

SANAS Third Quarter Report

2019-2020

**Presentation to the Portfolio Committee on Trade and
Industry**

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Delegation

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Legislative Mandate

SANAS derives its mandate from the Accreditation of Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act 19 of 2006) (*Accreditation Act*) and its purpose is to provide an internationally recognised and effective accreditation and monitoring system for the Republic, in order to:



a) Ensure a well-functioning technical infrastructure that is aligned to international best practices;



b) Support the needs of our enterprises competing in a fast-paced global economy;









c) Support public policy objectives in terms of health, safety and broad-based black economic empowerment compliance issues



Who we are

SANAS is the sole national accreditation body for carrying out accreditation in respect of conformity assessment which includes accreditation system for:

-  a) Calibration, testing and verification laboratories
-  b) Certification bodies
-  c) Inspection Bodies
-  d) BBBEE Verification Agencies
-  e) National body to monitor Good Laboratory Practices compliance with the principles adopted by the Organisation of Economic Cooperation and Development (OECD).
-  f) Any other body that may be added to SANAS' scope of activity

What we do

a) Promote the acceptance of SANAS' activities and those of all bodies accredited by SANAS or its international counterparts



b) Promote the recognition of accredited bodies by users of conformity assessment



c) Liaise with regional and international standards bodies, technical regulatory and metrology organisation in respect of matters relating to accreditation



d) Liaise with national regulators in respect of matters relating to accreditation



e) Promote the use of accredited bodies to facilitate trade



f) Initiate, negotiate, conclude and maintain mutual recognition arrangements;



g) Obtain and maintain membership of national and international organisations that may assist SANAS achieve its objectives

OVERVIEW OF SANAS' ANNUAL PERFORMANCE PLAN & BUSINESS PLAN 2019/20

STRATEGIC GOALS

Service Excellence

Supporting Industrial development and Regulators

Global acceptance of SANAS' accredited results

Regional Integration

NDP Priorities
Priority 1
Priority 7

Outcomes and outputs

Effective & Efficient service delivery

Competent network of CAB supporting health, safety and environment

CAB network supporting SA global trade & industrial development

Accreditation infrastructure supporting inter-regional trade

THE DTI'S PRIORITIES

- Effective & Efficient service delivery;
- Promote Industrial Development;
- Build mutual beneficial regional and global relations to advance RSA trade

- Reduce creditors' payments
- Reduce vacancy rate
- Finalise ICT Shanduka Phase 3;
- Increase the registration of PDI assessors
- Reduce time for issuing certificates from the time of decision making;
- Increase awareness of SANAS

- Develop and roll out an accreditation programme for :
 - Asset Management (SAAMA;
 - Railway safety certification;
 - BUSA assigned: Verification of Green House;(JSE)
 - Road Transport Management Systems.
- Expand number of accredited Laboratories, Certification and Inspection Bodies

- Provide Input to the international accreditation requirements;
- Influence WTO acceptance of ILAC/IAF as observers member;

- Provide AFRAC Secretariat
- Provide AFRAC leadership
- Provide SADCA Secretariat

PROGRAMMES

Administration

Oversight, legal support and Compliance;
Finances

Accreditation

Assessment Engagements;

GLP Monitoring

Inspection Engagements

Strategy & Development

New accreditation fields developments and training

Programme Alignment to the dti's selected interventions

Medium Term Strategic Focus (MTSF) Priority	Government's Outcome	DTI'S PRIORITIES	SANAS'S STRATEGIC OBJECTIVES	SANAS'S OUTCOMES
10. Building a developmental state, including improvement of public service and strengthening democratic institutions	12. An efficient, effective and development-orientated public service and an empowered, fair and inclusive citizenship	Promote a professional, competitive and customer-focused working environment that ensures effective and efficient service delivery	Improve SANAS's operational efficiency to deliver services with a spirit of excellence	<ul style="list-style-type: none"> • Reduce the vacancy rate; • Develop a diversified assessor pool
1. Speeding up growth and transforming the economy to create decent work and sustainable livelihoods	4. Decent employment through inclusive economic growth	Facilitate transformation of the economy to promote industrial development, investment, competitiveness and employment creation	Provide accreditation support for industrial development and the protection of the health and safety of the South African public and the environment	<ul style="list-style-type: none"> • Operationalise accreditation programmes in the areas as assigned to SANAS by the dti in IPAP 2; • Operationalise accreditation programmes in the areas as assigned by other government departments and stakeholders, e.g. DoL, Business Unity South Africa (BUSA); • Provide accreditation programmes for conformity assessments bodies to service government and industry sectors supporting the production of safe, good quality goods and services

