

# ANNUAL REPORT

## 2021/22



SOUTH AFRICAN



CIVIL AVIATION  
AUTHORITY

*“Keeping you safe in the sky”*

*SOUTH AFRICAN*



*CIVIL AVIATION  
AUTHORITY*



## **Vision**

A world-class civil aviation regulator



## **Mission**

To regulate civil aviation safety and security in support of the sustainable development of the aviation industry



## **Brand Promise**

**“Keeping you safe in the sky”**



## **Values**



### **Service Excellence**

Service delivery ahead of customer expectation, striving to always exceed customer expectations.



### **Teamwork**

Working together and taking joint responsibility and accountability for the results.



### **Integrity**

Maintain high ethical standards and engage others professionally, without any bias and in a transparent manner that engenders trust among all our stakeholders.



### **Collaboration**

Working with our stakeholders to achieve mutually beneficial goals.

# HIGHLIGHTS



## Performance

- The SACAA has once again achieved 100% on all its performance targets in the year under review.
- The 100% achievement against the approved Annual Performance Plan targets is the eighth (8th) such achievement in the past ten (10) years. This outcome has been confirmed by the Internal Audit Division and the Auditor-General of South Africa (AGSA).
- The SACAA achieved another clean audit from the Auditor-General with no material findings. This is the ninth (9th) clean audit since the Auditor-General started auditing the SACAA ten (10) years ago.
- Over and above achieving an unqualified audit outcome in the 2021/22 financial year-end audit by AGSA, the SACAA recorded zero irregular, wasteful and fruitless expenditure during the reporting period. All undisputed invoices received by the Finance Division were paid within thirty (30) days as required.
- 100% of the Parliamentary Questions received were processed and dispatched to the Department of Transport within the prescribed times.
- Furthermore, the organisation implemented the Ethics and Fraud and Corruption Annual Plans, achieving 100% in both targets.



## Major Campaigns and Show-Stopping Events

- The SACAA hosted the National Aviation Conference (NAC) on 08 April 2021 to provide a platform for the Regulator and the aviation industry to share knowledge for their mutual enrichment and collaboration, with the view to advance safety and security within aviation and to recalibrate the industry after the negative effects of the COVID-19 pandemic.
- The SACAA activated a security awareness campaign, promoting the ICAO's "**Year of Security Culture**" (YOSC), at twelve (12) airports around the country. The campaign was undertaken in partnership with the airports, security cluster departments and entities, private security companies contracted to the airports, local community representatives, the airlines and airport tenants. The year-long campaign was hailed as a resounding success by ICAO and received overwhelmingly positive media coverage on both radio and television in the country.
- The SACAA successfully hosted a National Aviation Gender Summit (NAGS), on 24 August 2021 attended by 285 delegates, and also launched the "**You too can play your Part**" event in February 2022 to advance the transformation agenda within the industry.



## Leading in the Global Arena

South Africa was re-elected as Chairperson of the ICAO Safety Management Panel at a meeting held from 29 November 2021 to 10 December 2021.



## Innovation and digitisation

- The SACAA launched a smart card for aviation professionals, replacing the booklet that had been used to identify personnel. The launch took place in April 2021, making South Africa one of the few countries in the world to use a smart card where licence holders and Operators can access the data of aviation personnel in real time from anywhere in the world. The introduction of the card licence moved the SACAA one step forward towards achieving fully integrated information and communications technology (ICT) systems.



## Awards

- In August 2021, the SACAA was recognised and awarded the **“African Regulator of the Year” Award** by the African Business Leadership Awards.
- In October 2021, the Director of Civil Aviation was the recipient of the Changemakers Recognition Award in the leadership category during the Aviators Africa Tower Awards 2021.



## Outreach

- The SACAA continued with its Outreach Programme aimed at exposing learners from disadvantaged communities to careers and opportunities in aviation. In the reporting period, a total of 270 schools were visited and a total of 34 881 learners were reached across the country.
- Additionally, the SACAA embarked on its first-ever Aviation Youth Show held outside of the borders of the Republic of South Africa. The SACAA-Lesotho Aviation Youth Show was hosted by the Director of the Lesotho Department of Civil Aviation and was supported and attended by the Lesotho Transport and Education Ministers. A total of 48 schools and 2340 of the Mathematics & Science subject stream learners attended the Aviation Youth Show in Lesotho. The event received coverage on the Lesotho national television broadcaster.



## Social Responsibility

- The SACAA has delivered all of its socio-economic development programmes such as the Child/Youth-headed Household Grocery Project, the School Support Programme and the Maths and Science Project as planned. These socio-economic development programmes are taking their cue from the principle of... **“A little goes a long way”**



## Wellness of our People

- To support and help employees to achieve work-life balance and cope with working during the pandemic, the SACAA successfully hosted its Employee Wellness Day event, followed by a number of wellness programmes. The programme focused on the mind, body and soul.



## Transformation

- The SACAA is a fully transformed organisation with a gender split of 51% females and 49% males.

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31 August 2022

**Mr Fikile April Mbalula, MP**

Minister of Transport

Private Bag X193

PRETORIA

0001

Honourable Minister Mbalula,

It is a privilege and honour to hereby submit the 2021/22 Annual Report of the South African Civil Aviation Authority (SACAA). This report gives a comprehensive account of the SACAA's performance and efforts to fulfil its mandate for the period 01 April 2021 to 31 March 2022.

Yours sincerely



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**Mr Ernest Khosa**

Chairperson: SACAA Board

# PART A

## GENERAL INFORMATION





## PART A – GENERAL INFORMATION

<b>REGISTERED NAME:</b>	South African Civil Aviation Authority
<b>PHYSICAL ADDRESS:</b>	Ikhaya Lokundiza 1 16 Treur Close Waterfall Park Bekker Street Midrand, Johannesburg
<b>POSTAL ADDRESS:</b>	Private Bag X73 Halfway House 1685
<b>TELEPHONE NUMBER:</b>	+27 11 545 1000
<b>FAX NUMBER:</b>	+27 11 545 1465
<b>EMAIL ADDRESS:</b>	mail@caa.co.za
<b>WEBSITE ADDRESS:</b>	www.caa.co.za
<b>EXTERNAL AUDITORS:</b>	Auditor-General of South Africa (AGSA)
<b>BANKERS:</b>	Standard Bank of South Africa
<b>COMPANY SECRETARY:</b>	Ms Nivashnee Naraindath (BA, LLB, LLM, Admitted Attorney)
<b>ISBN:</b>	978-0-621-50297-8

## ABBREVIATIONS AND ACRONYMS

<b>AASA</b>	Airlines Association of Southern Africa	<b>BIA</b>	Business Impact Analysis
<b>AAIB</b>	Ethiopian Aircraft Accident Investigation Bureau	<b>BRP</b>	Business Rescue Process
<b>ABC Model</b>	Activity-Based Costing Model	<b>BRPs</b>	Business Rescue Practitioners
<b>ACI</b>	Airports Council International	<b>CA Model</b>	Combined Assurance Model
<b>ACSA</b>	Airports Company South Africa	<b>CAA</b>	Civil Aviation Authority
<b>ADO</b>	Aviation Design Organisations	<b>CACom</b>	Combined Assurance Committee
<b>AEP</b>	Aviation Environmental Protection	<b>CAE</b>	Chief Audit Executive
<b>AfCAC</b>	African Civil Aviation Commission	<b>CAEP</b>	Committee on Aviation Environmental Protection
<b>AFI</b>	Africa-Indian Ocean	<b>CANSO</b>	Civil Air Navigation Services Organisation
<b>AFRAA</b>	African Airlines Association	<b>CAO</b>	Corporate Aviation Operator
<b>AGM</b>	Annual General Meeting	<b>CAOC</b>	Corporate Aviation Operator Certificate
<b>AGSA</b>	Auditor-General of South Africa	<b>CAP</b>	Corrective Action Plan
<b>AI</b>	Aviation Infrastructure	<b>CAPSCA</b>	Cooperative Arrangement for the Prevention of the Spread of a Communicable Disease through Air Travel
<b>AIID</b>	Accident and Incident Investigation Division	<b>CAR</b>	Civil Aviation Regulation
<b>AMO</b>	Aircraft Maintenance Organisation	<b>CART</b>	Council Aviation Recovery Taskforce
<b>AMORG</b>	Manufacturing Organisations	<b>CASSOA</b>	Civil Aviation Safety and Security Oversight Agency
<b>ANS</b>	Air Navigation System	<b>CATS</b>	Civil Aviation Technical Standards
<b>AO</b>	Air Operator	<b>CBO</b>	Compliance-Based Oversight
<b>AOC</b>	Air Operator Certificate	<b>CBTA</b>	Competency-Based Training and Assessment
<b>APP</b>	Annual Performance Plan	<b>CCMA</b>	Commission for Conciliation, Mediation and Arbitration
<b>ARC</b>	Audit and Risk Committee	<b>CDE</b>	Cabin Designated Examiners
<b>ARO</b>	Aviation Recreational Organisation	<b>CEs</b>	Critical Elements
<b>ASEC</b>	Aviation Safety and Environment Committee	<b>CEO</b>	Chief Executive Officer
<b>ASO</b>	Aviation Safety Operations Division	<b>CFARP</b>	Cross-Functional Accident Reduction Plan
<b>ASSO</b>	Aviation Security Screening Organisation	<b>CFO</b>	Chief Financial Officer
<b>ASTI</b>	Aviation Security Training Instructor	<b>CMA</b>	Continuous Monitoring Approach
<b>ASTO</b>	Aviation Security Training Organisation	<b>CNS</b>	Communication Navigation System
<b>ATO</b>	Aviation Training Organisation	<b>CORSIA</b>	Carbon Offset and Reduction Scheme for International Aviation
<b>ATNS</b>	Air Traffic Navigation System	<b>CO2</b>	Carbon Dioxide
<b>ATPL</b>	Airline Transport Pilot's Licence	<b>Col</b>	Captains of Industry
<b>ATS</b>	Air Traffic Services	<b>COVID-19</b>	Coronavirus disease of 2019
<b>AU</b>	African Union	<b>CPI</b>	Consumer Price Index
<b>AvMed</b>	Aviation Medicine	<b>CPL</b>	Commercial Pilot's Licence
<b>AvSec</b>	Aviation Security	<b>CSA</b>	Comprehensive System Audit
<b>BA</b>	Bachelor of Arts	<b>DBA</b>	Doctor of Business Administration
<b>B-BBEE</b>	Broad-Based Black Economic Empowerment	<b>DCA</b>	Director of Civil Aviation
<b>BCM</b>	Business Continuity Management		
<b>BCP</b>	Business Continuity Plans		

## ABBREVIATIONS AND ACRONYMS

<b>DE</b>	Designated Examiner	<b>GNSS</b>	Global Navigation Satellite Systems
<b>DER</b>	Delegated Engineering Representative	<b>GP</b>	Gauteng Province
<b>DGAC</b>	Directorate-General for Civil Aviation	<b>GPS</b>	Global Positioning System
<b>DoA</b>	Delegation of Authority	<b>GPL</b>	Glider Pilot's Licence
<b>DoH</b>	Department of Health	<b>HLCC2021</b>	ICAO High-Level Conference on COVID-19
<b>DoT</b>	Department of Transport	<b>HR</b>	Human Resources
<b>DTO</b>	Declared Training Organisations	<b>HRC</b>	Human Resources Committee
<b>DPE</b>	Department of Public Enterprises	<b>IAEA</b>	International Atomic Energy Agency
<b>EASA</b>	European Aviation Safety Agency	<b>IATA</b>	International Air Transport Association
<b>E:AI</b>	Executive: Aviation Infrastructure	<b>IASA</b>	International Aviation Safety Assessment
<b>E: AIID</b>	Executive: Accident and Incident Investigation Division	<b>ICAO</b>	International Civil Aviation Organization
<b>E: AvSec</b>	Executive: Aviation Security	<b>ICVM</b>	ICAO Coordinated Validation Mission
<b>E: ASO</b>	Executive: Aviation Safety Operations	<b>ICS</b>	ICAO Compliance Section
<b>E: CS</b>	Executive: Corporate Services	<b>ICT</b>	Information and Communication Technology
<b>E: FIN</b>	Executive: Finance	<b>ILF</b>	Industry Liaison Forum
<b>E: HR</b>	Executive: Human Resources	<b>IMS</b>	Integrated Management System
<b>E: LAC</b>	Executive: Legal Aviation and Compliance	<b>IoDSA</b>	Institute of Directors of South Africa
<b>EBS</b>	Electronic Business System	<b>KC</b>	Known Consignor
<b>EDRMS</b>	Electronic Documents and Records Management System	<b>KQ</b>	Kenya Airways
<b>EE</b>	Employment Equity	<b>LAC</b>	Legal and Aviation Compliance
<b>EI</b>	Effective Implementation	<b>LLB</b>	Bachelor of Laws
<b>EMP</b>	Emissions Monitoring Plans	<b>LLM</b>	Master of Laws
<b>ENAC</b>	École Nationale de Aviation Civile	<b>LLD</b>	Doctor of Laws
<b>ENE</b>	Estimates of National Expenditure	<b>MAC</b>	Ministerial Advisory Committee
<b>ESAF</b>	Eastern and Southern African Office - ICAO	<b>MANCO</b>	Management Committee
<b>ESC</b>	Essential Services Committee	<b>MBA</b>	Master of Business Administration
<b>ExCo</b>	Executive Management Committee	<b>MP</b>	Member of Parliament
<b>EVP</b>	Employee Value Proposition	<b>MPhil</b>	Master of Philosophy
<b>FAA</b>	Federal Aviation Administration	<b>MD</b>	Managing Director
<b>FAO</b>	Foreign Air Operator	<b>MoU</b>	Memorandum of Understanding
<b>FIU</b>	Flight Inspection Unit	<b>MOSP</b>	Master Oversight and Surveillance Plan
<b>FSTD</b>	Flight Simulator Training Devices	<b>MTEF</b>	Medium-Term Expenditure Framework
<b>FWA</b>	Flexible Working Arrangements	<b>N/A</b>	Not Applicable
<b>FY</b>	Financial Year	<b>NAC</b>	National Aviation Conference
<b>GA</b>	General Aviation	<b>NAGS</b>	National Aviation Gender Summit
<b>GASS</b>	General Aviation Safety Strategy	<b>NCLB</b>	"No Country Left Behind"
<b>GRAP</b>	Generally Recognised Accounting Practice	<b>NDOH</b>	National Department of Health
		<b>NDP</b>	National Development Plan
		<b>NED</b>	Non-Executive Director

## ABBREVIATIONS AND ACRONYMS

<b>NGAP</b>	Next Generation of Aviation Professionals	<b>SANParks</b>	South African National Parks Board
<b>NHLS</b>	National Health Laboratory Services	<b>SAPS</b>	South African Police Service
<b>NICD</b>	National Institute of Communicable Diseases	<b>SPL</b>	Student Pilot's Licence
<b>NNR</b>	National Nuclear Regulator	<b>SARIF</b>	South African Remotely Piloted Aircraft System Industry Forum
<b>NPL</b>	National Pilot's Licence	<b>SARPs</b>	Standards and Recommended Practices
<b>NT</b>	National Treasury	<b>SAQA</b>	South African Qualifications Authority
<b>NTCA</b>	Non-Type-Certified Aircraft	<b>SAX</b>	South African Express Airways
<b>NUMSA</b>	National Union of Metal Workers of South Africa	<b>SCM</b>	Supply Chain Management
<b>OHS</b>	Occupational Health and Safety	<b>SED</b>	Socio-Economic Development
<b>OJT</b>	On-The-Job-Training	<b>SEP</b>	Strategic Equity Partner
<b>OLF</b>	Online Framework	<b>SMME</b>	Small, Medium and Micro Enterprises
<b>OC</b>	Operating Certificate	<b>STEM</b>	Science, Technology, Engineering and Mathematics
<b>OTP</b>	On-time Performance	<b>SWOT</b>	Strengths, Weaknesses, Opportunities, and Threats
<b>PAA</b>	Public Audit Act	<b>TBCSA</b>	Tourism Business Council of South Africa
<b>PCOT</b>	Portfolio Committee on Transport	<b>TCA</b>	Type-Certified Aircraft
<b>PDCA</b>	"Plan, Do, Check, Act"	<b>TOR</b>	Terms of Reference
<b>PEL</b>	Personnel Licensing	<b>TSA</b>	Transport Security Administration
<b>PESTLE</b>	Political, Economic, Social, Technological, Legal, and Environmental	<b>UAS</b>	Unmanned Aircraft System
<b>PFMA</b>	Public Finance Management Act, 1999 (Act No. 1 of 1999)	<b>UASS</b>	Unmanned Aircraft System Study
<b>PPE</b>	Personal Protective Equipment	<b>UCT</b>	University of Cape Town
<b>PPL</b>	Private Pilot's Licence	<b>UGRs</b>	Unwritten Ground Rules
<b>PSC</b>	Passenger Safety Charge	<b>UNSDG</b>	United Nations Sustainable Development Goals
<b>PQ's</b>	Protocol Questions	<b>UK</b>	United Kingdom
<b>RA</b>	Regulated Agent	<b>UN</b>	United Nations
<b>RAASA</b>	Recreational Aviation Administration of South Africa	<b>USOAP</b>	Universal Safety Oversight Audit Programme
<b>RPBO</b>	Risk and Performance-Based Oversight	<b>USA</b>	United States of America
<b>RPA</b>	Remotely Piloted Aircraft	<b>UPU</b>	Universal Postal Union
<b>RPASP</b>	Remotely Piloted Aircraft Systems Panel	<b>USAP</b>	Universal Security Audit Programme
<b>RPL</b>	Recreational Pilot's Licence	<b>VAT</b>	Value Added Tax
<b>SAA</b>	South African Airways	<b>WHO</b>	World Health Organisation
<b>SACAA</b>	South African Civil Aviation Authority	<b>Y.E.S</b>	Youth Employment Service Initiative
<b>SACCA</b>	South African Cabin Crew Association	<b>YOSC</b>	Year of Security Culture
<b>SADC</b>	Southern African Development Community		

## DIAGRAMS, GRAPHS AND TABLES

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## FOREWORD BY THE CHAIRPERSON

Mr Ernest Khosa



### INTRODUCTION

I am pleased to present the South African Civil Aviation Authority's (SACAA's) Annual Report for the 2021/22 financial year, on behalf of the Board of Directors and the Management of the SACAA. This is the fourth (4<sup>th</sup>) Annual Report that I am presenting since taking office as Chairman of the SACAA Board on 01 December 2018.

This is also the second (2<sup>nd</sup>) Annual Report that falls within the period of the SACAA's Five-Year Strategic Plan, covering the 2020/21 to 2024/25 financial years. The Strategic Plan serves as a blueprint to guide the SACAA's delivery against the assigned mandate over the five-year period.

The 2021/22 Annual Report is presented against the backdrop of an industry that continued to show signs of recovery. However, the COVID-19 pandemic remained a never-ending saga with the discovery of the Omicron variant towards the end of 2021. The Omicron variant was reported to have spread faster and more widely, although it was noted to be less fatal than the previous Delta variant. Amidst that, South Africa and seven (7) other Southern African countries experienced the harshest impact of the variant, as many countries, notably the European Union, the United Arab Emirates and the United Kingdom, imposed travel bans at the most critical time in the year for tourism. Nevertheless, local travel picked up substantially as South Africa entered a new phase, which was characterised by the changing patterns of the pandemic and the gradual decline in the number of infections and deaths.

After two (2) turbulent years that have changed and affected the world, the aviation industry closed the 2021/22 financial year with more optimism. The blow that was served to the aviation industry in 2020 and 2021 respectively had slowly subsided and the industry expected that air traffic volumes would recover to pre-COVID-19 levels in the following 18 – 24 months. The immediate challenge that remained was for countries to work together to ensure that borders were reopened, that quarantine measures were eliminated, and that vaccination and testing certificates were being managed digitally. Of paramount importance was to assure the world that aviation's long-term growth prospects were supported with an unwavering commitment to sustainability from both governments and their respective aviation industries.

Just at the end of the reporting period, the country's President, Cyril Ramaphosa, announced that the National State of Disaster had ended, effective from 04 April 2022. This announcement was an important

milestone in the fight against the pandemic, and heralded the start of the much-awaited social and economic recovery.

Furthermore, as the global pandemic surpassed the official two-year mark in March 2022, there had been speculation about the coronavirus becoming endemic. However, the medical fraternity had pointed out that an endemic disease simply points to its constant presence and did not mean that its effects are necessarily less severe, or that it has become harmless or normal. In fact, they asserted that an endemic disease could become a pandemic again. Nonetheless, the industry is now in a better position than it was in the past two years, and we needed to remain cautiously optimistic about the future of global aviation, while remaining on our guard and prepared in terms of the coronavirus.

It is therefore heartening to note that the Regulator remains alert and continues to work at assisting the aviation industry in being proactively prepared for any pandemics, as illustrated by the fact that the organisation revised the Civil Aviation Pandemic Preparedness Plan, taking key lessons on board from the more than 24 months of COVID-19.

### IMPECCABLE GOVERNANCE MAINTAINED

Once again, I am proud to be associated with and to lead the SACAA Board that continues to uphold governance principles, in that for the ninth (9th) time in the last ten (10) financial years, the SACAA has received a clean audit opinion from the Auditor-General.

As it relates to the Public Finance Management Act (PFMA), the Regulator developed its Annual Performance Plan (APP) which was approved by the Minister of Transport. The entity reported another 100% achievement against the set objectives in the APP, a deliverable in the Performance Agreement between the Board, Director of Civil Aviation (DCA) and the Executive Authority. Every month, Management monitors the progress against the plan

that culminates in the quarterly progress reports submitted to the Board through the Audit and Risk Committee (ARC) for monitoring and actioning. To ensure accurate reporting, Internal Audit conducts an audit of the evidence that supports the Performance Information Report on a quarterly basis and provides progress reports to the ARC.

The SACAA adopted about seven (7) targets from the Minister's Annual Performance Agreement with the President. For the purpose of ensuring proper alignment with the Shareholder's responsibilities and targets, the SACAA successfully met all the governance targets as per the commitment recorded in the Annual Performance Plan. The 100% achievement against the approved Annual Performance Plan targets is the eighth (8<sup>th</sup>) such achievement in the past ten (10) years. This outcome has been confirmed by the Internal Audit Division and the Auditor-General of South Africa (AGSA).

### SUSTAINED FINANCIAL PRUDENCE

The SACAA continued to implement various cost-containment initiatives and to exercise financial prudence in the last financial year. This has led the entity to remain financially viable during the period under review; and thus being able to continue to deliver on its mandate, which is crucial to the aviation industry. The notable increase in the passenger numbers, in combination with the continued financial support from the Shareholder, contributed to an improvement in the Regulator's coffers over the reporting period.

The Regulator's 100% compliance with the Public Finance Management Act (PFMA) during the reporting period speaks to the high standard of governance maintained by the SACAA; and increases the expectation that the entity will continue its upward growth in terms of support to the aviation industry and its reputation for clean governance. This monetary discipline, however, remained crucial at a time when curve balls might throw an entity off course, as demonstrated by the recent international upheaval with the conflict between Russia and the

Ukraine, and the more recent escalation in jet fuel and diesel prices.

### CONCLUSION

The aviation industry is entering **‘a brave new world’**. It is a new era where the industry has learnt much, and are still learning, from the global pandemic. Whatever the future may hold, the industry can be sure that it will always need the guardians of aviation safety and security. Automation can fail, and human beings may be fallible, but through checks and balances as well as the safety and security systems, the SACAA will continue to be diligent in keeping our air transport safe and secure.

### ACKNOWLEDGEMENTS

Allow me to convey my appreciation to the Minister of Transport, the Honourable Fikile Mbalula **(MP)** and the Deputy Minister, the Honourable Sindisiwe Chikunga **(MP)**, for their continued support in ensuring that the SACAA executes its legislative mandate. Moreover, we are equally grateful for the financial support that the Department of Transport has provided to ensure that the SACAA remains afloat and is able to execute its mandate with efficiency and effectiveness. The financial results are also showing continuous signs of growth, which means that the financial support and prudence exercised over the past two years has produced positive results. We thank you greatly.

I also extend my gratitude to the Department of Transport under the leadership of the Acting Director-General, Mr Ngwako Makaepae and to the members of the Transport Portfolio Committee who provided oversight during the reporting period.

To my fellow Board members, thank you for the leadership and counsel that you gave to the SACAA Management Team at all times. I take the opportunity to thank the outgoing SACAA Board members, Mr India and Prof. Dyani-Mhango, for their fervent commitment and the dedication displayed during their term and wish them well in their future endeavours. The SACAA grew from strength to strength under

their guidance and support. Equally, I welcome back three (3) Board members (Mr Sooklal, Ms Koyana and Ms Phewa) who join me for a second term. I look forward to a prosperous term of building the SACAA to an even stronger entity as we recover from the impact of COVID-19 and navigate new challenges. As a collective we will forge ahead in fulfilling our mandate with excellence and determination, in true SACAA fashion.

The SACAA Management under the leadership of the DCA, the Executives and staff remains a force that continuously produces results at a time that has spelled doom to many organisations across the world. I thank you all and may we continue to remain optimistic for a better future ahead.

Yours sincerely



**Mr Ernest Khosa**

**Chairperson of the SACAA Board**  
**South African Civil Aviation Authority (SACAA)**  
**31 August 2022**

# OVERVIEW BY THE DIRECTOR OF CIVIL AVIATION

Ms Poppy Khoza



## INTRODUCTION

It is an honour to join the Board in presenting the SACAA's Annual Report for the 2021/22 financial year. This report provides an overview of the SACAA's strategic and financial performance, covering the period 01 April 2021 – 31 March 2022. It also signifies the end of the financial year as well as the end of the second year of the five-year strategic cycle, whilst ushering in the third year of delivery under the 6th administration.

At the time of writing the report, South Africa had entered a new phase in the era of the COVID-19 pandemic, characterised by the gradual decline in the number of infections and deaths.

Despite the aforementioned assurance that COVID-19 was easing up, from both the global and national perspective, we were still not at a stage where we could claim that the world, the country and the aviation industry were back to full normalcy, due to the lingering prevalence of the coronavirus. However, there was a sense that we were moving closer to pre-COVID-19 conditions, as the entire industry was striving to return to the prosperity of aviation as we have known it. Furthermore, South Africa is part of the ICAO's Council Aviation Recovery Taskforce, which is aimed at providing practical, aligned guidance to governments and industry Operators in order to restart the international air transport sector and recover from the impact of COVID-19 in a coordinated manner.

## ORGANISATIONAL PERFORMANCE

The organisation has once again attained a 100% achievement in its Annual Performance Plan targets, as agreed with the Minister of Transport. This achievement against the approved Annual Performance Plan targets is the eighth (8th) such achievement in the past ten (10) years. This outcome has been confirmed by the Internal Audit Division and the Auditor-General of South Africa (AGSA) also confirmed this in relation to the Strategic Outcome they audited. Over and above achieving an unqualified audit outcome in the 2021/22 financial year-end audit by AGSA, the SACAA recorded zero irregular, wasteful and fruitless expenditure during the reporting period. All undisputed invoices received by the Finance Division were paid within 30 days as required. 100% of the Parliamentary Questions received were processed and dispatched to the Department of Transport within the prescribed times. Additionally, the organisation implemented the Ethics and Fraud and Corruption Annual Plans, achieving 100% in both targets.



## OVERVIEW OF THE SACAA'S FINANCIAL STANDING

The SACAA's financial position improved significantly from the previous financial year. The main revenue stream of the SACAA remains the passenger safety charge, driven by passenger numbers. Passenger numbers increased significantly during the period under review as the impact of COVID-19 receded, although it remained far from pre-COVID levels. The SACAA also received continued financial support from its Shareholder, the Department of Transport, to assist it to continue with the uninterrupted delivery of its mandate.

The SACAA started the 2021/22 financial year with cash reserves sufficient to survive. Strict cost-containment measures directed at discretionary expenditure items were still maintained and will be maintained until traditional revenue levels return. Only critical vacant positions were filled and significant savings against budget were realised in terms of travel, training and public relations expenditures.

The SACAA reported a net operating surplus of R112 million for the year ending 31 March 2022 compared to a budgeted break-even position.

The variance is the net result of the following:

- R66m Positive variance in revenue
- R22m Positive variance in staff-related costs
- R24m Positive variance in non-staff-related costs

### **R112m Total positive variance**

The variances reported above are as the result of the revised Estimates of National Expenditure (ENE) budget for the 2021/22 financial year as approved by the SACAA Board's Audit and Risk Committee and submitted to National Treasury (NT) during the ENE process in December 2021.

The revised ENE budget reflected the expectation of a break-even position for the 2021/22 financial

year after financial support of R277.5 million (2021: R155.5 million) was received from the Department of Transport (DoT) as part of the adjusted ENE 2021/22 process. The DoT committed an additional baseline support of R363.4 million over the Medium-Term Expenditure Framework (MTEF) period.

## OVERVIEW OF AVIATION SAFETY AND SECURITY

In alignment with the ICAO “**Year of Security Culture**” campaign, the Regulator launched the local version of the campaign.

During the reporting period, the SACAA continued to roll out the activities indicated in the approved “**Year of Security Culture**” (YOSC) project plan. It should be noted that ICAO had declared 2021 the “**Year of Security Culture**”, following the global pandemic that had thwarted the initial intent to do so in 2020. Additionally, in 2021 the global aviation community commemorated the 20th anniversary of the 9/11 terrorist attack in New York, highlighting the importance of understanding the threat to aviation and promoting best practices in security throughout all aviation operations.

In the same period, the SACAA also rolled out several “YOSC” Awareness Campaigns at all the country's airports. The campaigns were successful and received an overwhelmingly positive media coverage, both on radio and television. The collaboration between the SACAA and the aviation security stakeholders came to life during these highly effective events.

The threat posed by cyber incidents to aviation security cannot be underestimated. It is with this sense of vigilance that the SACAA developed an Industry Cyber Security Strategy that was rolled out for the first time during the reporting period and will continue to be rolled out over the next two years. The Industry Cyber Security Strategy looks at reviewing the provisions of the National Aviation Security Programme and developing guidance material to assist the industry to comply with the envisaged

changes in the regulations. I am pleased to report that 100% of the implementation plan was achieved in 2021/22. The SACAA also established a Cyber Security Forum, composed of multi-stakeholders in the aviation security space.

South Africa has been preparing for an ICAO Universal Security Programme Continuous Monitoring Approach for some time now. This is because South Africa was last audited by ICAO on aviation security in 2011. During the reporting period, South Africa received notification from ICAO regarding the country's scheduling for this important audit for the 2022 cycle. This confirmation came at an opportune time for the Regulator, because several preparations were well under way.

The financial year under review marked the 100% implementation of the USAP-CMA Preparedness Plan. The work done involved loading and verifying evidence on SharePoint, conducting an assessment at three (3) of the bigger airports to review airport level documentation, as well as conducting the monitoring of airport level operations. The assessments were extended to other entities involved in aviation operations, such as airlines, regulated agents and known consignors (KCs) and other relevant government security agencies and departments.

Furthermore, the SACAA achieved all the planned targets for the financial year under review as indicated in the Civil Aviation Safety Plan, the risk-based model, and the Improved Personnel Licensing approach project. Risk-based oversight is a model recommended by ICAO, where oversight is done systematically and in a planned manner, considering the combination of the risk profile as well as the safety and security performance of an Operator. Oversight therefore focuses on the management of risk, in addition to ensuring compliance. The risk-based oversight approach became an ideal oversight tool with which to oversee the aviation industry, in line with the financial viability of the SACAA, and under the confines of the COVID-19 lockdown restrictions and safety precautions.

### SAFETY CHALLENGES IN THE GENERAL AVIATION SPACE

The SACAA plays an integral role in ensuring the prevention and reduction of aircraft accidents in collaboration with the industry. It is commendable that the country still reflects a salutary zero fatal accident rate in the scheduled airline sector, as it has for over 30 years. However, amidst the challenges posed by the COVID-19 pandemic, in the year under review, the country witnessed a 70% increase in accidents and a 73% increase in serious incidents in the general aviation space.

Having said that, it should also be noted that the number of fatal accidents recorded in 2021/22 decreased by 25% when compared to the same period for 2020/21, and the number of fatalities resulting from fatal accidents decreased by 26% when compared to the same period in 2020/21. In view of the increase in accidents and serious incidents in the last financial year, the Minister of Transport's directive to reduce the accident rate by 50% in the next 5 years, is still an imperative that is more crucial than ever. To achieve this target, the SACAA is continuing to implement a five-year General Aviation Safety Strategy (GASS), which involves multi-stakeholders. Solutions for decreasing aviation accidents include the analysis of the causal factors highlighted in the accident investigation reports conducted by the Accident and Incident Investigation Division (AIID).

### AAIB's RELEASE OF THE SACAA's CALIBRATION AIRCRAFT ACCIDENT REPORT

On Sunday, 23 January 2022, the final report of the Ethiopian Aircraft Accident Investigation Bureau (AAIB) that looked at the aircraft accident of the SACAA's calibration aircraft that occurred on 23 January 2020 was released, as required by Annex 13 of the Chicago Convention.

The SACAA as the Regulator, joined by the Operator and two of the deceased families submitted an appeal to the Minister of Transport, requesting that

he reopens this investigation to allow the parties to submit comments and evidence to new findings which were not included in the report consulted by the AAIB in August 2021. At the time of writing this report, the SACAA was yet to be invited to make representations on the report.

The publishing of the final report without the comments from the Operator and the Regulator was unprocedural and inconsistent with the ICAO prescripts and CARs.

### CIVIL AVIATION BILL

The Portfolio Committee on Transport (PCOT) met in February and March 2021 respectively, to table, consider, and deliberate on public comments received, and to propose amended clauses to the Civil Aviation Bill of 2018. On 17 March 2021, the PCOT approved the Civil Aviation Bill for further submission to the National Assembly, for debate and approval.

The Bill was deliberated upon and approved by the National Assembly on 11 May 2021. The National Council of Provinces similarly approved the Bill. The Bill was submitted to the President of the Republic who then approved and signed the Bill after the reporting period in April 2022.

The Act will come into effect from a date to be fixed by proclamation in the Gazette.

### HELPING SOUTH AFRICA MAINTAIN GLOBAL STANDARDS

Subsequent to the ICAO Universal Safety Oversight Audit Programme (USOAP) Continuous Monitoring Approach (CMA) audit of 2017, the SACAA closed 91.35% of its specific findings, including those of the AIID, by the end of the 2019/20 financial year.

A limited scope off-site validation was conducted by ICAO in October 2020 in order to confirm the correctness of the submitted evidence by South Africa to close the audit findings. Out of the twelve (12) CAPs that were considered during the off-site validation, eleven (11) were found to be satisfactory.

In December 2020 ICAO rationalised the Protocol Questions (PQs) and this exercise led to the introduction of a new edition of PQs. This exercise led to the reduction of the number of PQs from 943 to 790. The rationalisation also resulted in the global reduction of the Effective Implementation (EI) scores for the states by an average of 1,53% and South Africa's EI was reduced by 1,29% and therefore it moved from 88.68% to 87.4. The global Effective Implementation is 67.5%.

South Africa approached ICAO, inviting the UN agency to conduct the (follow-up) International Coordinated Validation Mission (ICVM), following the closure of more than the 75% threshold findings of the 2017/18 ICAO USOAP CMA audit as prescribed by ICAO. As a result of ICAO's intense schedule following the disruption brought about by COVID-19, ICAO proposed to conduct a full scope USOAP CMA audit scheduled to take place from 22 March to 3 April 2023.

### FAA INTERNATIONAL AVIATION SAFETY ASSESSMENT (IASA)

The South African Civil Aviation Authority (SACAA) received a letter from the United States' Federal Aviation Administration (FAA) to the effect that the latter intended to conduct a safety assessment pursuant to article 6 of the Air Transport Agreement signed between South Africa and the United States of America. The assessment would verify South Africa's compliance with ICAO Standards and Recommended Practices.

Several engagements took place between the SACAA and the FAA in this regard and the FAA assessment took place between 15 and 19 November 2021. On the last day of the audit the FAA team provided the SACAA team with verbal feedback of what needed to be addressed.

Subsequently, on 14 March 2022, the SACAA received the final written report. Attached to the report was a communication from the FAA suggesting a follow-up visit to the SACAA in order to follow up on

the implementation of the Corrective Action Plans in relation to the concerns raised. The agreed date for the said follow-up was planned for the next financial year from 11 - 14 July 2022.

### TRANSFORMATION CONTINUES AMIDST RENEWED HOPE

The period of recovery from the global pandemic had created a future not only defined by challenges but also by renewed opportunities to speed up the transformation of the industry. As alluded, some projections were that recovery in relation to pre-COVID-19 levels in South Africa would be realised in the year 2025. The demand for air travel is expected to grow thereafter, and therefore matters relating to transformation and the retention of skills are still much needed to ensure the aviation industry's sustainability and future viability.

In the reporting period, the SACAA had implemented year one of the Transformation Plan, which was planned to be rolled out over a three-year period. This plan includes the implementation of a women empowerment programme, a trainee programme, implementation of enterprise development as well as the socio-economic development programme.

Despite the challenging period brought about by the pandemic, the Regulator continued to support bursars who are training in the various aviation-related fields. One of the tangible outcomes that illustrated transformation in action was the graduation of the four (4) young South African Cadet Pilot students. They graduated with their frozen Airline Transport Pilot's Licences (ATPL); to be followed up by converting their licences to be consistent with the Civil Aviation Regulations in South Africa. The SACAA took part in a special graduation ceremony in honour of the completion of their training at the École Nationale de Aviation Civile (ENAC) Flight School, in Toulouse, France.

The graduation ceremony is one of the outcomes of an agreement with the École Nationale de Aviation

Civile (ENAC) and the South African Civil Aviation Authority to train five (5) Cadet Pilot students in France during a two-year pilot training programme at the ENAC Flight School.

The training programme was aligned to the SACAA's strategic objective of enhancing human capital and accelerating transformation, considering that the aviation industry still remains largely untransformed in terms of representation of the various population groups in South Africa. This successful Cadet Training Programme showcased government's commitment to continue to accelerate the transformation drive and to meet the demands and targets of the Next Generation of Aviation Professionals (NGAP) programme that was launched in 2009 to help ensure that enough qualified and competent aviation professionals are available to operate, manage and maintain the future international air transport system.

### STAKEHOLDER ENGAGEMENT, SERVICE EXCELLENCE AND ACCOUNTABILITY TO CLIENTS

Stakeholder engagement continued to form an integral part of the SACAA's regulatory mandate by contributing towards the SACAA's Outcome 5; namely, **"improved stakeholder engagement and service excellence"**. This outcome plays a vital role in how stakeholders and the public alike perceive the SACAA as well as driving stakeholder management and regional cooperation.

The objective of both the stakeholder engagement and regional cooperation strategy is to create and enhance a better understanding among stakeholders of the role and mandate of the SACAA, which is to administer civil aviation safety and security oversight in the Republic of South Africa, and as such provides an essential service in the country and abroad.

To this end, the first draft of the Civil Aviation Pandemic Preparedness Plan was reviewed and approved by the Executive Committee (ExCo) of



the SACAA. The Pandemic Preparedness Plan was developed to better manage future pandemics in a systematic manner that will minimize disruptions. The SACAA also played a leading role in continuing to draft the Transport Directions and guidelines as well as performing oversight to ensure compliance with the Transport Directions as assigned by the Ministry of Transport. Over and above these initiatives, the SACAA held regular meetings with the Captains of Industry (CoI) and the Industry Liaison Forum (ILF) to ensure collaboration towards airspace safety for all users.

The SACAA further declared the 2022/23 financial year as the **“Year of Client-Centricity”**. This campaign was launched during the celebration of the Culture Day, where the SACAA also launched the Culture Handbook. In supporting this initiative, the SACAA prioritised client satisfaction and service excellence and holds itself accountable to its clients.

Improved levels of client service are not negotiable at the SACAA. All of its employees are therefore expected to strive to deliver service excellence that exceeds client expectations which is one of the SACAA's values.

The SACAA continued to invest substantial financial resources into technology-based systems to ensure that the SACAA is aligned to the clients' needs and requirements. The technology-based systems are used to track customer queries until they are closed and thereafter used to measure the satisfaction levels.

### TECHNOLOGICAL ADVANCEMENTS – LAUNCHING OF THE “SHANDUKA” PROJECT

The SACAA's intent to automate the full range of services to its clients was established several years ago. As countries and organisations across the globe continue to move into the 4th Industrial Revolution, the SACAA equally started to strategise on the best way to improve its service offerings to aviation stakeholders, and to do so in a comprehensive and systematic manner.

Part of the redesign of the SACAA's business processes was the implementation of the integrated Electronic Business Solution (EBS), which took off in 2015. Involving various functionalities within the SACAA, this automation project ensured compliance with international and domestic obligations while also optimising business processes, improving the client experience and promoting faster information-sharing. The adoption of the EBS served the organisation well, especially when the COVID-19 pandemic struck the globe, as the SACAA already had technology-based solutions to continue serving its clients, even remotely, during the hard lockdown restrictions. More functionalities were implemented in the reporting period, which saw the internal launch of the Electronic Document and Records Management System (EDRMS), which was later dubbed **“Shanduka”**, (meaning “change” in Tshivenda) and other services that included the additional convenient 24-hour e-Services that are aimed at enhancing the organisation's regulatory service offering to clients.

This modernisation project is progressing, with the new website planned to be launched in the next reporting period. The successful implementation of the e-Services Portal will result in clients' convenience, with the efficient and effective management of application submission; the ability to track and trace application progress throughout the process; and constant automated feedback on the application progress. All these improvements are aimed at enhancing the reliability and integrity of information, to the benefit of a safe aviation industry.

### CONTINUED VIGILANCE REGARDING COVID-19

The SACAA continued to ensure compliance with ICAO and World Health Organisation (WHO) guidelines, in accordance with the health protocols as directed by the Minister of Transport. This was done by monitoring the implementation and compliance with the Directions and assisting with training where necessary. These directions included the guidelines developed by the Regulator and issued by the Minister, introducing new standards to be incorporated by all aviation Operators and personnel.



The guidelines specifically related to mitigating the spread of COVID-19 and Operators were expected to submit Standard Operating Procedures to the SACAA for approval.

To this end, the first draft of the Civil Aviation Pandemic Preparedness Plan to better manage future pandemics in a systematic manner that will minimize disruptions was reviewed and approved by the Executive Committee (ExCo) of the SACAA.

### MANAGING AND PREVENTING CORRUPTION

The Fraud and Corruption Prevention Framework, including all other supporting policies as previously approved by the Board, continued to be implemented by the SACAA.

In the period under review, the Fraud and Corruption Prevention Policy was amended to take into account the changes that were introduced by National Treasury in dealing with procurement processes. Equally, in the period under review, various awareness campaigns relating to whistleblowing were presented internally to all employees and Management of the SACAA, including sessions that were conducted during the Ethics Week. Additionally, the awareness campaign was also offered to the external stakeholders, including the Industry Liaison Forum (ILF).

Management continued monitoring the forensic investigations that were conducted; and expedited the implementation of the recommendations made by the Forensic Services Department, as well as incidents reported through the Fraud Hotline.

The reporting and investigation of incidents was enhanced by Management's commitment to fully implement the recommendations contained in the forensic investigation reports. The Audit and Risk Committee also monitored the implementation of the forensic reports.

Additionally, a comprehensive Fraud Risk Assessment was conducted during the year. The monitoring of

corrective and improved management actions was done periodically to strengthen the internal control environment. The work done to manage and/or reduce fraud and corruption, provided the Audit and Risk Committee as well as the Board with the required level of assurance that the risks associated with fraud, corruption, and maladministration were being managed effectively by the SACAA.

### DESIGNATION OF CERTAIN SERVICES AS ESSENTIAL SERVICE

On 12 October 2021, the Essential Services Committee (ESC) designated the following services as essential service:

- The monitoring and oversight functions performed by the Aviation Safety Operations Division of the SACAA;
- The services of drafting and preparation of plans dealing with the outbreak of communicable disease, including overseeing the implementation, and enforcing compliance with the plans and Regulations;
- Monitoring, oversight and training performed by the Aviation Medicine Department of the SACAA;
- The services performed by the Aviation Security Division in setting of standards, oversight and monitoring, compliance, as well as enforcement.

### QUALITY ASSURANCE – INTEGRATED MANAGEMENT SYSTEM (IMS)

The SACAA's Integrated Management System (IMS) is aimed at defining and communicating the SACAA's commitment to continuously enhance customer satisfaction.

Compliance to the IMS is continuously being reviewed through internal audits by means of the Quality Assurance continuous improvement techniques. These quality audits are applied to all areas of the business to ensure the high quality of the SACAA's products and services. The implementation of the

“Process Approach” including the “**Plan, Do, Check, Act**” (PDCA) cycle ensures that the SACAA’s IMS is robust and achieves defined process performance objectives. Management regularly reviews the integrated management system and records are retained to comply with the requirements of the ISO 9001:2015.

During the period under review, the SACAA successfully retained its ISO certification, which is valid for the next three (3) years, after it performed well during an external recertification audit conducted by SGS; the independent certification body. This certification is proof that the SACAA is maintaining the required standards in terms of the quality, safety, and efficiency of the services provided to its clients.

### EXEMPLARY SUPPLY CHAIN MANAGEMENT

The SACAA prides itself on achieving effective supply chain management processes. In the year under review, all SCM processes were in place with proper controls. In line with the SACAA’s contribution and compliance to corporate governance, the SACAA managed to give financial and non-financial support to ten (10) SMMEs through an initiative coordinated by the Supply Chain Management Department and centred around youth, women and Black-owned entities with more than 51% Black ownership.

### REGIONAL COLLABORATION YIELDS POSITIVE RESULTS

The recently reviewed Regional Cooperation Strategy of the SACAA will yield positive results in the SADC region, whilst also fulfilling the ICAO’s “**No Country Left Behind**” (NCLB) Initiative. The NCLB has the objective to assist States in implementing ICAO Standards and Recommended Practices (SARPs). The main goal of this initiative is to ensure that the SARPs implementation is better harmonised globally, so that all States have access to the significant socio-economic benefits of a safe and reliable air transport system. The SACAA therefore continued

its collaboration with States in the Region through training and other initiatives, assisting one another with the sharpening of skills and in maintaining high levels of aviation security and safety, as well as providing essential support towards curbing the spread of the coronavirus.

The first-ever SACAA/Lesotho Youth Show, hosted outside of the Republic of South Africa, was one of the highlights during the reporting period. The Lesotho Government declared this event as one of national interest and it was featured prominently in the Lesotho national media. The event was graced by the presence of two (2) Lesotho Ministers for Education and Transport respectively, and reached a total of 48 schools, 2340 Mathematics and Science learners in Lesotho’s five (5) districts.

### ACKNOWLEDGEMENTS

In recognition of the results that the organisation achieved in the period under review, I would like to thank the Minister of Transport, the Honourable Fikile Mbalula (MP) and the Deputy Minister, the Honourable Ms Sindisiwe Chikunga (MP) for the unwavering support that the SACAA received at every critical point in ensuring that it executes its legislative mandate. Your support is the catalyst that keeps the aviation industry going and has done so even through the global pandemic and in the time of restored hope and recovery that we are experiencing at this time. We are also grateful that you provided the financial support that ensured that the organisation remained afloat. The financial results are also showing continuous signs of growth, which means that the financial support and prudence exercised over the past two years are producing positive results. My appreciation goes to the entire Department of Transport as led by its Acting Director-General, Mr Ngwako Makaepa, to members of the Parliamentary Portfolio Committee on Transport and all the Captains of the Aviation Industry for their cooperation and collaboration.

I also wish to extend my gratitude to the SACAA Board under the leadership of Mr Khosa for their

strong leadership and support, which ensured that the organisation remains standing and is able to run a clean business, anchored on a firm corporate governance platform. On that note, I take this opportunity to thank the outgoing SACAA Board Members, whose term ended on 31 May 2022, on behalf of the entire organisation, for their invaluable guidance and support during their term of office in their capacity as the Board. In the same breath, allow me to welcome the new SACAA Board as we forge ahead in fulfilling the mission of the Regulator with determination and dedication.

To the SACAA Management and staff who have over the years demonstrated their dedication and commitment to the mandate of the organisation and effectively discharged their duties towards the successful functioning of the organisation - I am forever grateful.

After two turbulent years that have changed and affected the world, the aviation industry is entering the new year with more optimism and from the Regulator's perspective, whatever the future may hold, we can be sure that we will always need the guardians of aviation safety and security. We will continue to be diligent in keeping our air transport safe and secure and will continue to regulate as we propel the aviation industry to full recovery.

Yours sincerely,



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**Ms Poppy Khoza**

**Director of Civil Aviation**  
**South African Civil Aviation Authority (SACAA)**  
**31 August 2022**

# STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of our knowledge and belief, we confirm the following:

All information and amounts disclosed in this Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa (AGSA).

The Annual Report is complete, accurate and free from any omissions. The Annual Report has been prepared in accordance with the guidelines on annual reports as issued by the National Treasury.

**The Annual Financial Statements (Part E)** have been prepared in accordance with the Public Finance Management Act, 1999, (Act No.1 of 1999) as amended, and standards applicable to the SACAA.

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgments made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal controls, which has been designed to provide reasonable assurance as to the integrity and reliability of the performance and human resources information, as well as the Annual Financial Statements.

The External Auditors were engaged to express an independent opinion on the Annual Financial Statements.

In our opinion, the Annual Report is a fair reflection of the operations, performance information, human resources information and the financial affairs of the SACAA for the financial year ended 31 March 2022.

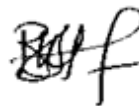
Yours faithfully,



**Mr Ernest Khosa**

**Chairperson: SACAA Board**

**Date: 31 August 2022**



**Ms Poppy Khoza**

**Director of Civil Aviation**

**Date: 31 August 2022**

## STRATEGIC OVERVIEW



### Vision

A world-class civil aviation regulator



### Mission

To regulate civil aviation safety and security in support of the sustainable development of the aviation industry



### Brand Promise

“Keeping you safe in the sky”



### Values



#### Service Excellence

Service delivery ahead of customer expectation, striving to always exceed customer expectations.



#### Teamwork

Working together and taking joint responsibility and accountability for the results.



#### Integrity

Maintain high ethical standards and engage others professionally, without any bias and in a transparent manner that engenders trust among all our stakeholders.



#### Collaboration

Working with our stakeholders to achieve mutually beneficial goals.



## LEGISLATIVE AND OTHER OVERSIGHT MANDATES

### THE ACT

The South African Civil Aviation Authority (SACAA) is an agency of the Department of Transport (DoT), established in terms of the Civil Aviation Act, 2009 (Act No. 13 of 2009), which came into effect on 31 March 2010. The Civil Aviation Act provides for the establishment of a stand-alone authority, mandated with controlling, promoting, regulating, supporting, developing, enforcing, and continuously improving levels of safety and security throughout the civil aviation industry.

The SACAA's mandate is to administer civil aviation safety and security oversight in the Republic of South Africa, in line with the Civil Aviation Authority Act (the Act), and in accordance with the standards and recommended practices (SARPs) prescribed by the ICAO. The above is achieved by complying with the Standards and Recommended Practices (SARPs) of the International Civil Aviation Organization (ICAO), while considering the local context.

The SACAA, as prescribed by the Civil Aviation Act, as well as the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) is a Schedule 3A public entity, governed and controlled by a Board of Directors (the Board) that serves as the Accounting Authority. In turn, the Board is accountable to the Minister of Transport, who is the Executive Authority.

The Board comprises six (6) non-executive directors and one (1) executive director, being the Director of Civil Aviation (DCA), all of whom are appointed by the Minister of Transport. The Board is expected to retain full and effective control over the governance of the SACAA; and in this regard, a clear division of responsibility exists at Board and Executive Management level. It has delegated some of its powers to the Director of Civil Aviation and the SACAA's Executive Committee through a delegation of authority (DoA) framework. The DoA, however, does not absolve the Board of its responsibilities and accountability.

The DCA is responsible for the administration and management of the day-to-day affairs as well as the staff of the SACAA. In addition, the DCA is also responsible for the SACAA's regulatory oversight functions regarding civil aviation safety and security operations. In relation to this particular responsibility, the DCA reports to the Minister of Transport.

The SACAA, through a Ministerial Order, is mandated with the administrative functioning of the Accident and Incident Investigation Division (AIID), while the Department of Transport is responsible for the functional running of this Division. At the time of establishment, the SACAA was also tasked with the management of the Flight Inspection Unit (FIU), whose aim is to conduct calibration and flight inspection of ground radio navigational aids in South Africa and beyond.

### THE INTERNATIONAL CIVIL AVIATION ORGANIZATION (ICAO)



Diagram 1: ICAO logo

The International Civil Aviation Organization (ICAO) is a United Nations (UN) specialised agency, established by member states in 1944 to manage the administration and governance of the Convention on International Civil Aviation (Chicago Convention).

The Republic of South Africa is a signatory to the Convention on International Civil Aviation of 1944. The ICAO is responsible for standardising and administering the safety and security of civil aviation operations across the world.

ICAO works with the Convention's 193 member states and industry groups to reach consensus on international civil aviation Standards and Recommended Practices (SARPs) and policies in support of a safe, efficient, secure, economically sustainable, and environmentally responsible civil aviation sector. These SARPs and policies are used by ICAO member states to ensure that their local civil aviation operations and regulations conform to global norms, which in turn permit more than 100 000 daily flights in aviation's global network to operate safely and reliably in every region of the world.

In addition to its core function of resolving consensus-driven international SARPs and policies among its member states and industry, and among many other priorities and programmes, ICAO also coordinates assistance and capacity-building for states in support of numerous aviation development objectives; produces global plans to coordinate multilateral strategic progress for safety and air navigation; monitors and reports on numerous air transport sector performance metrics; and audits states' civil aviation oversight capabilities in the areas of safety and security.

The Republic of South Africa, as a signatory State to ICAO, is committed to working with the international community to ensure safe and secure skies. This is coordinated through the Department of Transport; and all aviation organs of the State are required to

collaborate to achieve this mandate. The SACAA, through the Civil Aviation Act, 2009 (Act No. 13 of 2009), has a mandate to regulate aviation safety and security in accordance with ICAO prescripts.

### ICAO CRITICAL ELEMENTS

There are eight (8) critical elements governing each of the two (2) major civil aviation oversight pillars, i.e., safety and security. The safety framework is audited by ICAO under the Universal Safety Oversight Audit Programme (USOAP), Continuous Monitoring Approach (CMA), while the security element is audited under the Universal Security Audit Programme Continuous Monitoring Approach (USAP-CMA).

