

PRESENTATION TO THE PARLIAMENTARY PORTFOLIO COMMITTEE



Strategic Plan 2020-2024 & Annual Performance Plan 2023- 2024

22 March 2023

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Annual Performance Plan Presentation Overview

- ❑ Existing Strategy in response to Covid
- ❑ Mandate
- ❑ Agrément South Africa Act's requirements
- ❑ Alignment to National Development Plan, National Growth Path, and Medium-Term Strategic Framework.
- ❑ Alignment to DPWI Strategic Outcomes & Government's 7 priorities.
- ❑ ASA's Board.
- ❑ Vision, Mission & Values.
- ❑ ASA's External Environment Analysis.
- ❑ ASA's Strategies over the next five years
- ❑ ASA's initiatives.
- ❑ Organisational Structure.
- ❑ Alignment of DPWI objectives to ASA's APP.
- ❑ Certificates issued VS Projects Assessed
- ❑ Annual Performance Plan per program for 2023/2024 FY
- ❑ Financial forecast over medium terms.
- ❑ Risk Management
- ❑ Conclusions

Existing Strategy in response to Covid

ASA continues to observe protocols and Covid regulations on the return of staff members to the office, which include:

- The use of digital platforms (Teams, Zoom etc.) to hold meetings where necessary.
- Continuous review to determine the risk exposure and mitigate the risks.
- Exploring other options for conducting Assessments and Quality Inspections remotely, including procuring an Audit software.
- Continuous compliance with health and safety regulations.

ASA Mandate

In terms of the Act the objectives of ASA are to:

- Provide assurance to specifiers and users of the fitness-for-purpose of non-standardised construction related products or systems;
- Support and promote the process of integrated socio-economic development in the Republic as it relates to the construction industry;
- Support and promote the introduction and use of certified non-standardised construction related products or systems in the local or international market;
- Support policy-makers in minimising the risk associated with the use of a non-standardised construction related product or system; and
- Be an impartial and internationally acknowledged South African center for the assessment and confirmation of fitness-for-purpose of non standardised construction related products or systems.

Agrément South Africa Act's requirements

- Make rules, determine the processes, procedures and forms for and relating to the issuing, amendment, suspension, reinstatement, withdrawal, or renewal of an Agrément Certificate;
- Issue a certificate in the prescribed form, if it is satisfied that a non-standardized Construction related product or system is fit-for-purpose, subject to the payment of the required fees;
- Monitor such certificates and manage the renewal of all certificates; through annual inspections and validity reviews
- Establish and maintain a public register of the applications rejected and certificates issued, amended, suspended, reinstated, withdrawn and renewed.

Alignment to National Development Plan (NDP), NGP and MTSF

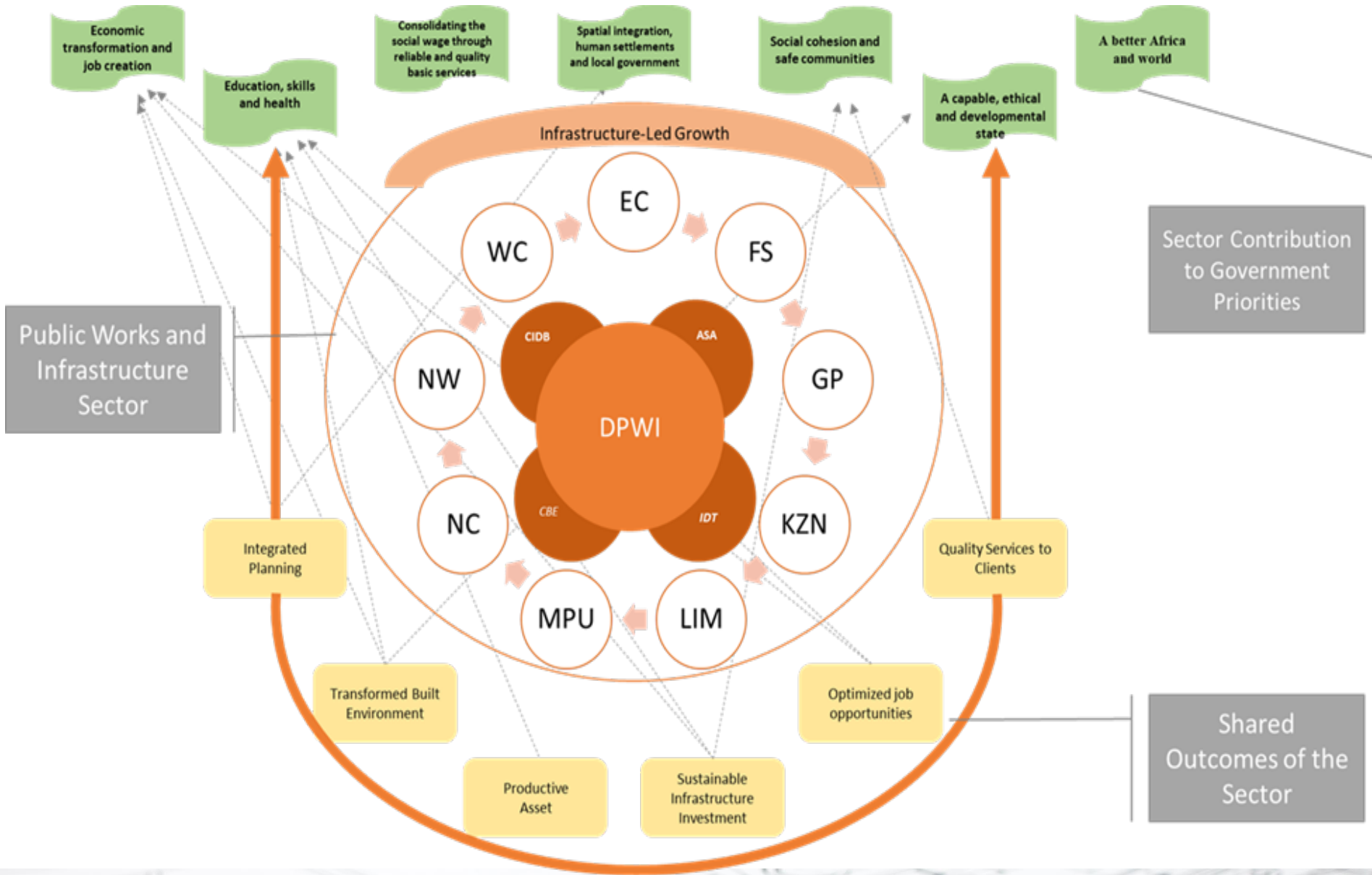
President Cyril Ramaphosa announced seven priorities to fast-track South Africa's path to prosperity. The President stated the seven priorities as:

