RTA
Corporate Governance

2022

Contents

Introduction

Roads and Transport Authority seeks that governance to be one of the necessary pillars for rational decision–making process and excellence in performance. Accordingly, we have given it importance and we are continuing to implement the best initiatives that make the Roads and Transport Authority the leading regional and global authority in this field.

Since the establishment of the Roads and Transport Authority in November 2005, we have sought to make Corporate Governance one of the main enablers to provide a control environment characterised by integrity and accountability. In support of the achievement of the eight principles of Dubai and the fulfillment of the fiftieth document, the Board of Directors has committed to applying the best governance practices such as developing an organisational structure that supports oversight, direction and periodic evaluation of governance practices, adopting a pioneering integrated model at the government level, and developing a Corporate Governance policy that forms the basis that supports all the goals and objectives of the RTA's activities.

This report comes to highlight the practices adopted by RTA in the field of Corporate Governance in order to achieve the desired goals of the Roads and Transport Authority and engage stakeholders to make the most of these practices.

First: Vision, Mission, Corporate Values and Goals

RTA will undertake the planning and provision of the requirements of transport, roads, and traffic in the Emirate, between the Emirate and other emirates of the UAE, and between the Emirate and neighboring countries, with a view to providing an efficient and integrated transport system to achieve the vision of the Emirate and serve its vital interests.

1.1 Vision

The world leader in seamless and sustainable mobility.

1.2 Mission

Develop and manage integrated and sustainable roads and transportation systems at a world-class level, and provide pioneered services to all stakeholders for their happiness, and support Dubai's vision through shaping the future, developing policies and legislations, adopting technologies, innovations and world-class practices and standards.

1.3 Corporate Values

To achieve its mission, RTA adopted the following corporate values:

Corporate reputation
Leadership and teamwork
Creativity and innovation
Pioneering and competitiveness
Happiness and positive energy

1.4 Goals

RTA has identified eight goals under which its strategic goals fall, and there are several initiatives and projects that have been implemented to achieve these goals. These goals are:

Digital Dubai
Integrated Dubai
People Happiness
Smooth Transport for all
Safety and Environmental Sustainability
Financial Sustainability
Pioneering RTA

Second: Organisational Structure

The organisational structure of RTA is based on specialisation and separation between monitoring and execution to help achieve the highest levels of governance.

The organisational structure includes Dubai Taxi Corporation, an agency that has legal personality, financial and administrative independence and legal capacity, and conducts its business on a commercial basis.

Director General, Chairman of the Board of Executive Directors

Transformation Office

Board of Executive Directors

Internal Audit

Director General, Chairman of the Board of Executive Directors Office

Security & Monitoring

Strategy and Corporate Governance Sector

- CEO Office
- Enterprise Command & Control Centre
- Quality, Health, Safety & Sustainability Office

  - Corporate Planning & Development
  - Transportation Strategic Planning
  - Commercial and Investment
  - Legal Affairs
  - Safety and Risk Regulation and Planning
  - Assets Management
  - Knowledge and Innovation
  - Pioneering and Excellence

Corporate Administrative Support Services Sector

- CEO Office
- Quality, Health, Safety & Sustainability Office

  - HR&D
  - Adminstration Services
  - Customer Happiness
  - Finance
  - Marketing and Corporate Communication
  - Procurement
  - Buildings and Facilities

Corporate Technology Support Services Sector

- CEO Office
- Quality, Health, Safety & Sustainability Office

  - Technology Strategy and Governance
  - Information Technology
  - Smart Services
  - Automated Collection Systems

Public Transport Agency

- CEO Office
- Quality, Health, Safety & Sustainability Office

  - Planning and Business Development
  - Passengers Transport Activities Monitoring
  - Buses
  - Transportation Systems
  - Maintenance and Services
  - Marine
  - Drivers Affairs

Traffic and Roads Agency

- CEO Office
- Quality, Health, Safety & Sustainability Office

  - Roads
  - Roads and Facilities Maintenance
  - Traffic
  - Parking
  - Intelligent Traffic Systems
  - Right of Way

Dubai Taxi

Rail Agency

- CEO Office
- Quality, Health, Safety & Sustainability Office

  - Rail Planning and Project Development
  - Rail Operations
  - Rail Maintenance
  - Rail Right of way

Licensing Agency

- CEO Office
- Quality, Health, Safety & Sustainability Office

  - Licensing Activities Monitoring
  - Commercial Transport Activities
  - Vehicle Licensing
  - Drivers Licensing
  - Licensing Systems

Third: Board of Executive Directors

The Board supervises the administrative, financial and technical affairs of RTA. The Board of Executive Directors is the highest authority and the main driver for overseeing the implementation of the authority roles and responsibilities through strategies and polices aimed at enhancing the internal capabilities to achieve its goals and objectives. The Board also documents its meetings and the mechanism for taking its decisions and authority according to a policy that organises the Board's work.

