



Consideration of the 2015/16 Annual Report of Agrément South Africa (ASA)

17 October 2016

1. Introduction

This brief provides an analysis of the performance of Agrément¹ South Africa for the 2015/16 financial year. The entity was established by the Minister of Public Works in 1969 and functions under a ministerial delegation of authority reporting to the Ministry of Public Works. The organisation provides “assurance to specifiers and users of the fitness-for-purpose of non-standardised construction related products and systems for which there are no national standards or codes of practice.”²

In terms of an agreement with the Council for Scientific and Industrial Research (CSIR), the Agency is administered by the CSIR's Built Environment Operating Unit. All the finances of the Board, as administered by the Agency, are subject to the CSIR financial systems and auditing processes. The project management system of the CSIR is also used for managing individual projects. The policies and procedures of the CSIR direct the management and remuneration of the entity's staff.³

The support to Agrément SA includes: “access to the intellectual capital within the CSIR as well as access to and the use of the CSIR testing grounds and laboratories.”⁴ The Board of Agrément SA has taken a decision that the Entity remains within the CSIR Campus in Pretoria, Port Elizabeth and Stellenbosch.

The responsibility for the oversight of the entity resides with the Chairperson of the Board, in conjunction with the Board members of Agrément SA, and includes: “financial accountability, risk management and compliance, good governance, professional and ethical conduct both within the entity and all its interactions with all their stakeholders.”⁵

2. The Legislative Mandate of the Entity

The legislative mandate of Agrément South Africa is to be an independent technical assessment organisation to bring impartial judgement to the evaluation of innovative construction products and systems, which are technically sound and capable of giving satisfactory performance”.⁶

¹ The word Agrément is French for consent or approval.

² Agrément SA, (2016), p.5.

³ Agrément SA, (2009), p. 2.

⁴ Agrément SA, (2016), p.9.

⁵ Agrément SA (2014), p. 6.

⁶ Agrément SA, (2015), p. 3.



Agrément South Africa is a founding member (and internationally affiliated through its membership) of the World Federation of Technical Assessment Organisations (WFTAO), which was established in 1996.⁷ It is a worldwide network for co-ordinating and facilitating the technical assessment of innovation in the construction field.

WFTAO's primary objective is to facilitate the transfer of national products to the global marketplace through the acceptance of technical assessments delivered by its members. Assessments delivered by a WFTAO member will:⁸

- "Provide a means of demonstrating the fitness for purpose of the product with building regulations.
- Be more readily accepted by building control personnel.
- Show that the holders manufacturing and QA systems meet high standards.
- Save valuable selling time, by using acceptance of new products in a conservative market.
- Provide a good opportunity for media coverage for the holders to use the distinctive WFTAO logo on advertisements."

3. Legislation

- Since 1969, Agrément SA has been operating under Ministerial Delegation of the Minister of Public Works for the past 47 years
- During the year under review, the Agrément South Africa Act (No. 11 of 2015) was enacted in December 2015.⁹
- The Act allows Agrément SA to become a juristic persona, subject to the Public Finance Management Act (No. 1 of 1999).
- The Act further removes the challenge of the funding mechanism whereby the Entity's transfer came from Goods and Services. This funding method by the Department of Public Works was challenged by the Auditor-General.
- A Transitional Task Team (led by the Department of Public Works) will oversee the formation of the newly formed Public Entity.
- The Transitional Task Team include: representative from the Board and Management of Agrément SA, the Departments of Public Works and Science and Technology and the CSIR.

⁷ Agrément SA, (2015), pp.13-14. Agrément South Africa is one of 23 member organisations from 22 countries across the global market that is internationally affiliated through its membership of the World Federation of Technical Assessment Organisations (WFTAO). These member countries include: Australia, Brazil, the Czech Republic, Canada, Denmark, Finland, France, Germany, Hungary, Ireland, Israel, Japan, New Zealand, Norway, Poland, Portugal, Romania, the Russian Federation, Spain, United Kingdom and the United States.

⁸ Agrément SA, (2015), p. 10. The World Federation of Technical Assessment Organisations is comprised of "officially recognized bodies active in the field of technical assessments for construction products and systems."

⁹ Agrément SA (2016), p. 5.



4. Certification

Certification by the Entity contributes to the improvements in the quality of construction with the introduction of modern, advanced and improved methods of construction. Its role includes the dissemination of accurate, impartial and applicable technical information related to innovative construction technologies.