- Economic reconstruction and job creation;
- Education, skills, and health;
- Consolidating the social wage through reliable and quality basic services;
- Spatial integration, human settlements, and local government;
- Social cohesion and safe communities;
- A capable, ethical, and developmental state; and
- A better Africa and World.

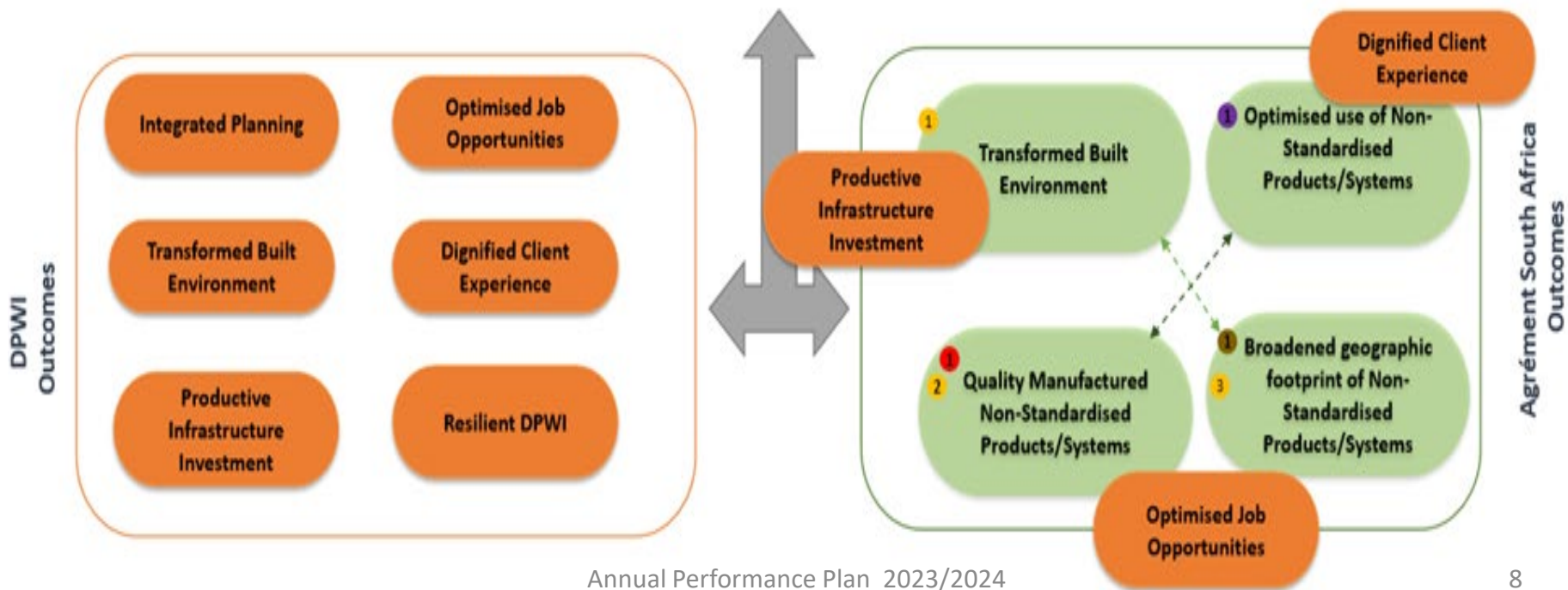
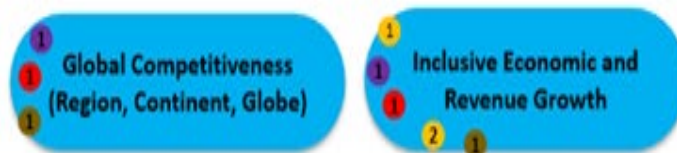
Through issuing certificates to SMMEs on their innovative construction products, ASA is contributing immensely to the economic reconstruction.