Cont.: Programme Alignment to the dti's Priorities

Medium Term Strategic Framework (MTSF) Priorities	Government's Outcome	DTI'S PRIORITIES	SANAS' KEY FOCUS AREAS	SANAS'S OUTCOMES
8. Perusing African advancement and enhanced international co-operation	11. Create a better South Africa, a better Africa and a better world	Build mutually beneficial regional and global relations to advance South Africa's trade, industrial policy and economic development objectives	Promote the acceptance of SANAS-accredited results among global partners to advance South Africa's trade and economic development objectives	<ul style="list-style-type: none"> • Provide accreditation support to facilitate market access of South African goods and services supporting exports; • Provide input into the international requirements concerning accreditation to facilitate a level playing field for the acceptance of South African goods and services
			Support regional integration and relations to advance South Africa's trade, industrial policy and economic development objectives	<ul style="list-style-type: none"> • Establish and operationalise an African and SADC accreditation cooperation ; • Provide accreditation support to facilitate locking out unsafe, poor quality goods and services

Third Quarter highlights



International hosting

- Successfully hosted the 14th Organisation for Economic Cooperation and Development (OECD) Training course for Good Laboratory Practices Inspectors in October 2019 in Cape Town. A total of **31** economies participate in the training from 6 different continents. SANAS accredited GLP conformity assessment data is accepted within the OECD member states.

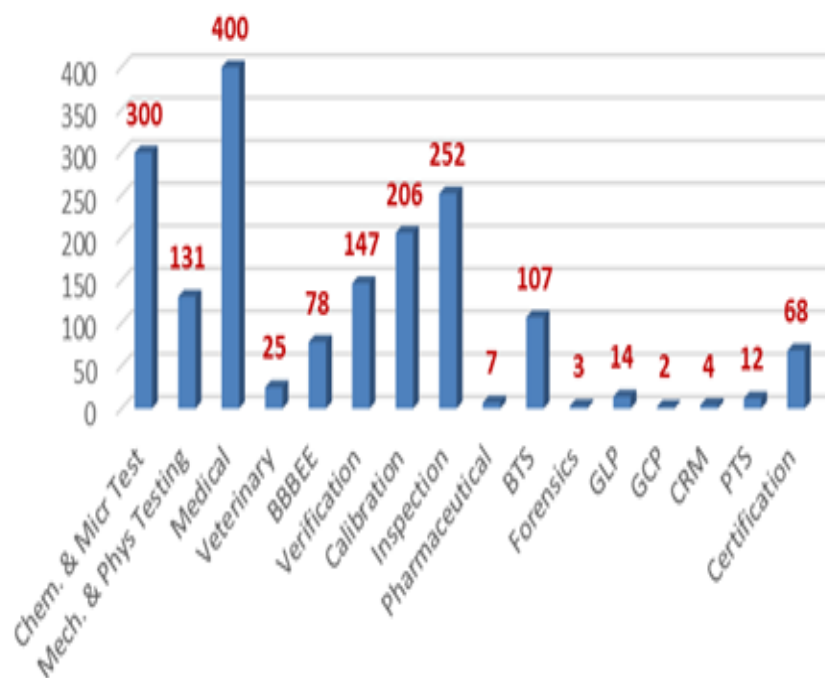
Awareness creation

- As part of SANAS focus on awareness creation amongst students, a live in-studio interview was conducted at the University of Johannesburg's radio station;
- SANAS presented for the first time at the Post graduate Research and innovation Symposium;
- An above the line Billboards advertisements aimed to continue to raise awareness to the general public was undertaken during the month of December.

