3 112 114**

FINANCIAL INFORMATION

Public entity's General Information

Country of incorporation and domicile	South Africa
Legal form of entity	Public Entity in terms of Schedule 3A of the Public Finance Management Act
Nature of business and principal activities	To oversee and enforce safety performance by all rail operators in South Africa including those of neighbouring states who enter South Africa.
Registered office	Railway Safety Regulator Building 4 Waterfall Point Office Park Cnr Waterfall and Woodmead Drive Midrand 1685
Postal address	PO Box 11202 Centurion 0051
Bankers	ABSA
Auditors	Auditor General of South Africa Registered Auditors

CONTENT

Abbreviations

GRAP	Generally Recognised Accounting Practice
IGRAP	Interpretation of Generally Recognised Accounting Practice
PFMA	Public Finance Management Act
RSR	Railway Safety Regulator

Accounting Authority's responsibilities and approval

The members of the Board of the RSR are required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records. The Board is also responsible for the content and integrity of the Annual Financial Statements and related members included in this report. It is the responsibility of the Board to ensure that the Annual Financial Statements fairly present the state of affairs of the RSR, the results of its operations and cash flows for the period ended 31 March 2024.

External Auditors had unrestricted access to all the financial records and related data to express an independent opinion on the Annual Financial Statements.

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice, including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The Annual Financial Statements are based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgement and estimates.

The Board acknowledge that it is ultimately responsible for the system of internal financial control established by the RSR, and place considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, they set standards for internal control to reduce the risk of misstatement or errors in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the RSR. All RSR employees are required to maintain the highest ethical standards to ensure the RSR's business is conducted in a manner that in all reasonable circumstances, is above reproach.

The focus of risk management in the RSR is therefore, on identifying, assessing, managing and monitoring all known forms of risk across the RSR. While operating risk cannot be fully eliminated, the RSR endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Board is of the opinion, based on the assurance given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or errors.

The Board has reviewed and approved the budget of the RSR for the 2024/25 financial year and in light of this review and the current financial position, are satisfied that the RSR has access to adequate resources to continue its operational existence for the foreseeable future.

Though the Board is primarily responsible for the financial affairs of the RSR, they are supported by the RSR's Internal and External Auditors.

The Annual Financial Statements, which have been prepared on the going concern basis, were approved by the Board on 17 September 2024 and were signed on its behalf by:

Mr Mmuso Selaledi CA(SA)
CHIEF EXECUTIVE OFFICER

Ms Nompumelelo Ekeke
CHAIRPERSON OF THE BOARD

Auditor-General Report

Report of the auditor-general to Parliament on the Railway Safety Regulator

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Railway Safety Regulator as set out on pages x to x, which comprise the statement of financial position as at 31 March 2024, statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.

2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the as Railway Safety Regulator as at 31 March 2024 and its financial performance and cash flows for the year then ended in accordance with the Generally Recognised Accounting Practice (Standards of GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing {ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor general for the audit of the financial statements section of my report.

4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International code of ethics for professional accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the accounting authority for the financial statements

6. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the Standards of GRAP and the requirements of the PFMA; and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

7. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations or has no realistic alternative but to do so.

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

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

9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at page xx, forms part of our auditor's report.

Report on the audit of the annual performance report

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected objective presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.

11. I selected the following objective presented in the annual performance report for the year ended 31 March 2024 for auditing. I selected an objective that measures the public entity's performance on its primary mandated functions and that is of significant national, community or public interest.

Objective	Page number	Purpose
Railways are safer	**44 - 45**	12. Mitigating the risks of occurrences by establishing a collaborative risk-based regulatory approach to oversee, monitor and enforce railway safety.

12. I evaluated the reported performance information for the selected objective against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.

13. I performed procedures to test whether:

- the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
- all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
- the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
- the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated
- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

14. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

15. I did not identify any material findings on the reported performance information for the selected objective.

Report on compliance with legislation

16. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.

17. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion.

18. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow

consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.

19. The material findings on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Annual financial statements, performance and annual report

20. The financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework, as required by section 55(1) (b) of the PFMA. Material misstatements of disclosure items identified by the auditors in the submitted financial statements were corrected, resulting in the financial statements receiving an unqualified audit opinion.

Other information in the annual report

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

22. My opinion on the financial statements, the report on the audit of the annual performance report and the report on compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.

23. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

24. The other information I obtained prior to the date of this auditor's report are the chief executive officer's review report, audit and risk committee report and broad based black economic empowerment compliance report.

25. If, based on the work I have performed on the other information that I obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

26. When I do receive and read the foreword by the board chairperson and the statement of responsibility and confirmation of the accuracy of the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

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

28. The matter reported below is limited to the significant internal control deficiency that resulted in material finding on compliance with legislation included in this report.

29. Management did not prepare accurate and complete financial reports as material misstatements were identified, which were later corrected, resulting in material non-compliance with legislation.

Auditor-General

Pretoria

19 September 2024

AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annual Financial Statements

Statement of Financial Position at 31 March 2024

Description	Note(s)	2024	2023 Restated*
Assets			
Current Assets			
Receivables from exchange transactions	3	4 979 877	7 272 141
Receivables from non-exchange transactions	4	44 250	-
Cash and cash equivalents	5	75 770 690	85 269 729
		80 794 817	**92 541 870**
Non-Current Assets			
Property, plant and equipment	6	26 332 265	29 057 354
Intangible assets	7	2 389 084	539 170
Operating lease deposit	22	3 478 729	3 478 729
		32 200 078	**33 075 253**
Total Assets		**112 994 895**	**125 617 123**
Liabilities			
Current Liabilities			
Payables from exchange transactions	8	31 358 398	48 905 292
Provisions	9	11 973 598	13 961 980
		43 331 996	**62 867 272**
Total Liabilities		**43 331 996**	**62 867 272**
Net Assets		**69 662 899**	**62 749 851**
Accumulated surplus		69 662 899	62 749 851

Statement of Financial Performance for the year ended 31 March 2024

Description	Note(s)	2024	2023 Restated*
Revenue			
Revenue from exchange transactions			
Safety permit fees	10	188 110 753	183 496 027
Other revenue	13	6 806 770	694 259
Interest received	11	10 619 899	8 863 007
Total revenue from exchange transactions		**205 537 422**	**193 053 293**
Revenue from non-exchange transactions			
Administration grant		76 086 000	72 874 000
Penalties		501 450	100 000
Other income	12	16 857 357	141 915
Total revenue from non-exchange transactions		**93 444 807**	**73 115 915**
Total revenue		**298 982 229**	**266 169 208**
Expenditure			
Employee related costs	14	(184 604 297)	(165 816 389)
Depreciation and amortisation		(5 648 153)	(5 262 395)
Debt impairment and write - off	15	(1 033 684)	(50 461)
Loss on disposal of assets		(458 713)	(203 880)
General expenses	16	(100 324 334)	(97 205 914)
Total expenditure		**(292 069 181)**	**(268 539 039)**
Surplus/ (deficit) for the year		**6 913 048**	**(2 369 831)**

Statement of Changes in Net Assets for the year ended 31 March 2024

Description	Accumulated surplus	Total net assets
Balance at 01 April 2022	**65 119 682**	**65 119 682**
Changes in net assets		
Deficit for the year	(2 369 831)	(2 369 831)
Total changes	(2 369 831)	(2 369 831)
Restated* Balance at 01 April 2023	**62 749 851**	**62 749 851**
Changes in net assets		
Surplus for the year	6 913 048	6 913 048
Total changes	6 913 048	6 913 048
Balance at 31 March 2024	**69 662 899**	**69 662 899**