These certificates create a platform through which SMMEs can transact and create employment opportunities.

Alignment to National Development Plan (NDP), NGP and MTSF



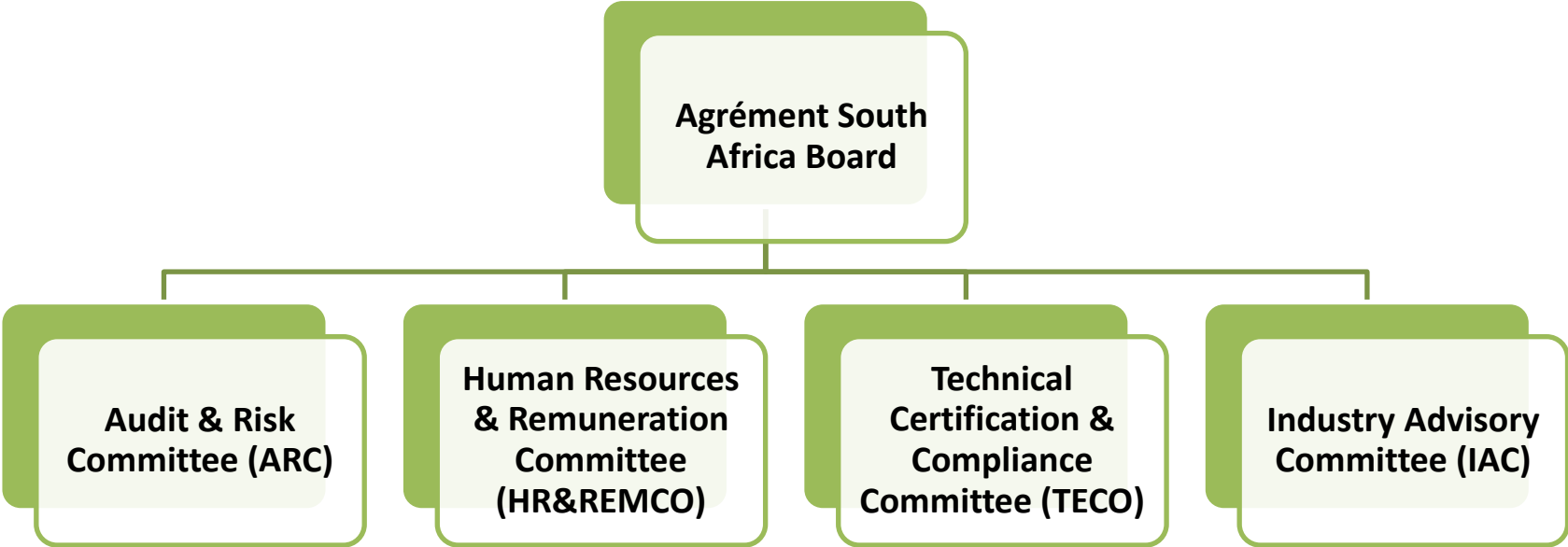
Agrément South Africa Alignment to NDPWI's Outcomes and 7 Priorities