ICAO contracting states, in their efforts to establish and implement an effective safety and security oversight system, need to consider the Critical Elements (CEs) for safety and security oversight. Critical Elements are the safety and security advancement tools of a safety and security oversight system and are required for the effective implementation of policies and associated procedures related to aviation safety and security. States are expected to implement the safety and security oversight critical elements in a way that assumes the shared responsibility of the State and the aviation community.

The Critical Elements of a safety and security oversight system encompass the whole spectrum of civil aviation activities. The effective implementation of the Critical Elements is an indication of a State's capability regarding safety and security oversight.

The following diagram demonstrates the regulatory areas depicted under the different Critical Elements. Critical Elements 1 to 5 pertain to the establishment of the safety and security systems, while Critical Elements 6 to 8 address the effective implementation of such systems by the Regulator:

## ICAO CRITICAL ELEMENTS ON SAFETY AND SECURITY



Diagram 2: ICAO Safety and Security Eight (8) Critical Elements (CEs)

## ORGANISATIONAL STRUCTURE

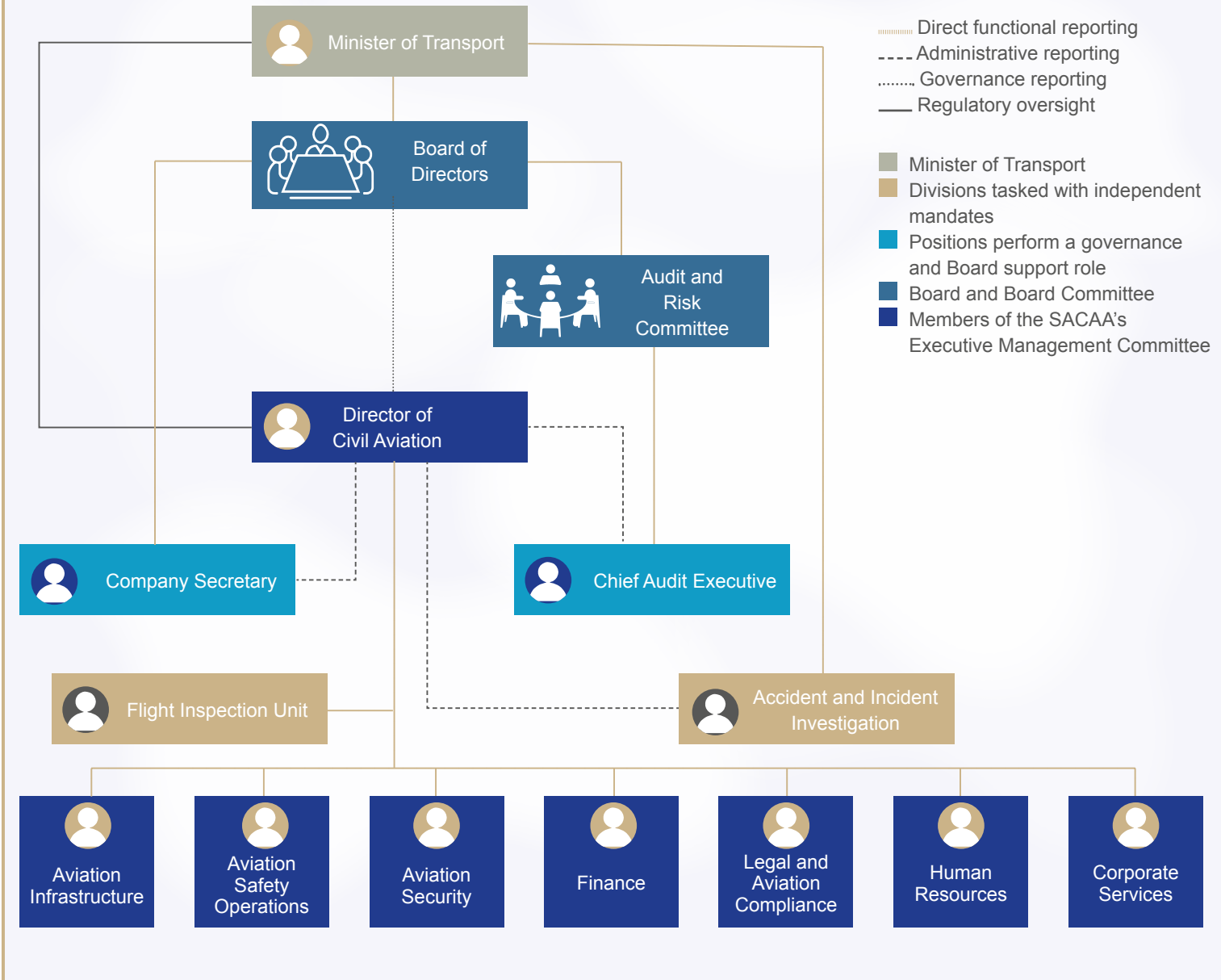


Diagram 3: Organisational Structure

## THE BOARD - 31 MARCH 2022



**Back row:** Ms Poppy Khoza (Director of Civil Aviation), Mr Ernest Khosa (Chairperson of the Board)  
Mr Mongezi India (Board Member), Ms Bulelwa Koyana (Board Member)  
**Front row:** Prof. Ntombizozuko Dyani-Mhango (Board Member), Ms Tshitshi Phewa (Board Member),  
Mr Surendra Sooklal (Board Member)



## EXECUTIVE MANAGEMENT COMMITTEE - 31 MARCH 2022



**Back row:** Mr Asruf Seedat (Executive: Finance), Ms Phindiwe Gwebu (Executive: Corporate Services),  
Ms Poppy Khoza (Director of Civil Aviation), Mr Luvuyo Gqeke (Executive: Aviation Security),  
\*\*\* Mr Themba Thabethe (Executive: Accident & Incident Investigation)

**Front row:** Mr Simon Segwabe (Executive: Aviation Safety Operations), Ms Thobile Masooa (Executive: Human Resources),  
\* Ms Babalwa Ndandani (Executive: Legal and Aviation Compliance),  
\*\* Mr King Sotshede (Chief Audit Executive), Mr Gawie Bestbier (Executive: Aviation Infrastructure),  
Ms Nivashnee Naraindath (Company Secretary)

- \* Ms Babalwa Ndandani was acting Executive: Legal and Aviation Compliance, until her appointment as Executive: Legal and Aviation Compliance on 1 June 2021.
- \*\* The Chief Audit Executive performs a Governance and Board support role. Mr King Sotshede was appointed on 1 June 2021. Before his appointment, Mr Lufuno Tshitauzi was Acting Chief Audit Executive.
- \*\*\* The Executive: Accident and Incident Investigation heads the Accident and Incident Investigation Division, which administratively reports to the DCA and functionally to the Department of Transport. Mr Albert Morudi was Acting Executive: AIID from 7 September 2021 to 31 March 2022. Mr Themba Thabethe was appointed as Executive: AIID on 01 April 2022.

# PART B

## PERFORMANCE INFORMATION



## 1. STATEMENT OF RESPONSIBILITY FOR PERFORMANCE INFORMATION AND CONFIRMATION OF ACCURACY FOR THE YEAR ENDED 31 MARCH 2022

In line with the applicable regulatory prescripts, the Director of Civil Aviation (DCA) is responsible for the preparation of the SACAA's performance information and for judgements made in this report. In addition, the DCA is responsible for establishing and implementing a system of internal control, designed to provide reasonable assurance as to the integrity and reliability of the outlined performance information.

In our opinion, the performance information outlined in this report fairly reflects the actual achievements against planned objectives, indicators, and targets as per the strategic and annual performance plans of the SACAA for the year ended 31 March 2022.

The Auditor-General of South Africa (AGSA) has audited the SACAA's performance information for the year ended 31 March 2022 and reports no unresolved audit findings. The AGSA's report is presented on pages 151 to 154 of this document.

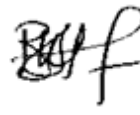
The SACAA's Board of Directors has approved the performance information of the SACAA, set out from pages 55 to 64.



**Mr Ernest Khosa**

Chairperson: SACAA Board

Date: 31 August 2022



**Ms Poppy Khoza**

Director of Civil Aviation

Date: 31 August 2022

## 2. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa (AGSA) performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to Management. The Auditor-General confirmed that there were no material findings on the usefulness and reliability of the reported performance information in the Annual Report.

Refer to pages 151 to 154 of the Auditor's Report, published as Part E: Financial Information.

### 3. SITUATIONAL AND PERFORMANCE ANALYSIS

#### 3.1 Introduction and Overview of Performance

The SACAA's performance against targets is defined in its 2021/22 Annual Performance Plan (APP). The 2021/22 APP takes its cue from the SACAA's Five-Year, 2020/21 – 2024/25 Strategic Plan. The situational analysis provided an analysis of internal and external factors impacting on the SACAA's ability to deliver on its mandate and attain its set annual targets.

The financial year that ended on 31 March 2022 was mostly characterised by efforts towards the recovery of the aviation industry, at the same time stimulating industry activity during and post the COVID-19 pandemic, both locally and globally.

Although the world was still grappling with the effects of the COVID-19 pandemic, and with most organisations, including the SACAA, not completely out of the woods, the SACAA performed exceptionally well; including posting positive results as per the narrative under the SACAA's financial position in the report.

#### 3.2 Service Delivery Environment

##### 3.2.1 Domestic airline activity in the midst of the pandemic

In June 2021, President Cyril Ramaphosa addressed the nation to update the country on efforts undertaken to fight against the COVID-19 pandemic. In his address, the President announced the move to Alert Level 4 lockdown, as the country was battling the third wave and the increasing daily infections. The move was made to mitigate and manage the spread of the COVID-19. The situation was further exacerbated by the discovery of the Delta virus, which was believed to have originated from India and which had evidently engulfed some selected provinces in the country but was mostly prevalent in the Gauteng province.

The statistics were painting a grim picture with the recovery rate dropping, while the country was experiencing increasing numbers of COVID-19-related fatalities. At the time, the rollout of the vaccine programme was moving at a snail's pace when compared to other nations on the African continent and most people in the country had only received the first dose of the vaccine.

From the aviation perspective, it was recorded that the aviation sector had been one of the hardest hit by extended travel restrictions due to the emergence of the Delta variant, a slow vaccine rollout, and a third wave of COVID-19 infections that had resulted in tighter lockdown measures. As a result, the South African airlines suffered severe pandemic-induced financial losses, which were worsened by the numerous groundings of the major carriers. The International Air Transport Association (IATA) initially projected that approximately 250,000 jobs in the industry were at risk, along with the contribution of about R70 billion by air transport to South Africa's economy.

##### 3.2.2 Summary of domestic airline operations in South Africa

Whilst the country was bracing itself for the third wave of the COVID-19 virus and with President Ramaphosa making several announcements, which varied from more stringent to more relaxed lockdown levels, depending on the nature and behaviour of the variants, the new airline, Global Airline trading as LIFT, announced on 1 July 2021 the suspension of their flights from 05 July until the end of July 2021, following the country's move to Alert Level 4.

Comair, that domestically operates British Airways and Kulula.com, soon followed suit as they announced on 2 July 2021 that they would be halting their services for a limited period – until 31 August 2021, due to the third wave and government invoking Alert Level 4 of the national lockdown. Comair said the suspension was due to the prohibition of all non-



essential travel in and out of Gauteng, combined with little to no demand for business travel, as well as international travel bans. The airline recommenced flights on 1 September 2021.

Mango Airline had notified the Regulator of its intention to stop operations, owing to financial challenges. Mango carried some three million passengers prior

to the pandemic and the SAA's business rescue process. However, in the first quarter of the financial year, developments were that Mango would still be operating, and that there were engagements between Mango, SAA, and the Department of Public Enterprises (DPE) to try and salvage the situation. Eventually Mango Airline postponed their resumption of operations indefinitely.



FlySafair was established as a low-cost airline that saw a spectacular rise and became South Africa's largest domestic carrier by passenger volume. In the reporting period, the airline continued to uphold its flight frequency throughout the pandemic – in line with local travel restrictions – with minimal adjustments made to accommodate flights around curfew. Towards the end of the reporting period, FlySafair appealed to the Tourism Business Council of South Africa (TBCSA) to support a proposal that will ultimately change the law that outlines Public Holidays in South Africa and said that this would support the local tourism industry by ensuring that the days workers get off for public holidays are always on Mondays and Fridays, thereby ensuring

long weekends for each holiday.

Airlink, which separated from SAA in 2020, is the largest South-African-based airline in fleet size. Operating 48 aircraft that carry about 37 passengers each, across more than 40 destinations, Airlink has the largest regional footprint of any carrier currently operating in South Africa. In addition to flying between 18 destinations in South Africa, Airlink also flies to Botswana, the Democratic Republic of Congo, Lesotho, Madagascar, Mozambique, Namibia, Uganda, Zambia, Tanzania, and Zimbabwe. Airlink continued to operate during the Adjusted Alert Level 4 lockdown, although some regional flights were disrupted by travel restrictions in other parts of Africa.

CemAir resumed operating and had since signed interline agreements with Qatar and Ethiopian Airlines. At the end of the reporting period the airline was flying to Bloemfontein, Cape Town, George, Johannesburg, Margate, Plettenberg Bay, and Kimberley.

The SAA business rescue process, which was aimed at securing an equity partner and using more than R10 billion to settle outstanding debts, was completed on 30 April 2021. Two months later, the Minister of Public Enterprises announced on 11 June 2021 that Takatso Consortium was the equity partner and would own 51% of the new SAA, signifying a shift from the previous state-owned involvement. The purchase of the majority stake in the national airline was the first such form of privatisation of a state-owned enterprise since 2003 and it was envisaged that it will pump more financial resources and aviation skills into the SAA after emerging from business rescue in April 2021. The Minister of Public Enterprises indicated that the objectives of the partnership were to relaunch a viable, scalable, agile and sustainable national South African airline that would no longer be dependent on the South African fiscus. It was noted that this kind of private sector involvement in the national carrier was critical to ensure that the airline reduces its reliance on government bailouts for its survival. It was further noted that the Consortium's platform, intellectual property, experience, expertise, and substantial balance sheet will be leveraged to build a world-class airline. The consortium is part of government's aim to evaluate and explore the revival and re-establishment of partnerships with African and international airlines and networks, to fully access the growing African aviation market and for SAA to become the leading airline on the African continent once again. The SAA applied for the renewal of its Air Operator Certificate and this was subsequently granted on 30 July 2021.

The national carrier took to the skies again in September 2021, initially operating flights from Johannesburg to Cape Town, Accra, Kinshasa, Harare, Lusaka and Maputo. At the time, the SAA

indicated that more destinations would be added as it increases services, depending on market conditions.

As the SAA was not flying international routes yet, the airline largely escaped the turbulence hitting international carriers, which faced mass cancellations as travellers avoided strenuous travelling restrictions due to the emergence of the Omicron variant of the coronavirus. The Auditor-General named SAA among the entities with outstanding audits, and the SAA resolved to sell its subsidiary, Mango Airline, and divest from the low-cost carrier as part of its restructuring. SAA also cancelled its daily Mozambique flights.

In November 2021, SAA and Kenya Airways signed a strategic partnership framework during a state visit by President Uhuru Kenyatta to South Africa. A statement issued on behalf of the two national carriers indicated that the agreement was a milestone towards co-starting a Pan-African airline group by 2023. The two airlines agreed to work together to increase passenger traffic, cargo opportunities, and general trade in South Africa, Kenya, and the rest of Africa. At the time of signing the agreement, it was said that the strategic partnership would improve the financial viability of the two airlines, simultaneously offering competitive prices for both the passenger and cargo segments.

### 3.2.3 Summary of foreign airline operations into South Africa

As a result of the looming challenges at the beginning of the period under review, the country was moved from Alert Level 1 to Alert Level 3 and subsequently to adjusted Alert Level 4 at the close of the reporting period.

In the first quarter of the reporting period, around May 2021, the aviation sector was looking good, with the following regional and international flights operating:

- The Ethiopian Airlines and Turkish Airways operated since October 2020.
- Air Botswana, Air Mozambique, EgyptAir, Zimbabwe's FastJet, Kenya Airways and ProFlight

Zambia were also operating flights in and out of South Africa. Angola had, at the time, just recently reinstated their flights to South Africa.

Emirates and Etihad airlines halted operations into South Africa and consequently Qatar Airways was the only airline operating from the Middle East. However, at the beginning of the reporting period, Emirates had commenced operations into South Africa in April 2021, but were permitting only arrivals from the UAE, with departure flights still prohibited until 31 July 2021. Air France's scheduled flights between Johannesburg and Paris were increased from three (3) to five (5) flights per week.

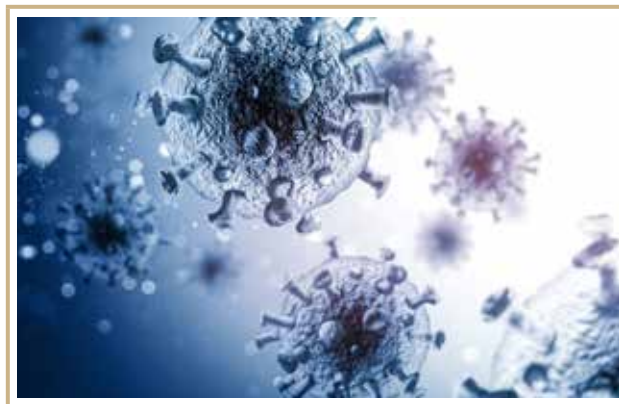
As far as the acceptance of South Africans flying into the Netherlands was concerned, only certain flights from South Africa were permitted during that time and this position was to be reviewed at the end of the first quarter of the period under review. Lufthansa (inclusive of Swiss, Austrian and Brussels Airlines) also started commercial passenger flights between Frankfurt, Johannesburg and Cape Town in the first quarter of the financial year, after a suspension that had started in the previous year.

British Airways, which operated daily flights between London and OR Tambo and Cape Town before the pandemic, had returned with limited services from October 2020 and Virgin Atlantic resumed flights to South Africa in the first quarter of the reporting period. Equally, in the same period, it was observed that some airlines, notably Cathay Pacific, started operations in June 2021 and Qantas indicated their resumption from the end of October 2021. Etihad Airways had commenced non-scheduled flights from May 2021 to July 2021. At the end of July 2021, Singapore Airlines had not indicated yet when they intended to resume flights into South Africa.

Lastly, the US carrier United Airlines launched direct flights to South Africa (OR Tambo International Airport) in May 2021, with the first flight taking to the skies in June 2021. At the time, the USA had still restricted SA passengers from travelling to the USA, unless it was under specific conditions permissible e.g., students returning to the US, business reasons, etc.

### 3.2.4 Economic impact of COVID-19 on African aviation

The African Airlines Association (AfRAA) reported that African airlines had recorded estimated losses of revenue to the tune of about US\$2.5 billion in the first quarter of 2021 and a US\$2.4 billion loss in the second quarter (April to June 2021) of the calendar year.



The AfRAA represents member airlines from the member states of the African Union (AU), and almost 50 airlines from across the continent are members – which is over 85% of the total international traffic carried by African airlines. AfRAA further reported that in June 2020, airline traffic decreased by 59% compared to the same month in 2019 and in June 2021, capacity declined by 49.6%.

According to AfRAA, domestic markets continued to record better performance, with demand for passenger travel outperforming intra-Africa and intercontinental travel at 63.2% as opposed to 22.2% for intra-Africa and 13.9% for interconnectional travel. AfRAA further stated that airline passenger traffic volumes remained low due to the inconsistencies in the messaging regarding border closures, health protocols and the continued upsurge in COVID-19 infections in some countries; and this resulted in significant losses incurred by airlines. It further said that with the alarming spread of the Delta variant and the havoc caused by the virus, particularly to the aviation industry globally, the continued financial losses were far from over.



### 3.2.5 Aviation trends in South Africa

#### 3.2.5.1 SAA restart and the equity partner

After the announcement by the Minister of Public Enterprises (DPE) on 11 June 2021 that the Takatso Consortium, comprising Harith General Partners, a leading investor in African infrastructure and airports, and airline management firm Global Airways, had been selected as the preferred Strategic Equity Partner (SEP) for South African Airways (SAA); the SAA flights returned to the skies on 27 September 2021 after being grounded since 2020. Flight operations between Johannesburg and Cape Town resumed on the same day – 27 September, to destinations that included Kinshasa in the Democratic Republic of Congo, Lusaka in Zambia, Maputo in Mozambique, and Accra in Ghana. SAA flights to Durban resumed on 3 March 2022.

The return of SAA to the skies provided much-needed relief, which was to benefit consumers, as it would bring more competitive pricing to the sector. The national carrier had been grounded for more than a year due to it being placed under voluntary business rescue, which ended in April 2021. The SAA also had to retrench thousands of workers because of financial challenges, exacerbated by the COVID-19 pandemic.



#### 3.2.5.2 SAA, Kenya Airways partner with plans to create pan-African airline group

The South African Airways (SAA) signed a memorandum of cooperation with Kenya Airways (KQ) with the long-term goal of creating a Pan-African airline group. The agreement did not offer an exclusivity that precludes either of the airlines from pursuing commercial cooperation with other carriers within the current route network strategy.

The airlines said that, in time, they expected that this airline group would enhance mutual growth potential by taking advantage of the strengths of the two airlines' busy hubs. Both airlines highlighted the partnership's significance in turning around the fortunes of both KQ and SAA, with the Memorandum of Understanding (MoU) envisaged to help improve customer experience by offering a wider range of choices and destinations, while their cooperation will also help in the standardisation of product and service offerings that are in line with current global aviation trends.

The collaboration was also aimed at assisting both airlines in the current and post-pandemic business and travel environment. This involved joint recovery strategies and other cost-containment strategies that would aid the recovery of both carriers in an increasingly competitive African airline environment. It was believed that the MoU would also help the tourism sectors in both countries, in time creating "the most formidable airline in Africa", benefitting from at least two attractive hubs in Johannesburg, Nairobi and possibly Cape Town.

#### 3.2.5.3 Reopening of Polokwane International and Plettenberg Bay Airports

Polokwane International Airport and the Plettenberg Bay Airport reopened in the third quarter of the financial year, after the Regulator had downgraded both airports. The Polokwane Airport had been downgraded due to safety reasons, from category seven to category two earlier in 2021, and welcomed its first flight on 18 October 2021 after five months of inactivity. On 12 November 2021 the Plettenberg Bay Airport was also reopened, after undergoing major upgrades to have its Category 4 licence reinstated.

### 3.2.5.4 Ethiopian Airlines enters into an interline agreement with SA Airlink



Ethiopian Airlines entered into an interline agreement with South Africa's Airlink to allow passengers to enjoy seamless travel with a single ticket and lower fare tickets between points within the carriers' synergized networks. With the interline agreements between the two carriers, passengers could book through their itineraries on both airlines easily.

The partnership was aimed at attracting more customers and providing ease of connectivity to their destinations, served by both Ethiopian Airlines and Airlink.

Ethiopian Airlines had been implementing the various partnership agreements with African and global carriers to further expand its accessibility to its customers. It was reported that the Ethiopian and Airlink customers would handle each other's travellers' check-in and baggage for all their flights with the airlines. Airlink provides services between smaller, under-served towns and larger hub airports. Hence, through the interline agreement signed with Ethiopian Airlines, customers from South Africa would benefit from more than 60 African destinations served by Ethiopian airlines.

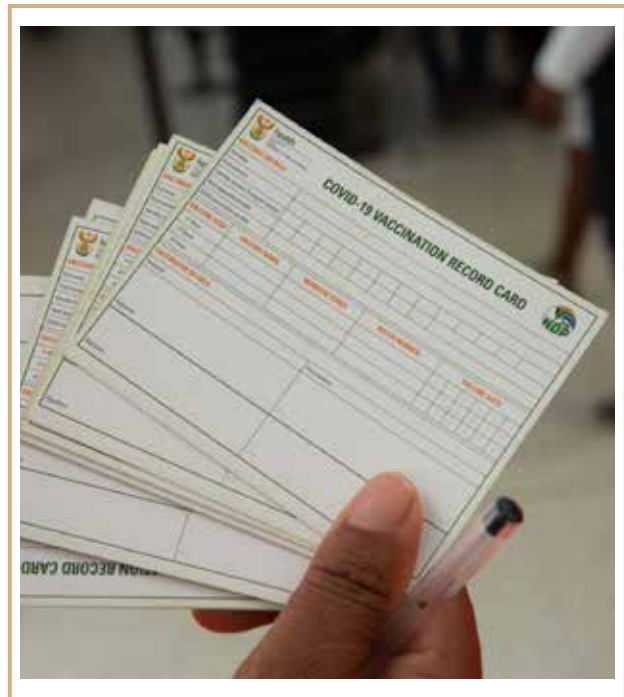
### 3.2.6 Global Navigation Satellite Systems (GNSS) jamming in conflict zone

A European aviation safety regulator issued a warning that an unidentified source was disrupting Global Positioning Systems (GPS) near Russia and the Ukraine. "In the current context of the Russian

invasion of Ukraine, the issue of Global Navigation Satellite Systems (GNSS) jamming and/or possible spoofing had intensified in geographical areas surrounding the conflict zone and other areas," the European Union Aviation Safety Agency said in a bulletin.

### 3.2.7 Vaccine passports considered as most airlines struggled to recover from the pandemic

Vaccine passports and mandates were still highly debated in the third quarter of the financial year. The International Air Transport Association (IATA) launched a Travel Pass App earlier in 2021 to help travellers to store and manage their verified certifications for COVID-19 tests or vaccinations as part of efforts to reopen borders without the need for quarantines. Members of the industry's global trade organisation met in Boston, USA as part of the World Air Transport Summit. The IATA called for government support and said South Africa should facilitate the speedy vaccination of its citizens to enable them to travel.





### 3.3 Organisational Environment

#### 3.3.1 The SACAA set to roll out the Risk and Performance-based Oversight model

The SACAA commenced with the implementation of the risk and performance-based oversight (RBO) model, where oversight is conducted systematically and in a planned way, taking into account the combination of the risk profile as well as the safety and security performance of an Operator. The risk-based oversight is an ICAO recommended model, which the SACAA has embraced, where oversight focusses on the management of risk, in addition to ensuring compliance. The planning cycle for such oversight may evolve from 24 to 48 months; up to five (5) years, with the audit intervals determined largely by the safety and security performance of each Operator.

The need for change was driven by the knowledge that Compliance-Based Oversight (CBO) was becoming inadequate for the high safety rate requirements. This new mode of oversight – the risk-based oversight, will introduce a safety culture and incorporate flexibility into oversight. Overregulation has demonstrated that there are still safety gaps, therefore, there was no need for more, but rather better oversight. The aviation industry is diverse in that each aviation company is different, not just in size or operation, but also in terms of the current safety levels, so the current type of oversight had become obsolete.

Organisations endure different threats and hazards according to their size or other prerequisites, and each of these should have the opportunity to follow different, optional ways to identify risks and mitigate such, thus reaching safety goals and improving the Operator's safety level. These optional ways of reaching safety goals must be adequately addressed through oversight by authorities. It is common knowledge that introducing new attitudes, especially in such an extensive industry as aviation, is challenging, thus there needs to be a transitional period that leads from purely prescriptive rules

through hybrid process/system-based oversight to fully performance-based oversight.

The following actions are required for its effective implementation, namely;

- acceptance of the new system,
- behavioural changes by both industry and the inspectorate.

Data is required to enable informed decision-making and collaboration with the industry will be critical for sharing data to prompt and enable the implementation of smart intelligence. The quality of the implemented system will depend on the monitoring of performance.

Employing the risk and performance-based oversight will ensure the following advantages for the industry:

- Size and complexity calculations will ensure that evaluations are done as per the structure and not compared to the sizes of organisations.
- Future oversight plans will be tailored on the latest assessment of an Operator's safety risk and performance.
- The planning cycle may be 24 – 48 months and even up to five (5) years; however, the period of time taken may be reduced if it can be established that the safety performance had significantly decreased.
- The choice of cycle length and audit interval may be driven by the availability of resources.
- For each Operator taken individually, the cycle length is derived from its risk profile.



## 4 KEY POLICY DEVELOPMENTS AND LEGISLATIVE CHANGES



### 4.1 Amendment of the Civil Aviation Act, 2009 (Act No. 13 of 2009)

- The amendments to the Civil Aviation Act were initiated through the development of the Civil Aviation Amendment Bill (Bill), 2018. The Portfolio Committee on Transport (PCOT) met in February and March 2021, to table, consider, and deliberate on public comments received after the Bill was published and to propose amended clauses to the Civil Aviation Bill, 2018. On 17 March 2021, the PCOT approved the Bill for further submission to the National Assembly, for debate and approval.
- The Bill was deliberated upon and approved by the National Assembly on 11 May 2021 and subsequently approved by the National Council of Provinces.
- The Bill was submitted to the President of the Republic and was subsequently approved, and he assented to the Act on 31 March 2022. The Act is called the Civil Aviation Amendment Act, 2021, (Act No. 22 of 2021) and it will come into effect from a date to be fixed by proclamation in the Gazette.

### 4.2 Promulgated Civil Aviation Regulations and Technical Standards

The SACAA has, in the reporting period, submitted the following Civil Aviation Regulations (CARs) to the Department of Transport (DoT) for consideration and promulgation:

1. The 21st Amendment of the Regulations was promulgated by the Minister on 15 November 2021, was published and came into operation on the same date. The 21st Amendment provides for, amongst others, the use of other electronic means such as social media (Whatsapp) to communicate legislative changes; duties of supplemental type certificate approval holders; inclusion of model aircraft in the applicability clause of Part 24; prohibition of falsification and unjustifiable reproduction of maintenance documents; criteria for qualifications of flight training device; reduction of pilot-in-command experience for the initial issuance of a multi-engine class rating from 100 to 70 hrs; issuance and validation foreign issued flight engineer licences and ratings; submission of self declaration instead of medical certificate for Class 5 medical certificate holders; use of portable electronic devices on board aircraft; requirements for performance-based navigation and operations; various level of findings which SACAA can issue against operators; measures to mitigate cyber security attacks; requirements for carriage of infants in an aircraft; requirements for long range flights over water; electronic flight bags and requirements for data collection to facilitate the transition to a full aeronautical information management environment.
2. The 23rd Amendment of the Regulations containing provisions relating to the increase of the passenger safety charge and user fees, was signed by the Minister on 30 September 2021. The 23rd Amendment of the Regulations was published on 1 October 2021 and came into operation on 1 November 2021. The 23rd Amendment contains proposals for fees charged in terms of Regulation 187, relating to the fees for services rendered by the SACAA to aviation personnel and the industry. The SACAA had proposed an increase in user fees, linked to the forecasted CPI rate for the 2021/22 financial year. The proposal for the increase of the passenger safety charge was also made and based on the CPI.

3. At the time of preparing this report, the 25th Amendment Regulations were before the Minister of Transport and the Minister of Finance. This Amendment deals with, amongst others, requirements for minimum navigation performance specifications, requirement of the pilot in command to report runway breaking action, introduction of demonstration flight to be accomplished over a route operated by operator, requirements for single engine turbine aeroplanes flown at night or at IMC conditions, heliport design requirements and standards and heliport emergency response and rescue requirements in terms of the Civil Aviation Act, 2009 (Act No. 13 of 2009). All regulation amendments relating to fees require the concurrence of the Minister of Finance.

The 25th Amendment contains proposals for increase of fees relating to Regulation 187, which deals with fees charged for services rendered by the SACAA to aviation personnel and the industry. The SACAA had proposed an increase in user fees, linked to the forecasted CPI rate for the 2022/23 and 2023/24 financial years. The proposal for the increase of the passenger safety charge is based on the CPI. It was proposed that the passenger safety charge be revised from R27.54 to R28.70.

4. An amendment of the Fuel Levy Determination in terms of section 2(2) of the South African Civil Aviation Levies Act, 1998 (Act No. 41 of 1998) for the 2022/23 financial year was also before both the Minister of Transport and the Minister of Finance. This proposed increase also required the concurrence of the Minister of Finance. The fuel levy was last increased from 18.3 c/l per litre, with effect from November 2021. The proposed increase of the fuel levy was linked to the forecasted CPI rate for the 2022/23 and 2023/24 financial years and was from 19.2 cents per litre to 20.3 cents per litre for the 2022/23 and 2023/24 financial years.

Further in the period under review, the following South African Civil Aviation Technical Standards (SA CATS) were promulgated:

1. SACATS 1/2021 were approved and promulgated by the Director on 05 November 2021 and published on the SACAA website with the effective and operational date of 05 November 2021. CATS 1 deals with amendment of provisions relating to CATS 121, 135 and 145. These Amendments cover, amongst other things, designation of airworthiness representatives and appointment of authorised persons in an aircraft maintenance organisation by the Director to approve installation of modifications and repairs of class 1 products.
2. SACATS 2/2021 were approved and promulgated by the Director on 05 November 2021 with the effective and operational date of 15 November 2021. SA CATS 2/2021 contain associated technical standards that accompany the 21st Amendment of the Regulations, referred to in sub-heading 4.2 number 1 above.
3. SACATS 1/2022 were approved and promulgated by the Director on 18 March 2022. These SA CATS are confidential in nature and are not published on the SACAA website, as they deal with security-related issues. CATS 1/22 deals with amendments that relate to, amongst others, Level 1 training for aviation security personnel who provide access to vehicles on airport restricted areas, expansion of the oversight scope to include non-scheduled aircraft operations and the requirement for non-scheduled aircraft operators to draw and submit security programmes for approval by SACAA.

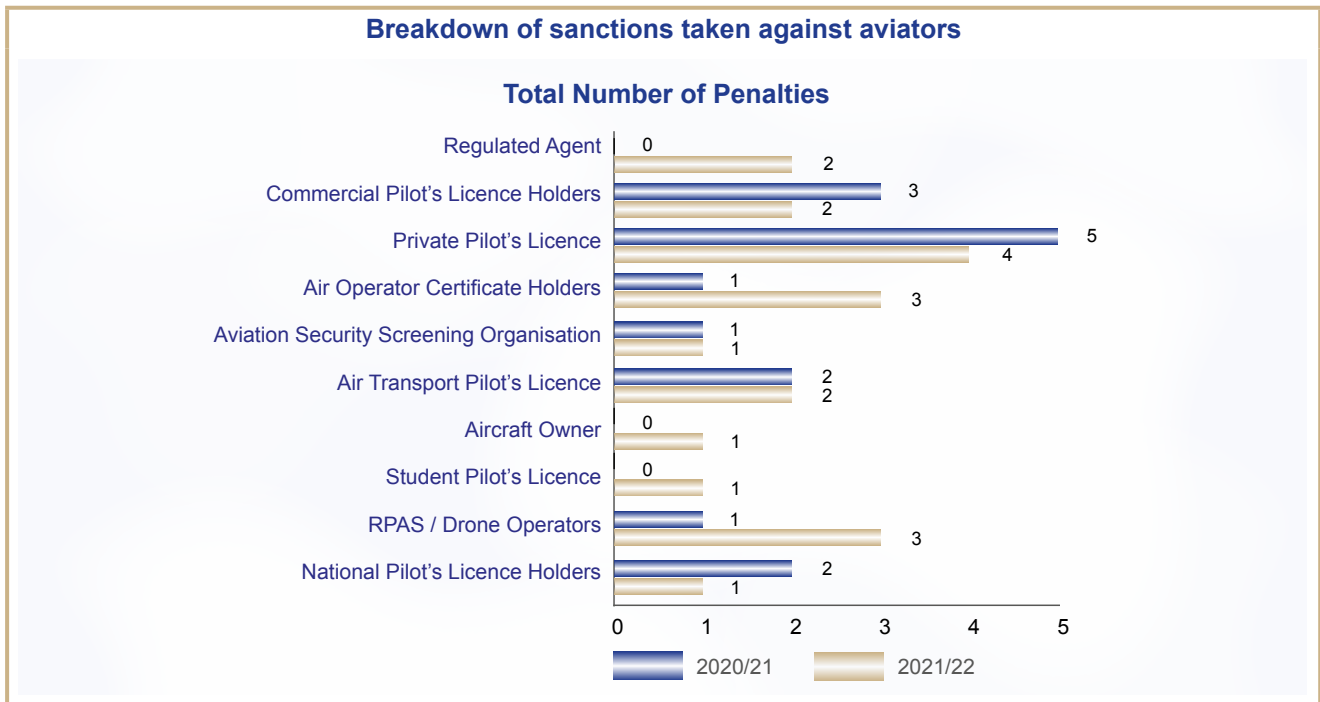
### 4.3 Enforcement of Compliance

In the aviation industry, omissions and non-compliance are precursors to the loss of lives. One of the primary responsibilities of any civil aviation regulator is to enforce compliance with the applicable standards and rules. In terms of the Civil Aviation Act, 2009 (Act No. 13 of 2009), the SACAA is empowered to impose sanctions in instances of non-compliance.

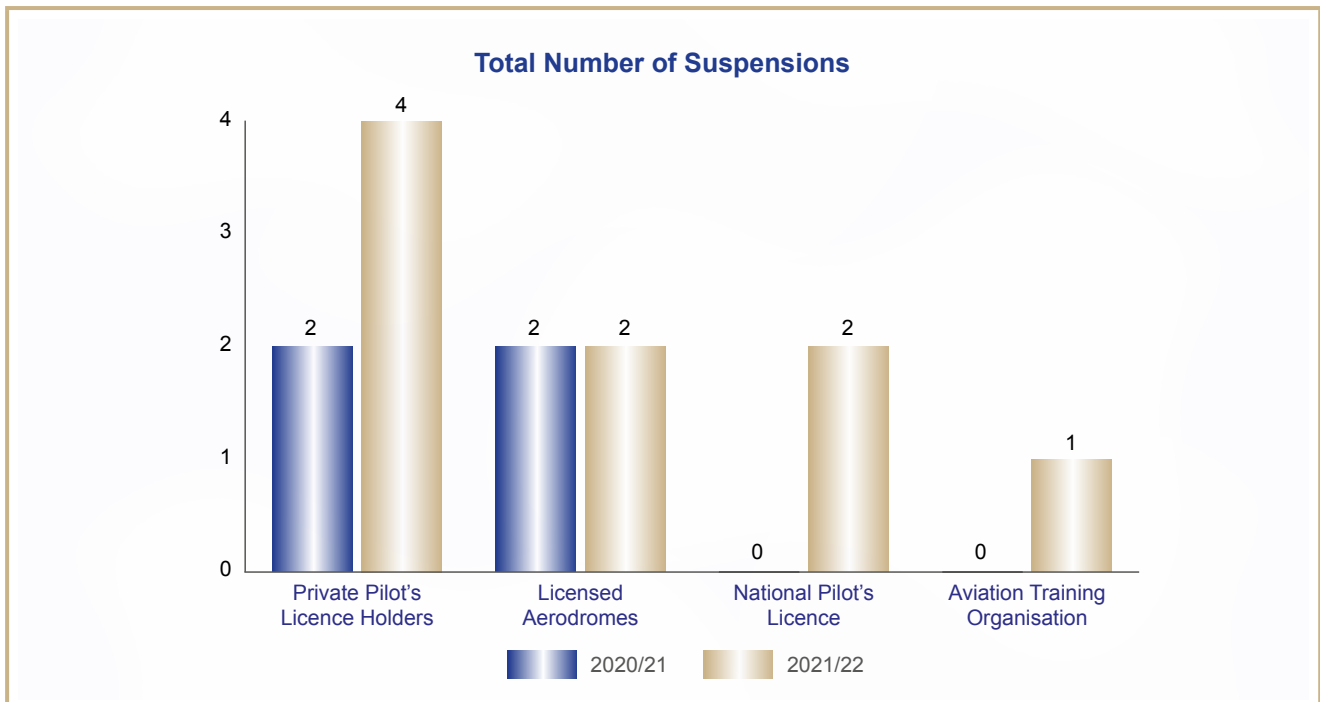
The total number of punitive measures taken during the 2021/22 financial year were **53**.

## PART B: PERFORMANCE INFORMATION

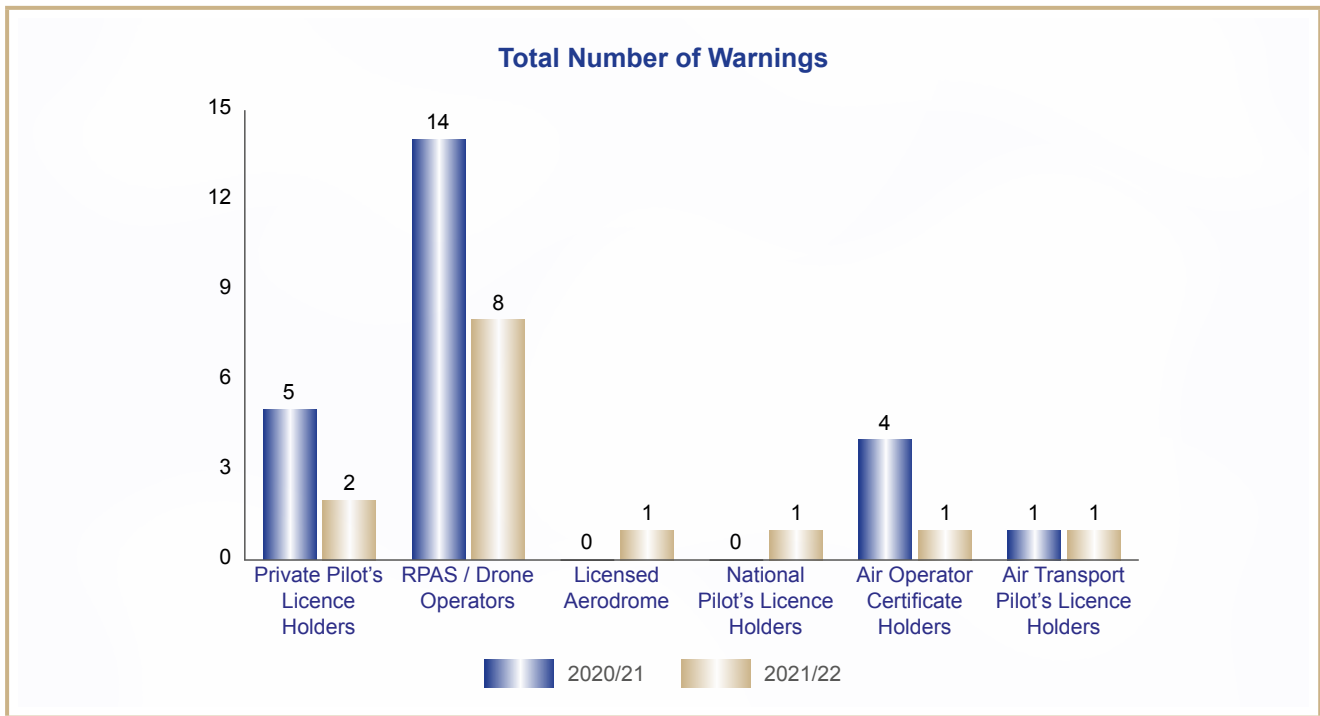
The graphs below provide a breakdown of the sanctions imposed as well as the categories of aviation operations where transgressions occurred.



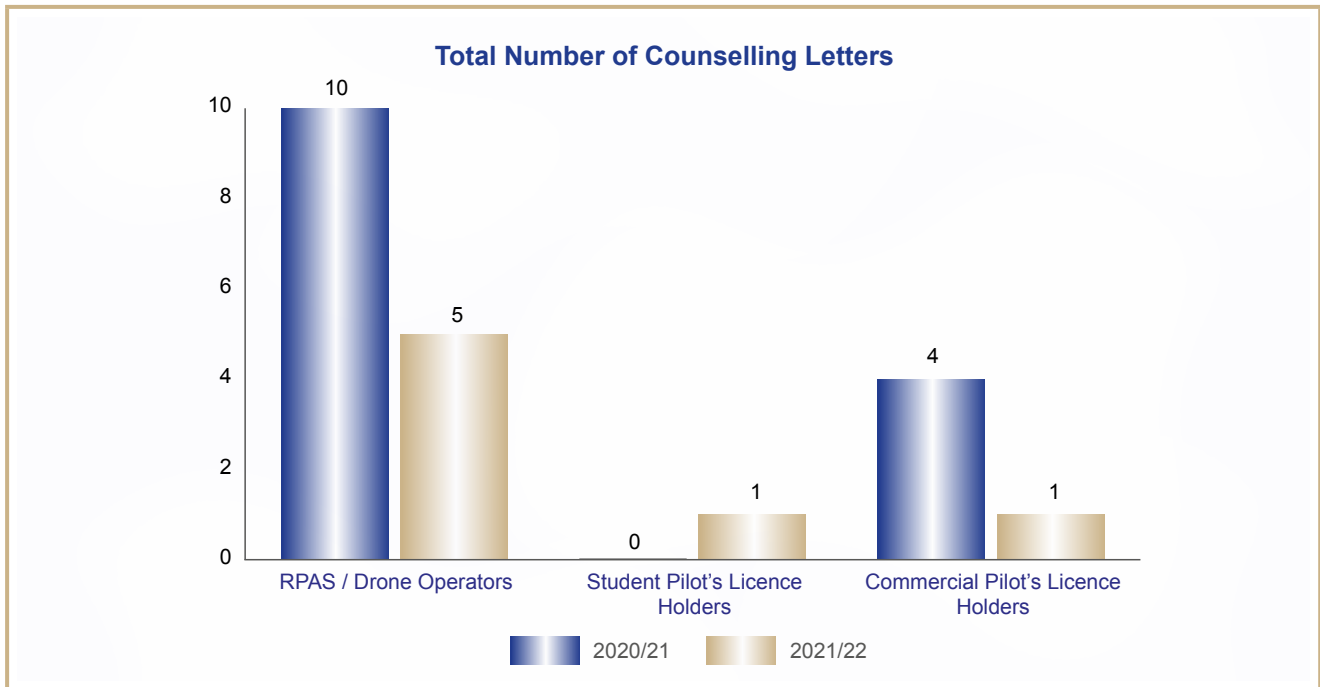
Graph 1: Total number of Penalties



Graph 2: Total number of Suspensions

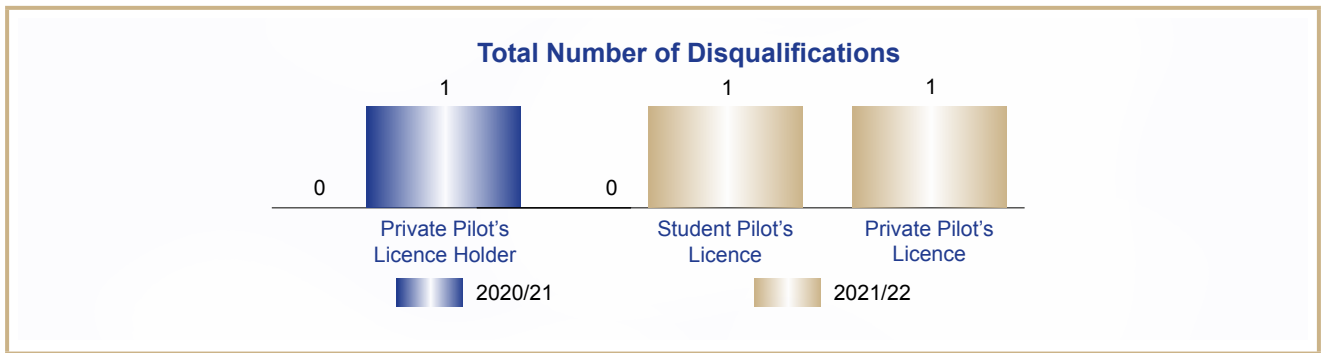


Graph 3: Total number of Warnings

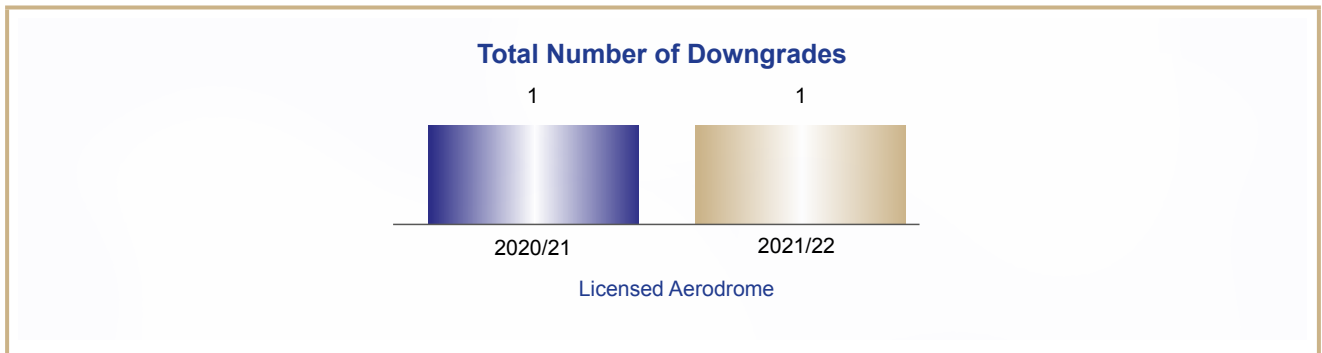


Graph 4: Total number of Counselling Letters

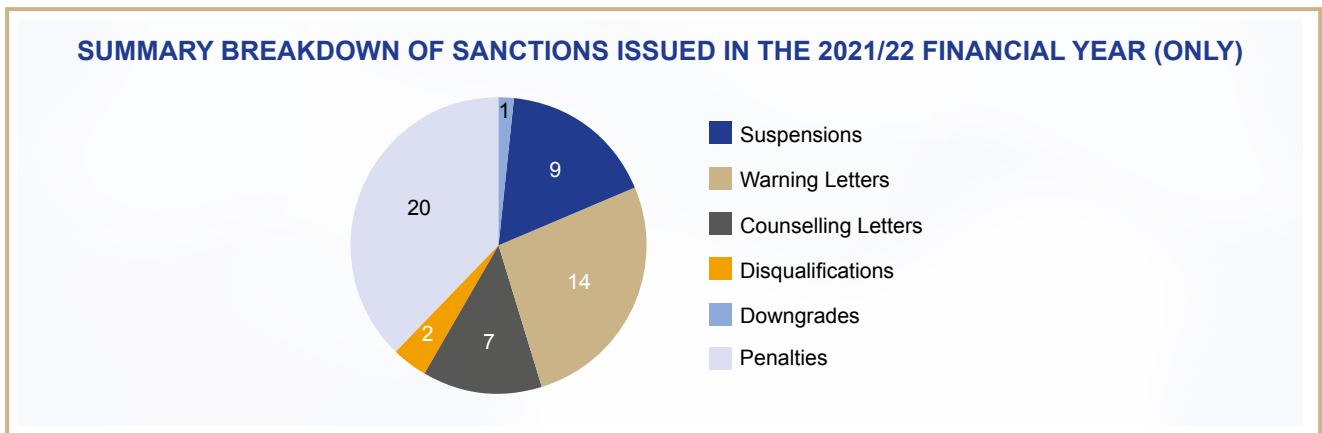




Graph 5: Total number of Disqualifications



Graph 6: Total number of Downgrades



Graph 7: Summary breakdown of Sanctions taken against Aviators

## 5. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

### 5.1 Personnel Licence Statistics

Transformation in the aviation industry has remained the biggest challenge and this issue has been continuing for several years. As at 31 March 2022, the number of South African personnel with technical licences was **17849** compared to the previous financial year's **15180**.

There has not been any significant movement in aviation personnel statistics, especially from those categorised as the previously disadvantaged individuals. The pilot's licence holders belonging to the White racial group still comprised 85% of the total pilot population, whereas Africans comprised 10%, Coloureds 2% and Indians 3%. The table below depicts the breakdown of demographical statistics:

SOUTH AFRICAN CIVIL AVIATION AUTHORITY – LICENCE DEMOGRAPHICS (MARCH 2022)						
	South African					Foreign Nationals
	African	Coloured	White	Indian	Total	Total
Student Pilot	567	100	1515	104	2286	1350
Private Pilot – Aeroplane	434	88	3765	110	4397	2109
Private Pilot – Helicopter	31	4	841	11	887	131
Commercial Pilot – Aeroplane	174	39	1677	73	1963	1739
Commercial Pilot – Helicopter	31	6	595	5	637	104
Airline Transport (Aeroplane)	73	31	2220	49	2373	194
Airline Transport (Helicopter)	6	2	230	2	240	11
<b>Total Pilots</b>	<b>1316</b>	<b>270</b>	<b>10843</b>	<b>354</b>	<b>12783</b>	<b>5638</b>
	10%	2%	85%	3%	100%	
<b>Aircraft Maintenance Engineers</b>	<b>1097</b>	<b>237</b>	<b>3483</b>	<b>249</b>	<b>5066</b>	<b>426</b>
	22%	5%	69%	5%	100%	
<b>Grand Total</b>	<b>2413</b>	<b>507</b>	<b>14326</b>	<b>603</b>	<b>17849</b>	<b>6064</b>
	14%	3%	80%	3%	100%	

Table 1: Aviation Personnel Licence Demographics By Trade – 2021/22

### 5.2 Review of the Aircraft Registry

Aircraft are broadly divided into two sub-groups:

- Type Certified (TCA) and;
- Non-Type-Certified (NTCA).

A type certified aircraft (TCA) is an aircraft type that has passed a rigorous process of regulatory compliance acceptance for purposes of certification and the subsequent issuing of a Type Certificate.

A non-type-certified aircraft has either not been issued with a type certificate, or the owner of the certificate (normally the original equipment manufacturer) has surrendered the certificate. The non-type-certified aircraft will include all aircraft not yet certified or those that are still busy with the process, or aircraft not intended to be certified; including experimental or ex-military aircraft.

Both the type certified (TCA) and the non-type-certified aircraft (NTCA) are subject to prescribed maintenance and continuous airworthiness requirements. The nature of the processes differ in that for the type certified sub-group, no deviations are allowed, while there is more flexibility for the non-type-certified aircraft sub-group, as experimentation with materials and processes is allowed for the NTCA.

Due to the “unconfirmed” nature of the non-type-certified aircraft, authorities world-wide have

restricted the permitted operation of such aircraft. For instance, in South Africa, a scheduled air service will not be allowed to use non-type-certified aircraft. However, South Africa permits the limited use of non-type-certified aircraft for pilot training and commercial operations, while there is no restriction on the type certified sub-groups.

In order to monitor trends, the SACAA keeps a register and statistics relating to the different aircraft sub-groups.