During the year under review, 38 certificates were approved by the Technical Committee of the Board.¹⁰

This is an increase of 15 certificates from the 23 granted in the 2014/15 financial year.¹¹

Agrément SA also makes available a list on its website of all the active and inactive certificates. The Annual Report also contains a list of inactive certificates which include: Bathroom and Toilet Unit; Insulation; Wall Coatings; and Walling and Building Systems.¹²

The Annual Report provided a directory of all the active certificates of Agrément SA that include: plumbing; insulation; bridge deck joints; roofing and sanitation products; thin bituminous surfacing systems; software and road products amongst others.¹³

5. Achievements

During the year under review, Agrément South Africa highlighted some of its activities which had local and international impact. These included the following:

- Received an unqualified audit opinion from the Auditor-General for the 2015/16 financial year, consistent with previous' years audit outcomes.
- Approved un-plasticised polyvinyl chloride water pipes (replacing mild steel water pipes); pressed steel roofing tiles (used as an alternative to concrete roofing tiles); and innovative road pavement systems that offer enhanced performance over traditional road surfacing materials.¹⁴
- Certified innovative weight-in-motion systems, to measure the weight of trucks in motion saving logistics companies' time as they do not need to stop at weighbridges.
- Approved access control doors which provide controlled and secure access in banks, offices, consulting rooms and other similar facilities.¹⁵
- Some of the innovative construction technologies have the potential to fast track infrastructure development in rural areas.¹⁶

¹⁰ Agrément SA, (2016), p. 15.

¹¹ Agrément SA (2015), p. 9.

¹² Agrément SA, (2016), pp. 57-59.

¹³ Agrément SA, (2016), pp. 51-55.

¹⁴ Agrément SA (2016), p. 15.

¹⁵ Agrément SA (2016), p. 16.



- Supporting documents agreed with income.
- The labour hours were verified (on a sample per the accounting records), of the approved charge out rates.
- A random sample of selected running expenses corresponded to supporting documentation.
- Performed an annual review of key financial controls related to aspects of proper authorisation, validity/authenticity of transactions, proper records and did not yield any issues of concern.

Issues for Consideration:

- Clarify the granting of 38 certificates from the total of 28 certificate applications for assessment? Given that a total of 22 offers for technical assessment to various applicants were made and accepted.²⁵
- Are there currently any vacancies and in which areas?
- The final 2 pages of the Annual Report provide 17 (including that of the Chief Executive Officer (CEO) photos of the Agency's personnel.²⁶ Clarify the roles and responsibilities of the staff members.

7. Conclusion

The Entity provided an overview of its progress, particularly its achievements for the year under review. In addition to its ties with the WFTAO, it maintains close working relationships with the:²⁷

- Department of Trade and Industry.
- Construction Industry Development Board (cidb).
- Council for the Built Environment (CBE).
- Independent Development Trust (IDT).
- International Council for Building, Research Studies and Documentation (CID).
- National, provincial, and local government departments (for example the Department of Human Settlements).
- South African Bureau of Standards (SABS).
- South African National Roads Agency Limited (SANRAL).
- National Regulator for Compulsory Standards.
- National Home Builders' Registration Council (NHBRC).
- Technology and Innovation Agency.
- South African Revenue Services (SARS).

²⁴ Agrément SA (2016), p. 24.

²⁵ Agrément SA (2016), p. 15.

²⁶ Agrément SA (2016), pp. 60-61.

²⁷ Agrément SA (2015), p. 9.



- National Treasury.

A number of innovative systems certified by Agrément South Africa have the potential to be cost-effective, and can also be completed faster than conventional construction systems.

If the products that are certified by the Entity are used on a larger scale on more Government projects, the products may be introduced more widely. However, for this to happen, the procurement requirements of three quotations might have to be reviewed and include exceptions, due to the fact that some of these innovative products might only be available from a sole service provider.

References

Agrément South Africa (2016) Annual Report of Agrément South Africa for 2015/16.

Agrément South Africa (2015) Annual Report of Agrément South Africa for 2014/15.

Agrément South Africa (2014) Annual Report of Agrément South Africa for 2013/14.

Agrément South Africa (2013) Annual Report of Agrément South Africa for 2012/13.

Agrément South Africa (2012) Annual Report of Agrément South Africa for 2011/12.

Agrément South Africa (2014) Strategic Plan of Agrément South Africa for 2014/15 – 2018/19.