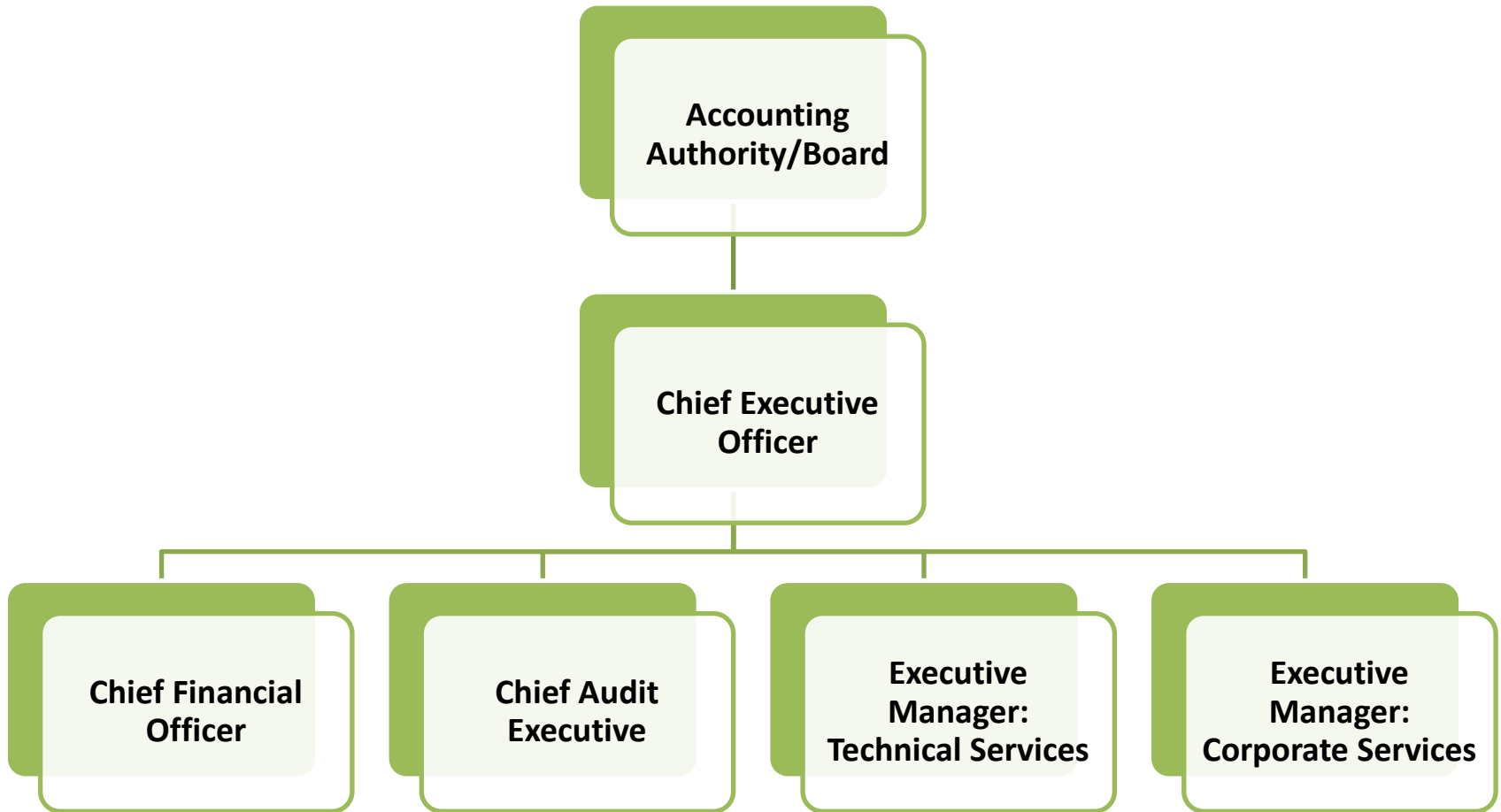
Agrément South Africa Strategy Map



Agrément South Africa's Board



Agrément South Africa's Organisational Structure



Progressive Organisational staff structure in short to medium-term period

Position	Filled	Vacant	Total
CEO's Office			
Chief Executive Officer	1	0	1
Board Secretary	1	0	1
Group Assistant	1	0	1
QMS Coordinator	1	0	1
Manager: Monitoring and Evaluation	0	1	1
Stakeholder Relations Manager	0	1	1
Total	4	2	6
Finance			
Financial Accountant	1	0	1
Financial Manager	1	0	1
Chief Financial Officer	1	0	1
Procurement Officer	1	0	1
Total	4	0	4

Progressive Organisational staff structure in short to medium-term period

Position	Filled	Vacant	Total
Internal Audit			
Chief Audit Executive	0	0	0
Audit & Risk Officer	0	0	0
Internal Audit Specialist	0	0	0
Total	0	0	0
Corporate Services			
Executive Manager: Corporate Services	1	0	1
Marketing and Communications Practitioner	1	0	1
Marketing Specialist	1	0	1
Human Resources Business Partner	1	0	1
ICT Helpdesk Technician	1	0	1
Total	5	0	5

Progressive Organisational staff structure in short to medium-term period

Position	Filled	Vacant	Total
Technical Services			
Executive Manager: Technical Services	0	1	1
Administrative and Technical Officer	1	0	1
Technical Group Leader: Assessments	1	0	1
Senior Technical Assessor	2	0	2
Technical Assessors	6	0	6
Draughtsperson	1	0	1
Eco Labelling Manager	0	1	1
Technical Group Leader: Quality Assurance	1	0	1
QA Specialist	1	1	2
Quality Assurance Officers	2	0	2
Technical Group Leader Research & Development	1	0	1
Technical Research & Development Specialists	2	0	2
Total	18	3	21

Progressive Organisational staff structure in short to medium-term period

Position	Filled	Vacant	Total
CEO's Office	4	1	5
Finance	4	0	4
Internal Audit	0	0	0
Corporate Services	5	0	5
Technical Services	18	3	21
Total	31	5	36

Agrément South Africa's Vision

To be the leading regulator on non-standardised construction products and systems in South Africa.

Agrément South Africa's Mission

To enhance ASA's position as the internationally acknowledged South African centre of excellence:

- For assessment and certification of fitness-for-purpose of non-standardised construction related products or systems.
- Provide assurance to specifiers and users of the fitness-for-purpose of non-standardised construction related products or systems.
- Support and promote the process of integrated socio-economic development in the Republic as it relates to the construction industry.
- Support and promote the introduction and use of certified non-standardised construction related products or systems in the local or international market; and
- Support policy makers to minimise the risk associated with the use of a non-standardised construction related products or systems.

Agrément South Africa's Values

ASA's values are aligned with the values espoused in the Constitution. The core values that underpin the culture of ASA are:

- **People** – Respect people for who they are, their knowledge, skills and experience as individuals and team members.
- **Reputation** – Upholding ASA's brand through excellence, integrity and quality.
- **Innovation** – Inspire the introduction of sustainable, innovative solutions.
- **Diversity** – Embracing a dynamic and multi-cultural environment that respects the individual.
- **Accountability** – Assume ownership of what happens because one's choices or actions.

Agrément South Africa (ASA) External Environment Analysis

- ASA operates within the built environment sector of South Africa.
- The Board of ASA is the Accounting Authority.
- ASA reports to Parliament through the office of the Executive Authority, the Minister of Department of Public Works and Infrastructure (DPWI) in terms of the Public Finance Management Act (PFMA).
- The activities of ASA are aligned to the mandate of the organisation which, in turn, is aligned to the DPWI and national priorities.
- The activities of ASA are impacted by the macro-economy, as well as the state of the built environment industry generally and the construction sector (especially housing construction) in particular.

