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## **Media Statement**

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**TO:** All Media

**ATTENTION:** News Editors / Transport Reporters / All Reporters

### **For immediate use**

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## **HLENGWA WELCOMES SUPREME COURT OF APPEAL JUDGMENT ON RAF APPLICATION**

**PRETORIA:** The Deputy Minister of Transport, Mr. Mkhuleko Hlengwa, has welcomed the Supreme Court of Appeal (SCA) judgment declining to hear an appeal by the Road Accident Fund (RAF) regarding the accounting standards to be used in its audit process.

The SCA judgment comes amid a longstanding dispute between the RAF and the Auditor-General of South Africa (AGSA) over the appropriate accounting standards for auditing the entity. The AGSA has rightly adhered to the Generally Recognized Accounting Practice (GRAP) standard, whereas the RAF insisted on being audited based on International Public Sector Accounting Standard (IPSAS) 42.

As a result of its insistence on applying IPSAS 42, the RAF has consistently received adverse and disclaimed audit outcomes.

Deputy Minister Hlengwa has described the judgment as an indictment of the RAF Board, stating: "It has been the Ministry's firm position that this matter should never have escalated to the courts in the first place. Valuable time and resources have been wasted unnecessarily. I, therefore, do not expect any further legal action on this issue."

Despite repeated guidance from the Ministry, the RAF has failed to comply. Hlengwa emphasized that the issue must now be resolved in accordance with the Accounting Standards Board's guidance.

"This matter has unnecessarily dragged on for too long. The RAF Board must be mindful of its fiduciary responsibilities and act in the collective interests of the entity. I expect the RAF to comply with the AGSA, and ensure RAF's alignment with the appropriate accounting framework." Hlengwa concluded.

**Issued by the National Department of Transport**

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