3.1

Board Structure

RTA is led by the Board of Executive Directors chaired by Director General, Chairman of the Board of Executive Directors, and consists of the following members:

CEO of Rail Agency (Vice President)

CEO of Traffic & Roads Agency

CEO of Public Transport Agency

CEO of Licensing Agency

CEO of the Strategy and Corporate Governance Sector

CEO of Corporate Technology Support Services Sector

CEO of Corporate Administrative Support Services

Member of the Board of Director

Executive Director of the Director General, and Chairman of the Board Office to be Member and the Board Secretary

Director of Legal Department

3.2

Board Meetings

Law No.(17) of 2005 Establishing the Roads and Transport Authority states the frequency of board meetings, how often members should convene as well as how meeting announcements, council decisions and minutes of meetings should be carried out. A policy to the Board of Directors was also developed as a tool for organising the Board's work.

In an effort by the Board to increase the effectiveness of project governance, works, activities, and speed of decision–making, tailored to keep up with the developments of RTA and face the challenges and rapid growth of Dubai, the Board meets to oversee all developments of works and activities in RTA and take the necessary decisions as one team.

Fourth: Corporate Governance Principles

Governance is a control and direction framework at the corporate level in accordance with the approved system of Corporate Governance. This framework defines responsibilities, rights and relations with all the concerned stakeholders of RTA. It clarifies the rules and procedures necessary for making rational decisions related to RTA work.

RTA adopted six principles of governance that it is committed to applying at all levels and activities. These principles are:

Stakeholders Focus: Respect the legal rights of those stakeholders, identify their needs and compensate any violation of their rights and let them participate in the decisions that concern them, and develop policies and procedures to deal with them. Those concerned include all the parties affected by the work of RTA like customers, partners, vendors, contractors and RTA employees.

Integrity and ethical values: To be honest, to work for the public interest, and to promote RTA ethical values for employees and customers.
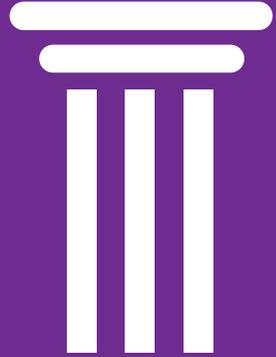
Accountability: To ensure accountability at all levels through policies and procedures that promote this principle.

Disclosure and transparency: Disclose important information in a fair manner to all concerned stakeholders within the appropriate time.

Fairness: To treat all parties fairly and without discrimination.

Segregation between monitoring and execution (Responsibility): Development of policies, procedures and effective organisational structure to ensure the segregation of monitoring roles from execution roles in the approved roles and responsibilities in RTA.

The Corporate Governance Framework adopted by RTA was based on directing, executing, monitoring and continuous improvement. All stakeholders were identified in order to support rational decision making that contributes to fairness, transparency, corporate accountability, and reinforces trust and accountability in the work environment.

Fifth: Committees that Support Governance

RTA has formed many committees and teams that support Corporate Governance.

5.1

The Higher Committee for Strategic Planning and Corporate Transformation

In line with its leadership role to set a clear vision under the strategic and future direction of the Dubai government, RTA formed the committee to define future and strategic directions and main pillars upon which the RTA strategic plan is developed. Also, approval of the list of challenges, risks, scenarios and strategic directions based on requirements of the plans of the Emirate of Dubai and RTA priorities.

5.2

Corporate Governance Assessment Committee

The committee was formed with the aim of assessing the extent to which Corporate Governance best practices are applied and submit a recommendation report to the Director General and Chairman of the Board of Executive Directors to enhance Corporate Governance practices. This committee established an evaluation mechanism and criteria based on global best practices, (such as King report, OECD, ISO37000, BS13500) where the evaluation is performed by an internal team of experts and by an external evaluator periodically.

5.3

The Higher Committee for Financial Policies

The committee was formed with the aim of determining financial trends that are compatible with the financial policies of Dubai government and supervising the application of financial policies in a way that helps to achieve financial sustainability.

5.4

The Higher Committee for Investment and Partnership with the Private Sector

The committee was formed with the aim of reviewing the RTA investment strategy and ensure its implementation. Also, general supervision of the related KPIs and ensure it is achieved. In addition to reviewing the general framework of the Public Private Partnership and investment projects in RTA to ensure enabling the execution of such projects in RTA.