Agrément South Africa's strategies over the next five years

In the next Medium-Term Strategic Framework period, ASA will continue to focus on the following areas:

- Issuing, amending, suspending, reinstating, withdrawing or renewing Agrément Certificates;
- Awareness programmes non-standardised construction related products or systems certified by ASA;
- Encouraging innovation in respect of the technical, socioeconomic and regulatory aspects of a non-standardised construction related product or system certified by ASA;
- Monitoring and evaluating the quality management systems of a certified construction related product or system; and
- Supporting and promoting the introduction and use of certified non-standardised construction related products or systems in the local or international market.

Agrément South Africa Act	Strategies over the five-year period.
To achieve its objects in terms of the Act:	<p>Empowers ASA to exercise its powers as follows:</p> <ul style="list-style-type: none"> ● Assess and, if satisfied, certify the fitness-for-purpose of a non-standardised construction related product or system. ● Issue, amend, suspend, reinstate, withdraw, or renew an ASA Certificate. ● Enter into an agreement with a person, entity or organ of state, whose services are required to achieve an object or perform a function of ASA or the Board. ● Provide services in relation to the objects of ASA to a person, entity, or organ of state; and ● Exercise any other power as may be prescribed or necessary to achieve the objects of ASA.

Agrément South Africa Act	Strategies over the five-year period.
ASA is required to:	<ul style="list-style-type: none"> ● Create appropriate structures to execute its executive and operational functions. ● Develop any rules, processes, procedures, criteria, or guidelines necessary to achieve the objects of ASA and the execution of its duties. ● Monitor and evaluate the quality management systems of a certified construction related product or system, in its manufacture, application, installation or erection processes. ● Communicate relevant information to stakeholders in respect of the technical, socio-economic, and regulatory aspects of a non-standardised construction related product or system certified by ASA. ● Support and promote the introduction and use of certified non-standardised construction related products or systems in the local or international market. ● Establish and maintain international links with peer organisations; and ● Encourage research and development of non-standardised construction related products or systems.

Agrément South Africa Act	Strategies over the five-year period.
<p>A key element of the mandated functions is the process of certification as required by Section 6, 7 and 8 of the Act.</p>	<p>This requires ASA to:</p> <ul style="list-style-type: none"> ● Make rules, determine the processes, procedures, and forms for and relating to the (a) issuing; (b) amendment; (c) suspension; (d) reinstatement; (e) withdrawal; or (f) renewal, of an ASA Certificate. ● Subject to the payment of the required fees, ASA issues a certificate in the prescribed form, if it is satisfied that a non-standardised construction related product or system is fit-for-purpose. ● Monitor such certificates and manage the renewal of certificates; and ● Establish and maintain a public register of the applications rejected and certificates issued, amended, suspended, reinstated, withdrawn, and renewed.

ASA's initiatives

Eco-Labeling

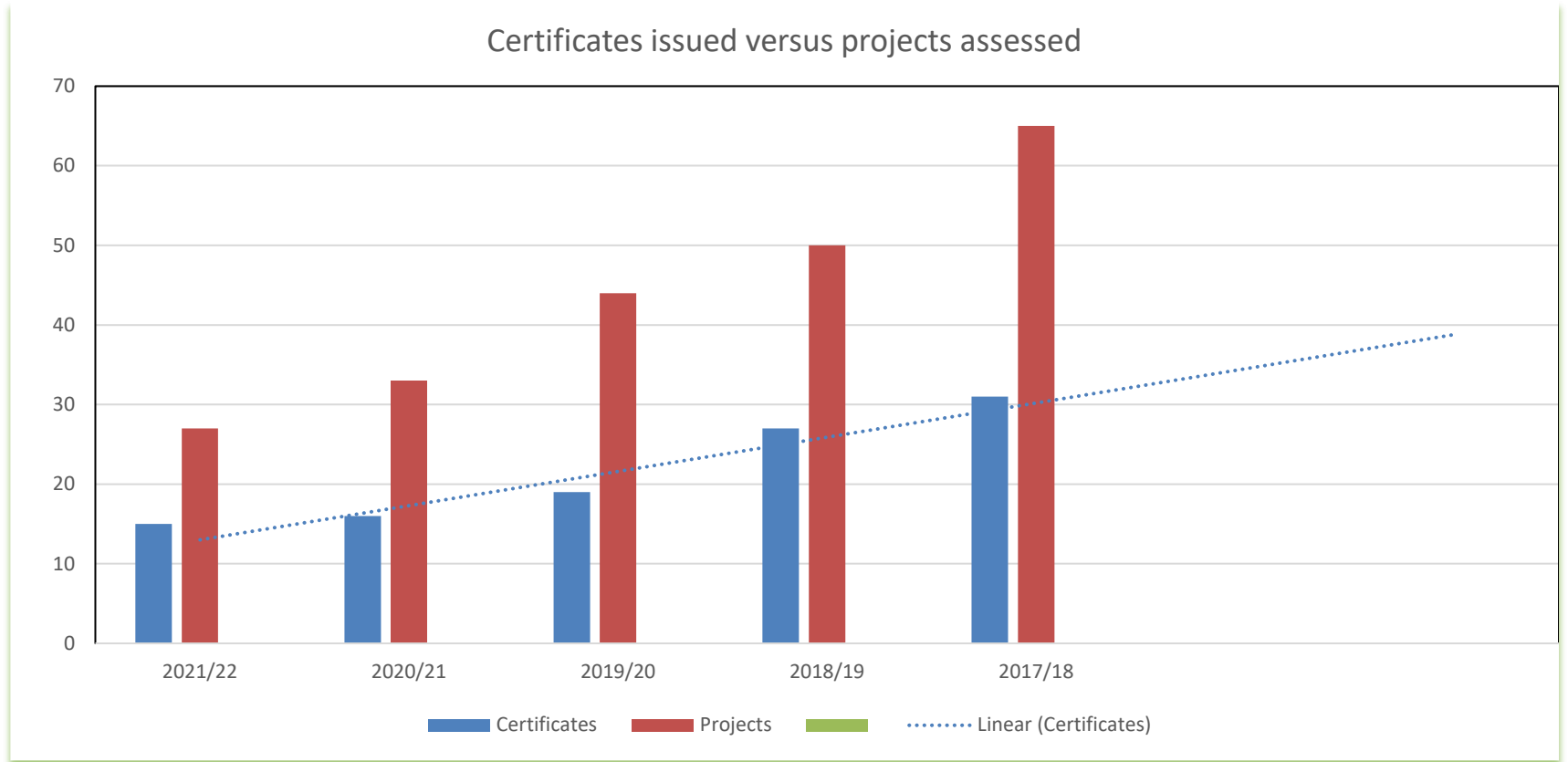
- ASA is the competent body to undertake Eco-Labeling for government's buildings and products for a renewable period of five years.
- The Eco-Labeling system will address aspects such as indoor air quality, comfort, environmental, material and energy resource conservation.
- Eco Labeling will be incorporated in the DPWI's Standard Specifications for construction related works.