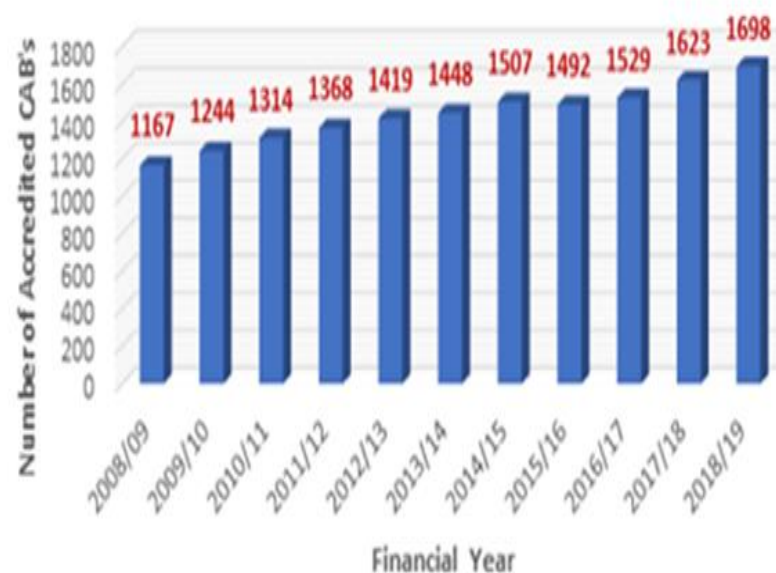


Accredited Bodies per accreditation programme

Total No. of Accredited CABs at 31/12/2019 = 1756



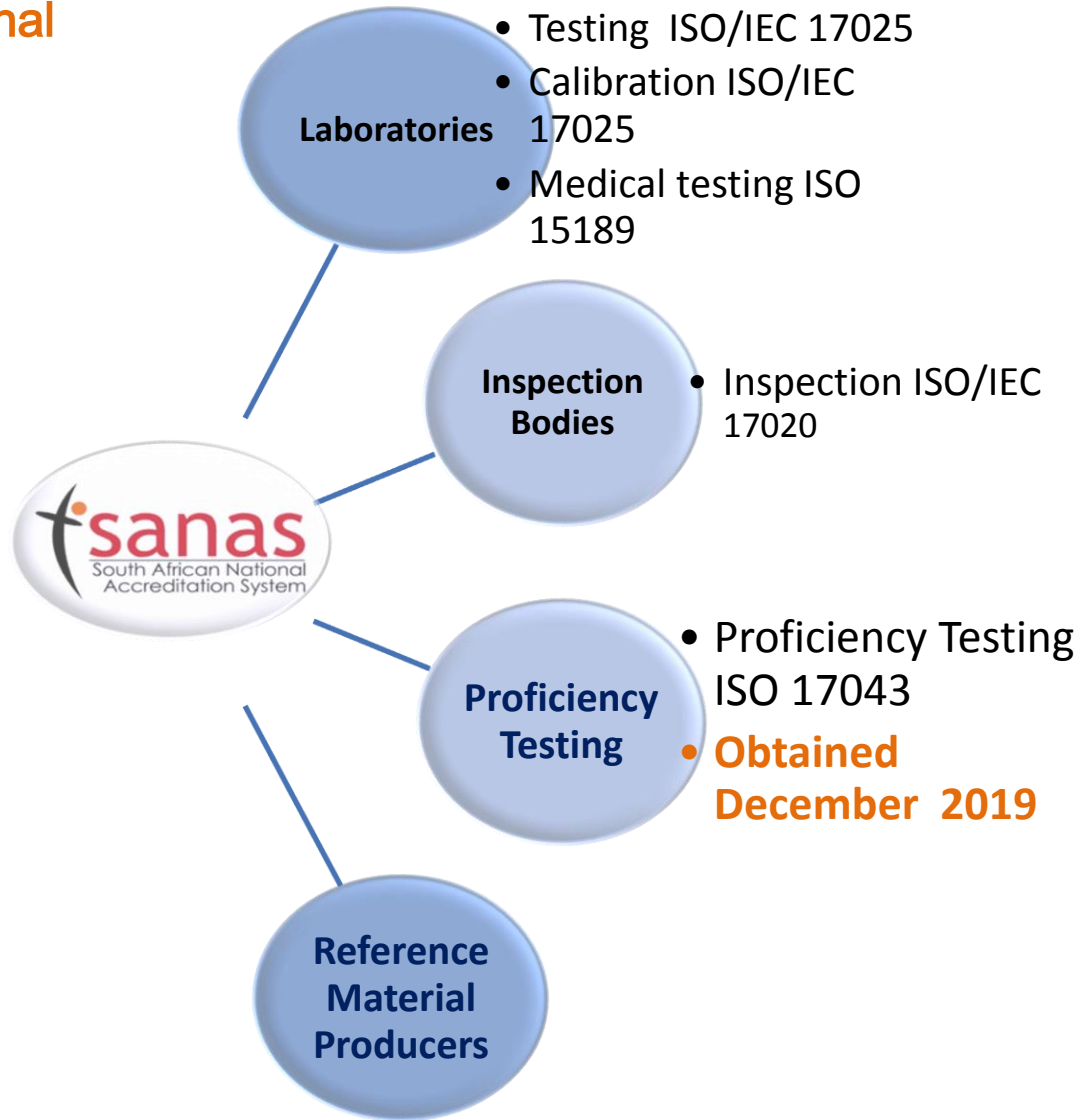
Annual Growth in the number of Accredited
Conformity Assessment Bodies