5.5

Council of Happiness and Quality of Life

The council was formed to oversee the implementation of the Happiness & Quality of Life strategy adopted by RTA and manage all the legislations, policies, programmes and plans issued by RTA to achieve happiness and quality of life for customers, employees and the community.

5.6

Legislation and Executive Regulations Committee

The committee was formed with the aim of supervising the process of issuing and reviewing new, amended or suggested legislations related to the work of RTA.

5.7

Conflict of Interest Committee

The committee was formed to achieve the highest levels of transparency and accountability in the work environment, support the interest of RTA, and study areas where conflict of interest occurs.

5.8

Practices and Contracts Committee

The committee was formed to bolster the corporate reputation of RTA and ensure transparency and justice when selecting and dealing with contractors.

5.9

Crisis and Emergency Management Team

The team was formed to support the risk management framework and to deal with emergency situations and crises in accordance with the approved response plan, adapting them according to demand and size.

5.10

The Higher Committee for Sustainability

The committee was formed to ensure that RTA sustainability framework with its three pillars (economic, environmental and community) is in line with local, national and global strategic directions and to determine the future priorities and directions in the field of sustainability.

5.11

Other Committees

In adherence to the principles of governance related to shareholder focus, RTA formed several committees, including the Higher Committee for Serving the Customers, The Higher Committee for Digital Transformation and Quality of Life, Grievance Committees to deal with grievances of customers, the Grievances and Complaints Committee to look after employee grievances and the projects, and Contractual Disputes Committee to look into any disputes related to projects and contracts.
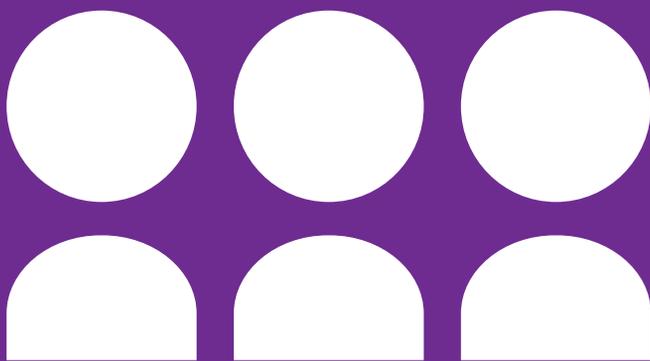
Sixth: The Most Important Governance Practices

6.1

Internal Control

As internal control is one of the main components of any governance system, RTA has committed to providing an internal control framework to help achieve its strategic goal of enhancing policies, processes and Corporate Governance. Effective internal control helps in the continuity, sustainability and improvement of performance. Therefore, RTA has developed an internal control policy to improve the awareness of the different organisational units of internal controls and define the various responsibilities of the administrative levels. It also based the development of the supervision framework on best practices issued by The Committee of Sponsoring Organisations of the Treadway Commission (COSO).

6.2

Internal Audit

Since the establishment of RTA, the internal audit department has been established to play the important role of supervising regulators and improving activities in sectors and agencies. The internal audit department follows the standards of the professional practice framework for the internal audit profession issued by the Institute of Internal Auditors and has been awarded three times with a certificate of total compliance with the standards by an external evaluator in the years 2012, 2015, 2018 and 2021.

6.3

Anti-Fraud and Corruption System

In line with its obligations to reduce fraud and corruption in all of its forms, RTA has developed a system and policy to combat these concerns. In 2009, RTA worked on developing the first secure reporting channel at the government level to report any suspicious cases that ensure the reporter's protection and confidentiality. The system is based on minimising the risk of fraud, dealing with actual and suspected fraud cases and providing a work environment characterised by integrity and honesty.

6.4

Risk Management, Business Continuity and Emergency Management
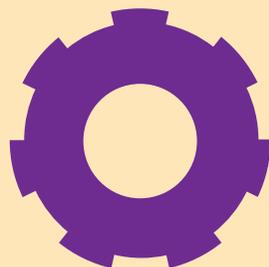
To protect RTA from any incidents that may affect its workflow, a corporate risk management strategy and policy has been developed where risk management results are reported to the Board of Executive Directors periodically, informing them of plans to respond to potential risks. The development of the risk management system was based on COSO best practices and international standards ISO31000. In addition, RTA has set a policy for managing business continuity in accordance with international best practices to continue to provide vital services if workflow is affected.

6.5

Delegation of Authorisations
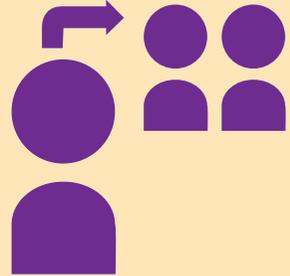
As part of its endeavours to speed up the decision-making process and clarify authority at all administrative levels, RTA has developed a policy to delegate authority that is appropriate to the nature of RTA's work and facilitates the fulfilment of its vision and mission. This policy covers administrative, regulative, Human Resources, Media, Financial, Contractual, Technical and IT authorities. Also, this policy is updated and reviewed regularly.