Green rating tool for public buildings.

- ASA is mandated to rate public sector buildings using green building rating tool that is still being formulated.
- This presents an opportunity to rate the current public buildings.
- New buildings shall be built according to set standard and thus contribute towards the green economy.

Strategic links with members of the World Federation of Technical Assessments Organisation (WFTAO), cidb, CBE, National Home Builders Registration Council (NHBRC), South African Bureau of Standards (SABS) and Government Departments.

Certificates Issued VS Projects Assessed



Agrément South Africa Annual Performance Plan 2023/2024

Sub-Programme 1: Technical Services: Indicators, Annual and Quarterly Targets for 2023/2024.

Output Indicator	Annual Target 2023/2024	Quarterly Targets			
		1 st	2 nd	3 rd	4 th
Outcome: Optimised use of non-Standardised construction-related products and systems.					
Number of Eco-Labels issued	10 Eco Labels issued	-	-	5 Eco Labels issued	5 Eco Labels issued
Percentage of Agrément certification projects managed and finalised within agreed timeframes.	90% of projects assessed and completed as per the agreed project timeframes.	90% of projects are approved as per the agreed project timeframes.	90% of projects are approved as per the agreed project timeframes.	90% of projects are approved as per the agreed project timeframes.	90% of projects are approved as per the agreed project timeframes.
Number of Agrément certificates issued	24 Agrément certificates issued	4 Agrément certificates issued	8 Agrément certificates issued.	6 Agrément certificates issued.	6 Agrément certificates issued.

Agrément South Africa Annual Performance Plan 2023/2024

Sub-Programme 1: Technical Services: Indicators, Annual and Quarterly Targets for 2023/2024.

Output Indicator	Annual Target 2023/2024	Quarterly Targets			
		1 st	2 nd	3 rd	4 th
Outcome: Optimised use of non-Standardised construction-related products and systems.					
Number of market and usage analysis reports	4 Agrément certified products and systems market and usage reports issued.	1 Agrément certified products and systems market and usage reports issued.	2 Agrément certified products and systems market and usage reports issued.	3 Agrément certified products and systems market and usage reports issued.	4 Agrément certified products and systems market and usage reports issued.
Number of agreements entered with specifiers to promote non-standardised construction related products or systems	2 Agreements signed with specifiers.	-		1 signed agreement.	1 signed agreement.

Agrément South Africa Annual Performance Plan 2023/2024

Sub-Programme 1: Technical Services: Indicators, Annual and Quarterly Targets for 2023/2024.

Output Indicator	Annual Target 2023/2024	Quarterly Targets			
		1 st	2 nd	3 rd	4 th
Outcome: Quality Assurance.					
Percentage of quality and compliance inspections conducted for valid issued certificates.	Quality and compliance audits were conducted for 92% of valid certificates in use.	Quality and compliance audits were conducted for 5% of valid certificates in use.	Quality and compliance audits were conducted for 35% of valid certificates in use.	Quality and compliance audits were conducted for 65% of valid certificates in use.	Quality and compliance audits were conducted for 92% of valid certificates in use.