Cash Flow Statement for the year ended 31 March 2024

Description	Note(s)	2024	2023 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		214 147 387	181 282 240
Grants		76 086 000	72 874 000
Interest income		10 587 208	8 812 124
		300 820 595	**262 968 364**
Payments			
Employee costs		(184 322 727)	(165 117 490)
Suppliers		(121 397 531)	(100 582 930)
		(305 720 258)	**(265 700 420)**
Net cash flows from operating activities	17	**(4 899 663)**	**(2 732 056)**
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(2 678 686)	(5 438 591)
Proceeds on sale of assets		183 317	141 915
Purchase of other intangible assets	7	(2 104 007)	-
Net cash flows from investing activities		**(4 599 376)**	**(5 296 676)**
Net decrease in cash and cash equivalents		**(9 499 039)**	**(8 028 732)**
Cash and cash equivalents at the beginning of the year		85 269 729	93 298 461
Cash and cash equivalents at the end of the year	5	**75 770 690**	**85 269 729**

Statement of comparison of budget and actual amounts for the year ended 31 March 2024

Budget on Cash Basis

Description	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Statement of financial performance						
Revenue						
Revenue from exchange transactions						
Safety permit fees	187 714 557	-	**187 714 557**	186 380 319	**(1 334 238)**	
Safety application fees	2 227 066	-	**2 227 066**	1 730 434	**(496 632)**	
Interest received - investment	4 141 903	6 000 000	**10 141 903**	10 619 899	**477 996**	
Other revenue conference	-	5 381 524	**5 381 524**	6 806 770	**1 425 246**	N1
Total revenue from exchange transactions	**194 083 526**	**11 381 524**	**205 465 050**	**205 537 422**	**72 372**	
Revenue from non-exchange transactions						
Transfer revenue						
Administration grant	76 086 000	-	**76 086 000**	76 086 000	**-**	
Penalties	-	-	**-**	501 450	**501 450**	N2
Other income	-	16 264 306	**16 264 306**	16 857 357	**593 051**	
Total revenue from non-exchange transactions	**76 086 000**	**16 264 306**	**92 350 306**	**93 444 807**	**1 094 501**	
Total revenue	**270 169 526**	**27 645 830**	**297 815 356**	**298 982 229**	**1 166 873**	
Expenditure						
Employee costs	(174 760 004)	(1 903 324)	**(176 663 328)**	(184 604 297)	**(7 940 969)**	
Non - executive directors	(3 746 782)	(740 117)	**(4 486 899)**	(4 486 899)	**-**	
Depreciation and amortisation	-	-	**-**	(5 648 153)	**(5 648 153)**	N3
Office rental	(13 951 253)	(361 229)	**(14 312 482)**	(14 983 378)	**(670 896)**	
Debt impairment	-	-	**-**	(1 033 684)	**(1 033 684)**	N4
Repairs and maintenance	(295 527)	(1 832 785)	**(2 128 312)**	(960 247)	**1 168 065**	N5
External audit fees	(3 275 133)	1 103 400	**(2 171 733)**	(2 171 042)	**691**	
Consulting and professional fees	(27 142 720)	(32 634 894)	**(59 777 614)**	(21 308 903)	**38 468 711**	N6
General expenses	(41 338 107)	(20 877 293)	**(62 215 400)**	(56 413 865)	**5 801 535**	N7
Total expenditure	**(264 509 526)**	**(57 246 242)**	**(321 755 768)**	**(291 610 468)**	**30 145 300**	
Operating surplus	**5 660 000**	**(29 600 412)**	**(23 940 412)**	**7 371 761**	**31 312 173**	
Loss on disposal of assets	-	-	**-**	(458 713)	**(458 713)**	N8
Budget Surplus	**5 660 000**	**(29 600 412)**	**(23 940 412)**	**6 913 048**	**30 853 460**	
Surplus for the year from continuing operations	**5 660 000**	**(29 600 412)**	**(23 940 412)**	**6 913 048**	**30 853 460**	
Capital expenditure	(5 660 000)	(2 047 305)	**(7 707 305)**	(5 231 688)	**2 475 617**	N9
Actual amounts on comparable basis as presented in the budget and actual comparative statement	**-**	**(31 647 717)**	**(31 647 717)**	**1 681 360**	**33 329 077**	
Reconciliation						
Basis difference						
Capital expenditure				5 231 688		
Actual amounts in the Statement of Financial Performance				**6 913 048**		

Budget differences

Variance of 10% or more between the budget and actual amounts are regarded as material and all material differences are explained.

N1. Other Income from exchange transactions - R1 425 246

The RSR does not budget for variable income. The reason for not budgeting for this type of income is that it is not certain to be generated. Therefore, the RSR does not want to increase its budget for revenue that may not be collected. This amount includes insurance proceeds for lost assets, proceeds from sale of old RSR assets no longer in use and conferences fees.

N2. Penalties - R501 450

RSR does not budget for penalties.

N3. Depreciation and amortisation

RSR does not budget for non - cash items.

N4. Debt Impairment - R1 033 684

RSR does not budget for bad debts and debt impairment.

N5. Repairs and Maintenance - R1 168 065

This variance resulted from the planned for expenditure not invoiced by year - end. Due to under expenditure or purchase order issued, but services have not been delivered by year - end. A portion of this amount represents commitment at year - end

N6. Consulting and Professional fees - R38 468 711

This variance resulted from the planned for expenditure not invoiced by year - end. Due to under expenditure or purchase order issued, but services have not been delivered by year - end. A portion of this amount represents commitment at year - end.

N7. General Expenses - R5 801 535

This variance resulted from the planned for expenditure not invoiced by year- end due to under expenditure or purchase order issued, but services have not been delivered by year - end. A portion of this amount represents commitment at year - end.

N8. Loss on disposal of Assets - R458 713

RSR does not budget for non-cash items.

N9. Capital Expenditure - R2 475 617

The total budget was R7.7 million and R5.5 million was incurred resulting in the variance amount of R2.5 million, the R2.5 million represent the commitment at year-end.

Accounting Policies

1. Presentation of Annual Financial Statements

The Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice, issued by the Accounting Standards Board in accordance with Section 55 of the Public Finance Management Act (Act 1 of 1999). These Annual Financial Statements comply with the Generally Recognised Accounting Practice.

These Annual Financial Statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African rands and rounded off to the nearest rand.

Assets, liabilities, revenues and expenses were not offset, except when offsetting is either required or permitted by a Standard of GRAP.

A summary of significant accounting policies, that have been consistently applied in the preparation of these Annual Financial Statements, is disclosed below.

Comparative information

When the presentation or classification of items in the Annual Financial Statements are amended, prior period comparative amounts are restated if material. The nature and reason for the reclassification is disclosed. Where the accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as practicable, and the prior year comparatives are restated accordingly.

Significant accounting judgements and estimates

In preparing the Annual Financial Statements, management is required to make estimates and assumptions that affect the amounts presented in the Annual Financial Statements and related disclosures. Use of available information and application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the Annual Financial Statements. Significant judgements include the following:

Budget variance

The budget is prepared and presented on a cash basis. The non-cash items such as depreciation, amortisation are not budgeted for. Variances of 10% or more between budget and actual amounts are regarded as material. All material difference are explained.

Useful life assessment

In determining the useful life and residual values of each property, plant and equipment and intangible assets, management took the nature and condition of each asset type and the current and future usage of assets into consideration.

Receivables

RSR assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment should be recorded in the surplus or deficit, the RSR makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial assets.

Management has applied its judgement in estimating the extend of any impairment deemed necessary on the gross carrying value of receivables and has impaired all doubtful amounts in arrears for a longer than normal expected trading terms. The management has however, in certain instances not impaired certain overdue accounts based on the information available.