## Statistics of Type Certified Aircraft versus Non-Type-Certified Aircraft as at 31 March

Type Certified A/C		Non-Type-Certified A/C + RPAS			Total Aircraft		Type Certified %	
2014	2015	2016	2017	2018	2019	2020	2021	2022
5,994	6,053	6,126	6,165	6,253	6,318	6,610	6,548	6,523
5,992	6,106	6,203	6,293	7,128	7,338	7,776	8,054	6,316
11,986	12,159	12,589	12,936	13,381	13,656	14,386	14,602	15,157
50,01%	49,78%	48,66%	47,66%	46,73%	46,26%	45,94%	44,84%	43,04%

Table 2: Statistics of type certified aircraft versus non-type-certified aircraft



## 6. REVENUE COLLECTION



### 6.1 The impact of the COVID-19 Pandemic on Passenger Numbers and the SACAA's Passenger Safety Charge

The SACAA is a self-funded public entity that relies on a combination of revenue streams to fulfil its mandate and run its business operations. The revenue streams consist mainly of the passenger safety charge (PSC), user fees, fuel levy, as well as a fee from the Department of Transport for the investigation of aircraft accidents and incidents.

Additional financial support of R277.5 million (2021: R155.5 million) was received from the Department of Transport for the 2021/22 financial year, as a result of the financial impact on the SACAA's lower passenger numbers that was caused by the pandemic.

The total passenger numbers for the 2021/22 period amounted to 11 079 364, compared to the estimated number of 8 584 162. This is 29.1% higher than budgeted, and 133% higher than the same period last year, but still 50.2% lower than pre-COVID-19

(2019) levels. Passenger numbers increased as the impact of COVID-19 receded.

Unrestricted local air travel in South Africa has been allowed since 18 August 2020 and air borders remained open for the entire 2021/22 financial year. During the third wave of COVID-19 in South Africa, travel-for-leisure to and from the Gauteng Province (GP) was suspended for four (4) weeks, which caused some local airlines to temporarily suspend flight services during July and August 2021. When the fourth wave of the COVID-19 hit, several international airlines temporarily suspended their services to South Africa in December 2021. Despite the impact of COVID-19, passenger numbers recovered sharply during the last quarter of the financial year.

The Minister of Transport, with the concurrence of the Minister of Finance, approved an annual increase of 5% on the PSC for the 2021/22 financial year; bringing the amount to R27.54 per ticket, effective from 01 November 2021. A total of R298.1 million was generated by passenger safety charges, against a budget of R236.4 million.

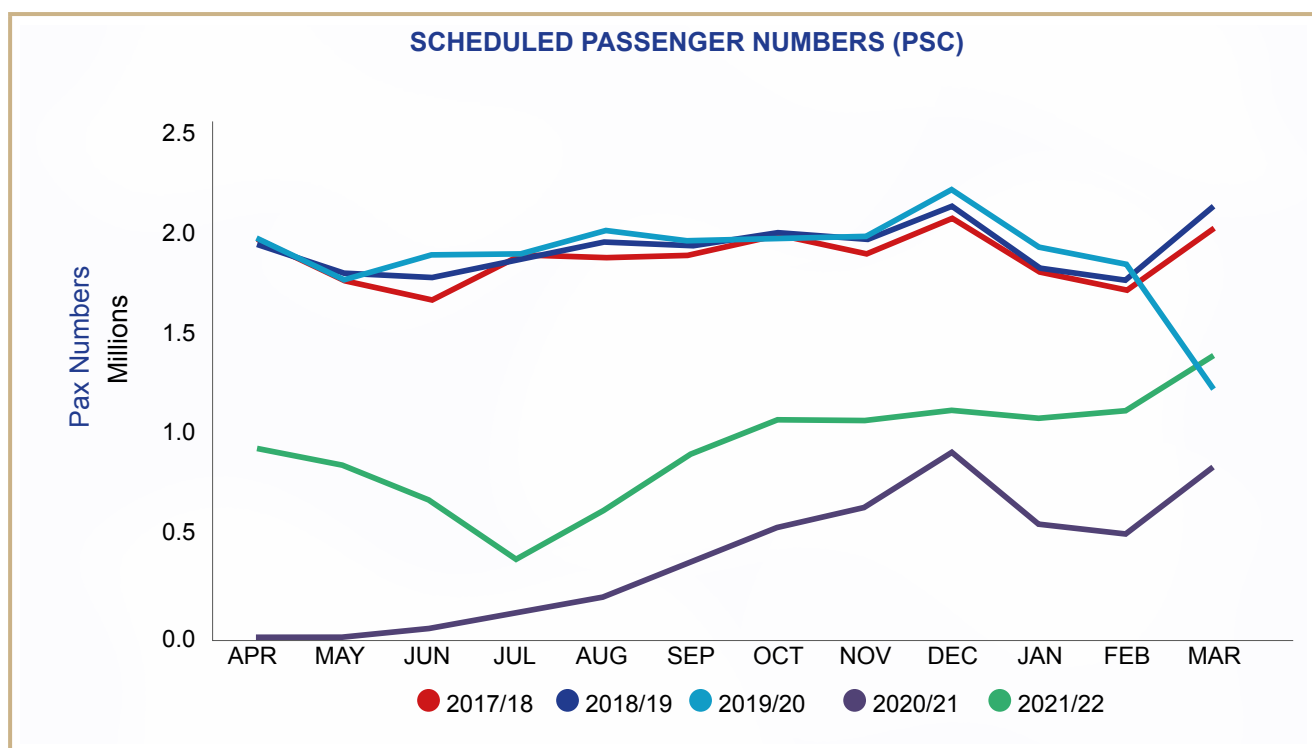
In the period under review, the passenger safety charge accounted for 38.4% of the total revenue, user fees for 14.5%, the fuel levy for 4.7%, the Department of Transport (DoT) for 40.4% and other income for 2%. Under normal circumstances, the passenger safety charge contributes around 76% of the total revenue. As the passenger safety charge is the biggest contributor to revenue, the passenger numbers have a major impact on the financial performance of the SACAA and these numbers are closely monitored every month.

The SACAA's revenue officials conduct regular PSC audits to ensure compliance by airlines and to strengthen relations between the Authority and the airline industry. Airlines earmarked for audits are selected by using a risk-based, annual audit plan. Larger airlines and airlines where discrepancies

were observed, are visited more frequently. The regulations require that all airports submit monthly passenger numbers to the SACAA, which are then compared with the declarations received from the airlines. Substantial, unexplained variances in numbers supplied by the airports and those from airlines are examined during the audit process.

The SACAA invoices the PSC one month in arrears, to allow for information received from airlines to be processed; thus, the actual passenger numbers reflected in the graph are also a month in arrears. Monthly provision is being made for the arrears.

The graph below provides an analysis of the passenger numbers for the last five (5) years; a comparison of passenger numbers over the years with the impact of the COVID-19 pandemic being clearly visible from March 2020.



Graph 8: Scheduled passenger numbers from the 2017/18 – 2021/22 financial years



## 6.2 SACAA Revenue Collection



The next table illustrates that the total revenue of R775.8 million for the financial year under review increased by 68.3% when compared to the R460.9 million in 2020/21. It is 9.3% higher than the budgeted revenue collection of R710 million for the financial year under review, due to higher passenger numbers than expected during the last quarter of the financial year, as well as increased fuel levy revenue due to increased activity in cargo and charter flights.

Passenger safety charges increased by R173.3 million or 138.9% from the previous financial year, due to higher passenger numbers and user fees

increased by R22.4 million or 24.8%. The fuel levy decreased slightly by 3.2% as more air cargo was routed through the cargo holds of increasing scheduled passenger flights. Other income in the previous financial year included a once-off gain on foreign exchange of R2.4 million.

Financial support from the Department of Transport increased from R155.5 million in the previous financial year to R277.6 million in the year under review. Interest revenue generated by reserve funds increased by R0.6 million from the previous financial year but was still R0.6 million lower than budget.

SACAA REVENUE COLLECTION								
Revenue collection	2021/22				2020/21			
Source of revenue	Budget	Actual	Variance	Variance	Budget	Actual	Variance	Variance
	R' million	R' million	R' million	%	R' million	R' million	R' million	%
Passenger Safety Charge	236.4	298.1	61.7	26.1%	115.4	124.8	9.4	8.1%
User fees	115.8	112.8	(3.0)	(2.6%)	89.9	90.4	0.5	0.6%
Fuel levy	29.8	36.4	6.6	22.1%	28.4	37.6	9.2	32.4%
Department of Transport	313.5	313.6	0.1	0.0%	190.0	190.0	-	0.0%
Interest received	11.5	10.9	(0.6)	(5.2%)	8.0	10.3	2.3	28.8%
Other income	3.0	4.0	1.0	33.3%	5.2	7.8	2.6	50.0%
<b>Total</b>	<b>710.0</b>	<b>775.8</b>	<b>65.8</b>	<b>9.3%</b>	<b>436.9</b>	<b>460.9</b>	<b>24.0</b>	<b>5.5%</b>

Table 3: SACAA revenue collection breakdown

## 7. STRATEGIC OUTCOME-ORIENTED GOALS

In compliance with the National Treasury guidelines on the development of Strategies and Annual Performance Plans for Schedule 3A entities, the SACAA conducted a situational analysis, employing the **SWOT** (strengths, weaknesses, opportunities, and threats) planning tool, the **PESTLE** (political, economic, social, technological, legal, and environmental) framework as well as the stakeholder analysis to ensure relevance.

In revising the Strategy and developing the 2021/22 Annual Performance Plan, the SACAA ensured alignment to and support for the National Development Plan (NDP) Vision 2030 and the Department of Transport outcomes.

## 8. SACAA 2021/22 STRATEGIC OUTCOMES

The SACAA adopted the following outcomes that inform the Strategic Thrust in the next five (5) years and thus informed the 2021/22 goals:

- Strengthened safety and security oversight system
- Financial sustainability
- Enhanced human capital management
- Innovation and technology management
- Improved stakeholder engagement and service excellence
- Sustained good corporate governance.

## 9. PERFORMANCE INFORMATION REPORT

At the end of March 2022, the SACAA's performance information against the set objectives for the period 1 April 2021 – 31 March 2022 was 100%. The following

tables detail the targets and the actual performance, quarterly and annually.



# PERFORMANCE INFORMATION REPORT

## 2021/22 PERFORMANCE INFORMATION REPORT - 01 April 2021 - 31 March 2022

**Legend:**

Achieved

In Progress

Not Achieved



No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
<b>Strategic Outcome 1: Strengthened Safety and Security Oversight System</b>															
1	Percentage Industry Cyber Security Strategy implemented.	Implement 90% of Phase 1 of the Industry Cyber Security Strategy.	Implement 30% of the Industry Cyber Security Strategy for approval by ExCo and report progress to Board.	Thirty percent (30%) of the implementation plan was achieved. The progress report was approved by ExCo. Progress was reported to Board.	Implement 50% of the Industry Cyber Security Strategy for approval by ExCo and report progress to Board.	Fifty percent (50%) of the implementation plan was achieved. The progress report was approved by ExCo. Progress was reported to Board.	Implement 70% of the Industry Cyber Security Strategy for approval by ExCo and report progress to Board.	Sixty percent (60%) of the Industry Cyber Security Strategy was implemented. A progress report was submitted to ExCo and was approved. Progress was reported to Board.	Implement 90% of the Industry Cyber Security Strategy for approval by ExCo and report progress to Board.	100% of the Industry Cyber Security implementation plan was achieved. A report was submitted to ExCo and was approved. Progress was reported to Board.	100% of the Phase 1 Industry Cyber Security Strategy was implemented and the quarterly reports were submitted to and approved by ExCo. Progress was further reported to the Board on a quarterly basis.	The organisation was able to close all the targets including those with external dependencies which led to the targets being met in full.	N/A	E: AvSec, E: AI	Achieved
2	Percentage Civil Aviation Safety Plan implemented.	Develop a CASP implementation plan and implement 90% of Phase 1 targets.	Develop the CASP implementation plan for approval by ExCo.	CASP implementation plan was developed. ExCo sent the submission back for additional work to be done and the plan was approved in quarter 2.	Implement 30% of Phase 1 of the CASP for approval by ExCo and report progress to Board.	Thirty percent (30%) of the implementation plan was achieved and the progress report was approved by ExCo. Progress was reported to Board.	Implement 60% of Phase 1 of the CASP for approval by ExCo and report progress to Board.	Sixty percent (60%) of the implementation plan was achieved. A report was submitted to ExCo and was approved. Progress was reported to Board.	Implement 90% of Phase 1 of the CASP for approval by ExCo and report progress to Board.	100% of the implementation plan was achieved for Phase 1. A report was submitted to ExCo and was approved. Progress was reported to Board.	The Civil Aviation Safety Plan was developed and approved by ExCo. 100% of the plan was implemented for Phase 1. The reports were submitted to and approved by ExCo on a quarterly basis. Progress was also reported to the Board quarterly.	All the targets in the project plan were closed successfully.	N/A	E: ASO, E: AI	Achieved
3	Percentage Risk-based oversight model implemented.	Develop an RBO implementation plan and implement 90% of Y1 targets.	Develop the Y1 RBO implementation plan for approval by ExCo and report progress to Board.	RBO implementation plan was developed and approved by ExCo. Progress was reported to Board.	Implement 30% of Year 1 RBO deliverables for approval by ExCo and report progress to Board.	Thirty percent (30%) of the deliverables for Year 1 of the RBO was implemented and the progress report was approved by ExCo. Progress was reported to Board.	Implement 60% of Year 1 RBO deliverables for approval by ExCo and report progress to Board.	Forty Eight percent (48%) of the deliverables for Year 1 of the RBO has been implemented and the progress report was submitted to and approved by ExCo. Progress was reported to Board.	Implement 90% of Year 1 RBO deliverables for approval by ExCo and report progress to Board.	100% of the deliverables for Year 1 of the RBO project has been implemented and achieved. A report was submitted to and was approved by ExCo. Progress was reported to Board.	The RBO implementation plan was developed and approved by ExCo. 100% of the Year 1 RBO project plan was achieved. Quarterly reports were submitted to and approved by ExCo. Progress was reported to Board quarterly.	The organisation was able to achieve all the targets as per the project plan.	N/A	E: ASO, E: AI, E: AvSec	Achieved

# PERFORMANCE INFORMATION REPORT

## 2021/22 PERFORMANCE INFORMATION REPORT - 01 April 2021 - 31 March 2022

**Legend:**

Achieved

In Progress

Not Achieved



### PART B: PERFORMANCE INFORMATION

No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
4	Revised Civil Aviation Pandemic Preparedness Plan.	Review the Civil Aviation Pandemic Preparedness Plan.	Stakeholder consultation on the Civil Aviation Pandemic Preparedness Plan and submit stakeholder consultation progress report to ExCo.	The first round of internal and external Stakeholder consultation on the Civil Aviation Pandemic Preparedness Plan was completed. The stakeholder consultation progress report was approved by ExCo. Progress was reported to Board.	Stakeholder consultation on the Civil Aviation Pandemic Preparedness Plan and submit stakeholder consultation progress report to ExCo.	Stakeholder consultation was conducted, and the progress report was approved by ExCo. Progress was reported to Board.	Revise Civil Aviation Pandemic Preparedness Plan and submit draft to ExCo for comments.	Draft/Revise Civil Aviation Pandemic Preparedness Plan is submitted to ExCo for comments. A progress report was submitted to and approved by ExCo. Progress was reported to Board.	Submit final Civil Aviation Pandemic Preparedness Plan to ExCo for approval.	The final Civil Aviation Pandemic Preparedness Plan was reviewed and submitted to and approved by ExCo. Progress was reported to Board.	The final Civil Aviation Pandemic Preparedness Plan was reviewed and was approved by ExCo. Progress was also reported to Board.	N/A	N/A	E: ASO	Achieved
5	Concept document on the administration of regional examinations developed.	Develop a concept document to administer examinations within the Region on a cost recovery basis.	Conduct a needs analysis in the region for examination services. Report progress to ExCo.	The needs analysis for quarter 1 was not completed. A progress report was submitted to ExCo but was not approved. Progress was reported to Board.	Conduct a needs analysis in the region for examination services. Report progress to ExCo.	The need analysis exercise was completed during the quarter under review and the progress report was approved by ExCo. Progress was reported to Board.	Develop a draft concept document for ExCo comments.	Draft concept document is submitted to ExCo for comments. A progress report was submitted to ExCo and was approved. Progress was reported to Board.	Submit the final concept document for providing examinations in the Region for ExCo approval.	The final Regional Examinations concept document was submitted to ExCo and was approved. Progress was reported to Board.	The Regional Examination concept document was developed and submitted to ExCo for approval. ExCo approved the concept document. Progress was reported to Board quarterly.	N/A	N/A	E: ASO	Achieved
6	Security Culture Plan developed, and percentage implemented.	Develop and implement 90% of Y1 of the Security Culture Plan.	Develop the Security Culture Plan for approval by DCA.	The Security Culture Plan was developed and submitted to DCA. DCA approved the plan.	Implement 30% of the Security Culture Plan for approval by DCA.	Thirty percent (30%) of the Security Culture Plan was implemented and the progress report was approved by DCA.	Implement 60% of the Security Culture Plan for approval by DCA.	Sixty percent (60%) of the Security Culture Plan was implemented and a report was submitted to DCA and was approved.	Implement 90% of the Security Culture Plan for approval by DCA.	100% of the Security Culture Plan was achieved. A report was submitted to DCA and was approved.	The Security Culture Plan was developed and approved by DCA. 100% of the Security Culture plan was implemented and the reports were submitted to the DCA and were approved quarterly.	The cooperation and collaboration with industry contribute to this target being met in full.	N/A	E: AvSec	Achieved

## PERFORMANCE INFORMATION REPORT

### 2021/22 PERFORMANCE INFORMATION REPORT - 01 April 2021 - 31 March 2022

**Legend:**

Achieved

In Progress

Not Achieved



No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
7	Percentage USAP Preparedness Plan implemented	Revise USAP Preparedness Plan and implement 100% of the Plan.	Revise the USAP Preparedness Plan and submit to ExCo for approval.	The USAP Preparedness Plan was revised and was submitted to ExCo. ExCo approved the revised plan. Progress was reported to Board.	Implement the 30% of the USAP Preparedness Plan.	Twenty three percent (23%) of the USAP Preparedness plan was implemented and the progress report was approved by ExCo. Progress was reported to Board.	Implement the 60% of the USAP Preparedness Plan.	Sixty percent (60%) the USAP Preparedness Plan was implemented, and a report is submitted to and approved by ExCo. Progress was reported to Board.	Implement the 100% of the USAP Preparedness Plan.	The USAP Preparedness Plan was achieved in full (100%). A close out report was submitted to ExCo and was approved. Progress was reported to Board.	The USAP Preparedness Plan was revised and submitted to ExCo for approval. ExCo approved the preparedness plan. 100% of the USAP preparedness Plan was achieved. Quarterly reports were submitted to and approved by ExCo. Progress was reported to Board quarterly.	N/A	N/A	E: AvSec	Achieved
8	ICVM Preparedness Plan revised and Percentage ICVM Preparedness Plan implemented.	Revise and implement 90% of the ICVM Preparedness Plan.	Revise the ICVM Preparedness Plan and submit to ExCo for approval.	The revised ICVM Preparedness Plan was submitted to ExCo. ExCo approved the Plan following some improvements with the project timelines. Progress was reported to Board.	Implement 30% of the ICVM Preparedness Plan and report progress to ExCo.	Sixty two percent (62%) of the ICVM Preparedness Plan has been achieved. The progress report was approved by ExCo. Progress was reported to Board.	Implement 60% of the ICVM Preparedness Plan and report progress to ExCo.	ICVM readiness progress is at 65,46%. A report was submitted to ExCo and was approved. Progress was reported to Board.	Implement 90% of the ICVM Preparedness Plan and report progress to ExCo.	90.5% implementation of the ICVM Preparedness Plan was achieved and a report was submitted to ExCo and was approved. Progress was reported to Board.	The ICVM preparedness Plan was revised and was approved by ExCo. 90,5% of the ICVM preparedness Plan was achieved. Quarterly reports were submitted to and approved by ExCo. Progress was reported to Board quarterly.	N/A	N/A	E: LAC E: ASO E: AI E: AvSec	Achieved



# PERFORMANCE INFORMATION REPORT

## 2021/22 PERFORMANCE INFORMATION REPORT - 01 April 2021 - 31 March 2022

### Legend:

Achieved

In Progress

Not Achieved



No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
9	Gap analysis report on State Letters developed and a corrective action plan developed.	Develop a gap analysis report on the status of State Letter requirements against the Civil Aviation Regulations and develop a corrective action plan.	Conduct a gap analysis on the status of State Letters against the Civil Aviation Regulations and report progress to ExCo.	The progress report on the gap analysis was submitted to ExCo. ExCo approved the progress report. Progress was reported to Board.	Develop the gap analysis report on the status of State Letters against the Civil Aviation Regulations for approval by ExCo.	The gap analysis including annex 17 has been approved by ExCo. Progress was reported to Board.	Develop a corrective action plan to close the gap in the CARs in line with the State Letters.	Following the recent promulgation of the 21st amendment of the Civil Aviation Regulations, the gap analysis tool is in the process of being updated.  Development of corrective action plan is in progress. A progress report was submitted to and approved by ExCo. Progress was reported to Board.	Submit a final corrective action plan and submit to ExCo for approval.	The corrective action plan for closing the gap between the State Letters and Civil Aviation Regulations was completed and submitted to ExCo. ExCo approved the report. Progress was reported to Board.	The gap analysis was conducted, and a report was submitted to ExCo for approval. ExCo approved the gap analysis report. A corrective action plan was developed to close the gaps identified. The CAP was submitted to and approved by ExCo, and progress was reported to Board quarterly.	N/A	N/A	E: LAC	Achieved
10	Improved Personnel Licensing Approach Project Plan developed, and percentage implemented.	Develop and implement 100% of Improved Personnel Licensing Approach project and report progress to ExCo and Board.	Develop the Improved Personnel Licensing Approach project plan for ExCo approval.	The Project Plan on Improved Personnel Licensing Approach was not approved by ExCo. Progress was reported to Board.	Implement 40% of the Improved Personnel Licensing Approach Project Plan for ExCo approval.	Forty percent (40%) of the implementation plan has been achieved and progress was approved by ExCo. Progress was reported to Board.	Implement 70% of the Improved Personnel Licensing Approach Project Plan for ExCo approval.	Ninety percent (90%) of the Improved Personnel Licensing Approach implementation plan has been achieved and progress was reported to and approved by ExCo. Progress was reported to Board.	Implement 100% of the Improved Personnel Licensing Approach project plan for ExCo approval.	100% of the Improved Personnel Licensing Approach implementation plan is achieved and a progress report was submitted to ExCo and was approved. Progress was reported to Board.	The Improved Personnel Licensing Approach Project Plan was developed and approved by ExCo. 100% of the Improved Personnel Licensing Approach Project Plan was achieved. Quarterly reports were submitted to and approved by ExCo. Progress was reported to Board quarterly.	N/A	N/A	E: ASO	Achieved

No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
11	Percentage GA Safety Strategy implemented.	Implement 90% of Year 2 GA Safety Strategy.	Implement 30% of the Year 2 deliverables in the GASS for ExCo approval.	30% of Year 2 deliverables in the GASS implementation plan were achieved and reported to ExCo. ExCo approved the progress report. Progress was reported to Board.	Implement 50% of the Year 2 deliverables in the GASS for ExCo approval.	Fifty two percent (52%) of the Y2 GASS implementation plan was achieved, and the progress report was approved by ExCo. Progress was reported to Board.	Implement 70% of the Year 2 deliverables in the GASS for ExCo approval.	Seventy eight percent (78%) of the Y2 GASS implementation plan was achieved, and the progress report was submitted to and approved by ExCo. Progress was reported to Board.	Implement 90% of the Year 2 deliverables in the GASS for ExCo approval.	95% of the Y2 GASS implementation plan is achieved, and the progress report was submitted to ExCo and was approved. Progress was reported to Board.	95% of the GASS was implemented. A report was submitted to and approved by ExCo. Progress was reported to Board quarterly.	Most of the activities in the project were closed successfully.	N/A	E: ASO	
<b>Strategic Outcome 2: Financial Sustainability</b>															
12	Percentage ABC model implemented.	Implement 90% of the ABC model in 1 Technical Division.	Implement 30% of the ABC model in 1 Technical Division for approval by ExCo and report progress to Board.	A progress report was submitted to ExCo for approval. ExCo did not approve the report and recommended improvements to be implemented in the second quarter. Progress was reported to Board.	Implement 50% of the ABC model in 1 Technical Division for approval by ExCo and report progress to Board.	The project plan was sent back for improvements and was therefore approved at the beginning of quarter 2. Thirty five percent (35%) of the project was implemented and the report was approved by ExCo. Progress was reported to Board.	Implement 70% of the ABC model in 1 Technical Division for approval by ExCo and report progress to Board.	Seventy percent (70%) of the ABC Model for the AvSec Division has been implemented. Progress will be reported to Board. Progress was reported to Board.	Implement 90% of the ABC model in 1 Technical Division for approval by ExCo and report progress to Board.	100% of the ABC model for the AvSec Division was achieved. A report was submitted to ExCo and was approved. Progress was reported to Board.	100% of the ABC project plan for 1 Technical Division was achieved. A report was Quarterly reports were submitted to and approved by ExCo and the Board.	All the activities in the project plan were concluded successfully.	N/A	E: FIN	
13	Percentage reduction of cases of wasteful and fruitless expenditure	100% reduction of cases of wasteful and fruitless expenditure	N/A	N/A	Report on steps taken to reduce wasteful and fruitless expenditure to ExCo and Board.	No wasteful and fruitless expenditure recorded. Therefore, the project is at 100%. A report was submitted to ExCo and was approved. Progress was reported to Board.	Report on steps taken to reduce wasteful and fruitless expenditure to ExCo and Board.	No wasteful and fruitless expenditure recorded. Therefore, the project is at 100%. A report was submitted to ExCo and was approved. Progress was reported to Board.	100% reduction of wasteful and fruitless expenditure cases and report to board and DoT.	No wasteful and fruitless expenditure was recorded. Therefore, the project was at 100%. A report was approved by ExCo. Progress was reported to Board.	There was no wasteful and fruitless expenditure during the FY. The target of 100% was therefore achieved. Quarterly reports were submitted to Exco and were approved quarterly. Progress was also reported to Board quarterly.	N/A	N/A	E: FIN	

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### Legend:

Achieved

In Progress

Not Achieved



No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
14	Percentage reduction of cases of irregular expenditure	75% reduction of cases of irregular expenditure	N/A	N/A	Report on steps taken to reduce irregular expenditure to ExCo and Board.	No irregular expenditure incurred. Therefore, the project is at 100%. A report was submitted to ExCo and was approved. Progress was reported to Board.	Report on steps taken to reduce irregular expenditure to ExCo and Board.	No irregular expenditure incurred. Therefore, the project is at 100%. A report was submitted to ExCo and was approved. Progress will be reported to Board. Progress was reported to Board.	75% reduction of irregular expenditure and report to Board and DoT on steps taken to reduce irregular expenditure.	No irregular expenditure was incurred. Therefore, the project is at 100%. A report was approved by ExCo. Progress was reported to Board.	There was no irregular expenditure during the FY. The target of 100% was therefore achieved. Quarterly reports were submitted to ExCo and were approved. Progress was also reported to Board quarterly.	N/A	N/A	E: FIN	Achieved
15	Percentage compliance to 30-day payment requirement	100% compliance to 30-day payment requirement	N/A	N/A	Report on steps taken to ensure compliance to the 30-day payment requirement to ExCo.	Steps to ensure compliance with the 30-day payment have been identified and a report was submitted to and approved by ExCo. Progress was reported to Board.	Report on steps taken to ensure compliance to the 30-day payment requirement to ExCo.	Steps to ensure compliance with the 30-day payment have been identified and a report was submitted to and approved by ExCo. Progress was reported to Board.	100% compliance to 30-day payment and report to Board and DoT on steps taken to ensure compliance to the 30-day payment requirement	100% of the 30-day payment requirement was met. A report was submitted to and approved by ExCo. Progress was reported to Board.	100% of the 30-day payment requirement was met during the financial year. Quarterly reports were submitted to and approved by ExCo. Progress was reported to Board quarterly.	N/A	N/A	E: FIN	Achieved
<b>Strategic Outcome 3: Enhanced Human Capital Management</b>															
16	Percentage Human Capital Plan implemented.	Implement 90% of Y1 Human Capital Plan.	Implement 30% of the Y1 Human Capital Plan, for approval by ExCo and the HRC.	Thirty percent (30%) of the targets in the Human Capital Plan implementation plan were achieved. A report on the progress was submitted to and approved by ExCo, HRC and Board.	Implement 50% of the Y1 Human Capital Plan, for approval by ExCo and the HRC.	Sixty one percent (61%) of the targets in the Human Capital Plan have been achieved as at the end of September. The report was approved by ExCo, HRC and Board.	Implement 70% of the Y1 Human Capital Plan, for approval by ExCo and the HRC.	Seventy seven percent (77%) of the Q3 deliverables have been achieved. A report was submitted to ExCo, HRC and Board and was approved.	Implement 90% of the Y1 Human Capital Plan, for approval by ExCo and the HRC.	100% of the deliverables have been achieved. A report was submitted to ExCo, HRC and Board and was approved.	100% of the Human Capital plan was achieved. Quarterly reports were submitted to and approved by ExCo, HRC and Board.	All the activities in the implementation plan were concluded successfully.	N/A	E: HR	Achieved

No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
<b>Strategic Outcome 4: Innovation and Technology Management</b>															
17	Percentage business process redesign Project Plan implemented.	Implement 90% of the business process redesign Project Plan.	Implement 30% of the business process redesign Project Plan for approval by ExCo.	Twenty three percent (23%) of the BPR quarter 1 targets were implemented. A report was submitted and approved by ExCo.	Implement 50% of the business process redesign Project Plan for approval by ExCo.	Fifty five percent (55%) of the BPR project was completed as at the end of the quarter and the project report was approved by ExCo.	Implement 70% of the business process redesign Project Plan for approval by ExCo.	Seventy seven percent (77%) of the BPR project was achieved at the end of quarter 3. A report was submitted to ExCo and was approved.	Implement 90% of the business process redesign Project Plan for approval by ExCo.	Ninety-four percent (94%) of the BPR project was achieved at the time of reporting. A report was submitted to ExCo and was approved.	94% of the Business Process Redesign project was achieved. Quarterly reports were submitted to and approved by ExCo.	N/A	N/A	E: CS	
18	Percentage ICT plan implemented.	Implement 90% of Phase 2 of the ICT Plan.	Implement 30% of Phase 2 of the ICT Plan for approval by ExCo and report progress to Board.	Twenty seven percent (27%) of the Phase 2 ICT Plan has been achieved. A report was submitted to ExCo and Board and was approved.	Implement 50% of Phase 2 of the ICT Plan for approval by ExCo and report progress to Board.	Forty-seven and a half percent (47.5%) of Phase 2 of the project plan was achieved. A report was submitted to ExCo and Board and was approved.	Implement 70% of Phase 2 of the ICT Plan for approval by ExCo and report progress to Board.	Sixty three percent (63.3 %) of the Phase 2 ICT strategy was achieved and the project is running behind schedule. The remaining deliverables will be achieved by the end of January 2022. A report was submitted to ExCo and Board and was approved.	Implement 90% of Phase 2 of the ICT Plan for approval by ExCo and report progress to Board.	Ninety one percent (91,3%) of the Phase 2 ICT Plan was achieved at the time of reporting. A report was submitted to ExCo and Board and was approved.	91,3% of the Phase 2 ICT plan was achieved. Quarterly reports were submitted to and approved by ExCo and Board.	N/A	N/A	E: FIN	
19	Percentage Research Strategy implemented.	Implement 80% of Y1 of the Research Strategy implementation plan.	Implement 20% of Y1 of the Research Strategy implementation plan and report progress to ExCo.	Twenty percent (20%) of the Y1 research strategy implementation plan was achieved. A report was submitted to ExCo and was approved.	Implement 40% of Y1 of the Research Strategy implementation plan and report progress to ExCo.	Thirty two percent (32%) of the Y1 Research Strategy plan was implemented and a report on the progress was approved by ExCo.	Implement 60% of Y1 of the Research Strategy implementation plan and report progress to ExCo.	The Y1 research strategy implementation is at 45,3%. A report was submitted to ExCo and was approved.	Implement 80% of Y1 of the Research Strategy implementation plan and report progress to ExCo.	100% of the Y1 Research Strategy has been achieved. A report was submitted to ExCo and was approved.	100% of the Y1 Research Strategy implementation plan was achieved. Quarterly reports were submitted to and approved by ExCo.	All the actions in the project plan were achieved as a result of the organisation capacitating the unit.	N/A	DCA	

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### Legend:

Achieved

In Progress

Not Achieved



No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
<b>Strategic Outcome 5: Improved Stakeholder Engagement and Service Excellence</b>															
20	Percentage SMP implemented.	Implement 90% of Phase 2 of the Stakeholder Management Plan.	Implement 30% of Phase 2 of the SMP for approval by ExCo and report progress to the Board.	Thirty three percent (33%) of the Phase 2 SMP was achieved and a progress report was submitted to ExCo and Board and was approved.	Implement 50% of Phase 2 of the SMP for approval by ExCo and report progress to the Board.	Forty-nine-point six percent (49.6%) of the Phase 2 SMP was achieved. A report was submitted to and was approved by ExCo and Board.	Implement 70% of Phase 2 of the SMP for approval by ExCo and report progress to the Board.	Seventy percent (70%) of the Phase 2 Stakeholder Management Plan was achieved during the quarter. A report was submitted to ExCo and Board and was approved.	Implement 90% of Phase 2 of the SMP for approval by ExCo and report progress to the Board.	One hundred percent (100%) of the Phase 2 Stakeholder Management Plan was achieved. A report was submitted to ExCo and Board and was approved.	100% of the Phase 2 SMP was achieved. Quarterly reports were submitted to and approved by ExCo and the Board.	All the targets in the implementation plan were achieved.	N/A	E: CS	Achieved
21	Percentage Customer Contact Centre business case implemented.	Implement 80% of Phase 2 of the Customer Contact Centre business case.	Implement 20% of Phase 2 of the Customer Contact Centre for approval by ExCo and report progress to Board.	Twenty four percent (24%) of the Phase 2 project was achieved. A report was submitted to ExCo and Board and was approved.	Implement 40% of Phase 2 of the Customer Contact Centre for approval by ExCo and report progress to Board.	The Phase 2 Customer Contact Centre project completion is at 28% as at the end of the quarter. A report was submitted to ExCo and Board and was approved.	Implement 60% of Phase 2 of the Customer Contact Centre for approval by ExCo and report progress to Board.	Sixty six percent (66%) of the Phase 2 Customer Contact Centre project plan was achieved at the end of quarter 3. A report was submitted to ExCo and Board and was approved.	Implement 80% of Phase 2 of the Customer Contact Centre for approval by ExCo and report progress to Board.	Ninety percent (90%) of the Phase 2 Customer Contact Centre was achieved. A report was submitted to ExCo and Board and was approved.	90% of the Phase 2 Customer Contact Centre was achieved. Quarterly reports were submitted to and approved by ExCo and Board.	The organisation was able to close more activities in the project plan.	N/A	E: CS	Achieved
22	Percentage Transformation plan implemented.	Implement 90% of Year 2 of the Transformation plan.	Implement 30% of Year 2 of the Transformation Plan for approval by ExCo and report progress to Board.	Thirty percent (30%) of the Y2 Transformation targets were completed during the reporting period. The report was approved by ExCo and Board.	Implement 50% of Year 2 of the Transformation Plan for approval by ExCo and report progress to Board.	Fifty percent (50%) of the Y2 Transformation Plan was implemented and a report was submitted to and approved by ExCo and Board.	Implement 70% of Year 2 of the Transformation Plan for approval by ExCo and report progress to Board.	The Y2 Transformation Plan is at seventy percent (70%) implementation. A report was submitted to and approved by ExCo and Board.	Implement 90% of Year 2 of the Transformation Plan for approval by ExCo and report progress to Board.	100% of the Y2 Transformation Plan was achieved. A report was submitted to ExCo, and Board and it was approved.	100% of the Y2 Transformation Plan was achieved. Quarterly reports were submitted to and approved by ExCo and Board.	All the activities in the project plan were achieved.	N/A	E: CS E: HR E: FIN	Achieved



No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
23	Approved Revised Regional Cooperation Strategy.	Revise the Regional Cooperation Strategy and develop a three-year roll-out plan.	Consult stakeholders and report progress to ExCo.	The consultation with stakeholders has commenced with the internal stakeholders and iSASO. A report was submitted to and approved by ExCo.	Consult stakeholders and report progress to ExCo.	Stakeholder consultation took place, and the report was submitted to ExCo and was approved.	Revise Regional Cooperation Strategy and submit to ExCo for comments.	The draft Regional Cooperation Strategy was submitted to ExCo for comments.	Submit final Regional Cooperation Strategy for approval by ExCo.	The Regional Cooperation Strategy was approved in February 2022 by ExCo.	The Regional Cooperation Strategy was revised, and a three year roll out plan was developed and approved by ExCo.	N/A	N/A	E: CS	
<b>Strategic Outcome 6: Sustained Good Governance</b>															
24	Unqualified Audit Outcome by AGSA.	Achieve unqualified audit with no material findings.	N/A	N/A	N/A	N/A	N/A	The organisation achieved an unqualified audit opinion with no material findings. The report was approved by the Board.	Achieve unqualified audit opinion from AGSA with no material findings.	The organisation achieved an unqualified audit outcome with no material findings. The report was approved by the Board.	The organisation achieved an unqualified audit with no material findings in the AGSA audit. The report was approved by the Board.	N/A	N/A	E: FIN E: CS	
25	Percentage implementation of action plans to address audit findings	100% implementation of action plans to address audit findings for the previous financial year.	N/A	N/A	Develop a corrective action plan for approval by ExCo & Board.	Corrective action plan was developed and submitted to ExCo. The report was approved by ExCo and Board.	Close 50% of audit findings for approval by ExCo and Board.	All AG Audit findings have been closed and both AGSA and Internal Audit verified the closure of the findings. A report was submitted to and approved by ExCo and the same was submitted to the Board.	Close 100% of audit findings for the previous financial year for approval by ExCo and Board.	100% of the corrective action plan to address audit findings for the previous financial year were implemented and a report was submitted to and approved by ExCo and Board.	100% of the audit findings were closed and a report was submitted to and approved by ExCo and Board.	N/A	N/A	E: FIN E: CS	
26	Percentage responses to Parliamentary questions within stipulated timelines.	100% responses to DoT on Parliamentary Questions (PQs).	100% Responses on all PQs to DoT on SACAA related PQs and report to ExCo.	All four PQs from the DOT were responded to as required. A report was submitted to ExCo and was approved.	Bi-Annual Report on the status of responses to Parliamentary Questions to Board and DoT.	There were three PQs processed (100%) in the quarter and a report was submitted to ExCo and was approved.	100% Responses on all PQs to DoT on SACAA related PQs and report to ExCo.	Two (2) PQs were received of which one was relevant to the SACAA. The one PQ was responded to on time. This amounts to 100% of the PQs closed during the quarter. A report was submitted to ExCo and was approved.	100% Responses on all SACAA related PQs to Board and DoT.	100% of the Parliamentary Questions was processed on time. A report was submitted to ExCo and was approved.	100% of the Parliamentary Questions were responded to and a report was submitted to and approved by ExCo.	N/A	N/A	E:CS CS	

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### Legend:

Achieved

In Progress

Not Achieved



No.	Annual Performance Indicator	Annual Target	Quarter 1 Target	Quarter 1 Actual	Quarter 2 Target	Quarter 2 Actual	Quarter 3 Target	Quarter 3 Actual	Quarter 4 Target	Quarter 4 Actual	Annual Actual	Reason for Variance	Corrective Action Taken for any deficiencies	Responsible Person	Status
27	Percentage resolution of reported incidents of corruption.	95% resolution of reported incidents of corruption within prescribed timeframes.	Resolve any reported corruption incidents within prescribed timeframes and report to Board.	0 Cases received on Fraud and Corruption for Quarter 1.  3 Cases carried over on Fraud and Corruption.  2 Cases were finalised on Fraud and Corruption.  A progress report was approved by ExCo and Board.	Resolve any reported corruption incidents within prescribed timeframes and report to Board.	The 1 Case received on Fraud and Corruption for Quarter 2 is being investigated  3 Cases were finalised on Fraud and Corruption.  A progress report was submitted to ExCo and Board and was approved.	Resolve any reported corruption incidents within prescribed timeframes and report to Board.	The One (1) case received on Fraud and Corruption during Quarter 2 is still being investigated.  A progress report was submitted to ExCo and was approved. A report was approved by Board.	95% resolution of reported incidents of corruption within prescribed timeframes and report to Board.	There are no open cases on Fraud and Corruption and no fraud and corruption cases were raised in Q4. A report was submitted to ExCo and Board and was approved.	100% of the fraud and corruption cases were closed. Quarterly reports were submitted to and approved by ExCo and Board.	This target was based on the number of cases reported and only one case was reported and closed during the financial year.	N/A	CAE	Achieved
28	Percentage Ethics Plan implemented.	Develop and implement 80% of the Ethics Implementation Plan	Develop Ethics implementation plan for approval by Board	The Ethics Implementation plan was developed and approved by the Board on 29 April 2021. The organisation achieved a further 10% on the project plan which translates to an over-achievement for the quarter.	Implement 25% of the Ethics implementation plan	Fifty one percent (51%) of the Ethics implementation plan was achieved. A report was submitted to and approved by ExCo and Board.	Implement 50% of the Ethics implementation plan	Sixty five percent (65%) of the Ethics Plan has been implemented. A report was submitted to ExCo and Board and was approved.	Implement 80% of the Ethics implementation plan	100% of the Ethics Plan has been implemented. A report was submitted to ExCo and Board and was approved.	100% of the Ethics Plan was achieved. Quarterly reports were submitted to and approved by ExCo and Board.	The project plan for this target was approved by the Board early in the FY which enabled the organisation time to complete and deliver on all actions.	N/A	CS	Achieved

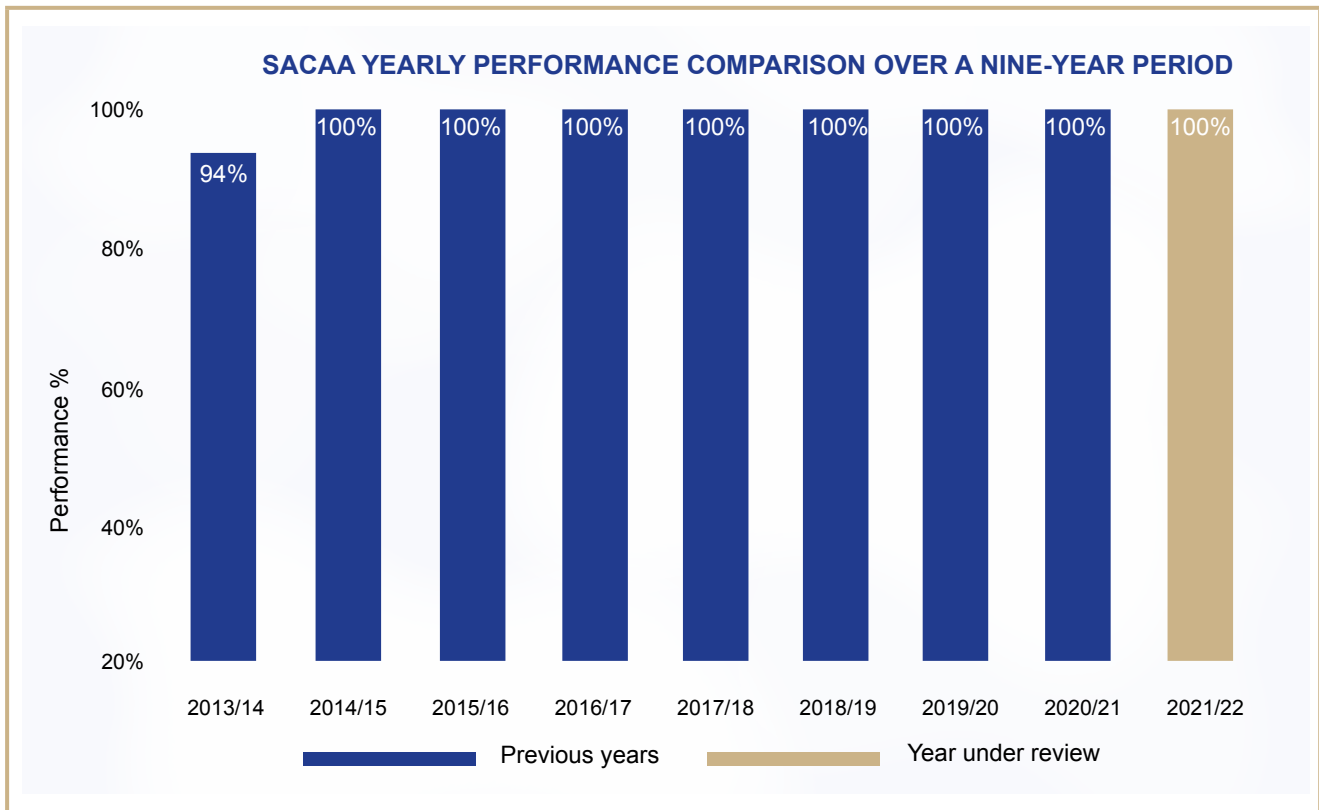
Table 4: Performance Information Report

\*Positive variances above 5 % must be read to mean that the organisation was able to achieve future targets in the project plan. If the target of over 100% is achieved, an explanation will be given. Negative variances will be explained for each target not met.

## 9.1 SACAA Annual Performance over the past Nine-Year Period

The graph below depicts the SACAA's organisational performance over the last nine (9) financial years, i.e. from the financial year 2013/14 through to the 2021/22 reporting period.

Notably, the SACAA attained a 100% performance for eight (8) consecutive years. The SACAA is a Schedule 3A public entity and therefore its performance is audited by the Auditor-General of South Africa (AGSA).



Graph 9: SACAA yearly performance comparison over a nine-year period

## 9.2 Surveillance and Oversight Auditing Activities

The next tables provide a comprehensive analysis of the Master Oversight and Surveillance Plan activities.

### 9.2.1 Aviation Safety Operations Master Oversight Surveillance Plan (MOSP)

The Aviation Safety Operations Division achieved 108% against the annual target of 95% on the Master Oversight and Surveillance Plan.

## SURVEILLANCE AND OVERSIGHT AUDITING ACTIVITIES

The next tables provide a comprehensive analysis of the Master Oversight and Surveillance Plan (MOSP) activities

AVIATION SAFETY OPERATIONS SCORECARD 2021/22																						
Strategic Objective	MOSP Annual Target					Q1 Target		Q1 Actual		Q2 Target		Q2 Actual		Q3 Target		Q3 Actual		Q4 Target		Q4 Actual		STATUS
	Operations	RT	RA	ST	SA	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S	
Strengthened Safety and Security Oversight System	High/Low Air Operators	78	74	33	15	11	6	9	6	25	6	26	3	18	16	16	1	24	5	23	5	80%
	Aerial Work Air Operators	99	83	9	6	20	1	20	2	13	5	11	2	30	2	19	0	36	1	33	2	82%
	RPAS Operators	34	40	8	4	14	1	10	0	9	1	15	0	8	5	8	0	3	1	7	4	105%
	Foreign Air Operators	0	40	60	12	0	12	0	5	0	17	0	7	0	18	16	0	0	13	24	0	87%
	Special Air Events, SAE MOP events (19.1), Air Shows, Off-airfield, ARO, Fly-in, Other	0	0	16	26	0	4	0	9	0	4	0	5	0	4	0	7	0	4	0	5	163%
	GA Ramp Inspections (Part 91 & 94), Planned, Ad-Hoc Inspections	0	0	180	225	0	42	0	48	0	47	0	53	0	46	0	62	0	45	0	62	125%
	RA Airfields & Launch Sites, Drop Zones, Aerobatic Cylinders, Model Fields	0	0	60	85	0	15	0	17	0	15	0	30	0	15	0	15	0	15	0	23	142%
	Commercial NTCA AOC (Part 96)	3	6	5	5	0	0	3	0	0	3	0	1	1	2	0	4	2	0	3	0	138%
	Corporate Aviation (Part 93)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%
	Aviation Recreational Organisations (Part 149)	10	11	10	10	3	1	2	0	0	3	2	4	2	3	2	5	5	3	5	1	105%

AVIATION SAFETY OPERATIONS SCORECARD 2021/22																						
Strategic Objective	MOSP Annual Target					Q1 Target		Q1 Actual		Q2 Target		Q2 Actual		Q3 Target		Q3 Actual		Q4 Target		Q4 Actual		STATUS
	Operations	RT	RA	ST	SA	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S	
Strengthened Safety and Security Oversight System	Aviation Training Organisations	60	114	140	156	15	33	23	50	15	36	25	52	15	36	27	21	15	35	39	33	135%
	Flight Simulation Training Devices	151	160	0	0	36	0	26	0	39	0	76	0	39	0	29	0	37	0	29	0	106%
	Part 138 Air Ambulance Inspections	17	26	19	7	4	4	3	2	4	5	10	2	4	5	3	2	5	5	10	1	92%
	Part 141 First Air Inspections	10	12	10	0	2	2	2	0	2	2	5	0	3	3	4	0	3	3	1	0	60%
	Airport CAPSCA Inspections	0	25	28	10	0	7	2	2	0	7	9	0	0	7	11	8	0	7	3	0	125%
	Design Organisations	11	10	11	14	2	4	2	4	4	0	0	3	4	2	7	2	1	5	1	5	109%
	Aircraft Maintenance Organisations (AMO)	254	241	100	121	59	26	47	34	64	25	70	24	59	25	52	7	72	24	72	56	102%
	Manufacturing Organisations (AMORG)	21	13	25	23	3	8	3	5	6	6	3	3	3	5	2	2	9	6	5	13	78%
	Delegated Engineering Representatives (DER)	6	6	6	5	1	1	1	1	1	3	1	2	1	1	0	1	3	1	4	1	92%
TOTAL		754	861	720	724	170	167	153	185	182	185	253	191	187	195	196	137	215	173	259	211	108%

Table 5: Aviation Safety Operations (ASO) MOSP 2021/22

\* Renewal – New Approvals and Renewal Audits

\*\* Surveillance – Surveillance and Follow-Up Audits (includes addressing resolution of safety concerns)



### 9.2.2 Aviation Security Master Oversight Surveillance Plan (MOSP)

The Master Oversight Surveillance Plan performance for AvSec, for the year to date is reflected in the following table, for the period ending March 2022. (The MOSP accounts for 10% of the Divisional Plan.)

Aviation Security Scorecard 2021/22																							
Strategic Objective	MOSP Annual Target					Q1 Target		Q1 Actual		Q2 Target		Q2 Actual		Q3 Target		Q3 Actual		Q4 Target		Q4 Actual		STATUS	
	Operations	RT	RA	ST	SA	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S		
Strengthened Safety and Security Oversight System	Airports and Airlines	27	21	136	201	7	60	4	65	7	38	7	48	7	16	8	44	6	22	2	44	136.2%	
	Regulated Agents and Known Consignors	129	138	202	227	59	18	61	29	38	47	45	44	15	73	17	80	17	64	15	74	110.3%	
	Dangerous Goods	216	192	155	198	42	63	30	77	54	50	43	52	64	28	48	39	56	14	71	30	105.12%	
	Training Organisations	25	24	50	60	8	11	7	16	7	14	8	19	6	11	5	8	4	14	4	17	112.00%	
	Screening Organisations	22	23	44	50	9	9	11	9	3	11	2	11	8	9	8	8	2	15	2	22	110.61%	
	Total MOSP Activities	419	398	587	736	125	161	113	196	109	160	105	174	100	137	86	179	85	129	94	187	112.7%	

Table 6: Aviation Security (AvSec) MOSP 2021/22

\* Renewal – New Approvals and Renewal Audits

\*\* Surveillance – Surveillance and Follow-Up Audits (includes addressing safety and security concerns)

### 9.2.3 Aviation Infrastructure Master Oversight Surveillance Plan (MOSP)

Aviation Infrastructure achieved 107% against the target of 95% in the Master Oversight and Surveillance Plan Performance.

Aviation Infrastructure Scorecard 2021/22																						
Strategic Objective	MOSP Annual Target					Q1 Target		Q1 Actual		Q2 Target		Q2 Actual		Q3 Target		Q3 Actual		Q4 Target		Q4 Actual		Status
	Operations	RT	RA	ST	SA	R	S	R	S	R	S	R	S	R	S	R	S	R	S	R	S	
Achieve a Step-Change in Regulating Aviation Safety and Security	Air Traffic Services	24	25	24	23	7	6	7	6	6	4	6	4	6	6	7	6	5	8	5	7	100%. Note 9, 11, 18
	Aerodromes	116	124	15	27	27	6	24	8	40	1	39	4	32	4	34	4	19	4	27	11	115%. Note 2 – 8, 12, 13 – 17.
	CNS	0	0	53	51	0	19	0	12	0	14	0	21	0	13	0	11	0	7	0	7	96%. Note 1, 10, 19
	AEP	0	0	14	13	0	3	0	3	0	4	0	4	0	2	0	2	0	5	0	4	93%. Note 20
	Total MOSP Activities	140	149	106	114	32	34	31	29	46	23	45	33	38	25	41	23	24	24	32	29	107%

Table 7: Aviation Infrastructure (AI) MOSP 2021/22

\*Renewal – New Approvals and Renewal Audits

\*\*Surveillance – Surveillance and Follow-Up Audits (includes addressing safety and security concerns)

## 9.3 ACCIDENT AND INCIDENT INVESTIGATION DIVISION

The SACAA, through a Ministerial Order, is mandated with the administrative functioning of the Accident and Incident Investigation Division (AIID), while the Department of Transport is responsible for the functional running of this Division. In accordance with the International Civil Aviation Organization (ICAO) Annex 13 Guidelines and the Civil Aviation Regulations (CAR) Part 12, the mandate of the Accident and Incident Investigation Division (AIID) is:

- To investigate accidents and incidents to determine the probable causes of such accidents,
- To identify systemic weaknesses in the activities of the civil aviation industry,
- Where permissible, to issue safety recommendations to prevent the recurrence of accidents, and
- To not apportion blame or liability following an investigation.

This section of the report provides a comparative analysis of the aircraft accidents and incidents in the general aviation sector.