Agrément South Africa Annual Performance Plan 2023/2024

Sub-Programme 2: Financial Services: Indicators, Annual and Quarterly Targets for 2023/2024

Output Indicator	Annual Target 2023/2024	Quarterly Targets			
		1 st	2 nd	3 rd	4 th
Outcome: Outcome: Resilient, ethical, and capable state					
Audit opinion issued	Clean external audit report without compliance issues	N/A as the audit is finalised in August 2022.	Clean external audit report without compliance issues	N/A	N/A
Percentage expenditure spent against approved budget.	96% of the expenditure spent against the approved budget.	Minimum of 15% of the expenditure spent against the approved budget.	Minimum 30% of the expenditure spent against the approved budget.	Minimum of 65% of the expenditure spent against the approved budget.	Minimum 96% of the expenditure spent against the approved budget.
Percentage of payments made within 30 days.	100% of valid invoices paid within 30 days	100% of valid invoices paid within 30 days.	100% of valid invoices paid within 30 days.	100% of valid invoices paid within 30 days.	100% of valid invoices paid within 30 days.

Agrément South Africa Annual Performance Plan 2023/2024

Sub-Programme 2: Financial Services: Indicators, Annual and Quarterly Targets for 2023/2024

Output Indicator	Annual Target 2023/2024	Quarterly Targets			
		1 st	2 nd	3 rd	4 th
Outcome: Outcome: Resilient, ethical, and capable state					
Percentage change of irregular expenditure.	60% decrease in the irregular expenditure balance	10% decrease in the irregular expenditure balance	20% decrease in the irregular expenditure balance	40% decrease in the irregular expenditure balance	60% decrease in the irregular expenditure balance
Percentage change of fruitless and wasteful expenditure	60% decrease in the irregular expenditure balance	10% decrease in the fruitless and wasteful expenditure balance	20% decrease in the fruitless and wasteful expenditure balance	40% decrease in the fruitless and wasteful expenditure balance	60% decrease in the fruitless and wasteful expenditure balance
Number of trainings provided to SMMEs	4 SMME trainings held on procurement and certifications requirements	1 SMME training held on procurement and certifications requirements	1 SMME training held on procurement and certifications requirements	1 SMME training held on procurement and certifications requirements	1 SMME training held on procurement and certifications requirements

Agrément South Africa Annual Performance Plan 2023/2024

Sub-Programme 2: Financial Services: Indicators, Annual and Quarterly Targets for 2023/2024

Output Indicator	Annual Target 2023/2024	Quarterly Targets			
		1 st	2 nd	3 rd	4 th
Outcome: Outcome: Resilient, ethical, and capable state					
Percentage of procurement spent on designated groups	30% of ASA's procurement spend directed to designated groups	30% of ASA's procurement spend directed to designated groups	30% of ASA's procurement spend directed to designated groups	30% of ASA's procurement spend directed to designated groups	30% of ASA's procurement spend directed to designated groups

Agrément South Africa Annual Performance Plan 2023/2024

Sub-Programme 3: Corporate Services: Indicators, Annual and Quarterly Targets for 2023/2024.

Output Indicator	Annual Target 2023/2024	Quarterly Targets			
		1 st	2 nd	3 rd	4 th
Outcome: Outcome: Resilient, ethical, and capable state					
Percentage of training implemented in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.	100% implementation of planned training in line with the approved training plans and budget.
Vacancy rate at 10%	10%	10%	10%	10%	10%

Budget Allocations Per Programme as Per ENE

Statement of financial performance	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Medium Term Estimates		
R thousand	2018/19		2019/20		2020/2021		2021/22		2022/23	2023/24	2024/25	2025/26
Revenue												
Non-tax revenue	3,292	4,323	3,972	4,724	2,528	4,300	4,570	4,973	2,820	3,764	4,249	4,499
Sale of goods and services other than capital assets	2,442	2,643	2,634	2,553	0	2,966	3,154	3,805	1,801	2,401	2,886	3,136
Administrative fees	655	0	1,160	119	75	1,418	1,529	3,560	1,231	1,831	2,031	2,281
Sales by market establishment	1,787	2,643	1,474	2434	1,294	1,548	1,625	155	570	570	855	855
Other non-tax revenue	850	1,680	1,338	2,171	1,159	1,335	1,416	1,168	1,019	1,363	1,363	1,363
Transfers received	29,988	29,988	31,062	32,010	29,027	31,164	33,078	33,078	33,951	34,082	35,613	37,117
Total revenue	33,280	34,311	35,034	36,734	31,555	35,464	37,648	38,051	36,771	37,846	39,862	41,616

Budget Allocations Per Programme as Per ENE

Statement of financial performance	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Audited Outcome	Budget	Medium Term Estimates		
R thousand	2018/19		2019/20		2020/2021		2021/22		2022/23	2023/24	2024/25	2025/26
Expenses												
Current expenses	33,280	29,893	35,034	35,227	34,135	35,464	37,648	32,409	36,771	37,846	39,862	41,616
Compensation of employees	19,541	15,127	20,810	19,059	22,063	21,175	23,010	23,282	25,025	26,596	27,757	28,969
Goods and services	13,099	11,237	13,974	14,083	9,047	9,916	14,192	7,769	10,833	10,879	11,374	11,882
Depreciation	640	3,624	250	2,084	2,711	0	446	1,357	913	372	732	765
Solidarity Fund	–	–	–	–	0	3,578	–	–	–	–	–	–
COVID-19 Expenses	–	–	–	–	314	795	–	–	–	–	–	–
Total expenses	33,280	29,893	35,034	35,227	34,135	35,464	37,648	32,409	36,771	37,846	39,862	41,616

Risk management

- The main objective is
 - to identify and manage the strategic, operational, financial, performance, and financial reporting and compliance risks to which ASA is exposed,
 - to promote effectiveness and efficiency in the ASA operations,
 - to promote reliable performance and financial reporting, and
 - to promote compliance with laws and regulations
- Executive management is aware that such a framework can neither provide absolute assurance that its objectives will be achieved nor can it entirely prevent material errors, losses, fraud, and the violation of laws and regulations.