Global acceptance of SANAS accredited results – International Laboratory Accreditation Cooperation (ILAC)

- SANAS is signatory to **all** existing ILAC Mutual Recognition Arrangements
- SANAS accreditation is recognised within **104** economies that are signatories to the International Laboratory Accreditation Cooperation (ILAC) Mutual Recognition Arrangement (MRA);

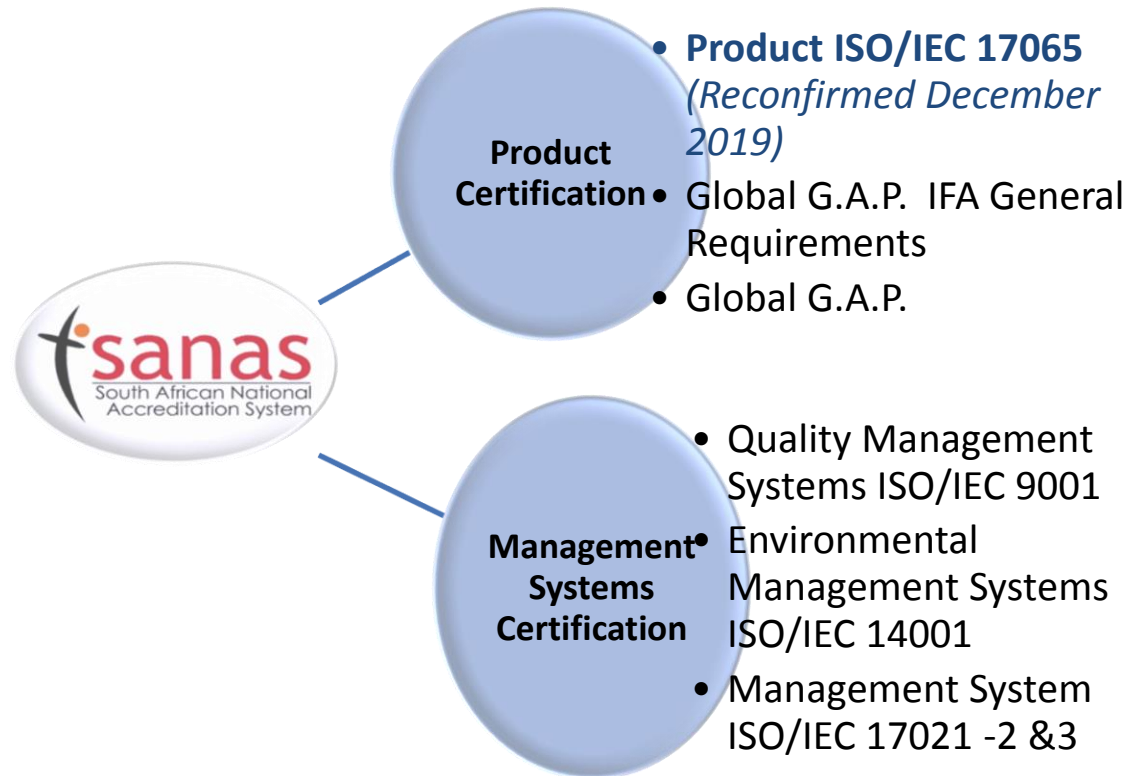
Note: Reference material producers' scope of accreditation evaluated in August 2019. Awaiting finalisation