6.6

Assess the Maturity Level of Corporate Governance

In recognition of the importance of continuous development and best practices in the field of governance, RTA assesses the maturity of governance periodically to increase the level of maturity and development according to the changes that take place in the field of governance. RTA has achieved an advanced level of maturity and is a pioneer in the application of best governance practices.

6.7

Preparing and Issuing Legislations

RTA is keen to expedite tasks related to preparing legislations, including amending them to follow the highest standards, preventing delays in their issuance, and setting clear procedures for publishing them by developing a policy dedicated to preparing and issuing legislations.

6.8

Compliance Management

Compliance management is one of the main pillars of any effective governance system. It has set a framework to regulate compliance management with laws, legislations, administrative decisions, and administrative mandates based on global best practices. It has also implemented an integrated system to disclose compliance cases and submit relevant reports.

6.9

Quality Auditing, Health, Safety and Sustainability
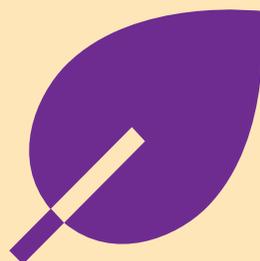
As part of its endeavours to ensure the highest levels of quality for its services and adherence to best practices, RTA aims to provide a supervisory level of quality auditing, in addition to establishing quality, health, safety and sustainability offices in the agencies and sectors in order to develop and improve the processes of RTA.

6.10

Technology Governance

As part of RTA's constant endeavor to keep pace and apply the best practices of technology governance, RTA has developed a specialised integrated framework for technology governance as an important factor in supporting the Corporate Governance framework and increasing its effectiveness. This is in line with global best practices, in addition to having on board an experts working team in this field in order to achieve the highest levels of technology governance.

6.11

Other Practices
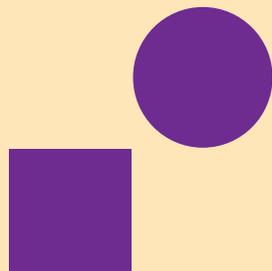
RTA has many other pioneering practices in the field of Corporate Governance that have helped it reach local, regional and global achievements, including the green economy strategy, asset and property management strategy, social responsibility strategy, quality policy, safety policy, the policy of selecting external financial auditors and other leading practices.

Seventh: Governance Performance Indicators

There are many reliable indicators to measure the performance of Corporate Governance practices. Performance indicators like the below are designed to serve the principles of Corporate Governance:

Level of maturity of Corporate Governance

Level of adherence to audit plans

Level of adherence to the observations and recommendations of the supervisory and auditing bodies

Level of customer satisfaction

Level of supplier satisfaction

Employee satisfaction rate

Level of commitment to the frequency of Board of Executive Directors meetings

Eighth: Awards and Certificates related to Governance

RTA has achieved many local, regional and international awards and certificates because of its efforts to develop governance practices, including:

ISO37000 Governance of Organisations year 2021

Three times full compliance with international internal audit standards in 2012, 2015, 2018 and 2021.

Anti–fraud and corruption system ISO 37001: 2019

ISO 19600 Compliance Management System 2019

Corporate Governance System 13500 BS 2019

Best Practices in Governance, Risk Management and Control Award issued by the Institute of Internal Auditors for four years: 2015, 2016, 2017 and 2019.

1 Best Gov IT Infrastructure Project Award. Gov Award sponsored by ITP Media Group: iCollaborate (2017)

1 Gulf Sustainability and CSR Awards for Environmental Programmes and Sustainability & Government Sustainability Initiative 2017

1 The Best Governmental Authority in the field of Financial and Administrative Governance – Dubai Government Excellence Program – Fourth Generation 2017

1 "Continuity and Resilience Team" 2016 – BCI Middle East Award

1 Prince Michael International Road Safety Awards 2016

1 International Safety Awards 2016 – British Safety Council

1 Best practices in the fight against fraud and administrative corruption issued by the Institute of Internal Auditors for two consecutive years 2015 and 2016.

1 Strategic Risk Award 2015

1 MEA Risk & Insurance Excellence Awards 2015

1 The Best Practices in IT Auditing Award issued by the Institute of Internal Auditors for the year 2015

1 ISO 22301 Business Continuity Management System 2014

1 The first authority to acquire the PAS 55 & ISO 55001 Asset Management Certificate in the Middle East 2014

1 Enterprise Risk Management Governance ISO 31000: 2012