Provisions

Provisions were raised and management determined an estimate based on the information available, as well as past experience.

Fair value estimation

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

Impairment testing

The RSR reviews and tests the carrying values of assets when events or changes in the circumstances suggest that the carrying amounts may not be recoverable. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for assets.

The accounting policies are consistent with the previous period.

1.1 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- It is probable that future economic benefits or service potential associated with the item will flow to the RSR; and
- The cost of the item can be measured reliably.

Property, plant and equipment are initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted to arrive at the cost.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Property, plant and equipment are depreciated on the straight - line basis over their expected useful lives to their estimated residual value. The residual value will be applied if there is an intention to sell the asset at the end of its useful life.

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

Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10 - 20 years
Motor vehicles	Straight line	12 - 15 years
Office equipment	Straight line	6 - 20 years
IT equipment	Straight line	6 - 12 years
Leasehold improvements	Straight line	5 -10 years
Leased assets	Straight line	3 - 6 years

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the RSR. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

At each reporting date, the RSR assesses whether there is any indication that its expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the RSR revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate or an error if it is deemed that the useful lives were assessed incorrectly.

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

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

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

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the Annual Financial Statements.

1.2 Intangible assets

An asset is identifiable if it is:

- Separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- Arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the RSR or from other rights and obligations.

A binding arrangement describes contracts and other arrangements that confers enforceable rights and obligations on the parties to the arrangement as if it were in the form of a contract.

An intangible asset is recognised when:

- It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the RSR; and
- The cost or fair value of the asset can be measured reliably.

The RSR assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- It is technically feasible to complete the asset so that it will be available for use or sale.
- There is an intention to complete and use or sell it.
- There is an ability to use or sell it.
- It will generate probable future economic benefits or service potential.
- There are available technical, financial and other resources to complete the development and to use or sell the asset; and
- The expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

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

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

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

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

Item	Depreciation method	Average useful life
Computer software	Straight line	3 - 12 years

The RSR intangible assets consist of purchased computer software.

1.3 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of RSR and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest rate method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectability.

Credit risk is the risk that one party, to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Derecognition is the-removal of a previously recognised financial asset or financial liability from an RSR's statement of financial position.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

- Cash;
- Residual interest of another entity; or
- A contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to RSR.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- Deliver cash or another financial asset to another entity; or
- Exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Liquidity risk is the risk encountered by the RSR in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

Initial recognition

The RSR recognises a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The RSR recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The RSR measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. The RSR measures a financial asset and financial liability initially at its fair value.

Subsequent measurement of financial assets and financial liabilities

The RSR measures all financial assets and financial liabilities after initial recognition at amortised cost.

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

Gains and losses

For financial assets and financial liabilities measured at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

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

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly or through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly or by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Cash and cash equivalents:

Cash and cash equivalents comprises cash on hand and short term deposits held with the South African banks. The short-term deposits are deposits held with the commercial banks and Corporation for Public Deposits.

1.4 Statutory receivables

Identification

Statutory receivables are receivables that arise from legislation, supporting regulations, or similar means, and require settlement by another entity in cash or another financial asset.

Carrying amount is the amount at which an asset is recognised in the statement of financial position.

The cost method is the method used to account for statutory receivables that requires such receivables to be measured at their transaction amount, plus any accrued interest or other charges (where applicable) and, less any accumulated impairment losses and any amounts derecognised.

Nominal interest rate is the interest rate and/or basis specified in legislation, supporting regulations or similar means.

The transaction amount (for purposes of this Standard) for a statutory receivable means the amount specified in, or calculated, levied or charged in accordance with, legislation, supporting regulations, or similar means.

Recognition

The RSR recognises statutory receivables as follows:

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

Initial measurement

The RSR initially measures statutory receivables at their transaction amount.

Subsequent measurement

The RSR measures statutory receivables after initial recognition using the cost method. Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- Interest or other charges that may have accrued on the receivable (where applicable);
- Impairment losses; and
- Amounts derecognised.

Impairment losses

Derecognition

The RSR derecognises a statutory receivable, or a part thereof, when:

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

The carrying amounts of any statutory receivables transferred are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. The RSR considers whether any newly created rights and obligations are within the scope of the Standard of GRAP on Financial Instruments or another Standard of GRAP. Any difference between the consideration received and the amounts derecognised and, those amounts recognised, are recognised in surplus or deficit in the period of the transfer.

1.5 Taxation

Income tax

The RSR has obtained income tax exemption from the Commissioner of the South African Revenue Services under Section 10(1)(a) of the Income Tax Act, 1962 as amended.

Value Added Tax

The RSR is exempt from the Value Added Tax.

1.6 Leases

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

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

Finance leases - lessee

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

The discount rate used in calculating the present value of the minimum lease payments is the RSR's incremental borrowing rate if it is impractical to determine the interest rate implicit in the lease.

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

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

The present value of the lease is considered to amount to "substantially all of the fair value" when it exceeds 95% of the fair value of the leased assets.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.7 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.
Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.
Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use. Useful life is either:

- The period of time over which an asset is expected to be used by the RSR; or
- The number of production or similar units expected to be obtained from the asset by the RSR.

Judgements made by management in applying the criteria to designate assets as non-cash generating assets or cash- generating assets, are as follows:

The assets of the RSR are designated as non-cash generating assets as they are not used with the objective of generating commercial return but for use in delivering its mandate of overseeing and enforcing railway safety performance by operators.

Identification

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

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

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

Value in use

The value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Recognition and measurement

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

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued non-cash-generating asset is treated as a revaluation decrease.

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

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

Reversal of an impairment loss

The RSR assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the RSR estimates the recoverable service amount of that asset.

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

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit. Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

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

1.8 Segment information

The RSR is organised and reports based on the basis of two programmes namely : Administrational support and Operations. These programmes are treated as cost centres for the purpose of cost control and resources allocation, the existing set up and operations does not warrant segment reporting.

1.9 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within 12 months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:
- Wages, salaries and social security contributions;
- Short-term compensated absences (such as paid annual leave and paid sick leave) for which the compensation for the absences is due to be settled within 12 months after the end of the reporting period in which the employees render the related employee service;
- Bonus, incentive and performance related payments payable within 12 months after the end of the reporting period in which the employees render the related service; and
- Non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the RSR during a reporting period, the RSR recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:
- As a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the RSR recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- As an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense because the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The RSR measure the expected cost of accumulating compensated absences as the additional amount that the RSR expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The RSR recognise the expected cost of bonus, incentive and performance related payments when the RSR has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the RSR has no realistic alternative but to make the payments.

1.10 Provisions and contingencies

Provisions are recognised when:

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

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

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the RSR settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised. Provision are not recognised for future operating deficits.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 19.
Where a fee is charged and the RSR considers that an outflow of economic resources is probable, the RSR recognises the obligation at the higher of:

- The amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- The amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

1.11 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the RSR receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Measurement

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the RSR, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Revenue comprises of:

Safety permit application and permit fee

Revenue arising from permit fees as published in the Government Gazette by the Minister of Transport on an annual basis is recognised on an accrual basis, when economic benefit is probable. This is presented in the statement of financial performance.

Interest received

Interest received comprises interest charged on operator's late payments and favourable bank balances. Interest income is recognised using the effective interest rate.

Technology audits

The RSR conducts technology audits and recovers costs in accordance with section 17(1) (bB) of the National Railway Safety Regulator Act No.16 of 2002 as amended. The RSR does not charge for technology audits as the current legislation is being reviewed.