Global acceptance of SANAS accredited results – International Accreditation Forum (IAF)

- SANAS is signatory to the existing IAF Multi-lateral Recognition Arrangements
- SANAS accreditation is recognised within **93** economies that are signatories to the IAF Multi-lateral Recognition Arrangements

Note: Reference material producers' scope of accreditation evaluated in August 2019. Awaiting finalisation



Quarter Performance

Performance summary

Targets

- 13 Performance targets for the third quarter;
 - 5 relates to service delivery;
 - 2 relates to the promotion and acceptance of SANAS accredited results;
 - 4 relates to supporting public policy objectives;
 - 2 relates to regional integration

Summary Achievements

TARGET	ACHIEVEMENTS
Total Quarterly targets	13
Targets met	11
Targets not met	2
Targets overachieved	7
Percentage Q3 achieved	84.62%

Performance against Targets

Output	3rd Quarter milestone	Actual Achievement	Outcome
Strategic Objective 1: To improve SANAS's operational efficiency to deliver services with a spirit of excellence			
Creditors payments in accordance with legislative requirements	<5% of eligible payments processed after 20 days	2.7% of payments exceeded 20 days	Target met
Reduced vacancy rate	5%	5.40%	Target not met due to resignations
Improve SANAS' operational efficiency through an automation of SANAS' accreditation process	Process (2)	Process (2)	Target met
Accredited certificates issued on time	15	14	Target met
Diversified assessor pool by increasing the registration of	294	296	Target met

Performance against Targets (Cont.)

Output	3rd Quarter milestone	Actual Achievement	Outcome
Strategic Objective 2: To promote the acceptance of SANAS- accredited results nationally and amongst global partners to advance South Africa's trade, industrial policy and economic development objectives			
Increase awareness of SANAS's accreditation	7 Actual 15 Cumulative	Actual: 10 Cumulative to date: 18	Target met
Represent SANAS at regional and international fora	SANAS represented at 10 regional and international fora	Represented SANAS at 10 international fora	Target met



Performance against Targets (Cont.)

Output	3rd Quarter milestone	Actual Achievement	Outcome
Strategic Objective 3: To provide accreditation support for industrial development and the protection of the health and safety of the public, and the South African environment			
Develop and roll out an accredited system for the accreditation of IPAP	Develop=1	Develop: 1	Target met
Develop a system for accreditation in assigned areas	Develop=1 Establish technical regulatory documents	Technical regulatory requirements not established. Technical regulatory document is dependent on the national code for incubator (SEDA). South Africa standard is under development	Target not met
Expand the number of accredited organisations in the fields of testing, inspection. Calibration, certification and other conformity assessment services	1713	1756	Target met

Performance against Targets (Cont.)

Output	3rd Quarter milestone	Actual Achievement	Outcome
Strategic Objective 4: To support regional integration and relations to advance South Africa's trade, industrial policy and economic development objectives			
Maintain Intra-African Accreditation Cooperation's (AFRAC) international recognition	Not Applicable for the Quarter		
Represent AFRAC at regional and international fora	3 regional and international fora	3 regional and international fora	Target met
Prepare for Southern African Development Community Cooperation in Accreditation's (SADCA) international recognition	90%	100%	Target met



Constraints

Constraints	Actions taken
Dependence on the promulgation of relevant regulations	Delay in the promulgation of regulations required to implement an accreditation programme impacts on SANAS ability to meet its stated target. However SANAS have reviewed the target and will incorporate a new target within the 2020/21 performance plans. Furthermore SANAS continues to engage and support the relevant regulators.
Baseline reduction	Cost containment measures such as advanced booking of tickets and accommodation and grouping of assessments has shown some improvement in cost control. Further cost saving measures are being explored.