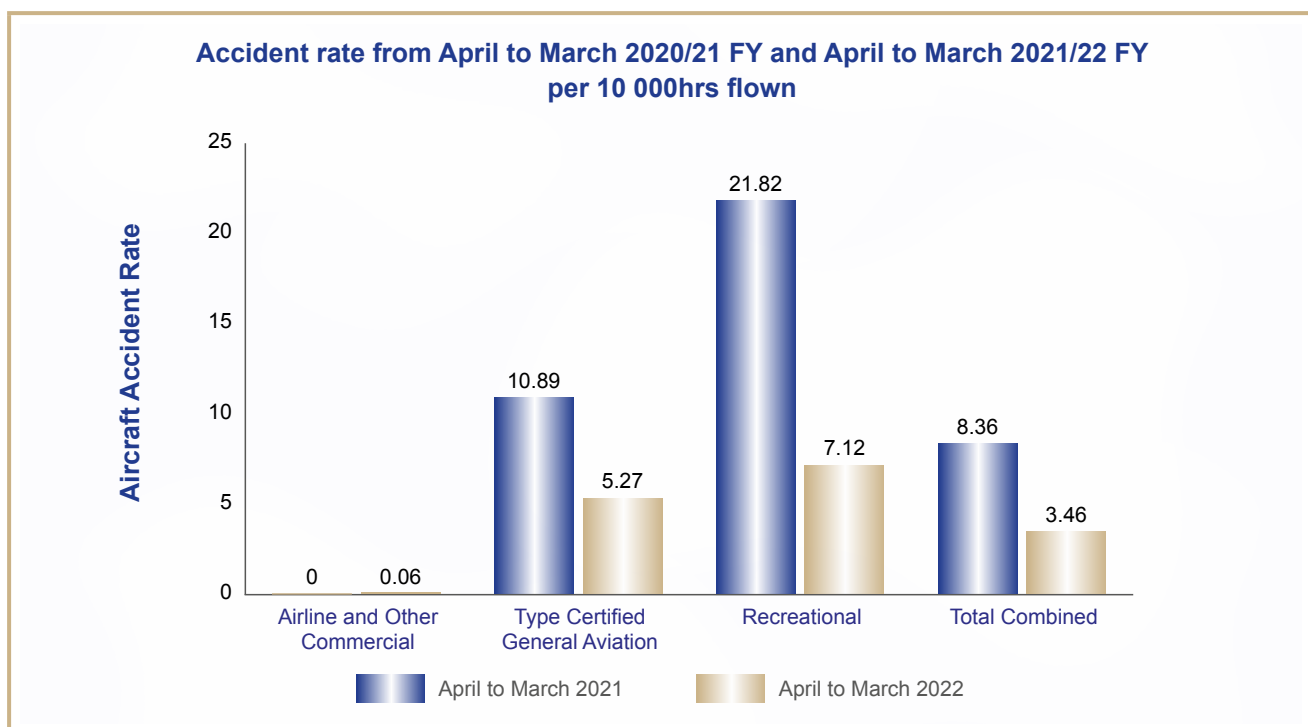
The below demonstrates the aircraft movement statistics against the types of operations. The statistics clearly show the decrease in the number of hours flown between 2020/21 and 2021/22.

Type of aircraft operations	Estimated number of hours flown for the period April 2020 to March 2021	Total number of accidents recorded for the period April 2020 to March 2021	Estimated number of hours flown for the period April 2021 to March 2022	Total number of accidents recorded for the period April 2021 to March 2022
Airline and Other Commercial	44 686	0	177 760	1
Type Certified General Aviation	52 336	57	159 455	84
Recreational	17 876	39	87 108	62
<b>Total combined hours</b>	<b>114 898</b>	<b>96</b>	<b>424 323</b>	<b>147</b>

Table 8: Types of aircraft and hours flown between 2020/21 and 2021/22.

## 9.3.1 Aircraft accident rate

The aircraft accident rate is calculated by using the actual number of accidents in the operations category and the estimated hours flown, aggregated per 10 000 flying hours. The graph below indicates the comparison of the accident rates per 10 000 hours flown between the 2020/21 and 2021/22 financial years.



Graph 10: Accident rates between 2020/21 and 2021/22

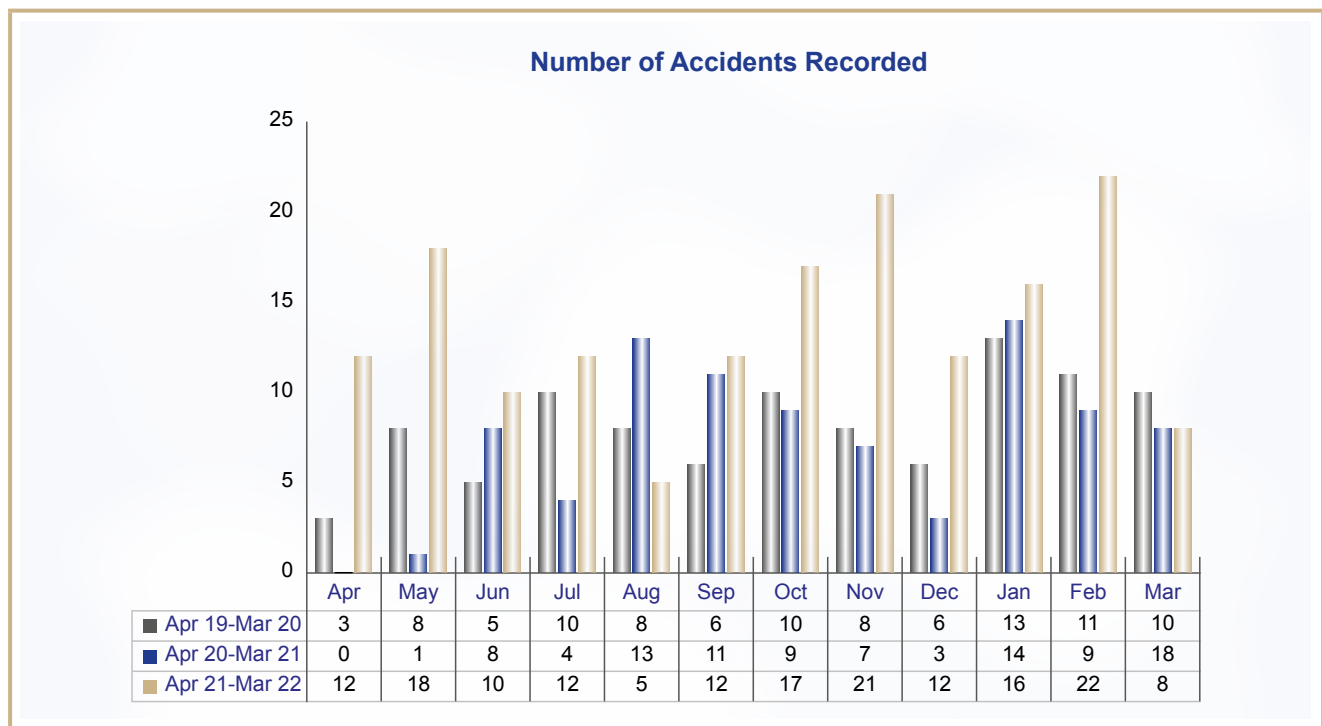
## 9.3.2 Number of accidents recorded

The graphs in this report represent a comparison of accidents recorded, as well as the cumulative number of accidents for the past three financial years.

The data presented in the graphs below show the total number of accidents that took place within the Republic of South Africa that were investigated by the AIID for the period 1 April 2019 to 31 March 2022.

During the current financial year, 2021/22, the AIID recorded and classified a total of 165 occurrences as accidents, including 12 fatal accidents that resulted in 17 fatalities. This represents a 70% increase, compared to the 97 accidents in 2020/21.

When comparing the current financial year with 2019/20, an increase of 68% is noted between the two financial years.



Graph 11: Three-year breakdown of cumulative accidents recorded between 2019/20 and 2021/22 financial years



## 9.3.3 Accidents per aircraft category and operation type

ACCIDENT PER AIRCRAFT CATEGORY AND OPERATIONS TYPE						
Operations Category	Total no. of Accidents 2019/20	% Contribution 2019/20	Total no. of Accidents 2020/21	% Contribution 2020/21	Total no. of Accidents 2021/22	% Contribution 2021/22
Agricultural Operations	9	9%	12	12%	11	6%
Air Ambulance Operations	0	0%	1	1%	0	0%
Air Transport Operations: Carriage on Aeroplanes of More Than 19 Passengers or Cargo	0	0%	0	0%	2	1%
Air Transport Operations: Small Aeroplanes	2	2%	0	0%	1	1%
Aviation Training Organisations	30	31%	23	24%	38	23%
Commercial Helicopter Operations	0	0%	1	1%	1	1%
Commercial Operation of Non-Type-Certified Aircraft	1	1%	1	1%	1	1%
General Aviation and Operating Flight Rules	26	26%	25	26%	40	24%
General Maintenance Rules	0	0%	0	0%	2	1%
Helicopter Aerial Work and Other Operations	0	0%	0	0%	1	1%
Operation of Non-Type-Certificated Aircraft	30	31%	33	34%	51	31%
Remotely Piloted Aircraft Systems	0	0%	1	1%	17	10%
<b>Grand Total</b>	<b>98</b>		<b>97</b>		<b>165</b>	

Table 9: Accidents per aircraft operation category between 2019/20 and 2021/22 financial years.

In the current 2021/22 financial year, the majority of accidents were in the operations category of Non-Type-Certificated Aircraft, which contributed to 31% of total accidents recorded. This was followed by the General Aviation and Operating Flight Rules as well as Aviation Training Organisations, which accounted for 24% and 23%, respectively of the total number of accidents.

Further analysis of the 2021/22 financial year, shows that the 2021/22 financial year compared to

the previous 2020/21 period, indicates the following results in terms of accidents in the operational categories:

- Agricultural Operations decreased by 8%
- Aviation Training Organisations increased by 65%
- General Aviation and Operating Flight Rules increased by 60%
- Operation of Non-Type-Certificated Aircraft increased by 54%.

### 9.3.4 Fatal accidents per operations category between 2019/20 and 2021/22 financial years

The Regulator targeted the reduction of the number of accidents by 50% from the 2020/21 to 2024/25 financial years. The main concern, however, remains the loss of life as the result of aircraft accidents.

A sizable increase in the number of accidents was observed between the 2019/20 and 2020/21 financial years, but this has since slightly decreased between the 2020/21 and 2021/22 financial years.

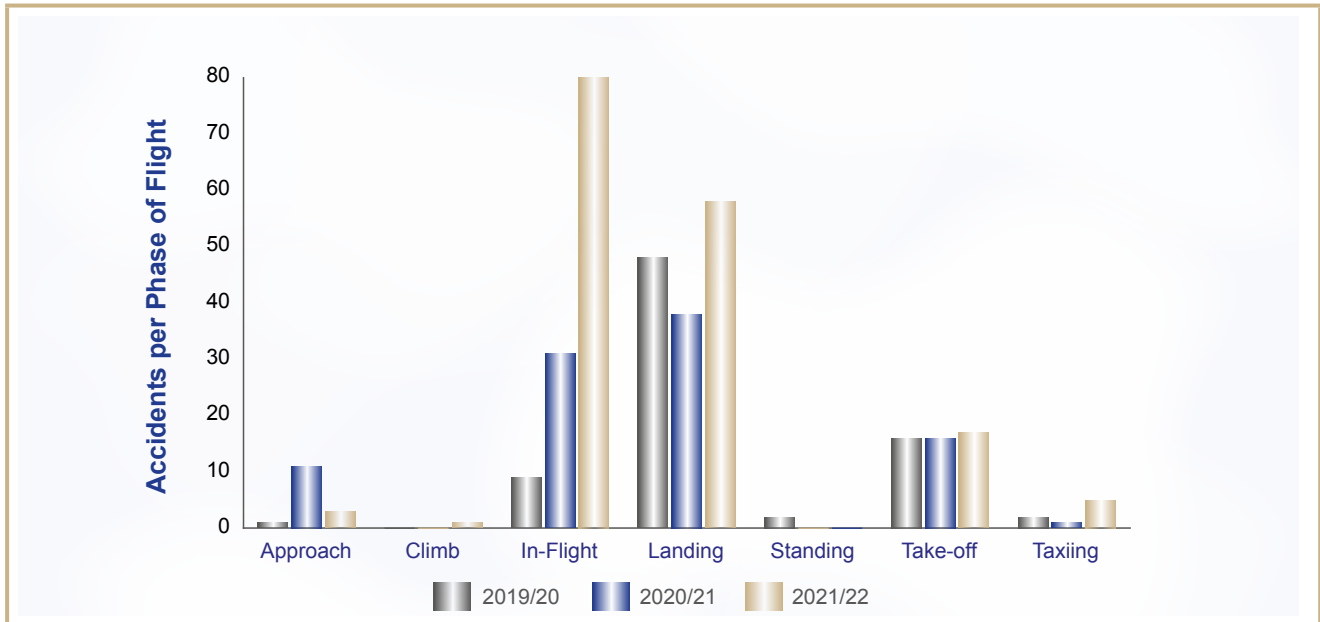
Below is comparative data on the number of accidents versus fatal accidents per operational category between the financial years 2019/20 and 2021/22.

FATAL ACCIDENTS PER AIRCRAFT CATEGORY AND OPERATIONS						
Operations Category	2019/20		2020/21		2021/22	
	No of Accidents	No of Fatal Accidents	No of Accidents	No of Fatal Accidents	No of Accidents	No of Fatal Accidents
Agricultural Operations	9	2	12	3	11	2
Air Ambulance Operations	0	0	1	1	0	0
Air Transport Operations: Carriage on Aeroplanes of More than 19 Passengers or Cargo	0	0	0	0	2	0
Air Transport Operations: Small Aeroplanes	2	1	0	0	1	0
Aviation Training Organisations	30	2	23	3	38	3
Commercial Helicopter Operations	0	0	1	0	1	0
Commercial Operation of Non-Type-Certificated Aircraft	1	1	1	0	1	0
General Aviation and Operating Flight Rules	26	3	25	5	40	1
General Maintenance Rules	0	0	0	0	2	0
Helicopter Aerial Work and Other Operations	0	0	0	0	1	0
Operation of Non-Type-Certificated Aircraft	30	4	33	4	51	6
Remotely Piloted Aircraft Systems	0	0	1	0	17	0
<b>Grand Total</b>	<b>98</b>	<b>13</b>	<b>97</b>	<b>16</b>	<b>165</b>	<b>12</b>

Table 10: Fatal accidents per operations category between 2019/20 and 2021/22 financial years.

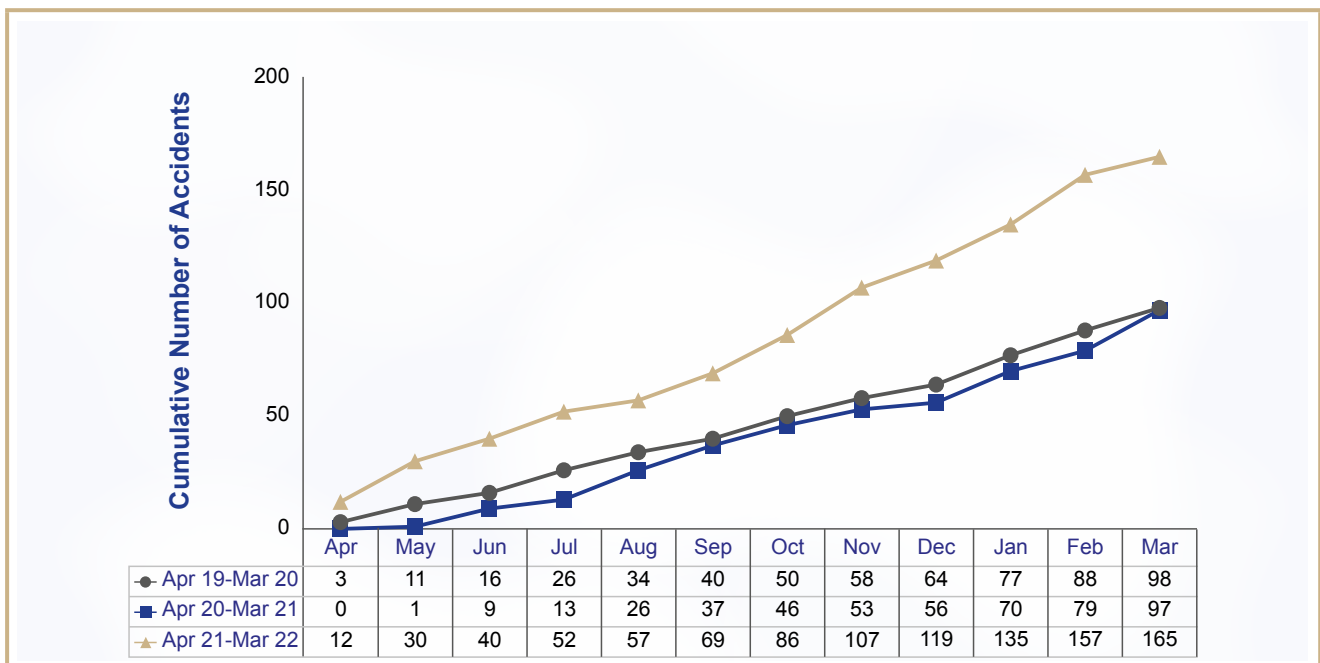
## 9.3.5 Accidents per phase of flight between 2019/20 and 2021/22 per financial years

The graph below depicts the aircraft accident occurrences per phase of flight or operations. According to this graph, the most accidents occur either during landing or in-flight, followed by the take-off phase of the flight.



Graph 12: Three-year breakdown of accidents per phase of flight recorded between 2019/20 and 2021/22 financial years

## 9.3.6 Cumulative numbers of accidents reported: three-year comparison

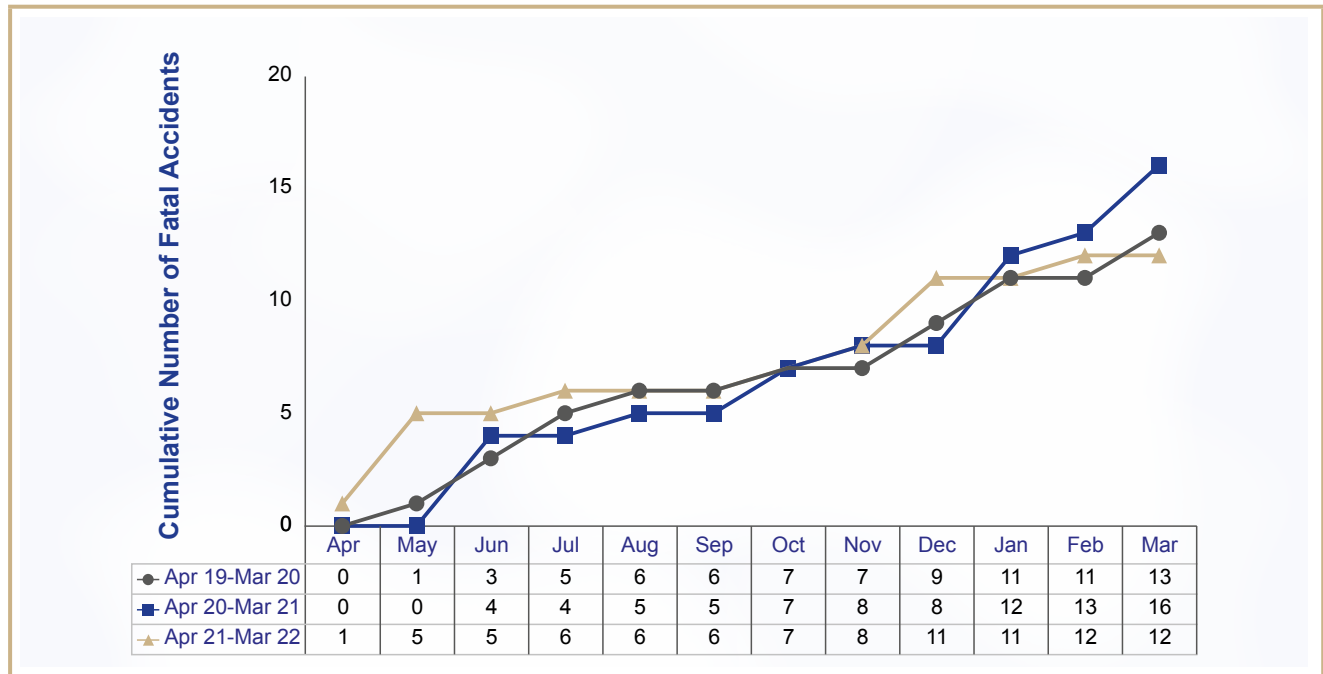


Graph 13: Cumulative accidents between 2019/20, 2020/21, 2021/22 financial years

The graph on the previous page gives a comparison of reported accidents between 2019/20, 2020/21 and 2021/22 respectively.

### 9.3.7 Cumulative number of fatal accidents: three-year comparison

The graph below depicts a three-year cumulative comparison of fatal accidents. The number of fatal accidents recorded in 2021/22 decreased by 25% when compared to the same period for 2020/21.

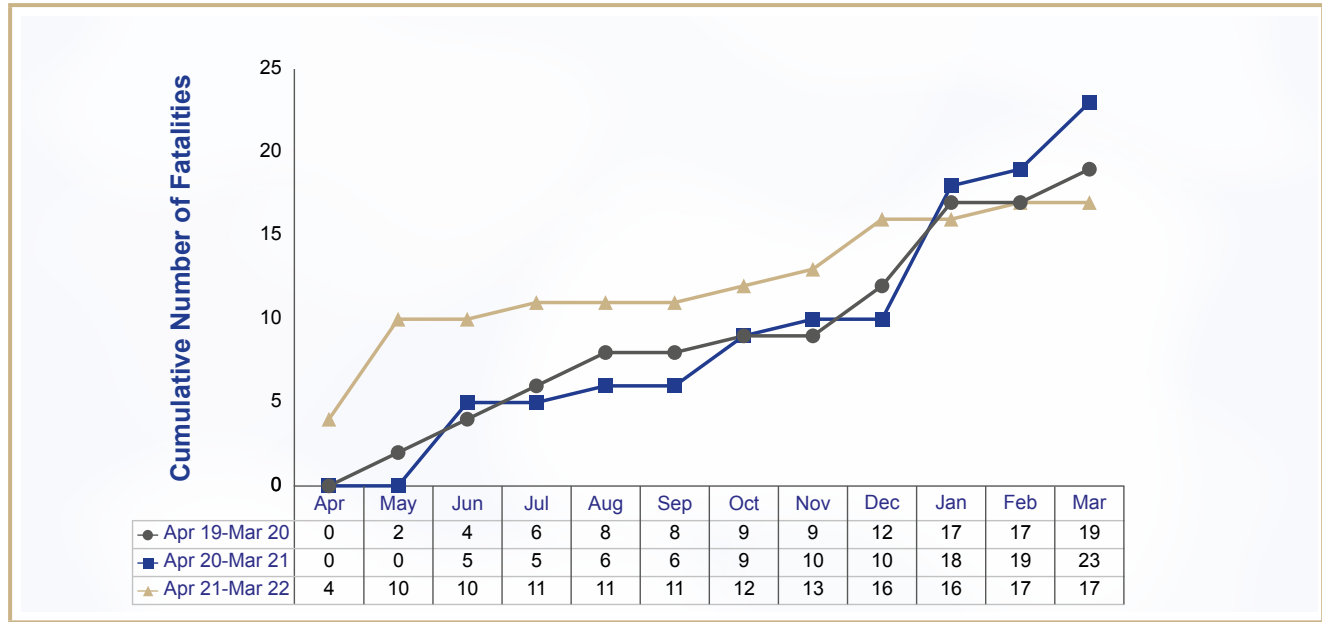


Graph 14: Cumulative number of fatal accidents comparison from 2019/20 to 2021/22 financial years



## 9.3.8 Cumulative number of fatalities: three-year comparison

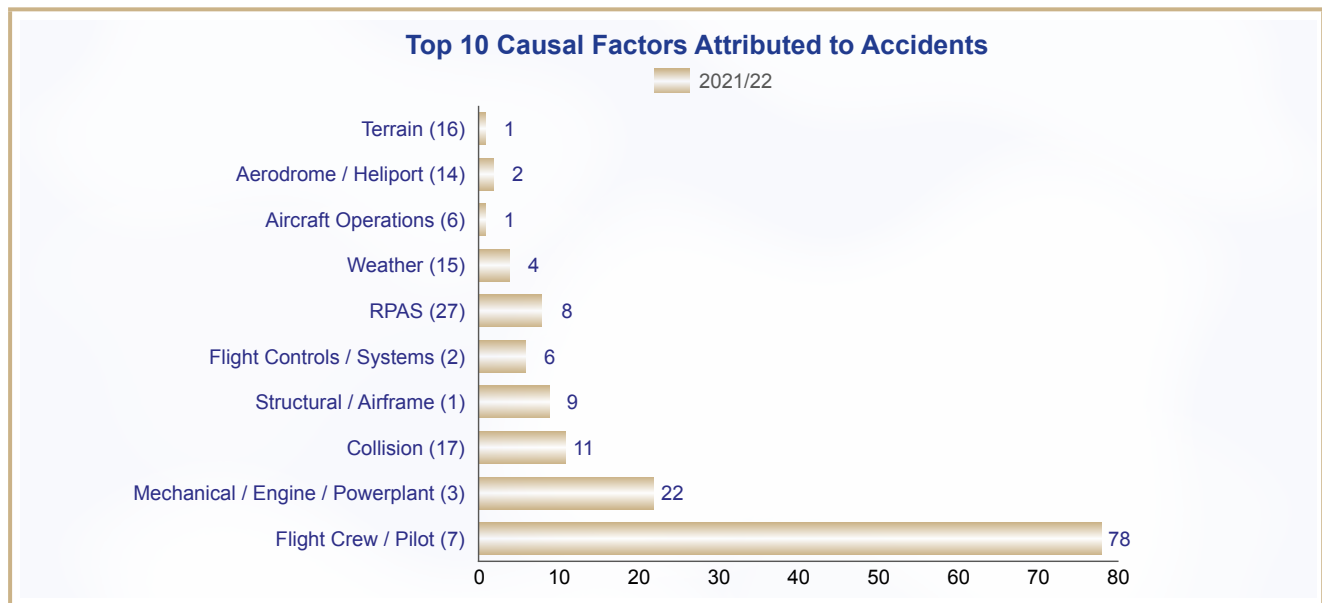
The number of fatalities resulting from fatal accidents in the current period of 2021/22 has decreased by 26% compared to the same period in 2020/21.



Graph 15: Cumulative number of fatalities: 2019/20; 2020//21 & 2021/22 financial years

## 9.3.9 Top 10 causal factors attributed to accidents in 2021/22 financial year

The graph below demonstrates the breakdown of leading causal factors for the 2021/22 financial year.

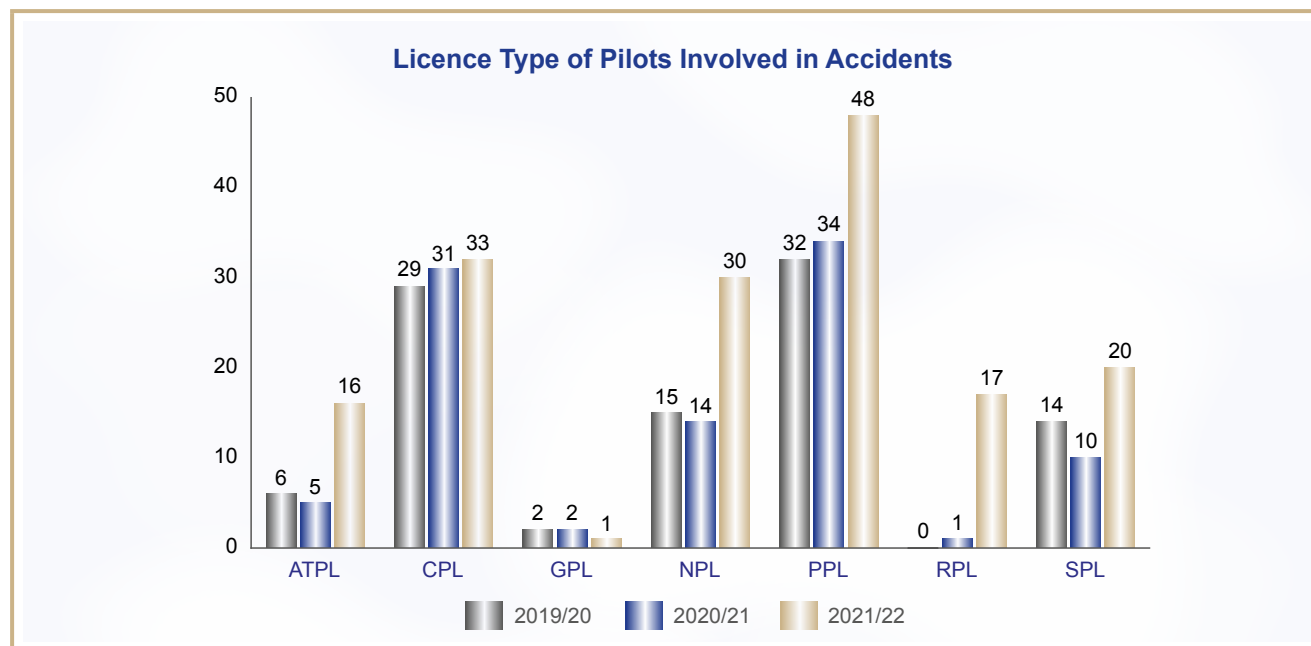


Graph 16: Top 10 causal factors attributed to accidents for the 2021/22 financial years



### 9.3.10 Licence types for pilots involved in accidents between 2019/20 and 2021/22 financial years

For the accidents that occurred between 2019/20 and 2021/22, on average, the highest number of accidents involved Private Pilot's Licence holders, followed by Commercial Pilot's Licence holders.



Graph 17: Licence types of pilots involved in accidents between 2019/20 and 2021/22 per financial years

### 9.3.11 Serious incidents per operations category between the 2019/20 and 2020/21 financial years

Serious Incidents per Operations Category	2019/20	2020/21	2021/22
Agricultural Operations	2	1	1
Air Ambulance Operations	2	0	1
Air Transport Operations: Carriage on Aeroplanes of More than 19 Passengers or Cargo	14	4	5
Air Transport Operations: Small Aeroplanes	3	1	0
Aviation Training Organisations	9	10	13
Commercial Helicopter Operations	0	0	1
General Aviation and Operating Flight Rules	11	8	22
Operation of Non-Type-Certificated Aircraft	14	6	8
Operation of Parachutes	0	0	1
<b>Grand Total</b>	<b>55</b>	<b>30</b>	<b>52</b>

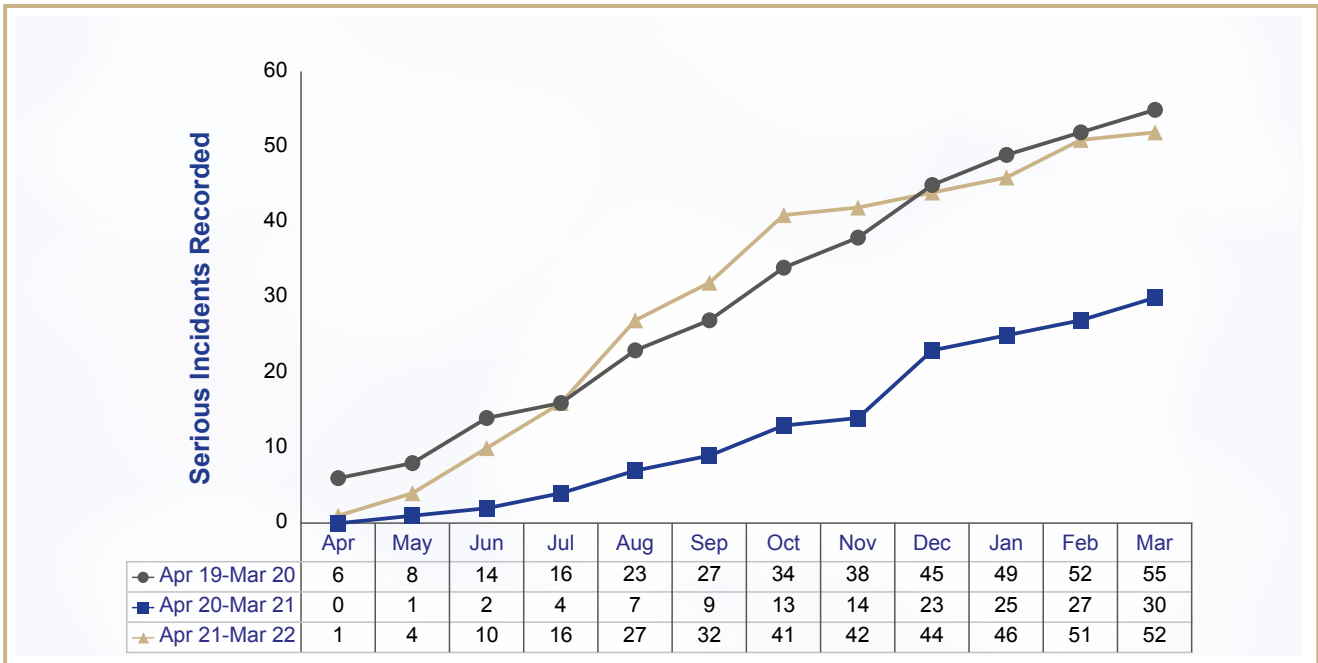
Table 11: Serious incidents per operations category between 2019/20 and 2021/22 financial years

### 9.3.12 Serious incidents reported between 2019/20 and 2021/22 financial years

In addition to accident investigations, the AIID has also initiated investigations into occurrences that were classified as serious incidents in line with the ICAO Annex 13 definition. A 73% increase was recorded in serious

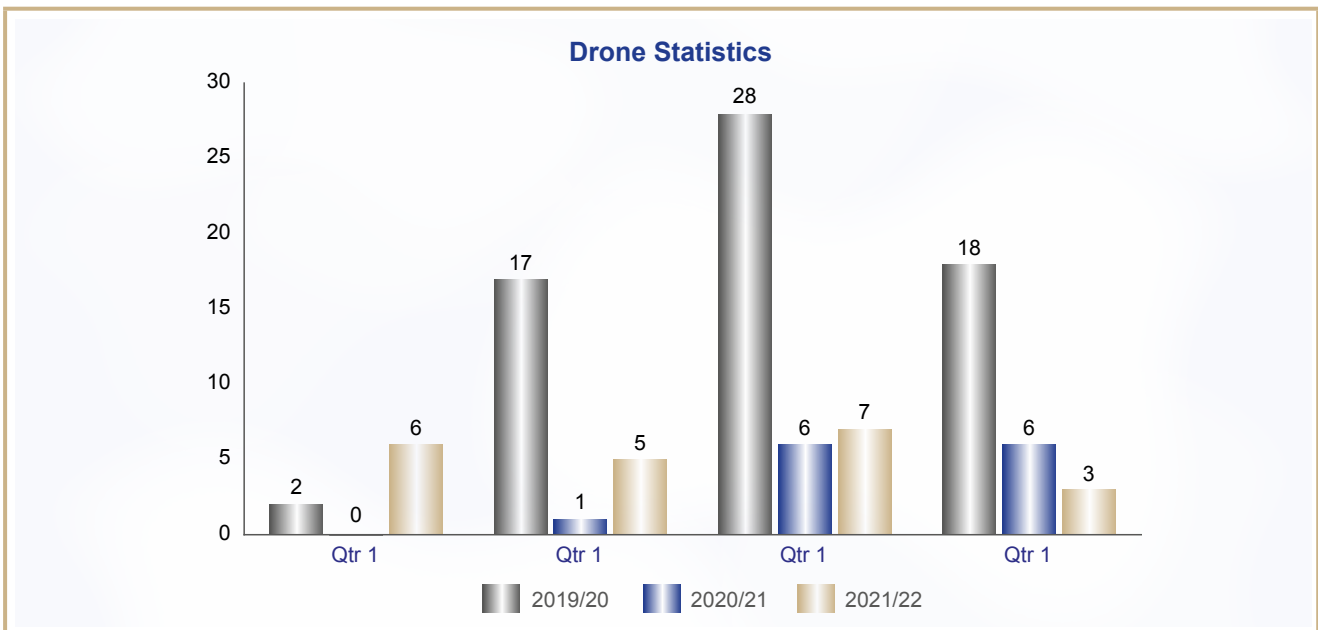
incidents during the 2021/22 reporting period when comparing the 52 total recorded serious incidents in the current reporting period to the 30 serious incidents recorded during the 2020/21 reporting period.

The below provides a graphical summary of the 2019/20 to 2021/22 reporting period of serious incident investigations as follows:



Graph 18: Three-year comparison of cumulated serious incidents between 2019/20 and 2021/22 financial years

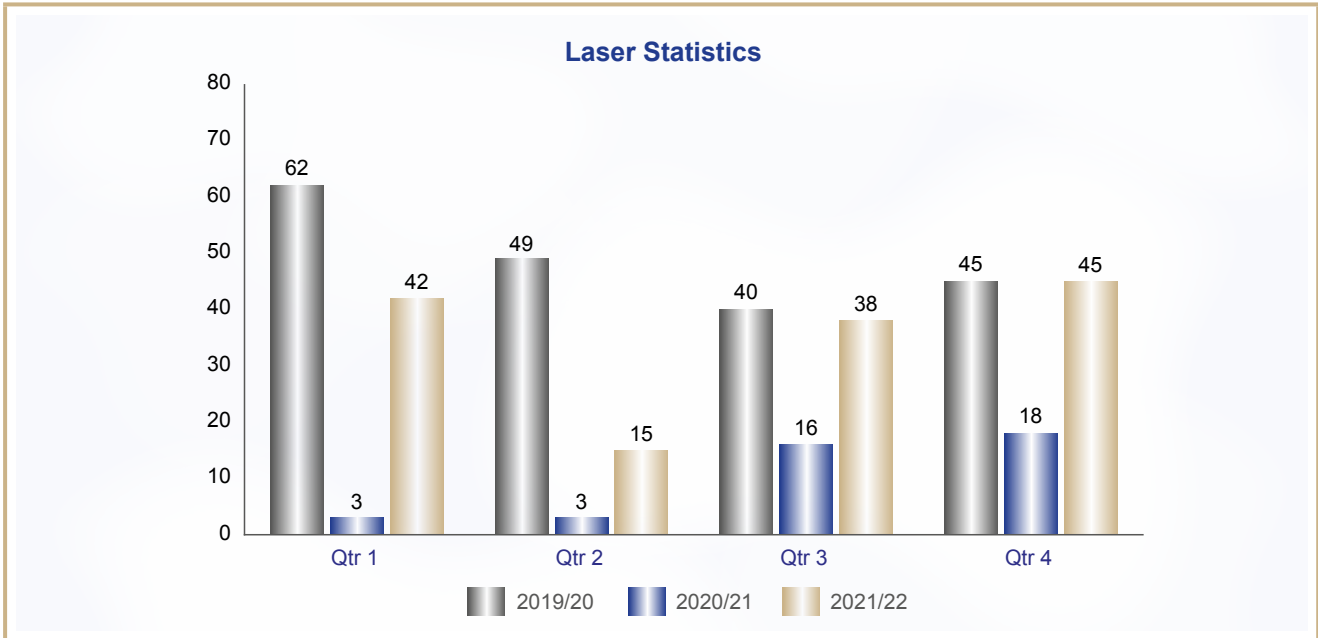
## 9.3.13 Drone Statistics



Graph 19: Drone statistics between 2019/20 and 2021/22 financial years

For the year under review (2021/22), the AIID recorded 21 incidents involving drones, whereas in 2020/21, 13 events were recorded. This is an increase of 61%.

### 9.3.14 Laser Statistics



Graph 20: Laser statistics between 2019/20 and 2021/22 financial years.

In the period under review, the SACAA recorded a total of 140 laser activities. This is in comparison to the 40 laser activity events recorded in 2020/21, resulting in an increase of 250%.



## 9.4 STAKEHOLDER ENGAGEMENTS

In the period under review, the SACAA continued to embark on initiatives to proactively engage those operating within the aviation environment and those that influence the environment, using appropriate and effective communications to build understanding and ownership of the effective implementation of the regulatory role of the SACAA.

### 9.4.1 Key stakeholder engagements and initiatives

The following stakeholder initiatives that the SACAA embarked on for the year ending 31 March 2022, include the following:

NO.	ACTIVITY	DATE	VENUE	FEEDBACK
1.	<b>“Year of Security Culture” (“YOSC”)</b> - Round Table	04 June 2021	Virtual	<p>Under the theme: <b>“Entrenching the culture of security in the aviation industry and the general public”</b>, the Round Table discussion was convened by the SACAA to talk to leaders of various aviation entities, primarily government agencies, about the <b>Year of Security Culture (“YOSC”)</b>. The aim was generally to mobilise the organisations to get involved, not only by supporting SACAA’s efforts, but also to come up with their own programmes that highlight the aviation security culture.</p> <p>The Round Table aroused enthusiasm towards the YOSC programme, with some complimenting the involvement of the SACAA in the campaign. It was attended by external stakeholders from various entities, and it was agreed that some of the attendees would be requested to address other meetings and events arranged by the SACAA in the future.</p>
2.	<b>“Year of Security Culture” (“YOSC”)</b> - Webinar	06 September 2021	Virtual	<p>The purpose of this workshop was to outline what security culture is, and the role that SACAA plays in building a strong security culture in aviation organisations. The informative Webinar was targeted at screening organisations and was a great success.</p>
3.	<b>“Year of Security Culture” (“YOSC”)</b> Webinar	07 September 2021	Virtual	<p>Similarly, the purpose of this workshop was to outline what security culture is, and the role that the SACAA plays in rebuilding a strong security culture in aviation organisations. This webinar was targeted at managers at Aviation Security Organisations. This webinar took place successfully.</p>

NO.	ACTIVITY	DATE	VENUE	FEEDBACK
4.	<b>“Year of Security Culture” (“YOSC”)</b> - Dangerous Goods and Cargo Webinar	29 September 2021	Virtual	ICAO had declared 2021 as the <b>“Year of Security Culture” (“YOSC”)</b> . This webinar was an awareness session for the industry within the Cargo Security and Dangerous Goods sector.
5.	ICAO High-Level Conference on COVID-19 (HLCC2021)	12 – 22 October 2021	Gauteng (Virtual)	<p>The Director of Civil Aviation was invited to attend the HLCC2021 and was nominated as Chair of the Facilitation Stream at the start of the conference. The facilitation was conducted virtually.</p> <p>The event took place as one of the activities under the <b>“Year of Security Culture”</b> campaign and was hosted virtually. The event was aimed at looking at the actions and learning, not only from the 9/11 attacks, but also from the Belgian attack and other incidents within Africa. The respective speakers on these topics were from the Belgian CAA, the Transport Security Agency, SAA and ESAF.</p>
6.	<b>“Year of Security Culture” (“YOSC”)</b> - Symposium	26 October 2021	Virtual	This airport campaign was conducted as one of the activities under the <b>“Year of Security Culture”</b> campaign. Exhibition stands were assembled at the airport terminals, targeting all airport stakeholders, including passengers and the public, to create awareness about the aviation security culture.
7.	<b>“Year of Security Culture” (“YOSC”)</b> - Airport Security Awareness Campaign	27 October 2021	Mthatha Airport	The Director of Civil Aviation was invited to participate at the event as a Panel Speaker for the discussions and engagements around leadership and governance. At the same event, the Director of Civil Aviation was the recipient of the Changemakers Recognition Award in the leadership category during the Aviators Africa Tower Awards 2021.
8.	Aviators Africa Tower Awards	27 October 2021	Gauteng (Virtual)	The Director of Civil Aviation was invited to participate in this event as a Panel Speaker for the discussions and engagements around leadership and governance.
9.	51st Annual General Meeting of AASA	28 October 2021	Gauteng (Virtual)	



NO.	ACTIVITY	DATE	VENUE	FEEDBACK
10.	<b>“Year of Security Culture” (“YOSC”)</b> Airport Security Awareness Campaign	29 October 2021	Chief David Stuurman International Airport (Gqeberha)	This airport campaign was conducted as one of the activities under the <b>“Year of Security Culture”</b> campaign. Exhibition stands were assembled in the airport terminals, targeting all airports stakeholders, including passengers and the public, to create awareness about the aviation security culture.
11.	<b>“Year of Security Culture” (“YOSC”)</b> Airport Security Awareness Campaign	29 October 2021	Upington Airport	The Upington Airport <b>“Year of Security Culture”</b> campaign commenced with an opening ceremony by ACSA, Fire and Rescue, South African Police Service (SAPS), Airlink, Department of Environmental Affairs, the SACAA and G4S.  A number of security stakeholders and government departments were present at the airport to set up exhibition stands and informative display stalls. The audience was great and related to the speakers. The afternoon session was attended by passengers, the public, stakeholders and Service Providers.
12.	<b>“Year of Security Culture” –</b> Airport Security Awareness Campaign	18 November 2021	Kruger Mpumalanga International Airport	Exhibition stands were assembled in the airport terminals targeting all airport stakeholders, including passengers and the public, to create awareness about the aviation security culture.
13.	Federal Aviation Administration (FAA) Audit	15 - 19 November 2021	SACAA Midrand Office, Gauteng	The audit was officially opened on 15 November 2021 at the SACAA Offices and was attended by the SACAA staff and the FAA auditors. The audit closed on 19 November 2021, when feedback on the audit was shared with the SACAA.
14.	Display Pilot Validations Workshop	19 November 2021	Kitty Hawk — Pretoria	This event took place to facilitate the process of validations. An exhibition was set up at the workshop, where flying displays took place, and the SACAA General Aviation (GA) Department presented to the attendees before commencing with the validation process. Attendees were encouraged to subscribe to the GA publication, which is the SKYwatch newsletter, and to download the editions for further reading.

NO.	ACTIVITY	DATE	VENUE	FEEDBACK
15.	<b>“Year of Security Culture”</b> YOSC Airport Security Awareness Campaign	19 November 2021	Skukuza Airport	Exhibition stands were assembled in the airport terminals, targeting all airport stakeholders, including passengers and the public, to create awareness about the aviation security culture.
16.	<b>“Year of Security Culture”</b> YOSC Airport Security Awareness Campaign	23 November 2021	O R Tambo International Airport	Exhibition stands were assembled in the airport terminals, targeting all airport stakeholders, including passengers and the public, to create awareness about the aviation security culture.  Other exhibitors that attended were ACSA, Eagle Eye Security and Vapor Wake K9 Security. The dangerous goods leaflets were distributed amongst the ACSA security staff and SAPS at the airport.
17.	DoT - Minister’s Transport Entities Engagement	26 November 2021	Sandton Convention Centre, Gauteng	The Minister of Transport held an engagement session to brief various transport entities, including the SACAA, on the state of transport entities, the sector’s economic recovery and stakeholder engagement.
18.	<b>“Year of Security Culture”</b> YOSC Campaign - Airport Security Awareness	01 December 21	King Shaka International Airport	Exhibition stands were assembled in the airport terminals, targeting all airport stakeholders, including passengers and the public, to create awareness about the aviation security culture.
19.	<b>“Year of Security Culture”</b> YOSC Campaign — Airport Security Awareness	21 December 21	Pietermaritzburg Airport	Exhibition stands were assembled in the airport terminals, targeting all airport stakeholders, including passengers and the public, to create awareness about the aviation security culture. This event received positive coverage from the media (e-NCA and SABC).
20.	Exhibition at the National DoT Festive Season Road Safety Campaign	13 December 2021	Bloemfontein, Free State	The SACAA was invited by the National Department of Transport to exhibit at the National Festive Season Road Safety Campaign in Bloemfontein, in the Free State Province. The event was well attended by the various entities and the general public.
21.	Sports Acrobatic Club – North West Regionals	26 – 27 February 2022	Stellenbosch	The SACAA held a Mini Exhibition at this general aviation event to increase the SACAA visibility and footprint and to describe the relevance of the SACAA to the safety mandate, as reflected in the General Aviation Safety Strategy (GASS). The SKYwatch newsletter was distributed to attendees as well.

Table 12: Stakeholder Engagements and Initiatives.

## 9.4.2 Additional stakeholder engagements: international

- From 19 – 21 May 2021, the SACAA attended the virtual SADC Sustainable Development and Transport Sector meeting where activities of the SADC Aviation Safety Organisation (SASO) were discussed including progress on the member states that have signed the SASO Charter.
- On 7 June 2021, the SACAA attended the SADC Directors-General of Civil Aviation meeting where the SASO financial statement and audit findings, amongst others, were presented as well as actions taken to close those findings.
- The SACAA also attended a Webinar on 7 July 2021 under the theme: **“Working together to support a safe and sustainable aviation restart – Africa Session”**.
- On 8 July 2021, the SACAA attended the virtual Recommendations of the Ad-hoc Universal Safety Oversight Audit Programme (USOAP) Continuous Monitoring Approach (CMA) Advisory Group (USOAP-AG) meeting.
- On 26 July 2021, the SACAA attended the virtual Preparatory Meeting for the 32nd AFCAC Plenary Session (Extraordinary) and on 27 July 2021, a virtual 32nd AFCAC Plenary Session.
- On 29 July 2021, the SACAA attended a virtual 2nd Planning Steering Committee Meeting, in Preparation for the High-Level Conference on COVID-19.
- On 4, 11 and 18 August 2021, the SACAA attended the 3rd Safety Stream Sub Committee meeting.
- On 12 August 2021, the SACAA attended the virtual 3rd Planning Steering Committee Meeting, in preparation for the High-Level Conference on COVID-19.
- On 19 August 2021, the SACAA attended the virtual Transport Forum SIG “Air Services” meeting.
- On 26 August 2021, the SACAA attended the virtual 4th Planning Steering Committee Meeting in preparation for the High-Level Conference on COVID-19.
- On 27 August 2021, the SACAA attended a virtual briefing meeting on the SACAA Boeing 737 Max.
- On 31 August 2021, the SACAA attended a virtual meeting of the FAA-SACAA IASA assessment discussion.
- On 1 September 2021, the SACAA attended the virtual 7th Safety Stream Sub Committee Meeting for the High-Level Conference on COVID-19.
- On 28 October 2021, the SACAA attended the virtual Inaugural meeting of the Task Force established by the 32nd Plenary Session.
- On 17 November 2021, the SACAA participated in the pre-recording of a video, PEL (Cabin), for the IATA-COSC Conference, which took place on 7 December 2021. The team was invited to speak on the Air Crew COVID-19 vaccinations in South Africa. The theme of the recording was a Ted Talk style video.
- Additionally, South Africa, represented by the SACAA, chaired the 8th Africa Regional Meeting of the Collaborative Arrangement for the Prevention and Management of Public Health Events in Civil Aviation (CAPSCA). The meeting was held virtually from 8 – 10 February 2022.



## 9.4.3 OTHER STAKEHOLDER ENGAGEMENTS – TECHNICAL WORKSHOPS

NO.	TECHNICAL WORKSHOP	DATE	VENUE	FEEDBACK
1	AvSec Dangerous Goods Competency-Based Training Webinar	20 April 2021	Virtual	The purpose of the Webinar was to train the industry on the Competency-Based Training and Assessments (CBTA). Updates were also given on new CBTA procedures.
2	ATS DE Conference	28 April 2021	Virtual	<p>The conference is hosted twice annually to ensure that Designated Examiners (DEs) stay abreast of all the legislative and operational requirements to effectively perform their responsibilities as DEs. The platform was also used to get feedback from the DEs on any challenges experienced in their operations where the SACAA can provide assistance or advice. The conference took place under the theme <b>“Ethical Conduct and Deepening DE Engagements.”</b> Some of the topics covered were:</p> <ul style="list-style-type: none"> <li>• ATS Traffic Trends,</li> <li>• Ethical conduct, challenges, fraud, safety, training and examinations.</li> </ul>
3	AvSec Personnel Certification realignment webinar	12 May 2021	Virtual	The regulatory provisions of Part 110 had not been applied fully, which caused a continuous misalignment between training and certification. This Webinar was aimed at providing clarity on the requirements and the way forward in terms of alignment of training and certification. Some of the major takeaways included; ‘understanding how to do your planning for training’, realignment of the training and recertification matrix, implementation of the switch as well as aligning training with SACAA applications.
4	Risk-Based Oversight Webinar	14 May 2021	Virtual	The aim of the Webinar was to introduce the industry to the Risk-Based Oversight (RBO) approach and its advantages. This webinar was targeted at all accountable personnel; Managers, QA Managers, Safety Officers, inclusive of airports, AvSec and ANS and any other role players in aviation safety.
5	Cabin Safety Webinar	24 June 2021	Virtual	The Cabin Safety Webinar was hosted under the theme: <b>“Going back to basics: getting to know the SACAA”</b> . The purpose was to remind attendees of the fundamental mandate of the SACAA. Other departments were invited to present at the workshop.
6	Aviation Security, Part 110 OJT Virtual Workshop	25 June 2021	Virtual	The workshop was attended by various Security Screeners from different airports that had successfully submitted their documentation as designated OJT personnel. On-the-Job Training (OJT) is a regulatory requirement for security staff, upon the successful completion of initial classroom training, to qualify for screener certification.