When the outcome of the technology review transaction can be estimated reliably, revenue will be recognised by reference to the stage of completion of the transaction at reporting date. Stage of completion will be determined using the life cycle phases as indicated in the published Gazette.

1.12 Revenue from non-exchange transactions

Non-exchange transaction are defined as transactions where RSR receives value from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transaction is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount. Revenue from administration grant is considered to be revenue from non-exchange transactions.

Revenue from non-exchange transactions is recognised when there is reasonable assurance that the amount will be received and the value thereof can be reliably measured.

Fines and penalties

Revenue from fines and penalties is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to RSR; and
- The amount of the revenue can be measured reliably.

This comprise of revenue arising from penalties charged as a result of failure by operators to comply with any provisions of the National Railway Safety Regulator Act No. 16 of 2002 as amended, the regulations and the standards that inhibit or prevent the Regulator's ability to perform its mandate.

Unconditional grant

Administration grants received or receivable from the Department of Transport represent unconditional government grants and are recognised as revenue when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to RSR;
- The amount of the revenue can be measured reliably; and
- To the extent that there has been compliance with any restrictions associated with the grant.

The RSR recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset. Transferred assets are measured at their fair value as at the date of acquisition.

To the extent that an asset has not been recognised, a deferred income will be recognised as a liability. The deferred income will be transferred to revenue as and when the conditions attached to the grant are satisfied.

1.13 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.14 Irregular, Fruitless and wasteful expenditure

The National Treasury issued Instruction No.4 of 2022/23 which deals with the process and reporting of irregular, fruitless and wasteful expenditure, among other things. This instruction is effective from 1 January 2023 and applicable to the Annual Financial Statements issued on or after 1 January 2023. In preparing the Annual Financial Statements for the year ended 31 March 2023, the RSR has applied the new reporting requirement retrospectively by restating the comparative figure for the year ended 31 March 2023.

Irregular expenditure

Irregular expenditure comprises expenditure, other than unauthorised expenditure, incurred in contravention of or not in accordance with the RSR Supply Chain Policy, PFMA, National Treasury Regulations, PPPFA, State Tender Board Act or any other applicable legislation providing for the procurement procedures. Such expenditure is accounted for in the statement of financial performance.

Irregular expenditure incurred and confirmed during the current financial year is disclosed in the notes to the Annual Financial Statements with a one year comparative analysis.

Irregular expenditure for the previous financial year must be accounted for in the period in which it relates to, including:

- Irregular expenditure incurred and confirmed in the previous financial year;
- Irregular expenditure that was under assessment in the previous financial year and confirmed in the current year;
- Irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year; and
- Irregular expenditure payments relating to multi year contracts that were not condoned or removed.

Fruitless and Wasteful Expenditure

Fruitless and wasteful expenditure is defined as expenditure that was made in vain and would have been avoided had reasonable care been exercised. Such expenditure is accounted for in the statement of financial performance in the year it was incurred and where recoverable it is treated as current asset in the statement of financial position until it is recovered or written off as irrecoverable.

Fruitless and wasteful expenditure when incurred and confirmed is disclosed in the Annual Financial Statements. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a one previous year comparative analysis.

Fruitless and wasteful expenditure for the previous financial year must be recognised in the period which it relates to including:

- Fruitless and wasteful expenditure incurred and confirmed in the previous financial year;
- Fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year;
- Fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

1.15 Budget information

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

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

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

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

The Annual Financial Statements and the budget are not on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.16 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Executive Management are those persons responsible for planning, directing and controlling the activities of the RSR including those charged with the governance of the RSR in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by management in their dealings with the RSR.

The RSR is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those that it is reasonable to expect the RSR to have adopted when dealing with that individual entity or person in the same circumstances.
The terms conditions must also be within the normal operating parameters established by that reporting entity's legal mandate.

Where the RSR is exempt from the disclosures in accordance with the above, the RSR discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the RSR's financial statements to understand the effect of related party transactions on its Annual Financial Statements.

2. New standards and interpretation

2.1 Standards and interpretations effective and adopted in the current year

Improvements to standards of GRAP 2020:

The amendments as per the Improvements to standards of GRAP 2020 have been assessed in the current and previous financial years and no material adjustments were identified.

iGRAP 21: The effects of past decisions on materiality

The amendments to iGRAP 21 have been assessed in the current and previous years and no material adjustments were identified.

GRAP 1 (amended): Presentation of financial statements

The amendments to the GRAP 1 have been assessed in the current and previous years and no material adjustments were identified.

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 April 2024 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 25 (as revised): Employee Benefits	01 April 2099	Unlikely there will be a material impact
• iGRAP 7 (as revised): Limit on defined benefit asset, minimum funding requirements and their interaction	01 April 2099	Unlikely there will be a material impact
• Guideline: Guideline on the Application of Materiality to Financial Statements	01 April 2099	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	01 April 2025	Unlikely there will be a material impact

Description	2024	2023

3. Receivables from exchange transactions

Trade debtors	1 479 667	4 247 383
Prepayments	3 431 716	2 389 701
Deposits	402 170	840 396
Staff debts	84 372	4 765
Impairment allowance	(418 048)	(210 104)
	4 979 877	**7 272 141**

Statutory receivables included in receivables from exchange transactions above are as follows:

Safety permit fees	1 136 706	3 542 596

Non - statutory receivables included in receivables from exchange transactions above are as follows:

Prepayments	3 431 716	2 389 702
Deposits	402 170	840 396
Staff debt	84 372	4 765
Other trade debtors	342 961	704 786
Impairment allowance	(418 048)	(210 104)
	3 843 171	**3 729 545**
Total receivables from exchange transactions	**4 979 877**	**7 272 141**

Statutory receivables general information

Transaction(s) arising from statute

The statutory receivables of the RSR comprises safety permit fees charged to the rail operators. The safety permit fees and penalties are charged to rail operators in terms of sections 23(2) of the National Railway Safety Regulator Act of 2002 as amended.

Determination of transaction amount

Safety permit fees

The Minister of Transport annually determines in terms of section 23(2)(a), fees that the Railway Safety Regulator must charge for the safety permit. The safety permit fees are published for compliance and general information in the Government Gazette. The fees are determined for each category of operators.

Technology audits

Description	2024	2023

The Minister of Transport may in terms of section 17(1)(b-B) determine in consultation with Minister of Finance by notice in the Gazette, fees for providing services by the Railway Safety Regulator. The legislation is currently under review and RSR did not charge for technology audits during the year.

Interest or other charges levied/charged

The Interest was charged on the statutory receivable arising from exchange receivable transactions at 31 March 2024 in line with RSR revenue and receivable policy.

Basis used to assess and test whether a statutory receivable is impaired

In terms of the RSR's revenue and receivable policy, an invoice is overdue when it is more than 30 days. RSR assesses receivables for impairment based on the receivable age analysis and consideration of the reasons provided by debtors for the delayed payments.

Receivables past due but not impaired

Relating specifically to statutory receivables

Statutory receivables which are less than 30 days past due are not considered to be impaired. At 31 March 2024, R513 633 (2023: R966 411) were past due but not impaired due to confirmation obtained for future payment.

The ageing of amounts past due but not impaired is as follows:

Age		
31- 60 Days	342 849	651 245
61-90 Days	-	22 656
91-120 Days	-	245
Over 120 Days	170 784	292 265
	513 633	**966 411**

Total trade and other receivables past due and impaired

As on 31 March 2024, the trade and other receivables relating to receivable from exchange transactions were impaired and provided for. The amount of the provision was R418 048 as of 31 March 2024 (2023: R210 104). These amounts were impaired because there were no adequate responses from the debtors despite several follow-up. These debtors were handed over to Legal services for collection:

Age		
Over 120 Days	418 048	210 104

Reconciliation of provision for impairment of total trade and other receivables

Description	2024	2023
Opening balance	210 104	550 352
Provision for impairment	418 048	10 747
Amounts written-off as uncollectable	(210 104)	(350 995)
	418 048	**210 104**

4. Receivables from non-exchange transactions

Penalties	44 250	-

The receivables were not pledged as security for any liabilities of the RSR.

5. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and short term deposits with reserve bank

Cash on hand	12 941	7 517
Bank balances	388 856	2 491 512
Short-term deposits	75 368 893	82 770 700
	75 770 690	**85 269 729**

6. Property, plant and equipment

	2024			**2023**		
	Cost / valuation	Accumulated depreciation and impairment losses	Carrying value	Cost/ valuation	Accumulated depreciation and impairment losses	Carrying value
Furniture and fixtures	5 884 378	(2 056 711)	3 827 667	6 149 967	(1 862 750)	4 287 217
Motor vehicles	7 931 189	(2 505 543)	5 425 646	7 306 790	(2 024 427)	5 282 363
Office equipment	8 628 506	(3 568 685)	5 059 821	7 718 490	(2 411 289)	5 307 201
IT equipment	9 630 883	(4 974 594)	4 656 289	9 130 878	(4 127 444)	5 003 434
Leasehold improvements	15 110 327	(7 747 485)	7 362 842	15 110 327	(5 933 188)	9 177 139
Leased assets	72 563	(72 563)	-	466 540	(466 540)	-
Total	**47 257 846**	**(20 925 581)**	**26 332 265**	**45 882 992**	**(16 825 638)**	**29 057 354**

Reconciliation of property, plant and equipment - 2024

Description	2024	2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	4 287 217	43 900	(163 448)	(340 002)	3 827 667
Motor vehicles	5 282 363	780 738	-	(637 455)	5 425 646
Office equipment	5 307 201	1 119 684	(109 654)	(1 257 410)	5 059 821
IT equipment	5 003 434	1 183 359	(185 610)	(1 344 894)	4 656 289
Leasehold improvements	9 177 139	-	-	(1 814 297)	7 362 842
	29 057 354	**3 127 681**	**(458 712)**	**(5 394 058)**	**26 332 265**

Reconciliation of property, plant and equipment - 2023

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	4 505 795	127 440	(4 795)	(341 223)	4 287 217
Motor vehicles	4 947 663	921 557	-	(586 857)	5 282 363
Office equipment	4 625 907	1 760 001	(15 963)	(1 062 744)	5 307 201
IT equipment	3 586 562	2 632 214	(183 119)	(1 032 223)	5 003 434
Leasehold improvements	10 986 480	-	(1)	(1 809 340)	9 177 139
Leased assets	451	-	-	(451)	-
	28 652 858	**5 441 212**	**(203 878)**	**(4 832 838)**	**29 057 354**

Expenditure incurred to repair and maintain property, plant and equipment was R960 247 (2023: R391 166).
The RSR assets have not been used as security for any liabilities and no restrictions to the title of RSR assets.

7. Intangible assets

	2024			**2023**		
	Cost / valuation	Accumulated depreciation and impairment losses	Carrying value	Cost/ valuation	Accumulated depreciation and impairment losses	Carrying value
Computer software, internally generated	17 360 625	(17 183 982)	176 643	17 495 076	(17 140 811)	354 265
Work in progress, internally generated	2 104 007	-	2 104 007	-	-	-
Other computer software	883 895	(775 461)	108 434	883 896	(698 991)	184 905
Total	**20 348 527**	**(17 959 443)**	**2 389 084**	**18 378 972**	**(17 839 802)**	**539 170**

Description	2024	2023

Reconciliation of intangible assets - 2024

	Opening Balance	Additions	Disposals	Amortisation	Total
Computer software, internally generated	354 265	-	-	(177 622)	176 643
Work in progress, internally generated	-	2 104 007	-	-	2 104 007
Other computer software	184 905	-	(1)	(76 470)	108 434
	539 170	**2 104 007**	**(1)**	**(254 092)**	**2 389 084**

Reconciliation of intangible assets - 2023

	Opening Balance	Amortisation	Total
Computer software, internally generated	636 509	(282 244)	354 265
Other computer software	332 219	(147 314)	184 905
	968 728	**(429 558)**	**539 170**

8. Payables from exchange transactions

Trade payables	5 546 998	8 066 315
Revenue received in advance	7 773 517	7 573 215
Other payables and accruals	1 654 599	16 671 543
Operating lease payables [1]	10 460 422	9 630 553
13th cheque accrual	149 817	178 258
Accrued leave pay	5 773 045	6 785 408
	31 358 398	**48 905 292**

[1] This liability relates to smoothing of operating lease rentals in respect of the RSR offices.

Analysis of trade and other payables

0 to 30 Days	3 303 254	2 205 095
31 to 60 Days	229 172	42 705
Over 90 Days	1 895	198
Over 120 Days	2 012 677	5 818 317
	5 546 998	**8 066 315**

Description	2024	2023

9. Provisions

Reconciliation of provisions - 2024

	Opening Balance	Additions	Utilised during the year	Total
Employee benefits-Performance bonus[1]	10 651 224	11 973 598	(10 651 224)	11 973 598
Other provisions-litigation settlement	3 310 756	-	(3 310 756)	-
	13 961 980	**11 973 598**	**(13 961 980)**	**11 973 598**

[1] Provision for performance bonus for the 2023/24 financial year of which the exact amount is unknown due to outstanding moderation and final approval.

Reconciliation of provisions - 2023

	Opening Balance	Additions	Utilised during the year	Total
Performance bonus	9 581 627	10 651 224	(9 581 627)	10 651 224
Surplus funds surrender	7 737 454	-	(7 737 454)	-
Other Provisions-Litigation settlement	-	3 310 756	-	3 310 756
	17 319 081	**13 961 980**	**(17 319 081)**	**13 961 980**

10. Safety permit fees

Safety permit fees	186 380 319	179 446 042
Application fees	1 730 434	4 049 985
	188 110 753	**183 496 027**

11. Interest received

Interest earned on bank balance	10 492 206	8 803 126
Interest earned on debtor's balances	127 693	59 881
	10 619 899	**8 863 007**

The increased interest income arose as a result of increase in Repo rate by the Reserve Bank and a higher bank balance during the year.

Description	2024	2023

12. Other income

Fruitless and wastefull expenditure recovered	16 064 949	-
Bursary recoveries	154 695	-
Other recoverable income	637 713	-
	16 857 357	**-**

13. Other revenue

Sponsorship (IRSC)	2 095 000	-
Conference fees (IRSC)	4 512 274	694 259
Other recoverable income	199 496	-
	6 806 770	**694 259**

14. Employee related cost

Salaries[2]	81 688 280	85 680 987
Performance bonus	13 713 097	11 527 879
Medical aid	6 784 253	6 827 100
Unemployment insurance fund	610 677	641 244
Union Fees	108 296	99 919
Leave pay accrual	1 282 643	(444 615)
Pension fund	16 698 449	15 218 344
Salaries leave paid	3 302 387	1 038 326
13th cheque	557 038	430 808
Ex - gratia [1]	8 330 878	-
South African Revenue Services (PAYE)	51 528 299	44 796 397
	184 604 297	**165 816 389**

[1] Board approved a once-off ex-gratia payment of three weeks salary per employee to all staff in recognition of the sustained period of excellent audit and performance outcomes.

[2] Includes acting allowance.