Financial Report

- 1. REVENUE**
- 2. EXPENDITURE AT PROGRAMME LEVEL**



3rd Quarter YTD Income

	Year to date December 2019		
	Budget	Actual	Variance
Accreditation Provision	53 591 871	51 610 580	1 981 291
Knowledge Transfer (Research and Development)	7 245 146	6 992 115	253 030
Transfer from the dti	23 751 750	23 751 750	-
Interest	119 997	2 995 060	(2 875 063)
Sundry income	90 000	35 534	54 466
TOTAL	84 798 763	85 385 039	(586 275)



3rd Quarter YTD Expenditure

	Year to date December 2019		
	Budget	Actual	Variance
1. Administration	31 524 891	28 089 040	3 435 851
2. Corporate services	5 167 306	3 330 171	1 837 135
3. Strategy and development	4 394 582	6 003 665	(1 609 083)
4. Accreditation Provision	44 307 562	38 694 559	5 613 003
TOTAL	85 394 341	76 117 435	9 276 906



3rd Quarter Key Financial Highlights

- 1) Income generation in line with budget;
- 2) Expenditure (operational and capital) managed within budget,
- 3) Only 2.7% of creditors paid after 20 days (positive achievement against the target of 5%). SANAS subscribes to ensure that its target to pay suppliers especially SMME's is shorter than the legislative target of 30 days;
- 4) No bad debt write offs recorded during the quarter;
- 5) No irregular or fruitless expenditure incurred,
- 6) No material losses incurred,
- 7) Entity is liquid and solvent with no long term liabilities.



Thank You!



ANNEXURES



BACKGROUND



South African National Accreditation System (**SANAS**) is an agency of the Department of Trade and Industry (the **dti**). **SANAS is classified as a Schedule 3A public entity in terms of the Public Finance Management Act (PFMA)**

SANAS was created under The Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act 19 of 2006 as the only national body responsible for carrying out accreditation in respect of conformity assessment, which includes:

- ☐ Calibration, testing and verification laboratories:
- ☐ Medical laboratories
- ☐ Certification Bodies;
- ☐ Inspection Bodies;
- ☐ B-BBEE Rating agencies; and
- ☐ Monitoring of GLP compliance with principles adopted by the OECD



Mandate of SANAS

Enabling Act	Mandate
<p>Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, 2006 (Act No. 19 of 2006)</p>	<p>SANAS is the <u>Sole National Accreditation Body</u> that provides an internationally recognised and effective accreditation and monitoring system for the Republic of South Africa by doing the following:</p> <ul style="list-style-type: none"> a) Accredit or monitor, for good laboratory practice compliance purposes, organisations falling within its scope of activity b) Promote accreditation as a means of facilitating international trade and enhancing South Africa's economic performance and transformation c) Promote the competence and equivalence of accredited bodies d) Promote the competence and equivalence of good laboratory practice-compliant facilities
<p>Additional Roles</p>	<p>In any legal proceedings SANAS certificates issued is upon its production evidence of the facts contained therein.</p> <p>Is the official Good Laboratory Practices GLP Compliance Monitoring Agency for the Organisation for Economic Cooperation and Development (OECD) on behalf of South Africa</p>



VISION

To pioneer and lead the future of accreditation in Africa and deliver services with a spirit of excellence.

MISSION

To create an impartial and transparent mechanism for organisations to independently demonstrate their competence and facilitate the beneficial exchange of goods, services and knowledge, and provide a service that is recognised as equitable to best international practice while reflecting the demographics of South Africa in all that we do.

VALUES

- INTEGRITY:** We understand that our strength is based on trust and therefore are consistent in our deeds, principles and outcomes, and act with honesty and respect without compromising the truth;
- EXCELLENCE:** We are a company dedicated to excellence in service delivery, through investing in a competent knowledge base institution, aimed at exceeding customer expectations;
- INNOVATION:** We are a forward thinking company and have the courage and confidence to come up with creative ways in accreditation developments;
- DEDICATION :** Collaborating within and outside SANAS to give the best and to advance South Africa's interest;
- SOCIAL RESPONSIBLE:** We are a company that cares; therefore, we invest in our people, our community and the environment.