NO.	TECHNICAL WORKSHOP	DATE	VENUE	FEEDBACK
7	AvMed COVID-19 Air Navigation System (ANS) Workshop	28 June 2021	Virtual	<p>The SACAA hosted a workshop to interrogate the ANS safety protocols under COVID-19. Presentations were done by representatives from the following organisations:</p> <ul style="list-style-type: none"> <li>• World Health Organisation (WHO)</li> <li>• National Health Laboratory Services (NHLS)</li> <li>• National Institute of Communicable Diseases (NICD)</li> <li>• Civil Air Navigation Services Organisation (CANSO)</li> <li>• Air Traffic Navigation System (ATNS)</li> <li>• Mayday SA and</li> <li>• The ANS representative of the ESAF (ICAO).</li> </ul>
8	Security and Dangerous Goods Workshop	12 July 2021	Virtual	<p>The purpose of the workshop was to clarify the roles and enhance the communication and collaboration between the Aviation Security Division and Flight Operations. This was meant to increase operational efficiencies going forward and ensure a smooth relationship within the SACAA for the benefit of its clients.</p>
9	Cabin Safety Webinar	29 July 2021	Virtual	<p>This was another Cabin Safety Webinar, which was hosted under the theme: <b>“Going back to basics: getting to know the SACAA”</b>. The purpose was to remind attendees of the fundamental mandate of the SACAA. Other departments were invited to present at the workshop, highlighting their roles in the aviation safety value chain.</p>
10	ICAO Standard on Runway Global Reporting Format Webinar	05 August 2021	Virtual	<p>The purpose of the workshop was to provide an update and ICAO perspective on wet runways.</p>
11	AvSec Instructor Virtual Workshop	17 & 18 August 2021	Virtual	<p>The workshop was hosted to equip the instructors for their AvSec certification assessment.</p>
12	PEL – Cabin Safety Conference	26 August 2021	Virtual	<p>This was another Cabin Safety Webinar hosted by the SACAA under the theme: <b>“Going back to basics: getting to know the SACAA”</b>. The purpose was to remind attendees of the fundamental mandate of the SACAA. Other departments were invited to present at the workshop, highlighting their role in the aviation safety value chain.</p>
13	ATS Designated Examiners (DE) Conference	28 September 2021	Virtual	<p>The conference is hosted twice annually to ensure that DEs stay abreast of all the legislative and operational requirements for functioning successfully as a DE. The platform is also used to get feedback from the DEs on any challenges experienced by them in their operations.</p>



NO.	TECHNICAL WORKSHOP	DATE	VENUE	FEEDBACK
14	Flight Procedure Design	29 – 30 September 2021	Virtual	This is an annual event that seeks to share information amongst Flight Procedure Design organisations, Aeronautical Charting Service Providers and the SACAA regarding Technical Guidance matters and concepts of Flight Procedures Design in general.
15	AvSec OJT Webinar	06 October 2021	Virtual	The purpose of the meeting was to capacitate OJT personnel (screeners). Presentations were conducted by AvSec Training and Personnel Inspectors, covering the topics of K9, Cargo, Passenger & Cabin baggage, Hold baggage and Vehicle & Access control screening.
16	AvMed Aerospace Medicine Course	18 – 29 October 2021	Sefako Makgatho University	The AvMed Department conducted the Aerospace Medicine Course from 18 to 29 October 2021 in collaboration with the Sefako Makgatho Health Sciences University. The course is a Postgraduate offering for graduates holding a medical degree and who are fully registered and licensed physicians. The course was delivered and concluded successfully.
17	Risk and Performance-Based Oversight Webinar	29 October 2021	Virtual	The purpose of the workshop was to introduce the industry risk profiling survey questionnaire that will support the implementation of the Risk and Performance-Based Oversight (RPBO) approach to aviation safety and security. This workshop was aimed at internal stakeholders within the SACAA.
18	AvSec ASTI Refresher Webinar	03 November 2021	Virtual	The purpose of the workshop was to ensure that Aviation Security training instructors are kept abreast with current trends and developments globally in aviation security and to prepare them for recertification.
19	AvSec ASTI Initial Webinar	4 – 5 November 2021	Virtual	The purpose of the workshop was to ensure that Aviation Security training instructors are kept abreast with current trends and developments globally in aviation security and to prepare them for certification.
20	Risk Performance-Based Oversight (RPBO)	05 November 2021	Virtual	The purpose of this workshop was to introduce the industry risk profiling survey questionnaire that will support the implementation of the Risk and Performance-Based Oversight (RPBO) approach to aviation safety/security.
21	Risk Performance-Based – Flight Operations	25 November 2021	Virtual	The purpose of this workshop was to introduce the industry risk profiling survey questionnaire that will support the implementation of the Risk and Performance-Based Oversight (RPBO) approach to aviation safety/security.
22	PEL Cabin Conference	25 November 2021	Virtual	<p>The Cabin Safety Webinar was hosted to highlight updates with regard to COVID-19 protocols and training under these conditions. Other topics covered were:</p> <ul style="list-style-type: none"> <li>• Change management</li> <li>• Human trafficking</li> <li>• Clarification of procedures, as well as a refresher on filling out forms.</li> </ul>

NO.	TECHNICAL WORKSHOP	DATE	VENUE	FEEDBACK
23	Risk Performance-Based Workshop – PEL	29 November 2021	Virtual	<p>The purpose of this workshop was to introduce the industry risk profiling survey questionnaire that will support the implementation of the Risk and Performance-Based Oversight (RPBO) approach to aviation safety/security.</p> <p>The topics that were discussed were the following:</p> <ul style="list-style-type: none"> <li>• Overview of RPBO</li> <li>• Industry Risk Profiling feedback and Sector-Identified risk.</li> </ul> <p>The meeting was attended by various stakeholders, inclusive of Air-Tech and Avcon Jet Africa.</p>
24	Declared Training Organisations (DTO) Webinar	26 January 2022	Virtual	<p>New civil aviation regulations were published on 15 November 2021. Part of the publication was a complete replacement of Part 141 of the regulations dealing with Approved Training Organisations. The new Part 141 introduces Sub-Part 8, dealing with Declared Training Organisations (DTOs). The workshop was hosted to brief industry, together with industry partners, on the implementation of the new regulations.</p>
25	ASTI Webinar	04 February 2022	Virtual	<p>This Aviation Security workshop was hosted to ensure that the Aviation Security training instructors are kept abreast of current global trends and developments in aviation.</p>
26	OJT AvSec Webinar	09 February 2022	Virtual	<p>The purpose of the webinar was to ensure that Screening Organisations give their personnel correct OJT training before they commence their work.</p>
27	AvSec Dangerous Goods & Cargo Forum	09 March 2022	Virtual	<p>The SACAA hosted the Dangerous Goods and Cargo Security forum. The forum was attended by delegates from South Africa as well neighbouring countries such as Ghana and Lesotho. The forum covered topics such as securing the cargo supply chain, Cyber Security and the role of the industry in the ICAO USAP CMA. Dangerous goods topics included the Dangerous Goods Competency Based Training and Assessments as well as dangerous goods incidents reporting</p>

Table 13: Other Stakeholder Engagements - Technical Workshops.



## 9.5 AVIATION CAREER AWARENESS



One of the SACAA's organisational outcomes calls for the implementation of an Outreach Programme that is aimed at demystifying aviation to previously disadvantaged communities and improving stakeholder engagement. The aim of the Outreach Programme is to build interest and create awareness of aviation and its associated industries among learners, graduates, and the public. Additionally, the Aviation Awareness Programme ensures the SACAA's presence and visibility around the country during selected Science, Technology, Engineering and Mathematics (**STEM**) related career exhibitions, coordinated by collaborative partners, including the Department of Transport.

The SACAA's Aviation Awareness Programme includes the management of awareness events, ranging from school visits, school airport tours, aviation youth shows and the annual October Month Career Exhibition and air shows. The mandate extends to the SACAA's full participation in logistical preparations for the commemoration of the Annual International Civil Aviation Day (ICAD) Career Expo and Air Show, led by the Department of Transport as the Shareholder.

In the reporting period, the SACAA embarked on a nationwide school campaign to create awareness around careers in the aviation industry, to previously and historically disadvantaged communities from

rural areas and townships. At the end of the reporting period, the SACAA had visited **270** schools and had reached **34881** learners.

Additionally, the SACAA continued with the radio campaigns, which were aimed at bolstering and supporting the school campaign. The interviews focused on aviation career awareness, transformation, and opportunities in aviation. At the end of the reporting period, the SACAA had conducted interviews on 32 radio stations and one (1) television programme, on Lesotho National television. The interview slots were secured at no cost to the SACAA. The community radio campaign's combined listenership and reach was more than 8 million.





Over and above the radio campaign, the SACAA continued to produce the Aviation Career TV series that focused on careers and opportunities within the aviation industry, including careers in piloting, engineering, and air traffic control. The videos aired by Career TV were shared on the SACAA's social media platforms, such as its YouTube channel, Facebook page as well as uploads of each episode on the SACAA's Twitter and Instagram feed.



Additionally, the SACAA embarked on its first-ever Aviation Youth Show to be held outside of the borders of South Africa. The SACAA-Lesotho Aviation Youth Show was hosted by the Lesotho Department of Civil Aviation's Director, supported and attended by the Lesotho Transport and Education Ministers. The event received coverage on the Lesotho national broadcaster. A total of 48 schools and 2340 of their Mathematics & Science subject stream learners attended the Aviation Youth Show from Lesotho's five (5) districts, including the following areas: Quthing, Mohale's Hoek, Mafeteng, Botha-Bothe, Thaba-Tseka, Leribe, Maseru and Berea.



## 9.6 INFORMATION AND COMMUNICATION TECHNOLOGY

Information and Communication Technology (ICT) remains a strategic driver for the SACAA, with regard to Strategic Outcome 4, which is **Innovation and technology management**.

The successful realisation of this outcome continues to enable the SACAA to proactively respond to the changing business environment and to technological shifts, while addressing the stakeholder needs of efficiency, agility and client-centricity.

### 9.6.1 Information and Communication Technology (ICT) Strategy

The implementation of the Information and Communication Technology (ICT) Strategy 2020/21 – 2022/23 commenced in the previous reporting period and continued throughout the 2021/22 financial year. The 2021/22 APP target was to implement 90% of Phase 2 of the ICT Project Plan. At the end of the financial year, 91,25% of the overall targets was achieved.



Another notable progress update on the Strategic ICT Projects for the reporting period was as follows:

- **Electronic Document and Records Management System (EDRMS)/ “Shanduka” Project**



The Electronic Document and Records Management System (EDRMS) project was another significant milestone in the journey of the SACAA towards digitising and automating its business processes and systems. Throughout the history of the SACAA, the support systems underlying its core activities have mostly been manual. Essential functions used to go through a laborious process of moving documents back and forth for approval and verification.

“**Shanduka**” is a Tshivenda word, that when translated means “**Change**”. The Electronic Document and Records Management System (EDRMS) project was named by an employee through an internal competition and was adopted during the project staff launch, which took place on 11 June 2021. The name reflects SACAA’s deliberate intention of continued improvement, especially for the benefit of the SACAA clients and stakeholders.

The Shanduka project is managed through a Steering Committee at an Executive Committee level and follows a combination of the principles of Prince II and the PMBok Project framework.

The project is 55% complete as per the revised Project Plan, as there had been some delays experienced from the original project plan due to unforeseen circumstances. The project is in the final stages of Phase 1.

The SACAA's new website was completed and handed over to the relevant User Department for further processing. The e-Services Portal and travel booking, as well as the application processing were completed in preparation for piloting in the next financial year.

The development of the Contract Management lifecycle could not be concluded as planned, due to some governance issues between the SACAA and the Service Provider. These have since been resolved and the development will commence in the coming financial year.

### • Enterprise Business System (EBS) II

Part of the Enterprise Business System (EBS) Phase II includes the automation of the Exams Online Booking and Payment for Aviation Licence holders. The Online Exams Booking and Payment module was successfully completed and piloted during the

reporting period. The system has been handed over to the User Department for implementation and rollout.

### ICT Governance

The ICT Steering Committee continued with its oversight responsibilities in the period under review. The Committee was established to ensure that ICT Governance forms an integral part of the overall governance structure of the SACAA. The Committee's responsibilities included the following:

- Overseeing the development and implementation of the ICT strategy; ensuring that it conforms to and supports the strategic priorities of the SACAA;
- Advising ExCo and the Board on strategic ICT projects and any risks that have been identified as they relate to the ICT projects;
- Ensuring that the ICT policies initiatives are consistent with the strategic objectives of the SACAA and monitoring their delivery and benefit realisation;
- Considering initiatives and innovations that will advance the SACAA's strategy and sustainable growth;
- Monitoring the redress of all IT audit findings as per the Internal and External Auditors' reports.

In the reporting period, the Committee held at least six (6) meetings.





### • Cyber Security



No Cyber Security Incidents were recorded during the reporting period. The Cyber Security Strategy and the Information Security implementation plan, which were approved by the Board, are currently being implemented. The SACAA has procured a new firewall and antivirus programme that has been fully implemented in the last and fourth quarter of the financial year. The Smart Protection tools were successfully rolled out during the period, to address the following:

- Endpoint Protection.
- Email security.
- Web Security .
- Endpoint Encryption.
- Mobile Security.

The implementation of the Cyber Security Strategy and Improvement Plan is one of the targets within the ICT APP deliverable. As at 31 March 2022, the Plan was 100% implemented and all targets were achieved.

### • ICT Business Continuity

As part of ensuring that Cyber Security related disruptions do not result in complete breakdown of the SACAA services, the Organisation has identified business-critical applications and successfully migrated them to a high availability data centre during the reporting period. The migration of business-critical applications ensures that there is minimum disruption in the event of any crisis and/or disaster. This recent migration reduces the disruption of the services to a maximum downtime of 5 hours, as compared to the previous continuity plan of 24-hours' downtime.

### • ICT Strategic Risks

The following strategic risks have been identified and have been mitigated by migration to the high availability data centre:

1. Unavailability and vulnerability of ICT services
2. Cyber security breaches resulting in data fraud, theft and data integrity.

# PART C

## GOVERNANCE

# GOVERNANCE



# GOVERNANCE

## 1. INTRODUCTION

Good governance continued to remain a fundamental denominator to the success of the SACAA and to the Board's agenda in the 2021/22 financial year. This held true even in the midst of the COVID-19 pandemic and other external geopolitical events that dominated the world centre stage. These catastrophic events with their global impact had no doubt compelled Boards across the world to become more agile in their approach to good corporate governance. The rising uncertainty brought about by the COVID-19 pandemic and the geopolitical issues around the world also required a more adaptive governance approach from the SACAA Board of Directors.

Despite these challenges, the SACAA Board, working together with Management, continued to accentuate its responsibility by being robust, resourceful and adaptable in its deliberations and decision-making. This was also made possible by the remarkable strides that were made internationally in the governance sphere with the development of the ISO 37 000:2021 standard on corporate governance. In terms of this guideline, good governance meant that *“decision-making within the organisation is based on the organization's ethos, culture, norms, practices, behaviours, structures and processes. Good Governance creates and maintains an organisation with a clear purpose that delivers long-term value consistent with the expectation of its stakeholders.”*

With this in mind, the SACAA Board ensured that due regard was given to the SACAA culture, ethos, norms, structures, strategy, leadership and values. In so doing, it ensured that it discharged its duties effectively, prudently and efficiently, thereby instilling confidence and trust in the SACAA as a regulator, in spite of the challenges experienced by the aviation industry. Through inclusive decision-making, the Board strengthened its accountability as expected by the various SACAA stakeholders. The SACAA

continued to demonstrate ethical and effective leadership, both at Board and at Management level. The Board maintained good governance in the reporting period and this included more effective policy review and implementation, continued service delivery, better management of resources, transparency and greater institutional resilience. Having solid processes, procedures and controls remained the key cornerstone of good governance and one of the SACAA's key success factors during the year.

As alluded to in the previous reporting periods and as a result of the Board's agile mindset, the Board of Directors retained its focus on sustained good governance in the reporting period and continued to apply the four (4) corporate governance outcomes articulated in the King IV Report on Corporate Governance (King IV Report™), namely:

- Ethical Culture
- Good Performance
- Effective Control
- Legitimacy.

This approach ensured that the entity was able to cushion the disruptions created by the COVID-19 pandemic, as well as to recover and adapt to the changing environment. This has also enabled the Board to continue to be independent in its approach, well-informed to make effective judgements and to display sound leadership in its decision-making processes.

In the 2021/22 fiscal year, prominence was given to the various governance tenets, including financial sustainability, stakeholder management, human resources, risk management, ethics, legal compliance and information and communication technology. These enabled the Board to mitigate risks appropriately, while remaining accountable and

providing the necessary oversight to Management, at the same time delivering on its strategic imperatives and commitments to the Executive Authority.

The entity, as a Schedule 3A, ensured compliance to the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA) and the Civil Aviation Act, 2009, (Act No. 13 of 2009). In terms of the PFMA and in line with the Civil Aviation Act, 2009, (Act No. 13 of 2009), the SACAA Board is the Accounting Authority, while the Minister of Transport is the Executive Authority. The Board confirms that no non-compliances to the PFMA were reported in the period under review.



As part of the Board's governance mandate, the Board held a Strategic Planning Session to review the strategic goals, outcomes, values and vision. These initiatives made governance all-inclusive and ensured that the Board conducted its affairs with accountability, transparency, fairness and prudence to ensure that the entity remained relevant. Risk, performance and sustainability considerations were effectively integrated into the Board's oversight responsibility and were appropriately balanced.

## 2. SACAA KING IV COMMITMENT









As illustrated in the previous section, the SACAA Board subscribes to the principles of the King IV Report on Corporate Governance (King IV Report™). Furthermore, the Board was pleased with the entity's application of the King IV™ principles and will









constantly strive for improvement as governance best practices evolve.

The table below exemplifies the Board's application of the King IV Report™ principles for the reporting period:

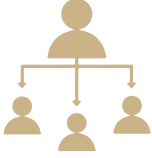



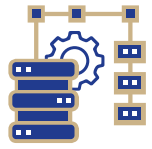



No.	Outcome	Principle	Application	Status
1.	Ethical Leadership 	The governing body should lead ethically and effectively.	The Board adopted a Board Charter that sets the tone at the top and assigns responsibility to the Board to ensure that the SACAA is ethically and effectively managed. The conduct of the Board, its committees, individual directors, and Company Secretary are evaluated and reviewed every second year to establish that those charged with governance exhibit the required characteristics. Along with directing the strategy of the SACAA and being tasked with monitoring its performance, the responsibility for good corporate governance lies with the Board of Directors. Accordingly, Management is required to make strategically sound decisions, complying with the relevant legislation and policies in the interests of all stakeholders to achieve the principles of good corporate governance. The Board has adopted a set of values and an Ethics Policy which assist the Board in setting the ethical tone from the top.	 Achieved



No.	Outcome	Principle	Application	Status
2.	Organisational Ethics 	The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.	<p>The Board is responsible for creating and maintaining an ethical corporate culture and ensures that the ethical standards that have been set are adhered to in all aspects of the business. Ethical standards and expectations are clearly communicated to all employees and breaches of ethical conduct are viewed in a serious light.</p> <p>The SACAA Board has adopted various ethics governance instruments to enable the effective oversight of ethics. The Board provided oversight on the rollout of the Ethics Implementation Plan and the entity achieved 100% of the plan.</p>	 Achieved
3.	Responsible Corporate Citizenship 	The governing body should ensure that the organisation is and is seen to be a responsible corporate citizen.	<p>The Board acknowledges that the COVID-19 pandemic has had a serious impact on the financial affairs of SACAA, but that it has not negatively impacted on the SACAA's standing as a responsible corporate citizen. The Board has put in place adequate policies to ensure that the SACAA remains a responsible corporate citizen. The entity has also adopted a stakeholder-inclusive approach and the Board regularly received reports on corporate social responsibility and stakeholder management activities from Management.</p>	 Achieved
4.	Strategy and Performance 	The governing body should appreciate that the organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process.	<p>Progress against the adopted SACAA Strategic Plan is monitored on a continuous basis. The Board exercises ongoing oversight on the implementation of the Strategy and Operational Plans by Management against agreed performance measures and targets. Quarterly reports on performance against the APP are also tabled and approved by the Board and submitted to the Executive Authority.</p>	 Achieved
5.	Reporting 	The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium-, and long-term prospects.	<p>The Board ensures that the annual report provides an accurate, complete, and integrated representation of the SACAA's operations during the year, including its financial and strategic performance, corporate governance, risk management and sustainability.</p>	 Achieved

No.	Outcome	Principle	Application	Status
6.	<p>Role and Responsibilities of the Governing Body</p> 	The governing body should serve as the focal point and custodian of corporate governance in the organisation.	The Board meets regularly to fulfil its duties and responsibilities in terms of the adopted Board Charter and remains the focal point of sound corporate governance.	 <p>Achieved</p>
7.	<p>Composition of the Governing Body</p> 	The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity, and independence for it to discharge its governance role and responsibilities objectively and effectively.	Most directors are non-executive and independent. The conduct of the Board, Committees, individual directors, and Company Secretary are evaluated and reviewed at least every second year. This is to establish that those charged with governance exhibit the required skills, diversity, independence and knowledge. It is noted that the composition of the skills required of Board Members is prescribed by section 77 of the Civil Aviation Act, 2009 ( Act No. 13 of 2009).	 <p>Achieved</p>
8.	<p>Committees of the Governing Body</p> 	The governing body should ensure that its arrangements for delegation within its own structures promote independent judgement and assist with the balance of power and the effective discharge of its duties.	The Board has established three (3) committees, namely, the Audit and Risk Committee, Human Resources Committee and the Safety, Security and Environmental Committee to assist it in the discharge of its corporate governance responsibilities. The Committees' Terms of Reference (ToR) are reviewed at least annually, and the committees are appropriately constituted by considering the relevant skills and expertise and objectives of the SACAA.	 <p>Achieved</p>
9.	<p>Evaluation of the Performance of the Governing Body</p> 	The governing body should ensure that the evaluation of its own performance and that of its committees, its Chair, and its individual members, supports continued improvement in its performance and effectiveness.	The effectiveness of the performance of the Board, its committees, individual directors, and the Chairperson is assessed every second year. The SACAA is satisfied that the evaluation process improves the Board's performance and effectiveness. The contribution by the directors is considered, to determine whether directors still have sufficient time to fulfil their responsibilities with care, skill and diligence and are free from any conflict of interest.	 <p>Achieved</p>



No.	Outcome	Principle	Application	Status
10.	<p>Appointment and delegation to Management</p> 	The governing body should ensure that the appointment of, and delegation to management contribute to the role clarity and the effective exercise of authority and responsibilities.	While retaining overall accountability, and subject to matters reserved for itself, the Board has delegated authority to the Director of Civil Aviation (DCA) to run the day-to-day affairs of the SACAA, subject to a Delegation of Authority Framework. The Delegation of Authority Framework sets out authority thresholds and governs the delegation of key decisions by Management. It is reviewed annually to ensure relevance.	 <p>Achieved</p>
11.	<p>Risk Governance</p> 	The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.	The Audit and Risk Committee assists the Board with the governance of risk. The Board is aware of the importance of risk management, as it is linked to the strategy, performance and sustainability of the SACAA. The enterprise risk management and combined assurance frameworks, together with other SACAA policies and procedures, inform its risk management culture. The entity has a Risk Committee that considers the material outcomes of these processes and probes risk exposure above the desired levels. This informs the SACAA strategy and assists with decision-making at Board level. The risk assessment process is formally integrated into the SACAA's annual business planning. A comprehensive combined assurance framework and plan was adopted and is monitored by the ARC.	 <p>Achieved</p>
12.	<p>Technology and Information Governance</p> 	The governing body should govern technology and information in a way that supports the organisation to set and achieve its strategic objectives.	The Board has delegated its oversight role of ICT Governance to the ARC. An IT Steering Committee is in place at ExCo level, and reports on technology, and information communications are tabled quarterly at the ARC. There is an approved ICT Plan in place and the ARC monitors progress quarterly.	 <p>Achieved</p>
13.	<p>Compliance Governance</p> 	The governing body should govern compliance with the applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation to be ethical and a good corporate citizen.	The Board is responsible for SACAA's compliance with applicable laws, rules, codes, and standards. Compliance is monitored by the ARC quarterly. Compliance is implemented through the development and monitoring of the Regulatory Compliance Universe that contains all relevant applicable legislation, categorised according to the level of significance, namely Critical, High, Medium, and Low. It is worth noting that the Board approved the Compliance Management Policy governing compliance in this reporting period. The Board oversees the implementation of the Legal Compliance Management Plan and 90% of the Plan was achieved.	 <p>Achieved</p>









No.	Outcome	Principle	Application	Status
14.	<b>Remuneration Governance</b> 	The governing body should ensure that the organisation remunerates fairly, responsibly, and transparently to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	The SACAA's remuneration strategy's objective is to attract and retain key talent and to motivate and reward employees appropriately, to ensure they achieve key organisational objectives. The SACAA remunerates fairly, responsibly, and transparently to promote the creation of value in a sustainable manner. The Remuneration Policy aims to enable the attraction and retention of skilled resources and results in rewards that are aligned with Shareholder interests.	 Achieved
15.	<b>Assurance</b> 	The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the organisation's external reports.	The Internal Audit, Risk and Audit Committee and the Combined Assurance Committee conduct annual reviews of the SACAA's internal controls and report their findings to the Audit and Risk Committee. This review covers financial, operational and compliance controls, as well as a review of the SACAA's risk management policies and procedures. Internal Audit reports on all findings to the Audit and Risk Committee and closure of findings is monitored by the Audit and Risk Committee on a quarterly basis.	 Achieved
16.	<b>Stakeholders</b> 	In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the best interests of the organisation over time.	Establishing and maintaining effective stakeholder relationships are not only essential to keeping our skies safe and secure, but also to enable the growth of the SACAA. The Board has approved a Stakeholder Management Strategy, Plan and Policy. Engagements with stakeholders are aligned with the strategic initiatives identified. The Board understands its responsibility to all stakeholders and therefore considers, as far as possible, the legitimate interests and expectations of its stakeholders as part of its decision-making.	 Achieved
17.	<b>Responsibility of Institutional Shareholders</b> 	The governing body of an institutional investor organisation should ensure that responsible investment is practiced by the organisation to promote good governance and the creation of value by the companies in which it invests.	<p>The Board is the custodian of corporate governance across the SACAA. The Delegation of Authority Framework is approved by the Board and reviewed annually. The approved framework and authority levels are implemented throughout the SACAA. Policies are developed and implemented at the operational level of the SACAA.</p> <p>The entity also applies the PFMA and National Treasury regulations and guidelines in terms of investments. An Investment Policy is in place and is aligned to these prescripts.</p>	 Achieved

Table 14: SACAA King IV Commitment

### 3. SACAA's CORPORATE GOVERNANCE

The Board remains the epicentre of corporate governance as encapsulated in the King IV Report on Corporate Governance (King IV Report™). In this reporting period, the Board concerned itself with the following:

- Review of the five-year Strategic Plan for 2020 - 2025.
- Consideration and approval of the Annual Performance Plan 2022/23.
- Finalisation of the Strategic Risk Register for 2022/23.
- Monitoring of the entity's performance against the approved annual targets as per the Annual Performance Plan 2021/22.
- Approval of the following Strategies, Frameworks and Plans:
  - Human Resources Operational Plan
  - Risk Plan
  - Combined Assurance Plan
  - Ethics Implementation Plan
  - Ethics Framework
  - Transformation Plan.
- Enhancing stakeholder value through oversight over the implementation of the previously approved Stakeholder Management Strategy.
- Oversight over the following key projects: Enterprise Business System, Electronic Document and Records Management System ("Shanduka"), the Flight Inspection Unit's aircraft acquisition and the relocation of the SACAA Head Office.
- The Board successfully held its Annual General Meeting on 27 September 2021 virtually, and all the resolutions tabled were approved by the Shareholder.
- The Board also submitted its Performance Agreement to the Minister of Transport in March 2022, and it was duly approved.
- The Board Charter and all Committee Terms of Reference were reviewed during the year, as well as the various policies and strategies, including the Delegation of Authority (DoA).

The Board affirmed that through its stakeholder-inclusive model, the interests of all stakeholders are considered in developing and implementing the SACAA Strategy, including the Annual Performance Plan.

In order to govern responsibly and effectively, the Board needed to evaluate its own strengths and weaknesses. To this end, the Board successfully conducted its biennial Board evaluation in the latter part of 2020 as required in terms of the Board Charter and as enunciated in the King IV Report™ on Corporate Governance. The evaluation was conducted independently and focused on the Board processes, directors' skills, competencies and Board dynamics. The Board evaluation process and report yielded positive results and provided sound feedback to members on their roles and responsibilities. It afforded the Board an opportunity to reflect on their commitments to the Shareholder, the entity and the best practices in terms of good governance. It is pleasing to report that the SACAA Board continued to be effective at a functional, administrative and strategic level during the reporting period. The Board is now due for its next evaluation in 2022.

#### 3.1 Parliament's Portfolio Committee on Transport

The Accounting Authority confirmed that it had received ongoing support and guidance from the Portfolio Committee on Transport, based on its oversight role. The following engagements were held with the Committee in the period under review:

- 9 November 2021 – Presentation of the SACAA Annual Report 2020/21.

The Annual Report was well received by the Portfolio Committee and the SACAA was commended on its achievements for the year.



### 3.2 Executive Authority

As prescribed in the Public Finance Management Act, 2009 (Act No. 13 of 2009) and the Civil Aviation Act, 2009 (Act No.1 of 1999), the Minister of Transport is the Executive Authority.

In terms of the Civil Aviation Act, 2009 (Act No.13 of 2009) and in compliance with the Public Finance Management Act, 1999 (Act No. 1 of 1999) as well as the Board Performance Agreement, the Accounting Authority is expected to provide regular reports on the overall performance of the SACAA to the Executive Authority. The Accounting Authority confirms that in compliance with the aforementioned legislative prescripts, it consistently reported to the Executive Authority on a quarterly basis. All four (4) quarterly reports were submitted timeously to the Executive Authority.

At the end of the reporting period, the Board affirmed that the entity had yet again met 100% of its annual targets, validating an astounding commitment in terms of King IV Report™ to realise good, stable performance, despite the volatile economic climate brought about by the COVID-19 pandemic. The Accounting Authority maintained an open and transparent engagement with the Executive Authority

in terms of the SACAA's progress, milestones and challenges through written correspondence and interfaces with the Minister and Deputy Minister of Transport. The SACAA Board recognises that SACAA's core mandate, its strategy, performance, risks and opportunities are inextricably linked and crucial to providing stakeholder value.

### 3.3 Accounting Authority

The Accounting Authority appreciates the constructive feedback from engagements with the Executive Authority on its reported performance and the positive support in dealing with challenges facing the entity from time to time. The Board, as the Accounting Authority, provided strategic direction to the entity and constantly endeavoured to achieve all obligations as stated in the Annual Performance Plan and contracted in the Performance Agreement.

The Accounting Authority presented its 2020/21 Annual Report to the Shareholder at the Annual General Meeting on 27 September 2021. The Report was well received by the Executive Authority, represented by the Deputy Minister of Transport. The feedback received from the Shareholder was constructive, progressive and encouraging. The SACAA was also commended on the achievement of a clean audit and its excellent performance.



## 4. ROLES AND RESPONSIBILITIES OF THE BOARD

The Board retains full and effective control over the governance of the SACAA, and a clear division of responsibility exists at Board and Executive level. It has delegated some of its powers to the Director of Civil Aviation (DCA) and the Executive Committee through a Delegation of Authority (DoA) framework, which was approved by the Board. The DoA, however, does not absolve the Board of its responsibilities and accountability.

### **The role of the Board, among others, is to:**

- Provide effective ethical leadership.
- Review and approve the SACAA Strategy and Annual Performance Plan as developed by Management.
- Oversee the SACAA's income, expenditure and assets.
- Determine, oversee and revise the corporate governance structures within the SACAA.
- Determine, oversee and revise the human resources policies and human resources strategies of the SACAA.
- Ensure that the SACAA is managed effectively in pursuance of its mission, by providing oversight over the entity's strategies, policies, decisions, and the execution thereof.
- Review and approve the SACAA's financial objectives, plans and actions, including cost allocations and expenditures.
- Ensure that the entity has an effective and independent Audit and Risk Committee.
- Ensure that there is an effective, risk-based internal audit function, as well as effective governance of risk management and information technology infrastructure.
- Ensure that the SACAA complies with all the applicable laws, and also considers adherence to non-binding rules, codes, policies and standards.
- In line with section 76 (c) of the Civil Aviation Act, 2009, (Act No. 13 of 2009), the Board monitors service standards and customer satisfaction levels and reports to the Minister on any matter concerning such issues.

The above-mentioned roles are not exhaustive; but provide a high-level summary of the roles and responsibilities of the Board as stipulated in the Civil Aviation Act, 2009 (Act No. 13 of 2009), the Performance Agreement and the Board Charter.

## 5. THE BOARD CHARTER

The Board, in keeping with the strategic outcome of sustained good governance, adopted a formal Charter, which is informed by the Constitution of the Republic of South Africa, the Civil Aviation Act, 2009, (Act No. 13 of 2009), the Public Finance Management Act, 1999 (Act No. 1 of 1999) and the King IV Report™ among others. In this manner, the Board can ensure that corporate governance and best practice are integral to the fulfilment of its responsibilities.

The Charter defines the respective roles, responsibilities and authority of the Board, both individually and collectively, and reflects the value systems that guide how the Board operates and

holds members accountable. The Board Charter is reviewed and approved annually to ensure relevance and alignment with the changing governance landscape. It also lays the foundation for a shared understanding of the Board's role throughout the organisation. The Board confirmed that, in the period under review, it had satisfactorily discharged all its duties and obligations as contained in the Board Charter, thereby ensuring value creation in terms of ethics, performance, financial sustainability and human capital.

## 6. BOARD COMPOSITION

At the end of the reporting period, the Board comprised seven (7) members, all of whom were appointed by the Executive Authority with effect from 1 December 2018. One (1) member, Dr B Suckling, resigned on 17 August 2020. The Executive Authority had not yet filled the casual vacancy.

Members of the Board as at 31 March 2022:

- Mr E Khosa (Non-executive) – Chairperson (NED)
- Professor NV Dyani-Mhango (Non-executive) – Lead Independent (NED)
- Mr MG India (Non-executive) (NED)
- Mr S Sooklal (Non-executive) (NED)
- Ms GB Koyana (Non-executive) (NED)
- Ms R Phewa (Non-executive) (NED)
- Ms P Khoza – Director of Civil Aviation (Executive)

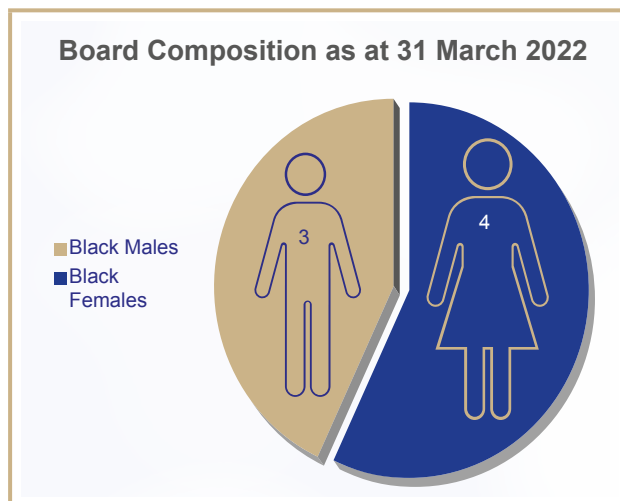


Diagram 4: Board Composition

All non-executive Directors listed above are independent and appointed for a three-year term, which came to an end on 30 November 2021. The Board's term was extended by the Minister of Transport for a further six (6) months in terms of the Civil Aviation Act, 2009, (Act No. 13 of 2009), from 1 December 2021 to 31 May 2022.

The Minister on 1 June 2022 reappointed the following members for a further three (3) years.

Mr E Khosa – Chairperson (NED)

Mr S Sooklal – Member (NED)

Ms GB Koyana - Member (NED)

Ms R Phewa – Member (NED)

It is reported that Mr India and Prof. Dyani-Mhango were retired from the Board, having served two (2) consecutive terms as per the Civil Aviation Act.

The Minister is in the process of filling the three (3) vacancies that remain on the Board.

The Director of Civil Aviation, Ms Poppy Khoza, is the only Executive Director appointed on a five-year contract and whose contract was renewed by the Minister of Transport for a further five years, effective from 1 December 2018.

The roles of the Chairperson of the Board and the Director of Civil Aviation are clearly defined and distinct, both in terms of the Civil Aviation Act and the Board Charter. Mr E Khosa was appointed as an independent, non-executive Chairman by the Minister of Transport and remains free from any conflict of interest. The Board continued to endeavour to ensure proper and seamless achievement of the regulatory mandate of the entity as contained in the Civil Aviation Act, 2009, (Act No. 13 of 2009) and the strategic objectives as approved by the Executive Authority. A total of fourteen (14) Board meetings were held in the year under review.

The mix of skills facilitates sound decision-making and enriches the discussions and deliberations at Board and Committee meetings. The Board is satisfied that it has an appropriate balance of knowledge, skills, experience, diversity, and independence to discharge its fiduciary duties, thereby contributing to robust governance and leadership.



## 6.1 SACAA BOARD OF DIRECTORS APPOINTED ON 01 DECEMBER 2018



### Mr E Khosa

**Chairperson of the Board**  
**Non-Executive Director (NED) / Member**

**Qualifications:** MPhil Law, LLB, Higher Diploma: Company Law, Master of Science (International Development), Master of Arts (Development), B.A Honours, B.A Humanities

**Reappointed** - 01/12/2018 and 01/06/2022

### Directorship:

Johannesburg Social Housing Company,  
National Student Financial Aid Scheme (NSFAS),  
Shipoyila Khosa Associates

### Expertise:

Development Finance,  
Realignment of Organisations,  
Compliance Management,  
Organisational Development

### Membership of Professional Associations:

Institute of Directors of South Africa (IoDSA),  
Rixaka Forum

**Other Committees:** SSEC (01/06/2022)



### Professor NV Dyani-Mhango

**Non-Executive Director (NED) /Member**  
**Lead Independent (NED)**

**Qualifications:** LLB, LLM, LLD, Professor of Law

**Reappointed** - 01/12/2018

**Retired** - 31/05/2022

**Directorship:** None

**Expertise:** Legal and Governance

### Membership of Professional Associations:

Institute of Directors of South Africa (IoDSA)

**Other Committees:** ARC & HRC



**Mr MG India**

**Non-Executive Director (NED) / Member  
Chairperson of the Safety, Security and  
Environmental Committee (SSEC)**

**Qualifications:** National Diploma in Security Risk Management, Diploma in Aviation Security Management, Project Management Certificate, Programme in Economics and Public Finance, Disaster and Communication Management Certificate, Certificate in the Aviation Leaders Programme in Public Policy – Singapore Aviation Academy, Aviation Security Supervision Management Course Certificate – Kenya, Aviation Security Management Course (Florida), Aviation Security Ops Course (Canada), Former Military/ Defence/ Police Officer

**Reappointed** - 01/12/ 2018

**Retired** - 31/05/2022

**Directorship:** Incomar Aerospace Defence Systems, EviloX Holdings, EviloX Security Risk Company

**Expertise:** Aviation Security

**Membership of Professional Associations:** Institute of Directors of South Africa (IoDSA), Former SA Representative of AvSec Panel of Experts of ICAO United Nations Specialised Agency, Former Chairperson of the SADC Aviation Security Working Group

**Other Committees:** SSEC & ARC



**Mr S Sooklal**

**Non-Executive Director (NED) / Member  
Chairperson of the Audit and Risk Committee  
(ARC)**

**Qualifications:** Post-graduate Diploma: Taxation, Public Accountants' and Auditors' Examinations, Chartered Accountant (SA), Post-graduate Diploma: Accounting and Auditing, Bachelor of Commerce

**Reappointed:** 01/12/2018 and 01/06/2022

**Directorship:** Garuda Chemical (Pty) Ltd, Mascom Botswana Limited, Econet Wireless (Pty) Ltd, Lunar Capital (Pty) Ltd, Member of the Disciplinary Committee: Independent Regulatory Board of Auditors

**Expertise:** Finance, Tax, Risk Management, Corporate Governance, Due Diligence Reviews, Assurance (Internal and External), Mergers and Acquisition, Listing and Delisting of companies on the JSE, Regulatory

**Membership of Professional Associations:** South African Institute of Chartered Accountants, Independent Regulatory Board of Auditors, Institute of Directors of South Africa (IoDSA)

**Other Committees:** ARC & HRC



**Ms GB Koyana**

**Non-Executive Director (NED) / Member  
Chairperson of the Human Resources Committee  
(HRC)**

**Qualifications:** Honours: Bachelor of Arts in Social Science (Psychology), Transnet MD's Executive Women Development Programme (EDP), Post-graduate Certificate in Airline Management, Bachelor of Social Sciences

**Appointed:** 01/12/ 2018

**Reappointed:** 01/06/2022

**Directorship:**

South African Civil Aviation Authority (SACAA), South African National Parks Board (SANParks), Joburg Tourism Company

**Expertise:** Airline Industry Experience, Tourism, Human Resources, Stakeholder Management, Communications, Customer Service, Coaching and Leadership Development, Business Process Outsourcing

**Membership of Professional Associations:**

Institute of Directors of South Africa (IoDSA), Honorary Member of the Golden Key International Honour Society from the University of Pretoria Chapter

**Other Committees:** HRC, SSEC & ARC (01/06/2022)



**Ms R Phewa**

**Non-Executive Director (NED)  
Shareholder Representative**

**Qualifications:** Diploma in Airport Management, Managing Integrated Development Service Delivery, M.A in Rural Development, Honours: B. Social Science; majored in Sociology, B. Social Science; majored in Sociology and Political Science

**Reappointed:** 01/12/ 2018 and 01/06/2022

**Directorship:** None

**Expertise:** Aviation

**Membership of Professional Associations:**

Institute of Directors of South Africa (IoDSA)

**Other Committees:** HRC & SSEC

**Ms P Khoza****Executive Director****Director of Civil Aviation (DCA)**

**Qualifications:** B. Management and Advanced Business Programme, International Executive Development Programme (Wits and London Business School), SACAA Executive Development Programme – Henley Business School, Certificate in Travel and Tourism, Certificate in Aviation Safety for Directors-General from Singapore Aviation Academy (ICAO), International Visitor's Leadership Programme (USA), Civil Aviation Chief Executive Programme Certificate (Singapore Aviation Academy), various Civil Aviation Certificates from ICAO and IATA

**Appointed:** 01/12/2013**Reappointed:** 1/12/2018**Directorship:** None**Expertise:** Leadership and Aviation**Membership of Professional Associations:**

Institute of Directors of South Africa (IoDSA)

**Other Committees:** None

## 7. BOARD AND BOARD COMMITTEES

Board Committees are an integral part of effective governance and sound decision-making for the SACAA Board. In terms of Principle 8 of the King IV Report™, the Board is required to delegate certain functions to well-structured committees, however, without abdicating its own responsibilities. This provision also finds credence under section 81 of the Civil Aviation Act. They allow for more in-depth deliberation on crucial and complex matters and enable the Board to make better informed decisions on such matters, based on the recommendations of its Committees. The governance structure adopted by the Board at committee level enabled the Board to provide oversight and strategic direction on material issues affecting the entity, while empowering Management to execute and deliver against the approved strategy.

The Board, at the commencement of the 2021/22 financial year, had three (3) committees, namely:

- Audit and Risk Committee (ARC)
- Human Resources Committee (HRC)
- Safety, Security and Environmental Committee (SSEC).

The Board reported that all Committees operate within the framework of the Board-approved Terms of Reference (ToR), which are reviewed annually by the various Committees and approved by the Board. In addition, each Committee had an approved Annual Work Plan linked to its Terms of Reference, the Civil Aviation Act, the PFMA and the Board Performance Agreement. The Board appoints the Chairperson and members of each of the Committees. The Board nominated the Audit and Risk Committee (ARC) members, but membership is ratified annually at the Annual General Meeting (AGM). This ensures a robust and healthy system of governance and rotation of members.

## 7.1 Audit and Risk Committee (ARC)

This Committee is a statutory committee that provides independent and objective oversight over, amongst others, financial and sustainability reporting, financial management, risk management, internal controls, internal audit functions and processes, external audit, procurement processes, and information technology governance.

The mandate of the ARC is mostly derived from the PFMA. Members of the ARC were nominated by the Board and their appointment was ratified at the AGM of 27 September 2021. An independent member, Ms Z Nkosi, was also appointed to the ARC by the Board to bolster the financial skills represented on the ARC with effect from 1 November 2020 until 31 May 2022. The Shareholder was also informed of the appointment.

The responsibilities of the Committee are as follows, but are not limited to the following:

- Ensuring that a combined assurance model is applied to provide a coordinated approach to all assurance activities. The assurance of the adequacy, reliability and accuracy of the financial information provided by Management and other users of such information.
- Reviewing the internal control systems and structure, including financial controls and accounting systems, as well as evaluating whether the system of internal control is adequate to manage critical risks.
- Reviewing the activities of the internal audit function, including its annual work programme, co-ordination with the external auditors, the reports on significant investigations and the responses of Management to specific recommendations.
- Reviewing the enterprise-wide risks as well as the strategic risks on a quarterly basis and ensuring that risk management assessments are performed on a continuous basis.
- Reviewing the Annual Report and Annual Financial Statements to ensure that they fairly

present a balanced assessment of the SACAA's position, performance and prospects before recommending them to the Board for approval; and

- Reviewing and recommending tenders above R 10 million to the Board for approval.

The Committee reviewed the following quarterly reports in the year under review:

- Financial Management
- Materiality Framework
- Internal Audit
- Fraud Management
- Risk Management
- Performance Management
- Combined Assurance
- Legal Compliance
- Information and Communication Technology
- Closure of the Auditor-General of South Africa's (AGSA) findings
- Reports on key projects, including the relocation of the SACAA Head Office.

In the year under review, additional emphasis was placed on cyber security, internal audit plans and the combined assurance functions. A detailed report from the Committee is contained in **PART E: Annual Financial Statements** of this report.

## 7.2 Human Resources Committee (HRC)

The Human Resources Committee (HRC) advises the Board on matters related to human resources (HR) and recommends to the Board for approval all policies and strategic documents related to HR.

This Committee provides independent and objective oversight over, among others, the human resources issues, labour relations, collective bargaining issues, remuneration, performance management systems, reward strategy, retention policy, succession planning and any other issues relating to the workforce of the SACAA. The HRC's duties and responsibilities are detailed in the Board-approved Terms of Reference.



In the year under review, the Committee focused on the following activities:

- Review and approval of the human resources operational plan.
- Monitoring of the performance against the approved HR operational plan on a quarterly basis.
- Review and recommendation to the Board of the annual salary increases.
- Review of the DCA performance for 2020/21.
- Review of the social responsibility, stakeholder

management strategy and transformation reports.

- Review of the Ethics Implementation Plan and Ethics Risk Register.
- Consideration of the Ethics Survey results.
- Review of the restructure of the Aviation Safety Oversight Division.
- Review of the Contact Centre Business Case project report and other policies.
- Review of the HRC Terms of Reference.

### 7.3 Safety, Security and Environmental Committee (SSEC)

The Safety, Security and Environmental Committee was established to ensure that the Board is fully apprised of aviation safety and security matters, including environmental issues. The Committee provides oversight on aviation safety, security and environmental matters and mobilises the requisite

resources for safety, security and environmental matters, including audits. The SSEC also reviews key strategies impacting safety and security in the aviation industry, as well as the quarterly divisional reports.

## 8. BOARD AND COMMITTEE MEETINGS



## 8.1 Board Meetings

BOARD MEETINGS FOR 2021/22 FINANCIAL YEAR			
Number of Members as at 31 March 2022 – 7			
Name	Designation	Number of Meetings	Total Number of Meetings attended
Mr E Khosa	Chairperson	14	14/14
Mr MG India	Member	14	13/14
Mr S Sooklal	Member	14	14/14
Prof. NV Dyani-Mhango	Member	14	13/14
Ms GB Koyana	Member	14	14/14
Ms R Phewa	Member	14	12/14
Ms P Khoza	Member	14	14/14

Table 15: Board Meetings for the 2021/22 Financial Year

BOARD STRATEGY SESSIONS FOR 2021/22 FINANCIAL YEAR			
Number of Members – 7			
Name	Designation	Number of Meetings	Total Number of Meetings attended
Mr E Khosa	Chairperson	2	2/2
Mr MG India	Member	2	2/2
Mr S Sooklal	Member	2	2/2
Prof. NV Dyani-Mhango	Member	2	2/2
Ms GB Koyana	Member	2	2/2
Ms R Phewa	Member	2	2/2
Ms P Khoza	Member	2	2/2

Table 16: Board Strategy Sessions for the 2021/22 Financial Year

ANNUAL GENERAL MEETINGS FOR 2021/22 FINANCIAL YEAR			
Number of Members – 7			
Name	Designation	Number of Meetings	Total Number of Meetings attended
Mr E Khosa	Chairperson	1	1/1
Mr MG India	Member	1	1/1
Mr S Sooklal	Member	1	0/1
Prof. NV Dyani-Mhango	Member	1	0/1
Ms GB Koyana	Member	1	1/1
Ms R Phewa	Member	1	1/1
Ms P Khoza	Member	1	1/1

Table 17: Annual General Meetings for the 2021/22 Financial Year

BOARD TASK TEAM MEETINGS FOR 2021/22 FINANCIAL YEAR			
Number of Members – 3			
Name	Designation	Number of Meetings	Total Number of Meetings attended
Mr E Khosa	Chairperson	8	8/8
Prof. NV Dyani-Mhango	Member	8	6/8
Mr S Sooklal	Member	8	8/8

Table 18: Board Task Team Meetings for the 2021/22 Financial Year

## 8.2 Board Committee Meetings

AUDIT AND RISK COMMITTEE FOR 2021/22 FINANCIAL YEAR			
Number of Members – 4			
Name	Designation	Number of Meetings	Total Number of Meetings attended
Mr S Sooklal (Chairperson)	Chairperson	8	8/8
Mr MG India	Member	8	8/8
Prof. NV Dyani-Mhango	Member	8	8/8
Ms Z Nkosi ( <b>Independent specialist member appointed on 01/11/2020</b> )	Member	8	8/8

Table 19: Audit and Risk Committee Meetings for the 2021/22 Financial Year

HUMAN RESOURCES COMMITTEE FOR 2021/22 FINANCIAL YEAR			
Number of Members – 4			
Name	Designation	Number of Meetings	Total Number of Meetings attended
Ms GB Koyana (Chairperson)	Chairperson	7	7/7
Mr S Sooklal	Member	7	7/7
Prof. NV Dyani-Mhango	Member	7	7/7
Ms R Phewa	Member	7	6/7

Table 20: Human Resources Committee Meetings for the 2021/22 Financial Year

SAFETY, SECURITY AND ENVIRONMENTAL COMMITTEE – SSEC FOR 2021/22 FINANCIAL YEAR			
Number of Members – 3			
Name	Designation	Number of Meetings	Total Number of Meetings attended
Mr MG India (Chairperson)	Chairperson	5	5/5
Ms GB Koyana	Member	5	5/5
Ms R Phewa	Member	5	5/5

Table 21: Safety, Security and Environmental Committee Meetings for the 2021/22 Financial Year

\*It is noted that the DCA is an invitee to all Committee meetings.

## 9. BOARD REMUNERATION

The Minister of Transport determines the Board remuneration in accordance with the Civil Aviation Act, 2009, (Act No. 13 of 2009). Board members are paid a monthly stipend and, in addition, are remunerated for meeting attendance and preparation. Members are also reimbursed for any travel expenses incurred.

The Board remuneration is disclosed in the Annual Financial Statements and is summarised hereunder:

Name	Annual Stipend Remuneration	Other Allowance	Other Reimbursements*	Total
Mr E Khosa <sup>1</sup>	436 196	N/A	2 984	439 180
Mr Sooklal <sup>2</sup>	426 424	N/A	2 067	428 491
Mr MG India	352 964	N/A	684	353 648
Prof. NV Dyani-Mhango	401 072	N/A	614	401 686
Ms GB Koyana	369 165	N/A	1 327	370 492
Ms ZG Nkosi	44 296	N/A	0	44 296

Table 22: Board Remuneration

\*\*\* Reimbursement expenses are disclosed in terms of section 28 (1) (4) of the PFMA as reimbursement costs paid to Board members. The costs include travel costs for all meetings of the Board and its Committees.



<sup>1</sup> Fees include stipend and 15% VAT

<sup>2</sup> Fees include stipend and 15% VAT

## 10. AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2022.

### The Responsibility of the Audit and Risk Committee

The Audit and Risk Committee reports that they have complied with their responsibilities arising from section 50(1) and 51(1) of the PFMA and Treasury Regulations. The Audit and Risk Committee also reports that it has adopted appropriate formal Terms of Reference as its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Audit and Risk Committee was established as an independent statutory committee in terms of the PFMA and the Civil Aviation Act. The Committee oversees all audit, compliance, information technology, internal audit and risk matters for the SACAA; however, the Board is ultimately accountable for financial and risk management.

The Audit and Risk Committee for the year ended 31 March 2022 comprised three non-executive members and an independent specialist member appointed in November 2020 and was chaired by an independent non-executive member, Mr Surendra Sooklal. The Director of Civil Aviation, Chief Financial Officer, Chief Audit Executive, Executive: Corporate Services and the Auditor-General of South Africa all have a standing invitation to the Audit and Risk Committee meetings. The appointment of the Audit and Risk Committee members is confirmed annually at the Annual General Meeting by the Executive Authority.

On an annual basis, the Audit and Risk Committee assesses the effectiveness of the Internal Audit activity against the criteria outlined below:

- Achievement of the annual Internal Audit Plan;
- Compliance with the Institute of Internal Auditors' professional standards;
- Achievement of reporting protocols through management to the Audit and Risk Committee;
- Timeliness of reporting of findings and activities;
- Responsiveness to the changing business and operational environment;
- Management's acceptance of the internal audit findings;
- Quality and relevance of the annual assessment reports;
- Level of co-operation and interaction with other assurance providers within the agreed combined assurance approach;
- Maintenance of adequate staffing and resource levels to achieve the annual Internal Audit Plan outcomes and meet the requirements of the Internal Audit Charter; and
- Meeting the budget allocated to the internal audit function.

During the period under review, the Committee held five (5) scheduled meetings, three (3) special meetings and one (1) workshop. The purpose of the workshop was to review the reporting and plans relating to internal audit, risk management and combined assurance. The Chairperson of the Committee reports to the Board quarterly with regard to the Committee's deliberations, decisions and recommendations. In addition the Committee also reports quarterly to the Executive Authority.



### Attendance of Audit and Risk Committee meetings by Audit and Risk Committee members

Attendance of Audit and Risk Committee meetings by Audit and Risk Committee members			
Name	Designation	Number of Meetings held	Total Number of Meetings attended
Mr S Sooklal	Chairperson	8	8/8
Mr MG India	Member	8	8/8
Prof. NV Dyani-Mhago	Member	8	8/8
Ms ZG Nkosi	Member	8	8/8

Table 23: Attendance of Audit and Risk Committee meetings

### Work of the Committee in 2021/22

During the period under review, the Committee fulfilled its statutory duties as required by the PFMA and Treasury Regulations, as well as various additional responsibilities assigned to it by the Board. The Committee's activities are also guided by its Terms of Reference, which are annually reviewed and approved by the Board.

### The effectiveness of internal control and risk management

Internal Audit provides the Audit and Risk Committee with reasonable assurance that the internal controls are appropriate and effective. This is achieved by means of compiling a risk-based internal Audit Plan, as well as the identification of corrective actions and suggested enhancements to the controls and processes when conducting individual audits. From the various reports of both the internal and external auditors, we noted that matters which indicated any deficiencies in the system of internal control have been brought to Management's attention and corrective measures have been implemented. Accordingly, we can report that the systems of internal control over

financial reporting for the period under review were efficient and effective.