15. Debt impairment

Allowance for impairment	407 302	(340 247)
Bad debts written-off	626 382	390 708
	1 033 684	**50 461**

Description	2024	2023

16. General expenses

External audit fees	2 171 042	2 986 931
Railway safety outreach and awareness	9 317 321	8 859 779
Bank charges	106 187	102 626
Cleaning	894 782	894 365
Computer expenses	3 161 242	2 260 121
External bursary	1 074 321	1 611 346
Postage and couriers	224 401	150 290
Catering - refreshments	1 161 267	766 145
Litigations and claims	-	3 694 021
Gifts	135 305	141 690
Insurance	1 424 117	1 134 209
Conferences and seminars	11 205 428	4 683 046
Placement fees	716 683	396 335
Printing and stationery	51 475	223 637
Protective clothing	191 529	568 759
Repairs and maintenance	960 247	391 715
Subscriptions and membership fees	1 136 410	696 706
Telephone and data	2 888 337	3 069 513
Training	3 214 212	3 069 613
Travel - local	9 513 204	7 679 050
Travel - International	2 737 573	3 730 052
Municipal services	5 976 582	5 154 463
Corporate stationery	510 207	602 735
Office rental and services	14 983 378	14 955 923
Workmen’s compensation	151 417	162 124
Library & literature	357 631	615 257
Non - executive directors remuneration	4 486 899	4 119 016
Consulting and professional fees	21 308 903	24 469 263
Relocation cost	264 234	17 184
	100 324 334	**97 205 914**

Description	2024	2023

17. Cash used in operations

Surplus/(Deficit)	6 913 048	(2 369 831)
Adjustments for:		
Depreciation and amortisation	5 648 153	5 262 395
Loss on sale of assets	458 713	203 880
Proceeds from sale of assets	(183 317)	(141 915)
Changes in working capital:		
Receivables from exchange transactions	2 248 014	(4 590 878)
Payables from exchange transactions	(19 984 274)	(1 095 707)
	(4 899 663)	**(2 732 056)**

Description	2024	2023

18. Commitments

Approved and contracted for		
Capital commitments		
• Property, plant and equipment	15 658 225	2 842 454
Operational expenditure		
• General expenditure	159 690 026	171 959 579
Total commitments approved and contracted for		
Capital expenditure	15 658 225	2 842 454
General expenditure	159 690 026	171 959 579
	175 348 251	**174 802 033**

Included in the commitments total is an amount of R45.7 million which represents purchase order balances on 31 March 2024. The RSR will be applying to the National Treasury to retain surplus funds in order to fund these commitments.

Approved not contracted for		
• Capital and operational expenditure	-	17 083 926
Operating leases - as lessee (expense)		
Minimum lease payments due		
Within one year		
Building 2 Central office	3 077 556	2 876 221
Building 4 Head office	9 110 489	8 514 476
Building Eastern region	660 127	947 005
Building Coastal region	845 821	1 628 989
In second to fifth year		
Building 2 Central Office	14 620 668	13 664 175
Building 4 Head office	43 281 555	40 450 052
Building Eastern region	-	660 127
Building Coastal region	-	845 821
In sixth to tenth year		
Building 2 Central Office	2 812 008	6 846 057
Building 4 Head office	7 242 554	19 184 545
	81 650 778	**95 617 468**

There were no other significant leases that needed GRAP 13 disclosure.

Description	2024	2023

19. Contingencies liabilities

1. Termination of employee contracts:

1.1. An unfair dismissal dispute was referred to the CCMA. The matter is before the Labour Court. A possible award equivalent to twenty-four month's salary is provided on a contingent basis to the amount of R2.8 million.

1.2. The employee contract was terminated as a result of their failure to satisfy a resolutive condition to obtain the minimum requirement for her employment. The employee is pleading for the re-instatement and the matter is pending. This matter is at Labour Court with a claim valued at R1 million equivalent to twenty-four month's salary.

1.3 An unfair dismissal dispute was referred to the CCMA where the finding was in favour of the RSR. The matter has been referred to the Labour Court. A possible award equivalent to twenty-four month's salary to the amount of R3.3 million has been contingently provided for.

2. Unfair labour practice

2.1 An unfair labour practice dispute was referred to the CCMA challenging the "person to holder "principle. The matter was set down on 18 October 2022. The Commissioner delivered his ruling on 04 November 2022 in favour of the RSR. The applicant has proceeded the matter to the Labour Court. The estimated value of the claim is R142 000 should the RSR not be successful in the matter.

2.2 An unfair labour practice matter whereby the applicant was employed by the RSR on 03 July 2020.The applicant was placed under a 12-month probation and her probation was not confirmed. The RSR received court papers on 06 September 2021 pertaining to the alleged harassment.The relief sought by the Applicant in her prayers is that RSR pay the applicant R1.6 million. The matter is awaiting a trial date.

2.3 On 1 June 2023, a former employee of the RSR issued a letter of demand to the RSR alleging a breach of employment contract and claimed that she suffered damages amounting to R11.2 million

3. Civil claim

A former employee of the RSR has lodged a civil claim for damages against the RSR to the value of R4.4 million with interest at seven percent per annum. The RSR is opposing the matter before the High Court and is awaiting a trial date.

4. Application for retention of surplus funds

Section 53(3) of the Public Finance Management Act states that a public entity that must submit a budget in terms of subsection (1), may not budget for a deficit and may not accumulate surpluses unless the prior written approval of the National Treasury has been obtained.

The Railway Safety Regulator is a schedule 3A public entity and had declared surplus funds to the amount of R33.6 million on 31 March 2024 in terms of National Treasury Instruction No.12 of 2020/21. The Railway Safety Regulator had commitments to the amount of R45.7 million on 31 March 2024. The Railway Safety Regulator will apply to National Treasury to retain the R33.6 million surplus funds to be able to fund its commitments on 31 March 2024. The surplus funds of R33.6 million are disclosed as a contingent liability as they are subject to the National treasury approval which is expected to be obtained during the period from August to November 2024.

Description	2024	2023

20. Related parties

Relationships

Executive authority	Minister of Transport: Ms LS Chikunga
Controlling entity	National Department of Transport
Related entities	Entity reporting to the Department of Transport
Members of key management at 31 March 2024	Mr Mmuso Selaledi-Acting Chief Executive Officer Ms Mologadi Mametja - Company Secretary Dr Peaceman Sopazi - Acting Chief Operation Officer Ms Malerato Kekana - Chief Audit Executive Ms Madelein Williams - Executive Media and Communications Mr Bongani Sibiya - Executive Human Resources Mr Albert Tjatji - Acting Chief Financial Officer Ms Varsha Sewlal - Executive Legal Services Mr Tshepo Mothoagae - Chief Information Officer Ms Fulufhelo Tshidada - Acting Executive Risk and Strategy[1]

1. Acting from 1 April 2024

Related party transactions

	2024	2023
National Department of Transport (Controlling entity)		
Administration grant	76 086 000	72 874 000
Conference income	102 000	-
Amounts included in revenue relating to PRASA		
Safety permit fees	35 776 024	34 231 607
Conference income	1 154 000	120 000

