



# RTA

## Corporate Governance

2019

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Since the founding of RTA in November 2005, we have sought to establish corporate governance as one of the main enablers for providing a supervisory environment with integrity and accountability to achieve the eight principles of Dubai and the Fifty-Year Charter. The Board of Executive Directors has committed to applying best governance practices to develop an organisational structure that supports supervision, guidance and periodic evaluation of governance practices, building a pioneering integrated model at the governmental level and developing an institutional governance policy that forms the basis that supports all goals and objectives of RTA activities.

We, at RTA, believe that governance is one of the essential pillars of the decision-making process, rational decision-making, and performance excellence. We have given it importance and will continue to implement the best initiatives that make RTA a leader in this field both locally and globally.

The second edition of this report highlights the developments in corporate governance and the practices adopted by RTA in the field to achieve its desired goals and engage stakeholders to make the most of these practices.

# First: Vision, Mission, Corporate Values and Goals

## 1.1 Vision

Safe and smooth transportation for all.

## 1.2 Mission

Develop and manage integrated and sustainable roads and transportation systems at world-class level, provide pioneering services to all stakeholders for their happiness, support Dubai's vision through shaping the future, preparing policies and legislations, adopting technologies and innovations, and implementing 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  
**Excellence** and success  
**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:

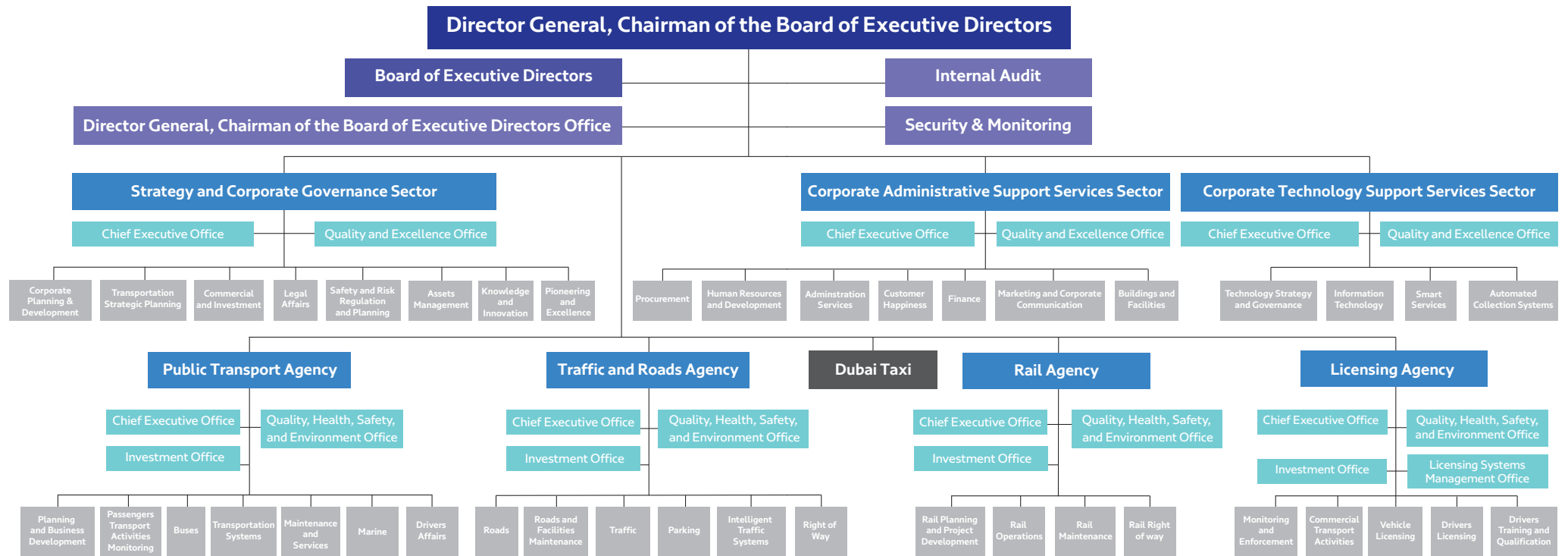
**Smart** Dubai  
**People** Happiness  
**Safety** and Environmental Sustainability  
**Advance** RTA  
**An** Integrated Dubai  
**Smooth** Transport for all  
**Financial** Sustainability  
**Asset** Sustainability

RTA is undertaking the planning and implementation of road and sea transport network projects, and bears great responsibility for developing the infrastructure, one of the five most important pillars in the emirate's strategic plan. This pillar holds great importance on the government's agenda in line with Dubai's position as one of the fastest cities to develop around the world.

# 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.



# Third: Board of Executive Directors

3.1

## Board Structure

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 policies 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 manual that organises the Board's work.