Section 51(1)(a)(i) of the PFMA states that the Accounting Authority must ensure that the SACAA maintains an effective, efficient and transparent system of financial, risk management and internal control.

The Audit and Risk Committee is responsible for overseeing risk management and reviewing the internal controls. Reviews of the effectiveness of the internal controls were conducted and they covered financial, operational, compliance and risk assessment controls.

During the year under review, the Committee conducted the following activities:

### Reviewed and recommended the following matters to the Board for approval:

- Quarterly risk reports containing potential and emerging risks and opportunities aligned to the SACAA's vision and mission and reportable incidents;
- Quarterly PFMA compliance reports;
- Quarterly finance and materiality reports;
- Quarterly performance management reports;
- SACAA's policies on fraud and corruption, bank and cash, investment, telephone & cellphones and security;
- The risk assessment and risk management, including fraud risks and information technology risks;
- The Medium-Term Expenditure Framework for the ensuing periods;
- The draft Annual Report 2020/21;
- Revision of the Delegation of Authority;
- Legal Compliance report;
- Review of the supply chain, other financial, risk, internal audit, fraud and legal compliance policies; and
- Cyber Security Strategy, amongst others.

### Reviewed and approved the following quarterly reports:

- Information and Communication Technology;
- Combined assurance reports;
- Materiality reports;
- Legal compliance, litigation and fraud incidents; and
- Oversight on capex projects.

### Evaluation of the annual financial statements

The Audit and Risk Committee reviewed the annual financial statements of the SACAA and is satisfied that they comply with the accounting standards and that the accounting policies used are appropriate. The annual financial statements were reviewed with the following focus:

- Significant financial reporting judgments and estimates contained in the annual financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Quality and acceptability of, and any changes in accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Significant adjustments and/or unadjusted differences resulting from the audit;
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Asset valuations and revaluations;
- Calculation and levels of general and specific provisions;
- Write-offs and reserve transfers; and
- The basis for the going-concern assumption.

### Financial reporting

In addressing our key objective, which is to assist the entity through the Board in ensuring the integrity of its financial statements, we reviewed the financial statements with both management and the external auditor, concentrating on:

- Compliance with financial reporting standards and governance reporting requirements;
- Areas requiring significant judgments to be made in applying accounting policies;
- The appropriateness of accounting policies;
- The procedures and controls around estimates that are key to applying accounting policies; and
- Whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides information necessary for stakeholders to assess the entity's business model, strategy and performance.

The Committee focuses on ensuring the integrity of the SACAA's financial reporting and improving the financial controls framework and assessed the fair presentation of the financial statements.

### Internal audit

The Internal Audit Department is responsible for providing a professional, independent and objective assurance review on the adequacy and effectiveness of the internal control environment across all the significant areas of the SACAA's operations and assisting the SACAA in the achievement of set objectives.

### Key activities of Internal Audit are:

- to develop and implement a three-year, risk-based internal audit annual plan, including risk and concerns identified by management and of course raised by us, the Audit and Risk Committee, and the plan is submitted to the Audit and Risk Committee for review and approval;
- to build and enhance the skills levels of audit staff with knowledge to assist them in the execution of planned audits; and

- to provide an optimal audit coverage by considering the scope of work of the external auditors and other assurance providers as per the Combined Assurance Framework.

The Internal Audit Department completed all planned audits and allocated ad-hocs for the period under review.

The Audit and Risk Committee is responsible for ensuring that the Internal Audit function is independent and has the necessary resources, standing and authority within the SACAA to enable the division in discharging its duties. Furthermore, the Audit and Risk Committee oversees co-operation between the internal and external auditors and serves as a link between the Board and these two functions.

Internal audit's activities are measured against the approved internal audit plan and the Chief Audit Executive tables progress reports in this regard to the Audit and Risk Committee on a quarterly basis.

During the reporting period the Audit and Risk Committee reviewed and approved/noted the following activities:

- The risk-based, annual internal audit plan and the three-year, risk-based internal audit rolling plan;
- Progress reports on the closure of the internal audit findings;
- Internal audit's quarterly reports in line with the approved internal audit plan; and
- Internal audit charter for the 2021/22 financial year.

Furthermore, the Audit and Risk Committee monitored the implementation of the Combined Assurance Plan and Combined Assurance Model to ensure the coordination and alignment of assurance activities across the various lines of defence, so that assurance has the appropriate depth and reach, including resource optimisation.

The Audit and Risk Committee has formed an opinion that adequate, objective internal audit policies and procedures exist within the SACAA and that the

SACAA's Internal Audit Department has complied with the internal audit standards and the required legal, regulatory and other responsibilities as stipulated in its charter during the period under review. We are satisfied that the Internal Audit function is operating effectively, and that it has addressed the risks pertinent to the SACAA in its internal audits.

### Whistle-blowing

In compliance with the Protected Disclosures Act, 2000, (Act No. 26 of 2000) the SACAA has established and maintains an independent fraud hotline service. The Audit and Risk Committee wishes to report that, for the financial year under review, it received and dealt with all concerns or complaints, whether from within or outside of the SACAA.

The Audit and Risk Committee also discusses reports from the whistle-blowing hotline through reports presented by the Internal Audit Department. The Audit and Risk Committee receives on a regular basis progress reports on the status of the investigations, and the Committee ensured that the necessary corrective actions were taken by management. The Committee in the year under review also reviewed and approved the Fraud and Corruption Policies and the Annual Forensic Plan.

### The quality of management quarterly reports submitted in terms of the PFMA

The Audit and Risk Committee is satisfied that it received sufficient, reliable and timely information from management in order to enable it to fulfil its responsibilities.

During the year under review, quarterly management reports were presented by management to enable the Committee to:

- Monitor the integrity, accuracy and reliability of the financial position of the SACAA;
- Review the management accounts of the SACAA to provide the Accounting Authority with an authoritative and credible view of the entity's financial position;

- Review the disclosures made in the financial reports of the SACAA and the context in which statements on the financial health of the entity are made; and
- Review all material information presented together with the management accounts.

### The quality of budgets submitted in terms of the PFMA

The Audit and Risk Committee is satisfied that it received sufficient, reliable and timely information that enabled it to:

- Review and ensure that the annual budgets are balanced, credible and realistic against the approved business plans; and
- Monitor and periodically review the implementation of the approved budget by the Accounting Authority.

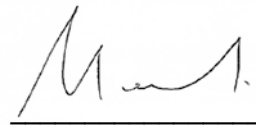
### Auditor-General of South Africa

The Audit and Risk Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

The Audit and Risk Committee monitored the implementation of the action plan to address matters arising from the management report issued by the Auditor-General of South Africa for the 2020/2021 financial year. All the action items were closed by the end of the 2021/22 financial year.

The Auditor-General has unrestricted access to the SACAA's records and management and furnishes a written report to the Committee on significant findings arising from the annual audit and is able to raise matters of concern directly with the Chairman of the Committee.

The Audit and Risk Committee concurs with, and accepts the conclusions and the audit opinion of the Auditor-General of South Africa on the annual financial statements and is of the view that the audited financial statements be accepted and read together with the report of the Auditor-General of South Africa.



**Mr S Sooklal**

**Chairperson of the Audit and Risk Committee**  
**Date: 28 July 2022**

## 11. RISK MANAGEMENT



The objective of SACAA's Enterprise-Wide Risk Management programme is to reduce the total cost of risk, maximise available opportunities and add maximum sustainable value to all activities of the SACAA by mitigating the risk of achieving key strategic objectives. To this end, enterprise-wide risk management is embedded throughout the SACAA, to ensure that the organisation fulfils its mandate, achieves its strategic outcomes and explores identified opportunities. This is achieved through the continuous reassessment of current risks and the identification of emerging risks and opportunities.

All identified risks, whether strategic, tactical, or operational in nature were assessed, updated in the risk registers, enhanced through existing controls and mitigated by means of recommended actions, to ensure an acceptable level of control effectiveness.

The SACAA's risk-bearing capacity and appetite was determined directly in relation to its strategy and financial sustainability, and considered in terms of resource allocation and key management decisions and actions. To this end, the SACAA established a Risk Committee, comprising Executives who hold meetings on a quarterly basis. In addition, Risk Management is a standing item on the Executive Management Committee and Audit and Risk Committee's agendas. The Audit and Risk Committee reviews organisational risk on a quarterly basis.

Two (2) major risks on the SACAA risk registers materialised in the period under review, due to the national COVID-19 lockdown, and they are:

- The financial sustainability risk that surfaced when major airlines were put under business rescue. This negatively affected the SACAA's revenue stream and its financial sustainability. To mitigate this risk, the SACAA continued to implement its cost-containment measures and with the funding from the Department, and some recovery as a result of the resumption of operations, was able to stay afloat.
- The outbreak, as well as the risks associated with new variants/strains of the Novel Corona Virus (COVID-19). Responses to the COVID-19 pandemic, including lockdowns and travel restrictions, had a negative effect on the global aviation industry, resulting in the following operational and reputational risk:
  - Reduced levels of service delivery and an increase in exemptions.
  - Reduced levels of productivity.
  - Some restrictions on travel by inspectors to other provinces, necessitating virtual audits where possible.

As outlined in the Strategic Risk Register Matrix below, progress was achieved in terms of the identified, recommended actions in mitigating these risks to acceptable levels.



**Legend:**

Low



High



Medium



Extreme


**SACAA STRATEGIC RISK MATRIX – 2021/22**

No	Strategic Outcome	Risk Name	Risk Description	Inherent Risk Level	Residual Risk Level
1	Financial sustainability	Revenue, Economic Climate (Financial Risk)	Long-term financial sustainability of the Regulator is threatened	25	9
2	Enhanced human capital management	Human Capital (Operational Risk)	Failure to attract, develop and/or retain critical and scarce talent	20	9
3	Improve stakeholder engagement and service excellence	Stakeholder Management (Reputational Risk)	Poor stakeholder relations, impacting negatively on aviation safety and security oversight	20	9
4	Strengthened safety and security oversight system	Safety and Security Oversight (Regulatory & Compliance Risk)	Ineffective aviation safety and security oversight, resulting in non-compliance with ICAO SARPS	25	7
5	Innovation and technology management	ICT System Reliability (Technology Risk)	Unavailability and vulnerability of ICT services, impacting on the mandate	25	10
6	Strengthened safety and security oversight system	Regulatory Non-Compliance (Regulatory Risk)	Non-compliance with new and amended legislation and regulations	20	9
7	Sustained good corporate governance	Governance (Compliance Risk)	Poor corporate governance	20	8
8	Sustained good corporate governance	Fraud and Corruption (Compliance & Reputational Risk)	Fraud and corruption, negatively impacting on the mandate and sustainability of the Regulator	20	6
9	Innovation and technology management	Cyber Breach (Technology Risk)	Cyber breaches, resulting in data fraud, theft and affecting data integrity	20	7
10	All outcomes (1 6)	Business Disruption (Reputational Risk)	Inability of the business to continue operations, following a disruptive event	25	7

Table 24: SACAA Strategic Risk Matrix - 2021/22

## 12. BUSINESS CONTINUITY MANAGEMENT

In the period under review, the SACAA's objective was to have consistent processes for all aspects of Business Continuity Management (BCM) development and execution, not only resilience in the day-to-day business operations, but also in managing unexpected disruptive events with efficacy. Business disruptions can impact organisations of any size, in any location, from weather to power outages, political unrest, spillages or even pandemics, therefore the organisation needs to develop Business Continuity Plans (BPCs) to ensure operational resilience, no matter the type of disruption. The SACAA's business continuity programme demonstrated its maturity, status, and effectiveness on an ongoing basis during 2021/22. The SACAA reviews its Business Impact Analysis (BIAs) and business continuity programme on an annual basis or as circumstances dictate. The effectiveness of the business continuity programme was assessed twice during the 2021/22 financial year.

A critical component of the business continuity programme was to ensure that users remain productive, while maintaining the necessary level of security and access control to corporate resources.

This ensured that the SACAA's working environment, including virtual apps and desktops, enabled seamless workforce productivity, giving employees the flexibility to work from anywhere, while keeping applications and information secure.

The COVID-19 lockdown forced the SACAA to adopt a hybrid working arrangement that encouraged remote work and virtual meetings. During the year under review, the SACAA servers were migrated over to the Cloud base platform, enabling real time replication. As the saying goes.... **“there is no better test than an actual event to measure an organisation's resilience”**. The SACAA Business Continuity Management function successfully negotiated a major disruptive event during the reporting period; the COVID-19 lockdown requirements as per the Department of Employment and Labour directives.

## 13. INTERNAL AUDIT



The SACAA established an Internal Audit Division, in line with the Public Finance Management Act, Treasury Regulations, and Standards for the Professional Practice of Internal Audit, including the best practice of the King IV Report on Corporate Governance (King IV Report™). The Internal Audit function within the SACAA is part of the Internal Audit Division, which also includes the Forensic Services Department.

Internal Audit provides both assurance and consulting services to the SACAA. It assists the SACAA to accomplish its objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of risk management, internal control, and governance processes, which must be managed in a manner that ensures:

- the effectiveness and efficiency of operations, investments, and projects;
- the safeguarding of the SACAA's assets;
- the reliability and integrity of financial and non-financial information; and
- processes regarding compliance with laws and regulations.

The work of the Internal Audit Division in the reporting period was guided by an approved Internal Audit Charter, which is aligned to the Board's Audit and Risk Committee Charter.

The Internal Audit Division reports functionally to the Board's Audit and Risk Committee and administratively to the Director of Civil Aviation. The Audit and Risk Committee approved strategies/plans and reviewed the work of the Internal Audit Division on a quarterly basis, or as and when the need arose.

The Internal Audit Division performed its work in line with the International Standards for the Professional Practice of Internal Auditing and Code of Ethics for Internal Auditing, issued by the Institute of Internal Auditors. All employees within the Internal Audit Department are members of the Institute of Internal Auditors. As in the previous reporting periods, continuous professional development (CPD) was implemented to ensure that the audit personnel remain relevant and up to date with the developments within the profession.

### 13.1 Key Activities and Objectives of the Internal Audit Division

The Internal Audit Division mainly focuses on assurance and consulting services as required by the Institute of Internal Auditors' standards.

Assurance services consisted of independent reviews of the adequacy and effectiveness of the risk management, internal control, and governance processes within the organisation. Independent reviews included continuous review of compliance, by management and staff, to relevant legislation, regulations, approved policies and procedures and to best industry practices, where applicable. Consulting services are advisory in nature and intended to add value and improve the SACAA's operations. They are generally performed at the specific request of management and/or a client. The nature and scope of the consulting engagements were subject to agreement with the client.

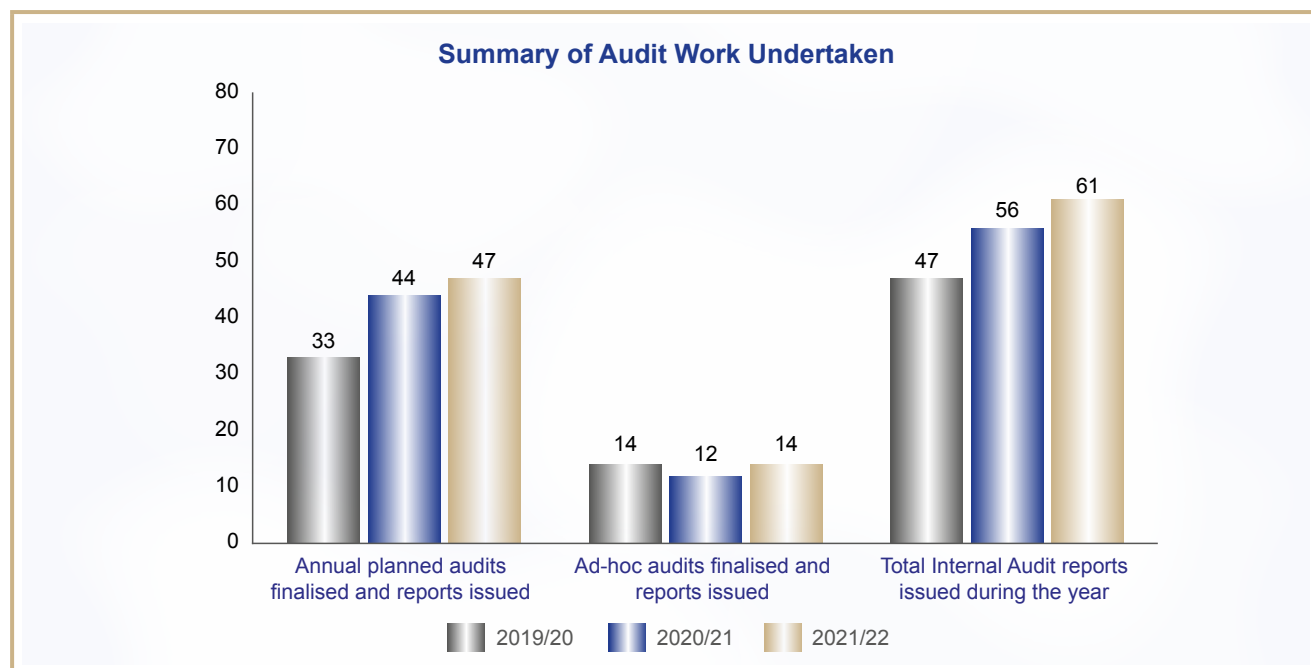
In addition, one of the Internal Audit functions is to ensure that there are improved internal controls within the organisation as well as compliance with applicable legislation. Similarly, the Internal Audit function is to constantly and regularly monitor organisational performance, to ensure that the deliverables as outlined in the Annual Performance Plans (APP) are achieved.

### 13.2 Summary of Audit Work undertaken

The Internal Audit Charter was reviewed and approved by the Board's Audit and Risk Committee. The Internal Audit Methodology was revised to remain consistent and relevant to new updates of the Internal Audit Standards for the Professional Practice of Internal Auditing. This was also aimed at ensuring that there is continuous improvement of the internal audit processes.

A three-year, Risk-based Coverage Plan and Annual Plan for 2021/22 were considered and approved by the Board's Audit and Risk Committee. The number of audits completed for the 2021/22 financial year were **61**, compared to **56** in the previous reporting period.

The results are reflected in the graph below:



Graph 21: Summary of Audit work undertaken

The Chief Audit Executive presents progress reports against the approved Risk-based, Internal Audit Plan to the Executive Committee and quarterly to the Audit and Risk Committee. The increase in the number of ad-hoc requests over the past three (3) years demonstrated that Internal Audit is playing a meaningful support role to stakeholders. This is demonstrated by the requests received by management and the Audit and Risk Committee for assurance work. Management takes accountability for implementing the agreed actions and Internal Audit conducts follow-up reviews to ascertain the implementation status.

An Internal Audit Findings Tracking Register was developed in the previous reporting period and monitored on a monthly basis for the progress made by management in implementing the actions and plans that had been agreed upon during audit engagements.

As at the end of the 2021/22 financial year, the progress made was as follows:

Financial Year	2019/20	2020/21	2021/22
Total number of findings	77	38	31
Total number of findings resolved	76	38	17
Total number of findings being attended to	1	0	14
<b>Percentage of resolved findings</b>	<b>99%</b>	<b>100%</b>	<b>55%</b>

Table 25: Total number of internal audit findings

One (1) finding for the 2019/20 financial year is still being attended to by management. All findings for the 2020/21 financial year were closed by management.

In the year under review, Internal Audit started with monitoring the findings of the internal audit reports issued. 55% of the findings were closed or resolved by Management as at 31 March 2022. The majority of outstanding findings related to reports issued in the 4th Quarter, where the implementation timelines were planned for different quarters in the 2022/23 financial year.

The Internal Audit Department is pleased with the effort that Management has made to ensure speedy resolution of the internal audit findings raised.

During the 2021/22 financial year, a campaign was undertaken, aimed at increasing awareness among the SACAA's employees regarding the role of the Internal Audit Department and the services that the Department renders. The awareness initiatives included, among others, presentations to the Management Committee (MANCO) meetings and

an electronic communiqué to all employees during the Internal Audit Month. Similarly, in the year under review, the Internal Audit Division conducted a series of Internal Audit awareness campaigns around fraud and corruption, the role of employees regarding ethical conduct, and whistleblowing processes. Over and above these initiatives, Internal Audit also participated in the Ethics Day, enhancing awareness of ethical conduct across the organisation.

## 14. COMPLIANCE WITH LAWS AND REGULATIONS



SACAA, as a regulator and responsible corporate citizen, is aware of and aligned to the applicable laws and regulations relevant to its business operations. This is in line with the King IV Report on Corporate Governance™, which requires that the Board should ensure compliance with the applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation to be an ethical and good corporate citizen.

The entity confirms that it has a robust compliance philosophy in place, supported by an approved legal compliance policy, framework and implementation plan. In the year under review, the entity has focused on the following pieces of legislation: • Civil Aviation Act, 2009 (Act No. 13 of 2009); • Electronic Communications and Transactions Act, 2002 (Act No. 25 of 2002) and • Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997). There were no

findings or non-compliances observed with regard to these laws.

It is noteworthy to report that with the coming into effect of the Protection of Personal Information Act, 2013, (Act No. 4 of 2013) on 1 July 2021, the SACAA ExCo took a decision to dedicate more resources towards driving compliance with this complex piece of legislation. Given the onerous requirements of the Act, greater emphasis was placed on training, empowering legal compliance champions and development of the compliance risk management plans through the year. The SACAA adopted a phased approach in terms of ensuring that it fully complies to this important piece of legislation.

It is further highlighted that the Board continuously monitors compliance to the Public Finance Management Act, 1999, (Act No. 1 of 1999) (PFMA) on a quarterly basis and that no non-compliances were recorded in the reporting period. This was further reinforced by the clean audit outcome from the AGSA for the 2021/22 financial year.

In the next financial year, greater emphasis will be given to the implementation of the Civil Aviation Amendment Act, 2021, (Act No. 22 of 2021), (Amendment Act) amongst other key pieces of legislation ranked as high and medium in the SACAA universe of laws. The entity will continue to implement the Board-approved legal compliance implementation plan, as it continues to adhere to the applicable laws and regulations.



## 15. COMBINED ASSURANCE (CA) MODEL

In line with corporate governance best practice, the SACAA has adopted the King IV™ guidelines to ensure that the organisational Combined Assurance (CA) model incorporates and optimises assurance activities and functions, thereby enabling an effective control environment. The SACAA Combined Assurance model, which considers five (5) lines of assurance, integrates the efforts of internal assurance providers with independent and external, local and international assurance providers.

In the period under review, the SACAA's Risk Management function coordinated the implementation of the approved Combined Assurance Plan and coordinated the efforts of all assurance providers, to ensure that significant risk

exposures were adequately addressed and managed within the organisation's risk appetite. The Combined Assurance Matrix, which provides an overview of the SACAA's significant risks, internal control, and assurance environment, was reviewed and approved as part of the 2021/22 Combined Assurance Plan.

The implementation of identified Management Action Plans was monitored by Management on a monthly basis and the Audit and Risk Committee on a quarterly basis. This ensured an enhanced SACAA controlled environment and reduction of risks to acceptable levels. The Combined Assurance Committee (CACom), ExCo and the Board reviewed the quarterly combined assurance reports.

## 16. MANAGING FRAUD AND CORRUPTION



The Fraud and Corruption Prevention Framework was approved by the Board and was implemented, including all other supporting policies. The Fraud and Corruption Prevention Policy was amended to take into account changes introduced by National Treasury in dealing with procurement processes.

In the period under review, various awareness campaigns were conducted internally and externally, including awareness campaigns relating to the whistleblowing processes involving the Industry Liaison Forum (ILF), general staff meetings, Management meetings as well as sessions during the Ethics Week.

Implementation of the plans continued throughout the year and some of the key focus areas were:

- The implementation of the Fraud and Corruption Prevention Plan and the Forensic Plan.
- In the 2019/20 financial year, a total of 111 cases were received and 111 (100%) were finalised/completed.
- In the 2020/21 financial year, a total of 66 cases were received and 62 (94%) were finalised/completed.

A total of 92 cases were received during the year under review and 45 (49%) were finalised and completed. The majority of the incidents reported related to irregular aviation business practices, which needed the intervention of the SACAA to enforce compliance to regulations by various stakeholders.

Management continued monitoring the forensic investigations that were conducted; and expedited the implementation of the recommendations made by the Forensic Services Department, as well as incidents reported through the Fraud Hotline. The reporting and investigation of incidents were enhanced by Management's commitment to fully implement the recommendations contained in the Forensic Investigation Reports. The Audit and Risk Committee also monitored the implementation of the forensic reports. A comprehensive Fraud Risk

Assessment was conducted during the year and monitoring of corrective and improved management actions was done periodically to strengthen the internal control environment.

The work done to manage and/or reduce fraud and corruption, provided the Audit and Risk Committee as well as the Board with the required level of assurance that the risks associated with fraud, corruption, and maladministration were being managed effectively by the SACAA.

### 17. MINIMISING CONFLICT OF INTEREST

Managing conflict of interest forms an integral part of the sound ethical practices at the SACAA and is done through mandatory Annual Declarations of Interest by all employees. This is over and above the requirement that employees disclose matters of conflict of interest, as and when they arise. In the year under review, the Board ensured compliance to the Conflict of Interest Policy, which ensures alignment with the Civil Aviation Act and best practice in terms of dealing with conflict of interest.

The declarations are verified by the Internal Audit Department for validity, accuracy and completeness and, where discrepancies exist, such discrepancies are subjected to a forensic investigation. Internal Audit has the mandate to conduct lifestyle audits at any given moment where they deem it appropriate

on all Divisions, including Supply Chain Management (SCM). In addition, all employees within the SCM Department are vetted annually to manage issues of conflict.

Board members are also required to declare any conflict of interest on an ongoing basis. The Board Charter, read together with section 84 of the Civil Aviation Act, details the importance of declaring conflict of interest and contains procedures for dealing with such conflict. Board members are required to complete an Annual Declaration of Interest and to declare interest on any item on the agenda at each Board and Committee meeting. It is noted that all members duly completed their annual declarations, and no conflict of interest was reported.

### 18. ETHICS AND CODE OF CONDUCT

The SACAA has made remarkable strides in inculcating a strong ethical culture. Ethical leadership at the SACAA is exemplified by integrity, competence, responsibility, accountability, fairness and transparency. In keeping with the King IV™ principles relating to ethics, the Board reviewed and approved the Ethics Policy and Framework in April 2021. The Ethics Framework ensures that the SACAA maintains the excellent reputation of integrity in all of its dealings. Various ethics initiatives were implemented in the period under review to reinforce

ethical behaviour, and included the following activities:

- An Ethics Workshop and training
- An Ethics Survey
- The revision of policies and procedures
- An Ethics Day, which was successfully hosted in February 2022, to further embed the ethical culture at the SACAA.



Employees are expected to fulfil their duties with integrity and respect towards customers, stakeholders and the community, without any abuse of authority and in line with the approved Ethics Policy and Code of Conduct.

These governance instruments conscript the ethical principles that are envisaged at the SACAA for its directors, employees and contractors and are linked to the values adopted by the Board, which provide guidance and ensure that ethics are put into action. This action is important in strengthening the relationships among different role-players and fostering a credible ethical working relationship and culture at the SACAA.

To give effect to the King IV™ ethics outcome, the Board delegated the oversight of ethics to the Human Resources Committee, to ensure a more dedicated focus. The Board has also ensured that ethics risks are documented and monitored quarterly.

In the period under review, an Ethics Survey was conducted, and the results were positive. The survey was both qualitative and quantitative in nature. The SACAA moved from a fragile culture in 2019 to a developing culture in 2021. These results indicated that employee perceptions at the SACAA are that the organisation has a relatively supportive culture for ethics compared to most organisations.

According to the Ethics Institute “A developing ethical culture is characterised by a much greater degree of ethics primacy (prioritising ethics as a core organisational value, which forms a major part of the organisational culture). Organisations with this type of ethical culture are cognisant of the importance of ethics for long-term sustainability. However, not all employees may be aligned to the ethics vision and the organisation may sometimes prioritise strategic, operational, and financial priorities above ethical concerns. Small pockets of unethical behaviour may even be tacitly tolerated. It is, however, able to correct itself and restore its stakeholder relations when mistakes are made.’

These results were also shared with the SACAA employees and were well received. As with all surveys, there are areas that require improvement, and these have been addressed as part of SACAA's Ethics Implementation Plan for 2022/23.

This remarkable achievement indicates that the organisation is investing in its ethics to develop and mature its ethical culture. Overall, the Board is satisfied that there is a positive and conducive environment for ethical conduct at the SACAA. The Board continues to provide strong ethical leadership with a view to creating a mature, ethical culture at the SACAA.

3 Ethical Culture Handbook by Paul Vorster & Leon van Vuuren

## 19. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

### Occupational Health and Safety

The SACAA achieved its health and safety objectives by performing regular audits, including health and safety inspections, as well as the continuous organisation-wide occupational health and safety hazard identification and risk assessments, both at the Head Office and at the satellite office.

Continuous training and capacity building were provided to an active contingent of twelve (12) Occupational Health and Safety (OHS) representatives. One (1) emergency evacuation procedure exercise was successfully concluded and only one (1) injury on duty was reported to the Department of Employment and Labour in the period under review.

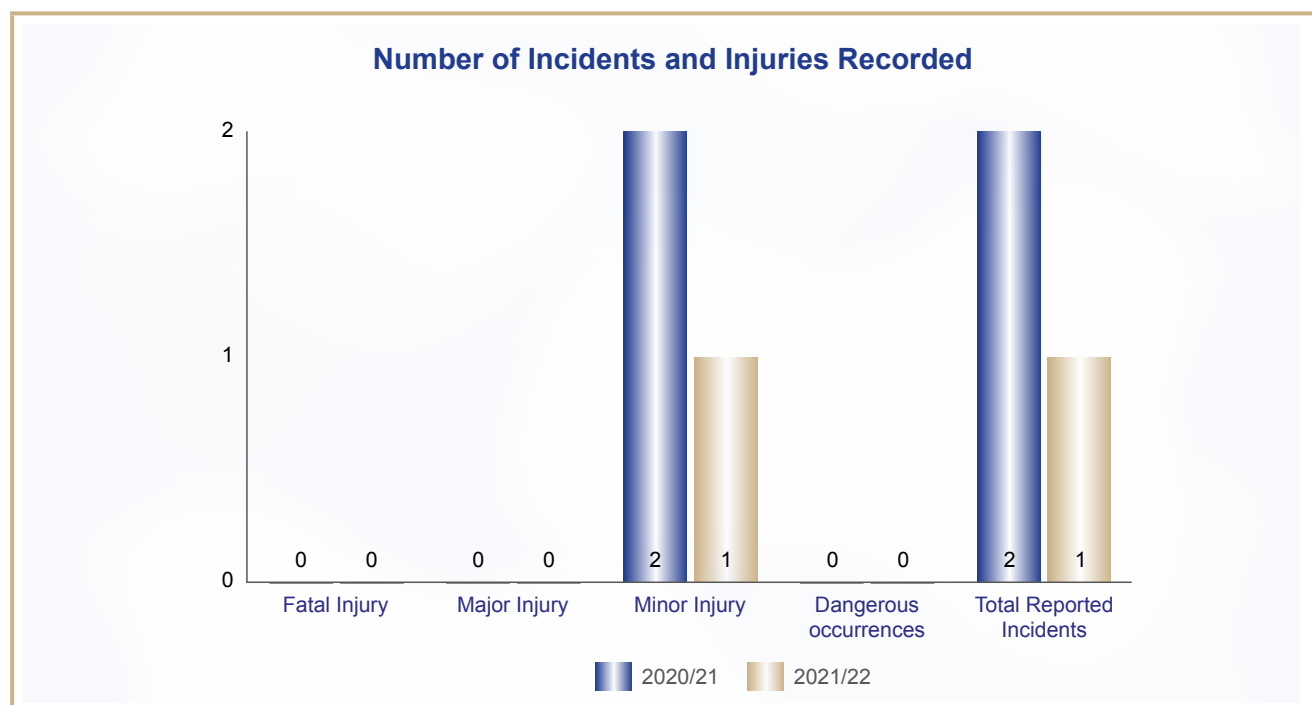
Additionally, the SACAA managed the impact of the COVID-19 outbreak in an efficient and effective manner. In instances where cases of COVID-19 were reported, offices would be evacuated and disinfected

in order to minimise the employees and clients' exposure.

A total of ninety (90) COVID-19 cases were recorded and reported in the period under review. 97% of these cases fully recovered, and sadly, the SACAA saw 3% of COVID-19 related fatalities in the year under review.

The SACAA continued to adhere to all applicable COVID-19 protocols such as wearing masks in the workplace, maintaining social distancing and using sanitisers to disinfect working areas. The organisation also continued to implement flexible working arrangements, which allowed employees to work from home to minimise the risk of employees being infected by the virus.

The graph below is a comparison in the number of incidents reported in the 2020/21 and 2021/22 financial years:



Graph 22: Number of incidents and injuries recorded

## 20. COMPANY SECRETARY

The Board confirmed that it is supported by a competent and qualified Company Secretary. The Company Secretary plays an instrumental role in advising the Board on its roles and responsibilities, among other duties.

The roles and responsibilities of the Company Secretary are defined in the Board Charter, read together with the King IV Report on Corporate Governance (King IV Report™) and the Company Secretary is evaluated annually and again every second year as part of the Board Evaluation.

The Directors have full access to the services and advice of the Company Secretary and all information and records necessary for the discharge of their duties. In addition, the Board of Directors have access to the services of independent professionals and advisors where necessary; and such advice is obtained in accordance with the Board-approved process. The Company Secretary maintains an arm's length relationship with the Board and its Directors.

The Company Secretary is also empowered with the necessary authority and support to carry out her duties as follows:

- Maintaining all statutory records;
- Annually reviewing all Board and Committee Charters;
- Assisting the Chairperson with the annual Board evaluation;
- Advising the Board on business ethics and good governance;
- Ensuring that the Board's policies and instructions are communicated to the appropriate persons in the Authority;
- Ensuring that the Board receives adequate information to make informed decisions;
- Ensuring Board induction, training and development;
- Monitoring of legislative compliance and
- Being responsible for implementation of the ethics programme.

## 21. CORPORATE SOCIAL RESPONSIBILITY

The SACAA continued practising its ethos of being a good corporate citizen. Once again, it was important for the SACAA to make an impact beyond its mandate of controlling, promoting, regulating, supporting, developing, enforcing, and continuously improving levels of safety and security throughout the civil aviation industry. To this end, the SACAA continued in the period under review to explore transformation-related initiatives to help address the imbalances of the past, including the triple challenges of poverty, inequality, and unemployment through its socio-economic development (SED) project.

In the year under review, the following projects were undertaken:

### 21.1 The SACAA Child/Youth-Headed Families Support Project

The SACAA continued with the programme to support the nine (9) identified families from across the country,

with a donation of monthly grocery vouchers. The amount of the vouchers was increased from R2500 to R4000 in the previous reporting period. This was to ensure that the amount would be able to cover all the basic necessities as required.

The families continued to receive their monthly grocery vouchers and receipts were received by the SACAA as per the agreement with retailers. In the reporting period, the SACAA had to replace one family, as it did not meet the criteria to benefit from the project, as their financial situation had improved. The SACAA continuously audits this process to ensure that the groceries are claimed and used for the intended purposes.

Further support and interventions were recommended to enhance the quality of life of the grocery recipients and were subsequently approved, which included the following:



- That the SACAA provided support by making a long-term commitment to enroll and pay for school and boarding fees for the Malesa siblings from Diepsloot (GP). This was to ensure that the two (2) siblings study in a safe and orderly environment to improve their academic performance. At the end of the reporting period, the siblings had started their schooling at a boarding school in Mpumalanga and the matter has been closed.
- Further, there was a request that the SACAA assist the family in Venda, Limpopo with a roofing project. The SACAA assisted with the repair to the roof, which was leaking heavily and forced the family to only use part of their home. The project was since concluded and the matter was duly closed.

A video with the theme “a little goes a long way...”, showcasing and documenting the SACAA's corporate social responsibility success stories and the impact that the investment has yielded, was developed and completed.

### 21.2 School Support Programme

The SACAA fulfilled its commitment to support a rural primary school in Howick, in KwaZulu-Natal, to ensure that the school has its own running water by installing a borehole system.

The official handover ceremony was held on 25 January 2022. The closing event included the refurbishment of the school library and a donation of books and other reading material. Other exciting activities for the learners, included engaging presentations on key aviation careers, a spelling bee and reading competitions. All 373 learners at the school received school bags, water bottles and pens. The SACAA received a generous donation of 360 water bottles from Black Eagle Aviation, which were all distributed to the learners. Officials from the Department of Education expressed their gratitude for the borehole system and donations made by the organisation. The school project was duly concluded with enough water for drinking, cleaning, and watering their newly established vegetable garden.



### 21.3 Maths and Science Project (IFlySTEM)

The SACAA appointed a service provider to implement the Maths and Science Tutoring Programme in the rural town of Phuthaditjhaba (QwaQwa). Classes resumed in March 2022 with 25 learners from Tsebo Secondary School, led by local tutors.



## 22. BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE) COMPLIANCE PERFORMANCE INFORMATION

Under preferential procurement, and in line with the organisation's target, the organisation continued to increase the percentage and participation of Black-owned businesses. The SACAA was audited by an independent rating agency and achieved a BEE score of 86.01, which resulted in a BEE recognition level of 125%. This means that the SACAA maintained its

level 2 Broad-Based Black Economic Empowerment (B-BBEE) status. The current certificate is valid from 2 December 2021 to 2 December 2022.

The table below depicts the SACAA's B-BBEE compliance status.

### 22.1 B-BBEE SCORECARD SUMMARY: Management Control

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Board Participation	Exercisable voting rights of Black Board Members as a percentage of all Board Members	2.5	33.00%	100.00%	2.50
	Exercisable voting rights of Black female Board Members as a percentage of all Board Members	2.5	16.50%	60.00%	2.50
	Black persons who are Executive Directors as a percentage of all Executive Directors	2	33.00%	100.00%	2.00
	Black female Executive Directors as a percentage of all Executive Directors	2	16.50%	100.00%	2.00
Top Management	Black Senior Top Management	2	26.00%	100.00%	2.00
	Black Women Senior Top Management	2	13.00%	100.00%	2.00
	Black Other Top Management	1.5	26.00%	85.71%	1.50
	Black Women Other Top Management	1.5	13.00%	42.86%	1.50
	Percentage of Black people living with disabilities as a percentage of Total Management	1	3.00%	0.00%	0.00
Bonus Points	Black independent, non-executive Board Members	3	26.00%	100.00%	3.00
					<b>19.00</b>

Table 26: B-BBEE Scorecard Summary: Management Control

## 22.2 B-BBEE SCORECARD SUMMARY: Employment Equity

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Disabled	Black disabled employees as a percentage of all employees	2	2.00%	1.03%	1.03
	Black women disabled employees as a percentage of all employees	2	1.00%	0.51%	1.03
Management	Black employees in Senior Management as a percentage of all such employees	4	43.00%	100.00%	4.00
	Black women employees in Senior Management as a percentage of all such employees	3	21.50%	66.67%	3.00
	Black employees in Middle Management as a percentage of all such employees	2	63.00%	83.17%	2.00
	Black women employees in Middle Management as a percentage of all such employees	2	31.50%	35.64%	2.00
	Black employees in Junior Management as a percentage of all such employees	2	68.00%	87.23%	2.00
	Black women employees in Junior Management as a percentage of all such employees	2	34.00%	40.96%	2.00
	Black Pilots as a percentage of total Pilots	2	8.00%	76.72%	2.00
	Black Women Pilots as a percentage of total Pilots	2	3.00%	28.45%	2.00
Technicians	Black Technicians as a percentage of total Technicians	2	25.00%	92.93%	2.00
	Black Women Technicians as a percentage of total Technicians	2	3.00%	26.26%	2.00
Bonus Points	Bonus points for meeting or exceeding the EAP targets in each category	4	91.00%		1.33
					<b>26.39</b>

Table 27: B-BBEE Scorecard Summary: Employment Equity

### 22.3 B-BBEE SCORECARD SUMMARY: Skills Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Skills Development Expenditure	Skills Development Expenditure on learning programmes for Black employees as a percentage of leviabale amount	3	3.00%	1.80%	1.80
	Skills Development Expenditure on the learning programmes for Black women employees as a percentage of leviabale amount	3	1.50%	0.84%	1.68
	Skills Development Expenditure on learning programmes specified in the Learning Programme Matrix for Black employees with disabilities as a percentage of leviabale amount	1.5	0.30%	0.00%	0.00
	Skills Development Expenditure on learning programmes for Black women employees with disabilities as a percentage of leviabale amount	1.5	0.15%	0.00%	0.00
Learnerships	Number of Black employees participating in learnerships or Category B, C and D programmes as a percentage of total employees	3	5.00%	4.46%	2.68
	Number of Black women employees participating in learnerships or Category B, C and D programmes as a percentage of total employees	3	2.50%	2.06%	2.47
					<b>8.63</b>

Table 28: B-BBEE Scorecard Summary: Skills Development

### 22.4 B-BBEE SCORECARD SUMMARY: Preferential Procurement

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Procurement Spend	B-BBEE spend on all suppliers based on the B-BBEE procurement recognition levels as a percentage of the total procurement spend	12	50.00%	66.12%	12.00
	B-BBEE procurement spend by qualifying small enterprises or exempted micro-enterprises based on the applicable B-BBEE procurement recognition levels as a percentage of the total measured procurement spend	3	10.00%	25.47%	3.00
	B-BBEE procurement spend as a percentage of total measured procurement spend from suppliers that are 50% Black-owned	3	9.00%	26.95%	3.00
	B-BBEE procurement spend as a percentage of total measured procurement spend from suppliers that are 30% Black women-owned	2	6.00%	8.13%	2.00
					<b>20.00</b>

Table 29: B-BBEE Scorecard Summary: Preferential Procurement

## 22.5 B-BBEE SCORECARD SUMMARY: Enterprise Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Enterprise Development Contributions	Investment in Black-Owned Enterprises as identified in the "Benefit Factor Matrix" (Annexure 600A) as a percentage of Net Profit After Tax	15	3.00%	1.31%	6.54
					<b>6.54</b>

Table 30: B-BBEE Scorecard Summary: Enterprise Development

## 22.6 B-BBEE SCORECARD SUMMARY: Socio-Economic Development

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
SED Contributions	Average annual value of all qualifying SED contributions made by the Measured Entity as a percentage of NPAT	6	1.00%	1.70%	6.00
					<b>6.00</b>

Table 31: B-BBEE Scorecard Summary: Socio-Economic Development

## 22.7 B-BBEE SCORECARD SUMMARY: Youth Employment Service Initiative (Y.E.S)

Sub-Element	Indicator	Weighting Points	Compliance Target	Actual	Score
Y.E.S – Bonus Points	Achieved 1.5 x Y.E.S Employment Target	3	100.00%	0.00%	0.00
	Achieved 2 x Y.E.S Absorption Target				
					<b>0.00</b>

Table 32: B-BBEE Scorecard Summary: Youth Employment Service Initiative (Y.E.S)

TOTAL BEE SCORE	ACTUAL 86.01 POINTS
BROAD-BASED CONTRIBUTION LEVEL	LEVEL 2
VALUE-ADDING SUPPLIER	NO
ENTERPRISE DEVELOPMENT BENEFICIARY	NO
PROCUREMENT LEVEL	125%
YOUTH EMPLOYMENT SERVICE	NO

Table 33: Total BEE Score



# PART D

## HUMAN RESOURCES



# HUMAN RESOURCES

## 1. OVERVIEW OF HUMAN RESOURCES PROGRAMMES

The Division: Human Resources has a primary responsibility for managing all employee-related matters and programmes that are aimed at attracting, developing, motivating, and retaining the best talent for the SACAA.

Key programmes implemented in the reporting period included the employee reward and recognition, skills development, bursary, internship and trainee programmes, leadership development, talent management, change management, organisational culture alignment, employee value proposition, performance management, employee safety and wellness as well as employee relations.

The SACAA prides itself on the continued implementation of best-practice HR programmes to attract and sustain a high-performing workforce and retain the best talent.



### 1.1 Organisational Culture

The SACAA organisational culture remains one of the key enablers through which the SACAA governs and provides guidelines and boundaries for the behaviour of its employees in helping to achieve its mandate. The SACAA continuously seeks to ensure that there is mutual understanding of the SACAA culture and its pillars among its employees, to enable employees to execute their responsibilities. In this regard, the SACAA continued to focus on embedding the culture, which included simplifying these behaviours to ensure that employees not only reflect them but embrace and adopt them as **“how we do things around here”**. Emphasis was also placed on how employees can demonstrate these behaviours in their daily interactions with internal and external clients.

Some of the key activities that were rolled out in the financial year, included the hosting of the 2nd Culture Masterclass that focused on continuing to educate and embed a consistent level of understanding of the behaviours that define the SACAA Culture Pillars. The Masterclass included the introduction of the **UGRs (Unwritten Ground Rules)** concept through which employees could simplify culture behaviours and their meaning in their daily interactions.

A high impact culture video was developed to form part of the organisation's induction programme. The video introduces the SACAA culture to new employees and demonstrates **“the SACAA way”** of doing things. A series of story-telling video clips that chronicle the SACAA culture journey as well as the milestones that have been attained thus far were shared within the organisation. These initiatives culminated in the development of the digital Culture Handbook that captured the essence of the organisational culture. The digital handbook was officially launched during the Culture Day Event, and it is used by employees as their daily reference document. It summarises the SACAA Culture Pillars as follows:

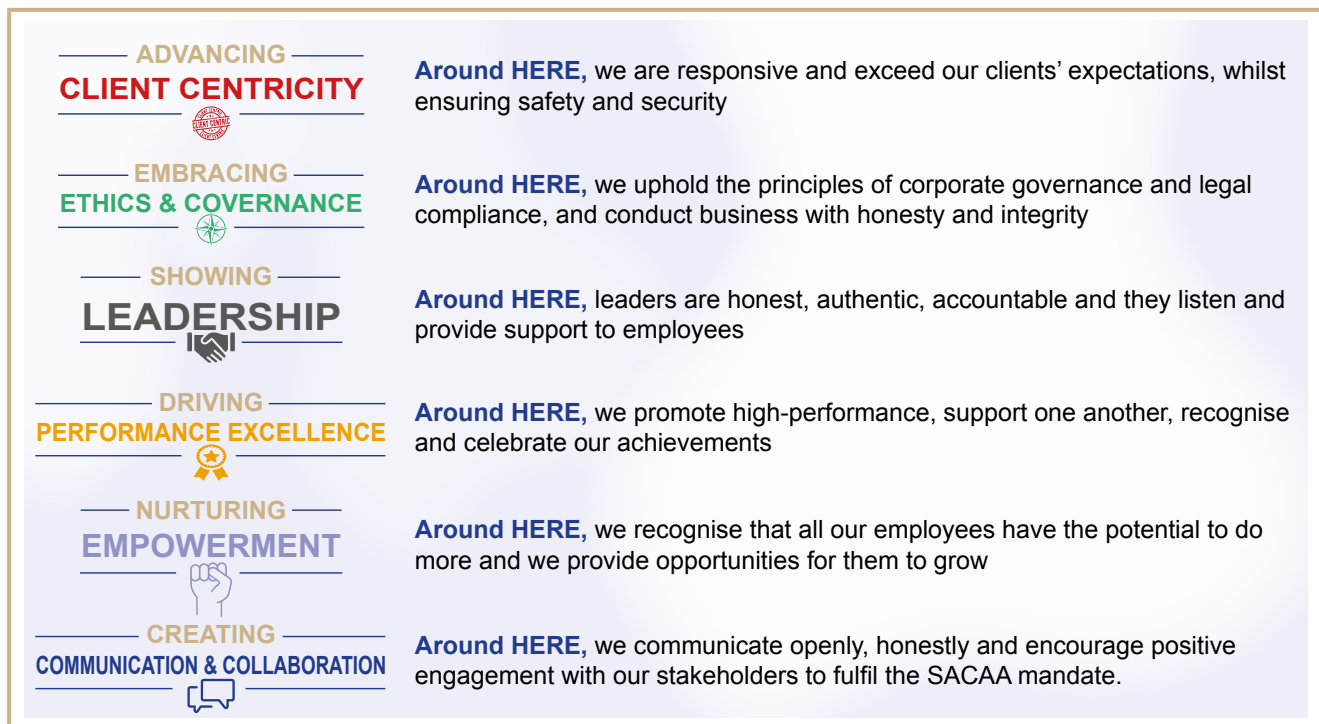


Diagram 5: SACAA Culture Pillars

## 1.2 Talent Management

The SACAA continued to accelerate the development of its employees and talent management, to ensure the long-term sustainability of its most important asset, which is human capital.

The SACAA's workforce is central to the achievement of its mandate, and it is for this reason that the implementation of the various talent management initiatives was undertaken during the year to ensure that the organisation retains its superior, most skilled, and talented workforce.

The following initiatives were prioritised:

### 1.2.1 Mentorship

The focus for the financial year continued to be on the implementation of the Mentorship Programme that was started in the preceding reporting period.

As part of the SACAA's transformation agenda, a Women Mentorship Programme was officially launched. This programme was targeted at increasing

engagement amongst the female employees of the organisation in order to assist in eradicating any barriers that may hamper the advancement of women in the workplace. The programme is characterised by one-on-one mentorship and group mentorship sessions.

### 1.2.2 Employee Value Proposition (EVP)

The SACAA is a human-capital-intensive organisation and therefore it was imperative that its offering to employees remains competitive to attract and retain the right talent.

To this end, the focus during the reporting period was on verifying if the SACAA Employee Value Proposition (EVP) offerings were still aligned to the employees' expectations. The initiatives are aimed at engaging employees on the EVP's ability to represent what the SACAA truly offers to its employees. In addition, a benchmarking exercise was conducted as part of this review process to determine if the SACAA's EVP statement was still aligned to best practices.



The SACAA's EVP statement, namely **“propelling you into new horizons”** which has over the years reflected the organisation's offering to its people, was

reviewed to ensure that it remains meaningful and relevant. The reviewed and redefined EVP statement was also communicated to all employees, as follows:



- We care about our employees' well-being
- We provide opportunities for learning, development and growth
- We recognise your meaningful contribution to the aviation industry
- We recognise and reward good performance
- We value job security and stability

Diagram 6: SACAA Employee Value Proposition

### 1.2.3 Employee Bursary Programme

At the heart of the SACAA's offering to its employees is its continued investment in the development of its employees. In this regard, the SACAA was able to continue to support twenty-five (25) employees who have enrolled for various academic qualifications in the diverse fields of study under the employee bursary programme. A further nine (9) employees, who were pursuing qualifications that are linked to critical skills required as well as those qualifications linked to their job roles, were awarded bursaries in the year under review. The total number of beneficiaries of the SACAA Employee Bursary Programme was **34**.

### 1.2.4 External Bursary Programme

The bursary programme aimed at providing sponsorship to young aviators, remains one of the SACAA's flagship projects. This project is geared towards not only creating a pipeline of qualified aviators, but also making an indelible impact on the transformation of the industry.

A total number of twenty-three (23) external students benefitted from the bursary programme in the financial year. These students were funded for studies in Aircraft Maintenance Engineering, the Pilot Training Programme and Aeronautical Engineering. Four (4) of the students successfully completed the Pilot Training Programme, one (1) student completed her Aeronautical Engineering qualification and two

(2) completed their Aircraft Maintenance Engineering qualifications. Sixteen (16) of these students will continue to receive funding in the new year.

A key highlight of the programme was the conclusion of the successful, first-ever initiative which saw four (4) students completing their Frozen ATPL Licences at ENAC in Toulouse, France. These students will continue with the Bursary Programme to complete the conversion of their licences, to be able to operate aircraft within South Africa.



### 1.2.5 Internship Programme

The SACAA's internship programme seeks to build the capacity of the previously disadvantaged individuals through a structured programme. The programme caters for graduates who have completed qualifications at recognised higher institutions of learning, by providing an opportunity to these students to gain practical exposure and "hands-on" experience in their chosen careers or fields of study.

The goal of the programme is to provide interns with experience and training to enhance their skills, thereby assisting to increase their chances of employability. In addition, it provides an opportunity for students who require institution-based, practical learning to complete their qualifications. In the 2021/22 financial year, the SACAA hosted a total of twenty-eight (28) interns and many of them will be finalising their training in the new financial year.

These interns received the much-needed training in the areas of life skills and job readiness, occupation/job skills development and generic workplace skills. The programme also included an assessment, which is conducted at the end of each intern's training period. The SACAA also provides an opportunity for the interns to apply for vacant positions at the organisation during and/or once they have completed the programme.

### 1.2.6 SACAA Trainee Programme

The SACAA Trainee Programme aims to attract talented young graduates, to develop and capacitate them with the necessary skills and experience needed to be appointed in aviation jobs within the organisation and the industry. The programme is mostly used as a pipeline for critical and scarce technical jobs; however, it has also been used to build capacity for other critical and scarce, non-technical positions. Trainees not only receive practical exposure to the aviation industry, but also receive theoretical training to acquire specific aviation-related skills and formal qualifications. Trainees are then afforded opportunities for full-time employment with the SACAA in line with the Recruitment, Selection and Appointment Policy.

In the period under review, the SACAA had two (2) trainees. One (1) has now been appointed as an Inspector and the other one is expected to complete the training in the new financial year.

## 1.3 Change Management

Change can be difficult, and often, people are inclined to resist it, thus the success of all organisational change initiatives depends on the ability to follow a systematic approach to managing major or small-scale changes. It is for this reason that the SACAA had in the period under review, focused on ensuring the integration of change management in all the projects that were being initiated and managed in the organisation, regardless of the impact thereof. Two (2) of the key change projects have been the Shanduka Project and the Risk-Based Oversight Project.

Other change management initiatives for the year, focused on further equipping the organisation to better navigate the "new normal" that was brought about by the COVID-19 pandemic. Although this was the second year that the organisation was operating in this new environment, more needed to be done to build internal capacity and skills to manage all the changes.

Engagement sessions were held with Divisions to communicate the results on the Flexible Working Arrangements (FWA) Survey and to further solicit inputs on employees' experience regarding the changing world of work, and the support that would still be required for each Division to continue achieving its goals. Following these sessions, plans were developed by each Division to close any identified gaps to ensure that the Flexible Working Arrangements do not negatively impact the organisation's capacity to execute its mandate.