Related party balances

	2024	2023
Conference income	-	120 000

Description	2024	2023

Remuneration of management

Management class: Executive management

2024

Name	Basic salary	Medical and Pension	Performance Bonus	Exgratia Bonus	Leave paid out	Long Services awards	Other expenses	Total
Mr M Selaledi - Acting Chief Executive Officer [1]	3 142 315	107 463	233 059	145 661	79 585	-	11 323	3 719 406
Mr B Sibiya - Executive Human Resources	1 514 131	326 616	143 000	104 926	77 594	15 000	1 976	2 183 243
Ms T Tenyane - Acting Chief Financial Officer [2]	1 314 135	256 201	192 285	80 119	61 226	-	26 728	1 930 694
Mr A Tjatji - Acting Chief Financial Officer [3]	1 627 692	300 869	258 367	107 653	82 267	-	912	2 377 760
Ms M Williams - Executive Media and Communications	1 920 015	262 253	300 536	125 223	95 694	-	13 313	2 717 034
Ms M Mametja-Company Secretary	1 509 650	205 056	-	97 913	74 824	-	1 216	1 888 659
Mr T Mothoagae - Chief Information Officer	1 834 774	-	139 901	104 926	80 183	-	19 590	2 179 374
Ms F Tshidada - Acting Executive Risk and Strategy [4]	1 518 811	174 397	126 691	80 119	61 226	10 000	20 728	1 991 972
Ms M Kekana - Chief Audit Executive	1 738 700	452 858	300 536	125 223	95 695	-	456	2 713 468
Ms V Sewlal - Executive Legal Services	1 529 501	350 187	85 024	106 280	74 679	-	19 438	2 165 109
Dr P Sopazi - Acting Chief Operations Officer [5]	2 188 592	-	182 229	113 893	44 990	-	5 776	2 535 480
Ms N Ntshingila - Acting Chief Operations Officers[6]	2 366 089	305 057	233 059	145 662	111 313	-	152	3 161 332
	22 204 405	**2 740 957**	**2 194 687**	**1 337 598**	**939 276**	**25 000**	**121 608**	**29 563 531**

[1] Acting from 1 April 2022.

[2] Acting from 1 June 2023 to 31 November 2023.

[3] Acting from 1 December 2023.

[4] Acting from 1 April to 31 December 2023.

[5] Acting from 13 October to 31 March 2024.

[6] Acting from 1 April to 12 October 2023.

Description	2024	2023

2023

Name	Basic salary	Medical aid and pension	Performance Bonus	Other expenses	Total
Ms T Kgare- Chief Executive Officer[1]	3 382 411	98 937	303 216	17 895	3 802 459
Mr M Selaledi-Acting Chief Executive Officers[2]	1 938 972	100 485	309 676	28 491	2 377 624
Mr B Sibiya-Executive Human Resources[3]	1 009 496	235 029	184 889	1 251	1 430 665
Ms C Walters - Acting Company Secretary[4]	965 117	187 715	109 835	3 197	1 265 864
Mr A Tjatji - Acting Chief Financial Officer [5]	1 465 454	118 805	152 580	152	1 736 991
Ms M Williams - Executive Media and Communications	1 573 389	239 972	266 224	26 833	2 106 418
Ms LM Mametja- Company Secretary[6]	1 059 264	144 519	-	-	1 203 783
Mr T Mothoagae - Chief Information Officer[7]	1 431 048	-	-	20 990	1 452 038
Mr S Maharaj - Chief Financial Officer[8]	1 512 358	-	-	695	1 513 053
Ms M Kekana - Chief Audit Executive	1 256 887	494 227	288 977	-	2 040 091
Ms V Sewlal - Executive Legal Services[6]	1 387 160	351 773	-	417	1 739 350
Ms A Ntintelo- Chief Information Officer[9]	553 082	27 832	-	-	580 914
Mr D Owaga-Acting Chief Operations Officer[10]	1 550 687	336 495	175 221	38 225	2 100 628
Mr F Kgomari-Acting Chief Operations Officer[11]	2 088 776	135 345	206 451	26 320	2 456 892
	21 174 101	**2 471 134**	**1 997 069**	**164 466**	**25 806 770**

[1]Resigned on 31 March 2023.
[2]Acting CEO from 1 April 2023.
[3]Appointed on 1 February 2023.
[4] Acting from 16 April to 30 June 2022.
[5] Appointed on 5 December 2022.
[6]Appointed 1 July 2022.
[7]Appointed 9 June 2022.
[8]Resigned on 31 December 2022.
[9]Resigned on 30 April 2022.
[10]Acting From 1 November 2022 to 30 April 2023.
[11]Acting from 1 May 2022 to 31 October 2022.

Description	2024	2023

Board and committee members

2024

Name	Members' fees	Allowances	Expenses	Total
Mr BJ Nobunga (Chairperson)[1]	591 949	12 539	7 030	611 518
Ms N Ekeke (Chairperson)[2]	367 845	18 000	694	386 539
Ms NS Molefe[3]	84 433	4 500	-	88 933
Mr L Maminza[3]	69 741	4 500	-	74 241
Adv FJ Van Der Westhuizen[1]	183 896	12 539	3 700	200 135
Mr SL Mtwa[2]	324 861	18 000	2 096	344 957
Adv JC Weapond[2]	258 574	18 000	1 617	278 191
Ms DP Mathibedi[1]	196 668	12 539	2 487	211 694
Mr CJ De Vos[1]	341 515	12 539	22 057	376 111
Ms Y Pamla[1]	267 215	12 539	6 314	286 068
Mr T Mopeli[3]	62 295	4 500	2 814	69 609
Ms N Pietersen[3]	88 192	4 500	-	92 692
Prof T Mongalo[3]	63 052	4 500	-	67 552
Ms S Makhanya[3]	61 758	4 500	-	66 258
Ms X Njokweni-Mlotywa[3]	31 833	4 500	-	36 333
Ms M Somaru[4]	-	-	-	-
	2 993 827	**148 195**	**48 809**	**3 190 831**

[1]Contract expired on 11 December 2023.

[2]Re-appointed on 12 December 2023.

[3]Appointed on 12 December 2023.

[4]Delegate from the National Department of Transport. She is not remunerated.

Description	2024	2023

2023

Name	Members' fee	Allowances	Expenses	Total
Mr BJ Nobunga(Chairperson)	743 535	18 000	29 020	790 555
Mr CJ De Vos	343 613	18 000	22 235	383 848
Mrs MP Mathibedi	284 926	18 000	3 546	306 472
Ms N Ekeke	281 347	18 000	2 345	301 692
Adv FJ Van Der Weisthuizen	326 725	18 000	3 425	348 150
Mr SL Mtwa	320 269	18 000	375	338 644
Adv JC Weapond	261 894	18 000	2 306	282 200
Ms Y Pamla	325 947	18 000	3 706	347 653
Mr G Maluleke (1)	-	-	-	-
	2 888 256	**144 000**	**66 958**	**3 099 214**

[1] Delegate from the National Department of Transport - not remunerated.

21. Related parties - Board members

Audit and Risk Committee

2024

Name	Members' fees	Allowances	Total
Mr G Van Wyk (Independent member)	305 706	7 360	313 066
Mr S Gounden (Independent member)	248 262	297	248 559
Ms MM Phiri (Independent Member)	403 760	-	403 760
	957 728	**7 657**	**965 385**

2023

Name	Members' fees	Allowances	Total
Mr G Van Wyk (Independent member)[1]	172 854	-	172 854
Mr S Gounden (Independent member)[1]	172 854	-	172 854
Ms MM Phiri (Independent Member)[1]	308 896	993	309 889
	654 604	**993**	**655 597**

[1]Appointed on 1 June 2022.