RTA is led by a Board of Executive Directors consisting of its Director General, Chairman of the Board of Executive Directors and the following members:

**CEO**, Traffic and Roads Agency

**CEO**, Public Transport Agency

**CEO**, Rail Agency

**CEO**, Licensing Agency

**CEO**, Strategy and Corporate Governance Sector

**CEO**, Corporate Technology Support Services Sector

**CEO**, Corporate Administrative Support Services Sector

**Member** of the Board of Executive Directors

**Executive Director**, Finance Department, Corporate Administrative Support Services Sector

**Executive Director**, Chairman & Executive Director Office

**Director**, Legal Affairs - Strategy and Corporate Governance Sector

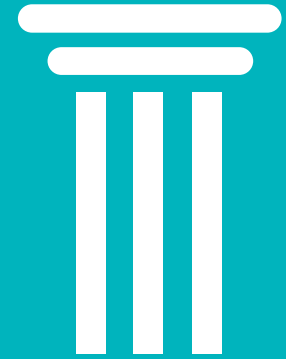
## 3.2

# Board Meetings

Law No. (17) of 2005 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 manual 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, weekly meetings will be held to oversee all developments 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 of supervision and monitoring:** Through the development of policies and procedures and the existence of an

effective organizational structure that ensure the segregation of monitoring roles from execution roles.

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

5.1

## The Higher Committee for Strategic Planning and Corporate Development

In line with its leadership role to set a clear vision under the strategic direction of the Dubai government, RTA formed the committee to define future directions and main pillars upon which the RTA strategic plan is developed. Adoption of systems and work mechanisms to follow up on the implementation of the plan and approve the key performance indicators.

RTA has formed many committees and teams that support corporate governance, for example:

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 OECD, King Report) 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.

5.5

## Council of Happiness and Quality of Life

The council was formed to oversee the implementation of the people's happiness 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.

5.4

## The Higher Committee for Investment and Partnership with the Private Sector

The committee was formed with the aim of reviewing the investment strategy and supervising its implementation, in addition to seeking new investment opportunities.

5.6

## Legislation and Executive Regulations Committee

The committee was formed with the aim of supervising the process of issuing and reviewing 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.

5.9

## 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.

5.8

## Tenders 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.

5.10

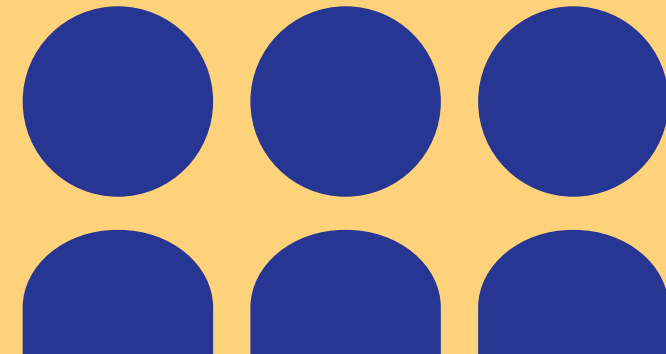
## The Higher Committee for Sustainability

The committee was formed to oversee the preparation, updating and approval of sustainability work in RTA with its three pillars (economic, environmental and community) and setting priorities as well as future guidelines 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 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 systems, 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 Organizations of the Treadway Commission (COSO).

6.2

## Internal Audit



6.3

## Anti-Fraud and Corruption System

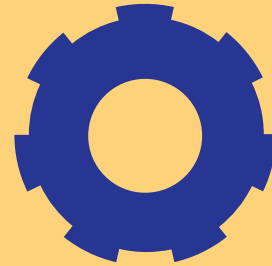


Since the establishment of RTA, the internal audit department has been established to play the important role of supervising regulators and improving activities in sectors and agencies. The internal audit department follows the standards of the professional practice framework for the internal audit profession 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 and 2018.

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.

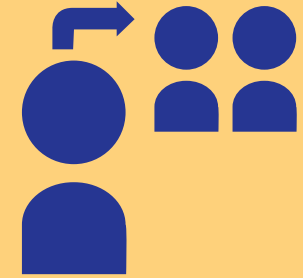
## 6.4

### Risk Management, Business Continuity and Emergency Management



## 6.5

### Delegation of Authorizations



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.

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.

6.6

## Assess the Maturity Level of Corporate Governance



6.7

## Preparing and Issuing Legislations



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.

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 Environment



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 environmental offices in agencies as well as quality and excellence offices in sectors to develop and improve RTA operations.



6.10

## Other Practices

# Seventh: Governance Performance Indicators

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.

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

**Level** of implementation of the recommendations of the Board of Directors

# Eighth: Awards and Certificates related to Governance

- 1 MEA Risk & Insurance Excellence Awards 2015
- 1 Strategic Risk Award 2015
- 1 "Continuity and Resilience Team" 2016 – BCI Middle East Award
- 1 Gulf Sustainability and CSR Awards for Environmental Programmes and Sustainability & Government Sustainability Initiative
- 1 Three times full compliance with international internal audit standards in 2011, 2015, 2018.
- 1 The first authority to acquire the PAS 55 & ISO 55001 Asset Management Certificate in the Middle East
- 1 Best Gov IT Infrastructure Project Award. Gov Award sponsored by ITP Media Group: iCollaborate (2017)
- 1 Enterprise Risk Management Governance ISO 31000:2018
- 1 Corporate Governance System 13500 BS

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

- 1 The Best Governmental Authority in the field of Financial and Administrative Governance - Dubai Government Excellence Program - Fourth Generation 2017.
- 1 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 practices in the fight against fraud and administrative corruption issued by the Institute of Internal Auditors for two consecutive years 2015 and 2016.
- 1 The Best Practices in IT Auditing Award issued by the Institute of Internal Auditors for the year 2015.
- 1 International Safety Awards 2016 - British Safety Council
- 1 Prince Michael International Road Safety Awards 2016

- 1 ISO 19600 Compliance Management System
- 1 Anti-fraud and corruption system ISO 37001