Furthermore, workshops were held with employees to capacitate them on self-management and assist them to successfully adapt to the new work environment, whilst helping them understand the importance of their individual roles in continuing to achieve the organisation's mandate. Change Management training sessions were also conducted



at all management levels to build capacity within the organisation and to impart the necessary skills to assist them to manage change and to lead their teams through the change processes.

## 1.4 Skills Development

A pivotal factor of the Skills Development Programme was the implementation of the organisational Skills Audit Project.

The objective of the project is to assess and determine if the skills set that exists within the organisation is sufficient, both in quality and quantity, to allow the organisation to achieve its mandate, currently and into the future. In doing this, the SACAA had to take into cognisance the ever-changing aviation industry. This was the first year that the project was implemented, and the focus had been on defining the

key competencies that are and will be required within the SACAA environment. A Competency Dictionary was developed that defines and captures these competencies, including stating the behaviours that will be required at each proficiency level. Additionally, the review of job profiles and the verification of qualifications also commenced in the current financial year. It is anticipated that the project will be completed at the end of the next financial year.

Despite the challenges that the organisation still faced that were brought about by the pandemic in the reporting period, the SACAA was able to continue prioritising critical skills development interventions. Of the employees that were trained, 88% were Black employees, 51% were female employees and 15% of them were below the age of thirty-five. Below is a table that depicts the training costs per Division:

TRAINING COSTS PER DIVISION				
Division	Personnel expenditure	Training & Bursaries expenditure*	Number of employees trained	Average training cost per employee
	(R)	(R)		(R)
Accident and Incident Investigation Division	19 970 307	-	24	-
Aviation Infrastructure	43 778 219	343 592	51	6,738
Aviation Safety Operations	191 056 831	3 234 500	218	14 837
Aviation Security	38 185 256	175 572	43	4 083
Finance	40 257 255	368 848	54	8 631
*Human Resources	17 494 864	5 843 674	68	85 936
Company Secretary	5 439 732	-	5	-
Legal and Aviation Compliance	20 159 547	15 623	22	710
Internal Audit	9 040 098	-	10	-
Flight Inspection Unit	6 656 933	14 305	6	2 384
**Cape Town Regional Office	9 421 607	-	9	-
***Corporate Services	33 921 704	744 069	38	19 581
<b>Total</b>	<b>435 382 353</b>	<b>10 740 183</b>	<b>548</b>	<b>19 599</b>

Table 34: Training Costs per Division

\* This number includes training for interns and bursars.

\*\* The training expenditure for staff members based in the Cape Town Regional Office is allocated in the respective Divisions to which they report.

\*\*\* Includes Training Expenditure and Numbers for the Office of the DCA.

## 1.5 Employee Wellness



The SACAA implemented Year One of the two-year Integrated Employee Wellness Programme. With the COVID-19 pandemic still in its midst, the SACAA implemented wellness programmes that not only dealt with issues of physical wellness, psychosocial matters as well as occupational health and safety, but also initiatives that provided guidance on how to manage and stay safe during the pandemic. Many of the programmes were presented in the form of workshops, webinars, podcasts, online workshops, and email communication.

Some of the topics covered in the period under review, included the following:

- Lifestyle Management
- Mental Health Awareness and Management
- Occupational Health and Safety
- COVID-19 Prevention and Vaccinations
- Chronic Disease Management
- Physical Wellness
- Managing Incapacity and Performance.

The psychosocial counselling services were made available to employees and their immediate family members on a 24-hour basis to address the ongoing emotional, psychological, and social needs of employees that were resultant from the pandemic. The psychosocial counselling services were extended to cover other ongoing issues such as marital, divorce, parenting, relationship, and mental health concerns, bereavement counselling, alcohol abuse, drug dependency and HIV/Aids related concerns.

## 1.6 Employee Rewards and Recognition

The SACAA remuneration philosophy aims to ensure that employee rewards are commensurate with their contribution to the organisational strategy.

As an integral component of the Employee Value Proposition (EVP), the remuneration philosophy has been designed to continue to attract, engage, retain, and motivate the right, diverse talent required to deliver the long-term sustainability of the organisation.

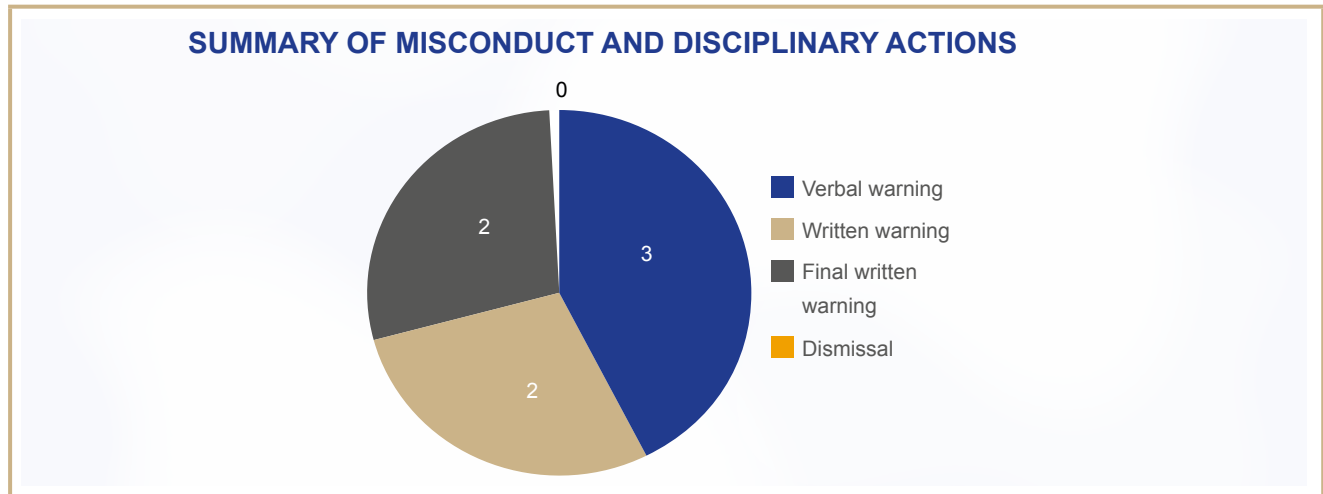
In the period under review, the SACAA implemented the annual increases to all eligible employees, in accordance with and after the Board approval. Furthermore, the SACAA continued to pay full guaranteed packages and benefits, including risk benefits, to ensure that the basic needs of employees were fully covered. Similarly, the SACAA embarked on a benchmarking exercise with comparable organisations externally to determine if the retention interventions, both monetary and non-monetary, were still relevant and on par with those of the external organisations. Subsequently, the Retention Policy was revised to a best practice and all-inclusive policy aimed at establishing a proactive approach to ensure that the organisation created an environment that attracts and retains employees of the right calibre.

In the next financial year, the SACAA will further conduct an external benchmarking exercise to keep abreast with remuneration trends, and to ensure competitive remuneration within the parameters of affordability, as far as is achievable and sustainable.

## 2. LABOUR RELATIONS

### 2.1 Misconduct and Disciplinary Actions

The graph below provides information on cases of misconduct and actions taken.



Graph 23: Summary of Misconduct and Disciplinary Actions

### 2.2 Employee Relations

The importance of employee relations requires of the SACAA to ensure that there is a sound employment relationship between the employer and the employees, including organised labour. To achieve this, the SACAA has put in place policies and procedures, including the Recognition Agreement with organised labour to manage these relationships.

#### a) Labour Engagement and ER Training

In the year under review, the SACAA engaged with the National Union of Metalworkers of South Africa (NUMSA), which is the recognised union in the organisation, to develop a two- (2) year Labour Engagement Plan.

The Labour Engagement Plan for Year One was successfully implemented in the year under review and the engagements will continue in the next financial year. Furthermore, the Employee Relations (ER) Training Plan for Year One, that included training for both employees and Managers, was also successfully implemented in the reporting period. This training included, amongst others, the effective

handling of grievance and discipline by employees and managers in the workplace. The ER Training will continue in the next reporting period.

#### b) Essential Service Designation

On 12 October 2021, the Essential Services Committee (ESC) of the Commission for Conciliation, Mediation and Arbitration (CCMA) designated the following essential services:

- The monitoring and oversight functions performed by the Aviation Safety Operations Division.
- The services of drafting and preparing plans dealing with the outbreak of communicable disease, overseeing the implementation thereof and enforcing compliance with the plans and regulations, monitoring, oversight as well as training performed by the Aviation Medicine Department.
- The services performed by the Aviation Security Division in setting of standards, oversight and monitoring as well as compliance and enforcement.

The SACAA and NUMSA are currently engaging to conclude a Minimum Service Agreement (MSA) with the assistance of the CCMA.

### 3. HUMAN RESOURCES OVERSIGHT STATISTICS

This section of the report provides statistics in relation to various human resources activities and functions.

#### 3.1 Personnel costs by division

The personnel costs in the table below are inclusive of fixed and variable payments for permanent and fixed-term staff, as well as a stipend for bursars and interns. The amounts that follow relate to the payments made through payroll, and thus exclude accruals and provisions as disclosed in the Annual Financial Statements.

PERSONNEL COSTS BY DIVISION				
Division	Personnel expenditure (R)	Personnel expenditure as a % of total	Number of employees	Average personnel cost per employee (R)
Accident and Incident Investigation Division	19 970 307	4.6%	23	868 274
Aviation Infrastructure	43 778 219	10.1%	50	875 564
Aviation Safety Operations	191 056 831	43.9%	225	849 141
Aviation Security	38 185 256	8.8%	46	830 114
Finance	40 257 255	9.2%	58	694 091
Human Resources	17 494 864	4.0%	64*	273 357
Company Secretary	5 439 732	1.2%	5	1 087 946
Legal and Aviation Compliance	20 159 547	4.6%	21	959 978
Internal Audit	9 040 098	2.1%	8	1 130 012
Flight Inspection Unit	6 656 933	1.5%	6	1 109 489
Cape Town Regional Office	9 421 607	2.2%	11	856 510
Corporate Services and DCA's Office	33 921 704	7.8%	43**	788 877
<b>Total</b>	<b>435 382 353</b>	<b>100.0%</b>	<b>560</b>	<b>777 468</b>

Table 35: Personnel Costs by Division

\* This number includes fixed-term contractors, interns, and bursars.

\*\*This number includes the office of the DCA.

#### 3.2 Personnel costs by salary band

The personnel costs reflected in the table below depict all positions, according to the different occupational levels in the organisation. The occupational levels are aligned to the Paterson Grading System.

PERSONNEL COSTS BY SALARY BAND				
LEVEL	Personnel expenditure (R)	% of personnel expenditure to total (R)	Number of employees	Average personnel cost per employee (R)
Top Management	4 530 133	1.0%	1	4 530 133
Senior Management	24 029 997	5.5%	9	2 670 000
Professional qualified	101 235 007	23.2%	79	1 281 456
Skilled	285 058 522	65.5%	367	776 726
Semi-skilled	16 805 274	3.9%	50	336 105
Unskilled	3 723 420	0.9%	54	68 952
<b>Total</b>	<b>435 382 353</b>	<b>100%</b>	<b>560</b>	<b>777 468</b>

Table 36: Personnel Cost by Salary Band/Level

As part of the cost-containment initiatives that the SACAA implemented, there were no Performance Rewards paid in the period under review.

#### 4. EMPLOYMENT AND VACANCIES

The vacant positions in the organisation were filled in line with the targets set out in the Employment Equity (EE) Plan. Due to the COVID-19 pandemic, the SACAA continued to implement cost-containment initiatives, which led to most of the vacant positions being put on hold again. Only key and critical positions were prioritised and filled in the year under review.

The Employment Equity (EE) plan focussed on employing Black males and coloured males and females in the Technical and Management level positions.

EMPLOYMENT AND VACANCIES PER DIVISION					
Division	2020/21 Number of employees	2021/22 Approved posts	2021/22 Number of employees	2021/22 vacancies	% of vacancies
AIID	24	27	23	4	14.8%
Aviation Infrastructure	52	54	50	4	7.4%
Aviation Safety Operations	233	263	225	38	14.4%
Aviation Security	47	52	46	6	11.5%
Finance	59	60	*58	2	3.3%
Human Resources	66	18	64	**(46)	(256)%
Company Secretary	5	5	5	0	0.0%
Legal and Aviation Compliance	21	27	21	6	22.2%
Flight Inspection Unit	6	10	6	4	40.0%
Internal Audit	7	9	8	1	11.1%
Cape Town Office	10	12	11	1	8.3%
Office of the DCA	3	6	4	2	33.3%
Corporate Services	37	46	39	7	15.2%
<b>Total</b>	<b>570</b>	<b>589</b>	<b>560</b>	<b>29</b>	<b>4.9%</b>

Table 37: Employment and vacancies per Division

\* This number includes fixed-term contract employees.

\*\*The negative variance is due to the inclusion of fixed-term contract employees, interns, and bursars.



## 4.1 Employment Changes

The table below reflects the changes that took place during the period under review.

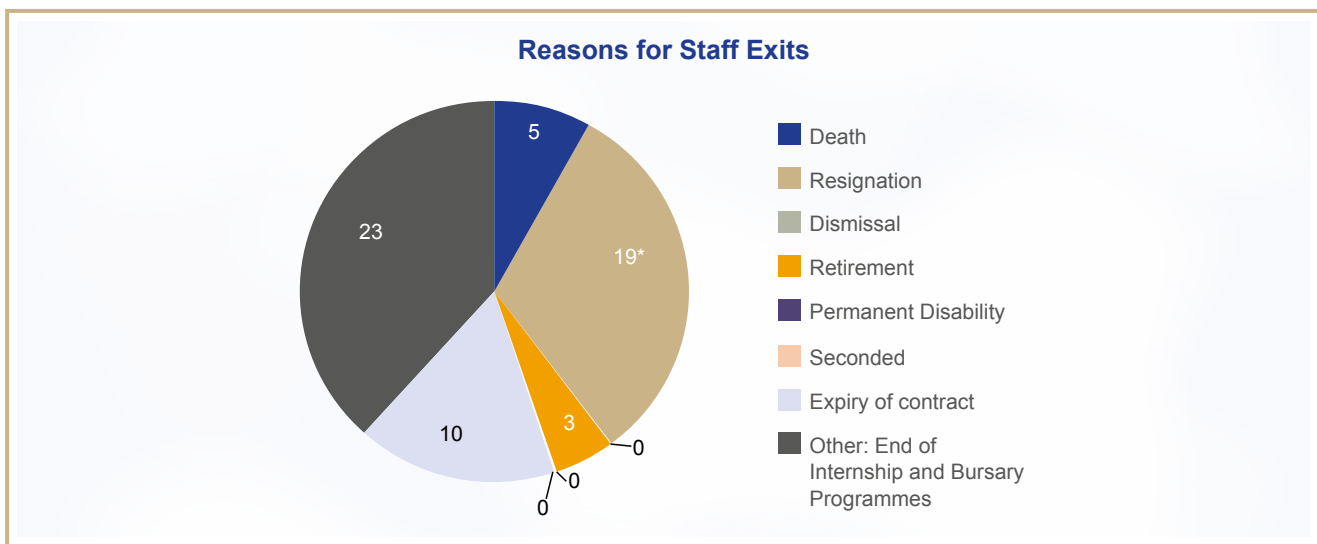
EMPLOYEE CHANGES PER LEVEL				
Salary Level	Employment at beginning of the period	Appointments	Terminations	Employment at end of the period
Top Management	1	0	0	1
Senior Management	8	2	1	9
Professional qualified and Middle Management	84	3	8	79
Skilled	373	18	24	367
Semi-skilled	51	3	4	50
Unskilled	53	24	23	54
<b>Total</b>	<b>570</b>	<b>50</b>	<b>60</b>	<b>560</b>

Table 38: Employment changes per level

The total number of appointments and terminations include fixed-term contract employees, interns, and bursars.

## 4.2 Reasons for Staff Exits

The graph below indicates the attrition rate as well as the reasons for staff exiting the organisation. Exit interviews were conducted, where possible, and the reasons given for resignations were related to career growth and family reasons. Information obtained during exit interviews feeds into the organisational retention plan.



Graph 24: Reasons for Staff Exits

\*This number includes fixed-term contractors and interns.

### 4.3 Equity Targets and Employment Equity Status

The following tables detail the status around employment equity in the organisation.


 EMPLOYMENT EQUITY STATUS – MALE	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	3	4	0	0	1	1	1	1
	Professional qualified	31	32	1	3	3	3	8	9
	Skilled	137	148	13	15	21	21	23	23
	Semi-skilled	9	9	0	0	0	0	0	0
	Unskilled	0	0	0	0	0	0	0	0
	<b>Total</b>	<b>180</b>	<b>193</b>	<b>14</b>	<b>18</b>	<b>25</b>	<b>25</b>	<b>32</b>	<b>33</b>

Table 39: Employment Equity Status – Male

\*The table includes fixed-term contract employees; but excludes interns and bursars.


 EMPLOYMENT EQUITY STATUS – FEMALE	Levels	Female							
		African		Coloured		Indian		White	
		Current	Target	Current	Target	Current	Target	Current	Target
	Top Management	1	1	0	0	0	0	0	0
	Senior Management	3	3	0	0	1	1	0	0
	Professional qualified	28	32	3	2	1	1	4	4
	Skilled	132	135	11	14	10	11	20	21
	Semi-skilled	36	36	1	2	2	1	2	2
	Unskilled	3	3	0	0	0	0	0	0
	<b>Total</b>	<b>203</b>	<b>210</b>	<b>15</b>	<b>18</b>	<b>14</b>	<b>14</b>	<b>26</b>	<b>27</b>

Table 40: Employment Equity Status – Female

The table includes fixed-term contract employees; but excludes interns and bursars.


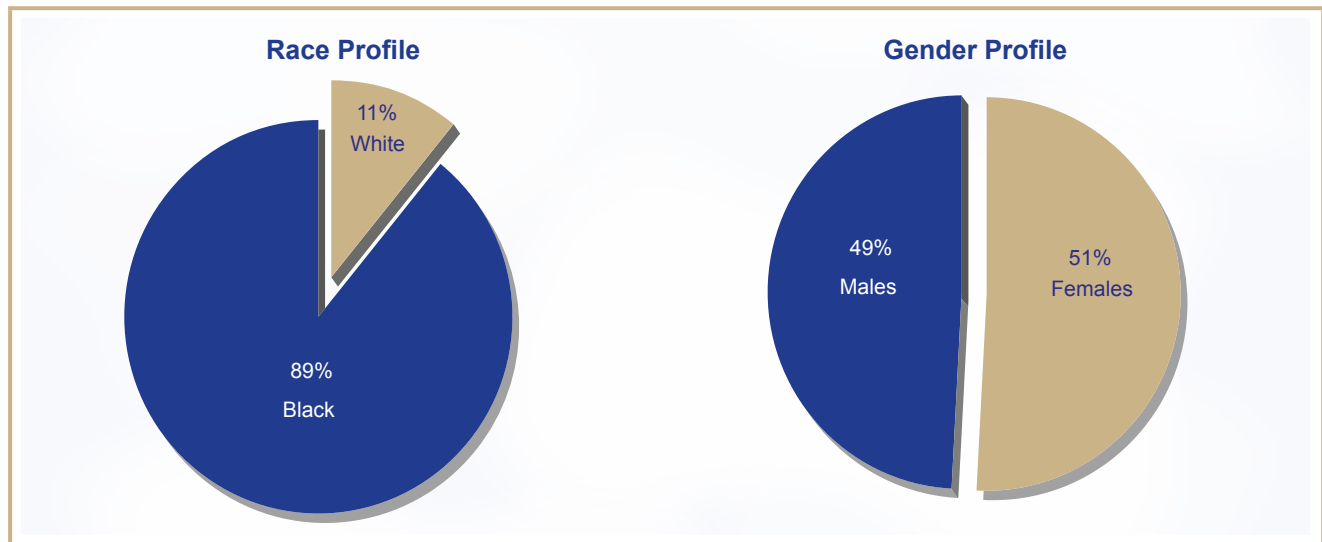
 EMPLOYMENT EQUITY STATUS – PEOPLE WITH DISABILITIES	Levels	Male		Female	
		Target	Current	Target	Current
	Top Management	0	0	0	0
	Senior Management	0	0	0	1
	Professional qualified	0	1	0	1
	Skilled	2	3	3	1
	Semi-skilled	0	0	2	3
	Unskilled	0	0	0	0
	<b>Total</b>	<b>2</b>	<b>4</b>	<b>5</b>	<b>6</b>

Table 41: Employment Equity Status – People with Disabilities

\*The tables exclude fixed-term contractors, interns, and bursars.

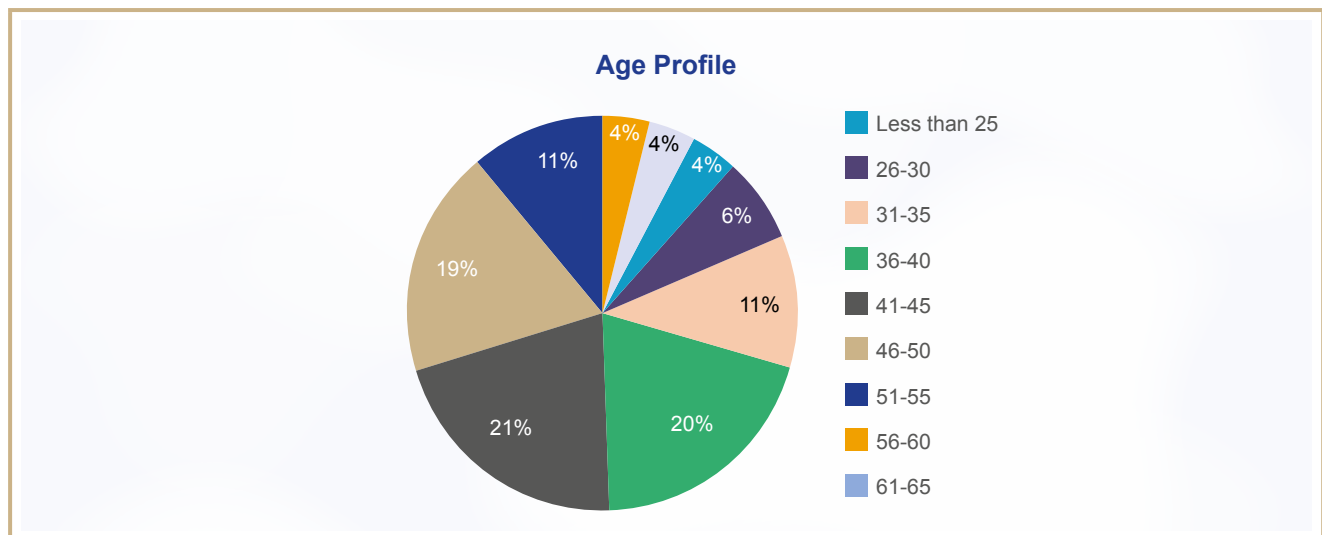
## 4.4 RACE AND GENDER PROFILE

The racial profile of the organisation continues to reflect the demographics of the country as demonstrated below. The gender profile shows that the female representation has increased beyond the 50% for the first time in the history of the organisation.



Graph 25: Race and Gender Profile

## 4.5 AGE PROFILE



Graph 26: Age Profile

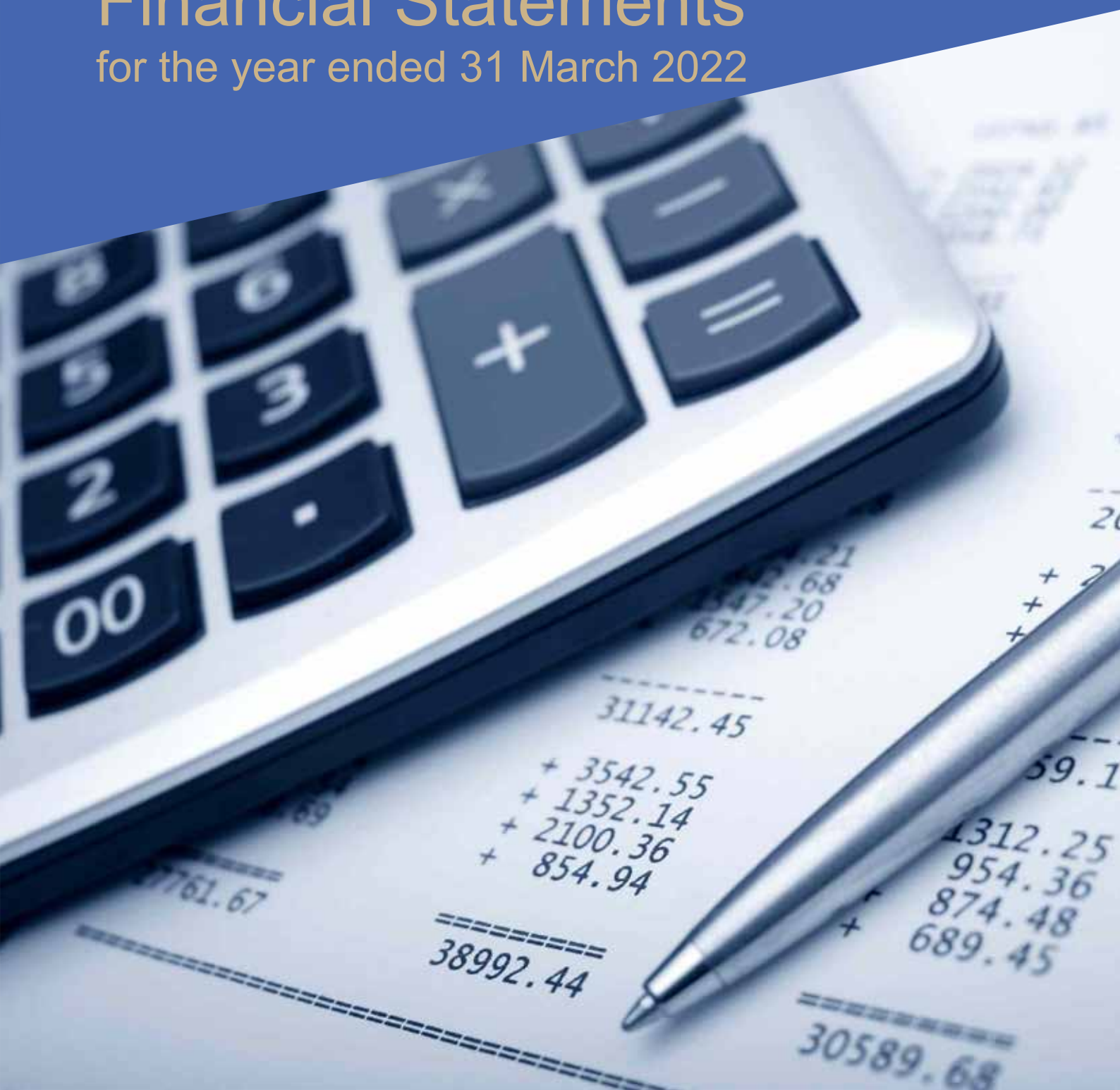
The SACAA workforce is at an average age of 44 years. 92% of employees are below the early retirement age of 55 years while 8%, which represents 43 employees, has reached this age. 21% of employee represents youth. 51 bursars and interns have benefitted from the bursary and internship programmes.

South African Civil Aviation Authority

# PART E

## Financial Statements

for the year ended 31 March 2022



# Index

**The reports and statements set out below comprise the financial statements presented to the parliament:**

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# REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON SOUTH AFRICAN CIVIL AVIATION AUTHORITY

## Report on the audit of the financial statements

### Opinion

1. I have audited the financial statements of the South African Civil Aviation Authority set out on pages 166 to 209, which comprise the statement of financial position as at 31 March 2022, the statement of profit or loss and other comprehensive income, statement of changes in net assets and cash flow statement and statement of comparison of budget information with actual information 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 South African Civil Aviation Authority as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act (PFMA) of South Africa, 1999 (Act no.1 of 1999).

### 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 Auditor-General's responsibilities 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 requirements 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.

### Auditor-General's responsibilities for the audit of the financial statements

8. My objectives are to obtain reasonable assurance about whether the public entity's 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 financial statements is included in the Annexure to this Auditor's Report.

## Report on the audit of the annual performance report

### Introduction and scope

10. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
11. My procedures address the usefulness and reliability of the reported performance information, which must be based on the public entity's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the public entity enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or planned performance strategies and information in respect of future periods that may be included as part of the reported performance information.

Accordingly, my findings do not extend to these matters.

12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the public entity's annual performance report for the year ended 31 March 2022:

Objectives	Pages in the annual performance report
Objective 1– Strengthened safety and security oversight system	55 – 59

13. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not identify any material findings on the usefulness and reliability of the reported performance information for this objective:
- Objective 1 - Strengthened safety and security oversight system

## Report on the audit of compliance with legislation

### Introduction and scope

15. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the Public Entity's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

16. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

#### Other information

17. The Accounting Authority is responsible for the other information. The other information comprises the information included in the Annual Report. The other information 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 in this auditor's report.
18. My opinion on the financial statements and findings on the reported performance information and compliance with legislation does not cover the other information and I do not express an audit opinion or any form of assurance conclusion on it.
19. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information 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. I have nothing to report in this regard.

#### Internal control deficiencies

20. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

#### Other reports

21. I draw attention to the following engagements conducted by various parties which had, or could have an impact on the matters reported in the public entity's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
22. The Ethiopian Aircraft Accident Investigation Bureau concluded its aircraft accident and incident investigation into ZS-CAR and issued its final report to the Minister of Transport. The Minister released the report to the SACAA on 23 January 2022 and to the family members of the deceased. Upon receipt of the final report and on 24 January 2022 the SACAA lodged its appeal to the Minister of Transport, challenging the findings and some procedural aspects. Two members of the families of the deceased also later lodged their appeal against the report and its findings. The matter is currently with the Minister of Transport for further deliberation.

*Auditor-General*

Pretoria

29 July 2022



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

## Annexure – Auditor-General's responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected objectives and on the public entity's compliance with respect to the selected subject matters.

### Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:
  - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
  - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
  - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors, which constitutes the Accounting Authority
  - conclude on the appropriateness of the Accounting Authority's use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the

South African Civil Aviation Authority to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my Auditor's Report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this Auditor's Report. However, future events or conditions may cause a public entity to cease operating as a going concern

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### Communication with those charged with governance

3. I communicate with the Accounting Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also provide the Accounting Authority with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

## Accounting Authority's Responsibilities and Approval

The Board is required by the Public Finance Management Act, 1999 (Act No. 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information 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 SACAA as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The Board acknowledges that it is ultimately responsible for the system of internal financial control established by the SACAA and places considerable importance on maintaining a strong control environment. To enable the Board to meet these responsibilities, the Board sets standards for internal control, aimed at reducing the risk of error or fraud 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 SACAA and all employees are required to maintain the highest ethical standards in ensuring that the SACAA's business is conducted

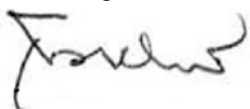
in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the SACAA is on identifying, assessing, managing and monitoring all known forms of risk across the SACAA. While operating risk cannot be fully eliminated, the SACAA endeavours to minimise it by ensuring 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 information and explanations provided 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 error.

The Board has reviewed the SACAA's cash flow forecast for the year to 31 March 2023 and, in the light of this review and the current financial position, it is satisfied that the SACAA has or has access to adequate resources to continue in operational existence for the foreseeable future.

The Board is primarily responsible for the financial affairs of the SACAA and relies on the assurance provided by the external auditors on the annual financial statements. The external auditors are responsible for independently reviewing and reporting on the SACAA's annual financial statements. The annual financial statements have been examined by the SACAA's external auditors and their report is presented on pages 151 to 154 .

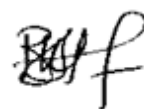
The annual financial statements set out on pages 166 to 209 that have been prepared on the going-concern basis, were approved by the Board on 28 July 2022 and were signed on its behalf by:



**Mr E Khosa**  
Chairperson: SACAA Board



**Mr S Sooklal**  
Chairperson: Audit and Risk Committee



**Ms GNB Khoza**  
Director of Civil Aviation



## Audit and Risk Committee Report

We are pleased to present our report for the financial year ended 31 March 2022.

### Audit and Risk Committee Responsibility

The Audit and Risk Committee is pleased to present its report for the financial year ended 31 March 2022.

The Audit and Risk Committee reports that they have complied with their responsibilities arising from section 50(1) and 51(1) of the PFMA and Treasury Regulations. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee Charter and has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

The Audit and Risk Committee is established as an independent statutory committee in terms of the PFMA and the Civil Aviation Act. The Committee oversees all audit, compliance, information technology, internal audit and risk matters for the SACAA; however, the Board is ultimately accountable for financial and risk management.

The Audit and Risk Committee for the year ended 31 March 2022 comprised three non-executive members and an independent specialist member appointed in November 2020 and was chaired by an independent, non-executive member, Mr Surendra Sooklal. The Director of Civil Aviation, Chief Financial Officer, Chief Audit Executive, Executive: Corporate Services and the Auditor-General of South Africa all have a standing invitation to the Audit and Risk Committee meetings. The appointment of the Audit and Risk Committee members is confirmed annually at the Annual General Meeting by the Executive Authority.

On an annual basis, the Audit and Risk Committee assesses the effectiveness of the Internal Audit activities against the criteria outlined below:

- Achievement of the annual Internal Audit Plan;
- Compliance with the Institute of Internal Auditors' professional standards;
- Achievement of reporting protocols through management to the audit and risk committee;
- Timeliness of reporting of findings and activities;
- Responsiveness to the changing business and operational environment;
- Management's acceptance of the internal audit findings;
- Quality and relevance of the annual assessment reports;
- Level of co-operation and interaction with other assurance providers according to the agreed combined assurance approach;
- Maintenance of adequate staffing and resource levels to achieve the annual Internal Audit Plan outcomes and meet the requirements of the Internal Audit Charter; and
- Meeting the budget allocated to the internal audit function.

During the period under review, the Committee held five (5) scheduled meetings, three (3) special meetings and one (1) workshop. The purpose of the workshop was to review the reporting and plans relating to internal audit, risk management and combined assurance. The Chairperson of the Committee reports to the Board quarterly, with regard to the Committee's deliberations, decisions and recommendations. In addition the Committee also reports quarterly to the Executive Authority.

### Attendance of Audit and Risk Committee meetings by Audit and Risk Committee members

Attendance of Audit and Risk Committee meetings by Audit and Risk Committee members			
Name	Designation	Number of Meetings held	Total Number of Meetings attended
Mr S Sooklal	Chairperson	8	8/8
Mr MG India	Member	8	8/8
Prof. NV Dyani-Mhago	Member	8	8/8
Ms ZG Nkosi	Member	8	8/8

### Work of the Committee in 2021/22

During the period under review, the Committee fulfilled its statutory duties as required by the PFMA and Treasury Regulations, as well as various additional responsibilities assigned to it by the Board. The Committee's activities are also guided by its Terms of Reference which are annually reviewed and approved by the Board.

### The effectiveness of internal control and risk management

Internal Audit provides the Audit and Risk Committee with reasonable assurance that the internal controls are appropriate and effective. This is achieved by means of compiling a risk-based internal Audit Plan, as well as the identification of corrective actions and suggested enhancements to the controls and processes when conducting individual audits. From the various reports of both the internal and external auditors, we noted that matters which indicated any deficiencies in the system of internal control have been brought to management's attention and corrective measures have been implemented. Accordingly, we can report that the systems of internal control over financial reporting for the period under review were efficient and effective.

Section 51(1)(a)(i) of the PFMA states that the Accounting Authority must ensure that the SACAA maintains effective, efficient and transparent systems of financial, risk management and internal control.

The Audit and Risk Committee is responsible for overseeing risk management and reviewing the internal controls. Reviews on the effectiveness of the internal controls were conducted and they covered financial, operational, compliance and risk assessment.

During the year under review, the Committee conducted the following activities:

### Reviewed and recommended the following matters to the Board for approval:

- Quarterly risk reports containing potential and emerging risks and opportunities aligned to the SACAA's vision and mission and reportable incidents;
- Quarterly PFMA compliance reports;
- Quarterly finance and materiality reports;
- Quarterly performance management reports;
- SACAA's policies on fraud and corruption, bank and cash, investment, telephone & cellphones and security;
- The risk assessment and risk management, including fraud risks and information technology risks;
- The Medium-Term Expenditure Framework for the ensuing periods;
- The draft Annual Report 2020/21;
- Revision of the Delegation of Authority;
- Legal Compliance report;
- Review of the supply chain, other financial, risk, internal audit, fraud and legal compliance policies; and
- Cyber Security Strategy, amongst others.

### Reviewed and approved the following quarterly reports:

- Information and Communication Technology;
- Combined assurance reports;
- Materiality reports;
- Legal compliance, litigation and fraud incidents; and
- Oversight on capex projects.

### Evaluation of the annual financial statements

The Audit and Risk Committee reviewed the annual financial statements of the SACAA and is satisfied that they comply with the accounting standards and that the accounting policies used are appropriate. The annual financial statements were reviewed with the following focus:

- Significant financial reporting judgments and estimates contained in the annual financial statements;
- Clarity and completeness of disclosure and whether disclosures made have been set properly in context;
- Quality and acceptability of, and any changes in accounting policies and practices;
- Compliance with accounting standards and legal requirements;
- Significant adjustments and/or unadjusted differences resulting from the audit;
- Reflection of unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reasons for major year-on-year fluctuations;
- Asset valuations and revaluations;
- Calculation and levels of general and specific provisions;
- Write-offs and reserve transfers; and
- The basis for the going-concern assumption.

### Financial reporting

In addressing our key objective, which is to assist the entity through the Board, in ensuring the integrity of its financial statements, we reviewed the financial statements with both management and the external auditor, concentrating on:

- Compliance with financial reporting standards and governance reporting requirements;
- Areas requiring significant judgments to be made in applying accounting policies;
- The appropriateness of accounting policies;
- The procedures and controls around estimates that are key to applying accounting policies; and
- Whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides information necessary for stakeholders to assess the entity's business model, strategy and performance.

The Committee focuses on ensuring the integrity of the SACAA's financial reporting and improving the financial controls framework and assessed the fair presentation of the financial statements.

### Internal audit

The Internal Audit Department is responsible for providing professional, independent and objective assurance review on the adequacy and effectiveness of the internal control environment across all the significant areas of the SACAA's operations and assists the SACAA in the achievement of set objectives.

### Key activities of Internal Audit are:

- to develop and implement a three-year, risk-based internal audit annual plan including the risk and concerns identified by management and of course raised by us, the Audit and Risk Committee, and the plan is submitted to the Audit and Risk Committee for review and approval;
- to build and enhance the skills levels of audit staff with knowledge to assist them in the execution of planned audits; and

### Financial Statements for the year ended 31 March 2022

- to provide optimal audit coverage by considering the scope of work of the external auditors and other assurance providers as per the Combined Assurance Framework.

The Internal Audit Department completed all planned audits and allocated ad hocs for the period under review.

The Audit and Risk Committee is responsible for ensuring that the Internal Audit function is independent and has the necessary resources, standing and authority within the SACAA to enable the division to discharge its duties. Furthermore, the Audit and Risk Committee oversees co-operation between the internal and external auditors and serves as a link between the Board and these two functions.

Internal audit's activities are measured against the approved internal audit plan and the Chief Audit Executive tables progress reports in this regard to the Audit and Risk Committee on a quarterly basis.

During the reporting period the Audit and Risk Committee reviewed and approved/noted the following activities:

- The risk-based annual internal audit plan and the three-year, risk-based internal audit rolling plan;
- Progress reports on the closure of the internal audit findings;
- Internal audit's quarterly reports in line with the approved internal audit plan; and
- Internal audit charter for the 2021/22 financial year.

Furthermore, the Audit and Risk Committee monitored the implementation of the Combined Assurance Plan and Combined Assurance Model to ensure the coordination and alignment of assurance activities across the various lines of defence, so that assurance has the appropriate depth and reach, including resources optimisation.

The Audit and Risk Committee has formed an opinion that adequate, objective internal audit policies and

procedures exist within the SACAA and that the SACAA's Internal Audit Department has complied with the internal audit standards, the required legal, regulatory and other responsibilities as stipulated in its charter during the period under review. We are satisfied that the Internal Audit function is operating effectively, and that it has addressed the risks pertinent to the SACAA in its internal audits.

### Whistle-blowing

In compliance with the Protected Disclosures Act, 2000, (Act No. 26 of 2000) the SACAA has established and maintains an independent fraud hotline service. The Audit and Risk Committee wishes to report that, for the financial year under review, it received and dealt with all concerns or complaints, whether from within or outside of the SACAA.

The Audit and Risk Committee also discusses reports from the whistle-blowing hotline through reports presented by the Internal Audit Department. The Audit and Risk Committee receives progress reports on the status of the investigations on a regular basis, and the Committee ensured that the necessary corrective actions were taken by management. The Committee in the year under review also reviewed and approved the Fraud and Corruption Policies and the Annual Forensic Plan.

### The quality of management and quarterly reports submitted in terms of the PFMA

The Audit and Risk Committee is satisfied that it received sufficient, reliable and timely information from management in order to enable it to fulfil its responsibilities.

During the year under review, quarterly management reports were presented by management to enable the Committee to:

- Monitor the integrity, accuracy and reliability of the financial position of the SACAA;

### Financial Statements for the year ended 31 March 2022

- Review the management accounts of the SACAA to provide the Accounting Authority with an authoritative and credible view of the entity's financial position;
- Review the disclosures made in the financial reports of the SACAA and the context in which statements on the financial health of the entity are made; and
- Review all material information presented together with the management accounts.

#### The quality of budgets submitted in terms of the PFMA

The Audit and Risk Committee is satisfied that it received sufficient, reliable and timely information that enabled it to:

- Review and ensure that the annual budgets are balanced, credible and realistic against the approved business plans; and
- Monitor and periodically review the implementation of the approved budget by the Accounting Authority.

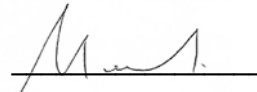
#### Auditor-General of South Africa

The Audit and Risk Committee has met with the Auditor-General of South Africa to ensure that there are no unresolved issues.

The Audit and Risk Committee monitored the implementation of the action plan to address matters arising from the management report issued by the Auditor-General of South Africa for the 2020/2021 financial year. All the action items were closed by the end of the 2021/22 financial year.

The Auditor-General has unrestricted access to the SACAA's records and management and furnishes a written report to the Committee on significant findings arising from the annual audit and is able to raise matters of concern directly with the Chairman of the Committee.

The Audit and Risk Committee concurs with, and accepts the conclusions and the audit opinion of the Auditor-General of South Africa on the annual financial statements and is of the view that the audited financial statements be accepted and read together with the report of the Auditor-General of South Africa.



**Mr S Sooklal**

**Chairperson of the Audit and Risk Committee**  
**Date: 28 July 2022**



## Accounting Authority's Report

The Board submits its report for the year ended 31 March 2022.

### 1. Introduction

The Board presents its twenty-fourth Annual Report in terms of the Civil Aviation Act, 2009 (Act No.13 of 2009), (previously governed by the South African Civil Aviation Authority (Act No.40 of 1998)) and the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), which forms part of the audited annual financial statements for the year ended 31 March 2022.

### 2. Principal activities

#### Main business and operations

The South African Civil Aviation Authority (SACAA) is a statutory body which has the primary focus to control and regulate civil aviation in the Republic of South Africa and to oversee the functioning and development of the civil aviation industry.

The Civil Aviation Act, 2009, read in conjunction with the South African Civil Aviation Authority Levies Act, 1998 (Act No. 41 of 1998), enables the SACAA to charge a passenger safety charge on scheduled operations, a fuel levy on non-scheduled operations and general aviation, and charges for services rendered to the aviation industry, allowing it to generate revenue to fund its operations.

The operating results and state of affairs of the SACAA are fully set out in the attached annual financial statements and do not in our opinion require any further comment.

The SACAA recorded a net surplus of R111 927 610 for the year ended 31 March 2022 (2021: deficit R 139 375 765).

### 3. Going concern

The COVID-19 pandemic has presented a number of challenges in the world. The impact on the aviation industry has been severe. As the regulator of the aviation industry in South Africa, the SACAA is dependent on the passenger safety charge, user fees and fuel levies from the aviation industry for a major part of its revenue. The severe restrictions on airline flights in the current and previous financial year, both locally and globally, had a major impact on the number of people flying and hence a negative impact on the revenue of the SACAA.

The COVID-19 pandemic continued to have an impact on the revenue generated by the SACAA for the better part of the current financial year. The last quarter of the current financial year showed an improvement in revenue generated by the SACAA. Indications are that the conditions in the industry could take up to two years to return to normality. This has caused significant strain on the financial resources of the SACAA and as a result of the financial constraints, the SACAA approached its Executive Authority to fund the shortfall.

Management is of the view that the SACAA will continue as a going concern for the foreseeable future, as it has sufficient available reserves currently as well as financial support from its Executive Authority, the Department of Transport, for the next three financial years. Conditions in the aviation industry are also expected to improve in the next few years.

In addition, the SACAA is a juristic person, established in terms of the Civil Aviation Act, 2009 (Act No. 13 of 2009). The SACAA's mandate is to administer civil aviation safety and security oversight in the Republic of South Africa in line with the Civil Aviation Act (the Act), and in accordance with the standards and recommended practices (SARPs) prescribed by the International Civil Aviation

Organization (ICAO). The SACAA as such is a statutory body, an organ of state in terms of the Constitution of the Republic of South Africa, 1996, that is obliged to perform this function and should receive the full support of the state. The SACAA received additional funding of R 277.6 million from its Executive Authority, the Department of Transport in the 2021/22 financial year.

The Executive Authority has confirmed additional financial support to the SACAA for an amount of R363.4 million for the next three years of the Medium-Term Expenditure Framework (MTEF) period i.e. financial years ending 31 March 2023 (R187.9 million), 31 March 2024 (R85.8 million) and 31 March 2025 (R89.7 million).

Based on the facts and circumstances known at this point and the possible scenarios about how the COVID-19 pandemic and resulting government measures could evolve, management has determined that the use of the going concern assumption is appropriate in the circumstances, hence the annual financial statements are prepared on the assumption that the SACAA is a going concern. The National State of Disaster was terminated on 4 April 2022 and this will also alleviate any travel restrictions going forward.

### 4. Events after the reporting date

The Board is not aware of any significant events that occurred after the reporting date that were not adjusted or disclosed in the annual financial statements. Furthermore, and except for the matters referred to in the going concern paragraph, management is not aware of any circumstances that exist that would impede the SACAA's ability to continue as a going concern.

### 5. Accounting policies

The annual financial statements are prepared in accordance with the South African Statements of Generally Recognised Accounting Practice (GRAP), including any interpretations of such Statements

issued by the Accounting Practices Board, and in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

### 6. Accounting Authority

The Board of the SACAA during the year and to the date of this report are as follows:

Name	
Mr E Khosa (Chairperson)	Reappointed 01 June 2022
Mr S Sooklal	Reappointed 01 June 2022
Mr MG India	Reappointed 01 December 2018 Retired 31 May 2022
Ms R Phewa	Reappointed 01 June 2022
Mrs GB Koyana	Reappointed 01 June 2022
Prof. NV Dyani-Mhango	Reappointed 01 December 2018 Retired 31 May 2022
Ms GNB Khoza	Reappointed 01 December 2018

### 7. Company Secretary

The secretary of the SACAA is Ms N Naraindath of:

Business address Ikhaya Lokundiza Building 16,  
Treur Close Waterfall Park,  
Bekker Street Midrand  
1685

Postal address Private Bag X73  
Halfway House  
1685

### 8. Interest of Board Members

The Board members have, at each Board meeting, confirmed that they had no material personal interests in any transactions of any significance with

the SACAA. Board members are required to sign a declaration of interest at every meeting attended. In addition, they are required to declare any interests in contracts annually. Accordingly, no conflict of interest with regard to directors' interests in contracts was reported. There was no change in directors' interests in contracts in the period between the financial year end and the date of signature of this report.

### 9. Corporate governance

#### General

The Board is committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the Board supports the highest standards of corporate governance and the ongoing development of best practice.

The Board confirms and acknowledges its responsibility to apply the principles set out in the King IV™ Report on Corporate Governance for South Africa 2016. The Board discusses the responsibilities of management in this respect at Board meetings and monitors the SACAA's compliance with the relevant legislative prescripts.

The salient features of the SACAA's adoption of King IV™ are outlined below:

#### Board of Directors

The Board is committed to business integrity, transparency and professionalism in all its activities.

As part of this commitment, the Board:

- retains full control over the SACAA, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication, both internally and externally by the SACAA;
- is of a unitary structure comprising:
  - five (5) non-executive directors, all of whom are independent directors as defined in King IV™. With effect from 1 June 2022, the new

Board was appointed with 3 non-executive directors; and

- one (1) non-executive director appointed as a representative of the Executive Authority
- one (1) executive director
- There are currently three (3) vacancies for non-executive directors and the Executive Authority is in the process of filling the vacant positions.

#### Chairperson and Director of Civil Aviation

The Chairperson is a non-executive and independent director as defined in King IV™.

The roles of Chairperson and Director of Civil Aviation are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion.

#### Remuneration

The Director of Civil Aviation is appointed by the Minister of Transport, who is the Executive Authority of the SACAA. In terms of the Civil Aviation Act, the Executive Authority determined the remuneration of the Director of Civil Aviation upon appointment. The Board determines the Remuneration Policy and Strategy of the SACAA.

#### Board meetings

In terms of the Board Charter, the Board meets at least five times per annum, and during the year under review met on 14 occasions. In addition, it also held strategic planning and risk sessions.

Non-executive directors have access to all members of management of the SACAA.

### 10. Auditors

In terms of the Public Audit Act, 2004, as amended by the Public Audit Act, 2018 (Act No. 5 of 2018), specifically section 4 (3), the Auditor-General may audit and report on the accounts and annual financial statements.

### Financial Statements for the year ended 31 March 2022

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The Executive Authority confirmed the appointment of the Auditor-General as the external auditors of the SACAA at the Annual General Meeting held on 27 September 2021.

#### **11. Number of Employees**

The number of employees as at 31 March 2022 was 560 (2021: 570) which includes permanent, fixed-term, interns, bursars and contract employees.

#### **12. Materiality Framework**

In terms of Treasury Regulations 28 (3) of the PFMA, the Board must develop and agree on a framework of acceptable levels of materiality and significance with the relevant Executive Authority. This has been agreed with the Executive Authority as part of the Board Performance Agreement.

The SACAA has developed a materiality framework whereby all material and significant information is disclosed to the Audit and Risk Committee, the Board and the Executive Authority on a quarterly basis.

Financial Statements for the year ended 31 March 2022

## Company Secretary's Certification

In my capacity as Company Secretary, I hereby confirm that the SACAA has lodged all returns as required by the Public Finance Management Act, 1999 (Act No. 1 of 1999) as amended, for the year ended 31 March 2022.

A handwritten signature in black ink, appearing to read 'Naraindath', is written over a horizontal line.

**Ms N Naraindath**

**Company Secretary**



Financial Statements for the year ended 31 March 2022

## Statement of Financial Position as at 31 March 2022

	Notes	2022	2021
<b>Assets</b>			
<b>Current Asset</b>			
Cash and cash equivalents	3	338 881 270	198 696 727
Statutory receivables	4	52 138 176	39 789 143
Receivables from exchange transactions	5	20 234 887	13 462 937
Consumable stores	6	512 173	930 263
		<b>411 766 506</b>	<b>252 879 070</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	16 273 595	20 511 203
Intangible assets	8	67 038 110	67 346 054
		<b>83 311 705</b>	<b>87 857 257</b>
<b>Total Assets</b>		<b>495 078 211</b>	<b>340 736 327</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	72 545 802	52 539 238
Operating lease liability	11	31 261	114 247
Provisions	12	22 490 696	-
<b>Total Liabilities</b>		<b>95 067 759</b>	<b>52 653 485</b>
<b>Total Net Assets</b>		<b>400 010 452</b>	<b>288 082 842</b>

Financial Statements for the year ended 31 March 2022

## Statement of Financial Performance

	Notes	2022	2021
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Interest revenue	14	10 934 803	10 324 585
Other revenue	15	3 996 335	5 388 245
Gain on foreign exchange		-	2 404 740
<b>Total revenue from exchange transactions</b>		<b>14 931 138</b>	<b>18 117 570</b>
<b>Revenue from non-exchange transactions</b>			
Revenue from non-exchange transactions	16	760 876 177	442 772 960
<b>Total revenue</b>		<b>775 807 315</b>	<b>460 890 530</b>
<b>Expenditure</b>			
Personnel costs	17	(473 108 215)	(444 528 476)
Operating expenses	18	(132 089 086)	(96 440 676)
Depreciation and amortisation		(11 556 581)	(11 443 278)
Lease rentals on operating lease		(33 028 373)	(32 659 289)
Decrease/(Increase) in Debt Impairment	19	25 128 470	(13 468 920)
Bad debts written off	19	(38 913 033)	(1 585 395)
Loss on disposal of assets		(312 887)	(140 261)
<b>Total expenditure</b>		<b>(663 879 705)</b>	<b>(600 266 295)</b>
<b>Surplus/(Deficit) for the year</b>		<b>111 927 610</b>	<b>(139 375 765)</b>

Financial Statements for the year ended 31 March 2022

## Statement of Changes in Net Assets

	Accumulated surplus	Total net assets
<b>Balance at 01 April 2020</b>	<b>427 458 607</b>	<b>427 458 607</b>
Changes in net assets		
Deficit for the year	(139 375 765)	(139 375 765)
Total recognised deficit for the year	(139 375 765)	(139 375 765)
<b>Balance at 01 April 2021</b>	<b>288 082 842</b>	<b>288 082 842</b>
Changes in net assets		
Surplus for the year	111 927 610	111 927 610
Total recognised surplus for the year	111 927 610	111 927 610
<b>Balance at 31 March 2022</b>	<b>400 010 452</b>	<b>400 010 452</b>

Financial Statements for the year ended 31 March 2022

## Cash Flow Statement

	Notes	2022	2021
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Receipts from customers and Department of Transport		731 966 966	475 827 849
Interest income		10 934 803	10 324 585
		<u>742 901 769</u>	<u>486 152 434</u>
<b>Payments</b>			
Payments made to suppliers and employees		(595 393 310)	(579 502 931)
<b>Net cash flows from operating activities</b>	22	<b>147 508 459</b>	<b>(93 350 497)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(2 152 895)	(4 776 016)
Proceeds from sale of property, plant and equipment		26 522	621 708
Purchase of intangible assets	8	(5 197 543)	(1 775 000)
<b>Net cash flows from investing activities</b>		<b>(7 323 916)</b>	<b>(5 929 308)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>140 184 543</b>	<b>(99 279 805)</b>
Cash and cash equivalents at the beginning of the year		198 696 727	297 976 532
<b>Cash and cash equivalents at the end of the year</b>	3	<b>338 881 270</b>	<b>198 696 727</b>

## Statement of Comparison of Budget and Actual Amounts

	Budget on Accrual Basis					
	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						
Other revenue	2 967 814	-	2 967 814	3 996 335	1 028 521	31
Interest revenue	482 788	11 000 000	11 482 788	10 934 803	(547 985)	
Total revenue from exchange transactions	3 450 602	11 000 000	14 450 602	14 931 138	480 536	
Revenue from non-exchange transactions						
Passenger safety charge	276 081 067	(39 673 250)	236 407 817	298 101 021	61 693 204	31
User fees	91 962 234	23 807 327	115 769 561	112 822 393	(2 947 168)	31
Fuel levy	29 810 499	-	29 810 499	36 405 994	6 595 495	31
Department of Transport	313 547 425	-	313 547 425	313 546 769	(656)	
Total revenue from non-exchange transactions	711 401 225	(15 865 923)	695 535 302	760 876 177	65 340 875	
Total revenue	714 851 827	(4 865 923)	709 985 904	775 807 315	65 821 411	
Expenditure						
Personnel costs	(491 334 215)	7 200 680	(484 133 535)	(473 108 215)	11 025 320	31
Operating expenses	(167 387 029)	7 286 521	(160 100 508)	(132 089 086)	28 011 422	31
Depreciation and amortisation	(20 659 281)	6 383 059	(14 276 222)	(11 556 581)	2 719 641	31
Lease rentals on operating lease	(35 471 302)	995 663	(34 475 639)	(33 028 373)	1 447 266	
Debt Impairment	-	(17 000 000)	(17 000 000)	25 128 470	42 128 470	31
Bad debts written off	-	-	-	(38 913 033)	(38 913 033)	31
Loss on disposal of assets	-	-	-	(312 887)	(312 887)	31
Total expenditure	(714 851 827)	4 865 923	(709 985 904)	(663 879 705)	46 106 199	
Surplus for the year	-	-	-	111 927 610	111 927 610	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	111 927 610	111 927 610	



## Accounting Policies

### 1. Presentation of Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with section 55 of the Public Finance Management Act, 1999 (Act No. 1 of 1999).