Information Communication Technology Committee

2024

Name	Members' fees	Total
Dr D Jairam-Owthar (Independent member)	147 583	147 583
Ms AMM Badimo (Independent member)	211 694	211 694
	359 277	**359 277**

2023

Name	Members' fees	Allowances	Total
Ms AMM Badimo (Independent member)	191 308	-	191 308
Dr D Jairam-Owthar (Independent member)	164 925	7 971	172 896
	356 233	**7 971**	**364 204**

22. Prior period errors

Classification of rental deposit:

The Annual Financial Statements for the year ended 31 March 2024 disclosed the rental deposit for long term lease as a current asset instead of a non-current asset. The correction of the error was accounted for retrospectively and details of the correction is as follows:

Description	As previously reported	Correction	Restated
Current assets-2024	84 476 564	(3 478 729)	80 997 835
Non-current assets-2024	28 721 349	3 478 729	32 200 078
Current assets-2023	96 020 599	(3 478 729)	92 541 870
Non-current assets-2023	29 596 524	3 478 729	33 075 253
	238 815 036	**-**	**238 815 036**

23. Risk management

Financial risk management

The RSR manages its net assets to ensure that it will be able to continue as a going concern, while meeting its overall objectives. Funding is obtained primarily from grants and the administration of permit fees. The strategy is consistent with that applied in prior years.

From its use of financial instruments, the RSR has exposure to the following risks:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the RSR's exposure to each of the above risks. Further quantitative disclosures are included throughout these financial statements. The Board has the overall responsibility for the establishment and oversight of the RSR's risk management framework. The Board has established the Audit and Risk Committee which is responsible for the oversight on the development and monitoring the RSR's risk management policies.

RSR's risk management policies are established to identify and analyses the risks faced by the RSR to set appropriate risk limits and controls and to monitor risk and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the RSR's activities. RSR through its training and management standards and procedures aims to develop a disciplined and effective control environment in which all employees understand their roles and obligations. The Audit and Risk Committee oversees how management monitors compliance with RSR's risk policies and procedures, and review the adequacy of the risk management framework in relation to the risk faced by the RSR. The Audit and Risk Committee is assisted in its oversight role by the Internal Audit. The internal audit undertakes both regular and ad hoc financial reviews of controls in place to mitigate the risk which are reported to the Audit and Risk Committee.

Debtors are assessed at year end for recoverability and the necessary provision for write-off will be raised if deemed material.

The entity's Annual Financial Statements consist mainly of cash and cash equivalents, receivable and payables. Bank deposits and balances, receivables and payables approximate their fair values due to the short term nature of these instruments. The fair values together with the carrying amounts have been determined by using available market information and are presented in the statement of financial position.

Liquidity risk

Liquidity risk is the risk that the RSR will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk is considered low as the current assets exceeded current liabilities at 31 March 2024. The total current assets reported in the statement of Financial Position has already taken account of the provision for credit losses. Furthermore, all the open order commitments of the RSR at 31 March 2024 were fully funded. Management monitors rolling forecast of the RSR's cash and cash equivalents on the basis of the expected cash flows. The RSR engages with the rail operators on a continuous basis to ensure that it has the cash flows to meet the expected payments as they fall due.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Description	2024	2023

Maturity groupings	Not later than one month	Later than one month and no later than three months	Later than three month and no later than one year	Later than one year and no later than five years	Total
Trade payables	3 303 254	229 172	1 895	2 012 677	5 546 998
Accrued leave pay	-	5 773 045	-	-	5 773 045
Other payables and accruals	1 654 599	-	-	-	1 654 599
Operating lease payables	-	-	-	10 460 422	10 460 422
13th cheque accrual	-	-	149 817	-	149 817
	4 957 853	**6 002 217**	**151 712**	**12 473 099**	**23 584 881**

Credit risk

The risk that a counterparty will not meet its obligations under financial instruments, leading to a financial loss. The RSR is exposed to credit risk from its operating activities, primarily for receivables. the RSR's maximum exposure to credit risk as at 31 March 2024 was R1 548 161 (2023: R4 882 440).

Potential concentration of credit risk consist mainly of cash and cash equivalents and receivables. Financial institutions with an acceptable independent rating are accepted. The carrying amount of the receivables are recorded at net of impairment allowances which represents the RSR's maximum exposure to credit risk.

At 31 March 2024, the RSR did not consider there to be any significant concentration of credit risk which had not been adequately provided for.

Market risk

Market risk is the risk that changes in market prices such as interest rates, will affect the RSR's income or the value of its holdings of financial instruments. The objectives of market risk management is to manage and control market risk exposure within acceptable parameters, while optimising the return. The RSR is then exposed to one primary type of market risk namely, interest risk.

Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. The RSR's exposure to the risk of changes in market rates is limited to cash and cash equivalents that have floating interest rates which may fluctuate during a financial year. The sensitivity of the finance income to these changes are deemed negligible.

Cash and cash equivalent

The RSR only deposits cash with major banks with high quality credit standing. RSR, therefore, does not consider to be any significant exposure to credit risk.

The RSR utilised ABSA bank, for daily transactions which has a Ba1 rating as well as the reserve bank for investment purposes.

Description	2024	2023

Financial assets and Liabilities

RSR's principle financial assets are accounts receivables and cash and cash equivalents. At 31 March 2024, the carrying amounts of cash, accounts receivables and accounts payables at amortised cost approximate their fair values, due to the short term maturities of these assets and liabilities. The available cash balances at year - end and collection rate after year - end to meet future obligations were assessed and no material risks has been identified. The net fair value of the assets and liabilities of the RSR are stated below:

The collection rates after year-end and available cash balance at year-end to meet further obligations were assessed and no material risk has been identified.

Assets		
Receivables	1 548 161	4 882 440
Cash and cash equivalents	75 770 690	85 269 729
	77 318 851	**90 152 169**
Liabilities		
Payables from exchange transactions	31 358 398	48 905 292

No financial instrument is carried at an amount in excess of its fair value.

24. Going concern

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. Management has assessed the RSR's ability to continue as a going concern and no material uncertainties were identified.

Description	2024	2023

25. Events after the reporting date

Adjusting event after reporting date

During the 2022/23 financial year audit, the AGSA audit team raised an audit finding relating to the procurement of the RSR's Waterfall offices as irregular expenditure. The procurement of the Waterfall offices was concluded in the 2018/19 financial year, which the AGSA has been auditing this transaction since then. The RSR has disputed the audit finding and escalated the matter to the National Treasury. The National Treasury's outcome of the escalation was that it agrees with the AGSA team but raised a different finding which was unrelated to the disagreement between the RSR and the AGSA.

The RSR further disagreed with the National Treasury and the RSR Board resolved that the management should escalate the matter to the Auditor General herself before resorting to resolve this matter through the courts. The dispute was escalated to the Auditor General who delegated the matter to the Head of Audit.

On 31 July 2024, the Head of Audit concluded that the audit team correctly raised the procurement of RSR's Waterfall lease as irregular expenditure. Although management disagrees with the audit finding and conclusion, management considered it prudent to accept the conclusion of Head of Audit and continue finalisng the annual financial statements.

As a result of the RSR's acceptance of this conclusion, the irregular expenditure has been reported in note 26. This matter was reported as irregular expenditure under assessment in the annual report for the 2022/23 financial year.

26. Irregular, Fruitless and Wasteful Expenditure

Irregular Expenditure [1]	16 682 137	17 557 470

[1] Irregular expenditure that was under assessment in the previous financial year and confirmed in the current year.

Description	2024	2023

27. Consulting and professional fees

Internal Audit	2 085 827	2 119 955
Business Consultancy	3 509 794	4 293 601
Risk Management	243 490	233 719
Board Support	229 450	446 525
ICT Support and Improvement	5 050 962	4 367 031
Security system	750 854	603 272
HR Training and Development	4 284 159	5 233 551
Finance and support	151 840	130 770
Legal Fees	5 002 527	7 040 839
	21 308 903	**24 469 263**

Notes

RAILWAY SAFETY REGULATOR

RAIL SAFETY ON THE RIGHT TRACK

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RP266/2024
ISBN: 978-1-77997-227-9