Implementation of risk management framework

Executive management.

- This function owns and manages risk and is responsible for maintaining effective controls and executing risk and control procedures daily.
- It involves identifying and assessing risks being undertaken and establishing appropriate controls to mitigate the risks.
- There are adequate management controls in place to monitor ongoing compliance and to highlight control breakdown.

Implementation of risk management framework

Audit and Risk Committee

- Oversight Committee of the board and support the Executive management and help ensure that the risk and control procedures are operating as intended.

Internal Audit

- Report to Audit and Risk Committee and provide independent objective assurance on the effectiveness of governance, risk management, and internal controls, including how managers manage and control risks.
- Systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Implementation of risk management framework

- In implementing our mandate, we face several risks that may interfere with our business objectives.
- Some of these risks relate to our operational processes, while others relate to our business environment.
- It is important to understand the nature of these risks and the impact they may have on our business, financial conditions, economic conditions, and results of operations.
- Some more relevant risks are described below, which may not be in the order of likelihood or materiality.
- These risks are not the only ones we face; some risks may not yet be known to us, and certain risks that we do not currently believe to be material could become material in the future.

Risk Management Plan

OUTCOMES	KEY RISK	RISK MITIGATIONS
Sub-program 1: Technical Services.		
Optimised use of non-standardised construction related products and systems.	Inaccurate and unachievable predictions in revenue generation as per eco-label scheme business model.	Market analysis to be done, to inform an updated business model.
	Eco ASA not being recognised as a national scheme.	Implement the approved Marketing Strategy and plan, to market the scheme.
	Insufficient market penetration model and structure to attract new business in relation to certification of non-standardized product and system.	Implement the approved Marketing Strategy and plan, to market all ASA certification schemes.
	No regulation in place to support the implementation of the ASA ACT and ASA certification policies.	Gazetting of ASA rules, to support implementation of the ASA Act.
	ASA not being ISO 9001 certified.	ASA to maintain the ISO 9001 system and certification.
	ASA Certification and Quality Assurance Processes not accredited, Assessors not recognised as professionally competent and ASA not able to fulfil its Mandate.	ASA to obtain SANAS accreditation as an ISO 9001 certification body.

Risk Management Plan

OUTCOMES	KEY RISK	RISK MITIGATIONS
Sub program 2: Finance Department		
A resilient, ethical, and capable entity.	Adverse audit outcomes	<p>Implementation of internal controls for financial and human resources services.</p> <p>Providing training/workshops for staff</p> <p>Regularly checking the NT website for updates</p> <p>Regular consultations with the internal auditors and external auditors</p> <p>Independent reviews on tenders by the internal auditors</p>
	Reduced funding as a result of budget cuts in government funding	<p>ASA has reviewed its operations and innovated its overall operational processes to generate more revenue.</p> <p>ASA is also collaborating with other entities within the DPWI to share operational costs and maximise synergies.</p>

Risk Management Plan

OUTCOMES	KEY RISK	RISK MITIGATIONS
Sub program 3: Corporate Services Department		
A resilient, ethical, and capable entity.	Inability to fully execute the mandate and achieve organisational objectives.	ASA will explore and recommend financial measures to fill all positions in the new organisational structure to mitigate against unhealthy working conditions, and staff burnout leading to poor work performance.
	Irrelevant applications resulting in delays in filling critical positions.	Carry out recruitment of Critical Posts as per the recommendations of the organisational diagnostic.
	Lack of appropriate skill and expertise.	Implementation of the annual staff training plans.

Risk Management Plan

OUTCOMES	KEY RISK	RISK MITIGATIONS
Sub program 4: Office of the CEO		
A resilient, ethical, and capable entity.	Inability to meet performance targets and compliance with existing standard operating procedures.	Fast-track integration of performance monitoring and evaluation with Quality Management Systems
	Market penetration, Organisational visibility and integrity.	Foster partnerships with other public entities.
	Optimal performance of organisational processes	Monitor process performance on a monthly, quarterly and annual basis
	Capacity constraints that leads to interruptions in business process efficiencies	Capacitate the organisation

Conclusion

- Agrément South Africa continues to provide innovative product certifications for SMMEs and contributes immensely towards economic growth and job creation in South Africa.
- Through Eco-labelling and Green Building rating tools, Agreement South Africa fosters environmentally friendly, leading to a green economy.
- Contributes towards fast-tracking economic development by allowing the safe introduction of appropriate and suitable products.
- Facilitates partnerships with other public entities and helps reduce backlogs in different areas through innovative building technology systems (IBTs), i.e. Housing Backlogs
- Facilitates the global acceptance of South African-produced products.
- Provides independent and authoritative technical assurance of fitness for purpose.

Thank you