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 Rand, which is the functional currency of the SACAA.

These annual financial statements were prepared on the basis that the SACAA will continue to operate as a going concern for at least the next twelve months.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, is disclosed below.

#### 1.1 Significant judgments and accounting estimates

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. The use of available information and the application of judgment are 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 judgments include:

##### Loans and receivables

The SACAA assesses its loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the SACAA makes

judgments as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Management has applied judgement in estimating the extent of any impairment deemed necessary on the gross carrying value of loans and receivables and has impaired all doubtful accounts in arrears for a period longer than normal expected trading terms. The impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired.

##### 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 SACAA for similar financial instruments.

##### Impairment testing

A cash-generating or non-cash-generating asset is impaired when the carrying amount of the asset exceeds its recoverable amount. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumptions may change, which may then have an impact on our estimations and may then require a material adjustment to the carrying value of tangible assets.

The SACAA reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level at which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

### 1.1 Significant judgments and accounting estimates (continued)

#### Useful lives of property, plant and equipment

The SACAA's management determines the estimated useful lives and related depreciation charges for property, plant and equipment. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

In estimating the useful lives of the assets, management assesses the present status of the assets and the expected future benefits associated with the continued use of the assets.

#### Provisions

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

### 1.2 Property, plant and equipment

Property, plant and equipment are tangible non-current 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 entity; 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 in arriving at the cost.

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

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The major components are depreciated separately over their useful lives.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, or replace part of it.

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.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

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

## Financial Statements for the year ended 31 March 2022

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

	2022	2021
	Years	Years
Leasehold improvements	period of lease	period of lease
Furniture and fixtures	4 - 24	3 - 24
Motor vehicles	4 - 9	3 - 8
Computer equipment	4 - 19	3 - 19
Generator equipment	15	15
Canteen equipment	6 - 11	6 - 11

The assets' residual values, useful lives and depreciation methods are reviewed at the end of each reporting date and change(s) is/are accounted for as a change in accounting estimate in accordance with the relevant standard of GRAP.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit.

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.

### 1.3 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from the SACAA and sold, transferred, licensed, rented or exchanged, either individually

or together with a related contract, identifiable assets or liability, regardless of whether the SACAA intends to do so; or

- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the SACAA or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it 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 SACAA; and
- the cost or fair value of the asset can be measured reliably.

The SACAA 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.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefits.

Amortisation is provided to write off the cost of the intangible assets over their estimated useful lives, using the straight-line method.

### 1.3 Intangible assets (continued)

	2022	2021
	Years	Years
Computer software	4 - 25	3 - 25

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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

### 1.4 Financial instruments

#### Classification

The SACAA has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Statutory receivables	Financial asset measured at amortised cost
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The SACAA has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Trade and other payables	Financial liability measured at amortised cost
Operating lease liability	Financial liability measured at amortised cost

#### Initial recognition

The SACAA recognises a financial asset or a financial liability in its statement of financial position when the SACAA becomes a party to the contractual provisions of the instrument.

The SACAA recognises financial assets using trade date accounting.

#### Initial measurement of financial assets and financial liabilities

The SACAA 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.

#### Subsequent measurement of financial assets and financial liabilities

The SACAA measures all financial assets and financial liabilities after initial recognition by using the following categories:

- Financial instruments at fair value.
- Financial instruments at amortised cost.
- Financial instruments at 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 or 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

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

Objective evidence of impairment includes:

- long overdue amounts for which further collection procedures have been regarded as uneconomical;

## Financial Statements for the year ended 31 March 2022

- information received about the debtor indicating their inability to settle the debt; or
- legal action has been instituted to recover the amount owing.

### 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. 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. 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.

### Derecognition

#### Financial assets

The SACAA derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the SACAA transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the SACAA, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the

practical ability to sell the asset 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 SACAA:

- derecognises the asset; and
- recognises separately any rights and obligations created or retained in the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

### Financial liabilities

The SACAA removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished, i.e. when the obligation specified in the contract is discharged, cancelled, expires or is waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).



#### 1.4 Financial instruments (continued)

##### Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the SACAA currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 1.5 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 a statutory receivable means the amount specified in, or calculated, levied

or charged in accordance with, legislation, supporting regulations, or similar means.

Statutory receivables are made of the following:

##### Passenger safety charge

The passenger safety charge is levied in accordance with the provisions of section 74(1)(b) of the Civil Aviation Act, 2009 (Act No. 13 of 2009) read with Part 187, Sub Part 2 of the Civil Aviation Regulations, 2011. The charge is collected by airlines from passengers on commercial flights departing from an airport within the Republic of South Africa on a scheduled passenger flight or part of a flight to a destination within or outside the country. The passenger safety charge tariff is approved annually by the Minister of Transport, with the concurrence of the Minister of Finance. The collected charges are paid over to the SACAA on a monthly basis.

##### User fees

The user fees are levied in accordance with the provisions of section 74(1)(a) of the Civil Aviation Act, 2009 (Act No. 13 of 2009) read with Part 187, Sub Part 1 of the Civil Aviation Regulations, 2011. These are charged, amongst others, for aviation regulatory related exemptions, certificates, authorisation, licences and registrations. The user fee tariff is approved annually by the Minister of Transport, with the concurrence of the Minister of Finance.

##### Fuel levy

Government Notice R307 of 13 April 2012 provides notice containing the terms and conditions relating to the payment of the aviation fuel levy in terms of section 2 of the South African Civil Aviation Authority Levies Act, 1998 (Act No. 41 of 1998) read in conjunction with section 74(1)(g) of the Civil Aviation Act, 2009 (Act No. 13 of 2009). The levy is based on a litre of aviation fuel sold by fuel wholesalers to general aviation, cargo and charter Operators within the Republic of South Africa. The fuel levy tariff is approved annually by the Minister of Transport, with

the concurrence of the Minister of Finance. The collected levies are paid over to the SACAA on a monthly basis.

### Recognition

The SACAA 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 SACAA and the transaction amount can be measured reliably.

### Initial measurement

The SACAA initially measures statutory receivables at their transaction amount.

### Subsequent measurement

The SACAA 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.

### Accrued interest

Where the SACAA levies interest on the outstanding balance of statutory receivables, it adjusts the transaction amount after initial recognition to reflect any accrued interest. Accrued interest is calculated using the nominal interest rate.

Interest on statutory receivables is recognised as revenue in accordance with the policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers), whichever is applicable.

The SACAA levies interest at prime plus two percentage points.

### Other charges

Where the SACAA is required or entitled in terms of legislation, supporting regulations, by-laws or similar means to levy additional charges on overdue or unpaid amounts, and such charges are levied, the SACAA applies the principles as stated in “Accrued interest” above, as well as the relevant policy on Revenue from exchange transactions or the policy on Revenue from non-exchange transactions (taxes and transfers).

### Impairment losses

The SACAA assesses at each reporting date whether there is any indication that a statutory receivable, or a group of statutory receivables, may be impaired.

In assessing whether there is any indication that a statutory receivable, or group of statutory receivables, may be impaired, the SACAA considers, as a minimum, the following indicators:

- Significant financial difficulty of the debtor, which may be evidenced by an application for debt counselling, business rescue or an equivalent.
- It is probable that the debtor will enter sequestration, liquidation or other financial re-organisation.
- A breach of the terms of the transaction, such as default or delinquency in principal or interest payments (where levied).
- Adverse changes in international, national or local economic conditions, such as a decline in growth, an increase in debt levels and unemployment, or changes in migration rates and patterns.

### 1.5 Statutory receivables (continued)

If there is an indication that a statutory receivable, or a group of statutory receivables, may be impaired, the SACAA measures the impairment loss as the difference between the estimated future cash flows and the carrying amount. Where the carrying amount is higher than the estimated future cash flows, the carrying amount of the statutory receivable, or group of statutory receivables, is reduced directly. The amount of the losses is recognised in surplus or deficit.

In estimating the future cash flows, the SACAA considers both the amount and timing of the cash flows that it will receive in future. Consequently, where the effect of the time value of money is material, the SACAA discounts the estimated future cash flows, using a rate that reflects the current risk-free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flow estimates have not been adjusted.

An impairment loss recognised in prior periods for a statutory receivable is revised if there has been a change in the estimates used since the last impairment loss was recognised, or to reflect the effect of discounting the estimated cash flows.

Any previously recognised impairment loss is adjusted directly. The adjustment does not result in the carrying amount of the statutory receivable or group of statutory receivables exceeding what the carrying amount of the receivable would have been, had the impairment loss not been recognised at the date the impairment is revised. The amount of any adjustment is recognised in surplus or deficit.

#### Derecognition

The SACAA 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 SACAA transfers to another party substantially all of the risks and rewards of ownership of the receivable; or
- the SACAA, 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 SACAA:
  - derecognises the receivable; and
  - recognises 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 SACAA 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.

### 1.6 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 building elements, the SACAA assesses the classification of each element separately.

#### 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

### 1.6 Leases (continued)

as an expense and the contractual payments is recognised as an operating lease asset or liability.

The operating lease liability is derecognised when the SACAA's obligation to settle the liability is extinguished. The operating lease asset is derecognised when the SACAA no longer anticipates economic benefits to flow from the asset.

### 1.7 Consumable stores

Consumable stores are initially measured at cost, except where consumable stores are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Consumable stores comprise ID licence cards held for issuance to the aviation stakeholders and various people in the aviation value chain.

Subsequently consumable stores are measured at the lower of cost and net realisable value.

### 1.8 Impairment of 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.

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).

The 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 used with the objective of generating a commercial return that generates cash inflows from continuing use that is 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.

The recoverable amount of an asset or a cash-generating unit is the higher of its 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 SACAA; or
- the number of production or similar units expected to be obtained from the asset by the SACAA.

### Identification

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

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

### Reversal of impairment loss

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

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount.

#### 1.8 Impairment of cash-generating assets (continued)

The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to the 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 cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

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

#### 1.9 Impairment of non-cash-generating assets

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.

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 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 SACAA; or
- the number of production or similar units expected to be obtained from the asset by the SACAA.

#### Identification

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

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

#### Reversal of an impairment loss

The SACAA 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 SACAA 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 the reversal of an impairment loss does not exceed the carrying amount that



### 1.9 Impairment of non-cash-generating assets (continued)

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.

### 1.10 Employee benefits

Employee benefits are all forms of consideration given by the SACAA in exchange for services rendered by employees.

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees rendered 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) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees rendered the related employee service;
- bonus, incentive and performance-related payments payable within twelve months after the end of the reporting period in which the employees rendered the related service; and

- non-monetary benefits (for example, medical care, cell phones and employee wellness) for current employees.

When an employee has rendered service to the SACAA during a reporting period, the SACAA recognises 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 SACAA recognises 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, as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The SACAA measures the expected cost of accumulating compensated absences as the additional amount that the SACAA expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The SACAA recognises the expected cost of bonus, incentive and performance-related payments when the SACAA 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 SACAA has no realistic alternative but to make the payments.

#### Retirement benefits: Defined contribution plans

The SACAA provides retirement benefits for its employees. Defined contribution plans are retirement benefit plans, under which the SACAA pays fixed contributions into a separate fund and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

### 1.10 Employee benefits (continued)

When an employee has rendered service to the SACAA during a reporting period, the SACAA recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), after deducting any contribution already paid; and
- as an expense, unless another Standard requires or permits the inclusion of the contribution in the cost of an asset.

### 1.11 Commitments

Items are classified as commitments when the SACAA has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments regarding future minimum lease payments, the acquisition of property, plant and equipment and intangible assets.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

Commitments are disclosed in note 23.

### 1.12 Provisions and contingencies

Provisions are recognised when:

- the SACAA 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.

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.

Provisions are not recognised for a future operating surplus (deficit).

If the SACAA has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 24.

### 1.13 Revenue recognition 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 SACAA 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.

#### Measurement

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

### 1.13 Revenue recognition from exchange transactions (continued)

#### Other income

Other income comprises fees that are collected and not related to the mandate of the SACAA.

#### Interest

Revenue arising from the use by others of the SACAA's assets, yielding interest, is recognised when:

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

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

### 1.14 Revenue recognition from non-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.

Non-exchange transactions are defined as transactions where the SACAA receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

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

#### Measurement

The invoice value of sales and services rendered, excluding value-added tax in respect of trading operations, is recognised at the date on which services are provided.

The safety charge is based on the number of passengers on scheduled services departing from all airports in the country. This data is obtained from the scheduled airlines and verified by data received from the airports.

Fuel levies are based on litres of aviation fuel sold by fuel wholesalers and verified biannually by independent external auditors appointed by the SACAA.

Accident and incident investigation fees are received from the Department of Transport on a cost-recovery basis, negotiated annually in advance.

User fees are generated from examinations, licence renewals, certifications, airworthiness and calibrations. The revenue is recognised when the service is rendered.

### 1.15 Translation of foreign currencies

#### Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date, foreign currency monetary items are translated by using the closing rate.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

#### 1.16 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.17 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Public Finance Management Act (PFMA) or in contravention of the SACAA's supply chain management policies. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is disclosed as such in the notes to the annual financial statements and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

#### 1.18 Segment information

A segment is an activity of an entity:

- that generates economic benefits or service potential (including economic benefits or service potential relating to transactions between activities of the same SACAA);
- whose results are regularly reviewed by management to make decisions about resources to be allocated to that activity and in assessing its performance; and
- for which separate financial information is available.

Reportable segments are the actual segments which are reported on in the segment report. They are the segments identified above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

The SACAA is a statutory body, which has the primary focus to control and regulate civil aviation in the Republic of South Africa and to oversee the functioning and development of the civil aviation industry. Although revenues do have certain streams, they are not related to any segments or specific divisions within the SACAA. SACAA's expenditure relates mainly to salaries and the rest relates to operational activities and cannot be linked to any specific segments. Resources are not allocated, nor is reporting done or performance measured for any separate activities.

Management is of the opinion that any attempt to divide the SACAA into further separate activities or geographical information will not add any additional value to its stakeholders. The entire SACAA is viewed as a single reportable segment.

#### 1.19 Budget information

SACAA is typically subject to budgetary limits in the form of appropriations or budget authorisations, which are given effect through authorising legislation.

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

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01 April 2021 to 31 March 2022.

The annual financial statements and the budget are compiled 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.

An explanation is provided for all variances between actual and budgeted amounts above 5% or in excess of R2 million in the notes to the annual financial statements.

### 1.20 Related Parties

The SACAA has processes in place to aid in the identification of related parties. Related parties are defined as persons or entities with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an SACAA that is subject to common control, or joint control.

The Department of Transport was identified as being able to exercise significant influence over the SACAA. As a result, all other entities under the same influence are regarded as related parties.

### 1.21 Taxation

The SACAA is exempt from taxation in terms of the provision of section 10 (1) (CA) (i) of the Income Tax Act, 1962 (Act No. 58 of 1962).



## Notes to the Financial Statements

2022

2021

### 2. New standards and interpretations

#### 2.1 Standards and interpretations issued, but not yet effective

The SACAA 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 2022 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Guideline: Guideline on Accounting for Landfill Sites	To be determined by the Minister of Finance	Not expected to have a material impact
• GRAP 25 (as revised 2021): Employee Benefits	01 April 2023	Not expected to have a material impact
• GRAP 104: Financial Instruments	01 April 2025	Not expected to impact results but may result in additional disclosure
• Improvements to the standards of GRAP 2021	01 April 2023	Not expected to have a material impact
• GRAP 1 (amended): Presentation of Financial Statements	01 April 2023	Not expected to have a material impact

### 3. Cash and cash equivalents

#### Cash and cash equivalents consist of:

Cash on hand	-	3 000
Bank balances	12 493 049	836 371
Short-term deposits	326 388 221	197 857 356
	<u>338 881 270</u>	<u>198 696 727</u>

#### Credit quality of cash at bank and short-term deposits, excluding cash on hand

The credit quality of bank balances and short-term deposits is the credit rating of financial institutions. Cash and cash equivalents attract interest at variable rates linked to prime.

The credit quality of bank balances and short-term deposits, excluding cash on hand that is neither past due nor impaired, can be assessed/monitored by reference to historical information about counterparty default rates. Furthermore, the credit quality of bank balances and short-term deposits is ensured by only contracting with reputable financial institutions, registered in terms of the Banks Act of South Africa, 1990 (Act No. 94 of 1990) and endorsed by National Treasury.

Financial Statements for the year ended 31 March 2022

	2022	2021
<b>4. Statutory receivables</b>		
Trade debtors	64 344 149	77 533 509
Provision for impairment of statutory trade and other receivables	(10 463 937)	(35 592 407)
Unallocated receipts	(1 742 036)	(2 151 959)
	<u>52 138 176</u>	<u>39 789 143</u>

Statutory receivables are carried at cost, which normally approximates their fair value due to the short-term maturity thereof. An adjustment for the impairment of statutory receivables has been made for estimated irrecoverable amounts.

## Statutory trade receivables ageing

### Description

Current	44 606 386	27 281 870
0 to 30 days	6 526 743	4 162 776
31 to 60 days	955 495	3 545 445
61 to 90 days	297 958	4 484 466
Over 90 days	11 957 567	38 058 952
	<u>64 344 149</u>	<u>77 533 509</u>

## Credit quality of statutory receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to historical information about counterparty default rates as well as payment history.

None of the financial assets that are fully performing have been renegotiated in the last year.

## Fair value of statutory receivables

Statutory receivables	52 138 176	39 789 143
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The management considers the carrying amount of statutory receivables to approximate fair value.

## Statutory receivables past due but not impaired

At 31 March 2022, R 9 300 302 (2021:R 14 665 747) were past due but not impaired.

2022

2021

**4. Statutory receivables (continued)**

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

One month past due	6 485 632	4 122 418
Two months past due	867 252	3 537 733
Three months past due	188 015	1 737 922
Older than three months past due	1 759 403	5 267 674
	<u>9 300 302</u>	<u>14 665 747</u>

**Statutory receivables impaired**

As of 31 March 2022, statutory receivables of R 10 463 937 (2021: R 35 592 407) were impaired and provided for.

The ageing of these receivables is as follows:

Less than one month past due	67 586	46 873
Less than two months past due	88 243	7 712
Less than three months past due	109 943	2 746 544
Over three months past due	10 198 165	32 791 278
	<u>10 463 937</u>	<u>35 592 407</u>

**Reconciliation of provision for impairment of statutory receivables**

Opening balance	35 592 407	22 123 487
(Decrease)/increase in provision	(25 128 470)	13 468 920
	<u>10 463 937</u>	<u>35 592 407</u>

Included in debt impairment are amounts owing by Interface of R1 153 564, Gulfstream of R914 580, Malawian Airlines of R1 135 843 and other debtors.

Financial Statements for the year ended 31 March 2022

	2022	2021
<b>5. Receivables from exchange transactions</b>		
Other receivables*	7 610 562	1 524 300
Prepayments	10 578 067	9 886 289
Deposits	1 877 961	1 947 347
Staff advances	168 297	105 001
	<u>20 234 887</u>	<u>13 462 937</u>

\* Other receivables includes an amount of R7.4 million that was paid to attorneys' interest bearing trust accounts as security for two CCMA arbitration awards that were issued against it, which are under review at the Labour Court (Refer to note 24).

Receivables from exchange transactions are carried at cost, which normally approximates their fair value due to the short-term maturity thereof.

As at the end of the year, the other receivables ageing were as follows:

Current	174 804	1 394 175
61 - 90 days	4 224 000	-
Over 90 days	3 211 758	130 125
	<u>7 610 562</u>	<u>1 524 300</u>

Receivables past due but not impaired

On 31 March 2022, other receivables of R7 435 758 (2021: R130 125) were past due but not impaired.

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

Three months past due	4 224 000	-
Older than three months past due	3 211 758	130 125
	<u>7 435 758</u>	<u>130 125</u>

None of the receivables from exchange transactions have been impaired.

## 6. Consumable stores

ID licence card consumables	<u>512 173</u>	<u>930 263</u>
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## PART E: ANNUAL FINANCIAL STATEMENTS

Financial Statements for the year ended 31 March 2022

### 7. Property, plant and equipment

	2022			2021		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Leasehold improvements	169 253	(119 888)	49 365	169 253	(91 679)	77 574
Furniture and fixtures	17 980 588	(14 314 503)	3 666 085	17 933 429	(13 576 211)	4 357 218
Motor vehicles	5 247 168	(2 931 411)	2 315 757	5 247 168	(2 233 585)	3 013 583
Computer equipment	28 821 121	(19 020 777)	9 800 344	31 652 681	(19 109 196)	12 543 485
Generator	1 097 633	(677 395)	420 238	1 097 633	(604 219)	493 414
Aircraft engine	3 991 119	(3 991 119)	-	3 991 119	(3 991 119)	-
Canteen equipment	171 157	(149 351)	21 806	171 157	(145 228)	25 929
<b>Total</b>	<b>57 478 039</b>	<b>(41 204 444)</b>	<b>16 273 595</b>	<b>60 262 440</b>	<b>(39 751 237)</b>	<b>20 511 203</b>

#### Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Total
Leasehold improvements	77 574	-	-	(28 209)	49 365
Furniture and fixtures	4 357 218	168 645	(8 297)	(851 481)	3 666 085
Motor vehicles	3 013 583	-	-	(697 826)	2 315 757
Computer equipment	12 543 485	1 984 250	(280 582)	(4 446 809)	9 800 344
Generator	493 414	-	-	(73 176)	420 238
Canteen equipment	25 929	-	-	(4 123)	21 806
	<b>20 511 203</b>	<b>2 152 895</b>	<b>(288 879)</b>	<b>(6 101 624)</b>	<b>16 273 595</b>

#### Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Disposals	Reallocations	Depreciation	Total
Leasehold improvements	105 783	-	-	-	(28 209)	77 574
Furniture and fixtures	5 205 787	31 040	-	885 905	(1 765 514)	4 357 218
Motor vehicles	1 296 513	2 286 020	-	-	(568 950)	3 013 583
Computer equipment	15 018 183	2 458 956	(173 794)	(776 173)	(3 983 687)	12 543 485
Generator	566 589	-	-	-	(73 175)	493 414
Canteen equipment	41 047	-	-	-	(15 118)	25 929
	<b>22 233 902</b>	<b>4 776 016</b>	<b>(173 794)</b>	<b>109 732</b>	<b>(6 434 653)</b>	<b>20 511 203</b>



## PART E: ANNUAL FINANCIAL STATEMENTS

Financial Statements for the year ended 31 March 2022

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### 7. Property, plant and equipment (continued)

#### Expenditure incurred to repair and maintain property, plant and equipment

##### Expenditure incurred to repair and maintain property, plant and equipment

Other operational repairs and maintenance	2 458 923	1 047 347
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### 8. Intangible assets

	2022			2021		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Computer software	77 492 335	(23 194 901)	54 297 434	71 027 275	(17 965 036)	53 062 239
Work in progress	12 740 676	-	12 740 676	14 283 815	-	14 283 815
<b>Total</b>	<b>90 233 011</b>	<b>(23 194 901)</b>	<b>67 038 110</b>	<b>85 311 090</b>	<b>(17 965 036)</b>	<b>67 346 054</b>

#### Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Transfers	Amortisation	Total
Computer software	53 062 239	-	(50 530)	6 740 682	(5 454 957)	54 297 434
Work in progress*	14 283 815	5 197 543	-	(6 740 682)	-	12 740 676
	<b>67 346 054</b>	<b>5 197 543</b>	<b>(50 530)</b>	<b>-</b>	<b>(5 454 957)</b>	<b>67 038 110</b>

#### Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Transfers	Other changes	Reallocations	Amortisation	Total
Computer software	55 764 638	-	(588 169)	3 004 127	-	(109 732)	(5 008 625)	53 062 239
Work in progress	16 153 987	1 775 000	-	(3 004 127)	(641 045)	-	-	14 283 815
	<b>71 918 625</b>	<b>1 775 000</b>	<b>(588 169)</b>	<b>-</b>	<b>(641 045)</b>	<b>(109 732)</b>	<b>(5 008 625)</b>	<b>67 346 054</b>

\* Work in progress includes Electronic Documents and Records Management System (EDRMS) “**Shanduka Project**” of R5 590 688 as well as software licence and installation costs of the Enterprise Business System (EBS) of R7 149 988. As the phases of these projects are completed, they are transferred to computer software.

### 9. Change in estimate

#### Property, plant and equipment

The revised GRAP 17 - Property, plant and equipment requires the review of the residual value and useful life of an asset at least at each financial year-end. The SACAA extended the estimated useful lives of certain assets. The revisions were accounted for prospectively as a change in accounting estimate and as a result, the depreciation charges of the SACAA for the current financial year have been decreased by R2 362 166.

	Previous carrying value	Current carrying value	Net effect
Computer equipment	1 265 963	2 343 179	1 077 216
Computer software	458 082	516 920	58 838
Furniture and fixtures	1 099 528	2 149 595	1 050 067
Motor vehicles	218 387	378 007	159 620
Canteen equipment	9 349	25 774	16 425
	<b>3 051 309</b>	<b>5 413 475</b>	<b>2 362 166</b>

### 10. Trade and other payables

	2022	2021
Trade payables	4 082 920	1 595 557
Income received in advance	3 137 806	141 562
Statutory receivables with credit balances	11 865 618	13 788 099
Sundry accruals	23 468 567	8 254 297
Salary-related accruals	1 513 673	1 254 484
Leave pay accrual	28 477 218	27 505 239
	<b>72 545 802</b>	<b>52 539 238</b>

The SACAA does not have any long-term liabilities. It currently has sufficient cash reserves to fund its capital and operating expenditure.

### 11. Operating lease liability

Current liabilities	31 261	114 247
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Financial Statements for the year ended 31 March 2022

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## 12. Provisions

### Reconciliation of provisions - 2022

	Opening Balance	Additions	Total
Performance and retention bonus provision	-	22 490 696	22 490 696

The performance and retention bonus provision is calculated in line with the remuneration and retention policies as approved by the Board.

### Uncertainties and assumptions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date. The discount rate used to determine the present value reflects current market assessment of the time value of money and the risks specific to the liability.

### Performance bonus provision

The performance bonus provision is calculated based on the performance of the SACAA as well as the individual performance ratings of each employee for the financial year ended 31 March 2022. The calculation is in line with the remuneration policy.

### Retention bonus provision

Executive management are entitled to a retention bonus, payable at a three-year cycle of uninterrupted service in SACAA. The retention bonus is calculated at 24% of their prevailing total cost of employment.

## 13. Employee benefit obligations

It is the policy of the SACAA to provide retirement benefits to all its employees. The defined contribution provident fund, which is subject to the Pensions Fund Act, 1956 (Act No. 24 of 1956) exists for this purpose.

The SACAA is under no obligation to cover any unfunded benefits.

The total amount recognised as an expense for defined contribution plan is	62 061 214	57 321 320
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	2022	2021
<b>14. Interest revenue from exchange transactions</b>		
<b>Interest revenue</b>		
Financial institutions	8 945 556	7 457 937
Trade and other receivables	1 989 247	2 866 648
	<b>10 934 803</b>	<b>10 324 585</b>

## 15. Other revenue from exchange transactions

Sundry income	3 669 551	3 565 345
Sponsorship income	280 775	1 674 576
Insurance claims received	46 009	148 324
	<b>3 996 335</b>	<b>5 388 245</b>

## 16. Revenue from non-exchange transactions

Passenger safety charge*	298 101 021	124 749 719
User fees**	112 822 393	90 440 081
Fuel levy	36 405 994	37 551 736
Department of Transport***	313 546 769	190 031 424
	<b>760 876 177</b>	<b>442 772 960</b>

\* The increase in passenger safety charge in the current year of 138.9% was due to the relaxation of air travel restrictions as the impact of the COVID-19 pandemic became less prevalent as compared to the prior year, resulting in higher passenger numbers for the year. The passenger numbers increased by 133%, from 4 755 994 to 11 079 364 in the current year.

\*\* User fees increased by 24.7% in the current year due to improvement in aviation activities as the impact of the COVID-19 pandemic became less prevalent as compared to the prior year.

\*\*\* The allocation from the Department of Transport includes an amount of R35.9 million for the Accident and Incident Investigation Division as well as additional financial support of R277.6 million.

Financial Statements for the year ended 31 March 2022

**17. Personnel costs**

	2022	2021
Basic	338 807 996	338 124 273
Bonus	22 490 696	103 095
Pension fund contributions	62 061 214	57 321 320
Medical aid contributions	22 097 341	21 561 311
Other employee benefit costs	17 520 423	12 296 840
Temporary staff	1 604 270	1 443 113
Acting allowances	1 753 526	1 491 883
Leave pay provision charge	2 670 108	5 966 475
Travel and other allowances	1 679 661	4 237 300
Compensation for occupational injuries and diseases fund	1 319 671	1 002 710
Unemployment Insurance Fund	1 103 309	980 156
	<b>473 108 215</b>	<b>444 528 476</b>



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	2022	2021
<b>18. Operating expenses</b>		
Aircraft operating expenses	20 260 929	16 233 554
Auditors' remuneration	3 065 079	2 559 439
Bank charges	386 298	380 470
Bursaries	6 532 987	2 767 932
Cleaning	1 572 534	2 123 119
Conferences, seminars and venue hire	1 215 460	642 765
Consulting and professional fees	8 991 526	5 565 652
Consumables	157 890	127 382
Electricity	4 782 893	4 266 676
Fuel and oil	660 167	346 147
IT expenses	5 211 248	4 324 810
Insurance	1 150 622	1 036 778
Legal fees	4 567 198	4 723 934
Magazines, books and periodicals	551 310	467 536
Motor vehicle expenses	-	46 269
Placement fees	962 053	468 982
Postage and courier	1 366 064	1 095 826
Printing and stationery	1 398 057	1 100 546
Public relations	2 075 419	992 504
Refuse	439 366	618 811
Regulation development	22 055	17 785
Repairs and maintenance	2 458 923	1 047 347
Safety and promotion	2 224 118	725 356
Security	5 273 973	4 510 421
Skills development levy	3 761 158	2 518 279
Software expenses	30 950 720	24 710 916
Sponsorships	1 127 166	423 360
Staff events	360 701	450 104
Staff welfare	155 012	95 011
Telephone and fax	5 516 085	5 275 011
Training	4 207 196	2 460 589
Travel – domestic	8 139 240	4 008 512
Travel – international	2 138 794	140 839
Uniforms	131 133	47 274
Other expenses	275 712	120 740
	<b>132 089 086</b>	<b>96 440 676</b>

Operating expenses increased by 36.9% in the current year as the result of the resumption of more business activities as the impact of the COVID-19 pandemic became less prevalent as compared to the prior year.

Financial Statements for the year ended 31 March 2022

	2022	2021
<b>19. Debt impairment</b>		
(Decrease)/Increase in debt impairment provision	(25 128 470)	13 468 920
Bad debts written off*	38 913 033	1 585 395
	<b>13 784 563</b>	<b>15 054 315</b>

\* Included in bad debts written off are amounts for Mango Airlines of R17 417 136 (in business rescue), Comair of R8 912 837 (in business rescue), South African Airways of R5 710 978 (previously in business rescue), SA Express of R5 007 334 (in provisional liquidation) and other debtors.

The debt impairment provision that was raised for these debts in prior financial years was reversed.

## 20. Taxation

No provision for taxation has been made, as the SACAA is exempted in terms of section 10 (1) (CA) (i) of the Income Tax Act, 1962 (Act No. 58 of 1962)

## 21. Auditors' remuneration

Fees	3 049 882	2 526 789
Reimbursable expenses	15 197	32 650
	<b>3 065 079</b>	<b>2 559 439</b>

## 22. Net cash flows from operating activities

Surplus/(Deficit)	111 927 610	(139 375 765)
<b>Adjustments for:</b>		
Depreciation and amortisation	11 556 581	11 443 278
Loss on disposal of assets	312 887	140 261
Gain on foreign exchange	-	(2 404 740)
Debt impairment and bad debts written off	13 784 563	15 054 315
Movements in operating lease liability	(82 986)	(464 329)
Movements in provisions	22 490 696	-
Other non-cash items	-	641 045
<b>Changes in working capital:</b>		
Consumable stores	418 090	133 886
Statutory receivables	(12 349 033)	(1 199 259)
Movement in debt impairment and bad debts written off	(13 784 563)	(15 054 315)
Receivables from exchange transactions	(6 771 950)	43 920 218
Trade and other payables	20 006 564	(6 185 092)
	<b>147 508 459</b>	<b>(93 350 497)</b>

	2022	2021
<b>23. Commitments</b>		
<b>Authorised capital expenditure</b>		
Authorised and contracted for		
• Intangible assets	24 362 133	29 405 088
<b>Authorised and not contracted for</b>		
• Property, plant and equipment	116 138 400	119 519 200
• Intangible assets	6 395 846	6 395 846
	<b>122 534 246</b>	<b>125 915 046</b>
<b>Total capital commitments</b>		
Authorised and contracted for	24 362 133	29 405 088
Authorised and not contracted for	122 534 246	125 915 046
	<b>146 896 379</b>	<b>155 320 134</b>

The capital commitment authorised and contracted for in intangibles is for the acquisition of the Share Point Based Electronic Document and Records Management System of R24 362 133.

The capital commitment authorised and not contracted for in property, plant and equipment is for the acquisition of an aircraft of R116 138 400 for the Flight Inspection Unit (FIU).

The capital commitment authorised and not contracted for in intangible assets is for the acquisition of the Enterprise Business System of R6 395 846.

The capital expenditure budget for the year ending 31 March 2023 is R75 000 000.

### Operating leases

#### Minimum lease payments due

- within one year	22 806 097	39 823 579
- in second to fifth year inclusive	5 071 821	197 097 826
- later than five years	-	369 731 161
	<b>27 877 918</b>	<b>606 652 566</b>

Operating lease payments represent rentals payable by the SACAA for certain of its office properties and equipment. Leases are negotiated for an average term of between three to ten years. No contingent rent is payable.

During the current financial year, a ten year lease contract that was previously signed with the Airports Company South Africa (ACSA) for office rental at the OR Tambo airport was cancelled by consensual agreement and the parties waived all claims they may have against each other.

2022

2021

### 24. Contingencies

The SACAA is currently dealing with a litigation matter relating to a civil claim for damages against it. A scheduled airline Operator is claiming damages from SACAA and one of its employees to the amount of R180 000 000 because of findings and decisions made in respect of their operations in December 2018 and January 2019. The airline is alleging that they have suffered damages as a result of the conduct and administrative decisions carried out by the SACAA. The SACAA is defending the matter and has requested the court to dismiss the plaintiff's claims.

With effect from 01 April 2019, the SACAA took over the assets and liabilities and the functions of the Recreational Aviation Administration of South Africa (RAASA) which was previously designated to conduct its statutory recreational oversight functions in terms of the Civil Aviation Act. The plaintiff instituted a civil claim against seven defendants and RAASA is the first defendant. The plaintiff is claiming compensation for an amount of R17 713 398 for loss of support. This claim is covered by RAASA's insurance policy. Based on the legal opinion received from the SACAA legal task team, the SACAA is confident that it can successfully defend the matter.

The SACAA has approached the Labour Court to review two separate CCMA Arbitration Awards that were issued against it by the CCMA. The claims against the SACAA in both instances were for reinstatement of the employees as well as back-payments totalling R7 322 537. The SACAA is confident that it can successfully review both matters at the Labour Court.

### 25. Related parties

#### Related party balances

##### Loan accounts owing (to)/by related parties

Department of Transport	-	(672 755)
South African Airways*	(17 479)	5 897 587
Air Traffic and Navigation Services	7 507 649	991 316
Airports Company South Africa	(205 428)	(194 555)
South African Express (safety charge and general aviation)*	(5 180)	5 001 923
Mango Airlines*	6 000	12 725 265
	<b>7 285 562</b>	<b>23 748 781</b>

\* The outstanding amounts of these entities have been written off during the current financial year as the result of business rescue and liquidation proceedings.

Except for the impairments indicated above, no expense has been recognised in the current period for the impairment of trade receivables in respect of amounts owed by related parties. The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. The Department of Transport either controls or exercises significant influence over all entities listed as related parties.

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**25. Related parties (continued)****Related party transactions****Purchases from/(invoices to) related parties**

	2022	2021
Department of Transport (accidents and incidents)	(37 688 000)	(36 227 000)
Department of Transport (secondment allowance)	132 126	2 777 749
Department of Transport (baseline adjustment)	(277 600 000)	(155 479 000)
Air Traffic and Navigation Services	(15 669 258)	(11 670 658)
Airports Company South Africa (licences)	(2 428 972)	(1 696 389)
Airports Company South Africa (rentals)	2 242 044	1 731 079
South African Airways	(3 942 834)	(3 186 114)
South African Express (safety fees and general aviation)	(1 040)	(161 171)
Mango Airlines	(8 363 563)	(24 733 700)
	<b>(343 319 497)</b>	<b>(228 645 204)</b>



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## 26. Members' emoluments

### Executive Management

2022

		Salary	Medical aid	Provident fund	Total
Ms G Khoza	DCA	3 685 022	175 008	670 103	4 530 133
Mr AAA Seedat	Executive: Finance	2 140 439	160 905	402 550	2 703 894
Mr S Segwabe	Executive: Aviation Safety Operations	2 322 067	106 827	424 861	2 853 755
Mr GH Bestbier	Executive: Aviation Infrastructure	2 390 702	58 968	606 701	3 056 371
Ms T Masooa	Executive: Human Resources	2 048 622	139 854	382 807	2 571 283
Ms P Gwebu	Executive: Corporate Services	1 728 332	106 425	316 022	2 150 779
Ms N Naraindath	Company Secretary	1 705 306	180 036	329 783	2 215 125
Mr L Gqeke	Executive: Aviation Security	2 378 733	41 528	424 860	2 845 121
Mr P Mashaba (Contract ended 6 September 2021)	Executive: Accident and Incident Investigation	1 029 702	28 470	154 155	1 212 327
Ms B Ndandani (Acting) (From 1 April 2021 - 31 May 2021, Appointed 1 June 2021)	Executive: Legal Aviation and Compliance	1 656 892	47 151	407 973	2 112 016
Mr SV Sotshede (Appointed 1 June 2021)	Chief Audit Executive	1 738 857	131 020	254 983	2 124 860
Mr A Morudi (Acting) (From 7 September 2021 - 31 March 2022)	Executive: Accident and Incident Investigation	794 126	82 453	137 897	1 014 476
Mr L Tshitaudzi (Acting) (From 1 April 2021 - 31 May 2021)	Chief Audit Executive	299 151	14 488	38 404	352 043
		<b>23 917 951</b>	<b>1 273 133</b>	<b>4 551 099</b>	<b>29 742 183</b>

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## 26. Members' emoluments (continued)

### Executive Management

2021

		Salary	Medical aid	Provident fund	Total
Ms G Khoza	DCA	3 515 071	167 556	616 349	4 298 976
Mr AAA Seedat	Executive: Finance	2 075 986	136 272	370 258	2 582 516
Mr S Segwabe	Executive: Aviation Safety Operations	2 232 606	102 264	390 780	2 725 650
Mr GH Bestbier	Executive: Aviation Infrastructure	2 283 929	77 208	558 033	2 919 170
Ms T Masooa	Executive: Human Resources	1 985 678	118 080	352 099	2 455 857
Ms P Gwebu	Executive: Corporate Services	1 636 288	100 449	290 672	2 027 409
Ms N Naraindath	Company Secretary	1 644 437	167 922	303 329	2 115 688
Mr L Gqeke	Executive: Aviation Security	2 332 080	-	390 780	2 722 860
Mr P Mashaba	Executive: Accident and Incident Investigation	1 999 615	55 296	343 924	2 398 835
Ms B Ndandani (Acting) (From 1 April 2020 - 31 March 2021)	Executive: Legal Aviation and Compliance	1 635 239	45 144	332 466	2 012 849
Mr L Tshitauzi (Acting) (From 1 April 2020 - 31 March 2021)	Chief Audit Executive	1 442 046	86 928	180 037	1 709 011
		<b>22 782 975</b>	<b>1 057 119</b>	<b>4 128 727</b>	<b>27 968 821</b>

### Non-executive Directors' fees

2022

	Members' fees	Reimbursive expenses*	Total
Mr E Khosa	436 196	2 984	439 180
Mr S Sooklal	426 424	2 067	428 491
Mr MG India	352 964	684	353 648
Prof. NV Dyani-Mhango	401 072	614	401 686
Mrs GB Koyana	369 165	1 327	370 492
Ms GZ Nkosi**	44 296	-	44 296
		<b>7 676</b>	<b>2 037 793</b>

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## 26. Members' emoluments (continued)

### Non-executive Directors' fees

2021	Members' fees	Reimbursive expenses*	Total
Mr E Khosa	420 613	4 772	425 385
Mr S Sooklal	409 111	3 070	412 181
Mr MG India	360 612	647	361 259
Prof. NV Dyani-Mhango	374 132	681	374 813
Ms GB Koyana	360 959	2 053	363 012
Ms GZ Nkosi **	21 186	-	21 186
Dr BC Suckling (Resigned 17 August 2020)	156 283	1 775	158 058
	<b>2 102 896</b>	<b>12 998</b>	<b>2 115 894</b>

### Fees

\* Reimbursive expenses are disclosed in terms of Treasury Regulation 28 (1) (4) of the PFMA as Reimbursive costs paid to Board members. The costs include flights, car hire, accommodation and travel costs for all meetings of the Board and its committees.

\*\* Appointed as a specialist Audit and Risk Committee member from 1 November 2020.

## 27. Risk management

### Capital risk management

The SACAA's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide a return for its Shareholder and benefits for its stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the SACAA consists of cash and cash equivalents disclosed in note 3, and equity as disclosed in the statement of financial position.

As the SACAA is not exposed to debt, there is no meaningful debt to equity ratios, such as gearing ratio, to be disclosed.

There are no externally imposed capital requirements.

There have been no changes to what the SACAA manages as capital. The strategy for capital maintenance or externally imposed capital requirements remained the same as in the previous year.

### Financial risk management

The SACAA's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

2022

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**27. Risk management (continued)**

Management meets on a regular basis to analyse interest rate exposures and evaluate treasury management strategies against revised economic forecasts. Compliance with policies and exposure limits is reviewed by management on a continuous basis. Management believes that, to the best of its knowledge, there are no significant undisclosed financial risks.

**Liquidity risk**

Liquidity risk refers to the risk that the SACAA will encounter difficulty in meeting obligations associated with financial liabilities.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The SACAA's current ratio of 4.3 times indicates that it will be able to settle its financial liabilities (payables and provisions) in the normal course of business.

The SACAA's risk to liquidity is the result of the funds available to cover future commitments. The SACAA manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and monitored on a monthly basis.

The liquidity ratio below illustrates:

**Current ratio**

Current assets	411 766 506	252 879 070
Current liabilities	95 067 759	52 653 485
	4.3:1	4.8:1

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The SACAA is exposed to interest rate risk as it invests funds in the money market at floating interest rates. At 31 March 2022, no derivative financial instruments were used to manage the SACAA's exposure to interest rate risk.

The SACAA has adopted a policy of investing the majority of surplus cash in call account investments as a means to safeguard and mitigate interest rate risk. The risk is further managed through the fact that the surplus funds are invested in reputable financial institutions.

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**27. Risk management (continued)****Credit risk**

The SACAA is exposed to credit risk, which is the risk of financial loss to the SACAA if a counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors and other receivables. The SACAA only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set, based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or by credit cards.

Where management considered debtors to be impaired, a provision for doubtful debts was raised.

The COVID-19 outbreak caused a reduction in economic activity and severely impacted the aviation industry and the SACAA client base. This was taken into account when the impairment of receivables were considered.

Financial assets exposed to credit risk at year-end were as follows:

**Financial instrument**

Statutory receivables less unallocated receipts	62 602 113	75 381 550
Other receivables	7 610 562	1 524 300
Staff advances	168 297	105 001
Cash and cash equivalents	338 881 270	198 696 727
	<b>409 262 242</b>	<b>275 707 578</b>

**Default**

Default occurs when:

- a) credit limits are exceeded;
- b) payments are not received within the approved period.

In such cases the necessary collection measures were taken with due regard to the financial risk connected to a specific debtor account. Collection measures included handing accounts over to the Legal Department for follow-up.

As at 31 March 2022, the SACAA did not consider that any significant concentration of credit risk existed in the receivable book that had not been adequately provided for.

### 27. Risk management (continued)

The table below provides an analysis of credit risk exposure inherent in the loans and receivables book at the year-end reporting dates, reconciled to the carrying value of net trade receivables as reported in note 4 and 5.

2022	Direct charges	Indirect charges	Total
Current balances	3 044 889	41 561 496	44 606 385
Overdue balances	13 162 334	6 575 430	19 737 764
Subtotal	16 207 223	48 136 926	64 344 149
Impairment provision	(7 259 950)	(3 203 987)	(10 463 937)
Net trade receivables	8 947 273	44 932 939	53 880 212

2021	Direct charges	Indirect charges	Total
Current balances	1 764 854	25 517 016	27 281 870
Overdue balances	8 549 090	41 702 549	50 251 639
Subtotal	10 313 944	67 219 565	77 533 509
Impairment provision	(5 568 792)	(30 023 615)	(35 592 407)
Net trade receivables	4 745 152	37 195 950	41 941 102

### Definitions

Direct charges include regulatory fees and calibration fees.

Indirect charges include passenger safety fees and fuel levies.

### Business rescue/liquidation

As soon as it becomes known that a debtor has been placed into business rescue, provisional liquidation/sequestration or has been placed into final liquidation/sequestration, the credit facility is automatically revoked. Interest is charged from the date of last payment to the date of final liquidation/sequestration and the debt is provided in full as irrecoverable.

### Foreign exchange risk

The SACAA incurs currency risk as a result of expenses in foreign currencies, hence exposure to exchange rate fluctuations arises. The foreign currency in which the SACAA primarily deals is the US Dollar. No forward cover is taken out for these transactions. Management considers the foreign currency risk to be insignificant.

### 28. Going concern

The COVID-19 pandemic has presented a number of challenges in the world. The impact on the aviation industry has been severe. As the regulator of the aviation industry in South Africa, the SACAA is dependent on the passenger safety charge, user fees and fuel levies from the aviation industry for a major part of its revenue. The severe restrictions on airline flights in the current and previous financial year, both locally and globally, had a major impact on the number of people flying and hence had a negative impact on the revenue of the SACAA.



**28. Going concern (continued)**

The COVID-19 pandemic continued to have an impact on the revenue generated by the SACAA for the better part of the current financial year. The last quarter of the current financial year showed an improvement in revenue generated by the SACAA. Indications are that the conditions in the industry could take up to two years to return to normality. This has caused significant strain on the financial resources of the SACAA and as a result of the financial constraints, the SACAA approached its Executive Authority to fund the shortfall.

Management is of the view that the SACAA will continue as a going concern for the foreseeable future, as it has sufficient available reserves currently as well as financial support from its Executive Authority, the Department of Transport, for the next three financial years. Conditions in the aviation industry are also expected to improve in the next few years.

In addition, the SACAA is a juristic person established in terms of the Civil Aviation Act, 2009 (Act No. 13 of 2009). The SACAA's mandate is to administer civil aviation safety and security oversight in the Republic of South Africa in line with the Civil Aviation Act (the Act), and in accordance with the standards and recommended practices (SARPs) prescribed by the International Civil Aviation Organization (ICAO). The SACAA as such is a statutory body, an organ of state in terms of the Constitution of the Republic of South Africa, 1996, that is obliged to perform this function and should receive the full support of the state. The SACAA received additional funding of R 277.6 million from its Executive Authority, the Department of Transport in the 2021/22 financial year.

The Executive Authority has confirmed additional financial support to the SACAA for an amount of R363.4 million for the next three years of the Medium-Term Expenditure Framework (MTEF) period i.e. financial years ending 31 March 2023 (R187.9 million), 31 March 2024 (R85.8 million) and 31 March 2025 (89.7 million).

As at 31 March 2022, the SACAA has a fairly strong financial position, with total net assets of R400 010 452 and cash and cash equivalents of R338 881 270 and its short-term liquidity has a strong current ratio of 4.3 cover.

Based on the facts and circumstances known at this point and the possible scenarios about how the COVID-19 pandemic and resulting government measures could evolve, management has determined that the use of the going concern assumption is appropriate in the circumstances, hence the annual financial statements are prepared on the assumption that the SACAA is a going concern. The National State of Disaster was terminated on 4 April 2022 and this also alleviates any travel restrictions going forward.

**29. Events after the reporting date**

The Board is not aware of any significant events that occurred after the reporting date that were not adjusted or disclosed in the annual financial statements. Furthermore, and except for the matters referred to in the going concern paragraph, management is not aware of any circumstances that exist that would impede the SACAA's ability to continue as a going concern.

**30. Irregular expenditure**

	2022	2021
Opening balance	-	6 982 371
Less: Amounts condoned	-	(6 982 371)
<b>Closing balance</b>	<b>-</b>	<b>-</b>

The irregular expenditure in prior years relates to contract variations greater than 15% of the initial value of the contract that was not pre-approved by National Treasury. The internal investigation that resulted in an employee being disciplined relating to the irregular expenditure was concluded and the outcome of the disciplinary hearing was that the employee was found not guilty.

The irregular expenditure was condoned by National Treasury.

**31. Budget variances****Material differences between budget and actual amounts**

The material variances between actual and budgeted amounts above 5% or in excess of R2 million can be explained as follows:

**Other revenue**

Other revenue of R3 996 335 is R1 028 521 higher than the budget of R2 967 814 due to the realisation of debtors credit balances that have prescribed.

**Passenger safety charge**

Passenger safety charge of R298 101 021 is R61 693 204 higher than the budget of R236 407 817 due to the passenger numbers for the year being higher than expected, despite the various waves of COVID-19. Actual passenger numbers for the year were 11 079 364 compared to the budget of 8 584 162.

**User fees**

User fees of R112 822 393 is R2 947 168 lower than the budget of R115 769 561 as a result of calibration revenue being impacted negatively when a contract with a foreign service provider had to be cancelled and a new service provider sourced.

**Fuel levy**

Fuel levy of R36 405 994 is R6 595 495 higher than the budget of R29 810 499 due to fuel volumes on cargo flights, charter flights and general aviation not being affected as severely as expected by the COVID-19 pandemic.

Financial Statements for the year ended 31 March 2022

### 31. Budget variances (continued)

#### Personnel costs

Personnel costs of R473 108 215 is R11 025 320 lower than the budget of R484 133 535 due to the implementation of cost-containment measures in response to the COVID-19 pandemic. The SACAA has an overall approved staff complement of 589, however the staff complement for the 2021/22 financial year was limited to 537 because of the cost-cutting measures implemented due to COVID-19. The total staff complement of 537 excludes interns and bursars, if interns and bursars are included the total number of employees is 560 (2021: 570).

The total number of vacant positions at the end of the year is 80, of which 52 have been put on hold due to the moratorium on the filling of vacant positions.

#### Operating expenses

Operating expenses of R132 089 086 is R28 011 422 lower than the budget of R160 100 508, mainly due to the implementation of the cost-containment measures in response to the COVID-19 pandemic. Savings were realised mainly in the discretionary spending areas of training, public relations and travel.

#### Depreciation and Amortisation

Depreciation and amortisation of R11 556 581 is R2 719 641 lower than the budget of R14 276 222 as a result of the extension of the useful lives of certain property, plant and equipment as well as the postponement of non-critical capital expenditure for the year.

#### Debt impairment and bad debts written off

Debt impairment and bad debts written off for an amount of R13 784 563 is R3 215 437 lower than the budget of R17 000 000 due to the impact of the COVID-19 on the debtors book being less severe than expected.

#### Loss on disposal of assets

Loss on disposal of assets of R312 887 was not included in the budget. Various items of property, plant and equipment as well as intangible assets that were not in use anymore, were scrapped.

#### Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters. These adjustments and reallocations were necessary to align the budget with business needs.

### 32. B-BBEE Performance

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

### 33. Comparative figures

Certain comparative figures have been reclassified.

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This image shows a full page of blank, lined paper. It features approximately 20 evenly spaced horizontal blue or grey lines across its entire width, typical of notebook paper. The lines are uniform in thickness and spacing, providing a guide for writing. There are no margins, text, or other markings on the page.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



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